**The Power of Social Entrepreneurship in the Face of Urgent Grand Societal Challenges**

*Sophie Bacq, Associate Professor of Management & Entrepreneurship at the Kelley School of Business, Indiana University*

[bacqs@iu.edu](mailto:bacqs@iu.edu)

<https://www.linkedin.com/in/sophie-bacq-25843420/>

<https://kelley.iu.edu/faculty-research/faculty-directory/profile.cshtml?id=BACQS>

<https://sedocseminar.org>

COVID-19 is one of the most urgent, intractable, grand societal challenges of our time. While posing enormous challenges to the entire globe, the virus has also unleashed the desire to “do good” through organized efforts to help those suffering. As a result, it could be argued, now more than ever, the time is ripe for social entrepreneurship.

Recent years have witnessed an [increasing interest in social entrepreneurship](https://www.nytimes.com/2020/02/16/business/social-entrepreneurship.html?searchResultPosition=1)—the process of identifying, evaluating and exploiting opportunities aimed at generating social value by means of market-based activities and creative thinking. The rise of [social entrepreneurship as a global phenomenon](https://www.weforum.org/agenda/2018/09/world-changers-meet-the-social-entrepreneurs-of-the-year-2018/) has been associated with market and government failures to address societal needs (e.g., affordable healthcare and housing, quality education) combined with corporations realizing that [“business as usual” is no longer sustainable](https://hbr.org/2019/06/business-as-usual-will-not-save-the-planet). The [Business Roundtable’s Statement](https://opportunity.businessroundtable.org/ourcommitment/) redefining the “Purpose of the Corporation” in August 2019, [BlackRock CEO’s shareholder annual letter](https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter) claiming that “sustainability should be (the) new standard for investing” in early 2020, and [companies increasingly adopting the B Corp Certification](https://hbr.org/2016/06/why-companies-are-becoming-b-corporations) are just three examples of this global tendency.

Societal challenges of large magnitude, such as climate change, food security, global health, and now a pandemic, typically call for [cross-sector partners](https://sustainabledevelopment.un.org/sdg17) to work together in a coordinated manner, by pooling financial resources, knowledge, and expertise. Cross-sector partnerships have been seen as [a solution towards social progress](https://nextbillion.net/21st-century-cross-sector-partnerships/), as they [leverage the unique expertise of all actors involved](https://www.weforum.org/agenda/2020/01/how-cross-sector-collaboration-is-driving-the-global-climate-agenda/), but they require coordination which can be time-consuming.

Alternatively—and possibly complementarily, social entrepreneurship constitutes a powerful response to urgent global challenges like COVID-19 given its potential for an agile and nimble response. Social entrepreneurs are agents of change who reject the status quo. They do not follow recipes; they write their own recipes for solutions to disparate societal change. To do so, many social entrepreneurs resort to human-centered design thinking, creating solutions from the bottom-up, with the user—not the product—in mind.

Social entrepreneurship is also inherently a collective endeavor, in that it draws upon diverse community stakeholders (e.g., business owners, civic leaders, non-profits, etc.) to coordinate the development and implementation of innovative solutions. In a [recent review of extant social entrepreneurship research](https://www.tandfonline.com/doi/abs/10.1111/jsbm.12379), we found that communities are the very locus of societal change. Communities evoke the collective mindset—as opposed to individual mindset—that defines social entrepreneurs. Now more than ever in this crisis, we are on the same boat. A collective perspective is crucial, when outcomes of a venture impact more than those engaging in an economic transaction—a situation that is increasingly common among many (if not all) organizations.

Given their interaction with communities, social entrepreneurs are essential to driving societal change. Societal change is by essence a social process, one that occurs through interactions with others. As a social process, social entrepreneurship redefines the rules of competition. While businesses traditionally compete in competitive markets, social enterprises strive to find a delicate balance between competing for resources and customers, and collaborating with partners for the greater good. Addressing wide-spread societal change can be overwhelming, and thus may deter individual action. However, communities bound by shared interests and outcomes can be an ideal environment for (1) innovative ideas to emerge; (2) the rapid implementation of complex solutions involving diverse stakeholders; and (3) the cultivation of renewed social ties that enable long-term economic and social benefits.

The COVID-19 crisis has unleashed the collective power of a myriad of such social entrepreneurs. They have [responded to the crisis](https://www.ashoka.org/en-us/collection/changemakers-stepping-responding-pandemic) by [providing medical professionals with dire material they need](https://says.com/my/news/these-social-enterprises-are-giving-hand-sanitisers-face-masks-shields-to-front-liners) and [keeping the most vulnerable safe](https://www.reuters.com/article/health-coronavirus-aid/cheap-and-creative-ideas-to-protect-worlds-most-vulnerable-from-coronavirus-idUSL8N2B9889). Now is the time to awake the [social entrepreneur in *each* of us](https://www.nytimes.com/2018/02/08/opinion/changemaker-social-entrepreneur.html), where as united communities we can deploy the full power of humanity to fight the advancing virus.

Everywhere in our communities, neighborhoods and social groups, in our urban cities and rural villages, lie change agents in the making who have the power to build bottom-up enterprising solutions—[albeit virtually](https://www.covid19ideas.org/) for now—that can indeed “change the world.”