

The Four Types of Social Entrepreneurship

Net Impact | April 26 2021

As the world moves into year two of the COVID-19 pandemic, there are many who are stressing the need for social entrepreneurship. Individuals, businesses, and non-profits are stepping to the front and truly making a conscious effort to bring about positive change in the world, be it a direct result of the pandemic or other social causes. It is as if a critical mass has come together at a time when the world has an urgent need for social entrepreneurs.

The rise of social entrepreneurship

As the co-founder of The Center for the Advancement of Social Entrepreneurship at Duke University, Greg Dees points out that these individuals are a "special breed" of leaders. Author David Bornstein, who specializes in writing about social innovation, says, "What business entrepreneurs are to the economy, social entrepreneurs are to social change."

Types of social entrepreneurs

When it comes to driving change through social entrepreneurship, there are many definitions. These individuals and companies represent a vast cross-section of what they are trying to accomplish with their businesses. They also differ in terms of their strategies and goals for bringing about social change.

1. The Community Social Entrepreneur

This entrepreneur seeks to serve the social needs of a community within a small geographical area. These entrepreneurial initiatives could be anything from creating job opportunities for marginalized members to building a community center. Social entrepreneurs on this scale are usually individuals or small organizations. Microfinance loans are one example - offering financial solutions to local people with no access to banking.

2. The Non-Profit Social Entrepreneur

These entrepreneurs are focused on social, not material gain, meaning they prioritize social well-being over traditional business needs. They reinvest any profits into the business to facilitate the further expansion of services

3. The Transformational Social Entrepreneur

These people are focused on creating a business that can meet the social needs that governments and other businesses aren't currently meeting. The transformational category is often what non-profits evolve to with sufficient time and growth. They become larger organizations with rules and regulations - sometimes growing to the point of working with or getting integrated into governmental bodies.

4. The Global Social Entrepreneur

These entrepreneurs seek to completely change social systems in order to meet major social needs globally. It's often where big companies end up when they realize their social responsibility and begin concentrating on positive change as opposed to just profits.

<https://www.netimpact.org/blog/Four-Types-Social-Entrepreneurship>