

Social Entrepreneurship and the Legacy of *If Not For Profit, For What?*

by J. Gregory Dees

Anyone interested in social entrepreneurship should rejoice at the electronic re-publication of Dennis Young's classic *If Not for Profit, For What?* While Young's book may seem too narrow to those who refuse to be limited to the nonprofit form of organization in their pursuit of entrepreneurial solutions to social problems, his insights are still relevant, fresh, and applicable to entrepreneurial approaches to social problems that choose for-profit, hybrid, or new legal forms, such as the benefit corporation.

When Dennis Young first published this book, he created a spark that helped start the fire behind the emerging field of social entrepreneurship. I can say that with some authority, since I was one of the first to catch and transmit that spark by developing courses and materials on social entrepreneurship inspired by Dennis's work. Undoubtedly, Dennis would not want to take ownership of everything that is done in the name of social entrepreneurship, and in fact, he has not embraced this popular movement as actively as others have. Dennis is, above all, a serious scholar devoted to the study of the nonprofit sector, and he is not easily caught up in the latest popular inferno, even if he helped start it. However, those of us who are caught up in it owe him a deep debt for laying the foundations for many of the issues and debates that still occupy this emerging space.

Let me explain how this book was important to me as I began thinking about social entrepreneurship, and then say something about how it is still relevant.

My first encounter with this book happened in the mid-1980s when I was teaching at The Yale School of Management, which then offered a Master's degree in Public and Private Management, mixing business, government, and nonprofit in one program. Courses were expected to cut across sector boundaries. When, by a twist of fate, I was asked to develop a new venture creation course. I knew the students would be interested in all kinds of ventures, including nonprofit ventures. While it was easy to find good material on business venture creation, it was much harder on the nonprofit side. Fortunately, Woody Powell occupied the office across the hall from me, and he had just put together *The Nonprofit Sector: A Research Handbook*. Woody immediately directed me to Dennis's work and specifically to *If Not For Profit, For What?* Published just a few years earlier.

The power of this book was evident at first reading. It provided a way of envisioning entrepreneurship and venture creation in the nonprofit sector that had a common theoretical grounding to the approach I wanted to take to entrepreneurship in

general—a Schumpeterian approach. Fortunately, it did not require that nonprofit entrepreneurship be commercial in nature. The Schumpeterian approach Dennis takes makes entrepreneurship an integral part of the sector, not something grafted on by mimicking business. His analysis of nonprofit entrepreneurship provided an excellent theoretical grounding that created a clear bridge to entrepreneurship in all sectors. Having a unified theory of entrepreneurship that worked similarly in multiple environments was (and is) powerful. In addition, the entrepreneurial process Dennis laid out for the nonprofit sector was quite consistent with the process others saw in the commercial world, without having to result in a commercial venture. This helped provide a unity on the “practice” side, as entrepreneurs of all sorts progress from idea generation to resource mobilization to building the leadership team to developing their ventures (or programs).

This perspective stuck with me. Several years later, when I had the chance to offer the first social entrepreneurship course at Harvard Business School, I approached it in the same way. That was the spirit of the then new HBS Initiative on Social Enterprise. That spirit carried over to the work I did in building the Center for Social Innovation at Stanford’s Graduate School of Business, and the Center for the Advancement of Social Entrepreneurship at Duke.

As I am writing, it appears that hundreds of schools around the globe offer courses on social entrepreneurship and many have initiatives or centers that go well beyond individual courses. There are two academic journals devoted to the field: *The Journal of Social Entrepreneurship* and the *Social Enterprise Journal*. Many books and articles are written on the topic each year. Dennis’s influence and ideas permeate these efforts, even if they are not always acknowledged. As you read (or re-read) this book, you will recognize the influence.

For those interested in social entrepreneurship, while you are reading, I would like to propose questions in three key areas for you to consider. These are questions that might help us get even more out of the work Dennis Young did thirty years ago.

1. **Schumpeterian Analysis:** How would the Schumpeterian analysis Dennis offers change if the lens shifts from the nonprofit sector to simply having a social mission or objective, regardless of organizational form? What can we learn from his analysis that is relevant to social entrepreneurship in general? Are there any provocative insights that could stimulate new research?
2. **Entrepreneurial Stereotypes:** How well do Dennis’s entrepreneurial stereotypes apply if we expand the range of organizational structures available to include for-profit, hybrid, benefit corporations, cooperative, etc.? What role

could these types play in helping to determine the choice of organizational form? What role could the choice of organization form have in shaping the motivations of the venture's leaders? How well do these types hold up to current research on entrepreneurial motivations, which we know are wide ranging even in the world of for-profit ventures? Could more analysis of these types shed light on issues such as how quickly an organization scales up, how open it is to merger or to sharing its intellectual property?

- 3. Context and Performance:** Are there insights in Dennis's analysis of contextual factors, from accountability mechanisms to policy and legal constraints, that could be applied across sector boundaries to improve the probability of better performance by social entrepreneurs? To what extent are these dependent on his entrepreneurial types? To what extent could they stand independently of that analysis? Given that sector choice strongly affects the kinds of incentives and constraints facing an organization, how are different choices of organizational forms by social entrepreneurs likely to affect social performance, financial performance, and accountability mechanisms? How would the new legal forms—Benefit Corporation and low-profit Limited Liability Company in the US, and Community Interest Company in the UK—affect performance for different entrepreneurs?

You will find many nuggets in this book to stimulate your thinking. Dig in and enjoy it. It helped get the field of social entrepreneurship off the ground and it can stimulate further research as we explore better ways to foster entrepreneurial solutions to social problems.

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