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## *Sustainable Business Practices: A Comparative Analysis of Social Entrepreneurship and Corporate Social Responsibility*

**Dr. Richa Verma**

PGT Commerce,  
DAV Public School,  
Jind, Haryana, India.

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*Abstract: In light of the recent global crisis, there is clear evidence of a range of social problems that hinder the pursuit of sustainable human development. This crisis has underscored the pressing need for a reevaluation of the relationship between enterprises and society. It is evident that numerous challenges must be addressed to ameliorate the adverse effects of the prevailing economic model and enhance the overall quality of life for society at large.*

*Two distinct yet converging paths have emerged, each seeking to achieve the same ultimate goal. The first of these paths is Social Entrepreneurship, a proactive approach designed to meet the common needs arising from the current economic system. The second path, known as Corporate Social Responsibility (CSR), represents the outcome of a company's ethical introspection, founded on principles of interdependence and reciprocity with society. Both avenues are deeply intertwined with the aspiration to create sustainable social value, but their methods and perspectives diverge significantly, making it increasingly clear that there is value in exploring the synergies between them.*

*This comprehensive review seeks to unravel the complexities, distinctions, and commonalities inherent in the domains of Social Entrepreneurship and Corporate Social Responsibility. It is essential to recognize that the interpretation of these concepts hinges on the perception of value and ownership, a factor that plays a pivotal role in understanding their dynamics and implications.*

**Keywords:** *Social Entrepreneurship, Corporate Social Responsibility, Stakeholders.*

### **1. That is the Social Entrepreneurship?**

Social Entrepreneurship represents a dynamic and evolving realm closely associated with the activities of the non-profit sector. It forms a broad classification encompassing numerous organizations whose primary goal is to drive social change and address complex, pressing issues, such as poverty, hunger, and disease. While the social entrepreneurship landscape is multifaceted, it's important to discern it from the broader non-profit sector, which consists of a plethora of organizations engaged in social change without necessarily adhering to the principles of social entrepreneurship.

Paul Light, a prominent scholar hailing from the University of New York, has delved into this realm. His 2008 publication, "Search for Social Entrepreneurship," compiles various research efforts, shedding light on the relative novelty of social entrepreneurship as an academic field. Researchers have endeavored to distill the essence of social entrepreneurship and provide it with a coherent theoretical framework. It's worth noting that James Phills (2006), a figure cited in Light's publication, postulates

that the concept of social entrepreneurship is inherently connected to leadership. Its scope is intentionally flexible, allowing it to mold itself to various interpretations, thereby amplifying its appeal, particularly in the context of different leadership typologies.

In essence, Social Entrepreneurship is an evolving concept that marries the dynamism and innovation often associated with entrepreneurial endeavors with a deep commitment to addressing social and environmental challenges. It transcends traditional non-profit activities, offering a more structured and business-oriented approach to achieving social objectives.

The trajectory of social entrepreneurship is marked by the exploration of innovative solutions to societal problems, underpinned by a dedication to creating substantial social impact. At its core, it embodies the essence of combining business acumen and leadership qualities to enact meaningful change. The collective aim of these social entrepreneurial endeavors is to enhance the quality of life and instigate systemic transformations that benefit the broader society. While the journey of defining social entrepreneurship is ongoing, its practical applications remain resoundingly clear—making a difference and creating social value.

Paul Light, a prominent figure in the field of Social Entrepreneurship, has authored more than 25 books, including significant contributions in the areas of Social Entrepreneurship, nonprofit organizations, and government reform. His work has been influential in shaping the discourse around this emerging field.

Johanna Mair and Ignasi Martí, in their 2005 research, highlight the evolving nature of the definition of Social Entrepreneurship. They emphasize that while a single, comprehensive definition remains elusive, the various findings in the field complement each other. Researchers have focused on different facets of Social Entrepreneurship, creating a holistic view of the phenomenon. A fundamental consensus in the research is that Social Entrepreneurship is a process aimed at creating social value by innovatively combining resources to explore and exploit opportunities that drive both value creation and social change.

Jay Weerawardena and Gillian Sullivan Mort's 2006 work underscores the challenge of establishing a precise theoretical framework for Social Entrepreneurship. Despite the complexity and diversity of definitions, researchers concur that the core mission of Social Entrepreneurship is to catalyze systemic changes on a grand scale. These changes are seen as the key to creating social value, aligning with the insights of notable figures like Bill Drayton, who founded Ashoka in 1980 to support social entrepreneurs with a vision of enhancing the quality of life.

Professor J. Gregory Dees, a leading expert in Social Entrepreneurship, recognizes the historical presence of social entrepreneurs, even if the term itself is relatively recent. He emphasizes the need for a consensus in defining the role and sector of social entrepreneurs, which can enable the classification of innovative for-profit companies that deviate from traditional market approaches and philanthropic models. Social Enterprises, in Dees' view, are vital for developing new models that integrate the passion of a social mission with business acumen, innovation, and management. These organizations aim to complement the efforts of government agencies and philanthropic organizations, which might have fallen short in meeting the demands of society. The impact of Social Enterprises is measured not solely in terms of wealth creation but in their capacity to create social value, underscoring their commitment to sustainability.

The definition of Social Entrepreneurship can be approached from either an inclusive or exclusive perspective. An inclusive definition focuses on resolving social problems by changing established patterns, while the exclusive view, as articulated by Martin and Osberg in 2007, centers on seeking social balance. Given the pervasive imbalance in our world, the exclusive perspective addresses issues of vulnerability, emphasizing three core elements: an objective, an individual inspired to take direct action with creativity, courage, and strength to restore balance, and the enduring benefits this balance brings to the community.

In both inclusive and exclusive visions, the central purpose remains the resolution of common issues faced by groups of people. Social Entrepreneurship emerges as a versatile business model that addresses diverse societal needs, with any surplus generated being reinvested into the organization to further its social mission. At its core, Social Entrepreneurship is driven by the

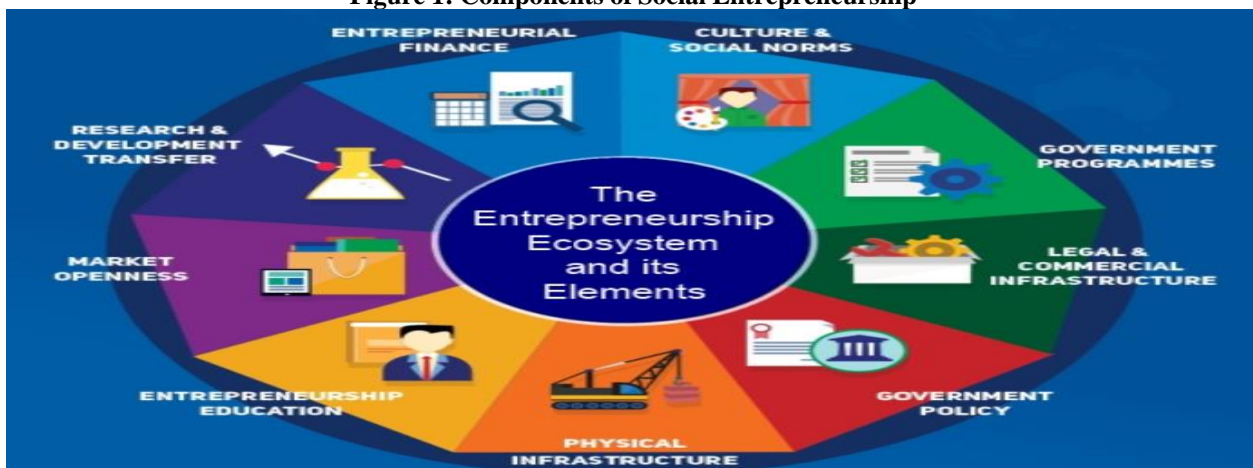
pursuit of creating social value, with leaders in this field—the social entrepreneurs—combining their passion for social causes with a range of skills, including discipline, innovation, strategic thinking, market analysis, and a visionary approach to develop projects that bring about tangible social impact and value.

In conclusion, Paul Light (2008) puts forth a comprehensive framework for defining Social Entrepreneurship. This framework comprises four key components that guide social entrepreneurs in developing and executing their initiatives. It is important to emphasize that social problems are not uniform; they vary based on context. Therefore, these components should be adapted to suit the specific circumstances of each social entrepreneurial endeavor. The four components are as follows:

- 1. Innovative Solutions:** Social Entrepreneurship revolves around the creation of innovative and groundbreaking solutions to address complex social issues. These solutions should challenge conventional thinking and open up new pathways for addressing societal challenges.
- 2. Sustainable Social Value:** Social entrepreneurs are driven by their commitment to creating sustainable social value. The impact of their initiatives should extend beyond short-term fixes and bring about lasting improvements in the well-being and quality of life for individuals or communities.
- 3. Resourceful Utilization:** Effectively and creatively using available resources is paramount in the realm of Social Entrepreneurship. Entrepreneurs must be skilled at combining resources in novel ways to maximize their impact and effect positive change.
- 4. Opportunity Exploration:** Recognizing and seizing opportunities for positive change is a foundational aspect of Social Entrepreneurship. Entrepreneurs in this field actively seek out opportunities to create social value and drive meaningful social change.

Light's framework acknowledges that the nature of social problems is dynamic and context-dependent. As such, it is imperative for social entrepreneurs to consider and adapt these components according to the unique circumstances and challenges they encounter in their pursuit of social change. By adhering to this framework, social entrepreneurs can better conceptualize and implement their initiatives, ultimately contributing to the resolution of complex and pressing social issues.

**Figure 1: Components of Social Entrepreneurship**



Source: The components of Social Entrepreneurship are integral to the understanding and success of this field. Each component, when functioning harmoniously, contributes to addressing social issues and creating positive change.

- 1. The Entrepreneur:** Drayton (2010) emphasizes the significance of the entrepreneur in Social Entrepreneurship. While sharing some characteristics with traditional business entrepreneurs, such as creativity, passion, commitment, persistence, and vision, social entrepreneurs stand out by their dedication to solving societal problems through systemic changes. The entrepreneur is the driving force behind the transformation and, therefore, plays a pivotal role.

2. **The Idea:** A compelling idea is the second critical component. The success of a social entrepreneurial venture hinges on the entrepreneur's unwavering commitment to the idea. Without this deep commitment, there's a risk of succumbing to the pitfalls of heroic leadership, as noted by Martin (2003). The alignment between a powerful idea and the entrepreneur's dedication differentiates social entrepreneurship from traditional philanthropy.
3. **The Opportunity:** The third component, the opportunity, is central to Dees' (1998) argument. Social entrepreneurs possess the unique ability to see opportunities where others perceive problems. Their aptitude for recognizing and relentlessly pursuing new opportunities is a defining trait. These opportunities not only drive change but also provide access to resources and potential collaborations, making them essential for the sustainability of social initiatives. This component is fundamental to understanding the essence of Social Entrepreneurship.
4. **The Organization:** The fourth component, the organization, is pivotal for ensuring the sustainability of social ventures. These organizations need to identify a product or service (the idea) that aligns with their overarching mission (the opportunity) and can generate the necessary resources for long-term sustainability. Unlike charitable or philanthropic efforts, social entrepreneurial organizations are fundamentally focused on creating lasting impact.

In summary, the success of Social Entrepreneurship relies on the dynamic interaction between these four components. The entrepreneur, the idea, the opportunity, and the organization must work in synergy to address societal issues and drive positive change. It's essential to distinguish Social Entrepreneurship from other related concepts, such as social movements and corporate social responsibility, as they serve different purposes and exhibit unique characteristics.

1. **Social Entrepreneurship vs. Social Movements:** Social Entrepreneurship is distinct from social movements. Social movements typically concentrate their efforts on four main areas: identifying political opportunities and threats, mobilizing resources, establishing collective identities, and understanding the limitations of collective action (Mair and Marti, 2005). These movements are often driven by the collective motivation of individuals who indirectly influence others to take action. In contrast, Social Entrepreneurship involves individuals who directly seek to initiate change and propose solutions to address specific social problems.
2. **Social Entrepreneurship and Value Creation:** Other authors, such as Austin, Stevenson, and Wei-Skillern (2006), emphasize the creation of value as a core aspect of Social Entrepreneurship. They argue that value creation in Social Entrepreneurship is influenced by various factors, including opportunities, people, capital, and the contextual environment. However, they stress the critical importance of alignment with the organization's mission in achieving this result. While organizations involved in Social Entrepreneurship may face operational restrictions, they possess the management capacity to drive change effectively.

This distinction underscores that Social Entrepreneurship is characterized by a proactive and direct approach to addressing social challenges while also emphasizing the creation of sustainable social value. It differs from social movements in its focus on individual initiative and from corporate social responsibility in its emphasis on sustainable ventures and innovation for social impact

It is also important to clarify that Social Entrepreneurship are not social movements or mechanism to undertake social causes, since these (social movements) focus their efforts on four main topics: political opportunities and threats, the structures of resource mobilization, building identity and limits of collective action (Mair and Marti, 2005). In fact, in the words of Guzman and Trujillo (2008): "*in the social activism, the motivation of the individual manifests itself indirectly influencing others to take the action and in the social entrepreneurship the entrepreneur assumes direct the search for a change or a solution*".

The definition of Social Entrepreneurship proposed by Austin, Stevenson, and Wei-Skillern (2006) highlights the multifaceted nature of this concept. They emphasize that several key components are involved in the creation of social value through Social Entrepreneurship:

- 1. Opportunity:** The identification and pursuit of opportunities play a crucial role in Social Entrepreneurship. Social entrepreneurs are adept at recognizing new ways to address social challenges, leveraging innovative solutions, and turning problems into opportunities for positive change.
- 2. People:** The individuals behind Social Entrepreneurship initiatives are instrumental in driving the process. These individuals exhibit characteristics such as creativity, passion, commitment, persistence, and vision, much like traditional business entrepreneurs. However, their focus is on solving social problems and instigating systemic changes.
- 3. Capital:** Access to financial resources is essential for the sustainability and scalability of Social Entrepreneurship initiatives. Securing funding and effectively allocating resources are integral components of the process.
- 4. Context:** The broader social and economic context within which Social Entrepreneurship operates significantly influences the outcomes. Factors such as regulations, market conditions, and societal norms can shape the opportunities and challenges faced by social entrepreneurs.

Austin, Stevenson, and Wei-Skillern also stress the importance of alignment with the organization's mission and purpose. This alignment ensures that the actions taken by social entrepreneurs are congruent with their overarching goals and values. While Social Entrepreneurship may entail operational restrictions, such as budget constraints and resource limitations, these organizations are equipped with management capacity. This means that they have the skills and competencies to navigate complex challenges and effectively execute their initiatives, with a primary focus on creating social value.

This discussion about Social Entrepreneurship, its various components, and the importance of alignment with organizational missions can serve as a foundation for exploring its relationship with Corporate Social Responsibility, as they both share a commitment to social value creation but differ in their approaches and scopes.

#### **That is the Corporate Social Responsibility-CSR-**

The primary role of a state since its establishment is to foster the development of a society that guarantees dignified living conditions and upholds human rights for all. This commitment extends to the economic, social, and environmental aspects of life and is designed to ensure the well-being of current and future generations. In this context, it is imperative for a state to operate as a socially responsible entity. This entails the creation of policies and regulatory frameworks that prioritize the oversight and supervision of the government's actions, irrespective of its political orientation.

The concept of corporate social responsibility (CSR) has its roots in the early history of entrepreneurship, where the primary and often sole interest group was the shareholders or owners of a company. At this stage, companies were often perceived as entities solely driven by profit motives, and their actions and effects on society were frequently viewed in a negative light. In response to such practices, the state intervened by imposing higher tax burdens and sanctions, particularly to address irresponsible corporate behavior.

However, over time, there was a shift in perspective. Entrepreneurs began to realize that a company's objectives and core purpose should encompass more than just profit generation. They recognized that a company's activities had a far-reaching impact on society and a diverse range of stakeholders, both directly and indirectly connected to the business. This ethical reflection among entrepreneurs gave rise to the concept of Corporate Social Responsibility (CSR) and the notion of creating social value.

The Figure presented in your text, Figure 2, likely illustrates the evolution of the CSR concept and its association with the creation of social value. CSR represents a reevaluation of a company's role and responsibility, expanding its mission beyond financial gains to consider its broader impact on the environment, society, and the well-being of all stakeholders. This transformation in perspective aligns with the broader objectives of social entrepreneurship, which aims to address societal challenges and establish sustainable social value.

Developing and implementing CSR strategies often involves companies committing to ethical practices, environmental sustainability, philanthropic initiatives, and active engagement with the community. The fundamental principle of CSR is that businesses should have a positive impact on society while pursuing their financial goals. This shift in perspective signifies a significant departure from earlier business paradigms in which corporate activities were solely guided by profit-seeking motives.



In the theory of Stake Holder, Freeman<sup>9</sup> (1984) defined as these groups employees, suppliers, customers, competitors, the state, directors, shareholders and the citizens that are around the organization directly or indirectly. For Clarkson (1995), the Stake Holder are individuals or groups of individuals that have, or are claiming, property, rights or interests of an organization and its activities, past, present, or future; these rights claimed or interests are the result of transactions that can be either legal or moral. On the basis of the foregoing there are primary Stake Holder, with a high degree of interdependence, are shareholders and investors, employees, customers and suppliers, government and society-community; their rights and expectations affect the survival of the company and for this reason, the entrepreneur must strive to create value for those who belong to the primary Stake Holder. The lack of attention to a primary Stake Holder or its non-recognition can generate the failure of the organization. The secondary Stake Holder, although they do not have such an important impact as the primary groups may oppose to the policies or programs that an organization takes to comply with their responsibilities, or to meet the needs and expectations of its primary Stake Holder. This differentiation between Stake Holder is vital for the definition of strategies by the directors, to manage or administer of the organization relations.

The theory of Stakeholder has faced various criticisms and challenges over time. Some of the key criticisms include:

**Duplication of Participants:** Critics have argued that stakeholder theory may lead to duplication of participants in stakeholder groups. This means that individuals or groups could be categorized as stakeholders in multiple ways, leading to confusion and inefficiency in stakeholder management.

**Inequality in Ability to Enforce Compliance:** Another criticism pertains to the inequality in the ability of different stakeholder groups to enforce compliance with commitments. Some stakeholders, particularly powerful ones, may have more influence and resources to hold organizations accountable, while others may lack such capabilities.

**Weak Operationalization:** Stakeholder theory has been criticized for weak operationalization, particularly due to the inadequate identification of stakeholders and their expectations. Without a clear delineation and definition of who the stakeholders are and what they expect, organizations may struggle to develop effective strategies for stakeholder engagement.

**CSR as a Cover-Up:** There is a concern that some organizations may use Corporate Social Responsibility (CSR) as a tool to cover up or legitimize old practices. In some cases, CSR initiatives might be perceived as a public relations strategy rather than a genuine commitment to social and environmental responsibility.

**Welfarism and Tax Alternatives:** In certain countries where legislation aligns CSR activities with tax benefits, some organizations may use CSR as a means to reduce their tax burden. This can lead to the promotion of welfarism, where organizations engage in philanthropic activities but do not fundamentally change their core business practices to be more socially responsible.

These criticisms underscore the importance of refining stakeholder theory and its practical implementation. Addressing these challenges requires a more robust framework for stakeholder identification, engagement, and accountability. Additionally, it calls for a clearer distinction between authentic CSR initiatives and activities that serve primarily as a tax-saving mechanism or public relations strategy. Efforts to address these issues can contribute to the development of more effective and responsible business practices that genuinely benefit a wide range of stakeholders and society as a whole.

The concepts of interdependence<sup>10</sup> and mutuality between company and Stake Holder were formed in topic of analysis; interdependence promptly began to be seen as a philanthropic alternative and is one of the first steps toward what today is known as the **Corporate Social Responsibility**.<sup>11</sup>

#### **Some definitions of Corporate Social Responsibility:**

- "Continued commitment by the companies to maintain ethical behavior and contribute to economic development while improving the quality of life for its staff and their families, the community in which they work and society in general. The World Business Council for Sustainable Development (The World Business Council for Sustainable Development –WBCSD-<sup>12</sup>).
- "Any person or group of people that may affect the performance of the company or to be affected by the achievement of the goals of the organization " (Freeman, 1984)
- The shared value is "redefining the limits of capitalism." (Porter and Kramer 2011)

The concept of shared value, as proposed by Michael Porter, represents an evolution in the understanding of Corporate Social Responsibility (CSR) and emphasizes the fundamental role of business in addressing social problems. This concept recognizes that businesses should not only aim to generate profits but also play a role in solving social issues through their core activities. It is about businesses assuming responsibility for societal problems that directly impact their operations and addressing these issues through their productive activities.

#### **Key principles of the shared value concept include:**

**Reconceiving Products and Markets:** This involves identifying new societal needs in areas like health, housing, the environment, and more, and creating innovative products that address these needs while generating shared value.

**Redefining the Productivity of the Value Chain:** Businesses should optimize the use of resources throughout their value chain, from suppliers to distribution channels, to create shared value efficiently.

**Supporting Local Cluster Development:** Identifying deficiencies in local ecosystems, such as logistics, suppliers, distribution channels, and educational institutions, can contribute to the development of new local clusters that generate shared value.

**The core idea is that businesses should not operate in isolation but actively engage in addressing social challenges while pursuing economic success.**

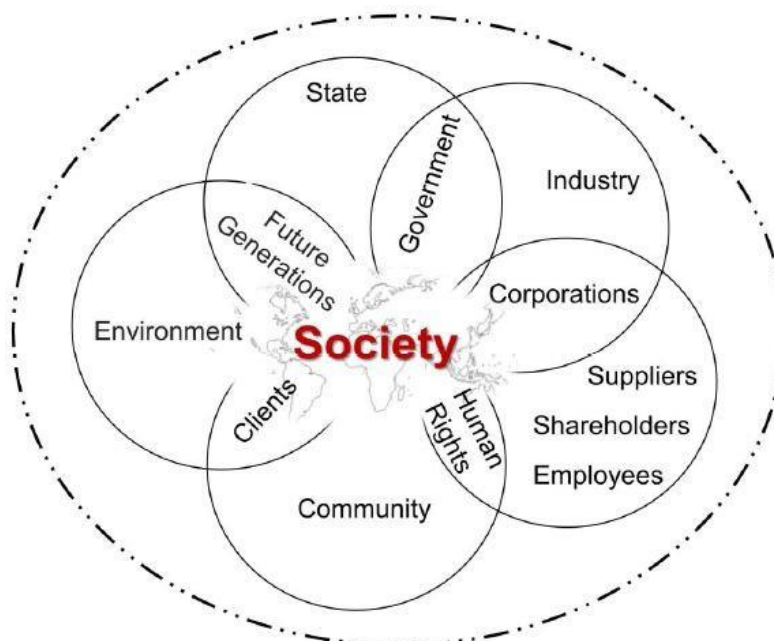
It's important to recognize that the responsibility for corporate social initiatives ultimately rests with individuals. Despite the legal designation of corporations as "legal persons," it is the people within these companies, including executives, employees, customers, and other stakeholders, who drive corporate behavior. As such, the responsibility for CSR extends to all individuals who are part of or affected by the company's operations.

The values that guide individual and corporate actions are crucial in making responsible decisions. Values such as responsibility should be clearly defined by companies, allowing stakeholders, including employees, customers, and the wider community, to consider and align with these values. This ensures that everyone involved understands and contributes to responsible practices within the system.

In Figure 3, the scope of interaction and reciprocity of stakeholders is described, highlighting the interconnectedness and shared responsibility among various stakeholder groups.

This approach to shared value represents a significant shift in the understanding of CSR, emphasizing that businesses can and should be a force for positive change in society while pursuing their economic objectives. It aligns with the idea that businesses and individuals play a joint role in creating a more responsible and sustainable world.

**Figure 3: The interdependence and the reciprocity of Stake Holder**



Source: own preparation from Freeman, 1984

## 2. Points in Common and Differences

Understanding the points of commonality and differences between Social Entrepreneurship and Corporate Social Responsibility (CSR) is essential to distinguish these concepts from other related ideas such as corporate philanthropy, sustainable development, inclusive business, and Benefit Corporations.



**Corporate Philanthropy:**

**Common Points:** Corporate philanthropy shares the common aim of contributing to social well-being. Both philanthropy and Social Entrepreneurship may involve charitable activities with a social focus.

**Differences:** Corporate philanthropy is often rooted in moral values and ethical reflection and is more associated with redistributing wealth. It may not involve systemic changes or a long-term vision for social impact. In contrast, Social Entrepreneurship focuses on solving systemic social problems through innovative business models.

**Sustainable Development:**

**Common Points:** Both Sustainable Development and Social Entrepreneurship share an interest in long-term social and environmental well-being. They recognize the finite nature of resources and aim to create positive societal changes.

**Differences:** Sustainable Development primarily emphasizes the environmental dimension and takes a holistic approach to sustainability, focusing on the balance between environmental, economic, and social factors. Social Entrepreneurship places a stronger emphasis on innovative business models as a means to address specific social issues.

**Inclusive Business and Benefit Corporations:**

**Common Points:** Inclusive business and Benefit Corporations both aim to contribute to creating more balanced and stable societies by addressing the needs of lower-income communities. They are also associated with good practices in social responsibility.

**Differences:** While both inclusive businesses and Benefit Corporations engage in social responsibility practices, their primary missions differ. Inclusive businesses focus on directly transforming the lives of lower-income populations and communities. Benefit Corporations, on the other hand, may not have a primary social mission but follow rigorous social responsibility practices to mitigate the impact of their interactions with various stakeholder groups, with their main mission being market positioning.

In summary, while there are commonalities between Social Entrepreneurship and these related concepts, the key difference lies in the approach to addressing social issues. Social Entrepreneurship is distinct because it focuses on creating innovative business solutions to address systemic problems, making it a unique and dynamic concept in the broader field of social responsibility and sustainability.

It's clear from your explanation that both Social Entrepreneurship and Corporate Social Responsibility (CSR) share a common goal: the creation of social value while maintaining financial sustainability. They both represent a shift from the traditional focus on economic value creation to making social value the central aspect of their business operations.

**Key points of commonality between Social Entrepreneurship and CSR include:**

**Social Value Creation:** Both concepts prioritize the creation of social value, making it the core objective of their activities. This shift in focus reflects their commitment to ensuring social welfare as a fundamental part of their mission.

**Interdependence and Reciprocity:** Both Social Entrepreneurship and CSR recognize their interdependence with various stakeholder groups, and they emphasize reciprocity in their relationships with these stakeholders. This means that they acknowledge the importance of considering and fulfilling the expectations of stakeholders.

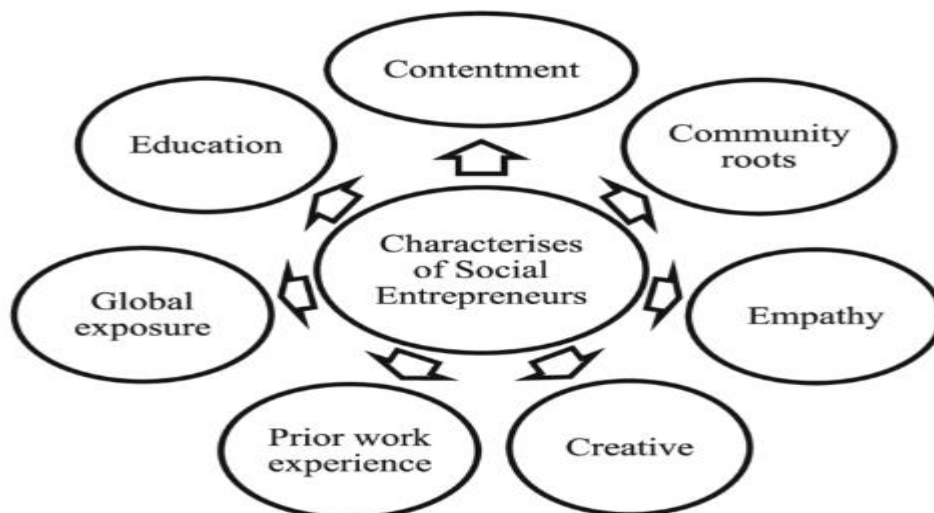
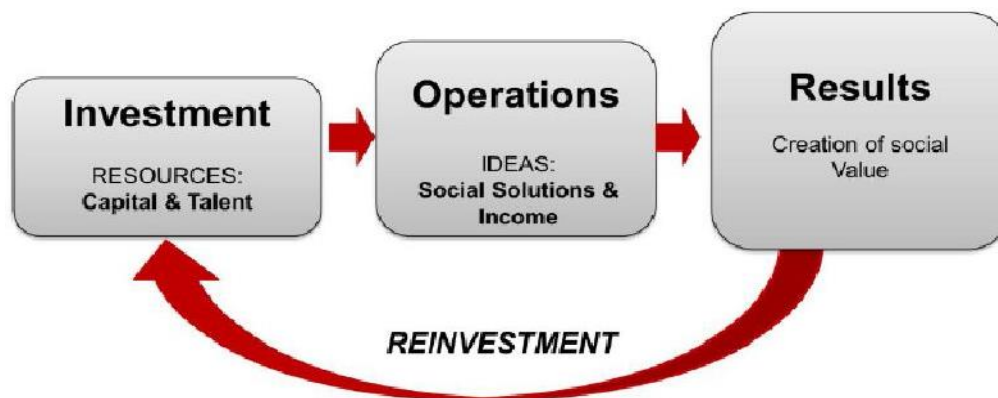
**Systemic Nature:** They both acknowledge the systemic, cyclical, and structural nature of social problems. This understanding leads them to address social issues through ongoing initiatives rather than one-time efforts.

While there are commonalities between Social Entrepreneurship and CSR, there are also differences in their approaches, with Social Entrepreneurship typically involving the creation of new businesses that directly address social issues and CSR encompassing actions and initiatives aligned with existing companies. However, these differences don't make them mutually exclusive; they can complement each other and collectively contribute to building a healthier and more dignified social system.

In the context of our changing world, businesses have a significant role to play in ensuring the sustainability of the planet. Just as families are central to society, companies are at the heart of economic activity. Therefore, businesses must carefully plan and coordinate their actions to promote sustainability and social value creation. Social Entrepreneurship and CSR are responses to environmental and social demands, and they reflect the need for businesses to take actions that benefit society while ensuring their survival and reputation.

In summary, Social Entrepreneurship and CSR are two approaches to creating social value, and they can work in tandem to address social problems and meet the needs of different stakeholder groups. The choice between them often depends on the specific context and nature of the social issue being addressed.

Figure 4: The purpose of Social Entrepreneurship



Source: own

Since Social Entrepreneurship come as a response to the needs and expectations of society its actions with interest groups should get to the bottom of the underlying problems to the whole social system, to ensure that people have access to the capabilities and freedoms to live the lives they value living (Sen, 1990).

The Corporate Social Responsibility and Social Entrepreneurship, can be innovative alternatives, human development, , the first supported by the leadership of their managers and the second from the ability of the social entrepreneur that looks for

the social change and boosts the opportunities of the environment in concrete actions of social management effective, efficient, sustainable.

### 3. Advantages and Disadvantages

#### Advantages of Social Entrepreneurship:

**Innovation:** Social entrepreneurs often bring fresh, innovative solutions to long-standing social issues. Their unconventional thinking and creative approaches can lead to breakthroughs in problem-solving.

**Sustainability:** Social entrepreneurship aims for self-sustainability, meaning the projects they initiate are designed to generate income and support themselves. This makes them less dependent on external funding.

**Scalability:** Successful social enterprises can scale their impact by expanding their operations and reach, which can lead to widespread social change.

**Impact Orientation:** The primary focus of social entrepreneurship is addressing social and environmental issues, which can lead to a more direct and immediate impact compared to traditional business models.

**Empowerment:** Social entrepreneurship often empowers marginalized communities by providing them with the tools, resources, and opportunities to improve their own lives.

#### Disadvantages of Social Entrepreneurship:

**Resource Challenges:** Social enterprises may struggle to secure funding and resources, as they operate in a complex space where social and financial goals must be balanced.

**Market Viability:** Developing a sustainable and profitable business model while simultaneously addressing social issues can be challenging, especially in resource-constrained environments.

**Limited Replicability:** Some social enterprises are highly context-specific, making it difficult to replicate their models in different regions or with different social problems.

**Dependency on Leadership:** The success of many social enterprises is closely tied to the leadership and commitment of their founders. This dependency can lead to challenges when leaders leave or change their focus.

#### Advantages of Corporate Social Responsibility (CSR):

**Reputation and Brand Enhancement:** Companies engaged in CSR initiatives often enjoy enhanced public perception and a stronger brand, which can lead to increased customer loyalty and trust.

**Risk Mitigation:** CSR can help companies manage risks associated with legal, environmental, and social compliance, reducing the likelihood of costly litigation or public relations crises.

**Attracting Talent:** CSR activities can make a company more attractive to top talent, leading to a more skilled and motivated workforce.

**Regulatory Compliance:** CSR efforts can help companies comply with evolving social and environmental regulations, reducing the likelihood of legal penalties.

#### Disadvantages of Corporate Social Responsibility (CSR):

**Costs:** CSR initiatives can be expensive to implement, as they often require additional resources, including funding, time, and personnel.

**Potential for Greenwashing:** Some companies engage in CSR merely for the purpose of improving their public image,

without making meaningful changes to their practices. This can lead to accusations of "greenwashing" and damage to their reputation.

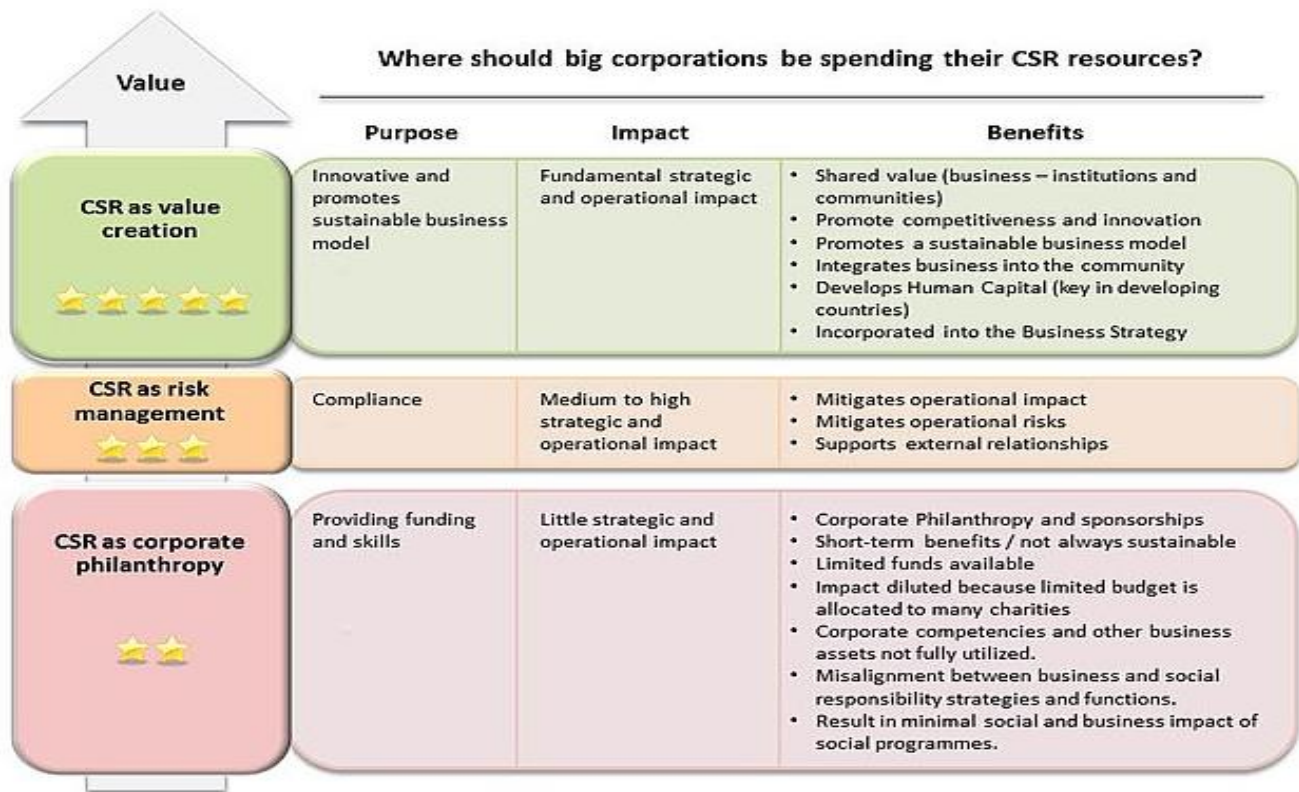
**Lack of Authenticity:** When CSR initiatives are not aligned with a company's core values or are seen as inauthentic, they may not yield the intended benefits and can even backfire.

**Pressure for Results:** There can be significant pressure on companies to demonstrate measurable results from their CSR initiatives, which can be challenging to achieve, especially in the short term.

In conclusion, both Social Entrepreneurship and CSR have their own set of advantages and disadvantages. The choice between them often depends on the specific context, the nature of the social issue being addressed, and the resources available to the organization or business. Some organizations may even choose to incorporate elements of both approaches to maximize their social impact while maintaining sustainability and alignment with their values and goals.

**Table 2: Comparative Social Entrepreneurship and Corporate Social Responsibility: Points in Common**

	ADVANTAGES	POINTS IN COMMON	Disadvantages
<b>ES</b>	<ul style="list-style-type: none"> <li>• Social Enterprises are employment generators.</li> <li>• Work the concept of social innovation to solve social problems.</li> <li>• Prioritize the creation of social value being self-sustaining.</li> <li>• Social Enterprises are necessary for a balanced business ecosystem.</li> </ul>	<ul style="list-style-type: none"> <li>• Social Welfare: environment, human rights, labor rights, consumer protection and fair trade among others.</li> <li>• Development Alliance state-business-civil society.</li> <li>• Concern for the future.</li> <li>• To restore social order.</li> </ul>	<ul style="list-style-type: none"> <li>• Social Enterprises with paternalistic approach does not favor the creation of social value.</li> <li>• The potential of social initiatives is complex to measure, starting from conception itself as it represents a different value for each scenario.</li> <li>• Poor management of sustainability and dependence on donations.</li> </ul>
<b>CSR</b>	<ul style="list-style-type: none"> <li>• Access to investment funds that focus on socially responsible company.</li> <li>• Reputation and brand positioning.</li> <li>• Guidance toward the values.</li> <li>• A strategy that promotes the competitiveness.</li> </ul>		<p>Fig. 1. The government can reduce its level of involvement in some subjects or specific territories.</p> <p>Fig. 2. Use the actions as a means, not an end of social interaction. (Use mediatic.)</p> <p>Fig. 3. Assistentialist actions that favor mercantilist interests, or lacking meaning actions for Stake Holders.</p> <p>Fig. 4. There are no institutional and cultural mechanisms that favor the commitment of the whole society as an active part of each interest group.</p>



Source: own

#### 4. Conclusion

In conclusion, the growing interest in addressing social and environmental issues has led to the emergence of innovative approaches like Social Entrepreneurship and the evolution of concepts such as Corporate Social Responsibility (CSR). These initiatives share a common goal of creating social value but differ in their origins, strategies, and areas of focus. Social Entrepreneurship is characterized by its entrepreneurial and problem-solving nature. Social entrepreneurs are driven by a deep commitment to social change and use creative and innovative methods to address pressing social issues. They often create new ventures, products, or services to directly tackle these problems and seek financial sustainability while creating social impact.

On the other hand, Corporate Social Responsibility is a concept that has evolved within established companies and organizations. It involves integrating ethical, social, and environmental considerations into existing business operations and strategies. CSR initiatives aim to improve a company's public image, attract talent, and enhance sustainability while complying with evolving regulations. While both Social Entrepreneurship and CSR aim to create social value, they have unique advantages and disadvantages. Social Entrepreneurship brings innovation, adaptability, and scalability but may face resource constraints and challenges in replicating success. CSR can enhance a company's reputation, mitigate risks, and attract top talent but may incur high costs and be criticized for inauthenticity.

The key distinction lies in their origin and focus. Social Entrepreneurship often starts as a response to specific social issues, with a primary focus on addressing those problems. CSR, on the other hand, typically arises from established organizations seeking to incorporate social and ethical considerations into their existing business functions. In the modern context, both approaches are essential. Social entrepreneurs bring fresh ideas and drive innovation to address emerging challenges, while established companies, through CSR, can leverage their resources and reach to make a significant impact on existing issues. They both share a common objective of improving quality of life and creating social value, and they can work together to build a healthier, more equitable, and sustainable society. The focus of the debate, though, centers on the individual. Both Social Entrepreneurship and CSR aim to enhance the well-being and welfare of individuals, but they approach it from

different angles. CSR often addresses the needs of individuals affected by a company's operations or products, while Social Entrepreneurship offers cross-cutting solutions to societal challenges within the broader global economic system. In a world characterized by increasing awareness of social and environmental challenges, it's imperative that both Social Entrepreneurship and CSR continue to evolve and collaborate to create a positive impact, leading to a more just and sustainable future.

In conclusion, the growing interest in addressing social and environmental issues has led to the emergence of innovative approaches like Social Entrepreneurship and the evolution of concepts such as Corporate Social Responsibility (CSR). These initiatives share a common goal of creating social value but differ in their origins, strategies, and areas of focus. Social Entrepreneurship is characterized by its entrepreneurial and problem-solving nature. Social entrepreneurs are driven by a deep commitment to social change and use creative and innovative methods to address pressing social issues. They often create new ventures, products, or services to directly tackle these problems and seek financial sustainability while creating social impact.

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