Complexity Science and Social Entrepreneurship
Adding Social Value through Systems Thinking

A Volume in the Exploring Organizational Complexity Series
Volume 3
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Complexity Science and Social Entrepreneurship
Adding Social Value through Systems Thinking

Edited by
Jeffrey A. Goldstein, James K. Hazy and Joyce Silberstang

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Preface—Social Business: Designing the Possibility Space for Social Action
Ron Schultz .................................................................................................................................................. 1

1. Editorial: Liberating ‘Our Better Angels’
Jeffrey Goldstein, James K. Hazy & Joyce Silberstang ................................................................. 11

Part 1
DEFINING AND REDEFINING SOCIAL ENTREPRENEURSHIP

2. The Social Entrepreneurship Matrix as a “Tipping Point” for Economic Change
Brenda L. Massetti .................................................................................................................................. 31

3. Social Entrepreneurship as an Algorithm: Is Social Enterprise Sustainable?
Jeff Trexler ................................................................................................................................................ 43

4. Social Entrepreneurship and Complexity Models
Said Malki .................................................................................................................................................. 71

5. Seeking the Robust Core of Social Entrepreneurship Theory
Steven E. Wallis ...................................................................................................................................... 83

Part 2
A COMPLEXITY PARADIGM FOR SOCIAL ENTREPRENEURSHIP

Jeffrey Goldstein, James K. Hazy & Joyce Silberstang ...................................................................... 111

7. Toward Systemic Societal Entrepreneurship: Opportunities, Theories, and Methods
Sara Nora Ross ....................................................................................................................................... 135

8. How to Construct a Sustainable Meta-system: Applying Stafford Beer’s Systems Approach for Organizational Transformation
Elizabeth Vidal Arizabaleta .................................................................................................................. 157
9. A Case Study of Applying SSM in Community Revitalization  
   Gail P. Faherty, Doncho Petkov, Richard Staron, Eric Martin and Mike France ................................................................. 175

10. The Complexity of Social Entrepreneurship Systems: Social Change by the Collective  
   David R. Schwandt, Scot Holliday & Gayatri Pandit ....................................................... 191

## Part 3  
**ECONOMIC IMPACT AND SOCIAL VALUE CREATION**

   Mariano Torras .................................................................................................................. 215

   Rodrigo Zeidán ............................................................................................................... 231

13. Social-Institutional Entrepreneurship at the Grameen Bank  
   Mohammad Imrul Kayes ................................................................................................. 243

14. Toward a Theory of Social Value Creation: Individual Agency and the Use of Information Within Nested Dynamical Systems  
   James K. Hazy, Sviatoslav A. Moskalev & Mariano Torras ........................................ 257

## Part 4  
**SOCIAL NETWORKS AND CROSS-SECTOR ALLIANCES**

   Jeffrey Goldstein & Rodrigo M. Zeidán ......................................................................... 285

   Maria May Seitanidi ....................................................................................................... 345

17. An Exploratory Study of Cross-Sector Partnerships in Canada Using Complex Systems Thinking  
   Jessica Mankowski ......................................................................................................... 365
18 Observing and Learning from Social Entrepreneurship: Transparency, Organizational Structure, and the Role of Leadership
A. Steven Dietz & Constance D. Porter ........................................................................... 383

19. Social Entrepreneurship in the Context of the Romanian Transitional Economy
Anca Borza, Catalina Mitra & Ovidiu Bordean ........................................................ 411

20. Social Entrepreneurship Effects on the Emergence of Cooperation in Networks
Arianna Dal Forno & Ugo Merlone ................................................................................ 427

Part 5
SOCIAL CHANGE AND COLLECTIVE IDENTITY

21. The Emergence of Collective Identity as a Means for Creating and Sustaining Social Value
James K. Hazy & Joyce Silberstang ............................................................................. 447

Paul Tapsell & Christine Woods .................................................................................. 471

23. Creative Interaction in Culturally Diverse Groups
Daniela Beck & Li Choy Chong .................................................................................. 487

Tina Lee Odinsky-Zec & Paul Stubbs .......................................................................... 507

25. Spiritual Resources for Change in Hard Places: A Values-Driven Social Entrepreneurship Theory of Change
David L. Haskell, Janice Hayashi Haskell & Jennifer W. Kwong ............................ 529

26. Social Entrepreneurship as a Performance Landscape: The Case of ‘Front Line’
Mary Lee Rhodes & Gemma Donnelly-Cox ............................................................... 559

27. Social Entrepreneurs Engage in Adaptation: Twin Virtues for Leading Complex Adaptive Systems
Nathan Harter & Merwyn L. Strate ............................................................................ 581
Preface—Social Business:
Designing the Possibility Space for Social Action
Ron Schultz

Introduction: Social Businesses ................................................................. 1
The Possibility Space for Social Action .................................................. 2
Social Businesses in the Community Today ....................................... 4
Building Community Networks ............................................................... 6
The Social Enterprise Zone Lending4Change Model ............................ 7
References ................................................................................................. 8

1. Editorial: Liberating ‘Our Better Angels’
Jeffrey Goldstein, James K. Hazy & Joyce Silberstang

Introduction ............................................................................................. 11
Section Headings and Their Chapters .................................................... 14
  Part 1: Defining and Redefining Social Entrepreneurship .................. 14
  Part 2: A Complexity Paradigm for Social Entrepreneurship ............... 16
  Part 3: Economic Impact and Social Value Creation ............................ 18
  Part 4: Social Networks and Cross-Sector Alliances ............................ 20
  Part 5: Collective Identity and Social Change ....................................... 23
Conclusion: A New Center for Social Entrepreneurship and Complexity at Adelphi University ......................................................... 25

Part 1
Defining and Redefining Social Entrepreneurship

2. The Social Entrepreneurship Matrix as a “Tipping Point”
   for Economic Change
Brenda L. Massetti

Introduction ............................................................................................. 31
Social Entrepreneurship Defined ............................................................ 32
  Social Commerce Defined .................................................................. 34
The Social Entrepreneurship Matrix ....................................................... 36
Conclusion ............................................................................................... 39

3. Social Entrepreneurship as an Algorithm:
   Is Social Enterprise Sustainable?
Jeff Trexler

Introduction ............................................................................................. 43
Defining Social Enterprise ...................................................................... 45
# Table of Contents

The One and the Many Problem ....................................................................................................... 46
Social Enterprise as Algorithm ....................................................................................................... 47
The Social Enterprise Bubble ....................................................................................................... 50
Rhetorical Turbulence .................................................................................................................. 50
Limit Factors .................................................................................................................................. 52
Social Enterprise as Transitional Form ...................................................................................... 55
The Emergence of Civil Society ..................................................................................................... 56
The Emergence of Corporate Identity .......................................................................................... 60
The Emergence of Social Enterprise ............................................................................................ 62
Conclusion ....................................................................................................................................... 66
References ......................................................................................................................................... 66

4. **Social Entrepreneurship and Complexity Models**
   
   **Said Malki**
   
   Introduction ................................................................................................................................. 71
   Social Entrepreneurship: Definition and Characteristics ............................................................ 72
   Analysis of Complexity in Social Enterprises ............................................................................. 75
   Embedded Social Enterprise ........................................................................................................ 75
   Integrated Social Enterprises ....................................................................................................... 76
   External Social Enterprises ......................................................................................................... 76
   Conclusion ...................................................................................................................................... 80
   References ...................................................................................................................................... 80

5. **Seeking the Robust Core of Social Entrepreneurship Theory**
   
   **Steven E. Wallis**
   
   Importance of Social Entrepreneurship .................................................................................... 83
   Perspectives .................................................................................................................................. 84
   Knowledge Management Perspective ......................................................................................... 85
   Complexity Theory Perspective ................................................................................................... 85
   The Structure of Theory .............................................................................................................. 86
   Robustness of Theory .................................................................................................................. 87
   First Study—An Interdisciplinary Set of Theories ....................................................................... 89
   Sources and Foci of Social Entrepreneurship Theory Before This Volume ......................... 89
   Core and Belt of Social Entrepreneurship Theory Before This Volume .............................. 91
   Robustness of the Field of Social Entrepreneurship Theory Before this Volume .................. 92
   Opportunities to Increase Robustness of Social Entrepreneurship Theory Before this Volume ......................................................................................................................... 94
   Second Study—Analysis of CT Based SE Theory ...................................................................... 95
   Sources and Foci in Complexity Theory Analysis ..................................................................... 95
   Core and Belt in Complexity Theory Analysis ......................................................................... 96
   Robustness of Field in Complexity Theory Analysis .............................................................. 97
   Critical Comparison of Two Fields ............................................................................................ 97
   Sources and Foci in the Combined Analysis .............................................................................. 97
Part 2
A Complexity Paradigm for Social Entrepreneurship

   Jeffrey Goldstein, James K. Hazy & Joyce Silberstang

   Introduction: Responding to a World in Need ............................................. 111
   Beyond Inspiration ...................................................................................... 113
   Heroics is Not Enough .............................................................................. 114
   The Key Role of Social Networks .............................................................. 117
   Social Connectivity, Rich Information, and Network Dependent Learning... 118
   Hierarchy ...................................................................................................... 119
   The Perspective of Complex Adaptive Systems .......................................... 120
   Dynamical Systems and Attractors ............................................................ 120
   Dynamical Systems and Social Entrepreneurship ...................................... 122
   Stability and Attractors in Dynamical Systems ........................................... 123
   Convergence Toward Attractors .............................................................. 123
   Generative Dynamics and Divergence Within Attractors ......................... 124
   Unifying Organizing Dynamics Across Systems ........................................ 125
   Self-Organization, the Dynamics of Requisite Complexity, and Emergence .. 126
   Emergence and Social Innovation ............................................................ 127
   How Social Entrepreneurship Constructs Social Value ............................. 128
   Social Entrepreneurship and Social Value ................................................. 129
   Conclusion: Theory Informing Practice for a Brighter Future .................... 131
   References ................................................................................................. 132

7. Toward Systemic Societal Entrepreneurship: Opportunities, Theories, and Methods
   Sara Nora Ross

   Introduction ............................................................................................... 135
   Questions for an Action Agenda .............................................................. 137
   A Way Forward ......................................................................................... 138
   To Meet a Three-Fold Demand ............................................................... 138
   Systemic Social Complexity: A Case in Point ......................................... 139
   Social Complexity and the Genesis of Informed Social Capital ............... 141
   Systems Thinking and Complex Causation ............................................. 144
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increases in Complexity as the Core of Innovation</td>
<td>146</td>
</tr>
<tr>
<td>A Theory of Systemic Social Change</td>
<td>148</td>
</tr>
<tr>
<td>The Role of Decision Making in Societal Entrepreneurship</td>
<td>149</td>
</tr>
<tr>
<td>Complexity Science-Based Decision-Making Methods</td>
<td>150</td>
</tr>
<tr>
<td>Conclusion</td>
<td>152</td>
</tr>
<tr>
<td>Afterword</td>
<td>153</td>
</tr>
<tr>
<td>References</td>
<td>153</td>
</tr>
<tr>
<td>8. How to Construct a Sustainable Meta-System: Applying Stafford Beer’s Systems Approach for Organizational Transformation</td>
<td></td>
</tr>
<tr>
<td>Elizabeth Vidal Arizabaleta</td>
<td></td>
</tr>
<tr>
<td>Introduction: Institutional Analysis</td>
<td>157</td>
</tr>
<tr>
<td>Organizational Reconfiguration of UNAD as a Meta-System</td>
<td>159</td>
</tr>
<tr>
<td>UNAD as a Meta-System</td>
<td>165</td>
</tr>
<tr>
<td>Enabling the Transformation</td>
<td>167</td>
</tr>
<tr>
<td>Conclusion</td>
<td>171</td>
</tr>
<tr>
<td>References</td>
<td>171</td>
</tr>
<tr>
<td>9. A Case Study of Applying SSM in Community Revitalization</td>
<td></td>
</tr>
<tr>
<td>Gail P. Faherty, Doncho Petkov, Richard Staron, Eric Martin &amp; Mike France</td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>175</td>
</tr>
<tr>
<td>Current Practices in Community Development and Alternative Systems Thinking Approaches</td>
<td>176</td>
</tr>
<tr>
<td>A Brief Analysis of the Traditional Community Development Literature and of Current Practices in This Area</td>
<td>177</td>
</tr>
<tr>
<td>Alternative Approaches to Community Development: Systems Thinking and Complexity Theory</td>
<td>177</td>
</tr>
<tr>
<td>Community Development and Systems Thinking</td>
<td>177</td>
</tr>
<tr>
<td>Brief Comments on Soft Systems Methodology</td>
<td>178</td>
</tr>
<tr>
<td>Some Comparisons Between SSM and Complexity Theory</td>
<td>180</td>
</tr>
<tr>
<td>Case Background Summary</td>
<td>181</td>
</tr>
<tr>
<td>Methods Applied in the Intervention</td>
<td>182</td>
</tr>
<tr>
<td>Data Collection</td>
<td>182</td>
</tr>
<tr>
<td>Justification of Methods</td>
<td>182</td>
</tr>
<tr>
<td>A Brief Account of the Intervention</td>
<td>184</td>
</tr>
<tr>
<td>Conclusions: Importance and Relevance of the Research</td>
<td>186</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>187</td>
</tr>
<tr>
<td>References</td>
<td>187</td>
</tr>
</tbody>
</table>
10. The Complexity of Social Entrepreneurship Systems:
Social Change by the Collective
David R. Schwandt, Scot Holliday & Gayatri Pandit

Introduction .............................................................................................................. 191
Defining Social Entrepreneurship ........................................................................ 193
Complex Adaptive Systems .................................................................................. 195
The Argument: Social Entrepreneurship Systems are Complex Adaptive Systems ..................................................................................................... 196
  Emergence of Novel Social Solutions ................................................................. 197
  Sustaining Social Entrepreneurship Actions......................................................... 199
  System Tensions and Social Entrepreneurship ................................................... 202
Conclusions ........................................................................................................... 206

References ............................................................................................................. 207

Part 3
ECONOMIC IMPACT AND SOCIAL VALUE CREATION

Mariano Torras

Introduction .............................................................................................................. 215
The Problem .............................................................................................................. 216
  Shareholder value and its limitations ................................................................. 217
  Our Fetish with Quantitative Indicators .............................................................. 218
  Belief in the Linear Stages Hypothesis of Economic Development Theory ...... 219
  Externalities .......................................................................................................... 220
  Delinking of Economic Theory from the Physical World .................................. 220
  Disregard for Complexity in Economic Analyses .............................................. 221
The Diagnosis ........................................................................................................ 222
Solutions ................................................................................................................ 224
  Change in Relative Scarcity of Factors ............................................................... 224
  Social Value and the Triple Bottom Line ............................................................ 226
Conclusion ............................................................................................................. 227
References ............................................................................................................. 228

12. Development Economics and Social Entrepreneurship:
A Recursive Social Capital Accumulation Model
Rodrigo Zeidan

Introduction .............................................................................................................. 231
Development Economics: A Historical Primer from the Perspective of a Developing Country ............................................................ 232
Development Economics, Social Capital, Complexity and Network Theory ............................................................ 235
Making a Market for Social Value Risk that is Analogous with Capital
Markets .......................................................................................................................................................... 276
A Tentative Proposal: Markets for Trading Social Services ..................................................... 277
Concluding Remarks ......................................................................................................................... 279
References ............................................................................................................................................... 280

Part 4
SOCIAL NETWORKS AND CROSS-SECTOR ALLIANCES

15. Social Networks and Urban Poverty Reduction:
A Critical Assessment of Programs in Brazil and the United States with Recommendations for the Future
Jeffrey Goldstein & Rodrigo M. Zeidan

Introduction: Inattention to Social Network Connectivity as a Common Lack Across a Hemispheric Divide .......................................................... 285
The Two Poverty Reduction Arenas ............................................................................................... 288
Poverty Reduction Policies and the Neglect of Social Network Connectivity ................................. 290
Critique of Urban Poverty Reduction Policies: An Internal Focus which Further Marginalizes the Urban Poor .......................................................... 292
The Case of Favela-Bairro ................................................................................................................. 294
Favelas in Brazil .................................................................................................................................. 294
Favela Revitalization ............................................................................................................................ 297
Poverty and Workforce Development in the US .......................................................................... 300
Federal Legislation and Workforce Development in the United States ........................................ 302
Medical Pathways: A Workforce Development Program in New York City .......................... 305
Towards a New Framework for Urban Poverty Reduction Policies ............................................ 307
The Dynamics of Social Networks and Poverty Reduction .......................................................... 311
The Complex Dynamics of Social Networks .................................................................................. 311
Emergence, Innovation, the Marginal, and “Weak Ties” .................................................................. 313
Types of Social Networks .................................................................................................................. 317
Distributed Intelligence and “Smart” Networks .............................................................................. 321
Connecting the Poor and Non-poor through Greater Social Network Connectivity ....................... 324
Social Network Clustering and Increasing Marginalization ............................................................ 325
Creating Smaller out of Larger Worlds ............................................................................................. 327
Constructing Real Social Networking .............................................................................................. 332
Conclusion: Social Network Dynamics and Strategies to Reduce Urban Poverty ............................ 334
References ............................................................................................................................................... 337

Maria May Seitanidi

Introduction .............................................................................................................. 345
Social Entrepreneurship and Cross Sector Social Partnerships as Complex Adaptive Systems .................................................................................................................. 346
Interactive Multi-Level Change in CSSPs: Learning from Failure ............. 348
Methods ..................................................................................................................... 350
  Case Selection ........................................................................................................ 350
  Data Collection and Analysis .............................................................................. 351
  The Challenge of Multi-Level Case Analysis ..................................................... 352
Results and analysis ............................................................................................ 352
  Intentional Versus Unintentional Change in Social NPO-BUS Partnerships .. 352
  A Missed Opportunity? ....................................................................................... 356
Conclusion: Moving from Reactive and Proactive to Adaptive Responsibilities .................................................................................................................. 357
Acknowledgements ................................................................................................ 360
References ................................................................................................................. 360

17. An Exploratory Study of Cross-Sector Partnerships in Canada Using Complex Systems Thinking

Jessica Mankowski

Introduction .............................................................................................................. 365
Adaptive Cross-sector Partnerships .................................................................... 366
  Positive Partnerships .......................................................................................... 368
  Partnership Drivers ............................................................................................. 368
  Partnerships in Canada ....................................................................................... 370
Methods ..................................................................................................................... 370
A Complex Systems View of Partnership Behavior ......................................... 373
  Complex Systems Thinking ............................................................................... 374
  The Alberta System .............................................................................................. 375
  History of Cross-sector Collaboration ............................................................... 375
  Stable Provincial Political Climate .................................................................. 376
  Energy-Based Economy ..................................................................................... 377
Discussion ................................................................................................................. 377
Conclusions and Areas for Further Research ................................................... 379
Acknowledgements ................................................................................................ 380
References ................................................................................................................. 380
18. Observing and Learning from Social Entrepreneurship: Transparency, Organizational Structure, and the Role of Leadership
A. Steven Dietz & Constance D. Porter

Introduction .............................................................................................................. 383
Context for this Study ............................................................................................ 384
Social Entrepreneurship .......................................................................................... 384
Social Entrepreneurship and Social Change .......................................................... 385
The Participating Organizations ........................................................................... 385
American Youthworks ................................................................................................. 385
Basic Needs Coalition of Central Texas ................................................................. 387
Summary of the Two Cases ..................................................................................... 388
A Systems Theory Perspective .............................................................................. 389
The Mink-Dietz Model ............................................................................................. 391
Methodology ............................................................................................................ 392
Systemic Intervention Course .................................................................................. 392
Case Selection .......................................................................................................... 392
Data Collection and Analysis .................................................................................. 393
The Two-Cases Reviewed ......................................................................................... 394
Case Studies—Data Analysis ................................................................................. 394
Case 1: American YouthWorks ............................................................................... 394
Relationships .......................................................................................................... 394
Valid Information .................................................................................................... 396
Context and Shared Understanding ...................................................................... 398
Case 2: Basic Needs Coalition .................................................................................. 400
Relationships .......................................................................................................... 400
Valid Information .................................................................................................... 401
Context and Shared Understanding ...................................................................... 402
Thematic Issues ....................................................................................................... 404
Need for Internal Collaboration ............................................................................. 404
Connection to the Community ............................................................................... 405
Leadership ............................................................................................................... 405
Organizational Structure ......................................................................................... 405
Process Transparency .............................................................................................. 406
Conclusions and Recommendations ...................................................................... 407
Examining Social Entrepreneurial Organizations .................................................. 407
Operationalization of the Dietz-Mink Model ............................................................ 408
References .............................................................................................................. 408

19. Social Entrepreneurship in the Context of the Romanian Transitional Economy
Anca Borza, Catalina Mitra & Ovidiu Bordean

Introduction .............................................................................................................. 411
Criteria for Identifying Social Entrepreneurship .................................................... 412
Social Problem ........................................................................................................ 412
20. Social Entrepreneurship Effects on the Emergence of Cooperation in Networks
Arianna Dal Forno & Ugo Merlone

Introduction......................................................................................................................................427
The Model........................................................................................................................................429
Interaction Formalization................................................................................................................430
The Computational Model.............................................................................................................431
Communication and Discussion among Agents..............................................................................431
Individual Diversity in Social Interaction and Social Entrepreneurship........................................432
Game Interaction............................................................................................................................433
Classes of Behavior and Structural Properties of the Sociomatrix...............................................433
The Role of the Initial Sociomatrix................................................................................................433
Total Mutual Knowledge...............................................................................................................433
n-Neighbor Knowledge..................................................................................................................434
Previously Observed Sociomatrix..................................................................................................434
Group Selection Behavior..............................................................................................................434
Effort Selection Behavior................................................................................................................434
Social Entrepreneurship Behavior................................................................................................435
Results..........................................................................................................................................435
Conclusions and Further Research..............................................................................................439
References......................................................................................................................................442

Part 5
SOCIAL CHANGE AND COLLECTIVE IDENTITY

21. The Emergence of Collective Identity as a Means for Creating and Sustaining Social Value
James K. Hazy & Joyce Silberstang

Introduction......................................................................................................................................447
The Complex Challenges of Social Entrepreneurship.................................................................449
Collective Identity.........................................................................................................................450
The Merging of Identities..............................................................................................................451
Building a Collective Identity through Micro-Enactments..........................................................452
Joining and Leaving Groups and Collectives .................................................................452
Recognize / Imitate ........................................................................................................452
Ignore / Defect ..............................................................................................................453
Interactions within Groups and Collectives .................................................................453
Initiate .................................................................................................................................453
Accept ................................................................................................................................453
Negotiate ............................................................................................................................454
Question / Synthesize ......................................................................................................454
Reject ................................................................................................................................455
An Emergence Model of Collective Identity ......................................................................455
Collective Identity as Coarse-Grain Resolution Models for Statistical Prediction ..........455
Iterated Attempts to Control Environment ......................................................................458
Intra-Generational Learning, Adaptation and Evolution ..................................................458
Intra-Generational Learning ..........................................................................................459
Evolutionary Selection ....................................................................................................459
Collective Identities: Challenges and Cautions for Social Entrepreneurs ..................460
The Merging of Collective Identities ..............................................................................461
Tangled Networks and Interaction Paralysis .................................................................462
Tangled Networks ..............................................................................................................462
Interaction Paralysis ........................................................................................................464
Conclusion .........................................................................................................................465
References .........................................................................................................................466

Paul Tapsell & Christine Woods
Introduction .........................................................................................................................471
Background .........................................................................................................................472
Social Innovation in an Indigenous Context .....................................................................475
Case Study Illustration .......................................................................................................477
Theoretical insights .............................................................................................................478
Concluding Comments ......................................................................................................481
References .........................................................................................................................482

23. Creative Interaction in Culturally Diverse Groups
Daniela Beck & Li Choy Chong
Introduction: In Need of Creativity ..................................................................................487
Case Description: The SEED Program ............................................................................489
Cross Cultural Context .....................................................................................................489
Occasion for Interaction ...................................................................................................490
Data Gathering ..................................................................................................................490
Documentation and Analysis ..........................................................................................491
Literature Review: Value in Diversity ..............................................................................491
Literature Review: Creativity ................................................................. 492
Alternative Lens: Creativity in Emergence ............................................. 494
  Framework for Analyzing the SEED Program ....................................... 495
  Disequilibrium State ........................................................................... 496
  Amplifying Actions State ................................................................. 497
  Recombining and Self-Organizing State .............................................. 498
  Stabilizing Feedback State ............................................................... 499
Result Discussion .................................................................................. 500
Conclusion ............................................................................................ 501
Acknowledgements ............................................................................... 502
References ............................................................................................ 502

   Tina Lee Odinsky-Zec & Paul Stubbs
   Introduction ....................................................................................... 507
   The Croatian Context ....................................................................... 509
   Case Study of an Organic Champion: Željko Mavrović ...................... 511
   Social Entrepreneurship and Leadership .......................................... 515
   A Complex Systems Approach ........................................................ 517
   Concluding Reflections: From Static To Dynamic Modelling? ............ 524
   References ........................................................................................ 525

25. Spiritual Resources for Change in Hard Places: A Values-Driven Social Entrepreneurship Theory of Change
   David L. Haskell, Janice Hayashi Haskell & Jennifer W. Kwong
   Introduction ....................................................................................... 529
   The Theory of Change ..................................................................... 530
   The Context: Hard Places ............................................................... 531
   The People: Indigenous Servant Leaders ......................................... 532
   The Core Values: Stability at the Edge of Chaos ............................. 534
     The Case for Values ...................................................................... 534
     Values in a Pluralistic World ...................................................... 536
     Values for Promoting Development .......................................... 538
   The Visions: Dreams for the Poor .................................................... 540
     Inspired and Inspiring: Does the Vision Inspire Sacrifice in the Face of
     Chaos? ......................................................................................... 540
     Good News to the Last and Least: Do the Last and Least in Hard Places
     Recognize the Vision as Relevant, Good News? ............................ 541
     The Pursuit of Unity in Diversity: Does the Vision Invite All to Participate
     and Call All to Change? .............................................................. 542
   The Operating Model: Fostering Adaptive Leadership ...................... 543
     Recognize ..................................................................................... 544
     Accompany ................................................................................... 544
26. Social Entrepreneurship as a Performance Landscape: The Case of ‘Front Line’
Mary Lee Rhodes & Gemma Donnelly-Cox

Introduction ............................................................................................................. 559
Definition of Social Entrepreneurship ................................................................. 560
The Case of Front Line: Social Entrepreneurship in Human Rights .............. 562
  1998-2001: Setting the context for the formation of Front Line ..................... 562
  2000-2001: Formation of Front Line ................................................................. 563
  2002-2003: Developing Front Line’s mission and establishing the
     ‘Dublin Platform’ ......................................................................................... 563
Direct assistance ..................................................................................................... 564
  Publications ........................................................................................................... 565
  Advocacy ............................................................................................................. 565
  2004-2007: Governance, Performance and Legitimacy ................................. 565
    Governance ....................................................................................................... 565
    Performance Measurement and Evaluation ..................................................... 566
    Legitimacy ......................................................................................................... 566
Front Line and the Human Rights ‘Performance Landscape’ ......................... 567
  The Argument for the ‘Performance Landscape’ Framework ......................... 567
  The ‘Performance Landscape’ for Human Rights NGOs ............................... 569
  Agents in the ‘System’ of Social Entrepreneurship .......................................... 571
Summary Analysis of the Case as an Example of a Performance Landscape .... 574
Conclusion ............................................................................................................. 575
Next steps .............................................................................................................. 576
References ........................................................................................................... 577

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Preface

SOCIAL BUSINESS:
DESIGNING THE POSSIBILITY SPACE
FOR SOCIAL ACTION

Ron Schultz

Introduction: Social Businesses

There’s been a good deal of talk recently about social entrepreneurship, what it is and how it relates to the world we encounter, and as a preface to this timely compendium providing a complexity science and systems thinking theoretical framework for better understanding social entrepreneurial ventures, I want to confuse the issue even further with yet another term, “social business.” As the CEO of Lending4Change, my aspiration is to provide social business opportunities to thousands of persons who desire to improve the social well-being and business landscape of the communities in which they serve. My vehicle for crossing this landscape is Lending4Change, where neighbors help neighbors through an online micro-finance lending enterprise that supports the development of local social businesses in the United States. Simply put, a social business is an enterprise that has a dual bottom line of financial sustainability and social profit.

Muhammad Yunus (2009), Noble Peace Prize winner and founder of the Grameen Bank, has joined us in using this term. For Yunus, a social business is a subset of the idea of social entrepreneur, basically an enterprise that uses free market principles to address a pressing social problem—such as poverty, homelessness, or the needs of under-privileged children. In Yunus’ model, social businesses must be profitable and sustainable, but instead of profit going back into the pocket of the stockholder, it’s reinvested into the business.

Our definition is a bit more “American” than Yunus’s, in that we think if there are profits to be had from a social business, they can be shared with both investors and the organization. Actually, how the social business operates is really up to its owners and operators. Our point here is to look at some of the drivers of social business, and in our case, to define a relatively new form for providing access to capital for them. In doing so, we believe we are creating new opportunities to build community, and by way of these, perhaps even encouraging others to define and clarify their own social action aspirations.

My introduction to social entrepreneurs came in 2002 on a business trip to London. I was accompanied on this trip by my 81 year old father who decided it was time for us to travel together. We were staying in a B&B I often stay in near some friends. Since my father and I were traveling from different cities in the
US, he arrived a day ahead of me. When I showed up at the B&B the following morning of his arrival, he was eagerly telling me that I needed to meet a woman staying at the B&B who was doing something with entrepreneurs. I must admit that I dismissed my father’s excitement, until the next morning when I was introduced to the woman who said that she worked for an organization called Ashoka: Innovators for the Public, and they worked with social entrepreneurs. When she explained what that was to me, it was as if all the bell towers in London began to resound. There has been no independent confirmation of this actually happening, however!

The Possibility Space for Social Action

Now, when the bells go off on a life calling, either literally or figuratively, I get pretty excited. However, my initial introduction to the world of social entrepreneurs didn’t exactly open the opportunities to changing the world I envisioned. It was about a year later that I was able to begin that process by getting the opportunity to launch the Social Entrepreneur Incubator at Volunteers of America in Los Angeles.

What is this possibility space for social action I am writing about? How many of you have ever thought about wanting to change the world for the better? Well, if you are not quite sure if you ever had a social action aspiration or what it might be, let me provide a perspective that changed me. Mahatma Gandhi advised us, “Whenever you are in doubt, apply the following test: recall the face of the poorest and weakest person you may have seen and ask yourself if the step you contemplate is going to be of any use to them.” If your decision is in their interest, then you may be closing in on this particular social action possibility space.

Another way of saying this might be to ask yourself what you are doing to build community where you live. Each of us, in spite of our packed schedules and the countless other forms of busyness, are capable of shifting the landscape we see before us, and making it a better place for all who live within its boundaries. There is nothing special about someone making that choice to build a better community. Let me repeat that: nothing special. It is a responsibility we bear as humans and citizens on this planet, although many people choose to ignore it.

This book provides many examples of programs where people are following their aspirations to improve their own and others’ communities but let me here provide an example from my own experience. When I was Executive Director of the Social Entrepreneur Incubator for Volunteers of America in Los Angeles, we were running a Grameen micro-finance program with families at our head start program in North Hollywood. The program was amazingly successful with a 97% repayment rate. We were just about to move all the participants in the program up to a $4000 loan when the state of California stepped in and put the brake on things. They told us we needed a $25,000 charter to make these loans. The President of VOALA, immediate decided to shut the program down.

I spent a couple of weeks asking around to see if there were any alternatives. One day I picked up the phone and, finding American Express’ New
York office listed in the Yellow Pages, I called with hopes I would reach their headquarters. As luck would have it, the listed number was the headquarters number as well. The phone rang once and the woman who answered said quite crisply, “American Express.” As succinctly as possible, I explained what I was after, and to my surprise, she said, “Let me connect you to the person I think could help you best.” Within a matter of minutes, I was speaking with the head of one department who then connected me to the person heading up American Express’s diversity group. A little over a year later, VOALA and American Express had completed an agreement that was American Express’ introduction into the realm of micro-finance and as a result the folks in the VOALA Grameen Program all received their next round of funding. The woman who answered the phone was American Express’s gatekeeper, and with this cold call over the transcom, and without hesitation, she connected me to exactly the right person with whom I should speak.

What exactly was it that resonated with her in my story that she decided “I should let this guy through?” Perhaps it was that citizenship is recognizing when to take action on behalf of the greater good. I’d like to think so.

Hopefully, the responsibility of citizenship does not come as a big surprise. This life we get to live is not an entitlement, it is a precious opportunity to act for the benefit of all of us who live together on this earth. This opportunity does not mean we cannot benefit ourselves, and enjoy ourselves while we do. The important factor to understand is that, like it or not, we live within a dependently connected and incredibly adaptive human system in which we all depend on and interact with each other. As Americans, we love the romantic notion of “rugged individualism,” but in reality, there is no such thing. None of us is truly independent or removed from our neighbors, our community, our society, this vast, complex human system. Indeed, this view of the world is at the heart of complexity science and you will see many aspects of it as you read through the book.

Unfortunately, within this complex system, we have not proven ourselves to be a particularly rapid learning species regarding the social interconnectedness of the world in which we live. Is it any wonder that Buddhists think this learning process requires multiple life times to complete and that for them it is inherently an emergent process, driven primarily by the interaction of Cause, Condition, and Effect, also known as Karma. We are all related in this remarkable human system, even to those with whom we’d rather not recognize as siblings.

Yet, once we can acknowledge that we are connected to each other, we’re left with an undeniable, unavoidable reality: each of us is personally accountable and responsible for the world we want to create. This is where the power of social business as a model for creating a better world really elevates itself. Building community is all about acknowledging the interactions of the human system and our critical engagement with it.
Social Businesses in the Community Today

Here are a couple examples of what I mean by “social businesses”:

1. Steve Binder was a lawyer in the public defenders office in San Diego, California, a city that in most cases would rather follow the lead of others rather than lead through innovation. As a public defender, Binder was continually being called on to defend the homeless who were being brought up on charges for sleeping on the street, or urinating in public and then not showing up for hearings. The cost to the city was escalating, but no changes to the system were being sought. The police simply increased the tickets being given out, and then throwing the vagrant offenders in jail. Binder had a different idea. Working with local charity organizations, he was able to get around the indifference of the majority of policy makers in his office and began the Homeless Court program. It specifically worked with these repeat offenders—somehow the notion of homelessness and urinating in public places never seemed to be systemic to the police and city. Binder worked with local charities to help this segment of the population find a healthier way to live their lives and by helping these citizens of San Diego in this fashion, the court would dismiss the multiple violations that had been ignored. When the homeless worked to change their own situations, what emerged was not only healing lives, but also the city saved thousands of previously wasted dollars. Since Binder began the Homeless Court program, it has spread to over a dozen cities around the US, saving even more lives and dollars in the process. Binder didn’t ignore the problem, he built community and helped shift the intransigent issue toward solution.

2. Another example that brought community together as a way of interacting directing with a social challenge is DonorsChoose. Similar in idea to Lending4Change, DonorsChoose launched by Charles Best, a social studies teacher who was constantly undersupplied as a teacher working in public schools. Best began DonorsChoose to help distressed public schools that were frustrated by a lack of influence over the use of their charitable donations. DonorsChoose was created so that individuals could contribute directly with, and give confidently to classrooms in need. A teacher would list what he or she needed for the classroom, and someone from the community would supply it. Open the door for the interaction to solve the problem and what emerges is teachers in school systems all over the country have classroom supplies they might never had been able to share with their students. Who benefits? The students, and the society that saw to recognized their needs where government could not. That’s building community interaction (www.donorschoose.org).

Of course, you don’t need to have the next brilliant social business idea or vision in order to make a difference—because you can invest in businesses like these in a simple yet meaningful and significant way. These are the kinds of social business opportunities we think would make great investment op-
opportunities at Lending4Change. With our online, neighbor-to-neighbor micro lending program, some of these social businesses will have greater reach than others. And some may seek funding, and by letting the market decide, may not get the funding they require. But think of the small day care business that might be launched in a homeless area where single mothers can then be able to go out and find work, or think of Michael McCollough who in East Palo Alto, California is working with under-privileged high schoolers preparing them for ivy league colleges that might never have known they existed (www.questbridge.org), or think about Greyston Bakery in Yonkers NY (www.greyston.org), who only hires homeless people and trains them as bakers and who also supplies all the brownies and cookies you eat in Ben and Jerry’s ice cream. So, what kind of social business would you be willing to support or perhaps start?

There are lots of organizations in our communities that are encouraging and supporting social entrepreneurs and social businesses. For example, there’s Ashoka: Innovators for the Public (www.ashoka.org) and its remarkable founder Bill Drayton who have provided what we should call the “high ground” for social entrepreneurial endeavors around the world, along with eBay cofounder, Jeff Skoll and his Skoll Foundation (www.skollfoundation.org), both of whom have brought a great deal of attention to this emerging marketplace. But if you’re going to start a movement like these folks want, it is my perspective that you can’t be in the business of saying “no” to more people than you say “yes” to, which is what both of these organizations, in spite of all their good work, have ultimately had to do in the face of an explosion of proposals for funding. Because of their limited resources, they have to look for the best and the brightest. But as those of you within the complexity community are well aware, we need to develop detectors that pick-up and explore the power of the weak signals in our system, not just the loudest and most obvious.

This is indeed a powerful place for the complexity and social entrepreneurial community to meet. As we read the chapters in this book and look out on the landscapes in front of us, are we seeing just the largest and brightest blossoms and picking the lowest hanging fruit, or are we willing to look a little more deeply into the whirling adjacent possibilities and opportunities that might be pulsing at a lower frequency than we normally hear? Sometimes, it’s not about identifying what’s missing but recognizing what might already be present and may only need some amping-up to begin resonating and designing an even richer possibility space. It is through our conscious interactions with these weak signals that we will create dynamically emergent opportunities for social action and change.

And perhaps to hopefully bring the notion of the weak signal right into our own communities. It is the realm and the mission of social business to address the needs of the weakest signals, Gandhi’s “poorest and weakest person you may have seen” within our communities. But, of course, to do so, we are going to have to have systems in place that can recognize the opportunity space provided by the weak signals that are then willing to say “yes,” rather than “no” to them. This book is all about the dynamics of such systems and the plenitude of success factors inherent in their very complexity.
Building Community Networks

My program, Lending4Change, is about providing that possibility space. It is similar to programs you may already have heard of other such programs like ZOPA and KIVA, which are effectively providing access to micro-capital in distant and foreign lands (see, e.g., www.kiva.org and www.zopa.org). These are remarkable programs that are funding the weak signals of the world, and doing so with remarkable efficiency. In fact Kiva’s people-to-people micro-loans to entrepreneurs in Africa, Asia and South America can start funding a program in under 12 hours! We, at Lending4Change, think there are enough social entrepreneurial ideas in the United States that neighbor-to-neighbor support could be a tremendous benefit here, as well.

But there’s more to this program than simply asking people to invest small amounts of money locally. What is key to the success of any social activity is the total resource of the local community network within which it must interact. Any small businessperson will tell you without the support of a community social network that can help supply business acumen, sales leads, and contacts, profit is going to come and go at the whim of chance.

Chambers of Commerce, Business Improvement Districts, Rotarians, Lions, are all long established interactive network efforts among business people to connect and create new avenues for profitable emergence. Creating these networks for social businesses is also critical, because they often need more from the business community than simply meeting a business neighbor or sharing issues within the local Business Improvement District.

Providing more is reasonable because social businesses actually create a better economic base for the community in which they operate. Why is this?

1. They address social problems in the community;
2. They help lower the cost of local government run social programs that are supported by the tax dollars of the community’s other businesses;
3. They make a profit and are self-sustaining, and therefore contribute to the tax-base;

In fact, according to figures provided by Askoka, social businesses often return seven dollars to the community for every dollar invested.

Economically, this is why creating these community networks to support the sustainability of social businesses is important, because successful social businesses improve everyone’s bottom line. This is also why it is crucial that we reach out to these small social business operators and make sure they become successful within the community. This is not just a matter of doing something that is good PR or good for the community at large, which it is. It is also working to reduce the costs of living in our communities for everyone.

But what can you do if you are not about to start a social business? You can go out and actively mentor, coach and volunteer to help local social businesses even if you are not investing. By helping these local social businesses build the necessary networks with other local businesses, universities, founda-
tions and even other non-profits, you can help them remain sustainable, and you continually contribute to the improvement of the social well being of your own community.

People want to do business with people in their communities who they know have more than just their own profitable interests at heart. This also provides many opportunities for consulting, whether you’re an academic or practitioner. And even if you’re not in a position to lend money, what you know can help social businesses design and establish new emergent opportunities that can not only create sustainability for their businesses, but ultimately grow the economic base and therefore benefit the entire community. It often takes nothing more than tuning-in to the resonance of the weak signal that can positively impact the lives of thousands.

**The Social Enterprise Zone Lending4Change Model**

The way our neighbor-to-neighbor lending program works at Lending4Change is simple and direct. Before financial institutions emerged as primary lending sources, when someone needed money, they went to their family or friends for help. This is an extension of that idea. At Lending4Change, people interested in starting a social business, but who need access to capital, place their business plan, together with endorsements from the community in which they are operating, on the Lending4Change website. Member lenders can then look over these plans and donate all or part of the funds needed directly to these businesses. Lenders can also offer to coach or consult or even volunteer to work with the businesses to which they lend. Historically, these loans have a repayment rate in the high 90 percentage points. The program is based, in part, on the Grameen model, but rather than the funds coming from an institution, they come from an interactive community effort to support social businesses, locally. It’s also the local market place that decides which of these businesses will go forward and which won’t. This bounded self-organization is the key to its vibrancy and the emergence of sustainable solutions to the community’s social demands.

In launching Lending4Change.com in 2009, we understand the pressing need for social businesses and how they improve the social well-being and business landscape of those communities being served. With the economic turmoil we are currently facing, it is hard not to recognize both the need and the benefit that comes from this great possibility space for social action. This is not about philanthropy or throwing tax dollars at social issues both of which go out and are gone forever, but instead it about investments that go directly into the community. Within the neighbor-to-neighbor model, the loan made to a small social business owner, once repaid, has the great benefit of being able to be loaned again and again continuing and fostering the emergent process. We call it the loan that keeps on lending. And it is neither philanthropy nor taxes, which go out and are gone forever. While the loans return interest, the dividends earned are much greater than just the points on a dollar. They represent the economic improvement of our communities and the benefit of others less fortunate who live with us.
We know communities will see the power of this opportunity and join in designing and actualizing the social action possibility space right in front of us and truly help build communities in such a way that everyone wins. In this book, you will find much food for thought on social enterprises and social businesses. So in remembering Ghandi and his rejoinder, who will your next decision help? Living with this question is the inspiration and the kinds of analyses, methods, and concepts offered in this book provides guidance on how to transform your inspiration into action.

References

Rather than seeing the world divided among different civilizations or classes, our collective future rests on embracing a vision of a single world in which we are all connected. Indeed, maybe this notion of human connection is the most important and complex challenge of our time. Markets play a role in this vision, and so does public policy. So does philanthropy. We all play a role in the change we need to create.

Jacqueline Novogratz, founder of The Acumen Fund which invests in social entrepreneurial projects throughout the world

**Introduction**

This edited volume was first inspired by papers presented at The First International Conference on Social Entrepreneurship, Systems Thinking, and Complexity held at Adelphi University, Garden City, New York from April 24-26, 2008 (cosponsored with the Institute for the Study of Coherence and Emergence—ISCE—publishers of *Emergence: Complexity and Organization* and The Plexus Institute).

For the conference we invited proposals with the goal of bringing together social entrepreneurial practitioners with systems and complexity-oriented theorists. It was hoped that attendees at the conference would not only gain a better understanding of the state of knowledge in these vital areas but would leave more energized and engaged in furthering the goals of social entrepreneurship, thereby becoming better equipped to make a real difference in the world.

Six of the papers from that conference were selected and revised for publication in a special issue of the journal *Emergence: Complexity and Organization* entitled “Complexity and Social Entrepreneurship” (2008, Volume 10, Number 3). These six papers are republished as chapters in the current book along with twenty-one additional chapters (including this introduction) that were subsequently selected or invited.

Participation in the conference far exceeded our expectations with an astounding 30 developed and developing countries represented! Indeed, the conference and the papers represent a hearty mix from different countries, economic statuses, professional backgrounds, and areas of specialization and research. In this edited book, the reader will find case studies of social entrepreneurial programs from literally throughout the world: Indonesia, Romania, Bangladesh,
Scotland, Ireland, New Zealand, Brazil, Columbia, Thailand, Croatia, Canada, and the United States (Massachusetts, Connecticut, New York, Texas), with many of these programs also represented in the virtual world. Diversity also shows up in the varied methods utilized in the chapters including, for example, descriptions of theoretical constructs, case study analyses, economic theories, agent-based models and simulations, “thick” anthropological descriptions, and others, as well as a variety of disciplines represented including sociology, psychology, law and ethics, political science, economics, finance, mathematics, theology, international development, environmental sciences, information systems, and business management in addition to complexity science. What is common to these varied contributions are thoughtful and creative applications to social entrepreneurship of theoretical perspectives informed by complexity science and systems thinking.

One of the primary motivations for the conference and for both the special issue of *E:CO* and the present edited book came out of the realization that although there exist many inspiring accounts of social entrepreneurial programs, either in print or passed on by word of mouth, there is of yet no recognizably useful theoretical underpinning for social entrepreneurship. To be sure, this lack was mostly intentional and well-reasoned in the beginning in order to focus efforts on practical accomplishment which would not get side-tracked by theoretical concerns. However, we believe the time is now ripe to take seriously the eminent social scientist Kurt Lewin’s famous remark, “there’s nothing as practical as a good theory.” We contend that complexity theory and systems thinking in general can provide potent and incisive theoretical insights to further the mission of social entrepreneurship.

Our goal is not to create some rigid theoretical box into which we will push and shove social entrepreneurial endeavors. Instead, the hope is that by reflecting on social entrepreneurial activities from the perspective of complexity theory and systems thinking, we can fruitfully focus on what works as well as identify the impediments that hinder practice and theoretical advances. We hold that social entrepreneurial success factors can be more fully clarified and then hopefully amplified when viewed through a complexity and systems thinking lens. Since we are convinced that recent advances in the sciences of complex systems offer great promise for a more thorough understanding and grounding of social entrepreneurship activities, we also believe that this goal can be facilitated by open-ended dialogue among practitioners and theoreticians. The present volume continues the dialogue that began at The First International Conference. Moreover, although we have taken a rather broad view of what complexity science and system thinking cover, we are in no way assuming that the chapters in this book are exhaustive of either field. Instead, we are looking forward to future publications containing even more applications of varied and novel complexity and systems ideas.

The question as to what exactly constitutes social entrepreneurship is not an easy one to delineate. Rather than pretending to offer any kind of final resolution of this question, this book aims at an expansion of the traditional definition towards including social enterprise, social business, mission driven sus-
tainable enterprises, and similar attempts to rethink the fundamental assumptions about that place where business entrepreneurship intersects with social and community improvement missions. We believe that the traditional definitions need to be rethought for greater long term success of social entrepreneurial ventures since these redefinitions, following along the innovative lines of complexity science and systems thinking, will take into consideration a whole host of new organizational forms devoted to the generation of social value.

In relation to this redefinition of social entrepreneurship from the perspective of systems thinking and complexity science, we list a set of questions that have been addressed by the chapters herein:

- What exactly is meant by the “social” of social entrepreneurship?
- What role does mission play in social entrepreneurial ventures in comparison/contrast with more traditional views of business enterprises?
- How does social entrepreneurship relate to traditional models of philanthropy?
- What specifically do we mean by the “systemic” dimension of social entrepreneurship?
- What tools and methods from complexity theory and systems thinking can be of help in understanding social entrepreneurship?
- How can complexity science and systems thinking inform how social entrepreneurial programs get established and succeed?
- How do social entrepreneurial ventures, social enterprises, and social businesses relate to social change and innovation?
- What is the nature and role of institutional and government forces in social entrepreneurship?
- What role do and should markets play in social value creation?
- What is the role of leadership from a complexity perspective in social entrepreneurship?
- What is the role of individual agency in the understanding of social entrepreneurial programs as complex systems?
- How must individuals view themselves if they are to be instruments of change?
- What is the role of collective identity in the change process?
- How can disparate individuals, groups, collectives, organizations, and cross-sector partnerships improve communication and enhance social value creation?
We have organized this book into five parts, each covering chapters with some commonality of content or perspective. The resemblances among the papers in each part should be considered more of a Wittgensteinian “family resemblance” than a strict thematic commonality. Indeed, because of both the newness of the whole notion of social entrepreneurship plus the novel applications of systems thinking and complexity science to such ventures, there is of yet not a crisp and crystallized set of categories to be employed. We see this as a good thing since it means that in the midst of this fluidity creative thinking can flourish. The five parts are:

Part 1: Defining and Redefining Social Entrepreneurship;
Part 2: A Complexity Paradigm for Social Entrepreneurship;
Part 3: Economic Impact and Social Value Creation;
Part 4: Social Networks and Cross-Sector Alliances;
Part 5: Social Change and Collective Identity.

Here we will briefly introduce each chapter under the appropriate section heads.

**Part 1: Defining and Redefining Social Entrepreneurship**

In this section are included chapters that aim at defining and redefining social entrepreneurship. This is necessary not only because the field as a whole is changing rapidly but also because, from systems thinking and complexity points of view, the very nature of the systemic dimension of social entrepreneurial enterprises is being reinterpreted. Hence, in this first section we start to see how the traditional definitions of social entrepreneurship are being extended and expanded by new constructs from complexity science and systems thinking.

As a very preliminary definition, social entrepreneurship refers to unique and innovative alliances between public, private, and non-profit organizations as well as individuals and other groups who come together cooperatively in order to address pressing economic and social challenges at a local and/or global level. Since many of these challenges carry over from the last century (or even before), we are witnessing a transformation of responses to these challenges to enable them to keep up with our increasingly digitalized, information-based, and networked world, a world considerably “smaller,” i.e., much more connected than before.

The first chapter in this section by Brenda Massetti goes right to the heart of the issue of how to define more precisely what kinds of organizations the label “social entrepreneurship” has been applied. Because there are varied new forms of organizational structures constituted out of numerous and novel types of alliances, it is hard to pin down the nature of social entrepreneurship. Indeed, as Massetti points out, confusions involved in defining social entrepreneurship tend to hinder attempts to apply the constructs and methods of complexity theory to this burgeoning new arena of “social capital.” To remedy this lack of
clarity and thereby more sufficiently understand the nature of social entrepreneurship, Massetti introduces the Social Entrepreneurship Matrix (SEM) which, utilizing a systems thinking perspective, combines entrepreneurial mission with the profit requirements of business enterprises. The aim is not so much to put social entrepreneurship into some sort of conceptual cubbyhole but instead to open it out to the many possible innovative forms it is now taking and will continue to take, which, no doubt, will surprise us with their unprecedented configurations. This is a theme that we will be coming back to at the end of this editorial introduction.

The theme of broadening and thereby freeing-up the definition of social entrepreneurship to include much more than specific projects is powerfully and provocatively argued for in the next chapter by Jeff Trexler. His redefinition of social entrepreneurship is specifically aimed to insure that social entrepreneurship doesn’t devolve into the latest fad of either the not-for-profit world or some sort of cooptation on the part of the for-profits. This chapter lays out the kind of re-assessment that is necessary concerning the connection between social institutions and their dynamics as complex systems. Toward that end, Trexler first provides a new definition of social enterprise or entrepreneurship as not being the prescribed form found in current narratives but instead as an algorithm, that is, as new complex social forms emerging out of simple rules. In that regard, he takes a fresh look at the kind of social altruism driving such programs, pushing out the envelope of such altruism beyond the latest popular trends. This in turn entails an exploration of the charitable mission that often lies buried within more traditional understandings of corporate identity in general, a mission which when intentionally uncovered and acted upon has the potential to push even for-profit ventures into expressing emergent social patterns. Trexler’s redefinition serves to undercut the only apparent and ultimately unhelpful wedge driven between the mission-orientation nature of social entrepreneurial ventures, as typically understood, and the supposedly selfish motivation characterizing for-profit organizations. Somewhat paradoxically, though, the overcoming of this division implies that for the missions behind social entrepreneurship to eventually succeed, the current forms of social entrepreneurship need to, in an important sense, render themselves obsolete! This may be a surprising conclusion to some, but the editors of this book see it as a powerful statement of how to save social entrepreneurial ends by not getting caught up in any specific contemporary manifestations of social entrepreneurial means.

The next chapter in this section having to do with defining social entrepreneurship, written by Said Malki, focuses on several factors that a redefinition of social entrepreneurship must consider: the mission of the endeavor; the specific capabilities of social entrepreneurs; the relation of complexity-inspired views of leadership to the leadership styles favored by social entrepreneurs; and three different types of social entrepreneurial efforts, a typology which dovetails in certain respects with that of Massetti’s Matrix. Concerning mission, Malki points out that a critical distinction between entrepreneurship in general and social entrepreneurship lies in the values driving both kinds of ventures. In broad strokes, these values run the gamut from serving new customer markets
with the goal of financial profit to large-scale, transformational benefits that impact on a significant segment of society or on society at large. The special leadership attributes revealed in the activities of social entrepreneurs include a capacity for a constant seeking after innovation, a propensity towards risk taking, an ability to recognize the difference between needs and wants, a discernment of the crucial reality of resource allocation as “stewardship investments,” and, finally, knowing how to keep mission as the primary driver. Malki likens social entrepreneurs to complexity-informed leaders in focusing on the fostering of conditions that enable the emergences of innovative ways of thinking and doing.

In the final chapter of this section, Steve Wallis takes a complexity informed meta-theoretic perspective and looks at the field of social entrepreneurship itself. He sets out to analyze the points of view of various writers to determine the current state of definitions and theory in this area. He uses ideas from complexity theory to find novel insights into the structure of theory. Using a method that is based on the complexity concept of mutual causality he reviews various writers and determines, on a measurable scale, what he calls the robustness of social entrepreneurship theory. In the first study, he looks at an interdisciplinary cross section of social entrepreneurship theory that was extant before the conference. He finds a relatively low level of robustness which supports our intuition about the nascent state of the theory. Following this review, Wallis turns his analysis inward and considers a sampling of the chapters in this book to better understand how complexity ideas are beginning to impact the emergence of theory. In this study he finds a similar level of robustness, albeit with many more concepts represented. Thus, he finds many more differences than similarities between these bodies of social entrepreneurship theory, an indication of the potential that remains in the field. Together, these studies provide a benchmark for the state of social entrepreneurship theory and suggest possible directions for future theory and research.

Part 2: A Complexity Paradigm for Social Entrepreneurship

The first chapter in this section by Jeffrey Goldstein, James Hazy, and Joyce Silberstang lays out the groundwork for how complexity theory can begin to be applied to social entrepreneurship. This chapter grew out of the realization, on the part of the authors, that many of the stories narrating social entrepreneurial endeavors, although inspiring primarily through their hero/heroine plot structure, lacked an adequate theoretical foundation. This deficiency can be recognized particularly with regard to the systemic dimension of these projects which is simply not adequately addressed by the charismatic leadership focus of many of the stories. The authors contend that rather than relying on the fortunate appearance of charismatic leaders, social entrepreneurship requires theoretical constructs that can help probe down into the brass tacks of realizing actual social entrepreneurial projects. To address this lack, Goldstein, Hazy, and Silberstang explore how certain key constructs from the sciences of complexity can be applied to the study of social entrepreneurship. To this end, the complexity ideas of social networks, dynamical systems and attractors, emergence, and social val-
ue are applied to social entrepreneurship programs in general as well as specific cases. As far as the authors know, this is the first serious attempt to utilize insights from the study of complex systems in investigating social entrepreneurship. After describing various possibilities of application, some thoughts on the future of the field are offered that the authors hope will have a practical impact for how social enterprise programs can generate positive social outcomes.

The next chapter in this section, written by Sara Ross, offers a sophisticated interpretation of social entrepreneurship by placing it within a wider area of deep social transformation. Ross’ approach is informed from two related conceptual sources. The first is her social inquiry/intervention method, The Integral Process for Working on Complex Issues (TIP), and the second is her immersion in an account of increasing complexity arising in hierarchies of greater and greater complexification, related to concurrent growth in cognitive complexity and task complexity, a theory known as the Model of Hierarchical Complexity (MHC). Ross first illustrates the usefulness of TIP through an application to a village community facing an issue having to do with the presence of a group of loiterers who were seen as interfering with normative village life, in effect, causing a “blight” on the villagers’ life. Over the course of a series of meetings, the villagers were guided through a process whereby their analyses of the loitering situation became more and more complex, a transition from merely making social judgments to a deeper understanding with a capacity for addressing the real underlying “complex causation” at work that engendered the situation of loitering to begin with. The resulting increase in “informed social capital” (notice the latter is understood as a quantity that can increase rather than merely existing as an already given fact) extends over into a sense of wider social transformation. Ross relates this increase in complexity to a similar process that can be exhibited in social entrepreneurial projects, where adapting to novel challenges reframes them as opportunities through the making of new logical connections. The theory of MHC offers a way to build-in a kind of design that can “operationalize evolutionary processes.”

The next chapter in Part 2 is written by Elizabeth Vidal Arizabaleta, one of the directors of the Distance National University of Colombia (South America), a public university serving over fifty thousand students from eight geographical areas including a branch in the US. Vidal recounts a process of restructuring which involved academic and organizational innovations within a framework of systems thinking originally developed by the English cybernetician Stafford Beer, a name that has unfortunately not been heard nearly enough to the detriment of both practitioners and theorists. Beer had realized that in times of rapid change and increasing complexity, top-down approaches just didn’t work. Instead, he proposed understanding the interaction between complex organizational and social systems in terms of balancing the variety of information, a perspective that invokes a sense of biological-like ‘metabolic’ processes taking place in organizational systems whereby it is the relationships emerging out of interactions which constitutes an abiding institutional identity in spite of change over time. Beer, in effect, operationalized Ashby’s famous cybernetic Law of Requisite Variety to show how viable organizations could be designed.
Vidal’s account of the use of a Beer-inspired intervention at her university system reveals how ingenious systems thinking can transform social practice, a true putting of systems thinking to work.

The next chapter, written by Gail Faherty, Doncho Petkov, Richard Staron, Eric Martin and Mike France, describes the use of a soft systems methodology in conjunction with a traditional approach to gathering input for a redevelopment project in a small New England town. According to the authors, traditional structured approaches that focus on fact-finding, such as public hearings and committee meetings, are insufficient when dealing with “complex, messy” problems. These types of problems benefit from a more nuanced approach along with input from a wider range of stakeholders. Their challenge, which is the focus of this case study, was how to create a more open, inclusive, comprehensive, and informed process. They highlight the importance of identifying and structuring the “right” problem, bringing in stakeholders usually excluded from the process, and encouraging and including multiple perspectives. Their work demonstrates that a soft systems methodology, used at appropriate times during community planning activities, can result in a richer, more nuanced, and appropriate method of gathering information and making decisions about a community’s future. The use of a soft systems methodology has implications for other types of community development projects and social entrepreneurial ventures. Its strength lies in involving those whose voices would not normally be heard, and in creating a dialogue that not only informs the process, but transforms the way people engage in the process. As a result, new and creative outcomes can emerge, outcomes that work within a community context.

In the final chapter of this section, David Schwandt, Scott Holliday and Gayatri Pandit provide a comprehensive analysis of the social entrepreneurship phenomenon within the context of social theory but with the latter informed by a complexity perspective. Highlighting the growing effort to associate the concepts of traditional economic entrepreneurial frameworks with the need for social systems problem solving, they expand the scope of this effort by incorporating a broader understanding of social “entrepreneurship” as a complex, emergent, and sustainable mode of continuous change. They argue that the dynamic human actions within a social entrepreneurship system can best be explained using the concepts and characteristics of complex adaptive systems. In support of their argument they develop premises around three interrelated characteristics of complex adaptive systems: (1) Non-Linear Interactions, (2) Emergence/Self-Generation, and (3) Schemata. Beginning with these premises, and using concrete examples, they discuss the problems of multiple stakeholders, of “sustainable” social entrepreneurship, and of competing social values. Moving beyond theory, each premise identifies researchable propositions to encourage additional theory development and empirical research.

Part 3: Economic Impact and Social Value Creation

There can be little doubt that economics has to play a key role in any abiding theory of social entrepreneurship. The papers in this section describe some of the issues that a theory would need to address. In the first chapter of this sec-
tion, Mariano Torras makes the argument that although current economic theory with its narrow focus on shareholder value creation has been very successful at raising the standard of living for people in the developed economies, it has not necessarily achieved the highest possible level of social well-being in other respects. Torras calls the current state a low-level equilibrium and argues that the dynamic conditions in the economy cause us to be “stuck” at this low-level equilibrium characterized by several persistent problems, including a degrading environment and inadequate resources being directed toward social imperatives such as poverty and education. This state is characterized by relatively low levels of social entrepreneurship activity in the current economy. Torras goes on to argue that because the low-level equilibrium is locally stable, it is difficult to attain a more desirable state by incremental means even though the eventual higher level equilibrium might also be dynamically stable. A change to a new higher level requires an abrupt “leap” he argues. Given this challenge, Torras argues that the leap will ultimately require a mix of policy incentives that he calls “the environmental ‘big push’”. Finally, Torras points out that even an environmental big push may not be enough. Although, a push is necessary, it may not be sufficient. His point is that for policymakers to design effective incentives – the ones that accurately reflect all the relevant values in the market – the field may need to dispense with some of its more facile quantitative indicators and take more nuanced approaches involving qualitative data and incommensurable criteria. The idea of measurement—what it means and how it can be done—promises to be one of the key challenges to progress.

In the chapter authored by the Brazilian economist Rodrigo Zeidan, the main argument is that social entrepreneurship can be reframed as a combination of network theory and agent-based models, and by so doing, can be understood as a source of social capital accumulation, a major driver of development in the social sciences literature. Refining this analysis brings the idea that the relevance of the network aspects of social capital accumulation and social entrepreneurship should present a particular emphasis on a usually overlooked subject, the individual agent. One result of this analysis is that the concept of opportunities can be defined as the links between agents and the rest of society, which means that opportunity building, a common catch-phrase in poverty alleviation discussion, could mean enhancing the degree of connectivity of individual agents through social enterprises, a result that presents many implication for the definition of policies and action that could try to tame the endless problem of poverty.

The next chapter in this section by Mohammad Imrul Kayes is intimately involved with poverty alleviation since it discusses the fascinating, radically innovative micro-financing approach pioneered by Muhammad Yunus with his Grameen Bank in Bangladesh. Micro-finance is about providing micro-sized loans to the marginalized poor and in the process reconnecting them to the rest of Bangladesh society and thereby to unprecedented opportunities and the overall betterment of the Bangladesh society. The Grameen Bank has become a world leader in instituting micro-finance not only in Bangladesh but in many other countries throughout the world. Kayes shows how the Grameen Bank can
be said to have taken social entrepreneurship to a new level by institutionalizing it into a new pattern of community, social life, and social networks. Grameen Bank creates new social value in many ways including: economic opportunities beyond just loans; empowering village women who play a key role in their families’ well-being; and many other services whereby the poor can become more in control of their economic and social destinies. Kayes gets into the nuts and bolts of how micro-financing takes place in village life as well as various other manifestations of stepping out of poverty in Bangladesh villages. Through its dramatic reframing of who is credit worthy, the Grameen bank not only has introduced highly innovative new idea about poverty alleviation, it has also provided a novel means for deep seated social change that empowers and reconnects the marginalized poor.

The final chapter of this section, by James Hazy, Sviatoslav Moskalev and Mariano Torras from the entrepreneurial management, finance and economics disciplines respectively, goes directly to the issue of measuring and evaluating social value creation. The authors use dynamical systems theory and other complexity ideas to consider: first, how economic value creation is evaluated in traditional finance; second, how these ideas might be reframed and generalized beyond dollars and cents; and finally, how a method and a metric might be developed to evaluate social value and its creation. The authors suggest that a process like discounted cash flow (DCF) is needed, but developing such a method is complicated by the lack of metrics and a dearth of consistent social value constructs. To begin to remedy this situation, the authors use a systems perspective, in particular, dynamical systems theory, to argue that access to resources of one kind or another—food, medical care, literacy programs, fresh water—on the one hand, and information about how to use them and find them in the future, on the other, can together form the beginnings of a general approach to measuring and evaluating social value, at least some of its aspects. The authors go on to speculate about possible policy approaches that might be able to address these difficulties.

**Part 4: Social Networks and Cross-Sector Alliances**

The study of social networks has become not only an increasingly important aspect of complexity science, but the new organizational forms, partnerships, alliances, and bridging across previously separate realms have become the part and parcel of social entrepreneurial endeavors. The first chapter in this section authored by Jeffrey Goldstein and Rodrigo Zeidan uses a social network lens to explore two very different programs addressing urban poverty reduction, a large scale slum revitalization program directed at the favelas dotting the beautiful landscape of the city of Rio de Janeiro, and a much smaller scale program of workforce development in New York City, training marginalized and at risk populations in viable and lucrative health careers. These programs are described with the eventual aim of revealing the neglect paid to social network connectivity. For example, the revitalization of favelas in Rio may lead to improved infrastructure inside the favela but nevertheless an honest reckoning of this kind of urban poverty reduction policy cannot but see it as reinforcing the already mar-
Chapter 1—Editorial: Liberating 'Our Better Angels'

Goldstein, Hazy & Silberstang

Oginalized status of the poor populations living in the favelas. In a sense, the poor are made more comfortable in their poverty whereas the social connectivity via enhanced social networks that could raise the poor through social mobility is sorely lacking. In response to this lack, the authors discuss some of the main elements of recent social network theory, e.g., network topologies and node degree, and how various aspects of social network connectivity could be applied to urban poverty reduction. This application could serve to interrupt self-perpetuating marginalization by directly bringing the poor into the vital social networks of commerce, education, and livelihoods in the growing economy of Rio de Janeiro and the rest of Brazil. A similar phenomenon can also take place among the marginalized workers being trained in New York City.

The second chapter is this section, written by Maria May Seitanidi, presents a case study of a cross-sector partnership between The Royal Bank of Scotland and The Prince’s Trust, one of the leading youth-focused charities operating in the UK which provides a wide range of training, personal development, business start-up support, and mentoring. This case is unique in several important respects, not the least of which is that it aims at untangling the reasons for organizational and social change failure that can happen within cross sector social partnerships. Using actual transcriptions of many of the participants, this chapter sheds light on how a too tightly predefined and prescriptive strategic intent before the onset of the partnership can serve to hamper possibilities for fundamental change. Using the lens of the idea of complex adaptive systems, with the emphasis on “adaptive”, the chapter calls for a much more multi-dimensional understanding which would include the three levels of the individual, the infrastructures of the organizations involved, and the more general macro-social and cultural issues. Such a multi-dimensional and multi-layered approach can prove empowering if there is a commitment not to pre-established rules but instead to a coevolution built around real reciprocity among the parties in the cross-sector partnership. This chapter also affirms one of the common themes of this book, namely, that social entrepreneurship need not refer just to the typical picture of a grass-roots, social mission emerging out of a “self-organizing” effort but needs to be understood in a much broader and inclusive manner.

The third chapter also provides a case study and analysis of cross-sector partnerships, focusing on the “adaptive” role that these partnerships play at the regional level. Jessica Mankowski examines five adaptive cross-sector partnerships that were formed to address social and environmental issues in Western Canada. According to Mankowski, this type of collaboration between government agencies, private-sector firms and nonprofit groups is typically long-lasting, highly engaged, and mission driven. Rather than working at odds with each other, she describes how cross-sector partnerships enable disparate organizations to develop and implement new approaches and solutions to ongoing issues. Using a grounded theory methodology, semi-structured qualitative interviews were conducted with representatives of cross-sector environmental partnerships to determine the factors that enable organizations to work jointly toward sustainable change. What makes this case study unique is the identification of specific regional drivers that are embedded within a context and therefore
have the capacity to adapt to local contextual changes and developments. This chapter also describes the role of regional drivers in helping make these partnerships successful, and the interaction of regional drivers with organizational and global drivers. A thoughtful critique of the adaptive benefits, emerging properties, challenges, and potential drawbacks of cross-sector partnerships is also presented.

The next chapter in this section on social networks and cross-sector alliances by A. Steven Dietz and Constance Porter uses case studies of two quite differently organized social entrepreneurial programs. The authors utilize analyses of these two cases that were developed by graduate students as part of their course work at St. Edward’s University, School of Management and Business in Austin, Texas, to examine how a complexity perspective can aid in understanding what is going on in the building and maintaining of entrepreneurial organizations. A further goal of the chapter is to utilize what they’ve learned on the individual social entrepreneurial level to better understand how such organizations work within a larger social context. Employing action research and other qualitative methods, the authors investigate their two cases by focusing on: the interactions between agents; how valid information arises from these interactions; and then how such information may be used in terms of an emergence of shared ideals within the context of the organizations. The authors posit a helpful distinction between social activism as such and social entrepreneurship, a distinction resting on the need for social entrepreneurs to generate a sustainable and stable solution to social issues. Indeed, sustainable solutions allow for a more permanent change in a unique segment of the population and imply that there is a mechanism that will assist in maintaining stability.

In the next chapter Anca Borza, Catalina Mitra and Ovidiu Bordean investigate what it means to build a social entrepreneurial network when no such concept exists. This was the case in Cluj County in Romania where this research was conducted. To explore this question, the authors seek to clarify the meaning of social entrepreneurship in this context and how one goes about creating and implementing viable social entrepreneurship solutions in developing countries like Romania, where the concept of social entrepreneurship is quite foreign. The authors first define social entrepreneurship for their study and then present a set of criteria that characterize this phenomenon as applied in their unique locale. Because NGOs are related to the social entrepreneurship phenomenon, they conducted research into this type of organization, highlighting the case of “Amare Phrala” (Our Brothers), an independent socially-oriented organization that focuses on the Romani community—sometimes called “gypsies”—at the regional level in Cluj County, Romania. They then suggest policy ideas that they believe are applicable to underserved groups in developing economies more generally.

In the final chapter in this section, Arianna Dal Forno and Ugo Merlone use the techniques of agent-based modeling (ABM) to explore the interrelationship between human interaction and group structure. They seek to identify the difference in how individuals who focus on building relationships create social structure versus those who focus on tasks. Even in simple contexts, they ar-
gue, dynamical interaction between agents creates complex network features. The presence and actions of agents of change dramatically affects the underlying social structure that emerges. Some agents are involved in shaping the evolution of the interactions and tasks; these are traditionally referred to as leaders. But what about agents that focus instead on building relationships, a key attribute of social entrepreneurs? Can a social entrepreneurship culture, one that aims for a large interconnected network that is facilitated by a large number of social entrepreneurs, be successful? This chapter presents a model of interaction among agents in a community, and sheds light on the catalytic role that some individuals have on emerging and evolving social structure. The results have implications about the role and impact of agents that build social capital versus those of more traditional leaders.

**Part 5: Collective Identity and Social Change**

Several of the case studies in this volume highlight the importance of collective identity in social entrepreneurship ventures, both its positive effects and its inhibitory ones. This is the subject of this final section. The first chapter by James Hazy and Joyce Silberstang uses complexity theory ideas to develop a new model that defines collective identity and describes its emergence and evolution from its genesis in individual interactions to its emergence as a powerful force with downward influence on those same individual choices and behaviors. The authors first describe some of the complexities associated with collective identity and then go on to identify the specific agent-to-agent communication events, called micro-enactments that combine to eventually form collective identity. From these building blocks, the authors propose a model to describe the specific mechanisms whereby collective identities emerge and change over time to provide downward influence on an individual’s choices and action. Finally, they discuss several challenges associated with collective identity, including “tangled networks” and “interaction paralysis” and suggest ways that complexity thinking can help facilitate the maintenance of positive collective identities.

The second chapter in this section authored by Paul Tapsell and Christine Woods explores a fascinating case involving the emergence of social innovation in an indigenous community, in particular, entrepreneurial activity in certain Maori communities in New Zealand. Using “thick” anthropological description as well as other perspectives, the authors focus on the social innovations which develop through the means of interactions of the young opportunity-seeking entrepreneur (potiki) and the elder statesperson (rangatira). Tapsell and Woods take a neo-Schumpeterian stance by understanding innovation as a type of self-organization, that is, novel social configurations emerging from a deliberate forming and reforming of the groups cooperating in the interaction. The chapter approaches indigenous population entrepreneurship as operating at the intersection of social and economic entrepreneurship while at the same time acknowledging the crucial role of the specific historical and cultural contexts involved. The authors interpret this kind of indigenous innovation as a “double spiral” which captures the confluence of the “twin flows of opportunity and heritage.”
In their chapter which is set in the community of Cisondari in rural Indonesia on the island of Java, Daniela Beck and Li Choy Chong describe the complexities inherent in the formation of and interaction among collective identities in creative problem-solving. Studies on diversity and group performance are often carried out irrespective of context and also show contradictory results. While higher potential for creativity is being associated with diversity in groups by a value-in-diversity assumption, it is not yet fully understood how diversity influences creativity in groups and by what process creativity comes about. The purpose of the Beck and Chong study is to investigate creativity potential and process in a specific social entrepreneurial context. An alternative explanation for group creativity is offered. The authors complement prior creative research by analyzing “the space between” individuals and the group context. The ‘SEED program’ (Social Enterprise for Economic Development) is described as one example of a culturally diverse group. Their experience is analyzed using a particular complexity theoretical framework. In this meso-level approach, individual creative behaviors are linked to overall contextual conditions of the group. The authors describe practical approaches for designing cross-cultural groups with respect to unfolding creativity. With regard to social entrepreneurship this study sees social innovation as emerging out of interactions rather than due to the heroic acts of a single ingenious individual.

The chapter by Tina Lee Odinsky-Zec and Paul Stubbs is concerned with describing, understanding and analyzing the emergence of a local hero, a boxer, as a social entrepreneur in Croatia. The setting is a society in transition in the aftermath of socialism, war, authoritarian nationalism, and independence. The authors structure their case study in terms of six elements or threads of individual and collective identity which they see as coming together to enable the emergence of innovative social entrepreneurship. These are: his individual biography, the discipline of boxing, macro-biotic principles, the Croatian emerging market, organic farming as an industry, and the specific enterprise and organization context. In this case, the question relates to the role of an innovative social entrepreneur in creating a social venture within in a specific setting. The authors provide a perspective about the ways in which a specific circumstance and moment in time are shaped by multiple and potentially contradictory forces. In this case, multiple and competing identities, those of ‘sporting champion’, ‘entrepreneur’ and ‘responsible citizen’ interact with the ultimate result being the creation of social value through social entrepreneurship.

In the chapter by David Haskell, Janice Hayashi Haskell, and Jennifer W. Kwong the authors draw on two decades of field experience in international development and social entrepreneurship to explore the role of values and identity in bringing positive holistic change to “hard places” around the world. The authors define “hard places” in this theory of change as contexts having two or more of these four characteristics: chronic poverty, violent conflict, human rights abuse, and compromised rule of law. These four characteristics mirror the fields of practice in international development that are often increasingly overlapping: socio-economic development, conflict resolution, rights advocacy, and good governance. In this chapter the authors explore ontological options in which to
root social value propositions in pluralistic contexts, proposing in the process an emerging theory of change. They articulate an operating model for the practice of social entrepreneurship in these hard places, and illustrate through a narrative chronology how this approach can be used to support and mentor an early-stage social entrepreneurial network based upon indigenous initiatives and peoples.

The chapter by Mary Lee Rhodes and Gemma Donnelly-Cox explores the case study of the social entrepreneurial organization Front Line, the International Foundation for Human Rights Defenders, which was established in Ireland by Mary Lawlor in 2001. The first part of the chapter deals with issues regarding theories of social entrepreneurship with ‘Front Line’ as an example. The second part of the paper analyzes the case of Front Line as an ‘agent’ within the complex system of Human Rights NGOs by using a performance landscape framework, similar to the more familiar fitness landscapes used prominently among complexity theorists. Rhodes and Donnelly-Cox also appeal to complexity-inspired leadership theory to draw out the implications for a more general organizational complexity theory that can help elucidate aspects of social entrepreneurship that have remained mostly dormant by past perspectives. They end with highlights of future directions that this approach might take.

The final chapter examines, from a philosophical perspective, the conditions that enable a complex adaptive system to adapt, and the role of individuals in enhancing this adaptation. Nathan Harter and Merwyn Strate view each person as a complex adaptive system. According to the authors, for a social system to adapt (the macro-level phenomenon) the individuals within these systems (the micro-level phenomenon) must have the capacity to anticipate change and have the willingness to change. As such, they focus on the development of two specific virtues that are necessary for change and adaptation: humility and openness. These “twin virtues” are in effect ethical approaches that call for honest self-reflection, the re-examination of one’s purpose and direction, diligence and care, and taking appropriate action in relation to a system’s aim (humility); and an awareness of the changing nature of systems, the possible actions and consequences that can ensue, and a posture that incorporates new ideas and ways of thinking (openness). By consciously cultivating these virtues, a complex adaptive system enhances its adaptability, and can therefore become more effective in responding to demands from a changing environment. Thus systems, like individuals, can mature over time through the development of these virtues.

Conclusion: A New Center for Social Entrepreneurship and Complexity at Adelphi University

This book was inspired by the conviction on the part of the editors and the authors that social entrepreneurial ventures, of whatever warp or woof, have complexity science and systems theory written all over them. At the heart of social entrepreneurial ventures lie innovative organizational and partnership/alliance forms which aim at ameliorating social and communal conditions so that they truly embody means towards an accumulating increase
in social value. One important aspect of this process is the production of *social capital* which emerges from cooperative interactions within social networks, interactions like those begun at the Adelphi University conference and which we hope to continue through this publication and future venues of dialogue including future publications.

It is an appreciation for the added value accruing through collective/cooperative interactions within social networks that sets the stage for innovation and emergence. Traditional economic theory and even game-theoretical modeling of cooperation are at a loss on how to accommodate the added value coming out of cooperative and collective action that doesn’t directly drive the creation of economic value. Yet, we believe the various concepts and methods of complexity science described in this book offer another way to understand this added social value. As such, this book is not meant to be read cover-to-cover since it doesn’t contain a sequentially staged, overarching argument. Rather, what this book does offer is a smorgasbord of exciting possibilities. Various ideas and approaches are offered for the readers to “taste” and thereby hopefully take forward as ways to nurture social entrepreneurship to the next level, a foundational social process which builds adaptive social value around the globe. Thus, when the authors represented in this volume talk about social entrepreneurship, they include all the varied new organizational forms, processes, networks and collective identities which increase social value. In an important sense, this book takes the stance that social entrepreneurship is defined not so much by what it is, but by what it can be. It is in this tremendous potential that we, the editors of this book, were reminded of the words of Abraham Lincoln, in his First Inaugural Address of 1861, when he asked that we may all be “touched, as surely as they will be, by the better angels of our nature.”

The editors would like to close this editorial with a brief description of a new Center focusing on the fortuitous meeting between social entrepreneurship, complexity science, and systems thinking that we are creating at our institution, Adelphi University. This Center will be dedicated to social value creation through the agency of social entrepreneurial and social enterprise programs along with other innovative new forms of organization committed to social, community, and cultural improvement. This Center will reflect the themes of these chapters and is determined to produce more forums, papers, and books as the field evolves. The Center’s goal is to become a leading global hub in applying complexity science concepts to social value creation through research, training and the application of entrepreneurial knowledge and skills in ways that effectively promote social and economic development around the world.

The activities of the center will be three-pronged:

- The Center will organize and sponsor international complexity conferences of leading scholars and experts in the areas of social entrepreneurship (in the broad definition), complexity science, and systems thinking;
- The Center will develop and deliver executive and other educational programs as well as provide education in complexity science, systems thinking, and social entrepreneurship to undergraduate and graduate students as well
as executives. This will lead to undergraduate and graduate degrees in this area of research and practice;

• The Center will become a worldwide center for research and publication in the field, particularly with respect to how advances in complexity science can be applied productively in this arena of social action. This entails that the center will be setting-up partnerships with institutions with similar aims throughout the world.
Index

A

Adaptive Cross-sector Partnerships  21, 366, 368, 370, 374, 378-80
Adaptive Responsibilities  345, 347, 349, 351, 353, 355, 357, 359, 361, 363
adaptive tensions  96, 98-9, 196, 202-7, 272, 570, 576
agent-based modeling (ABM)  22, 57, 121
agents  22-3, 129-30, 149-50, 195-6, 198-200, 202-5, 237-9, 316-18,
       384-5, 389-91, 395-400, 427-42, 454-8, 495, 570-4, 576-7
       heterogeneous  120-1, 455, 570
       interacting  121, 129, 175, 367, 374
       social  232, 345-6
American YouthWorks  383, 385, 394-6, 399, 404
aspirations  1-2, 124, 131, 542, 550-1
Attachment, preferential  319-20, 326
attractor cage  124-5, 130, 261-2, 264, 267, 271
attractors  16, 49, 120, 123-6, 261-5, 268-9, 272, 389-90, 403, 479
AYW (American Youthworks)  383, 385-8, 394-400, 404-7

B

Bangladesh  11, 19, 243-5, 249-51, 253, 293
Barka Foundation  116, 118-19
Basic Needs Coalition see BNC
beehives  498, 500
behaviors  23, 76-7, 143, 149, 165-6, 373-6, 429-30, 433-5, 450, 452-4,
       462-4, 480, 488, 495-6, 500-1, 532
beliefs  193, 202, 219, 313, 387, 432, 454, 536-8, 593-5
Bias, intergroup  461, 466
Bifurcation  271-2, 280
big push, environmental  19, 215-16, 224, 226-7
BNC (Basic Needs Coalition)  383, 387-8, 394, 400-7
borrowers  245-8, 251-3
Bounded Rationality  588-90, 596
business activities  65, 76, 273
business entrepreneurs  74, 192, 414
business models  78, 243, 249
business plans  7, 489, 499
capital accumulation  234-5, 237
capital markets  56, 267-8, 273, 276
cash flows  218, 260, 266, 269-70, 275
CBE see Community-Based Enterprises
CETA (Comprehensive Employment and Training Act)  302-3
change agents  47, 74, 414, 515, 530
chaos  55, 84, 104, 132, 146, 195, 209, 281, 409, 480-1, 504, 519, 526-7, 540-1, 578, 595
charities  37, 49, 51-3, 62, 65, 78-9, 183, 315, 354, 356
circle graph  433-7
Cisondari, community of  24, 489
clients  33, 75, 112, 116, 149, 251-2, 332, 356, 372, 388, 392-4, 405-6, 543, 547, 553
cliques  314, 430-2, 434-6
CLT (Complex Leadership Theory)  570, 572, 575-6
Cluj County  22, 411, 417-18, 420-1
clusters  48, 151, 314, 317-18, 323-5, 330-2, 334, 544
giant  117, 316
cohesiveness  451-2, 464, 493
collaboration  21, 151, 180, 365, 367, 378-81, 387, 402-4, 418-19, 423-4, 427, 521, 589
collaborative efforts  388, 400, 402
collective efforts  148-9, 458
collective identity  13-14, 23-4, 26, 59, 130, 445, 447-65, 467, 469
collectives  13, 191, 196, 358, 450, 452-3, 458, 460, 465, 593-5
colonization  474-5, 477, 483
committees  388, 400-2, 406, 562
communication  13, 84-5, 133, 158-9, 179, 185, 198, 210, 306, 366, 397-8, 401, 462, 532, 545-6, 552-3
communication phase  431, 433
tribal  472, 478, 480-1
Community-Based Enterprises (CBE)  192, 195, 197-9, 201-2, 205-6, 209
community colleges  300, 304
community development  175-8, 181, 186-8, 231, 292, 321, 421
compatibility  312-14, 325
competence  76, 583-4
adaptive  582-4, 593
complex adaptive systems  18, 25, 120, 128-9, 132-3, 191-3, 195-7, 206-8, 346-7, 374, 390, 466-7, 471-2, 480-1, 581-2, 590
complex causation  17, 140-1, 144, 146, 148
Complex leaders   76-7
Complex Leadership Theory see CLT
Complex Systems Approach   517-18, 524
Complex Systems Leadership Theory   132-3, 208-9, 280, 339, 361, 466, 530, 532, 542, 546, 556
complex systems perspective   279, 376-9, 475
Complex systems thinking   105, 365-6, 373-4, 379
Complexity Models   71, 73, 75, 77, 79, 81
complexity perspective   13, 18, 22, 76, 102, 128, 349, 480-1, 495, 501, 503
complexity science   1, 3, 12-14, 20, 25-6, 67, 105, 111, 113, 116, 120, 130-1, 153, 209, 471-3, 494
complexity theory (CT)   12-13, 16, 68, 80, 83-7, 89, 95, 98-100, 102, 105, 179-80, 234-5, 472-3, 529-31, 560, 567
computational models   429-31, 435, 456, 568
connections   15, 54, 59-64, 117, 150, 206, 232, 238, 287-8, 303, 311, 313, 315-17, 322, 331-4, 404-5
consensus   31, 34, 45, 167, 181-3, 233-5, 286, 293, 577
constraints, local   488, 499, 501
context, generative   125-6
contingencies   251, 314
continuum   32, 34, 36, 60, 95, 367
control   20, 72, 76-7, 80, 104, 119, 129, 159, 161, 164-70, 172, 179, 201, 267, 317-18, 458-60
cooperating groups   474, 481-2
density   332, 432-3, 436
development programs, workforce   289-90, 304-5, 326, 332-3, 337
discounted cash flow see DCF
distribution, normal 317, 319-20
divergence 124-5, 229, 232, 261-3, 289, 390, 519
diversity 12, 24, 68, 130, 185, 225, 257, 341, 368, 480, 487, 491-3, 495, 536-8, 542-3, 546
cultural 489, 491-2, 497, 502-4
domains 137, 140, 167, 358
DonorsChoose 4
double spiral 23, 471-2, 480-2
Downtown Advisory Committee see DAC
dynamic equilibrium, low-level 216, 227
dynamical systems 16, 49, 122-4, 259-64, 269-70, 272-3, 279
dynamical systems models 55, 114, 121, 129, 260, 270, 273, 279

e

e-mail 397-8, 401, 404
Ecological Economics 228-9
Economic Change 31, 33-5, 37, 39, 41, 192, 409, 413, 473
Economic logic 221, 224-5
economic value creation 20, 216-17, 266, 268-9, 274
education 19, 21, 80, 157-8, 176-7, 273, 277, 291, 295-6, 299-305, 309-10, 338, 386, 419-21, 513, 519
elders 124, 472, 475-8
emergence 55-60, 62-4, 66-8, 100-1, 103-5, 123-9, 132-3, 195-203, 207-9, 313-17, 338-9, 447-50, 460-4, 482-3, 494-5, 503-4
Emergence of Collective Identity 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469
Emergence of Cooperation in Networks 427, 429, 431, 433, 435, 437, 439, 441, 443
Emergence of Social Enterprise 62, 66-7, 577
emergency medical technicians see EMT
emergent properties 54, 57, 63, 118, 179-80, 185, 367, 374, 455, 472
empowerment 161, 243, 290-1
EMT (emergency medical technicians) 289, 305-6
enterprise 1, 24, 31, 34-5, 38-9, 44-5, 56, 64, 67, 75-6, 78-9, 471-3, 507, 519, 545, 561
social entrepreneurial 14, 119, 244
entrepreneurs 2, 6, 24, 32-7, 72-4, 136-8, 192-3, 208-9, 315, 413-15, 427-8, 473, 482-3, 508-10, 517, 561
individual 120, 194, 559-60
traditional 31-2, 216
entrepreneurship 13, 15, 18, 29, 40, 52-3, 72-4, 79-81, 83, 90, 191-2, 424-5, 482-4, 517-18, 560-1, 578
economic 23, 122, 471-2, 475
environment  91-4, 129-30, 160-1, 198-200, 263-6, 268-9, 271-2, 275-6, 
380-1, 389-91, 405-6, 450-1, 455-60, 462-5, 582-3, 588-95
environmental factors  50, 570-1
equilibrium  74, 86, 126-7, 146, 166, 194, 215, 217, 222, 227, 232, 234-5, 
261, 414, 473, 542
higher-level  216-17, 224, 228
errors  165, 167, 248, 459
expenditures  289, 307-10, 566
experiments  129-30, 149, 251, 265, 269, 271-2, 333, 352, 378, 431, 434, 
472, 590
explosion, combinatorial  129-30, 432-3, 439-40

F

factors, limiting  221, 224-5, 227
faith  79, 413, 529, 535, 538-9, 547, 549, 552
falsification  83, 100-1, 103-4
famine  456, 474
Farms  116, 225-6, 513, 519
Favela-Bairro  285, 289, 298-300, 326-7, 333, 335, 338
favelas  20-1, 114-15, 288, 290, 294-9, 313, 320, 325-7, 330, 332, 336
FCFs (free cash flow)  266, 268, 270, 273-5
financial services  251
fluctuations  260, 262-5, 268-9, 272, 497
for-profit  15, 47, 49, 56, 63, 65, 192, 304, 346, 356, 358, 515
Forecasts  161, 265, 267, 273-4, 387
free cash flow see FCFs
Front Line  25, 126, 154, 443, 459, 559-60, 562-7, 569-75, 577

G

GB see Grameen Bank
GDP (gross domestic product)  218-20, 229, 377
GDP growth  218, 220
General Evolution  153-5, 381
Grameen Bank (GB)  1, 19-20, 35, 49, 95, 243-51, 253-5, 384-5, 391, 416
gross domestic product see GDP
group composition  429-31, 433, 493
group context  24, 487, 494
group creativity  24, 487-8, 491, 493, 495, 500-1
group interactions  453, 488, 491
group members  393, 431, 448-9, 452-5, 458, 464, 493, 497
group norms  452, 464
group performance  24, 140, 144, 455, 487, 491
group processes 450, 491, 493


cohort 305-6

cross-cultural 488, 497, 501
diverse 24, 140, 487-8, 492
emergence of 429-30
form 247, 429
kin 474-6
marginalized 243, 292, 385, 391
student 392, 447, 459, 490
target 246, 248, 253, 273, 353, 356, 421, 543, 569, 574

H

heritage 23, 471-2, 476, 480-2

Heterarchy 119, 312

Hierarchical Complexity 135, 142-3, 154

hostels 548-51
educational 548-53

households 57, 247, 251, 286, 291, 307-10, 388, 504

housing, supportive 175, 181, 184

HRDs see human rights defenders

Human Rights 25, 38, 559, 562, 566-7, 569-70, 573-4

Human Rights Defenders 126, 460, 562-7, 572

human rights defenders (HRDs) 25, 126, 460, 562-7, 572-3, 575

human systems 3, 197, 260, 264, 389-90, 392, 408, 457, 581, 583-4, 586-7

humility 25, 518, 529, 538-9, 547, 549, 581, 584, 586-8, 590-3, 595

hybridization 49-50, 53

I

identity 24, 57, 60-3, 66, 124, 159-60, 163, 198, 209, 353, 448-52, 455, 459-61, 537, 582-3, 593-5

emergent 58, 60, 62

personal 451, 454, 467, 582

indigenous 471, 530, 532-3, 543, 545-7

individual agents 19, 121, 128, 197, 231-2, 236-40, 456-8

informed social capital 17, 135, 138, 140-1, 143-4, 146, 148, 151-3

inhabitants 196, 257, 294-5, 298-9, 326, 420


emergence of 116, 128, 133, 317, 467, 517, 523

organizational 17, 157

Innovation Framework 471, 473, 475, 477, 479, 481, 483, 485

intentional change 357-8
interaction paralysis 23, 462, 464-5
agent 197-8, 200, 244, 389
model of 23, 427-9, 439
interventions 152, 175, 178, 180, 182-7, 392-3, 461, 467, 517, 530
interviews 182, 184, 252, 339, 351-2, 356, 366, 373, 379-80, 384, 392-4, 417, 420, 563, 566
invention 51, 128, 262-4, 269

J
job search 288-9, 292, 333
Job Training and Partnership Act (JTPA) 303

K
knowledge management perspective 84-5
knowledge matrix 440-2

L
labor market 238, 421-3
landscape 1-2, 5, 79, 294, 475, 559, 568-75
leaders 23, 65, 77-8, 80, 113-14, 119, 171, 192, 322, 379-80, 388, 396, 405, 407, 427-8, 513
servant 532-3, 545
leadership 71, 76-7, 132, 209-10, 280-1, 388, 403-5, 407, 466-7, 503, 507, 524-6, 532, 538-40, 546-7, 555-7
adaptive 572
effective 76-7, 532
emergent 127, 133, 405, 533
Lending4Change 1, 4-7
life-cycle 291, 307, 338
lifetime planning 307, 309-10
linkages 52, 117, 236, 287, 311-14, 318-21, 329-32, 428, 546
links 19, 43, 45, 60, 96, 123, 161, 231-2, 234-7, 239-40, 294, 311-14, 317-22, 325-32, 437-8, 440-1
loans 2, 7, 20, 245-8, 306, 354
local policies 290, 293
M

Maori entrepreneurship 471, 475
Maori maps 274, 471-2, 475, 477-8, 480-1
market mechanisms 234, 238, 273, 276-8
Medical Pathways 289, 305-7
MedPath 289, 305-6, 313, 326-7, 334-5
mental model 86, 100, 139, 166
messy problems 176, 179
meta-system 147, 151, 153, 159-60, 162, 165, 167
metatheory 84, 86, 103-4
methodology, soft systems 18, 175-6, 178, 182-3, 188
MHC (Model of Hierarchical Complexity) 17, 135, 142-4, 146, 148, 151, 154
micro-enactments 23, 118, 132, 447-9, 452-6, 458, 460, 462-6
micro-level 78, 129, 357, 495-6, 517
microfinance institutions 249-52
microprocessors 262-4, 269, 280
Mink-Dietz Model 391-2, 394, 407-8
mission statement 163, 398-9
Model of Hierarchical Complexity see MHC
agent-based 12, 19, 66, 118, 231, 236-9, 312
common 450, 463-4
complex 71, 75, 333
conceptual 167, 180, 369
formal 310, 335, 429, 575-6
mathematical 315-16, 508
network 209, 312, 577
operating 25, 162, 530, 543-4, 547, 551
operational 75, 80
organizational 44, 391, 536
robust 94-5, 99-100
motivations, adaptive 582-4
movement 5, 43-4, 46, 49-50, 52, 54-6, 64-6, 215, 222-3, 294, 303, 349, 481, 519, 570-3, 592
multi-dimensional responsibilities 358-9
municipalities 177-8, 294, 298, 302

N

narratives 15, 113, 119, 537-8
natural resources 122, 219, 224-5, 227
nested system 264, 272
network structure 321-3, 325, 333
network theory  19, 231, 235-6, 238-9
network topologies  21, 322, 324-5, 331
Networks  6, 116-18, 130-1, 162-3, 171, 231-2, 239, 311-14, 316-22,
          331-3, 338-40, 427-9, 439-41, 543-7, 553-4, 573
hub  117, 317-19
random  117, 317, 319
small world  117, 318, 324
tangled  23, 460, 462-5
NGOs (non-governmental organizations)  22, 56, 78, 136, 251, 305, 360-2,
          380, 411, 417-19, 424, 428, 511, 562-3, 566
nodes  117-18, 123, 137, 162-3, 166, 236, 287, 295, 311-14, 316-20, 322,
         324-32, 334, 351, 430, 433
       connected  317-18, 331
       intermediary  316-18, 327
non-governmental organizations see NGOs
non-profit groups, environmental  365-7, 379
non-profit organizations  14, 345, 347, 349, 351, 356-7, 376, 381, 387, 413,
                           428, 552, 577

O

openness  25, 371, 401, 403, 519, 581, 584, 586-7, 591-3, 595-6
optimal effort  431-4, 436
order, emergent  200, 495, 531
ordering forces  263, 271-2
organizational behavior  51, 76, 391, 504, 536, 578
organizational boundaries  96, 98, 118, 428, 546
organizational change  97, 99, 234, 339, 348-9, 351, 360-2, 390, 557
organizational forms  13, 20, 26, 47-8, 248, 347, 359, 415
organizational learning  86, 132, 209-10, 368, 466
organizational levels  133, 163, 366, 369-70, 377, 503
Organizational Science  133, 568, 577-8
organizational structure  14, 171, 380, 383, 405, 480
organizations
       client  393-4
       faith-based  304, 387
       member  388, 401, 405
       open  406, 409
       partner  350-1, 514, 552
       social  50, 159-60, 416
outliers  48-9, 117, 315
participant observation 373, 490, 504
participants 2, 21, 37, 61, 126, 140, 187, 204, 264, 289, 305-6, 318, 373-6, 404, 490-1, 496-502
participatory action research 182-3
adaptive 367, 371, 374-5, 379
integrative 367
social 345-7, 359, 379
existing 488, 495-7, 501
PD see Positive Deviance
performance landscape 96, 154, 443, 559-63, 565, 567-9, 571-5, 577, 579
performance landscape model 559, 569-70, 572, 575-7
performance outcomes 569-70, 572
Personal Communication 362, 512-14
perspectives, social network 285, 327, 335
phase transitions 316, 473
phenomena
emergent 87, 127-8, 199, 456
organizational 562, 568, 571, 575-6
philanthropy 7, 11, 50-1, 80, 202, 325, 362
phronesis 588, 592, 595
physics 88, 100, 102, 259, 306-7, 389
police 4, 185, 408-9
politics 52, 56-7, 66, 68, 155, 182, 443, 447, 556
populations 4, 21-2, 75, 120-1, 135, 147, 180, 286-8, 306, 315, 320, 324, 326, 330, 431-2, 437-42
Positive Deviance (PD) 315, 323-4, 338, 557
poverty 1, 8, 19-21, 83, 111-12, 120, 194, 231, 246, 250-2, 285-8, 292-4, 301-3, 309-10, 325, 338-41
poverty alleviation 19-20, 232, 239-40, 243, 251, 254, 340, 417
poverty line 301, 305
poverty reduction policies 286-7, 290, 292, 307-8, 310, 314, 335
poverty reduction programs, urban 286, 288, 308, 313, 316, 325, 332, 334
power 3, 5, 8, 36, 53, 80, 132, 198, 331, 376, 424, 453-4, 513, 537, 588-9, 591
practitioners, social entrepreneurial 11, 131
present value (PV) 266, 268-70, 279
Prince’s Trust 21, 350, 355-6, 362
Princes Trust see PT
probability 52, 273-4, 330, 332, 431-3, 435, 440, 454
profitability 259-60, 536
profits  1, 6, 32, 34-40, 47, 54, 57, 64, 73, 98-9, 136, 194, 217, 225, 227-8, 277-8
programmes  353-4, 566
programs  2, 6-7, 112-13, 115-17, 248-52, 285-6, 288-90, 292-3, 298-9, 304-7, 316-17, 323, 334-7, 386-8, 458-9, 489-90
microfinance  251
social  6, 75-6, 117, 125, 177
programs of action  447-8, 451, 454, 458-60, 462-5
projects  15-16, 35, 101, 113, 244-6, 267, 271, 273-4, 297-9, 366-7, 372-3, 402, 421-3, 428-32, 434-6, 440-1
    competing  279
    emergence of  436, 440-1
    implemented  430, 435
    social entrepreneurial  11, 16-17, 115, 128, 345
PT (Princes Trust)  129, 274, 350, 352-8
public participation  105, 154
PV see present value

R

RBSG (Royal Bank of Scotland Group)  274, 350, 352-8, 362
relationships, linear  88
requisite complexity  124-7, 129, 260, 271, 474, 519, 531
    dynamics of  125-7, 271, 494
resourcefulness  74, 78
revitalization  124, 175, 181-2, 184-6
risk, embracing  538-9, 547
robust theories  88, 94, 99-100, 102-3
robustness  16, 83-4, 88, 91-2, 94, 97, 99-103, 451
role models  498-9, 559
Romani communities  22, 417, 419-23
Royal Bank of Scotland Group see RBSG
rules  15, 43, 45, 48, 50, 54, 60-2, 64, 167, 198, 236-8, 247, 367, 472, 479-80, 570-1

S

sacrifice, enduring  538, 547
scale-free networks  117, 123, 287, 317-22, 326, 340-1
Schemata  18, 100-1, 191, 193, 196, 198, 201-3, 206-7, 588
SEED group  489, 495-7, 499-500
SEED program  24, 487-91, 495-6, 498, 500-2
selection, evolutionary  459-60
self-invalidating system  165-7
Complexity & Entrepreneurship

sensemaking 196, 198, 200, 210, 451, 453, 488, 495, 498-9
service providers 277-8, 387
SEVs see social entrepreneurial ventures
shared understanding 46, 384, 391, 394, 398-403, 405, 408
shareholders 34-5, 60-1, 63, 65, 216-18, 258, 266, 268, 368, 535
Small and Medium Enterprises (SMEs) 355, 510
Small Group Research 503-4
SMEs (Small and Medium Entreprises) 355, 510
social capital accumulation 19, 231, 235-40
social capital models 236
social change 13, 23, 71, 80, 99, 136-9, 141, 148-9, 153, 155, 204-5, 207, 243-4, 349-50, 385, 546
social commerce 31, 34, 36
social complexity 135, 138-9, 141, 143-4, 146, 148-50, 152-3, 194-5, 360
social enterprise 12-13, 34-5, 37, 39, 43-56, 62, 64-9, 71, 75-6, 79-80, 231, 275, 346, 416, 418-19, 424-5
embedded 75
social enterprise movement 55-6
social entrepreneurial activities 12, 119, 412, 561
social entrepreneurial endeavors 5, 12, 16, 20, 78
social entrepreneurial initiatives 112, 252, 417, 449, 461-2, 465
social entrepreneurial organizations 383-5, 388, 390, 405, 407
social entrepreneurial process 413, 416-17, 424
social entrepreneurial programs 11-12, 31, 113-17, 119, 127, 136, 231, 502
social entrepreneurial ventures (SEVs) 1, 13, 15, 18, 25, 39, 71, 113, 116, 118-19, 126, 128, 218, 223-6, 412, 460-2
social entrepreneurship 32, 39
social entrepreneurs, potential 222, 412, 548
social entrepreneurship
  defining 14-15, 31, 43, 45, 95, 193, 560
dynamics of 85, 113, 530, 559-60
redefinition of 13, 15
sustainable 18, 191, 193
social entrepreneurship culture 23, 427-8
social entrepreneurship process 192, 194, 412, 416
social entrepreneurship research 442-3, 503
social entrepreneurship theory 16, 83, 85, 87, 89, 91-5, 97, 99-101, 103, 105, 562, 567, 575-6
social entrepreneurship ventures 23, 447, 461, 471
social innovation 23-4, 80, 97, 120, 127, 347, 350, 356-7, 411, 471-2, 475, 480-2, 487, 531
social interactions 85, 196, 201, 347, 432-3, 494
social leaders 76, 427-8, 436-9, 441-2
social mobility 21, 293-5, 298, 300, 307-8, 326, 335-7
social network theory  21, 234, 287, 290, 324-6, 328-30
social network topology  324-5, 331
framework of  314, 335
impoverished  287-8, 308
social norms   64, 203, 234-5, 237-8
social problems   1, 6, 33, 35, 43, 136, 192-3, 195-9, 201-2, 204, 215-16, 345-7, 369, 412, 414-18, 424
social sector   74-5, 279, 345-6, 359, 412, 415, 417-18, 424, 530
social services   80, 177, 181, 277-9, 298, 529
social systems   17, 25, 105, 113, 126-9, 144, 148, 159, 175, 179, 183, 187, 193-7, 259-60, 358, 581-2
social value   20, 24, 26, 33, 123, 128-30, 205-7, 215-17, 223-7, 257-8, 266, 273-9, 387, 411-13, 515, 534
social value creation   13-14, 18, 24, 26, 78, 98, 122, 130, 206, 213, 216, 257-9, 265-7, 269-71, 273-5, 279
social value propositions   25, 90, 541-3
societal entrepreneurship   135-9, 141, 143, 149-50, 152-3
Spiral of Innovation   472, 479-82
state space   121, 123, 127, 217, 222, 259-61, 263, 265
subgroups   459, 498-9
subsystems   164-71, 585
synthesis   146-7, 164
systemic   4, 52, 135-9, 148-9, 152-3, 526, 531
systems, viable   160, 385
Systems Context   520
Systems Thinking   11-14, 18, 26, 32, 111, 113, 115, 117, 119, 121-3, 131, 144, 146, 166, 177-8, 187-8

T

Tensions, adaptive sensemaking   204-5
Tipping Point   31, 33, 35, 37, 39, 41, 221, 409
topology   123, 311-12, 317, 322, 324
tribal farmers   549, 553

U

uncertainty   176, 188, 193, 201, 209, 215, 261, 268, 275-6, 279, 494, 496-8, 500-2, 578, 589
UNDP (United Nations Development Program)   520
urban environments   285, 287, 324-5, 327, 329, 332
urban poverty   112, 285-8, 298, 307, 326, 335, 337, 340-1
Urbanization 299, 340-1, 477

V
values, present 266, 268-9, 279
venture philanthropist 552
Viable System Model see VSM
vision 4, 11, 73-4, 115-16, 162-3, 181-2, 185-6, 387, 395-6, 414-15, 424, 515, 530-3, 537-8, 540-5, 549-54
VSM (Viable System Model) 159-60, 166, 171-2

W
weak signals 5-7, 130, 253, 263-5, 267-9, 272, 275, 280, 315, 456
weak ties 313-15, 318, 321, 324, 326, 329-30
Web 51-2, 320, 322, 341, 507
workforce development 20, 285, 289, 292, 300, 302, 304-5, 326, 337