GEM

GLOBAL ENTREPRENEURSHIP MONITOR

2009 Report on Social Entrepreneurship

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Universidad del Desarrollo

Global Entrepreneurship Monitor

2009 Report on Social Entrepreneurship

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Executive Summary

The Global Entrepreneurship Monitor's (GEM) social entrepreneurship activity research is based on interviews with approximately 150,000 adults in 49 countries during 2009. Special questions were added to the GEM 2009 Adult Population Survey (APS) to document the prevalence of social entrepreneurship. GEM defines social entrepreneurship broadly, however, based on a number of follow-up questions with individuals in the population screened out as social entrepreneurs in the 2009 APS. Deeper analysis led to the development of subcategories of social entrepreneurship.

Given the scarcity of data on social entrepreneurship activity around the world and the many existing definitions of social entrepreneurship, this report produces unique insights, as it represents the first global and harmonized assessment of social entrepreneurship activity. Below is a summary of some of the main findings derived from the study.

- Measuring Social Entrepreneurship: While the GEM Social Entrepreneurship survey methodology is detailed in Lepoutre et al. (2012), the broad philosophy can be described as following a two-stage approach. Briefly, the most important screening factor for identifying social entrepreneurs is an explicit or implicit mention of a social mission. Individuals responding yes to the question "Are you, alone or with others, currently trying to start or currently owning and managing any kind of activity, organization or initiative that has a particularly social, environmental or community objective?" are screened out as social entrepreneurs in a first screening phase. In the second phase, a series of follow-up questions gauge the extent of innovation and reliance on market-based revenues to screen out nongovernmental organizations (NGOs) from social entrepreneurs, and ask regular entrepreneurs about the relative importance attached to societal objectives to add highly societally oriented entrepreneurs to the social entrepreneurs that are more explicit about their association with social activities (see Figure 1).

- Prevalence of Social Entrepreneurial Activity: We find that the percentage of the working-age adult population that is explicit about its involvement in social activities (Total Social Entrepreneurial Activity) varies considerably around the world, from 0.2% in Malaysia to 7.6% in Argentina, with an average of 2.8% (see Table 1). The average rate for early-stage social entrepreneurship activity (SEA) across all 49 GEM countries is lower—an average of 1.94%, ranging from 0.2% in Malaysia and Saudi Arabia to 4.9% in the United Arab Emirates. Despite their variation, these low levels of prevalence show that social entrepreneurship is a rare phenomenon overall, especially when compared to more traditional entrepreneurial activity levels (see below).

  Overall, very few consistent patterns of social entrepreneurship prevalence can be discerned at this point. While the range of SEA is similar for all three economic development stages (factor-driven, efficiency-driven and innovation-driven countries), the average SEA rate increases slightly with economic development. However, sharp differences exist among developed and developing countries and across countries grouped by geographic region. This indicates that differences in social entrepreneurship activity cannot be explained exclusively by the level of economic development and are better attributed to the combined influence of regional variations in geographic, social and institutional backgrounds.

- Comparison Between Total Entrepreneurial Activity and Social Entrepreneurial Activity Levels: Entrepreneurship ventures may also vary in the extent of focus on social and commercial goals. We examine four categories: (1) Pure social entrepreneurial activity (where the individual launches or runs a social organization that has no commercial activities); (2) pure commercial entrepreneurial activity (where the individual launches or runs a commercial organization that has no particular social goals); (3) overlapping social and commercial entrepreneurial activity (where the individual launches or runs an organization that is both commercial and social in nature); and (4) simultaneous social and commercial entrepreneurial activity (where the individual launches or runs both a social and commercial organization that are different entities). We find that the level of commercial entrepreneurship represents between 2 and 13 times that of social entrepreneurship across regions (see Figure 7, page 18). Although there is no apparent relationship between both types of entrepreneurial activity, regions with higher pure commercial activity (such as the Caribbean, Africa and Latin America) also exhibit comparatively higher rates of pure social entrepreneurial activity. Similarly, the higher the level of a region's pure commercial entrepreneurship activity, the more significant is the level of overlap between social and commercial entrepreneurship, supporting the notion that entrepreneurial economies tend to offer a more favorable setting for undertaking socially innovative initiatives that depart from the traditional third sector.

- The Social Entrepreneurship Spectrum: Social activities manifest themselves in different ways—from a pure nonprofit model to organizations that marry philanthropy with business models. When

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looking at different types of social entrepreneurs, those involved in NGOs form the lowest proportion of total social entrepreneurship activity (less than 30%) in developing countries in Southeast Asia, Africa, the Caribbean and Latin America, as opposed to more developed economies like those in European countries where NGOs are more prevalent (see Table 2, page 22). The relatively high proportion of NGOs in the United States concurs with recent studies in that country that have cited nonprofit social enterprise as the most common form of social enterprise despite the rapid growth of commercial forms of this type of organization. Variations in the social entrepreneurship spectrum should be interpreted with caution, taking into consideration the variety of meaning that this concept holds across countries and regions. For example, the apparently similar rates of for-profit social enterprises in the United States and Europe may hide different types of for-profit activities (such as NGOs launching a for-profit subsidy in the United States versus cooperatives in Europe). Similarly, the relatively high rate of for-profit social enterprises and economically oriented hybrid enterprises in Southeast Asian countries are possibly due to the definition of social entrepreneurship in this region being geared more toward the for-profit end.

- Social Entrepreneur Characteristics: Social entrepreneurs themselves vary in their demographics and motivations. There are several interesting findings about the relatively high prevalence of women, the young age of social entrepreneurs and their diverse educational and work backgrounds.

  Gender gap: Males are generally more likely to start a social venture than females; however, the social entrepreneurship gender gap is not as high as with traditional commercial entrepreneurship. The male/female SEA ratio varies tremendously across countries. For example, in Malaysia, Lebanon, Russia, Israel, Iceland and Argentina, women are more likely to start a social venture than are men. The ratio is about equal in Latvia, the United States, Finland and China. Males outnumber females the most in Saudi Arabia, Morocco, Brazil, Bosnia and Herzegovina and the West Bank and Gaza Strip. The gender gap is also apparent across regions, with the greatest male/female SEA ratio gaps in the Middle East and North Africa (MENA) and the lowest in the United States.

  Age: The results suggest that across countries, individuals who have established themselves but are still quite young (aged 25 to 34 and 35 to 44) are most likely to start a social venture. The closer an individual is to "retirement age" (aged 55 to 64), the less likely he/she is to start a social venture. The data also suggest differences across economic types and regions. In factor-driven economies, young people aged 18 to 24 are the least likely to be involved in social entrepreneurship; while in innovation economies, this youngest group is the most likely to be involved in social entrepreneurship.

  Education level: The results suggest that individuals with higher levels of education are more likely to engage in social entrepreneurial activity. We find the highest prevalence rate among those with some post-secondary education (2.55%), followed by 2.07% for graduates, 1.95% for secondary and 1.15% for some secondary. Despite the fact that a minority of any country's population has completed post-secondary and graduate education, these individuals are the most likely to be involved in SEA. This is especially true for lower levels of economic development.

  Work status: The most common work status of social entrepreneurs across countries is self-employed, followed by part-time only, full or part time, student and not working/other. Part-time only and student are more common in efficiency- and innovation-driven economies compared to factor-driven economies. We can relate this result to the fact that, in developing countries, simultaneous social and commercial entrepreneurship is, on average, higher. This is consistent with the fact that it is a full-time job, as opposed to more wealthy countries, where it is a side activity. Homemaker is more commonly found in efficiency-driven economies compared to factor- and innovation-driven economies.

- Classification of Social Entrepreneurship Activities by Industry: Social entrepreneurship activities have been classified according to the International Classification of Nonprofit Organizations (see Table 4, page 28) shows a distribution into the following sectors by order of importance: Social Services, Culture and Recreation, Development and Housing, Education and Research, Environment, Health, Other, Philanthropic Intermediaries and Voluntarism Promotion, Law, Advocacy and Politics, Religion, Business and Professional Associations, Unions and International. Here again, the variation across countries is wide and can be attributed to a combination of differences in geographic, historical, social and institutional backgrounds.

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The GEM Research Program

Since 1999, the research consortium that carries out the GEM research program on an annual basis has contributed to the knowledge of national differences in entrepreneurial attitudes, activity, and aspirations, and the characteristics of the environmental conditions that may either help encourage or deter entrepreneurship. By exploiting the wealth of information this has brought regarding more than 80 economies worldwide, the GEM research program helps governments, businesses and educators around the world to design policies and programs aimed at stimulating (specific types of) entrepreneurship. The GEM research project focuses on three main objectives:

- To *measure* the scale and scope of entrepreneurial activity and analyze how this differs across countries;
- To *uncover* factors determining national levels of entrepreneurial activity; and
- To *identify* policies that may lead to appropriate levels of entrepreneurial activity.

The GEM was initiated in 1997 as a partnership between London Business School and Babson College. In 1999, 10 national teams conducted the first GEM Global study. The research program is based on a harmonized assessment of the level of national entrepreneurial activity for all participating countries and involves exploration of the role of entrepreneurship in national economic growth. There is, further, a wealth of national features and characteristics associated with entrepreneurial activity.

In 2005, the national teams participating in the research program, London Business School and Babson College established an independent, not-for-profit organization called the Global Entrepreneurship Research Association (GERA) to oversee the operations of GEM. At present, more than 80 economies have participated in GEM, and the most recent data collection included 59 economies across the globe. Led by a central coordination team, the GERA consortium administers an annual Adult Population Survey (APS) of at least 2,000 adult individuals in each participating country. In addition, GEM national teams conduct National Expert Surveys (NESs) to obtain insights about particular environmental factors affecting entrepreneurship in each country.

GEM aims to be the leading source of information and analysis about entrepreneurship across the globe. The ambition is to cover a greater proportion of Organization for Economic Co-operation and Development (OECD) and non-OECD nations in the interest of gaining a detailed picture of the world's entrepreneurs and their role in economic development. The study employs an original methodology that has been continually refined over 10 years. Data collection follows strict quality control procedures. This strong methodology, among other distinct features, contributes to the project's uniqueness and value for those seeking to benchmark and make comparisons about entrepreneurship among nations. Each economy participating in the GEM project has an academic team that selects a local survey vendor to conduct the APS and then monitors the process for quality control. The GEM central coordination team and its specialized staff ensure that each team follows strict GEM research standards. This ensures data quality and allows for the harmonization of data across all participating countries. All teams and vendors therefore adopt the same methodology. Quality control is similar in the NES and includes an oversight role by the central coordination team. National teams conduct the survey in accordance with the specific procedures and policies established by the GEM consortium. The NES process includes the selection of at least 36 experts and the coverage of nine framework conditions that influence a nation's entrepreneurial environment: financial support, government policies and programs, education and training, R&D transfer, access to commercial and professional infrastructure, internal market dynamics, access to physical infrastructure and social and cultural norms. Interviews are conducted with at least four experts in each of the nine areas. GEM publishes annual global reports, and GEM national teams publish individual country-level reports. In addition, GEM publishes special reports on topics including women in entrepreneurship, high-growth ventures, entrepreneurial finance and entrepreneurial training.[1] This special report on social entrepreneurship draws on additional questions developed around this topic for the GEM 2009 APS and the GEM 2009 NES. These questions have been constructed based on the state of the art in the literature and have been reviewed internally and approved by the GERA annual assembly. Figure 1 depicts the GEM conceptual model.[2] See Appendix 1.1 for details about the GEM initiative.

[1] All reports are available from www.gemconsortium.org.
[2] This model is partly based on the conceptual model put forward by the World Economic Forum in its Global Competitiveness Report series. See Bosma and Levie (2010) for a more detailed description of the model.

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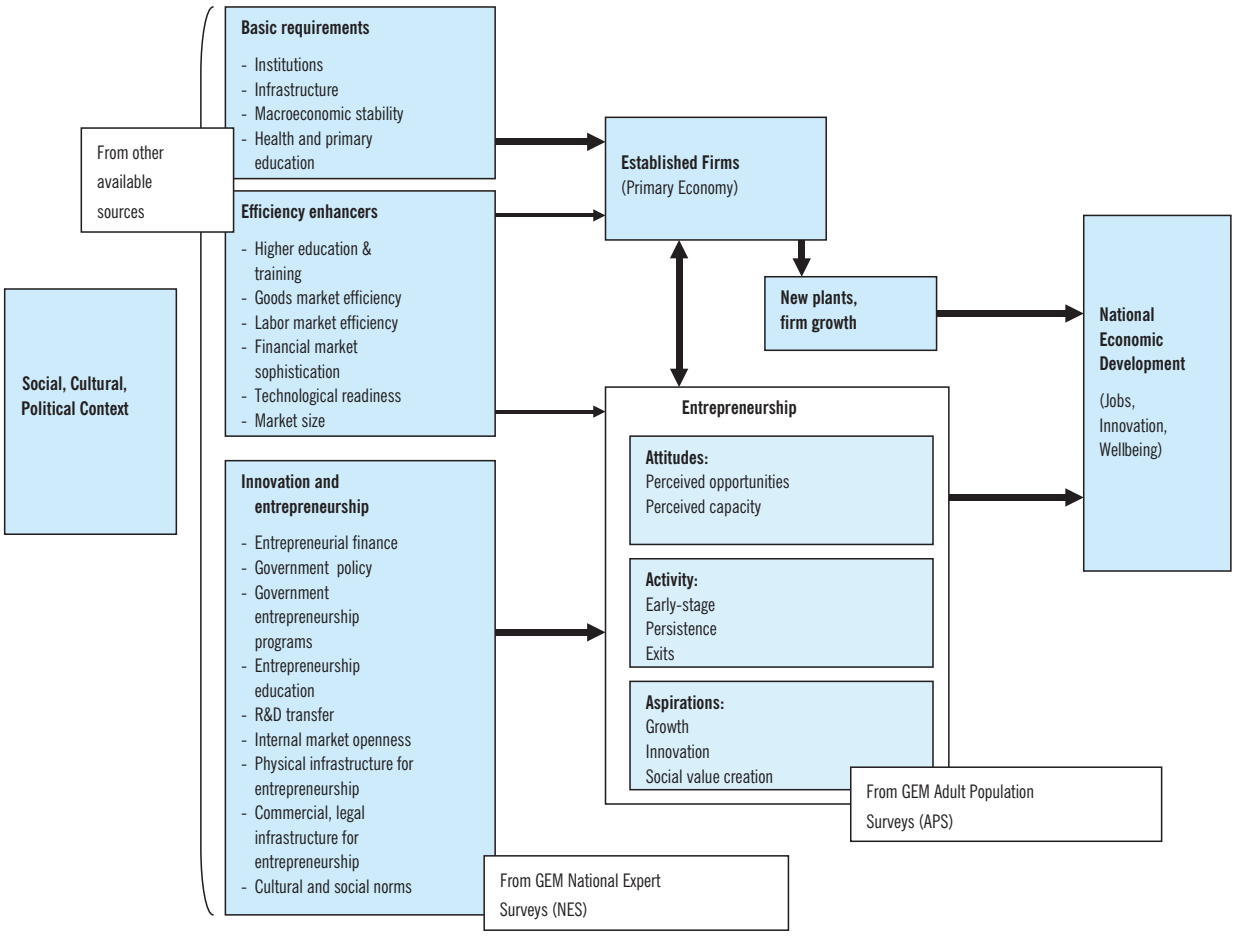
Figure 1—GEM Conceptual Model (based on Bosma and Levie, 2010)



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Social entrepreneurship is entrepreneurial activity with the explicit objective of addressing societal problems. Scholars have documented a marked increase in the number of social ventures in both the developing and the developed world (Seelos and Mair, 2007; Brooks, 2009) and a gradual endorsement by political and business leaders in the United States, United Kingdom (Tracey and Jarvis, 2007) and European Union (Defourny and Nyssens, 2008). There are many organizations (e.g., Ashoka, the Aspen Institute and the Skoll Foundation), events, awards and celebrations highlighting the heroic efforts of social entrepreneurs (Marcus and Fremeth, 2009).

Social entrepreneurship research has also increased (e.g., Hemingway 2005; Tracey and Jarvis, 2007; Short et al., 2009; Zahra et al., 2009; Dacin et al., 2010), as indicated by academic journals publishing special issues, as well as international academic conferences and workshops being organized around the world, about the topic. Short, Moss and Lumpkin (2009) reported a 750% increase in articles published on social entrepreneurship between 1991 and 2009, while Ashoka and Brock (2011) and Brock (2008) counted more than 430 professors teaching and researching social entrepreneurship in more than 35 countries and approximately 200 social entrepreneurship cases and 50 textbooks. Even though these trends show a clear increase in academic interest in the topic, large-scale research based on quantitative data that supports and extends the many insightful theoretical statements that have been proposed on social entrepreneurship is lacking. While a number of initiatives have been undertaken in the past (e.g., Salamon et al., 1999; Kerlin, 2009; 2010), they were not based on a consistent definition or derived from one large dataset that allows for a detailed analysis of individual drivers and antecedents of social entrepreneurship. Consequently, there is little understanding of the actual prevalence of social entrepreneurship, as derived from large population-based data. Social entrepreneurship rates harmonized over countries cannot be derived from existing official statistics.

Readers should be aware of the following data limitations:

- Because the notion of "social entrepreneurship" could be influenced by many local normative and regulatory interpretations, we tried to capture the phenomenon as indirectly as possible by using references to actual behaviors people were involved with. Despite our vigilant care in designing the survey, however, it may still be possible that perceptions about some aspects of the survey may have varied across countries. Care should therefore be taken when comparing social entrepreneurship activity between countries, as these numbers could also conceal perceptual differences.
- The countries in the database are not necessarily representative of the economic and geographic groups from which they are drawn. Thus, while this is perhaps the largest global study of the prevalence, sources and impact of social entrepreneurship to date, there is still much more work to do.
- The surveyed population spans a broad range from 18 to 64 years of age. The age distribution of social entrepreneurs in a country may be a function of the nation's age profile and should be considered when making comparisons between countries.

Bearing in mind these limitations, this report produces new insights on the topic of social entrepreneurship and may trigger new research questions to be explored in the future. In summary, the goals for this report are the following:

- Demonstrate national differences in the levels and types of social entrepreneurial activities and in the cultural and institutional settings that may promote or hinder the level of social entrepreneurial activities and related perceptions;
- Demonstrate basic characteristics of social entrepreneurs across (groups of) countries; and
- Provide information related to social entrepreneurship that helps policy makers, educators and practitioners to identify implications.

WHAT IS SOCIAL ENTREPRENEURSHIP?

People across the world attach different interpretations to the term "social entrepreneurship." Even within national or regional economies, social enterprises show multiple manifestations, such as organizations that marry philanthropy with business models and organizations that combine nonprofit[3] with market-based tools (Alter, 2007). This variation in manifestations is reflected in the breadth of definitions used by the academic community, resulting in a lack of a specific and generally accepted definition of social entrepreneurship (Brock, 2008; Short, Moss and Lumpkin, 2009).

Following the recommendation of several scholars (Short et al., 2009; Zahra et al., 2008), the GEM study on social entrepreneurship embraces a broad definition that relates social entrepreneurship to individuals or organizations engaged in entrepreneurial activities with a social goal (Van de Ven, Sapienza and Villanueva, 2007). More specifically, the approach taken closely resembles the view of Mair and Marti (2006): "First, we view

[3]We use the terms "nonprofit" and "not-for-profit" interchangeably, as legally the two types are generally considered to be the same.

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social entrepreneurship as a process of creating value by combining resources in new ways. Second, these resource combinations are intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs. And third, when viewed as a process, social entrepreneurship involves the offering of services and products but can also refer to the creation of new organizations."

Despite the debate on the definition of social entrepreneurship, there seems to be a number of characteristics that distinguish social entrepreneurs from "regular" entrepreneurs and/or traditional charities. In particular, three selection criteria seem to stand out in the extant literature: the predominance of a social mission, the importance of innovation and the role of earned income.

As detailed in the next section, GEM's approach to capturing social entrepreneurship entails taking into account the above mentioned criteria in order to reflect the breadth of views on the subject and have a database that is useful to a maximum number of research communities regardless of their perspective on the subject.

CONCEPTUALIZING AND MEASURING SOCIAL ENTREPRENEURSHIP IN AN INTERNATIONAL PERSPECTIVE

The need for mapping social entrepreneurship becomes increasingly pressing in an era that attaches more and more importance to social entrepreneurship for solving complex and persistent social problems. Public and private resources are spent on issues that are associated with social enterprise. Yet despite the growing interest and noted increasing prevalence of social entrepreneurship, there are currently no or very limited data available to assess the nature and incidence of social entrepreneurship across the world, nor its antecedents or consequences.

The establishment of a global measurement instrument is important for multiple reasons. The main reason is that, at present, there is very limited insight to what extent social entrepreneurship prevalence differs across countries. Although several theories have been proposed that predict national or regional differences, until now no data were available to test these theories. Is social entrepreneurship more prevalent in countries tht experience more state failures in addressing social problems? Or is it really the other way around—that social entrepreneurship is less prevalent in poorer countries where priorities by entrepreneurs and people in general are set on meeting basic needs first? These and other issues may be addressed with a harmonized approach to capturing social entrepreneurship across the globe and putting it in relation to contextual variation. In the conceptual model that drives GEM research, as shown in Figure 1, the output of social entrepreneurial activities, social value creation, is highlighted as one of the main items in the aspiration component of entrepreneurship. The social, cultural and political context determines the degree of social value creation through entrepreneurial activities, along with the degree of welfare as reflected by the phase of economic development. Phases of economic development are identified as factor-driven (where basic requirements are critical for further development), efficiency-driven (with the listed efficiency enhancers as critical indicators for progress) and innovation-driven (where conditions related to innovation and entrepreneurship are crucial for economic performance).

A second reason why it is important to use a harmonized approach to measuring social entrepreneurship across the globe is that it allows for understanding the individual-level drivers of who becomes a social entrepreneur, what they do, what their objectives are, how they understand social entrepreneurship and how all of these elements vary depending on where one lives in the world. Researchers have only recently begun to map such differences (Kerlin, 2009), but many challenges remain in order to test findings on a broader scale of countries.

Third, combining individual-level perceptions and activity levels at the national or regional level allows necessary insight (Kerlin, 2009) into the broad contextual and institutional elements that influence social entrepreneurship.

The GEM survey on social entrepreneurship was designed with the aim of addressing some of these challenges. Its main advantage is related to the harmonized measurement of social entrepreneurship. The items used to identify social enterprises, while relatively simple, cover a representative array of the multiple conceptual lenses that are being used to study this phenomenon. For this reason, our approach has been to employ a broad definition of social entrepreneurship and use follow-up questions in the survey that facilitate further conceptual refinement. For example, many discussions on the definition of social entrepreneurship revolve around the extent to which social entrepreneurs have social objectives over and above economic ones, their dependence on market revenues and their degree of innovativeness. Furthermore, Short et al. (2009) delineate social entrepreneurship boundaries by focusing on three

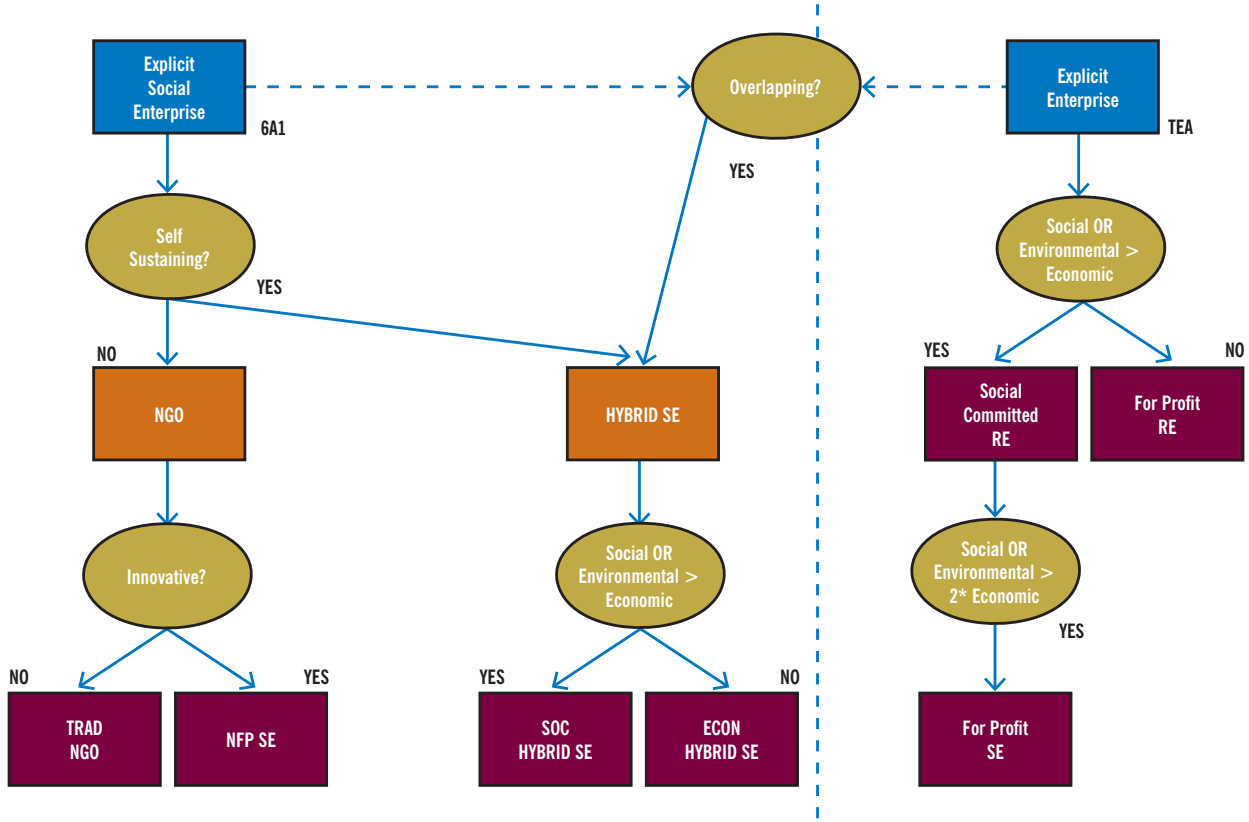
main areas. The first lies at the intersection of entrepreneurship and public/nonprofit research; the second studies the overlap of entrepreneurship and social issues in management; and the third informs social entrepreneurship by studying the junctures among these three domains. Although we refer to Lepoutre et al. (2012) for a more detailed description, the GEM social entrepreneurship survey captures:

1. Innovative and social-value creating activities in the context of nonprofit or public-sector organizations;

2. Community-based enterprises created to serve a collective social agenda; and

3. For-profit organizations seeking to explore opportunities to solve social problems (see Figure 2).

Figure 2—Basic Methodology to Identify Individuals Involved in Social Entrepreneurship



Note: A more detailed description of the methodology appears in Appendices 1.2, 1.3 and 1.4.

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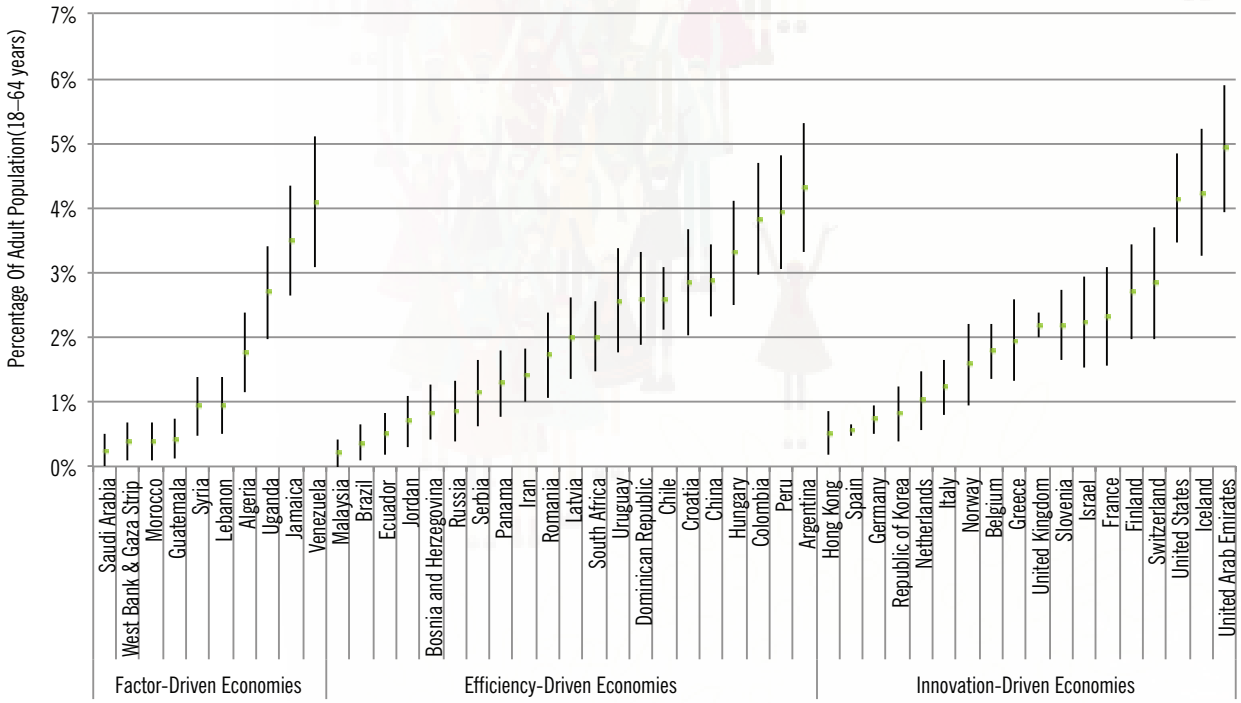
PREVALENCE OF EARLY-STAGE SOCIAL ENTREPRENEURIAL ACTIVITY[4]

The GEM APS assesses each country's proportion of working-age individuals who are either in the process of starting a business (nascent entrepreneurs) or owners of new businesses (under 42 months old). This is the basic GEM measure of early-stage entrepreneurial activity (TEA). Figure 3 depicts the prevalence of the social equivalent of TEA, Social early-stage Entrepreneurship Activity (SEA), within the three economic development–level peer groups. The average SEA rate across all 49 GEM countries is 1.94%, but it ranges from 0.2% to 4.93%. As a first observation, these low levels of prevalence show that social entrepreneurship is a rare phenomenon overall, especially compared to more traditional entrepreneurial activity levels (see below). As social entrepreneurship is a challenging activity that often adds free rider problems, institutional inertia and high resource scarcity (Dacin et al., 2010) to the typical problems faced by entrepreneurs, the low prevalence should not come as a surprise.

Despite the low levels of social entrepreneurial activity, variations in prevalence can nevertheless be observed. While the range of SEA is similar for all three economic development stages, the average SEA rate increases slightly with economic development. Averages in factor-driven, efficiency-driven and innovation-driven countries are, respectively, 1.54, 2 and 2.11. One explanation for this observation could be that other objectives (such as survival) need to be satisfied first, whereas this is less the case in developed countries. Since people in developing countries are primarily driven by values of security rather than self-expression or openness to change, as is the case in more developed countries (Díez-Nicoláz, 2003; Inglehart, 1997; Schwartz and Sagiv, 2000), the underlying explanation could therefore be that the risk of social entrepreneurship weighs heavier in developing countries compared to more developed economies.

A closer look at Figure 3 suggests, however, that the social entrepreneurship classification by economic development level might hide sharp differences among developed and developing countries. In that sense, several social science scholars (Kerlin, 2009; Mair, 2010; Salamon and Anheier, 2000; Anheier, 2005) have argued that some differences in social entrepreneurship activity in countries cannot be explained exclusively by their level of economic development, attributing it to the combined influence of regional variations in geographic, social and institutional backgrounds.

Figure 3—Prevalence of Social Entrepreneurship Early-Stage Activity, (SEA) by Country

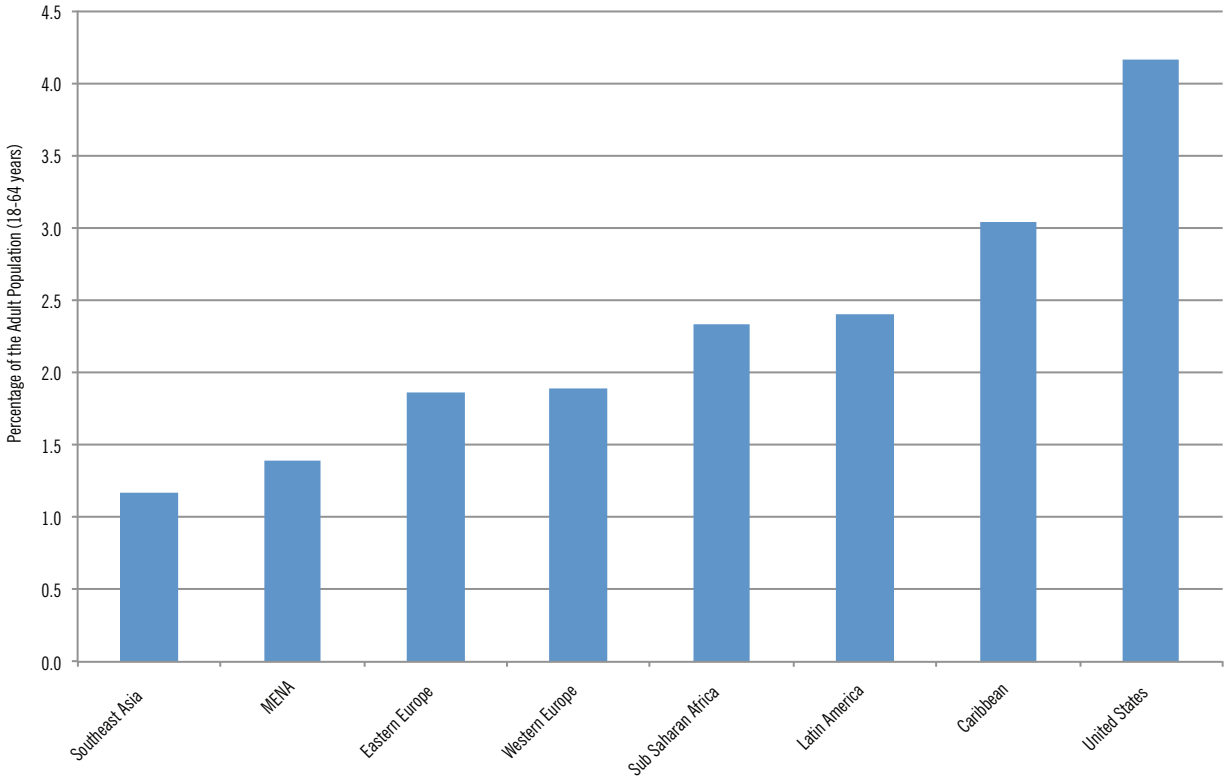


Source: GEM 2009 Adult Population Survey

[4]The measure "SEA" includes those organizations that explicitly mentioned an involvement in a social activity. As will be explained below, we developed an alternative classification based on more refined criteria that may lead to alternative numbers of social entrepreneurial activity. The 2009 GEM executive report section of "A Global Comparison of Social Entrepreneurship" (Levie and Bosma, 2010) includes slightly different estimates because some skip logics weren't followed in the data used in the original report. The present version is based on a full cleaning of the data.

Figures 3 and 4, which depict social entrepreneurship activity levels according to a regional segmentation, help to uncover some of these dynamics. Figure 3 shows that, although the United States exhibits the highest SEA rate, it is closely followed by three developing regions: the Caribbean, Latin American countries and Africa, which on average supersede the SEA levels of the more developed Western European nations. The confidence intervals facilitate the interpretation of differences among countries, constituting the range within which the average value of 95 out of 100 replications of the survey would be expected to lie. Thus, where the vertical bars do not overlap, the TEA rates are statistically different, adopting 95% certainty, also denoted as statistical difference at the 0.05 level.

Figure 4—Prevalence of Social Entrepreneurship Early-Stage Activity (SEA) by Global Region



Source: GEM 2009 Adult Population Survey

A potential explanation for this result can found in Mair's (2010) research, which relies on the extensive literature on "varieties of capitalism" (Hall and Soskice, 2001) as a lens to understand how SEA varies across economic and cultural contexts. In essence, this literature differentiates between three types of economies: (1) the liberal economy, in which economic and social justice are essentially shaped and governed by market mechanisms (of which the United States is an example); (2) the cooperative economy, in which the state is considered the best way to redistribute wealth and to regulate markets (which is the case for most European economies); and (3) the informal economy, characterized by the failure of both markets and the state and in which social group affiliations determine the local creation and distribution of wealth and justice (e.g., India and several Asian countries).

Accordingly, Mair (2010) suggests that, despite comparable levels of economic development, social entrepreneurship activity should be higher in liberal economies than in cooperative ones. The argument supporting this proposition is that in the former, the withdrawal of the state or the public sector from providing social services increases the volume of needs not catered to, as opposed to cooperative countries, where the state plays an important role in fulfilling these needs.

Our results seem to lend support to this proposition, to the extent that the United States, the Caribbean and many Latin American countries operate under a liberal regime. Figure 5 also seems to confirm this hypothesis, as inter-regional variations show that, in general, higher SEA rates correspond to more liberal economies. It explains, for example, the relatively high rate in the United Arab Emirates compared to other MENA countries. Some exceptions still remain, however, which deserve a more thorough inquiry. Indeed, Mair (2010) recognizes that, although hugely informative, typologies based on the "varieties of capitalism" perspective should be "paired with

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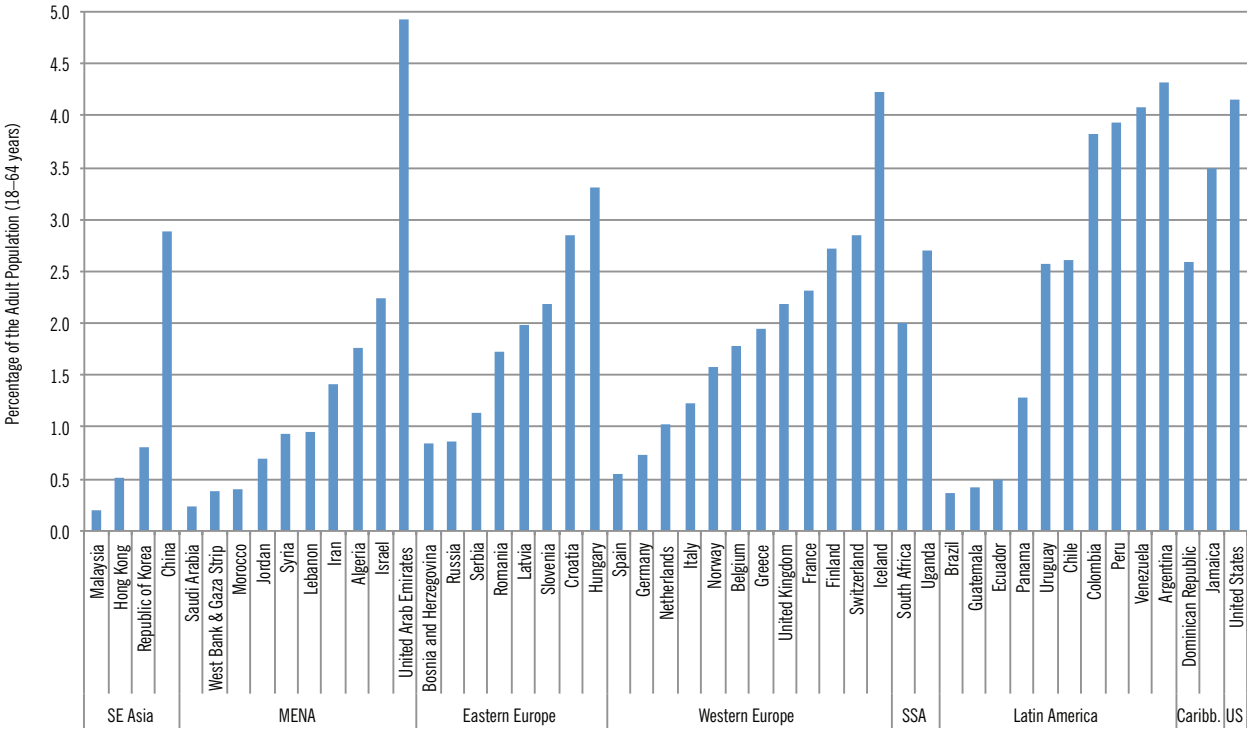
additional variables that capture the local economic, social, cultural, and natural heritage characterizing the specific microcosm in which the SEA initiatives are operating" (p. 6).

For example, social entrepreneurship in some developing countries is likely to be shaped by the political context and the heritage of weak governments. It is also important to mention that the boundaries between the typologies of systems of capitalism carefully developed during the 20th century are blurring (Jackson and Deeg, 2008; Mair, 2010), creating situations in which a national political economy sits uneasily between two or more categories (Molina and Rhodes, 2007). The extremely low prevalence of social entrepreneurship in countries like Brazil, Guatemala and Ecuador relative to surrounding countries, therefore, can correspond with their transitional state from one economic model to another, reflecting how the tensions between the several models that govern the country in parallel affect the operating conditions of social entrepreneurs.

Figure 5—Prevalence of Social Entrepreneurship Early-Stage Activity (SEA), by Global Region and Country



Note: SSA denotes Sub-Saharan Africa.
Source: GEM 2009 Adult Population Survey

PREVALENCE OF SEA BY STAGE OF ORGANIZATIONAL DEVELOPMENT

Table 1 lists the prevalence rates of different phases of social entrepreneurship by country and region. Apparently, social entrepreneurship is very much an activity that a fair share of the adults are undertaking, but in most countries (the Caribbean countries seem to be an exception), few social entrepreneurs seem to be reaching the stage that the venture is up and running, let alone running for more than 42 months—when it is defined as an established social enterprise.

Figure 6 shows the balance of early-stage social entrepreneurship and established social enterprise rates by stage of economic development. In general, innovation-driven countries have relatively more established social entrepreneurship rates. However, there are some noteworthy exceptions. For example, Uganda, Venezuela and Argentina show relatively high shares of established social entrepreneurship rates, while Spain and France do not exhibit substantial established social entrepreneurship rates.

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Table 1—Social Entrepreneurship Prevalence Rates as a Percentage of the Working Population in 2009, by Region and Enterprise Maturity[5]

		Nascent Social Entrepreneurship	New Social Entrepreneurship	Early-Stage Social Entrepreneurship	Established Social Entrepreneurship	Total Social Entrepreneurship
U.S.		2.90	1.69	4.15	0.84	5.00
Caribbean	Dominican Republic	0.76	1.84	2.59	0.98	3.58
	Jamaica	1.15	2.41	3.50	3.27	6.77
	Average	0.95	2.12	3.05	2.13	5.17
Latin America	Brazil	0.21	0.16	0.37	0.03	0.40
	Guatemala	0.17	0.32	0.43	0.05	0.48
	Ecuador	0.39	0.12	0.50	0.21	0.72
	Panama	0.86	0.43	1.29	0.38	1.66
	Uruguay	1.89	0.75	2.57	0.64	3.21
	Chile	1.77	0.85	2.60	0.41	3.01
	Colombia	2.60	1.31	3.83	1.18	5.01
	Peru	3.45	0.49	3.94	0.13	4.07
	Venezuela	3.77	0.32	4.09	0.30	4.39
	Argentina	2.21	2.30	4.32	3.31	7.63
	Average	1.73	0.70	2.39	0.66	3.06
Sub-Saharan Africa	South Africa	1.32	0.74	2.01	0.31	2.32
	Uganda	0.98	1.94	2.70	1.41	4.12
	Average	1.15	1.34	2.35	0.86	3.22
Western Europe	Spain	0.37	0.19	0.55	0.36	0.91
	Germany	0.54	0.32	0.72	0.88	1.60
	Netherlands	0.60	0.45	1.02	0.51	1.53
	Italy	0.86	0.42	1.22	1.26	2.48
	Norway	0.64	1.00	1.58	0.57	2.15
	Belgium	1.03	0.82	1.78	1.24	3.02
	Greece	1.30	0.65	1.95	0.92	2.87
	United Kingdom	0.79	1.48	2.18	2.05	4.23
	France	1.63	0.87	2.31	0.32	2.63
	Finland	1.17	1.58	2.71	2.42	5.13
	Switzerland	2.39	0.46	2.84	1.48	4.33
	Iceland	2.34	2.07	4.24	1.86	6.10
	Average	1.14	0.86	1.93	1.16	3.08
Eastern Europe	Bosnia and Herzegovina	0.60	0.24	0.83	0.09	0.92
	Russia	0.39	0.46	0.86	0.38	1.23
	Serbia	0.40	0.74	1.14	0.62	1.76
	Romania	1.39	0.34	1.73	0.82	2.55
	Latvia	1.49	0.56	1.99	0.83	2.82
	Slovenia	1.34	0.90	2.19	1.40	3.58
	Croatia	1.32	1.56	2.85	1.56	4.41
	Hungary	2.15	1.27	3.31	0.59	3.90
	Average	1.13	0.76	1.86	0.79	2.65
Middle East and North Africa	Saudi Arabia	0.07	0.18	0.24	0.00	0.24
	West Bank and Gaza Strip	0.19	0.19	0.38	0.09	0.47
	Morocco	0.26	0.27	0.39	0.40	0.79
	Jordan	0.39	0.40	0.70	0.19	0.89
	Syria	0.69	0.25	0.94	0.04	0.98
	Lebanon	0.49	0.45	0.95	0.55	1.50
	Iran	1.07	0.34	1.41	0.58	1.99
	Algeria	1.23	0.53	1.77	0.11	1.88
	Israel	0.95	1.35	2.24	1.80	4.05
	United Arab Emirates	2.46	2.70	4.93	1.35	6.28
	Average	0.78	0.67	1.39	0.51	1.91
Southeast Asia	Malaysia	0.20	0.00	0.20	0.02	0.22
	Hong Kong	0.20	0.37	0.51	0.46	0.97
	Republic of Korea	0.40	0.41	0.81	0.56	1.37
	China	1.53	1.36	2.89	1.12	4.00
	Average	0.58	0.53	1.10	0.54	1.64

Source: GEM 2009 Adult Population Survey

[5]Note 1: The sample size of each country determines the precision of these estimates. For example, France's rate of 2.6 should be interpreted with some care. In this case, we can state with 95% certainty that the actual value ranges between 1.8 and 3.4. Spain's value of 0.9 is more precise because the sample size is larger. Here, the estimate of 0.9 corresponds to an actual value ranging between 0.8 and 1.0, also with 95% confidence.

[5]Note 2: In some countries, the rates of nascent social entrepreneurship and new social entrepreneurship do not add up exactly to the corresponding rate in the Early-stage Social Entrepreneurship column. These slight differences are based on not double-counting those cases where individuals mentioned are active in both nascent and new initiatives.

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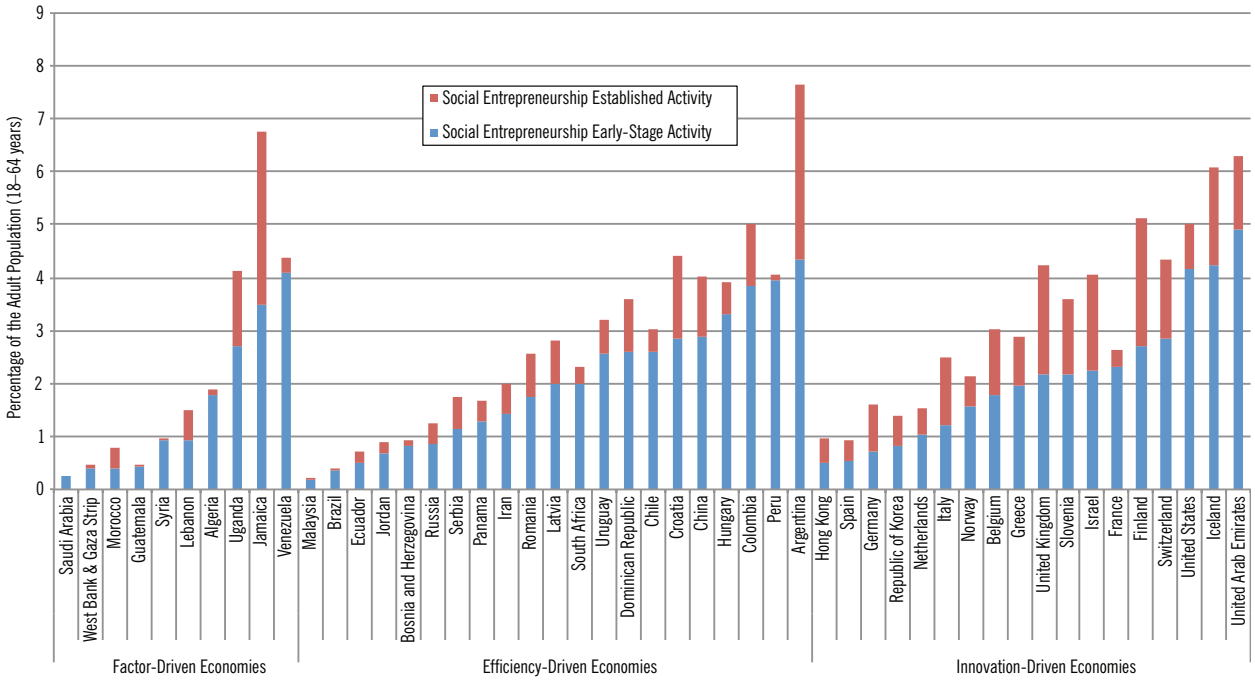
Figure 6—Prevalence of Early-Stage and Established Social Entrepreneurship, by Phase of Economic Development and Country



Source: GEM 2009 Adult Population Survey

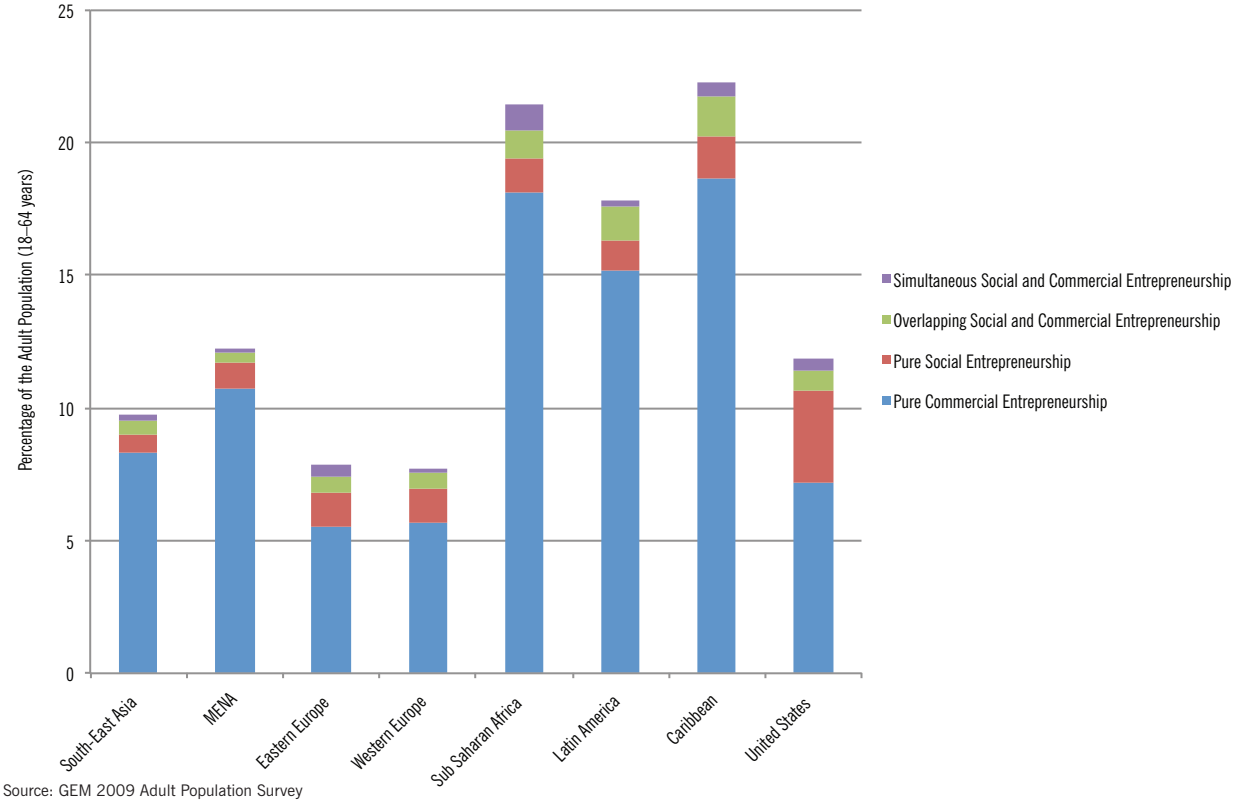
COMPARISON BETWEEN TOTAL ENTREPRENEURIAL ACTIVITY AND SOCIAL ENTREPRENEURIAL ACTIVITY LEVELS

Figures 7 and 8 compare TEA and SEA rates by types of social entrepreneurship and region. To explore the potential relationship between social entrepreneurship and commercial entrepreneurship levels, we created four separate categories:

- Pure SEA (where the individual launches or runs a social organization that has no commercial activities);
- Pure commercial entrepreneurial activity (where the individual launches or runs a commercial organization that has no particular social goals);
- Overlapping social and commercial entrepreneurial activity (where the individual launches or runs an organization that is both commercial and social in nature); and
- Simultaneous social and commercial entrepreneurial activity (where the individual launches or runs social and commercial organizations that are different entities).

Results show that SEA rates are much lower than TEA rates in all countries. Specifically, Figure 7 indicates that the level of commercial entrepreneurship represents between 2 and 13 times that of social entrepreneurship across regions.

Figure 7—Prevalence of SEA and TEA and Level of Overlap Between the Two, by Region



Source: GEM 2009 Adult Population Survey

Although there is no apparent relationship between the rates of pure social activity and pure commercial activity, Figure 8 seems to suggest that, overall, regions with higher pure commercial activity (such as the Caribbean, Africa and Latin America) also exhibit comparatively higher rates of pure SEA. Similarly, the higher the level of a region's pure commercial entrepreneurship, the more significant the level of overlap between social and commercial entrepreneurship, supporting the notion mentioned earlier that entrepreneurial economies tend to offer a more favorable setting for undertaking socially innovative initiatives that depart from the traditional third sector.

Another explanation for the high level of overlap that exists in Caribbean, African and Latin American countries can be found in Salamon et al.'s (2004) research on civil society organizations (CSOs). Their study demonstrates that, in transitional and developing countries, 61% of CSO income comes from commercial sources, as opposed to a maximum of 45% of CSOs in developed countries. We may hypothesize that the absence of a welfare state in these countries, as well as the scarcity of funding through grants and donations, fosters the creation of double-purpose enterprises—that is, enterprises that not only address a social cause but also provide a sustainable income source. Finally, an explanation of the higher relative prevalence of social entrepreneurs who do not recognize themselves as a social and a regular entrepreneur at the same time may indicate a stronger formalization of the notion of "social" or "social entrepreneurship" in these countries. As shown in Kerlin's (2009) cross-country analysis, Western European and U.S. contexts facilitate a type of social entrepreneurship that is also often very much related to particular institutional or legal requirements to be recognized as one.

Figure 9, which depicts the specific TEA and SEA levels by country, shows a similar trend to the differences observed above, although with some important differences across countries in each region. For example, the level of overlap is especially visible among some Latin American countries (Colombia: 3.32%; Peru: 3.26%; and Venezuela: 2.34%) and Jamaica (2.36%) being much more moderate than others such as Chile (0.2%). This finding is important, as it suggests that "social" and "commercial" entrepreneurship categories may be blurred and represent the same thing for entrepreneurs operating in these countries. Earlier reported TEA levels in these countries, therefore, may have included a small but still considerable level of social entrepreneurs who were in fact running "social businesses." As explained by Kerlin (2009), part of the problem around the lack of consensus on what social enterprise is about indeed can be explained by the fact that different areas of the world associate the term "social entrepreneurship"

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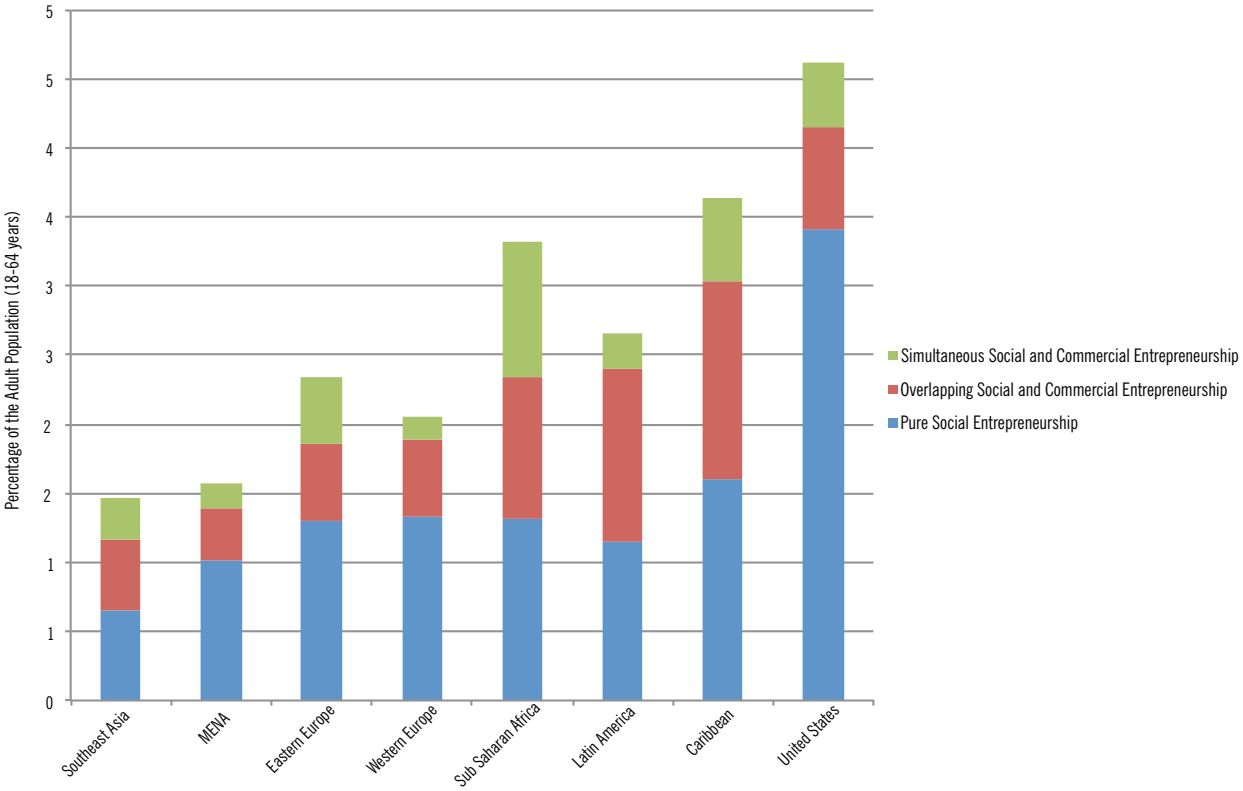
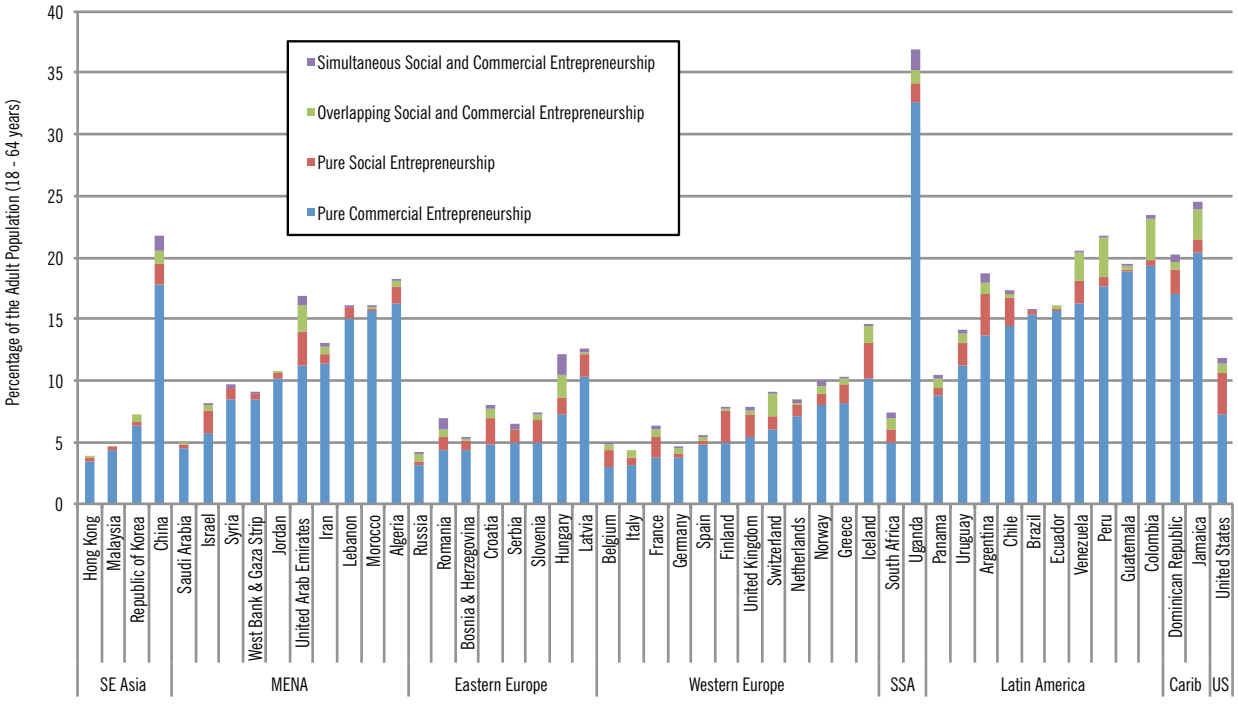
Figure 8—Prevalence of SEA and of Overlap and Simultaneity with TEA, by Region



Source: GEM 2009 Adult Population Survey

Figure 9—Prevalence of SEA and TEA and Level of Overlap Between the Two, by Country



Note: SSA denotes Sub-Saharan Africa.
Source: GEM 2009 Adult Population Survey

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with their own specific cultural norms and activity types. Consequently, cross-country comparisons of SEA rates often become difficult "because everyone speaks from their own regionally defined version of the concept." In some developing countries, every economic activity seems to have a social component, while in other countries like the United States, social and business enterprises are generally seen as different kinds of organizations. Further research would need to explore to what extent the prevalence rates of social entrepreneurial early-stage activity reflect differences in the interpretation of what is considered a "social activity" and what is not.

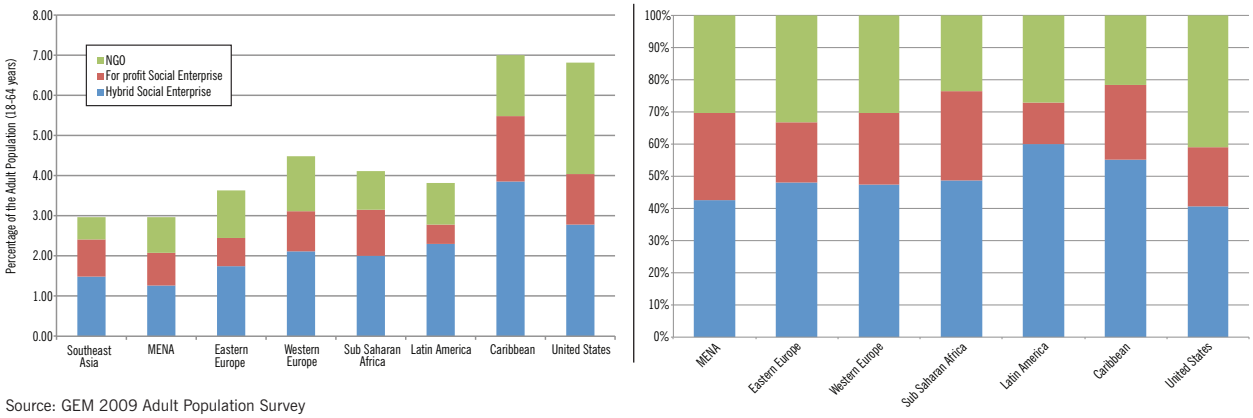
THE SOCIAL ENTREPRENEURSHIP SPECTRUM

As mentioned earlier, social entrepreneurship scholars are progressively coalescing around a broad definition of the concept that includes a variety of organizational forms along a continuum, from profit-oriented businesses engaged in significant social commitments, to double-bottom-line businesses that combine profit objectives with a social mission, to nonprofit organizations engaged in innovative activities. Figure 10 shows the distribution of the three main social entrepreneurship (SE) categories[6]: for-profit SE, Hybrid SE and NGOs across global regions.

Here again, we identify some interesting regional variations that can be analyzed under the framework of some of the theories described earlier. This is, for example, the case of Mair's (2010) proposition that, based on the varieties of capitalism perspective, suggests that social entrepreneurship in liberal economies should be characterized more by market mechanisms compared to social entrepreneurship in cooperative economies or informal ones.

Our results do not support this proposition, to the extent that, although hybrid SEs seem to be more prevalent in more liberal economies like the United States and the Caribbean countries, reflecting a more favorable context for applying market-based mechanisms to the social sector, the rate of for-profit SEs does not follow the same pattern. For example, just like the United States, Western European countries show a relatively high rate of for-profit SEs, which might initially seem counterintuitive. This might be due in part to the fact that the cooperative system in some European economies is progressively adopting several elements that are typical of liberal economies (Mair, 2010).

Figure 10—Rates and Proportions of Different SE Categories, by Region



Source: GEM 2009 Adult Population Survey

Another interpretation is suggested in the apparently similar rates of for-profit social enterprises in the two regions that may, in fact, hide different types of for-profit activities. Indeed, as explained by Kerlin (2006): "In Europe, with the exception of the United Kingdom, social enterprise has generally come to mean a social cooperative or association formed to provide employment or specific care services in a participatory framework. In the United States, it generally means any type of non-profit involved in earned income generation activities" (p. 250). Hybrid and for-profit activities in Western countries, and especially European ones, therefore, might be the result of cooperatives belonging to the longstanding European tradition of "social economy," a concept quite far from the more recent movement toward market-oriented social initiatives.

It is also worth noting that NGOs form the lowest proportion of total SEA (less than 30%) in developing countries in Southeast Asia, Africa, the Caribbean and Latin America, as opposed to more developed

[6]Figures include both early-stage and established SEs.

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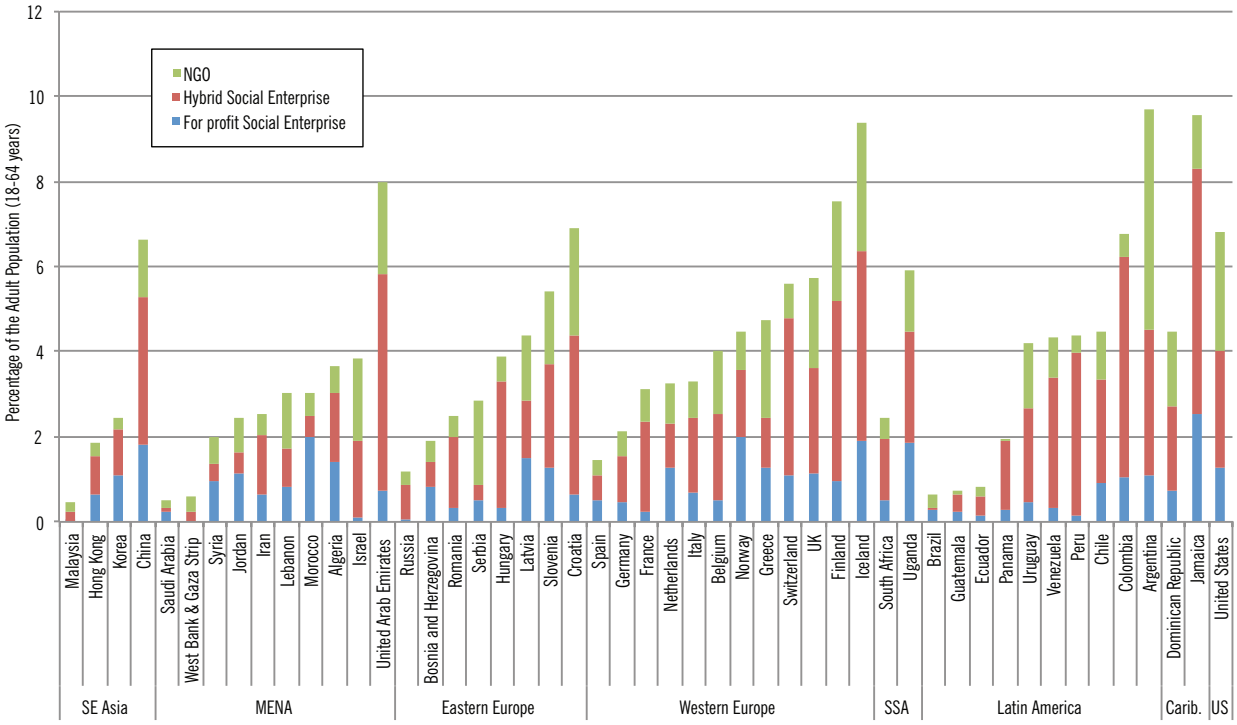
Figure 11—Rates and Proportions of Different SE Categories, by Country



Note: SSA denotes Sub-Saharan Africa.
Source: GEM 2009 Adult Population Survey

economies like the United States and European countries, where NGOs are more prevalent.[7] The relatively high proportion of NGOs in the United States concurs with recent studies on social entrepreneurship in that country, which have cited nonprofit social enterprise as the most common form of social enterprise despite the rapid growth of commercial forms of this type of organization (Young, 2006). It is also plausible that a percentage of the U.S. respondents classifying their social enterprise as an NGO might in fact also run a parallel, separate, for-profit entity that sustains the social activities of the former. Our argument is based on previous research on the United States (Kerlin, 2006; Salamon, 1993) that suggests that nonprofits often seize on social enterprise as a means of achieving financial goals; thus they expand the use of commercial activity to support a broad range of social services (Crimmins and Keil, 1983; Eikenberry and Kluver, 2004; Young, 2003b). In doing so, social entrepreneurs often engage in launching a for-profit entity that is separate from the NGO.[8] This potential explanation finds support in the slightly higher rate of simultaneous social and commercial entrepreneurship in the United States compared to Western countries.

As indicated in Figure 2, the GEM 2009 assessment on social entrepreneurship allows for a detailed spectrum of social enterprise categories by country, depicting NGO rates' distribution between traditional (traditional NGO) and innovative (not-for-profit social entrepreneurship). Furthermore, hybrid enterprises are divided between "economically oriented social enterprises" and "socially oriented social enterprises." A fifth category is composed by for-profit social entrepreneurship. Country-level information on these five separate categories is available in Appendix 2. Table 2 presents the measures of strictly defined social entrepreneurship (composed of not-for-profit social entrepreneurship, economically oriented social enterprises and socially oriented social enterprises) and broadly defined social entrepreneurship (also including traditional NGOs and for-profit social entrepreneurship).

We can observe that despite very low overall rates of SEA, Southeast Asian countries show a relatively high rate of for-profit social enterprises and economically oriented hybrid enterprises, which could possibly be due to the definition of social entrepreneurship in this region being geared more toward the for-profit end. In their analysis of social enterprises in Southeast Asia,

[7]This concurs with Salamon et al.'s (2004) CSO research, which finds that in transitional and developing countries, 61% of CSO income comes from commercial sources, as opposed to 45% in developed countries.

[8]The for-profit subsidiary tends to be chosen when a nonprofit wants to protect its tax-exempt status while engaging in substantial business activity that is not related to its charitable exempt purpose.

Santos et al. (2009) state that in that region, most social entrepreneurs assist the poor by enabling them to undertake better livelihood activities or run their enterprises viably, something they do by launching business (or for-profit) enterprises. To account for the multiple conceptions of social entrepreneurship, the different categories are summed up into a broadly defined total SEA (the sum of all five categories) and a strictly defined one (sum of not-for-profit, economically oriented and socially oriented SE). Interestingly, countries' rankings do not vary much, whether we consider total SEA under the strict definition or the broad one.

Table 2—Rates of SE Categories by Country and Region[9]

	Country	Traditional NGO	Not-For-Profit SE	Economically Oriented Hybrid SE	Socially Oriented Hybrid SE	For-Profit SE	Strictly Defined SE *	Broadly Defined SE **
Western Europe	Belgium	0.45	1.07	1.06	0.98	0.50	3.10	4.05
	Finland	0.53	1.80	1.53	2.73	0.94	6.06	7.54
	France	0.14	0.63	0.96	1.13	0.24	2.73	3.11
	Germany	0.27	0.31	0.74	0.35	0.45	1.41	2.12
	Greece	0.29	2.04	0.64	0.50	1.28	3.18	4.76
	Iceland	0.36	2.64	1.15	3.57	1.89	7.36	9.60
	Italy	0.27	0.55	1.32	0.45	0.69	2.32	3.28
	Netherlands	0.24	0.71	0.19	0.81	1.30	1.71	3.25
	Norway	0.11	0.80	0.86	0.70	2.00	2.36	4.48
	Spain	0.09	0.28	0.38	0.19	0.52	0.85	1.45
	Switzerland	0.08	0.74	2.27	1.40	1.11	4.40	5.59
	United Kingdom	0.37	1.76	1.01	1.44	1.16	4.22	5.75
	Average	0.27	1.11	1.01	1.19	1.01	3.31	4.58
Eastern Europe	Bosnia and Herzegovina	0.00	0.50	0.37	0.21	0.81	1.08	1.90
	Croatia	0.38	2.12	2.49	1.34	0.66	5.94	6.98
	Hungary	0.11	0.49	2.17	0.80	0.31	3.45	3.87
	Latvia	0.63	0.87	0.71	0.69	1.51	2.27	4.41
	Romania	0.27	0.20	1.32	0.37	0.31	1.89	2.47
	Russia	0.15	0.18	0.77	0.05	0.05	1.00	1.20
	Serbia	0.47	1.53	0.12	0.25	0.49	1.91	2.87
	Slovenia	0.47	1.27	0.91	1.52	1.26	3.71	5.44
	Average	0.31	0.89	1.11	0.66	0.68	2.66	3.64
Latin America	Argentina	1.15	4.02	1.75	1.73	1.08	7.50	9.73
	Brazil	0.05	0.28	0.03	0.00	0.29	0.30	0.65
	Chile	0.01	1.12	1.45	0.97	0.91	3.54	4.46
	Colombia	0.01	0.52	4.05	1.14	1.05	5.72	6.78
	Ecuador	0.02	0.21	0.45	0.02	0.14	0.68	0.83
	Guatemala	0.04	0.05	0.33	0.06	0.25	0.45	0.73
	Panama	0.07	0.00	1.38	0.25	0.27	1.63	1.97
	Peru	0.07	0.32	3.33	0.48	0.17	4.13	4.36
	Uruguay	0.30	1.24	1.53	0.70	0.45	3.47	4.21
	Venezuela	0.34	0.64	2.15	0.96	0.31	3.75	4.40
	Average	0.21	0.84	1.64	0.63	0.49	3.12	3.81
Southeast Asia	China	0.56	0.83	2.86	0.61	1.82	4.30	6.68
	Hong Kong	0.05	0.30	0.58	0.29	0.65	1.17	1.86
	Republic of Korea	0.00	0.26	0.70	0.40	1.08	1.37	2.44
	Malaysia	0.13	0.11	0.00	0.20	0.02	0.31	0.46
	Average	0.18	0.37	1.04	0.37	0.89	1.79	2.86
MENA	Algeria	0.05	0.56	0.82	0.81	1.41	2.19	3.66
	Iran	0.06	0.45	1.25	0.17	0.62	1.87	2.55
	Israel	0.29	1.65	0.87	0.93	0.09	3.44	3.82
	Jordan	0.29	0.52	0.24	0.26	1.14	1.02	2.45
	Lebanon	0.05	1.23	0.21	0.70	0.83	2.14	3.02
	Morocco	0.20	0.33	0.14	0.39	1.98	0.86	3.04
	Saudi Arabia	0.07	0.10	0.04	0.07	0.24	0.21	0.52
	Syria	0.10	0.52	0.22	0.19	0.97	0.93	2.00
	United Arab Emirates	0.24	1.93	3.81	1.34	0.73	7.07	8.05
	West Bank & Gaza Strip	0.04	0.35	0.05	0.19	0.00	0.58	0.62
	Average	0.14	0.76	0.76	0.51	0.80	2.03	2.97
Caribbean	Dominican Republic	0.16	1.59	1.18	0.81	0.73	3.58	4.47
	Jamaica	0.14	1.11	4.38	1.37	2.54	6.86	9.55
	Average	0.15	1.35	2.78	1.09	1.64	5.22	7.01
Africa	South Africa	0.02	0.49	0.73	0.72	0.49	1.95	2.45
	Uganda	0.59	0.87	0.57	2.03	1.86	3.46	5.91
	Average	0.30	0.68	0.65	1.37	1.17	2.70	4.18
USA	United States	0.53	2.26	1.42	1.38	1.26	5.06	6.86

* "Strictly defined" includes only not-for-profit SE, socially oriented hybrid SE and economically oriented hybrid SE parts of the spectrum.
** "Broadly defined" includes all 5 categories of the spectrum.
Source: GEM 2009 Adult Population Survey

[9]Note: The sample size of each country determines the precision of each of these estimates. For example, France's "strict" rate of 2.73 should be interpreted with some care. In this case, we can state that with 95% certainty that the actual value ranges between 1.8 and 3.4. Spain's value of 0.85 is more precise because the sample size is larger. Here, the estimate of 0.85 corresponds to an actual value ranging between 0.8 and 1.0, also with 95% confidence.

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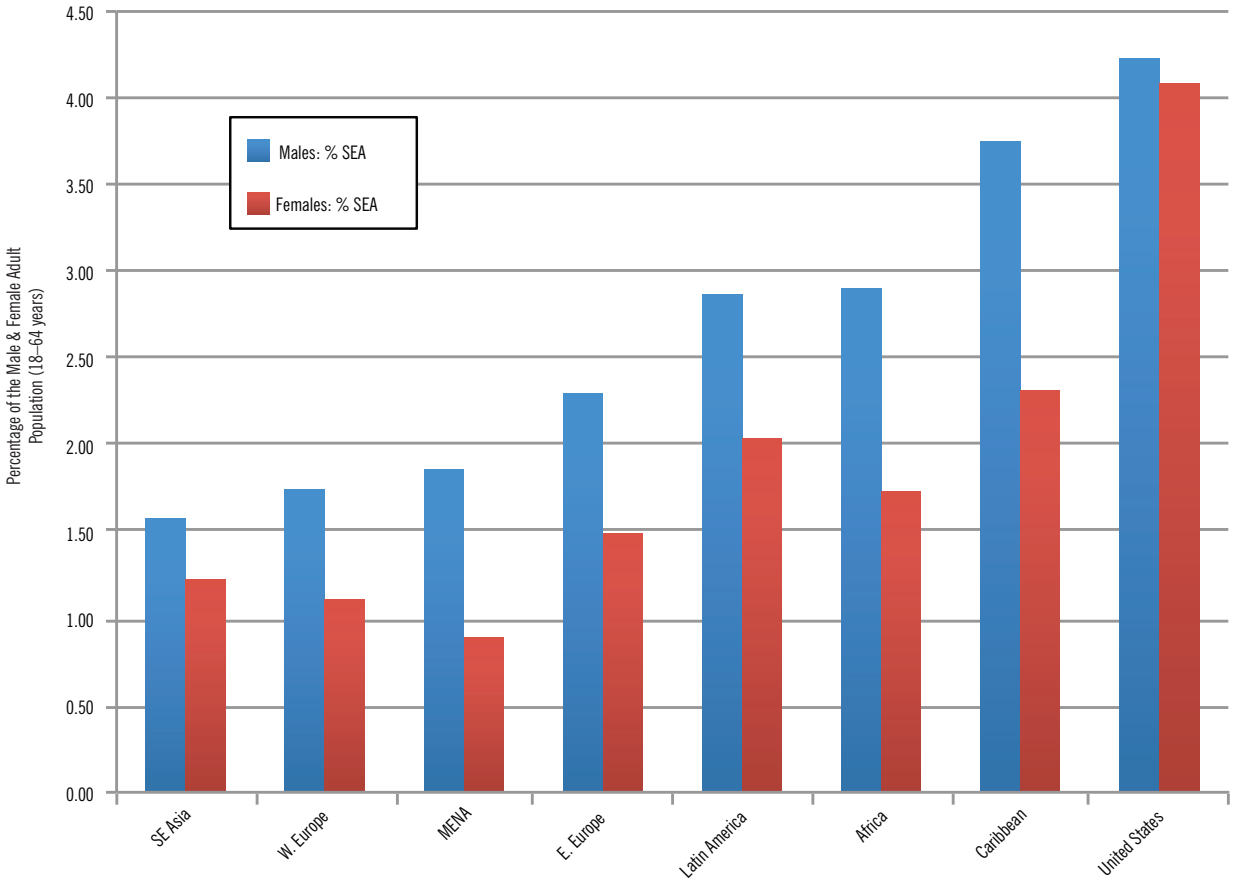
SOCIAL ENTREPRENEUR CHARACTERISTICS

Who are social entrepreneurs? We analyzed the data concerning these people by the demographic characteristics of gender, age, education and work status. As shown in Figure 12 and Table 3, we find that, just as with TEA, males are generally more likely to start a social venture than females; however, the SEA gender gap is not as high as the TEA gender gap. Furthermore, the male/female SEA ratio varies tremendously across countries. For example, in Malaysia, Lebanon, Russia, Israel, Iceland and Argentina, women are more likely to start a social venture than men. The ratio is about equal in Latvia, the United States, Finland and China. Males outnumber females the most in Saudi Arabia, Morocco, Brazil, Bosnia and Herzegovina and the West Bank and Gaza Strip. The gender gap increases with economic development levels: the lowest gap between the genders is in factor-driven economies; the highest gap is in innovation-driven economies. The gender gap is also apparent across regions, with the greatest male/female SEA ratio gap in MENA and the lowest in the United States.

Across countries, the highest levels of female SEA participation can be found in Iceland (4.54%), Argentina (4.35%), the United States (4.08%), Venezuela (3.69%), Peru (3.39%), Jamaica (3.31%) and Colombia (3.28%). The lowest levels of female participation are Morocco and Saudi Arabia (both 0%), Brazil (.04%), West Bank and Gaza Strip (.10%) and Bosnia and Herzegovina (.16%). The low levels of participation may be related to women's lack of participation in the labor market in these countries. By contrast, the countries with the highest levels of male SEA participation are the United Arab Emirates (5.86%), Peru (4.50%), Venezuela (4.49%), Colombia (4.37%), Argentina (4.29%) and the United States (4.23%). The countries with the lowest levels of male participation are Malaysia (.14%), Saudi Arabia (.45%), Ecuador (.54%), Russia (.63%) and the West Bank and Gaza Strip (.65%).

Figure 12—SEA by Region: Participation by Males and Females



Source: GEM 2009 Adult Population Survey

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Table 3—SEA by Country: Participation by Males and Females

		Males	Females
	Belgium	2.47	1.08
	Finland	2.77	2.65
	France	3.27	1.36
	Germany	1.03	0.41
	Greece	2.71	1.18
	Iceland	3.94	4.54
Western Europe	Italy	1.44	1.00
	Netherlands	1.38	0.66
	Norway	1.95	1.19
	Spain	0.70	0.40
	Switzerland	3.77	1.90
	United Kingdom	2.59	1.76
	Average	2.30	1.51
	Bosnia and Herzegovina	1.50	0.16
	Croatia	3.84	1.87
	Hungary	3.83	2.80
	Latvia	2.03	1.96
Eastern Europe	Romania	2.04	1.42
	Russia	0.63	1.06
	Serbia	1.39	0.89
	Slovenia	2.72	1.62
	Average	2.25	1.47
	Argentina	4.29	4.35
	Brazil	0.72	0.04
	Chile	3.04	2.18
	Colombia	4.37	3.28
	Ecuador	0.54	0.47
Latin America	Guatemala	0.66	0.22
	Panama	1.68	0.89
	Peru	4.50	3.39
	Uruguay	3.63	1.53
	Venezuela	4.49	3.70
	Average	2.80	2.01
	Malaysia	0.14	0.26
	Republic of Korea	1.29	0.32
Southeast Asia	China	2.97	2.80
	Hong Kong	0.71	0.33
	Average	1.28	0.92
	Algeria	2.12	1.41
	Iran	1.80	0.88
	Israel	2.02	2.46
	Jordan	0.97	0.42
	Lebanon	0.68	1.19
MENA	Morocco	0.81	0.00
	Saudi Arabia	0.45	0.00
	Syria	1.24	0.62
	United Arab Emirates	5.86	2.26
	West Bank and Gaza Strip	0.65	0.10
	Average	1.66	0.93
	Dominican Republic	3.79	1.35
Caribbean	Jamaica	3.70	3.31
	Average	3.75	2.32
	South Africa	3.05	2.39
Africa	Uganda	2.90	1.73
	Average	2.98	2.06
USA	United States	4.23	4.08

Source: GEM 2009 Adult Population Survey

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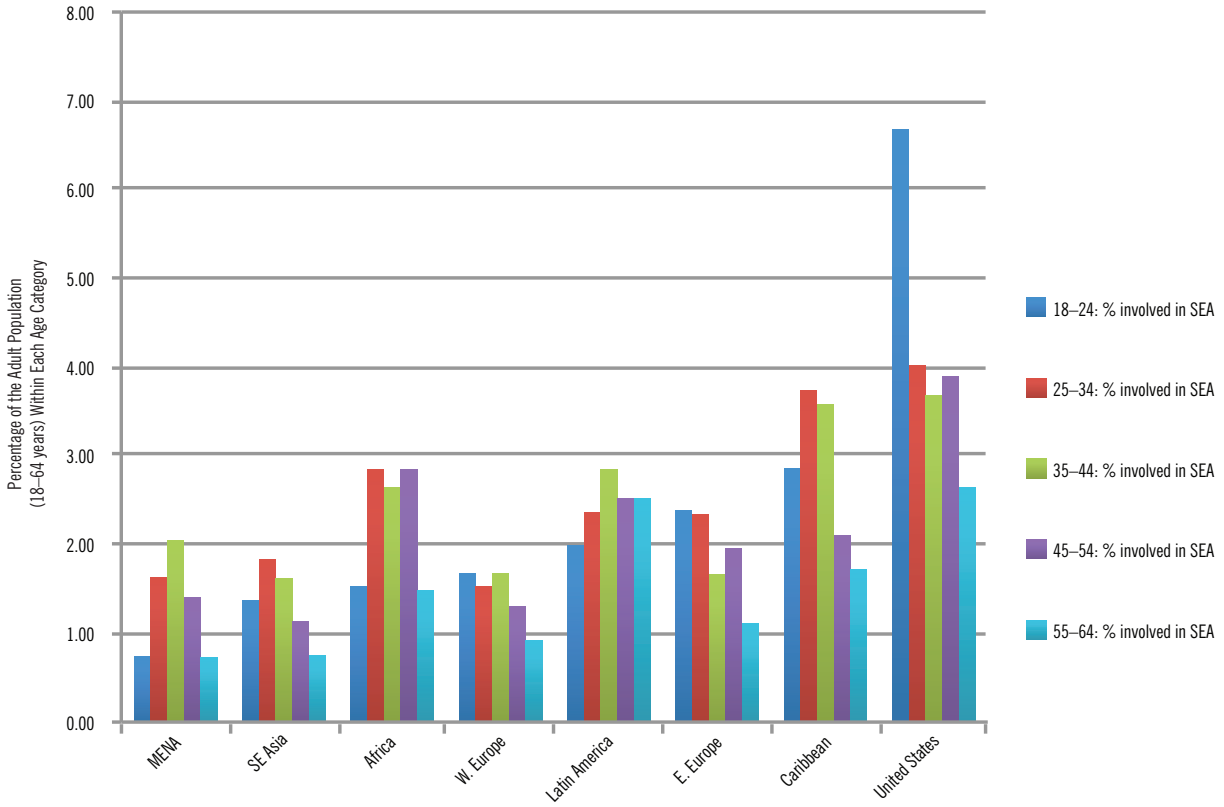
We also analyzed the SEA data by age group, as depicted in Figure 13. Around the world, people aged 25 to 34 and 35 to 44 have the highest likelihood of being involved in SEA, with averages of 2.21% and 2.18%. The next most involved population is 18 to 24 (1.95%), followed by 45 to 54 (1.87%). Only 1.33% of adults aged 55 to 64 are involved in SEA. These results suggest that, across countries, individuals who have established themselves but are still quite young are most likely to start a social venture. The closer an individual is to retirement age, the less likely he/she is to start a social venture. The data also suggest differences across economic types and regions. In factor-driven economies, young people aged 18 to 24 are the least likely to be involved in SEA; however, in innovation economies (especially the United States and Switzerland), this youngest group is the most likely to be involved in SEA. These results may indicate that the primary concern of young people in factor-driven economies is to be able to find a job and support themselves. By contrast, young people in innovation-driven economies may have more support, especially financial, and thus be able to pursue the opportunity to help others. There are vast regional differences, with young people in the Middle East the least likely to participate in SEA (.74% of 18- to 24-year-olds) compared to those in the United States (6.68%).

Figure 13—SEA by Region: Participation by Age



Note: The global regions' averages are based on unweighed country-level averages.
Source: GEM 2009 Adult Population Survey

Next, we analyzed the social entrepreneurs' education levels (see Figure 14). Across all countries' SEA, post-secondary has a 2.55% prevalence rate, followed by 2.07% for graduates, 1.95% for secondary and 1.15% for some secondary. It is clear that the propensity to engage in SEA is related to education levels. Despite the fact that a minority of any country's population have completed post-secondary and graduate education, these individuals are the most likely to be involved in SEA. This is especially true for lower levels of economic development (e.g., factor-driven and efficiency-driven economies). The differences are also apparent at the regional level, as 3.98% and 3.95% of the Caribbean and Latin American social entrepreneurs have graduate experience. The results suggest that individuals with higher levels of education are more likely to engage in SEA. One explanation may be that education enables individuals to identify and pursue social entrepreneurship opportunities. Another possibility is that an education affects values and motivates individuals to help others. As highlighted earlier, works by Inglehart

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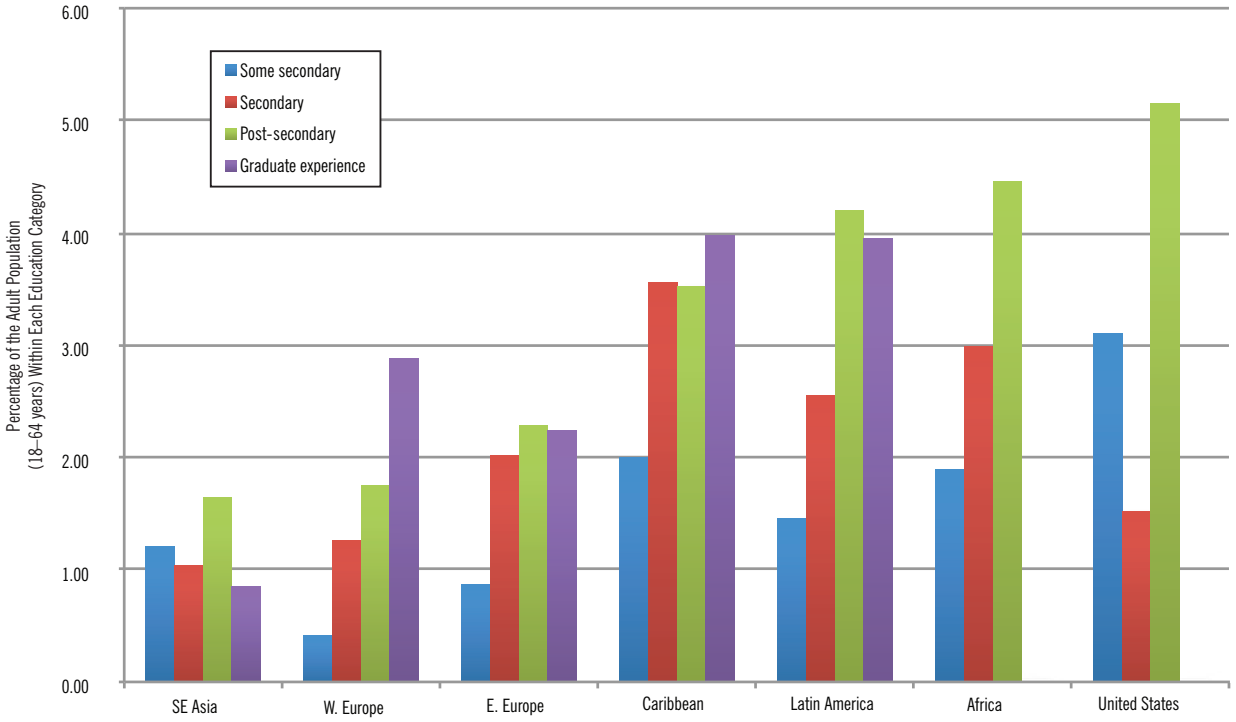
(2000) and Inglehart and Welzel (2005) suggest that economic and social development provides higher levels of physical and economic security. Individuals then may focus on post-materialistic values that are not focused on material items, but rather on values such as emotion, personal identification and quality of life.

Thus, we may have two phenomena at work. First, we have people with access to higher education levels, which means that their "basic survival" needs are covered, so they can turn to more post-materialistic values. Second, this effect of education on the likelihood to become a social entrepreneur is even higher in developing countries because social and economic differences are more obvious there, so educated people might feel a greater need to "do something about it."

Figure 14—SEA by Region: Participation by Education



Note: In the United States, post-secondary includes graduates.
Source: GEM 2009 Adult Population Survey

Finally, we analyzed our data by work status. As shown in Figure 15, the most common work status across countries is self-employed, followed by part time only, full or part time, student and not working/other. Part time only and student are more common in efficiency- and innovation-driven economies compared to factor-driven economies. Here, we can relate this result to the fact that, in developing countries, simultaneous social and commercial entrepreneurship is, on average, higher. This is consistent with the fact that this activity is a full-time job, as opposed to more wealthy countries, where it is a sideline. The status of homemaker is more commonly found in efficiency-driven economies compared to factor- and innovation-driven economies.

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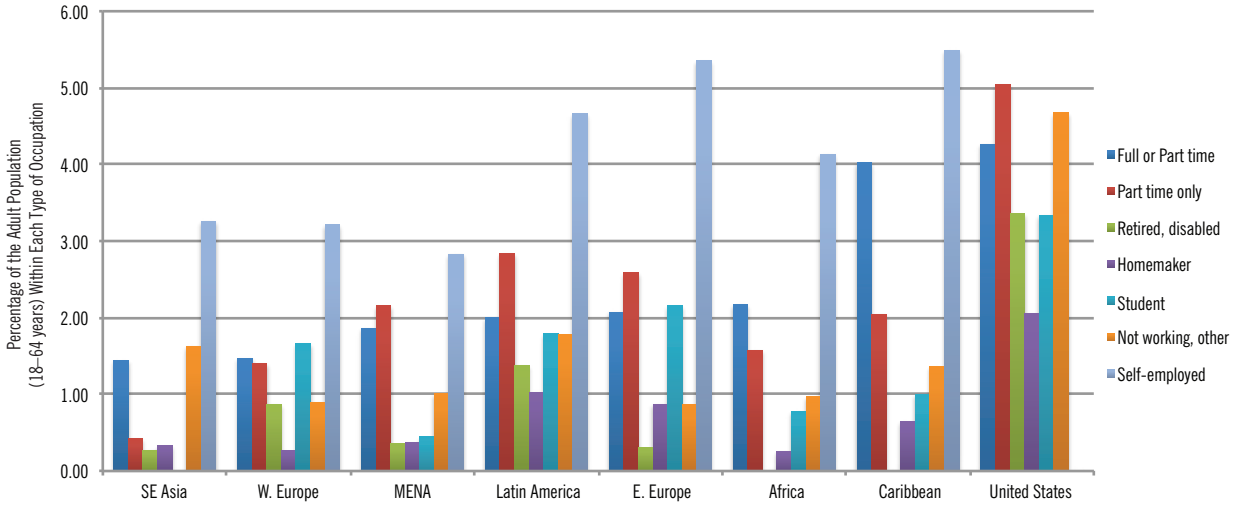
Figure 15—SEA by Region: Work Status



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Classifications of SEAs by Industry

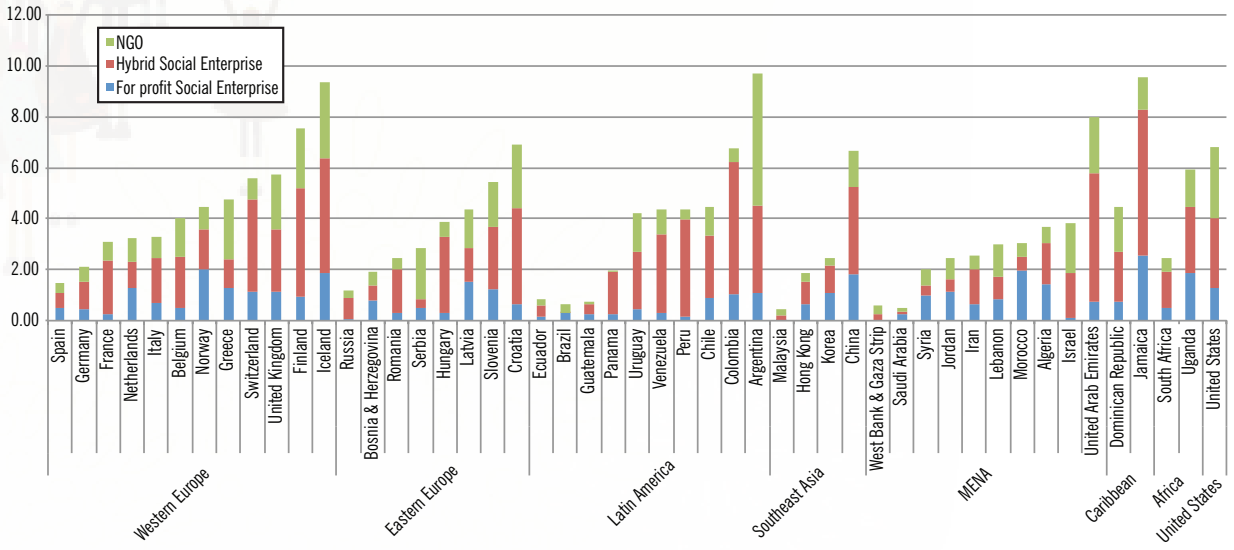
SEAs have been classified according to the International Classification of Nonprofit Organizations (INCPO) (CCSS, 2011). Table 7 shows the distribution of SEA into the following sectors (by order of importance): Social Services, Culture and Recreation, Development and Housing, Education and Research, Environment, Health, Others, Philanthropic Intermediaries and Voluntarism Promotion, Law, Advocacy and Politics, Religion, Business and Professional Associations, Unions and International. Figure 16 depicts the prevalence across countries.

Table 4—SEA by Industry Sector

	SEA	Traditional NGO	Not-for-Profit SE	Socially Oriented Hybrid SE	Economically Oriented Hybrid SE	For-Profit SE
• Culture and Recreation	11.9	16.5	11.1	16.3	8.9	8.6
• Education and Research	5.5	4.3	4.5	5.9	5.4	7.5
• Health	4.4	4.3	5.0	3.6	5.1	3.2
• Social Services	21.2	22.9	23.0	18.8	13.1	21.5
• Environment	5.4	5.4	4.0	4.7	5.9	5.4
• Development and Housing	7.4	4.3	7.3	7.9	6.9	6.5
• Law, Advocacy and Politics	2.1	2.8	3.1	0.9	1.2	3.2
• Philanthropic Intermediaries and Voluntarism Promotion	2.6	6.4	2.8	3.1	2.0	4.3
• International	0.5	0.5	1.1	0.6	0.3	1.1
• Religion	1.6	3.1	3.3	1.6	0.6	4.3
• Business and Professional Associations, Unions	0.6	0.5	0.4	0.3	0.9	0
• Other	4.0	4.7	3.0	2.5	4.7	7.5
• ISIC class	32.9	24.3	31.4	33.6	45.0	26.9
Total	100	100	100	100	100	100

Source: GEM 2009 Adult Population Survey

Figure 16—SEA Type by Country



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In the United States, 32% of early-stage SE is centered on the provision of social services, which often are directed at specific disadvantaged groups that have been neglected by the public system, such as former prisoners, elderly, or poor populations in urban areas. Another important void left by public institutions in the United States that is being filled by social entrepreneurs is the education system (almost 11% of SEA activities are in this area). Several well-known organizations, such as Teach for America, were created to address educational inequality in an innovative manner.

In many Latin American countries, the combination of liberal economic regimes and weak governments and public sectors has encouraged social entrepreneurs to focus on providing social services (which account for 31.3% of total SEA activity). Latin American social ventures also deliver other types of public goods such as education, development and housing and health. In this part of the world, social ventures connected to religious activity have a relatively high prevalence (3.1%), which could be explained by the strong influence of the Catholic Church, which has traditionally contributed to alleviating social issues (Mair, 2010).

Although a recent phenomenon, the growth of social enterprises in Eastern Europe can be mostly attributed to the scaling down of public welfare states that was brought about by these countries' transition to democracy. As such, social entrepreneurs cover a wide array of sectors, from social services (20.5%) to culture and recreation (11.9%) to the environment (10%). Interestingly, a considerable proportion of these entrepreneurs (27%) define their activity in traditional business terms (for example: "manufacturing products for the construction industry" or "producing farming products"), which is consistent with Les and Kolin's (2009) assessment of the nature of social entrepreneurship activities in Eastern and Central Europe. According to these experts, the concept of social entrepreneurship in this region involves an organization that fulfills certain minimum economic and social criteria, including "both the production of goods or the provision of services on a continuous basis and a trend toward paid work, involvement of economic risk, and autonomy" (Les and Kolin, 2009).

In Southeast Asia, the concept of social entrepreneurship is also relatively new, and experts tend to associate its growth mostly with international influence rather than any identifiable event. In that sense, the high percentage of organizations operating as philanthropic and voluntary intermediaries (almost 24%) might be the result of organizations operating as subsidies of other social enterprises operating at the international level.

In Western European countries, social enterprises show a relatively even distribution across different activity types. This could reflect the fact, highlighted by some researchers (such as Borzaga and Defourny, 2001), that the weight of social entrepreneurship in each of these areas differs widely from one country to another. For example, Chell et al. (2010) state, "In Italy...there are thousands of social enterprises that provide a range of social services including the work of integration of disadvantaged people. In other countries, such as Sweden and Finland...however, they are mainly active in specific fields, such as employment services and kindergartens...Germany and the Netherlands exemplify the countries in which the existing social enterprises are not clearly differentiated from public or traditional third-sector organizations." Another interesting result found for this region is the very high proportion of social entrepreneurs that define their activities in purely business terms (39.4%). A possible explanation to this intriguing finding can be found in Kerlin's (2010) assessment of the social enterprise movement in Europe, which seems to be in part a response for growing unemployment rates that sparked the development of social cooperatives that seek the integration of disadvantaged workers. Cooperatives remain a significant part of the third sector in Europe, which also corresponds to the vision of social entrepreneurship of the European Commission, mainly aimed at supporting "social economy" enterprises.

Finally, social enterprises in African countries show a high concentration around a few areas, mainly development and housing (28.9%), social services (21.1%) and health (13.2%), which probably reflects the fact that social issues that are more pressing in this part of the world. Riders for Health, for example, is an award-winning social enterprise whose aim is to make sure that health workers in Africa have access to reliable transportation so that they can deliver regular and predictable health care to even the most isolated people.

National Conditions for Social Entrepreneurship

A country's institutions play a key role in promoting or hindering social entrepreneurship (Austin et al., 2006; Weerawardena and Mort, 2006). In addition to the APS, the GEM project sought data on the broader framework of the regulatory, sociocultural, demographic, political and macroeconomic context. In each country, the NES included specific questions about the level of support of national framework conditions for social entrepreneurship. These national framework conditions include financial, government policies, government programs, education and training, R&D transfer, commercial and legal infrastructure, internal market openness, access to physical infrastructure and cultural and social norms.

The nine NES items are as follows:

1 In my country, society expects companies to give some of their profits back to the community through contributing to important social or environmental projects.

2 In my country, CSOs tend to be willing to partner with companies on social, environmental or community projects.

3 In my country, social, environmental and community problems are generally solved more effectively by entrepreneurs than by the government.

4 In my country, social, environmental and community problems can be solved more effectively by entrepreneurs than by CSOs.

5 In my country, the government is able to bring potential entrepreneurs, businesses and CSOs together around specific social/environmental or community projects.

6 In my country, businesses should invest more in socially responsible activities if they want to regain public confidence lost due to the global economic crisis.

7 In my country, social responsibility is a significant source of competitive advantage for new and growing businesses.

8 In my country, if a business complies with the law, it is already considered as a very social and environmentally friendly business.

9 In my country, companies that are advertising their environmental and social projects meet more skepticism than approval.

The item with the highest agreement across all countries is 6: "Businesses should invest more in socially responsible activities if they want to regain public confidence lost due to the global economic crisis." The item with the least overall agreement is 5: "The government is able to bring potential entrepreneurs, businesses and CSOs together around specific social/environmental or community projects." Experts in factor-driven countries tend to agree most with statements related to entrepreneurs' ability to solve problems more efficiently than governments or CSOs. These same experts express the highest expectations that firms will give back to the community and invest in socially responsible businesses.

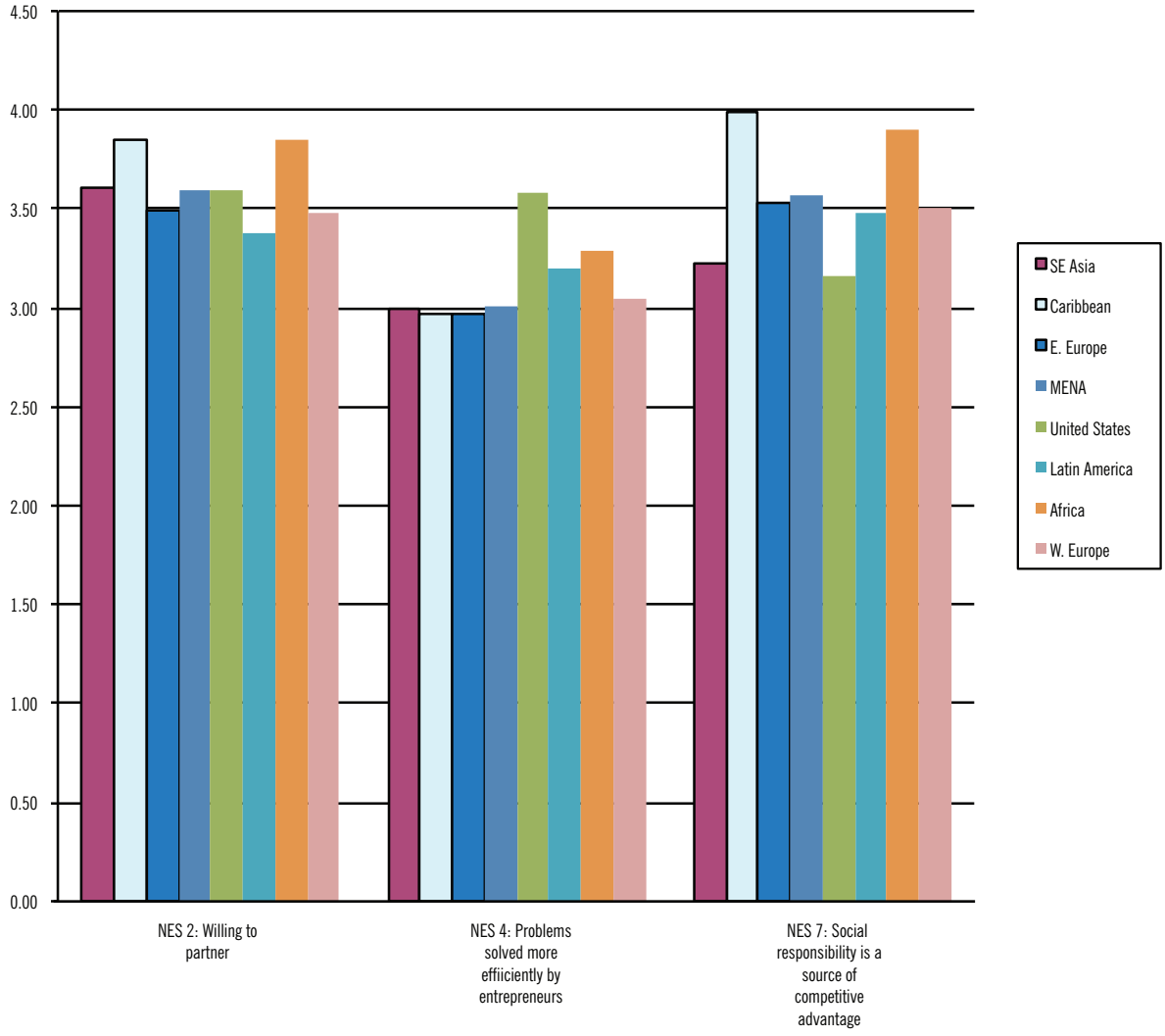
We focus on three particular items: 2, 4 and 7, and discuss these findings. Item 2, "In my country, CSOs tend to be willing to partner with companies on social, environmental or community projects," generally had a high level of agreement across countries, with the highest being in the Caribbean and Africa and the lowest in Latin America and Eastern Europe.

Item 4, "In my country, social, environmental and community problems can be solved more effectively by entrepreneurs than by CSOs," has less consistent agreement across countries. The strongest support can be found in the United States, followed by Africa and Latin America, with the other regions being roughly equal.

Finally, item 7, "In my country, social responsibility is a significant source of competitive advantage for new and growing businesses," also has a variety of support, with the strongest support again in the Caribbean and Africa, followed by MENA, Eastern Europe, Africa and Western Europe. The least support can be found in the United States and Southeast Asia.

Figure 17 depicts the nine responses by the eight regions.

Figure 17—NES Responses, by Region



Source: GEM 2009 Adult Population Survey

We also explored GEM data for regional differences. Experts in Southeast Asia and the Caribbean express that their societies have the greatest expectations of entrepreneurs to give profits to their communities, while Western Europe, Eastern Europe and MENA have the lowest expectations. Experts in the United States express the greatest confidence in entrepreneurs' abilities to solve social, environmental and community problems; by contrast, Eastern European experts have the least confidence in entrepreneurs. Experts in the Caribbean and Africa most strongly perceive social responsibility as a significant source of competitive advantage and that compliance with the law signifies social and environmental friendliness. Eastern European and U.S. experts express the highest agreement that firms that advertise their environmental and social projects are met with skepticism; by contrast, Caribbean and Western European experts express the least agreement with this statement.

Conclusion

Even though social entrepreneurship is increasingly recognized as an important vehicle for betterment, it is still a rare phenomenon. However, with the 2009 GEM Social Entrepreneurship survey, we are able to offer some refined insights as to how social entrepreneurship manifests itself differently across countries. More specifically, individuals creating social enterprises have a wide variety of backgrounds, and they implement their social objectives in a wide variety of organizational structures as well. This report summarizes the first immediate findings of the dataset and leads to a number of important questions: Why do some countries have more social entrepreneurs than others? What does the level of social entrepreneurial activity really represent? Why are individuals more likely to be social entrepreneurs in some countries and not in others? We hope that the dataset can contribute to a better understanding of the important phenomenon of social entrepreneurship.

Acknowledgments: During the course of this project, each author welcomed a baby, or babies, into his/her family: Niels (Lasse), Siri (Tor, Britt and Finn), Jan (Alix) and Rachida (Omar). The world that our children will grow up in has been positively influenced by social entrepreneurs, and we hope that our children also contribute to this change.

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Appendix: Methodology

In order to facilitate a consistent and widely applicable selection of social entrepreneurs, we based our methodology on four principles. First, our methodology aimed to be consistent with existing theoretical perspectives on social entrepreneurship, particularly with the three dimensions as described earlier: social mission, innovativeness and revenue model. Second, our objective was to capture different perspectives that exist regarding the importance of each of these dimensions (for example, whether social entrepreneurs should have revenues that come from the market). Third, in order to exclude country-specific legal or bureaucratic definitions of social entrepreneurship, we tried to avoid using the word "social entrepreneurship" in a direct way and measured social entrepreneurship through a series of indirect questions instead. Finally, we aimed to use the exact same questions in all the countries included in our research, so that cross-country comparisons would be facilitated as much as possible.

Given that international data collection initiatives are notoriously difficult to set up, especially in the context of an exploratory phase such as the objectives presented above, the GEM project offered a unique platform to design a research methodology that piggybacked existing research efforts geared toward cross-country comparisons of entrepreneurial initiative. In order to specifically investigate social entrepreneurship, however, the existing survey needed to be complemented with specific screening questions to identify social entrepreneurs in the population. In the next sections, we will elaborate on each of these aspects of the research design.

1.1. THE GLOBAL ENTREPRENEURSHIP MONITOR

The Global Entrepreneurship Monitor (GEM) is a multicountry initiative with the explicit objective of facilitating cross-country comparisons of entrepreneurial activity by using the exact same measurement approach in all countries involved in the study (Reynolds et al., 2005). Initiated in 1997, the survey has seen steadily increasing participation, with over 80 countries involved in the past decade. Each year, GEM surveys representative population samples of at least 2,000 randomly selected adults in each participating country. The surveys are conducted by telephone or face to face between May and August in the participant's native language and facilitated by translation and back-translation of questions. From each individual interviewed in the GEM sample, records are collected about gender, employment status, educational background and income status. Once collected, the data are weighted to reflect the population (by age, gender, education, etc.) and harmonized with the other countries by the GEM coordination team. In 2009, more than 150,000 individuals in 54 countries were surveyed, as shown in Appendix Table 1.

Appendix Table 1—Participating Countries

Country	Interview Procedure	Sampling Method	Sample Count
Algeria	Face-to-face	Random walk method	2,000
Argentina	Fixed-line	Random dial from list	2,008
Belgium	Fixed-line and mobile	Random digit dialing (80% of sample) and a panel of exclusive mobile phone users (of which socio-demographics are already known), recruited by random sampling methods (20% of sample)	3,989
Bosnia and Herzegovina	Fixed-line	Random dial from list	2,000
Brazil	Face-to-face	Random choice of census tracts in every city, defined by census	2,000
Chile	Fixed-line and Face-to-face	Random selection of a phone number from a list; random selection of district (blocks) at the first stage, random selection of household at second stage and finally, random selection of a person within a household	5,000
China	Face-to-face	First, we determined the maximum sample number of each neighborhood community, which was 9 for this project. Then, we had a random starting point at an apartment or house. We skipped 6 households after each successful contact for urban areas and 1 household after each successful contact for rural areas.	3,608
Colombia	Fixed-line and Face-to-face	Random dial from list; random sampling using cartographic data	2,055
Croatia	Fixed-line	Random dial from list	2,000

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Dominican Republic	Face-to-face	Random stratified, multistaged	2,007
Ecuador	Face-to-face	Cluster sampling using census	2,200
Finland	Fixed-line and mobile	The sample was delivered by its supplier, connecting the necessary contact information (phone numbers) to the sample.	2,004
France	Fixed-line and mobile	Random dial from list	2,019
Germany	Fixed-line	Random digit dialing	6,032
Greece	Fixed-line	Random digit dialing and random dial from list	2,000
Guatemala	Face-to-face	All 22 departments (states) of Guatemala were used, and 179 municipalities were randomly selected. In each municipality, a map divided the urban area in 9 sectors, 3 of which were selected and, in each sector, 7 houses are selected (a total of 12 houses were selected, but only 7 were the target).	2,208
Hong Kong	Fixed-line	Random dial from list	2,000
Hungary	Mobile	Random dial from list	2,000
Iceland	Fixed-line and mobile	Random dial from list	2,005
Iran	Face-to-face	Cluster sampling	3,350
Israel	Fixed-line	Random dial from list	2,073
Italy	Fixed-line	Random dial from list	3,000
Jamaica	Face-to-face	Cluster sampling using census	2,012
Jordan	Face-to-face	Random walk method	2,006
Republic of Korea	Fixed-line	Random dial from list	2,000
Latvia	Fixed-line and mobile	Random digit dialing and random dial from list	2,003
Lebanon	Face-to-face	Random walk method	2,000
Malaysia	Face-to-face	Cluster sampling using census	2,002
Morocco	Face-to-face	Random walk method	2,001
Netherlands	Fixed-line	Random dial from list	3,003
Norway	Fixed-line and mobile	Random dial from list	2,029
Panama	Face-to-face	Cluster sampling using census	2,000
Peru	Face-to-face	Random sampling from list using jump interval (every 3 houses)	2,021
Romania	Face-to-face	For all voting districts (strata also), systematic sampling with equal probabilities from the electoral list of a selected voting district.	2,093
Russia	Face-to-face	Random walk method	1,695
Saudi Arabia	Fixed-line and mobile	Random digit dialing	2,000
Serbia	Fixed-line	Random dial from list	2,300
Slovenia	Fixed-line	Random dial from list	3,030
South Africa	Face-to-face	Areas are stratified by race, region and community size. Within community size (within region), we selected addresses from GeoFrame (a household register) using a random start and a fixed-interval procedure, according to estimated population proportions. For rural areas, Global Positioning System coordinates were randomly selected within the magisterial district.	3,135
Spain	Fixed-line and mobile	Random digit dialing (mobiles); random dial from list (fixed-line)	28,888
Switzerland	Fixed-line	Random dial from list	2,024
Syria	Face-to-face	Random walk method	2,002
Uganda	Face-to-face	Using equal probability sampling of districts within regions and probability proportional to size sampling of parishes within districts based on the # of households as provided by UBOS. An approximately equal number of sampled households was chosen.	2,095
United Arab Emirates	Fixed-line and mobile	Random dial from list	2,056
United Kingdom	Fixed-line	Random digit dialing (within region)	30,003
United States	Fixed-line	Random digit dialing and random dial from list	5,002

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GEM is widely acknowledged to be the best source of comparative entrepreneurship data in the world (Shorrock, 2008) and has been cited extensively in leading news outlets (e.g. The Economist, 2007, 2009) and utilized in research published in leading academic journals (Aidis et al., 2008; Bowen and DeClercq, 2008; McMullen et al., 2008; Aidis et al., 2010).

The principal GEM measure that is used for international comparisons is Total early-stage Entrepreneurial Activity (TEA). TEA captures the percentage of the adult population (aged 18–64) that is actively involved in entrepreneurial start-up activity. As such, TEA includes nascent entrepreneurs and young business owners. Nascent entrepreneurs are individuals who have, during the past 12 months, taken tangible action to start a new business, personally own all or part of the new firm, actively participate in the day-to-day management of the new firm and have not yet paid salaries to anyone for more than three months. Young business owners are defined as individuals who are currently actively managing a new firm (not more than 42 months old) and personally own all or part of the new firm. In some cases, an individual may report both nascent and young business ownership activity. However, this individual will only be counted once toward the TEA percentage in the adult population. TEA indices have high validity and reliability (Reynolds et al., 2005).

In addition to the TEA, GEM also aims to identify owner-managers of established firms and individuals active as investors in entrepreneurial activity. While an overall description of the GEM questionnaire and research design can be found in Reynolds et al. (2005), a brief summary of the screening questions for identifying entrepreneurial and investor activity can be found in Appendix Table 2.

Appendix Table 2—GEM APS Questions on Identification of Regular Entrepreneurial Activity (Subset)

1a	You are, alone or with others, currently trying to start a new business, including any self-employment or selling any goods or services to others.
1b	You are, alone or with others, currently trying to start a new business or a new venture for your employer as part of your normal work.
1c	You are, alone or with others, currently the owner of a company you help manage, self-employed, or selling any goods or services to others.
1d	You have, in the past three years, personally provided funds for a new business started by someone else, excluding any purchases of stocks or mutual funds.
1e	You are, alone or with others, expecting to start a new business, including any type of self-employment, within the next three years.
1f	You have, in the past 12 months, sold, shut down, discontinued or quit a business you owned and managed, any form of self-employment, or selling goods or services to anyone.

Source: GEM 2009 Adult Population Survey

1.2. SCREENING FOR SOCIAL ENTREPRENEURIAL ACTIVITY

As mentioned above, while there is debate on the importance of earned income or the innovativeness of social entrepreneurs, most scholars in the field agree that social mission is a key differentiating element of social entrepreneurs. In order to screen the surveyed population for social entrepreneurial activity (SEA), a series of questions were added at the end of the existing GEM questionnaire that probed interviewees on their involvement in organizations with a particular social mission. We used two approaches for this purpose: explicit self-identification and goal-based classification. First, we asked respondents whether they self-identified as being involved in an organization with a social mission, using a broad introductory question:

"Are you, alone or with others, currently trying to start or currently owning and managing any kind of activity, organization or initiative that has a particularly social, environmental or community objective? This might include providing services or training to socially deprived or disabled persons, using profits for socially oriented purposes, organizing self-help groups for community action, etc."

This item covers any and all activity that could be any form of social or community work, incorporated or not incorporated, for-profit or not-for-profit. In other words, the intention is to capture all individuals that are involved in an organization whose purpose is to address a particular social issue. To ensure that respondents had an active role in this organization, we also explicitly asked whether respondents had put money or effort into the process of founding the enterprise, or whether they currently owner-managed the organization.

Second, we asked all interviewees that self-identified as being a founder or an owner-manager in an organization (whether explicitly social or not) to allocate 100 points across three organizational goals: economic, social and environmental. As a starting point, we considered all interviewees that indicated an active involvement in the founding or owner-management of an organization that was either explicitly social (answering affirmative to the introductory question) and/or implicitly social (either social or environmental rated higher than economic; see below for rationale of this decision) as part of the potential social entrepreneurship population. Although a lot of variety remains in this selected population, nothing in the responses to our questionnaire indicated that the excluded respondents

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perceived themselves as members of an organization with a particular social mission.

In order to further refine the population of potentially social entrepreneurs, we asked a number of follow-up questions with the purpose of developing a spectrum of social entrepreneurship types. As can be seen in Figure 1 and explained in Appendix Table 3, this variation was designed along the dimensions of revenue model and innovativeness.

Appendix Table 3—GEM APS Questions on SEA

	Question Objective	Question	Answers
1	Explicit Social Enterprise	"Are you, alone or with others, currently trying to start or currently owning and managing any kind of activity, organization or initiative that has a particularly social, environmental or community objective? This might include providing services or training to socially deprived or disabled persons, using profits for socially oriented purposes, organizing self-help groups for community action, etc."	Yes, currently trying to start/Yes, currently owning-managing/ Yes, currently trying to start and owning-managing/No/Don't know/Refused
2	Actual Involvement	"Over the past twelve months have you done anything to help start this activity, organization or initiative, such as looking for equipment or a location, organizing a start-up team, working on a business plan, beginning to save money, or any other activity that would help launch an organization?"	Yes/No/Don't know/Refused
3	Overlap	"Can I check, is this activity, organization or initiative the same one that you described in detail earlier, or is it a different one?"	Same/Different/Don't know/Refused
4	Revenue Sources (1)	Will any of the revenue for this activity, organization or initiative come from income, for example through sales of products or charging for services? [baby enterprise] Does any of the revenue for this activity, organization or initiative come from income, for example through sales of products or charging for services? [nascent or established enterprise]	Yes/No/Don't know/Refused
5	Revenue Sources (2)	What percentage of total income will come from the sale of products or services? [baby enterprise] What percentage of total income comes from the sale of products or services? [nascent or established enterprise]	Percentage/Don't know/Refused
6	Economic, Societal and Environmental Value	Organizations may have goals according to the ability to generate economic value, societal value and environmental value. Please allocate a total of 100 points across these three categories as it pertains to your goals. For example, an organization's goals may allocate 80 points for economic value, 10 points for societal value and 10 points for environment value. How many points for economic value? And how many points for societal value? And, finally, how many points for environmental value?	Percentage/Don't know/Refused
7	Innovation	Is your activity, organization or initiative offering a new type of product or service? Is your activity, organization or initiative offering a new way of producing a product or service? Is your activity, organization or initiative offering a new way of delivering a product or service? Is your activity, organization or initiative offering a new way of promoting or marketing a product or service? Is your activity, organization or initiative attending a new or so far unattended market niche or customer?	Yes/No/Don't know/Refused
8	Type of job	Is this intended activity, organization or initiative your daily job, part of your daily job, or outside your daily job?	Daily job/Part of daily job/Outside daily job/Don't know /Refused
9	Year of operations	What was the first year the activity, organization or initiative provided services to others or received external funding?	Year/No payments yet/Don't know/Refused
10	Industry	What kind of product or service will be provided by the activity, organization or initiative you are trying to start?	Qualitative indication
11	Staff	Right now how many people, not counting the owners but including subcontractors, part-time workers and volunteers, are working for this activity, organization or initiative? And how many of these people are working as volunteers? And how many of these people are working part-time? How many people will be working for this activity, organization or initiative, not counting the owners but including part-time workers, volunteers or subcontractors, when it is five years old?	Numbers/Don't know/Refused

Source: GEM 2009 Adult Population Survey

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Revenue model. In addition to the social mission, social entrepreneurs may differ with respect to their dependence on the market for generating revenues. As previously mentioned, such a reliance on the market has been proposed by some as the most important identifier for SEA (Boschee and McClurg, 2003; e.g., Austin et al., 2006). We used three questions to capture the importance of market logic in the revenue model of the social enterprise. First, we asked all explicit social entrepreneurs whether their organization depended on any kind of (product or service) sale (see Question 4 in Appendix Table 3). The assumption here is that answering "no" implies that the organization depends entirely on either government subsidies or membership fees. Organizations for which revenues from sales represent a marginal and not vital part of its' income sources, however, would still answer positively to this question. We therefore included a second question that specifically asked for the percentage of the total income that came from sales of services or products (Question 5 in Appendix Table 3). Furthermore, we assumed that organizations depending on sales and revenues for less than 5% of their income would be more inclined to see such income sources as negligible. As a consequence, therefore, they would not adopt any market logic in their decision making. Finally, we asked explicit social entrepreneurs that had also self-identified as regular entrepreneurs (see Questions 1a–1c in Appendix Table 2) whether the social activity actually occurred in the same organization as identified before. Whereas this question not only prevented double-counting a person as both a social and a regular entrepreneur, we considered the self-identification as being active in "a business," "self-employment" or "selling goods or services" a relevant proxy for adhering to a market logic. Continuing this logic, we also assumed that all self-identified regular entrepreneurs that did not self-identify as social entrepreneurs were fully reliant on the market for their revenues.

Innovativeness. As a final classification variable, innovativeness aims to separate those involved in social ventures that merely replicate or copy existing solutions to social problems from those that involve "pattern-breaking" (Light, 2006) or "innovative solutions" (Ashoka) and are thus "change agents" (Schwab Foundation) in society. In order to capture this innovativeness of the organization, we asked six questions that looked at the innovation behavior of the organization from different angles (Question 7 in Appendix Table 3): namely, product/production process/delivery/promotion/unattended customer niche. Organizations identifying themselves as innovative on any of these innovation dimensions were considered innovative. As such, it clearly separates those organizations for which innovation was not part of their core missions or identity.

1.3. DEVELOPING THE SOCIAL ENTREPRENEURSHIP SPECTRUM

Using social mission, revenue model and innovativeness as identification variables, we then made different combinations and aligned them with theoretical categories for further analysis. Figure 2 showed a schematic overview of how we went about this classification.

Nongovernmental organizations. In our classification, "nongovernmental organizations" (NGOs) are not-for-profit organizations that have an explicit social mission but depend on market-based income for less than 5% of their revenue. While some authors (e.g., Boschee and McClurg, 2003) would exclude them from the notion of "social entrepreneurship," others suggest that the revenue model in itself is not the best indication of entrepreneurial behavior and that innovativeness in addressing social issues is more important (Dees, 1998; Ashoka, 2011). To facilitate a more fine-grained analysis of these different perspectives, we created two additional subclasses of NGOs. We define a "not-for-profit social enterprise" (NFP SE) as an NGO that, although dependent on government, aid or membership-based revenue sources, combines its social mission with an innovative approach in achieving its goals. A "traditional NGO," on the other hand, is an NGO that achieves its missions by relying on more established practices or targeted customers.

Hybrid social enterprises. For many, the distinguishing and innovative feature of social entrepreneurs is the combination of an explicit objective to address social needs with the establishment of a private organization as a means to achieve this objective. As such, it is said that social entrepreneurs have "hybrid" objectives, combining both market-based and social logics. In our classification, these "hybrid social enterprises" are those organizations that self-identify as a social organization while receiving at least 5% of their revenues from the sales of services or products or identifying themselves as a regular business as well. An extreme form of hybridization, however, is when organizations self-identify as social organizations but indicate that they aim to realize their social objective primarily by paying attention to the economic bottom line. Given the importance that has also recently been suggested for such hybridization of objectives, we created two subcategories based on the relative importance of social and environmental objectives. Thus, hybrid social enterprises for which economic objectives are numerically more important than social and environmental objectives are defined as "economically oriented hybrids," while "socially oriented hybrids" are those organizations for which the reverse is true.

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Socially committed regular enterprises. While it is clear that regular enterprises with clear priorities set on economic objectives can be excluded from the social entrepreneurship spectrum as "for-profit regular enterprises," the subset of regular enterprises that shows high attention to social and environmental objectives can still be considered as part of the social entrepreneurship spectrum. Although not self-identifying as social organizations, these organizations indicate that social and environmental aspects are nevertheless a significant part of their mission in running a regular enterprise. In a staged approach, we therefore identified "socially committed regular enterprises" and "for-profit social enterprises" as the remaining parts of the social entrepreneurship spectrum. "Socially committed regular enterprises" are regular enterprises for which either the social or the environmental objectives were more important than the economic ones, while "for-profit social enterprises" are those regular enterprises for which environmental or social objectives are twice as important as the economic ones.

1.4. ADDITIONAL QUESTIONS FOR FURTHER ANALYSIS

In order to facilitate additional analyses on SEA, either at the level of the social enterprise or at the level of a country, we added two sets of questions to the methodology that was described above. First, the questions relating to social mission, revenue model and innovativeness were supplemented with a series of questions related to the characteristics of the SEA. For example, to get more information on the social enterprise itself, we included questions about the founding dates of the social venture and a clarification on the type of activity it is. To assess the real impact of social entrepreneurship, one must indeed consider how these enterprises have contributed through the social benefits they have provided the immediate society. Furthermore, we asked questions related to their partial or full-time involvement in the social venture, the number of people working in the organization (separate counts for volunteers and part-timers) and expectations of the number of people working for it in five years. Finally, we also gauged respondents for their intentions and actual practices related to impact measurements. Although this last criterion does not represent per se a defining characteristic of social enterprises, several researchers consider performance measurement of social impact to be a fundamental differentiator between social enterprise and more traditional forms of social activity (Sawhill and Williamson, 2001; Austin et al., 2006; Smith and Stevens, 2010). It is also a key element in gauging the real impact of social entrepreneurship and its effectiveness in healing the world's problems. A more detailed description of these questions can be found in Appendix Table 3.

In addition to these individual and organization-level questions, we also used the GEM National Expert Survey (NES) to ask a number of questions about the context in which social entrepreneurial activity was established. Several recent works highlight the key role played by context in promoting or hindering social entrepreneurship (Austin et al., 2006; Weerawardena and Mort, 2006; Kerlin, 2009; Mair, 2010). The GEM research project seeks to complete the overall picture of social value creation by placing it into the broader framework of the regulatory, sociocultural, demographic, political and macroeconomic context. This is achieved through the NES, which includes specific questions about the level of support of national framework conditions for social entrepreneurship.

Appendix Table 4—GEM Key Experts' SE Questions, Related to Framework Conditions

S01	Society expects companies to give some of their profits back to the community through contributing to important social or environmental projects.
S02	CSOs tend to be willing to partner with companies on social, environmental or community projects.
S03	Social, environmental and community problems are generally solved more effectively by entrepreneurs than by the government.
S04	Social, environmental and community problems can be solved more effectively by entrepreneurs than by CSOs.
S05	The government is able to bring potential entrepreneurs, businesses and CSOs together around specific social/environmental or community projects.
S06	Businesses should invest more in socially responsible activities if they want to regain public confidence lost due to the global economic crisis.
S07	Social responsibility is a significant source of competitive advantage for new and growing businesses.
S08	If a business complies with the law, it is already considered as a very social and environmentally friendly business.
S09	Companies that are advertising their environmental and social projects meet more skepticism than approval.

Source: GEM 2009 National Expert Survey.

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National framework conditions related to general entrepreneurship are also gathered, including financial, government policies, government programs, education and training, R&D transfer, commercial and legal infrastructure, internal market openness, access to physical infrastructure and cultural and social norms. See Appendix Table 4 for the NES questions.

Appendix Table 5—Rates of SE Categories by Country and Global Region

	Country	Traditional NGO	Not-For-Profit SE	Economically Oriented Hybrid SE	Socially Oriented Hybrid SE	For-Profit SE
Western Europe	Belgium	0.45	1.07	1.06	0.98	0.50
	Finland	0.53	1.80	1.53	2.73	0.94
	France	0.14	0.63	0.96	1.13	0.24
	Germany	0.27	0.31	0.74	0.35	0.45
	Greece	0.29	2.04	0.64	0.50	1.28
	Iceland	0.36	2.64	1.15	3.57	1.89
	Italy	0.27	0.55	1.32	0.45	0.69
	Netherlands	0.24	0.71	0.19	0.81	1.30
	Norway	0.11	0.80	0.86	0.70	2.00
	Spain	0.09	0.28	0.38	0.19	0.52
	Switzerland	0.08	0.74	2.27	1.40	1.11
	United Kingdom	0.37	1.76	1.01	1.44	1.16
	Average	0.27	1.11	1.01	1.19	1.01
Eastern Europe	Bosnia and Herzegovina	0.00	0.50	0.37	0.21	0.81
	Croatia	0.38	2.12	2.49	1.34	0.66
	Hungary	0.11	0.49	2.17	0.80	0.31
	Latvia	0.63	0.87	0.71	0.69	1.51
	Romania	0.27	0.20	1.32	0.37	0.31
	Russia	0.15	0.18	0.77	0.05	0.05
	Serbia	0.47	1.53	0.12	0.25	0.49
	Slovenia	0.47	1.27	0.91	1.52	1.26
	Average	0.31	0.89	1.11	0.66	0.68
Latin America	Argentina	1.15	4.02	1.75	1.73	1.08
	Brazil	0.05	0.28	0.03	0.00	0.29
	Chile	0.01	1.12	1.45	0.97	0.91
	Colombia	0.01	0.52	4.05	1.14	1.05
	Ecuador	0.02	0.21	0.45	0.02	0.14
	Guatemala	0.04	0.05	0.33	0.06	0.25
	Panama	0.07	0.00	1.38	0.25	0.27
	Peru	0.07	0.32	3.33	0.48	0.17
	Uruguay	0.30	1.24	1.53	0.70	0.45
	Venezuela	0.34	0.64	2.15	0.96	0.31
	Average	0.21	0.84	1.64	0.63	0.49
Southeast Asia	China	0.56	0.83	2.86	0.61	1.82
	Hong Kong	0.05	0.30	0.58	0.29	0.65
	Republic of Korea	0.00	0.26	0.70	0.40	1.08
	Malaysia	0.13	0.11	0.00	0.20	0.02
	Average	0.18	0.37	1.04	0.37	0.89
MENA	Algeria	0.05	0.56	0.82	0.81	1.41
	Iran	0.06	0.45	1.25	0.17	0.62
	Israel	0.29	1.65	0.87	0.93	0.09
	Jordan	0.29	0.52	0.24	0.26	1.14
	Lebanon	0.05	1.23	0.21	0.70	0.83
	Morocco	0.20	0.33	0.14	0.39	1.98
	Saudi Arabia	0.07	0.10	0.04	0.07	0.24
	Syria	0.10	0.52	0.22	0.19	0.97
	United Arab Emirates	0.24	1.93	3.81	1.34	0.73
	West Bank and Gaza Strip	0.04	0.35	0.05	0.19	0.00
	Average	0.14	0.76	0.76	0.51	0.80
Carib.	Dominican Republic	0.16	1.59	1.18	0.81	0.73
	Jamaica	0.14	1.11	4.38	1.37	2.54
	Average	0.15	1.35	2.78	1.09	1.64
Africa	South Africa	0.02	0.49	0.73	0.72	0.49
	Uganda	0.59	0.87	0.57	2.03	1.86
	Average	0.30	0.68	0.65	1.37	1.17
USA	United States	0.53	2.26	1.42	1.38	1.26

Note: The sample size of each country (see Appendix Table 1) determines the precision of each of these estimates. For example, Belgium's prevalence rate of 0.50% for For-Profit Social Entrepreneurship should be interpreted with some care. In this case, we can state with 95% certainty that the actual value ranges between 0.27% and 0.73%. Spain's corresponding value of 0.52 is more precise because the sample size is larger. Here, the estimate of 0.52% corresponds to an actual value ranging between 0.44% and 0.60%, also with 95% confidence.
Source: GEM 2009 Adult Population Survey

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GERA AND GEM

The Global Entrepreneurship Research Association (GERA) is, for constitutional and regulatory purposes, the umbrella organization that hosts the GEM project. GERA is an association formed of Babson College, London Business School and representatives of the Association of GEM national teams.

The GEM program is a major initiative aimed at describing and analyzing entrepreneurial processes within a wide range of countries. The program has three main objectives:

- To measure differences in the level of entrepreneurial activity between countries
- To uncover factors leading to appropriate levels of entrepreneurship
- To suggest policies that may enhance the national level of entrepreneurial activity

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