

Abstract for review

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Venture Philanthropy and Social Entrepreneurship: Exploring the Nexus

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Abstract:

Increasing social and economic inequality in society has contributed to the emergence of a new generation of social investors and philanthropic funders investing multiple types of resources in social enterprises (SEs) with the aim of facilitating social and economic change (Scarlata and Alemany, 2010; Gordon, 2014). The capacity of the SE as a creator of products and services that meet a social need is viewed as a critical part of the solutions championed by contemporary philanthropists (Dees, 2008; Gordon 2014). These philanthropists describe themselves as venture philanthropists (VP) and oppose a said traditional grantmaking model that they consider inefficient.

The new model of VP is one of the most prominent and most controversial innovations to arise in philanthropic practice (Porter & Kramer, 1999; Moody, 2008). Despite all interest and activity of VP, there is still no unanimous definition of VP (Gordon, 2014; Mendell and Barbosa 2013; Perrini & Vurro, 2012; John, 2006). Although there have been numerous popular press and trade publication articles on venture philanthropy, there is a small amount of more analytical work (Brainerd, 1999; Firstenberg, 2003; Jegen, 1998; Letts, Ryan & Grossman, 1999; Cobb, 2002;

Frumkin, 2003); several research avenues are understudied and need further scholarly exploration (Moody, 2008).

In our view, analyzing the interaction between venture philanthropy and social entrepreneurship could help understanding this new philanthropic approach. Our assumption is that looking at this new practice through the prism of VP's conception of social enterprise and social entrepreneurship will allow grasping the very nature of VP.

In our paper, we present the results of our review of the academic literature focusing on the VP-SE nexus. We analyze 23 papers identified throughout a keyword search on main academic databases and analyses of reference list of selected papers. The first section explores the concept of venture philanthropy and its stance vis-à-vis the social enterprise. It is followed by the analysis of how venture philanthropy is supporting social enterprise, then the paper examines the outcomes, benefits, challenges, and future of venture philanthropy with regard to social enterprise. In the third section, we suggest and discuss three areas for future research directions.

Most important references:

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