



**SPECIAL ISSUE CALL FOR PAPERS FOR  
JOURNAL OF WORLD BUSINESS**

## **The Internationalization of Social Enterprises**

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Across the globe, social enterprises, sometimes called hybrid organizations, are receiving increased public and academic attention (Wang et al, 2015; Battilana and Dorado, 2010). Whether organized as a for-profit firm or a non-profit organization, a social enterprise operates with two logics: To be financially self-sufficient, or sustainable, and to achieve a socially desired outcome (Sharir and Lerner, 2006; Miller et al., 2012). These can include solutions to homelessness (McKenna, 2013), improved quality of life and inclusion for the disabled population (Wang et al., 2015) or better treatment for those suffering from diseases, such as tuberculosis (Lönnroth et al., 2007). Many different definitions for social enterprises have been proposed over the years (summarized by Zahra et al., 2009). We define and differentiate social enterprises on three dimensions:

- (1) Social enterprises pursue a “double” bottom line (economic and social betterment). Among the primary goals of a social business is social value creation, that is, addressing or solving a social problem, sometimes at the expense of profits.
- (2) Unlike philanthropic organizations depending on donations and symbolic CSR-related activities depending on discretionary corporate philanthropy, social enterprises need to be financially sustainable. This means that these enterprises need to earn their income by providing the market place with products and services, and do so at a price that recoups the cost at, or below, the prevailing market price. At a minimum, they need to survive and, under ideal condition, grow and expand.

- (3) Social enterprises fill institutional voids at the local, national and global level. They commonly provide services, or goods, that are either unavailable or lacking through the public or private sectors.

We see that ontological and epistemological gaps exist in the research on international social enterprises. There is no consensus on how the performance of social enterprises should be studied (Mair and Martí, 2006), including the trade-offs between social goals and financial goals (Mersland, et al. 2011; Randøy et al, 2015). Although Zahra et al. (2008) highlighted a lack of research on social enterprises, we still observe that researchers have not yet adequately addressed social enterprise issues with empirical studies and much of the current research on social enterprises is in the form of descriptive case studies (e.g., Wang et al. 2015).

Social enterprises often operate across different countries and contexts or have partners from different institutional settings. The literature on social enterprises, particularly as an international phenomenon, is underdeveloped (Sharir and Lerner, 2006) and we see a need to explicitly examine multinational, cross-border and comparative orientations of these kinds of enterprises. Social enterprises are prevalent in both developed and developing country contexts (Mair and Martí, 2006; Wang et al, 2015). While many social enterprises originate in the developed world, others, such as Bangladesh's *BRAC*, dedicated to alleviating poverty, have emerged out of developing countries. Yet, cross-country comparative research is rare (Kerlin, 2012) and, as a result, a comprehensive understanding of the phenomenon is lacking. This special issue provides an opportunity to introduce the social enterprise phenomenon into the international business literature, in an effort to upgrade and cross-fertilize the two research streams. We highlight that research on social enterprises in relation to their conceptualization (Carragher, Welsh and Svilokos, 2016), drivers (Méndez-Picazo et al., 2015), internationalization process (Zahra et al., 2008), placement (Mair and Schoen, 2007) modes of entry (Wang et al., 2015), and impacts (Mersland et al., 2011) is still underexplored and provide the underlying motivation for this Special Issue.

The internationalization of social enterprises is driven by a number of factors, including global wealth disparity, corporate social responsibility, market failures, technological advances and shared responsibility efforts (Zahra et al., 2008). Their international expansion is commonly driven by the global nature of the problem addressed, such as health services, and the lack of available local or national resources. The rapid growth of social enterprises is further fueled by a significant increase in the capital mobilized by so-called impact investment funds, i.e. funds that typically invest in social enterprises. For example, a recent report by *J.P. Morgan* and *The Global Impact Investing Network* indicate that 8 billion US dollars were committed to impact investments in 2012 and an additional 9 billion US dollars in 2013.

The internationalization of social enterprises takes different forms. Some social enterprises are born global, such as *CURE*, an Ohio-based non-profit dedicated to the treatment of childhood cancer in China, and *Lifenet* International, based in Florida and dedicated to provide quality and sustainable healthcare to the poor in sub-Saharan Africa. Others follow an incremental and gradual internationalization, such as *Dialogue in the Dark*, which started in Germany and expanded slowly to more than 40 countries.

Social enterprises are important to public policy as they address market imperfections and lower the burden on governments. Thus, there is a growing interest in social enterprises as these may reduce long term public (or private) subsidies (Zahra et al., 2009), and contribute to social change, empowerment, and economic development (Chell, 2007). Sometimes their internationalization is seen as politically desirable, while at other times they are faced with hostility or mistrust (e.g., Economist, 2014).

Many social enterprises have scalable business models both across countries and across the value chain. Recent years have seen the emergence of multinational social enterprises (MNSE). For example, *Riders for Health* enables the delivery of healthcare services through vehicle fleets and operations across more than 10 countries in Africa. The well-known *Grameen Foundation* operates microfinance institutions across 36 countries and has claimed to help about 10 million of the world's poor. *Dialogue in Social Enterprises* operates three concepts in over 40 countries to facilitate social inclusion of disabled, disadvantaged and elderly people on a global basis. Numerous social enterprises serve a global need in multiple operating environments using complex organizational structures. Other social enterprises are small and local providing an opportunity for researchers to examine the scalability of these enterprises, on the one hand, and compare these to similar organizations in other locations, on the other hand.

Several theories have been identified as promising channels for the study of the internationalization of the social enterprises, including cosmopolitanism, pro-social, internalization (Zahra et al. 2008), structuration theory, institutional entrepreneurship, social capital, social movement (Mair and Marti, 2005), sustainability, non-profit, grounded theory (Weerawardena and Mort, 2006), resource-based and network theories (Westhead et al, 2006).

We are seeking conceptual, theoretical and empirical (both quantitative and qualitative) papers that advance the state of knowledge on internationalization of social enterprises. Topics include, but are not limited to:

- The internationalization process of social enterprises. Do extant theories apply?
- Typologies of social enterprises and new theory of the multinational social enterprise
- Scalability of social enterprises across diverse locations
- Determinants of born global social enterprises
- Comparative research among social enterprises in developed and developing countries
- Market selection and modes of entry of social enterprises
- International networks and stakeholders and their influence on social enterprises
- The international landscape of impact investors and their influence on social enterprises
- The trade-off between financial and social performance in international social enterprises
- The finance of international social enterprises
- International issues in microfinance, microfranchising, and the “bottom of the pyramid” businesses and related organizations
- Structure and strategy of international social enterprises
- Determinants of internationalization of social enterprises, including social mission focused businesses

- Impact of social enterprises in differing market conditions
- Entrepreneurial and managerial antecedents of international social networks
- Internal and external antecedents of international social entrepreneurship

### **Submission process**

Authors should submit complete manuscripts between the 1<sup>st</sup> and the 31<sup>st</sup> of January 2018 via the *JWB* EVISE online submission system at <https://www.evise.com/profile/#/JWB/login>. To ensure that all manuscripts are correctly identified for consideration for this special issue, it is important that authors select ‘**SI: Int.Soc.Entr.**’ when they reach the “Article Type” step in the online submission process. Manuscripts should be prepared in accordance with the *JWB* Guide for Authors available on the journal web page. All submitted manuscripts will be subject to *the JWB*’s blind review process.

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