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SOCIAL BUSINESS (Draft for Elsevier Encyclopedia) v. August 20th./2012

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ABSTRACT

Social business deals with economic organizations oriented to social value creation. It is a new concept integrating multiple dimensions and meanings, including managerial experiences of public, private and non-profit organizations. Social business includes contributions from corporate social responsibility, non-profit management, social entrepreneurship, and inclusive business (ie. Bottom of the pyramid). The concept is being consolidated by the evolution of relationships between business and society in the XXI Century.

Introduction

The core concept of social business is economic activities with a priority aim to social value creation. It is a new integrative concept covering multidimensional meanings. There is an overlap of conceptual developments and managerial practices. The concept of social business is the result of contributions from Corporate Social Responsibility (CSR), non-profit organizations (NPO), social entrepreneurship (SE) and Base of the Pyramid/Inclusive Business (BoP/IB).

Corporate Social Responsibility (CSR) was the original concept and, along with environmental sustainability, became a fashion in management during the first decade of the XXI Century. CSR was originally conceived as ethics and moral obligations, related to altruistic or philanthropic motives, but it has moved to be considered by many as social investments and plain good business. However, such claim is still in debate. The evolution of CSR included practices of socially responsible investments, stakeholder management, the new philanthropy and ISO 26.000.

Non-profit organizations (NPO) and management are studied in and include an array of names and institutions, such as nongovernmental organizations, charitable organizations, philanthropic foundations, cooperatives, civil society organizations, and so on. Today the majority of NPO get more than half their income from self generated income. The literature about NPO has focused on the professionalization, actual social impact and financial sustainability of the organization. A key part of research has been about strategic alliances between sectors. NPO started by incorporating the best practices of for-profit management tools, but it is increasingly aimed at adapting and developing its own specific management concepts. Furthermore, the blurring of borders between public, private and civic sectors is challenging NPO in three ways. First, the changing challenges of the top-management in respect to mission, governance, strategy, accountability and social impact assessment. Second, the need to explore new models to gain resources, such as foundations as a legal form to secure financial resources, revenue based nonprofits or volunteering. Third, the discussions on the blurring of sector-borders affect the ongoing question of effective education for nonprofit managers.

Social entrepreneurship is a new concept undergoing debates about its very nature. It consists of innovative social value creation by organizations from public, private, civic and hybrid sectors.

SE is a source of social change, particularly when the organization can be replicated in other environments. Research on social entrepreneurs often contrasts them to for profit entrepreneurs, but no conclusive evidence has been reached yet. Research has additionally focused on the creation of social ventures, the measurement of social impact, and theoretical constructs development. SE is undergoing consolidation as a unified concept, and it is getting contributions from psychology, management and economics.

Base of the Pyramid and Inclusive Business (BoP/IB) are increasingly interchangeable terms, but the BoP was originated by scholars while IB has been used more by practice oriented and multilateral international organizations. The main idea is to alleviate poverty by integrating low-income citizens as consumers, employees, producers, suppliers, distributors, retailers and entrepreneurs in the value chain of large companies. The best case of this BoP/IB

concept is the microfinance field, where results have been proven to benefit everyone involved. This approach is directly related to CSR and focus on the management of stakeholders and social capital.

Yunus (2008) restricts the concept of social business to for-profit business with a social aim, while our definition is wider, covering as well non-profits that engage in economic activities for social value creation.

Corporate Social Responsibility

Where does it come from?

Traditionally businesses have felt the need to contribute to society, particularly in those times where segments of society have demonstrated strong needs, like in the case of pervasive poverty, immigration, natural disasters and the like. Company actions represented an extension of the spirit of individual **solidarity**, framed in the context of **philanthropy** (love for mankind). Some concerned businesspersons like Carnegie and Rockefeller in the USA and Cadbury in the U.K. in the early XX Century and Bill Gates and Warren Buffet in early XXI Century, saw the importance of complementing the actions (or failures) of governments in promoting society’s development and contributed to financing schools, libraries, health facilities and research among others. This support for society has been carried out with their own money. On many occassions, corporate resources are used to enhance society´s wellbeing, with or without the expectation that they will enhance company profits. When they are related, the term **Strategic Philanthropy** is often used. In order to enhance impact, these resources can be managed with corporate principles and are sometimes called **Philantrocapitalism** or **Venture Philanthropy** (Porter and Kramer, 2002).

Where are we now?

In mid twentieth century, after the two world wars, these ideas developed further and many companies began to see a responsibility towards society, some still out of solidarity but other out of enlightened self-interest. They realized that a developed society could be good for business. Research and practice evolved from the explicitly normative and ethics-oriented arguments to implicitly normative and performance-oriented managerial studies and practices (Lee, 2008) At this point the concepts of **Corporate Social Responsibility** (Carroll and Butchholtz, 2011) were developed, to reflect the fact that companies used corporate resources for the good of society and the corporation to account for the impact on society and the environment of their activities. The modern concept includes concern for the impact on all the parties affected by company activities, in this context called "stakeholders". Obviously this concern takes many different forms and includes many different parties, from employees and customers all the way to communities and the natural environment. In many cases, these stakeholders make their voices heard spontaneously, particularly in the case of corporations with large impacts, but in all cases, it is important for the company to engage in **stakeholder management** through consultation and to assess impact and obtain feedback.

To guide the implementation of these activities in all types of institutions the International Standards Organization produced the **ISO 26000 Guidance for Social Responsibility Standard** which, unlike other ISO Norms, is non-certifiable. (ISO, 2011)

Within these basic ideas there are very large variations in company behavior, depending on the context in which they operate, the strength of existing regulations and enforcements, the level of development of civil society, media, and financial markets and particularly the relative power and willingness of consumers or client to exercise their rights. There can be companies for which the responsibility stops at complying with the law, for others it will include actions that go beyond the law, either because the law and or its enforcement are weak (as in developing countries) or because they see the value of being responsible in the form of risk mitigation of future problems or to gain the favor of the market for responsibility, i.e., all stakeholders.

Corporate Social Responsibility in the second decade of the XXI Century is a management strategy that not only includes the management of impacts on society but also tries to capture the potential benefits from the responsibility vision. One way to look at this idea is through the concern for a **triple bottom line**, i.e., concern for the financial, social and environmental results, not just the traditional financial profitability, developed in the late XX Century. Its actual implementation will depend on the corporation's degree of responsible development, the context of time and place, type of business, reactions of stakeholders, government and civil development, society's needs and expectations, etc. There are large variations in responsible practices between corporations operating in well developed markets and in less developed ones, from large corporations to small companies, from broadly held corporations with anonymous, and many times short term, shareholders to closely controlled and family-owned ones. The motivations of the corporations and the impact that their responsible practices have on their own performance through the reactions of stakeholders determine their responsibility strategies.

These variations include a core of responsible practices that all companies should have, starting with the compulsory compliance with the law, responsible products and procurement, employee welfare, care for environmental resources, among others, but beyond these practices there are many variants. Some take a broader view of the contribution to society and to economic development through inclusive business, social entrepreneurship, and business at the bottom of the pyramid, which will be discussed below. In many cases, through the extensive use of natural resources, particularly air, water and energy, corporations have a significant impact on the environment and need to assure **environmental sustainability** through mitigating, offsetting and undoing their impacts. (Vezzoli and Manzini, 2010).

To stimulate responsible practices in corporations through their access to capital and to try to capture the expected larger benefits of responsible corporations, a field of **Socially Responsible Investment** has been developed that seeks to invest directly, or indirectly through investment funds, in these corporations. The selection criteria vary widely, from simple negative screening (eliminating companies with certain products and/or practices) to positive screening (looking for specific or general responsible practices) (Fung, Law and Yau, 2010)

Still, in many corporations, to a larger or lesser extent, **greenwashing** will be found. This is the traditional exploitation of imperfections in the markets and asymmetries in information, by some companies to capture the benefits of corporate responsibility without the corresponding costs.

Where is it going?

In the end all of these ideas converge into sound management practices. In the future there should be no need to talk about corporate responsibility or any other responsibility concepts, all will boil down to good management. Corporate Social Responsibility will simply be good management. Nevertheless, research will continue to be segments, given the complexity of the issues. In the near future, competition will force corporations to be responsible if they want to survive. Advances in information technology and dissemination will provide better knowledge to all actors and the possibilities for stakeholders to influence will be increased, forcing corporations to be responsible. They will endeavor to be financially, socially and environmentally sustainable**.**

Managing Nonprofit Organizations (NPO)

Where are we now?

This section seeks to take stock of the selected research on managing NPOs. It starts from the assumption that research on nonprofit management sometimes explicitly but in most cases implicitly intends to professionalize amateur administration assumed for many NPOs.

Although the focus on professionalization was given since the beginning of nonprofit-management research in the 1970^{s} the research agenda has changed: Originally, scholars mainly focused on transferring proved management instruments from profit enterprises to nonprofit organizations, in areas such like accounting, human resource management, or strategic planning. The increasing financial scarcity since around the turn of the millennium, though, strengthened scholars' interests in effective fundraising and marketing of NPOs (Helmig, Jegers, & Lapsley, 2004). Since then, the borders between the social, market and public sector are blurring (Evers, 2005).

Where is it going?

In light of the difficulties to hold up the former distinction between the three sectors scholars adapt their research agenda in three ways: In the following, we briefly outline these three challenges.

Research on top-management

The blurring of sector-borders challenges Executive Directors and Board Directors twofold (Young, 2008). First, scholars argue that NPOs play an increasingly critical role in the development of national economies and societies worldwide. They see a growing importance of NPOs in influencing international affairs in fields such like international trade. The question in this research field is how NPOs can support governmental policy making in solving international social and ecological issues. This rising interest of scholars is, among others, documented by the new journal 'Nonprofit Policy Forum', edited by Dennis Young and Linda Serra. Second, corporate philanthropy moves from a focus on social projects to one that emphasizes the bottom line of the corporation. In respect to this new corporate landscape scholars explore new challenges for NPOs in respect to issues such like competition with profit enterprises and opportunities for cooperation between NPOs and profit-enterprises.

These challenges affect the top-management in five different fields. First, there is an increasing interest in the 'mission drift' and how or if NPOs balance between social mission and financial resources. Second, scholars address the different roles between the board of directors and the executive director. They focus less on normative approaches that describe the ideal governance structure than on questions of how the boards deal with conflicts and goal contradictions. Third, the current research on nonprofit strategy explores the difficulties to implement formal strategy processes within NPOs. There is an increasing interest in understanding how NPOs strategize. Fourth, more scholars explore how NPOs manage being accountable to main stakeholders. A key issue therein is to measure social impact. Fifth, and finally, the rising interest in impact measurement is why social impact assessment is an upcoming research field.

Research on gaining resources

Whereas NPOs have traditionally been able to operate effectively by focusing exclusively on their mission, many are now facing the imperative of adopting business-like reasoning. This strengthened scholars' interest in nonprofit-marketing and fundraising. The amount of contributions in these fields is immense. The discussion on enterprising NPOs leapfrogs the traditional social mission orientation of NPOs. This stream of literature focuses on NPOs that in part sell services or products to markets to gain money that they invest in their social services. Scholars also search for new legal forms that answer increasing financial scarcities in which they expect foundations to play a particularly critical role. Besides financial resources, the literature on volunteering focuses on human resources. Scholars explore how NPOs can gain, keep and lead volunteers.

Because of the stronger integration of social and economic issues within most management functions, there is an upcoming discussion on hybrid NPOs. This stream of literature asks if NPOs have to manage a single bottom line or rather multiple bottom lines (Anheier, 2005).

Research on management education

Studies confirm that executive leadership transition will be an important focus of study in the nonprofit sector over the next several years. Because of the challenges introduced above, the requirements of a nonprofit executive director´s job gradually expand from a social focus to a more complex task at the interface of markets and civil societies (Austin, Gutiérrez, Ogliastri, Reficco, & al., 2006). Executives need to act differently in order to resolve or reconcile the tensions between business-like reasoning and the social mission. These increasing job requirements lead to changes in human resources and governance structures in which executive directors play a more important role, similar to the ones in for-profit enterprises. This trend leads to a growing discussion on "leadership deficit" and the increasing need for more skilled executives and adequate training.

As a conclusion to practitioners, these trends might differ from country to country: in some regions NPO managers are a "secret elite" with high social impact. In general, there is a tendency to professionalize NPO-management. In particular, for managers of highly professionalized NPOs the transfer of management instruments and concepts proven to be successful in profit enterprises to NPOs and the integration of business-like reasoning is not sufficient any more. There is a need for new management concepts suitable to Executive Director's specific management challenges that differ from the challenges of their colleagues in profit-enterprises.

Social entrepreneurship

Where are we now?

Definitions of social entrepreneurship have been developed within different academic fields to refer to for profit, not-for-profit, public sector and hybrid organizations combining some or all the above (Short, Moss, and Lumpkin, 2009; Peredo and McLean, 2006). Austin, Stevenson, and Wei-Skillern (2006) define it *as innovative, social value creating activity that occurs within or across the nonprofit, business, or government sectors* (pg. 2). Short, Moss, and Lumpkin (2009) encourage scholars to embrace a broad definition of the concept such as the one proposed by Mair and Marti (2006): a *process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs* (p. 37). A unified definition has not yet emerged, making it hard for the field to establish its legitimacy. However, what all definitions share is the social enterprises' underlying drive to create social value, rather than shareholder wealth (Austin, et. al, 2006). For social entrepreneurs, the social mission is explicit and central; wealth is just a means to an end. Social entrepreneurs are change agents in the social sector (Dees, 2001).

One way scholars have tried to set the boundaries of the social entrepreneurship construct is by contrasting it to the traditional or commercial entrepreneurship. The opportunities generated by market failures, the mission of the enterprise, the mobilization of human and financial resources, and the performance measurements are fundamental distinguishing features among these two types of entrepreneurs (Austin, et al., 2006, Dees, 2001). For instance, the embedded social purpose or the non-distributive restriction on surpluses of the social enterprises limits them from tapping into the same capital markets as their commercial counterparts (Austin, et. al., 2006). Thus, while some of them charge fees for their services, they often have to compete for donations and other types of support in the philanthropic markets (Dees, 2001). The management of the human resource in the social enterprises also requires a different approach.

Many of them rely on volunteer labor and the economics of the enterprise often make it difficult to compensate staff as competitively as in the commercial initiatives (Austin, et al., 2006).

The social purpose of these enterprises makes measuring their performance a challenging task. While commercial entrepreneurship can rely on relatively quantifiable measures such as financial indicators or market share to measure their performance; social change poses a greater challenge due to nonquantifiability, multicausality, temporal dimensions, and perceptive differences of the social impact generated. Measurement complications influence these enterprises' accountability and shareholder/donor relations. Other differences identified between commercial and social entrepreneurship include the longer timescale it takes to achieve the goals, the greater number of stakeholders involved, the absence of financial loss for stakeholders, and the non-distribution constraint of the latter (Austin, et al, 2006).

Innovation has also been acknowledged by scholars as an important feature of the social enterprises (Dees, 2001; Peredo and McLean, 2006). There is a significant range of activities that can fall under social entrepreneurship such as helping increase capacities of actors to solve their own problems, disseminating innovations to serve a widely distributed social need, and building movements to challenge the structural causes of social problems. Social entrepreneurs do not need to be inventors. They can innovate in the way they structure their core programs, in how they assemble the resources or in the way they assure funding for their work (Dees, 2001).

Social entrepreneurship can occur through multiple organizational and legal forms; the particular form a social enterprise takes should be based on which format would most effectively mobilize the resources needed to address the social issue (Austin, et al., 2006). It is in part due to the heterogeneity of organizational forms that these enterprises can take, that academic research on social entrepreneurship has been informed by for-profit entrepreneurship, social issues in management, and public and non-profit management literatures (Short et al., 2009).

Where are we going?

At the individual level, empirical evidence of social entrepreneurs being different from its commercial counterpart is scarce. In this sense, social entrepreneurs as traditional entrepreneurs recognize and exploit opportunities to create value, employ innovation, tolerate risk and refuse to accept limitations in available resources (Dees, 2001; Peredo and McLean, 2006). One important difference between these two types is the importance of the social entrepreneur's networking skills. These skills become fundamental for the success of the enterprise given the wide variety of stakeholders they have to cope with and the limitation of resources they often face in the philanthropic markets (Austin, et al., 2006).

Despite the growing attention that social entrepreneurship has received by scholars and practitioners in the last two decades, this academic field is considered to be in its infancy (Snow et al., 2009). Research in this field has been dominated by anecdotal evidence, case studies and conceptual papers (Mair and Marti, 2006; Snow, et al., 2009). For the social entrepreneurship field to progress, the next two decades should be characterized by unity in construct definition and by examining this construct through a variety of established theoretical lenses with clear boundary conditions (Short et al., 2006). In this line, new insights might be gained by applying a quantitative research approach more frequently. Potential avenues for future research can be explored by incorporating other disciples in the study of social entrepreneurship such as operations management, economics, marketing, finance, psychology, and accounting, which can inform the field and provide new frameworks of analysis (Short, et al., 2010).

Inclusive business and the base of the pyramid

Where does it come from?

Although it has become increasingly common to find the term "base of the pyramid approach" (BoP, hereafter) used interchangeably with "inclusive business" (IB) both can be traced to have different origins, and retain some specificities. The former was coined by a group of US scholars, mainly from the Universities of Michigan and Cornell, who pushed the idea that private business had a big role to play in global poverty alleviation. In essence, their message was not new: the CSR movement had been pushing that idea for decades. However, these intellectuals innovated substantially on two accounts. First, the tone of the message: while hereto the link between poverty and markets had been framed in normative terms, these authors were the first to articulate a convincing business case behind it. Second, and most important, those delivering the message were not activists, but highly credible advisors to corporate America. The result was that the concept stopped being discussed only at the company foundation or the community relations department: for the first time it made it to the corporate boardroom.

The concept of IB, on the other hand started to be used intensively by the mid-2000 by various practice-oriented organizations, including those that grouped large corporations --like the World Business Council for Sustainable Development, or the International Business Leaders Forum-- and international development organizations --such as the *Stichting Nederlandse Vrijwilligers* (Netherlands Development Organization, or simply SNV) or the British Department for

International Development. Following their lead, various multilateral agencies --such as the United Nations Development Program, the World Bank or the Inter American Development Bank-- quickly adopted the term and made it part of their agenda.

Where are we now?

The concept of IB was defined as "one which seeks to contribute towards poverty alleviation by including lower-income communities within its value chain while not losing sight of the ultimate goal of business, which is to generate profits" (SNV & World Business Council for Sustainable Development, 2008, p. 2). This implies integrating low-income citizens as consumers, employees, producers, suppliers, distributors, retailers and entrepreneurs. To a large extent, the IB concept stresses the role of “anchor” companies, which open up portions of their value chain to disenfranchised groups to improve their living standards.

In it’s original formulation, the BoP concept was narrower, as it was presented as a neglected opportunity: a *fortune* to be captured if only companies cared enough to cater to the poor’s needs (Prahalad, 2005). Low-income citizens were seen as the new frontier, *the next 4 billion* of untapped consumers (Hammond, Kramer, Katz, Tran, & Walker, 2007). These early writings emphasized the potential of multinational corporations (MNC) as the organizational form best placed to capitalize on the opportunity and improve the lives of the poor (Lodge, 2002), as they commanded the financial clout, global distribution channels, and brainpower needed to address the challenge. In actuality, even in those early works the emphasis on large corporations is not absolute. Many of the cases used by Prahalad in Fortune at the Bottom of the Pyramid are not MNC: Casas Bahía was a large Brazilian Company; Voxiva a SME, and Aravind a NPO.

However, but that fact was not acknowledged in the conceptual frameworks developed inductively from the experiences.

In the ensuing years, however, these BoP traits were softened. First, BoP authors started to recognize the critical importance of NGO as “unconventional partners” in hybrid value chains. Moreover, recent formulations --the so-called “BoP 2.0”-- expanded the definition of the concept, so as to blur most differences with IB: the emphasis on MNC is gone and the poor is seen in various roles, not only as untapped consumers. “BoP ventures span sector and size, including initiatives by large multinational and domestic companies, local small and medium-scale enterprises, and business developed by nonprofit organizations and social entrepreneurs” (London & Hart, 2011). The BoP domain is defined as those business models "specifically designed to target the poorest segments of society as consumers, producers, and entrepreneurs" (London & Hart, 2011). Two differential shades of meaning remain, however. While BoP authors have always stressed the need to engage the needy through ad-hoc methodologies, the IB writings and practice, on the other hand, assume more continuity with the status quo. Whereas the BoP success stories are all about new products, novel technologies and hybrid business models, IB cases are about “including” vulnerable groups on existing value chains.

A somehow related shade of meaning between both concepts is their relation with the wider CSR agenda. In CK Prahalad’s seminal book, CSR is barely mentioned. In those few instances where it is indeed brought about, the author stresses that what he is proposing is something *different* from that: “This was not about philanthropy and notions of corporate social responsibility" (Prahalad, 2005, p. xiv). That emphasis was meant to highlight that there was real opportunity in this market, not just moral duty. The IB agenda, on the other hand, has always remained very close to the CSR movement. This should come as no surprise, as the IB's widely cast net (encompassing consumers, employees, producers, suppliers, and distributors) overlaps nicely with the various stakeholders large companies must care about. While in the original BoP writings, the commercial opportunity is stressed more prominently than the ethical imperative of "giving back to community," the reverse is true in the IB lexicon—although this difference has also faded with time. In the last BoP writings the social and environmental dimensions of the value created appear more prominently than the commercial opportunity. This may be related to the fact that for most MNC, profits at the BoP have proved somehow elusive. The evidence regarding the size and robustness of the opportunity is mixed at best. Some authors have expressed skepticism about the real commercial value of the BoP segment, pointing out that the same success stories keep up appearing over and over; some go as far as calling the BoP a "mirage" (Karnani, 2007). To date, very few studies have tried to measure up the actual creation of economic value in BoP ventures; the microfinance industry, which has succeeded in delivering substantial financial value while at the same time transforming the lives of the poor, stands as a noteworthy exception.

Where are we headed?

From the preceding paragraphs, it should be clear that one obvious trend is the convergence between the agendas and terminologies of the BoP and IB approaches. While both retain distinctive characteristics, these seem to be losing practical relevance. Another related trend is the convergence with the so-called "green agenda": environmental concerns are increasingly prominent on BoP writings, on a par with poverty alleviation –what Prof. Stuart Hart calls "The Great Convergence".

A not so obvious trend is the convergence between the agendas of the BoP and social enterprise (SE). As the SE literature has disengaged from specific organizational forms, accepting that social entrepreneurship can take place not just in nonprofits, but also in SME and even in corporations few real distinctions separate what BoP and SE authors are studying. Finally, the social innovation approach may in the long run engulf portions of the research that is currently carried out in many of the fields of SE, CSR, IB or BoP.

Conclusions: trends and implications

"The last thing to be discovered by any science is what the science is really about" (Whitehead). The concept of social business is in its infancy, but the field has been growing rapidly in multiple inter-related dimensions. Practical implications and managerial initiatives have been strong in parallel to conceptual development. A managerial core on corporate social responsibility has matured into distinct research areas. Social business, as economic activities for social value creation, will become a core concept integrating the multiple avenues of research and practice. At least four directions focus future development of the field: the consolidation of good management, international regulations, blurring borders among sectors, and the transformation of capitalism.

Social business management is being consolidated by trends to certifications such as ISO, emerging codes of ethics and malpractice for the managerial profession, interactive learning between sectors, development of techniques and best practices to reduce uncertainties of business and society, and theoretical development of management techniques. Marketing, human resources, informatics, finance, operations, and strategy, among other subfields of management, will become more sophisticated integrating concerns of the stakeholders. For example, public relations will no longer be just pushing press releases and propaganda, but listening to the public, and to all stakeholders of a company. Organizations of the private, public and third sector will have higher standards and accountability when dealing with employees, consumers, suppliers, shareholders (economic sustainability), governments, communities, and the environment.

The trend to international regulations will be particularly strong on environmental issues (i.e. organic agriculture), human rights, labor fairness, the conduct of war, and governance regulations. Multilateral international organizations will have more control and will make international regulations and agreements more enforceable. Probably ISO 26000 will be certifiable, as the other norms of ISO are today. That way the concerns of social business will be widespread.

Foundations, NGO, cooperatives, non-profit organizations will normally become required to be efficient, generate their own income, and evaluate their real social impact. Public sector organizations will be accountable on the real impact of policies. Private companies as well as public organizations and social enterprises will be required to be economically sustainable, achieve social value and contribute to environmental sustainability, the triple bottom line. Some may be called “fourth sector” or “hybrid organizations”; strategic alliances among sectors may increase and cross-learnings become highly valuable. The trend to the blurring of sectors will mean a convergence of management, and a development of management as a professional activity.

The emergence of the social sciences in the XIX Century witnessed a preoccupation with the decrease of solidarity in capitalist society, or at least a change in the nature of the institutional ties that hold society together. Probably the evolution of capitalism implies changing its very nature. A most successful leader of social business (Yunus, op.cit.) predicts a blooming of social capitalism, a second type of private economic activity oriented to social ends. It may be quite in the long run, but the consolidation of important initiatives of new philanthropy, volunteer work and non-profits, social investments, inclusive business, and social entrepreneurship as we have seen in this century may result in changes of "capitalism" as understood by Adam Smith.

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