

SOCIAL ENTREPRENEURSHIP AND OBLIGATIONS OF JUSTICE

By Brian Berkey*

Abstract: In recent years, there has been increased interest in a variety of ways that private actors, and in particular actors in the business world, broadly understood, can contribute to addressing important social problems and persistent injustices. In this paper, I aim to articulate and begin to answer what seem to me to be some of the most important and challenging normative questions arising with regard to social entrepreneurship as a mode of economic activity aimed at addressing social problems or promoting justice. I focus in particular on questions about the relationship between the pursuit of social entrepreneurial activity, the satisfaction of obligations to promote justice, and claims to income and wealth produced by successful social entrepreneurial ventures. I argue that there are reasons to think that social entrepreneurial activity can be a way that individuals (attempt to) satisfy at least some of their obligations of justice, but note that there are moral risks involved in attempting to satisfy these obligations in this way. And I suggest that there are at least some reasons, including recognition of the grounds on which we might sometimes prefer that people in a position to take these risks do so, to think that only those who accept broader moral views that are very demanding can consistently deny that social entrepreneurs who successfully generate substantial profits are morally entitled to retain them.

KEY WORDS: justice, market power, motivation, obligations, productive labor, social entrepreneurship

In recent years, there has been increased interest in a variety of ways that private actors, and in particular actors in the business world, broadly understood, can contribute to addressing important social problems and persistent injustices. Efforts to employ market power and influence to promote social value or justice include certain forms of “impact investing,”¹

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¹ The Global Impact Investing Network says that impact investments are “made with the intention to generate positive, measurable social and environmental impact alongside a financial return” (<https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing>). It is estimated that the impact investing market grew from roughly \$502 billion in 2019 (<https://thegiin.org/research/publication/impinv-market-size/>) to roughly \$1.164 trillion in 2022 (<https://thegiin.org/research/publication/impact-investing-market-size-2022/>).

organizing firms as “benefit corporations,”² certain initiatives falling under the increasingly popular “ESG” label,³ and social entrepreneurship.⁴ Efforts of these kinds are at least partially overlapping,⁵ and have faced criticism from across the political and ideological spectrum. Many conservatives, for example, argue that they are inconsistent with the appropriate roles and aims of business activity.⁶ At the same time, some progressives argue that they do too little, if anything, to contribute to progress on the serious issues that their proponents suggest they will help to address, allow firms and investors to “greenwash” or otherwise conceal objectionable business practices behind a façade of social consciousness,⁷ and/or distract and divert attention away from the more radical systemic, institutional changes that must be brought about in order to adequately address the relevant injustices.⁸

² Benefit corporation (or “B Corp”) status imposes legal requirements on firm decision-makers to consider the likely impacts of their business decisions on a range of stakeholders, and not merely the likely impacts on shareholders’ financial interests. The nonprofit network B Lab organizes a global network of B Corps, and claims that one of their aims is to “create standards, policies, tools, and programs that shift the behavior, culture, and structural underpinnings of capitalism” (<https://www.bcorporation.net/en-us/movement/about-b-lab/>). There are currently 7611 certified B Corps in 93 countries (<https://www.bcorporation.net/en-us/>).

³ ESG stands for “environmental, social, and governance,” and refers to a range of criteria that are used both by investors aiming to invest in ways that are consistent with values that fall under the label and are supposed to be captured by the criteria, and by firms aiming to attract investors who are motivated to invest in ways consistent with the criteria, and perhaps also to promote the values that underlie the criteria.

⁴ How we should understand precisely what social entrepreneurship consists in is contested, and I will discuss the central issues in the following section.

⁵ For example, impact investors might consider ESG ratings when making investment decisions, social entrepreneurs might register their firms as B Corps, etc.

⁶ For example, in just the four months between January and April of 2023, Republican state legislators introduced nearly 100 bills that aimed to restrict the use of ESG criteria in a range of decisions, including both public and private institutional investment decisions (<https://www.reuters.com/business/sustainable-business/business-fights-back-republican-state-lawmakers-push-anti-esg-agenda-2023-04-22/>).

⁷ On greenwashing, see William S. Laufer, “Social Accountability and Corporate Greenwashing,” *Journal of Business Ethics* 43 (2003): 253-261; Catherine A. Ramus and Ivan Montiel, “When are Corporate Environmental Policies a Form of Greenwashing,” *Business and Society* 44 (2005): 377-414.

⁸ See, for example, Albert Hyunbae Cho, “Politics, Values, and Social Entrepreneurship: A Critical Appraisal,” in *Social Entrepreneurship*, eds. Johanna Mair, Jeffrey Robinson, and Kai Hockerts (London: Palgrave Macmillan, 2006); Pascal Day and Chris Steyaert, “Social Entrepreneurship: Critique and the Radical Enactment of the Social,” *Social Enterprise Journal* 8 (2012): 90-107; Chantal Hervieux and Annika Voltan, “Framing Social Problems in Social Entrepreneurship,” *Journal of Business Ethics* 151 (2018): 279-93, 289. This criticism is closely related to criticism of the effective altruism movement that has been labeled the “institutional critique” or the “systemic change objection.” For early articulations of this criticism, see Judith Lichtenberg, “Peter Singer’s Extremely Altruistic Heirs,” *New Republic* (2015): <https://newrepublic.com/article/124690/peter-singers-extremely-altruistic-heirs>; Amia Srinivasan, “Stop the Robot Apocalypse,” *London Review of Books* 37 (2015): 3-6; Lisa Herzog, “Can Effective Altruism Really Change the World?,” *OpenDemocracy.net* (2016):

These efforts also have appeal that cuts across familiar political and ideological divides. Some with more conservative or libertarian inclinations view the kinds of voluntary, private means of attempting to address social problems and injustices⁹ that they represent as preferable to increased state regulation of economic activity or the adoption of new or expansion of existing government programs,¹⁰ while some progressives frustrated by what they see as the failures of governments to impose well-justified stricter regulations and implement other needed reforms to address important social problems and injustices view private efforts, including efforts by actors in the business world, to contribute to addressing these issues as an unfortunately necessary second-best (or perhaps third or fourth-best) approach in deeply non-ideal conditions.

Despite the growing prominence of the approaches that I have noted in broader discussions about the ways that economic actors can, and perhaps ought to, contribute to addressing important social problems and injustices, there has been relatively little discussion of them among moral and political philosophers. This is striking, because there has, in recent years, been significantly increased interest among moral and political philosophers in a range of broadly related issues concerning the relationship between economic power, economic activity,

<https://www.opendemocracy.net/transformation/lisa-herzog/can-effective-altruism-really-change-world#>. For a response in defense in effective altruism, see Brian Berkey, “The Institutional Critique of Effective Altruism,” *Utilitas* 30 (2018): 143-71. For more recent discussion, see Alexander Dietz, “Effective Altruism and Collective Obligations,” *Utilitas* 31 (2019): 106-15; Antonin Broi, “Effective Altruism and Systemic Change,” *Utilitas* 31 (2019): 262-76; Timothy Syme, “Charity vs. Revolution: Effective Altruism and the Systemic Change Objection,” *Ethical Theory and Moral Practice* 22 (2019): 93-120; Theodore M. Lechterman, “The Effective Altruist’s Political Problem,” *Polity* 52 (2020): 88-115. I respond to Dietz in Brian Berkey, “Collective Obligations and the Institutional Critique of Effective Altruism,” *Utilitas* 31 (2019): 326-33.

⁹ Some might deny that the aims of at least some of these efforts are properly understood as addressing *injustices*, since they would deny that the relevant conditions are unjust. They might, nonetheless, think that the efforts are morally good and worth pursuing.

¹⁰ Some firms and industries adopt policies and practices that are presented as falling under some of the categories mentioned above, or under the older label of CSR (corporate social responsibility), precisely in order to try to prevent the adoption of regulations that would impose even greater limitations on their pursuit of strategies to generate profits. See, for example, Gary Fooks, Anna Gilmore, Jeff Collin, Chris Holden, and Kelley Lee, “The Limits of Corporate Social Responsibility: Techniques of Neutralization, Stakeholder Management, and Political CSR,” *Journal of Business Ethics* 112 (2012): 283-99; Irina Lock and Peter Seele, “Politicized CSR: How Corporate Political Activity (Mis)uses Political CSR,” *Journal of Public Affairs* 18 (2018): 415-430.

and the pursuit of justice. A number of philosophers, for example, have discussed the ways in which (capitalist) wealth and power might unduly influence democratic processes, and frustrate the pursuit of justice.¹¹ Others have considered the ways that consumers might permissibly work together to deploy their collective market power in order to promote valuable social change.¹² And still others have considered whether the power and authority of managers within firms might be unjust or otherwise objectionable, and perhaps ought to be limited by measures such as some form of workplace democracy.¹³

In this paper, I aim to articulate and begin to answer what seem to me to be some of the most important and challenging normative questions arising with regard to the approaches to economic activity in the service of addressing social problems or promoting justice that I have highlighted. Among the approaches, I will focus in particular on social entrepreneurship, because in my view it raises the most interesting and difficult issues. In addition, I will primarily address questions about the relationship between the pursuit of social entrepreneurial activity, the satisfaction of obligations to promote justice, and claims to income and wealth produced by successful social entrepreneurial ventures. Because this paper takes up questions that have not

¹¹ Joshua Cohen, “Money, Politics, Political Equality,” in *Fact and Value: Essays in Ethics and Metaphysics for Judith Jarvis Thomson*, eds. Alex Byrne, Robert Stalnaker and Ralph Wedgwood (Cambridge: MIT Press, 2001); Brian Barry, “Capitalists Rule OK? Some Puzzles about Power,” *Politics, Philosophy, & Economics* 1 (2002): 155-84; Thomas Christiano, “The Uneasy Relationship Between Democracy and Capital,” *Social Philosophy & Policy* 27 (2010): 195-217; Ingrid Robeyns, “Having Too Much,” *Nomos* 58 (2017): 1-44.

¹² This discussion has focused primarily on organized consumer boycotts. See, for example, Waheed Hussain, “Is Ethical Consumerism an Impermissible Form of Vigilantism?,” *Philosophy & Public Affairs* 40 (2012): 111-43; Christian Barry and Kate MacDonald, “Ethical Consumerism: A Defense of Market Vigilantism,” *Philosophy & Public Affairs* 46 (2018): 293-322; Nicole Hassoun, “Consumption and Social Change,” *Economics & Philosophy* 35 (2019): 29-47; Brian Berkey, “Ethical Consumerism, Democratic Values, and Justice,” *Philosophy & Public Affairs* 49 (2021): 237-74.

¹³ Elizabeth Anderson, *Private Government: How Employers Rule Our Lives (and Why We Don't Talk About it)* (Princeton: Princeton University Press, 2017); Hélène Landemore and Isabelle Ferreras, “In Defense of Workplace Democracy: Towards a Justification of the Firm-State Analogy,” *Political Theory* 44 (2016): 53-81; Roberto Frega, “Against Analogy: Why Analogical Arguments in Support of Workplace Democracy Must Fail,” *Democratic Theory* 7 (2020): 1-26; Iñigo González-Ricoy, “Little Republics: Authority and the Political Nature of the Firm,” *Philosophy & Public Affairs* 50 (2022): 90-120. For an overview of the recent debate, see Roberto Frega, Lisa Herzog, and Christian Neuhäuser, “Workplace Democracy – The Recent Debate,” *Philosophy Compass* 14 (2019): e12574.

yet been discussed in any detail by moral and political philosophers, my conclusions will be at least somewhat tentative and provisional. Nevertheless, I will argue that there are reasons to think that social entrepreneurial activity can be a way that individuals (attempt to) satisfy at least some of their obligations of justice. I will note, however, that there are moral risks involved in attempting to satisfy these obligations in this way. Finally, I will suggest that there are at least some reasons, including recognition of the grounds on which we might sometimes prefer that people in a position to take these risks do so, to think that only those who accept broader moral views that are very demanding can consistently deny that at least some social entrepreneurs who successfully generate substantial profits are morally entitled to retain them.

I will proceed in the remainder of the paper as follows. In section I, I will offer a rough account of the core features of social entrepreneurship. This is necessary in order to ensure that the normative questions that are articulated and taken up in the remainder of the paper are understood in a sufficiently precise way, and that the analysis is focused on clearly identifiable targets. In section II, I will note several important normative questions that arise with respect to social entrepreneurial activity, and suggest some reasons to answer them in the ways described above by connecting the issues with broader debates in moral and political philosophy. Section III briefly concludes.

I. What Is Social Entrepreneurship?

An account of social entrepreneurship must identify its central, defining features,¹⁴ as well as distinguishing it from other forms of economic activity with which it might be conflated.

¹⁴ For an overview of some of the debate, see A.H.J. Helmsing, “Conditions for Social Entrepreneurship,” *International Journal of Social Quality* 5 (2015): 51-66, 54-58. For a comparison of the discussions in Europe and North America, see Sophie Bacq and Frank Janssen, “The Multiple Faces of Social Entrepreneurship: A Review of Definitional Issues Based on Geographical and Thematic Criteria,” *Entrepreneurship & Regional Development* 23 (2011): 373-403.

One thing that it is important to note at the outset, for example, is that, like traditional business activity, social entrepreneurship involves the pursuit of profits. Non-profit organizations, then, are not social entrepreneurial enterprises,¹⁵ despite the fact that there will often be significant similarities in the values that motivate operational and resource-allocation decisions, and the fact that there is clearly a familiar use of the term on which it seems apt to say, for example, that the way that the leaders of a non-profit organization engage in fundraising or seek out effective partnerships is ‘entrepreneurial’. Of course, social entrepreneurs might pursue profits solely for the purpose of reinvesting them in the enterprise, rather than for personal gain or in order to provide returns to shareholders. In addition, social entrepreneurs will typically be willing to make choices that involve forgoing potential profits when such choices are likely to be better in terms of either the particular values that their enterprises were developed to advance, or more general moral values that they accept as providing reasons to constrain the pursuit of profits.¹⁶

The view that social entrepreneurship is a profit-seeking activity is quite widely (though not universally) accepted among scholars. Other definitional matters are, however, much more

¹⁵ The United States Chamber of Commerce explicitly endorses this view (<https://www.uschamber.com/co/start/startup/what-is-social-entrepreneurship>). More importantly, it is widely accepted in the scholarly literature on social entrepreneurship; see, for example, Mukesh Sud, Craig V. VanSandt, and Amanda M. Baugous, “Social Entrepreneurship: The Role of Institutions,” *Journal of Business Ethics* 85 (2009): 201-16, 203; Filipe M. Santos, “A Positive Theory of Social Entrepreneurship,” *Journal of Business Ethics* 111 (2012): 335-51; Alejandro Agafonow, “Toward a Positive Theory of Social Entrepreneurship: On Maximizing Versus Satisficing Value Capture,” *Journal of Business Ethics* 125 (2014): 709-13, 710; Maarten J. Verkerk, “Social Entrepreneurship and Impact Investing,” *Philosophia Reformata* 78 (2013): 209-21, 210; Ignas Bruder, “A Social Mission is Not Enough: Reflecting the Normative Foundations of Social Entrepreneurship,” *Journal of Business Ethics* 174 (2021): 487-505, 497. For a contrary view, see James Austin, Howard Stevenson, and Jane Wei-Skillern, “Social and Commercial Entrepreneurship: Same, Different, or Both?,” *Entrepreneurship Theory and Practice* 30 (2006): 1-22. For a contrary characterization of the scholarly consensus, see S. Trevis Certo and Toyah Miller, “Social Entrepreneurship: Key Issues and Concepts,” *Business Horizons* 51: 267-71, 270.

¹⁶ While it is reasonable to think that social entrepreneurs are more likely than entrepreneurs in general, or decision-makers in traditional firms, to make choices that involve forgoing available opportunities to generate profits, it is important to recognize that most decision-makers in business would constrain their pursuit of profits for at least some moral reasons. The differences between social entrepreneurs and other business decision-makers, then, are in general likely to be differences with respect to the range of moral reasons that might compete with profit-seeking to which they are responsive, and the relative weights that they assign to these reasons as against reasons to pursue profits.

contested. I will not attempt to resolve all of these definitional issues here – indeed, it is unclear exactly what resolving them would consist in, since the concept of social entrepreneurship is in fact used in competing and incompatible ways, and there are no obvious grounds for holding that, as a general matter, certain of these uses should be privileged over others, or that some of them are simply incorrect. Instead, I will offer some reasons, grounded in both considerations of conceptual clarity and in facts about the ways in which it facilitates, better than the relevant alternatives, consideration of important normative questions, to favor an account that incorporates certain central features.

Perhaps the most widely accepted criterion for entrepreneurial activity to count as social entrepreneurship is that it must be motivated, at least in part, by a desire or commitment on the part of the entrepreneur(s) to produce social value or promote justice.¹⁷ To see why this criterion is necessary to any plausible account, it is sufficient to note the ways in which accounts that do not include it will tend to be overinclusive. In the absence of a motivation requirement, it is difficult to see how an account could exclude any entrepreneurial activity that in fact produces sufficient social value or promotes justice, or was sufficiently likely, *ex ante*, to do so. But surely an entrepreneur who decides on a venture to pursue solely on the basis of a standard expected returns analysis is not a social entrepreneur, even if the venture chosen turns out to promote justice, or could be expected, *ex ante*, to do so.

It is important to be clear about how modest the motivational requirement should be understood to be. First, all that is required is that a desire or commitment to produce social value

¹⁷ Ana Maria Peredo and Murdith McLean, “Social Entrepreneurship: A Critical Review of the Concept,” *Journal of World Business* 41 (2006): 56-65; Austin, Stevenson, and Wei-Skillern, “Social and Commercial Entrepreneurship”; J. Gregory Dees, “A Tale of Two Cultures: Charity, Problem Solving, and the Future of Social Entrepreneurship,” *Journal of Business Ethics* 111 (2012): 321-34, 323; Santos, “A Positive Theory of Social Entrepreneurship,” 341-2, 346; Verkerk, “Social Entrepreneurship and Impact Investing,” 210, 217; Bruder, “A Social Mission is Not Enough,” 489.

or promote justice is *part of* the overall motivation for pursuing the relevant entrepreneurial activity. It need not be the sole, or even the dominant motivation. In addition, the requirement is consistent with a rather broad view about what can make it the case that an agent has a “motivation” to produce social value or promote justice. One need not, for example, have a desire to promote justice that is experienced in a way that is comparable to the experience of desiring ice cream, or the well-being of one’s loved ones, or even material gain for oneself. Instead, one can be committed, in the relevant sense, to producing value or promoting justice just in virtue of its being the case that, were one confronted with a set of options some of which offered, in comparison with others, increased prospects for (otherwise morally innocuous) personal gain along with decreased prospects for social value production or the promotion of justice, one would at least sometimes forego the greater prospects for personal gain in order to realize the greater prospects for social value production or promotion of justice.

Some have endorsed views on which the motivational requirement is significantly stronger.¹⁸ On these views, the commitments of social entrepreneurs must be such that the pursuit of the social goals at which their social entrepreneurial activity is aimed would, at least in general, take priority over potentially competing aims (such as increasing profits) in cases in which they conflict.

There are at least two reasons to reject strong motivational requirements. The first is that, intuitively, they seem to exclude too much. Consider, for example, a case in which an entrepreneur is motivated to a significant degree by a desire for a high income, but is also committed to ensuring that the venture that she pursues both meets at least a modest threshold in

¹⁸ Christian Seelos and Johanna Mair, “Social Entrepreneurship: Creating New Business Models to Serve the Poor,” *Business Horizons* 48 (2005): 241-46; Santos, “A Positive Theory of Social Entrepreneurship,” 339, 344-45.

terms of expected contributions to social value or justice promotion, and does not sacrifice a significant increase in expected social contribution in order to achieve only slightly greater expected financial returns. It would seem wrong to deny that this is (or at least could be) a case of social entrepreneurship.

The second reason to reject strong motivational requirements is that many of the most important and challenging normative questions about the relationship between entrepreneurial activity, obligations of justice, and the claims of social entrepreneurs arise with respect to cases of this kind, which we can call “mixed motive cases.” Of course, we could take up these normative questions without referring to the relevant business activity as social entrepreneurship. But given that the fact that these entrepreneurial activities have significant expected social value is not purely coincidental, it seems more appropriate to regard them as sharing key features with efforts that are more thoroughly motivated by prospects for social value creation, rather than considering them as, in the most important respects, more like entrepreneurial efforts motivated purely by the prospect of financial returns. Including them within the category of social entrepreneurship seems to be a good (even if not the only) way of capturing this, and of helping to appropriately structure the relevant normative inquiry.

All of this suggests that we ought to endorse a moderate version of the motivational requirement. For my purposes, the precise details do not matter all that much, but I think that we can at least provisionally conclude that a necessary condition for social entrepreneurship is, roughly, that the structure of the relevant agent or agents’ commitments are such that their entrepreneurial activity will non-coincidentally have significant expected social value (where social value is understood to include justice promotion).

While determining how we ought to understand the motivational requirement is plausibly the most central task in the development of an account of social entrepreneurship, several other issues are worth highlighting. The first is whether the intended beneficiaries of social entrepreneurial efforts must be (unjustly) disadvantaged. It is generally recognized that social entrepreneurial efforts tend to be aimed at improving the lives of disadvantaged people, but while some have claimed that this is a defining feature,¹⁹ others have argued that there can, in principle, be social entrepreneurial efforts that are aimed at benefiting even unjustly advantaged segments of a population. Filipe Santos, for example, claims that entrepreneurs who are motivated by the prospect of social value creation and adopt business plans that will predictably bring about positive externalities are social entrepreneurs, even if the beneficiaries of their efforts are already very well off.²⁰

It seems to me that Santos's view is objectionably overinclusive, but that in principle there can be cases of social entrepreneurship in which the aimed at social value does not include benefits to the disadvantaged. To see why Santos's view is overinclusive, consider a case in which an entrepreneur starts a business with the aim of reducing the parking-related frustrations that wealthy people face when driving to attend concerts, sporting events, or the opera. If this business benefits its wealthy customers, and predictably has positive externalities (such as, for example, reducing the cost of parking for others), then it meets Santos's conditions for social entrepreneurship.

It seems incorrect, however, to regard this as an example of social entrepreneurship. This is because the entrepreneur's concern to reduce the frustrations of the wealthy event attendees seems excessive and misplaced to an extent that undermines her claim to be a social

¹⁹ Certo and Miller, "Social Entrepreneurship," 267.

²⁰ "A Positive Theory of Social Entrepreneurship," 343-44.

entrepreneur. This suggests that another necessary condition for social entrepreneurship is, roughly, that the social value or justice promotion at which the agent or agents aim meets a threshold of moral importance – that is, that the particular values that motivate the agent(s) are, in the circumstances, at least plausible candidates for justifying the kind and degree of moral concern that is expressed by the choice of the entrepreneurial efforts.²¹

Some have suggested that “innovation” is essential to social entrepreneurship.²² On this view, social entrepreneurship necessarily involves the development of a new technology, a new product or service, a new business model, or something else that counts as an innovation. This view seems to me either mistaken or trivial. To see why, consider a case in which an individual is motivated to do something that promotes justice, and starts a business that achieves this by combining familiar aspects of the business practices of existing firms in a way that is conducive to her goals. It seems clear that this is a case of social entrepreneurship, and that any view that excludes it ought to be rejected.

A defender of the innovation requirement could claim that it is the combining of the familiar features that is the innovation in this case, rather than any of the components of the business model. But this would make the innovation requirement trivial – virtually every business combines features in a unique way, and so would count as innovative. We should, then, reject the innovation requirement.

Ignas Bruder claims that social entrepreneurship is a moralized concept, so that any acceptable definition must imply that all social entrepreneurship is good.²³ His central claim is

²¹ Despite the fact that this view will, in a world like ours, tend to make it the case that entrepreneurial efforts that are not aimed at benefiting the disadvantaged will fall below the threshold, it allows that, in principle, efforts of this kind can lie above it, and so qualify as social entrepreneurship.

²² Austin, Stevenson, and Wei-Skillern, “Social and Commercial Entrepreneurship,” 2; Certo and Miller, “Social Entrepreneurship,” 268.

²³ “A Social Mission is Not Enough,” 487-88; see also Sud, VanSandt, and Baugous, “Social Entrepreneurship,” 207. For a contrary view, see Santos, “A Positive Theory of Social Entrepreneurship.”

that the modifier ‘social’, when applied to entrepreneurship, implies a “normative validity claim,” according to which anything that is accurately so described is in fact “beneficial for society and ethically legitimate.”²⁴ This view implies that in order know whether any particular entrepreneurial activity constitutes social entrepreneurship, we would have to know whether it is, all things considered, morally permissible. And this would, of course, require that we know what the correct views are about at least a fairly wide range of highly contested questions in moral theory.

It seems too strong to hold, as Bruder’s view implies, that the concept of social entrepreneurship is this thoroughly moralized. For example, it would seem clearly mistaken to think that if maximizing act consequentialism is the correct moral theory, then virtually no actual entrepreneurial activity would count as social entrepreneurship (since virtually no actual entrepreneurial activity satisfies the theory’s extremely demanding criterion of permissible action).

Bruder’s central motivation for endorsing a moralized view, however, does not require accepting such a strong account of the way in which the concept must be understood as moralized. His main aim is to critique accounts of social entrepreneurship according to which pursuing a social mission in a way that involves a willingness to sacrifice potential profitability is a sufficient condition for social entrepreneurship.²⁵ In particular, he objects to views on which social entrepreneurship is thought, at least paradigmatically, to involve aiming to maximize the promotion of the social goals that motivate the entrepreneurial activity.²⁶ These views can be

²⁴ Bruder, “A Social Mission is Not Enough,” 487.

²⁵ “A Social Mission is Not Enough,” 488, 493-94.

²⁶ “A Social Mission is Not Enough,” 494-96.

rejected without accepting a thoroughly moralized account – a partially moralized account is sufficient, and is preferable for other reasons.

Bruder's argument against these views is fairly straightforward. He notes that if pursuing and prioritizing a specific social mission (over, e.g., profits) were sufficient for social entrepreneurship, then social entrepreneurship could, in principle, involve a wide variety of quite ethically troubling business practices that, intuitively, seem inconsistent with social entrepreneurship.²⁷ For example, "the social mission of providing clean drinking water to areas affected by drought...can be pursued by an enterprise that is running its water bottling in sweatshops under slave-like conditions."²⁸ In addition, if social entrepreneurship were best understood as involving the aim of maximizing the promotion of the goals associated with the social mission, then engaging in business practices that are troubling for independent reasons when doing so allows one to better advance those goals would actually *strengthen* one's claim to be a social entrepreneur.

These are implausible implications, and so the core of Bruder's argument against the views that he targets succeeds. As I have noted, however, there are reasons to reject the kind of fully moralized view that he endorses. What his argument shows, I think, is that in order to count as a social entrepreneur, one must not only be committed to the particular social mission that motivates the entrepreneurial activity, but must also be committed to attempting, in good faith, to appropriately locate the pursuit of that mission within a broader commitment to ethical reflection and conduct, and to constrain the pursuit of the social mission accordingly.

²⁷ His formulation of the claim involves treating social entrepreneurship as, at least in general, a means by which entrepreneurs might satisfy imperfect duties of beneficence, and arguing that their efforts to do this must be constrained by perfect duties. This way of conceptualizing the issue is not, however, essential to the argument.

²⁸ Bruder, "A Social Mission is Not Enough," 494.

The account of social entrepreneurship that is suggested by the arguments thus far, then, is roughly the following: Social entrepreneurship is for-profit entrepreneurial activity that is motivated at least in part by a commitment to produce social value or promote justice that is strong enough to make it the case that the activity will non-coincidentally have significant expected social value (where social value is understood to include justice promotion), aimed at social value and/or justice-related goals that meet a threshold of moral importance, and carried out with a broader commitment to ethical reflection and conduct that appropriately constrains the pursuit of those goals.

II. Social Entrepreneurship and Obligations of Justice

With this rough account in mind, we can identify some central normative questions that arise regarding social entrepreneurial activity. One such question is whether pursuing social entrepreneurship is a means by which individuals can promote justice, and therefore potentially a means by which they might satisfy obligations of justice. In order to answer this question, we first need to determine in what ways it might be the case that social entrepreneurial activity can promote justice, and what kinds of requirements of justice it might contribute to satisfying. We then need to assess whether it is plausible that individuals have obligations to contribute to satisfying requirements of this kind that could, in principle, be discharged via social entrepreneurship.

Before doing this, however, it is worth saying a bit about why we might care whether social entrepreneurship can contribute to satisfying obligations of justice in particular, as opposed to, say, being a way to satisfy obligations of beneficence, or merely being supererogatory and generally praiseworthy. One reason why this matters is that requirements of

justice provide particular goals for agents to aim at that plausibly take priority, morally speaking, over other generally worthy goals, and (at least on certain views) can often be specified with at least some precision. Requirements of justice, then, might suggest that a relatively circumscribed range of social entrepreneurial ventures are especially morally important, such that their pursuit can contribute to satisfying obligations that cannot be satisfied via the pursuit of just any social entrepreneurial effort.

A second reason why it is worth asking whether social entrepreneurial activity can satisfy obligations of justice in particular is that at least some social entrepreneurs think of themselves as responding to ongoing injustices in productive ways that are aimed at mitigating them. As I will highlight, certain views about the nature of justice, and related views about the content of our obligations of justice, are inconsistent with this way of thinking about what social entrepreneurship can accomplish. It is worth asking whether social entrepreneurs who believe that they are at least trying to promote justice might be correct, or are simply confused.

Social entrepreneurs who believe that they are promoting justice via their business activities will typically think that the means by which they are doing this involves making goods or services that everyone is entitled, as a matter of justice, to have access to available to people who would otherwise lack them. For example, social entrepreneurial ventures might aim to provide access to high quality, healthy, modestly priced food to people who currently lack access to these options, or to provide increased access to health care to people to whom adequate care is not currently available, or to provide access to small business loans to people who, because they are poor, are excluded from consideration for loans by traditional financial institutions. Intuitively, these kinds of efforts seem like ones that could, if successful, promote justice.

Accepting that social entrepreneurial efforts of this kind can promote justice requires accepting that there are requirements of justice that have as their conditions of satisfaction that certain states of affairs obtain – for example, that everyone has access to high quality, healthy, affordable food.²⁹ And while many would, I suspect, be inclined to accept that there are requirements of this kind, there are at least two prominent accounts of justice in political philosophy that rule out the existence of such requirements. The first, unsurprisingly, is the kind of libertarian view defended by Robert Nozick.³⁰ On Nozick’s view, there can be no general entitlement to even essential goods and services, because individuals are only entitled, as a matter of justice, to resources that they have acquired legitimately in accordance with the correct principles governing the initial acquisition of resources and their transfer from one person to another. Other individuals are not obligated, as a matter of justice, to provide even essential resources to individuals who have not legitimately acquired them, so long as they themselves did acquire them legitimately. And the state is prohibited from redistributing resources that have been legitimately acquired by some to others who lack them, even if the latter are in great need.

The second account that rules out requirements of justice whose satisfaction conditions can clearly be promoted via social entrepreneurship is, perhaps somewhat more surprisingly, that of John Rawls. Briefly, Rawls’s view rules out requirements of this kind because it conceives of requirements of distributive justice as fundamentally procedural rather than outcome-based.³¹ What is required is that the distribution of resources is brought about by procedures,

²⁹ Importantly, it does not require that *all* requirements of justice have states of affairs as their conditions of satisfaction. There can, consistently with this view, be other requirements of justice that are, for example, procedural in nature.

³⁰ See *Anarchy, State, and Utopia* (New York: Basic Books, 1974), especially Ch. 7.

³¹ See John Rawls, *A Theory of Justice, Revised Edition* (Cambridge: Harvard University Press), 74-77. Outcome-based requirements are requirements that have as their conditions of satisfaction that particular states of affairs obtain; see Brian Berkey, “Obligations of Productive Justice: Individual or Institutional,” *Critical Review of International Social and Political Philosophy* 21 (2018): 726-53.

implemented by the institutions of the “basic structure of society,”³² that satisfy the conditions specified by the correct principles of justice. On Rawls’s view, then, what individuals living in an unjust society are required to do in order to promote justice is to work toward making the institutions of the basic structure just (or at least less unjust), rather than working to directly bring about the kinds of outcomes that just institutions would ensure were they in place.³³

If either a broadly Nozickian or a broadly Rawlsian account is correct, then social entrepreneurial activity cannot, at least in general and in the ways that many might suppose, contribute to making a society less unjust.³⁴ Because of this, neither of these accounts can allow that individuals have obligations of justice that they can satisfy via social entrepreneurial activity.

It seems to me, however, that these are rather implausible implications, and that the fact that Nozickian and Rawlsian views generate them provides at least some grounds for skepticism about these views. In particular, it seems to me difficult to deny that there are requirements of justice that have as their conditions of satisfaction that everyone has access to basic goods or services, such as sufficient food, water, shelter, and basic health care. And if there are requirements of this kind, then social entrepreneurial activity can contribute to their being met, since it can be directed at increasing access to the relevant essential goods or services.

There are, however, important and underappreciated implications of accepting that there are outcome-based requirements of justice of the kind that I have described. Most importantly, as

³² Rawls, *A Theory of Justice*, 6-9; see also John Rawls, *Political Liberalism* (New York: Columbia University Press, 1993), Lecture VII; John Rawls, *Justice as Fairness: A Restatement* (Cambridge: Harvard University Press, 2001), 10.

³³ Rawls, *A Theory of Justice*, 99, 293-94.

³⁴ In principle, on a Rawlsian view, some social entrepreneurial activity might promote justice, if it contributes to successful institutional reform efforts in the direction of justice. Any social entrepreneurial effort that was aimed at this goal would, of course, be fairly unusual. And more familiar efforts could only have this kind of effect in a fairly indirect way, so that they would, at least typically, not be sufficiently predictable or likely to be plausibly aimed at by the relevant agents.

Lucas Stanczyk has pointed out,³⁵ the satisfaction of these requirements is possible only if particular types and amounts of productive labor are performed, and in some cases some of this labor must be performed in particular locations. For example, the requirement that everyone has access to sufficient high quality, healthy, and affordable food requires that adequate amounts of relevant foods are produced, prepared for sale, transported to a variety of locations, and made available for purchase. And since all of this requires that work of various kinds is performed, sometimes in particular places, if it is a requirement of justice that everyone has access to high quality, healthy, and affordable food, then it is also a requirement of justice that all of the productive labor that is necessary to produce such food and make it available to all is performed.³⁶

Stanczyk attempts to make sense of these requirements in a way that is compatible with the Rawlsian procedural account described above. This requires, on his view, accepting that the state is permitted, and in some cases required, to adopt policies that many would intuitively find objectionable on the ground that they are inconsistent with freedom of occupational choice, or with other basic freedoms. Specifically, he endorses the permissibility of compulsory service requirements and emigration restrictions imposed by the state.³⁷ Under these policies, those trained in a particular country to work in certain fields, such as medicine, would be subject to a requirement to, for example, work in an underserved area for a period of time, and would be prevented from avoiding this requirement by moving to another country. These policies, and perhaps other similar policies, where necessary, could, Stanczyk suggests, ensure that the

³⁵ "Productive Justice," *Philosophy & Public Affairs* 40 (2012): 144-64.

³⁶ Stanczyk refers to requirements of justice that involve entitlements to goods or services, and that can only be satisfied if certain kinds and amounts of productive labor are performed, as requirements of "productive justice" ("Productive Justice," 145).

³⁷ "Productive Justice," 158-63.

productive labor that must be performed in order for requirements of productive justice to be satisfied is in fact performed.

In my view, however, Stanczyk fails to successfully resolve the challenge that he sets for anyone who aims to make sense of requirements of productive justice.³⁸ This is, most fundamentally, because under the policies that he endorses individuals who might otherwise choose to enter the relevant professions could avoid the compulsory service requirement by simply choosing not to pursue the relevant training, and entering an alternative profession instead. If enough people made that kind of choice, then the labor that must be performed in order for the relevant requirements of productive justice to be satisfied might still be left undone, and therefore the requirements might still go unsatisfied. In those circumstances, the only way that state policy alone could ensure that the labor gets performed, and the requirements met, would be to conscript people into the training required for the relevant professions against their will, and then impose compulsory service requirements afterward. This kind of policy regime, however, would surely be unjust, even if compulsory service requirements and emigration restrictions, on their own, are not necessarily unjust. That is, even if freedom of occupational choice should be understood more narrowly than many targeted by Stanczyk's argument have thought it should, if it has any force at all, it surely requires that the state refrain from conscripting people into particular careers.

Those who accept that there are requirements of productive justice, then, must acknowledge that there might be no permissible set of institutional policies that can ensure that these requirements are satisfied. This means that they must accept that there are obligations of productive justice that fall directly on individuals. That is, individuals can be obligated, as a

³⁸ I make this argument in detail in "Obligations of Productive Justice."

matter of justice, to voluntarily contribute to the satisfaction of requirements of productive justice by, for example, performing some of the labor that is necessary in order for the requirements to be satisfied, or to take on other equally significant burdens that contribute to making it the case that this labor is performed. This is the only way to square the existence of the requirements with the limits on permissible coercive institutional means of promoting their satisfaction.

If this is right, then there is a clear and potentially important place for social entrepreneurship in contributing to the satisfaction of requirements of justice, and in satisfying obligations of (productive) justice. Specifically, social entrepreneurial activity, when it is aimed at helping to ensure that more people have access to goods or services to which they are entitled as a matter of justice, will often involve performing productive labor of a kind that is necessary in order for the relevant requirements to be satisfied, or at least performing labor or taking on other burdens that contribute to making it more likely that this labor is performed. And since accepting that there are such requirements commits us to accepting that there are obligations to contribute to the performance of the necessary labor, social entrepreneurial activity can contribute to satisfying these obligations.

Moreover, social entrepreneurial activity will often have the potential to do much more to promote the satisfaction of requirements of productive justice than other things that individuals might do in order to promote their satisfaction. Consider, for example, that some of the most obvious ways that individuals might contribute to their satisfaction include simply taking a job at an already established firm that involves performing labor that is essential to the satisfaction of a

requirement,³⁹ or using monetary resources that they possess to direct relevant resources to those who lack access to them. While at least the latter of these options will generally be a reliable way to make the relevant requirements better satisfied than they would otherwise be, a successful social entrepreneurial venture aimed at providing access to essential goods to people who would otherwise lack it could surely do much more, over time, to promote their satisfaction.

Because of this, when the prospects for success are high enough,⁴⁰ we have reasons to want those who are in a position to pursue a social entrepreneurial venture that could help to satisfy requirements of productive justice to do so, rather than attempting to satisfy their obligations in some other way. For those who pursue these ventures as a means of attempting to satisfy these obligations, however, there are significant risks involved. There is, of course, the financial risk that is typically associated with investing in any entrepreneurial venture. But perhaps more importantly, there is the risk that if the venture fails, they will not have contributed to the satisfaction of the relevant requirements of justice at all, and so perhaps have not done anything to discharge their obligations of productive justice. After all, since the requirements are outcome-based, the content of the obligations may need to be such that they are only satisfied when one successfully promotes the required outcomes.⁴¹ Failed social entrepreneurs, then, may

³⁹ Doing this may make not merely little, but no marginal contribution to the satisfaction of the relevant requirements of justice, if, had one not taken the job herself, someone else would have taken it and performed it equally well.

⁴⁰ They may not even need to be all that high in order for there to be reason want some ventures to be pursued. If what would be achieved conditional on success is important enough, it may be morally preferable, from the ex ante perspective, for an effort to be taken up.

⁴¹ There are complex issues here about how we ought to understand the content of individual obligations to contribute to the satisfaction of requirements that can only be satisfied if many people contribute, and are such that the likelihood of their being satisfied may be greater if individuals adopt patterns of choice in which everyone attempts to contribute, but are such that because many of the choices involve risks, some people will in fact contribute a great deal while others will fail to contribute anything. I do not attempt to resolve these issues here.

be left with significant obligations of justice, despite having taken on costs and risks in an attempt to satisfy these obligations.⁴²

If, on the other hand, a social entrepreneur succeeds in contributing significantly to the satisfaction of requirements of productive justice, and also manages to personally profit from the venture to a significant extent, then a number of other ethical questions arise. One important question is whether, and if so to what extent, successful social entrepreneurs are entitled to retain large profits that they have generated via their social entrepreneurial activities.⁴³ There are at least two related reasons why we might initially doubt that there are entitlements to retain substantial profits produced by social entrepreneurship. The first is that, if the relevant social entrepreneurial activity is the means by which an individual or group of individuals aims to satisfy some of their obligations of justice, then it might seem intuitively objectionable for them to profit substantially from it. We might think that, at least for those who are antecedently well off (as at least many social entrepreneurs are), satisfying obligations of justice requires accepting costs, and that there is something perverse about thinking that their satisfaction of these obligations could at the same time yield significant material benefits for them. The second, more general reason that we might think that successful social entrepreneurs are not entitled to retain

⁴² Of course, they may also have been motivated in part by the prospects for personal economic gain.

⁴³ There are two ways in which social entrepreneurs might lack of an entitlement to retain profits generated by their entrepreneurial activities. First, the state may be permitted or required, as a matter of justice, to impose high taxes on profits produced by this kind of activity. And second, individuals may be morally obligated to redirect the profits that they obtain to, for example, further efforts to promote justice. Importantly, while some will endorse both or neither of these claims, it is also possible to endorse either of them without endorsing the other. For example, some might think that the state ought to impose the maximum tax on social entrepreneurial profits consistent with maintaining sufficient incentives for the pursuit of valuable social entrepreneurial activity, while denying that in the absence of this justified taxation individuals are obligated to voluntarily redirect these profits to further justice-promoting efforts (this is, in effect, the view of Rawls and many of his defenders; for criticism see G.A. Cohen, *If You're an Egalitarian, How Come You're So Rich?* (Cambridge: Harvard University Press, 2000), Chapter 10). At the same time, others might think that while there are grounds for opposing the coercive redirection of the profits generated through state policy, individuals can be obligated to voluntarily redirect them. While some of the considerations that I will discuss are relevant to both the permissibility of the state taxing social entrepreneurial profits and the obligations of individuals to voluntarily redirect them, my discussion will focus primarily on the individual obligations of successful social entrepreneurs.

profits produced by their entrepreneurial activity is that it is intuitively objectionable to profit from efforts that are (at least partially) or ought to be aimed at benefiting people who are in need or unjustly disadvantaged.⁴⁴ The underlying thought here is, roughly, that it is objectionable to profit on the backs of the poor or disadvantaged, so that those who generate profits via (at least some) social entrepreneurial activity ought not retain them.⁴⁵

While in my view there is something right about the thought that well off people are obligated to limit the extent to which they profit as a result of commercial activities involving the poor or unjustly disadvantaged,⁴⁶ there are reasons to think that the view that successful social entrepreneurs are not entitled to retain large profits produced by their efforts can consistently be maintained only by those who accept very demanding views about our individual obligations more broadly.⁴⁷ To see why this is the case, it is helpful to begin by comparing some of the morally relevant features of successful social entrepreneurship with related features of alternative ways that individuals might spend their time in productive activity and direct resources that most people believe to be permissible.

Most importantly, successful social entrepreneurship benefits people who are badly off or unjustly disadvantaged, often quite substantially. This fact alone should lead us to conclude that it compares favorably, morally speaking, with a wide range of familiar choices that well off

⁴⁴ Gregory Dees notes that many people are drawn to this kind of claim, despite not finding it objectionable to profit from efforts that do not benefit badly off people at all. Specifically, he suggests that while most people did not find it objectionable for an entrepreneur to make over \$1 million in profits from a TV-Guide trivia game that he created, many would have found it objectionable had he made that much money from the development of an effective educational program for children in homeless shelters (“A Tale of Two Cultures,” 325).

⁴⁵ The intuition here is similar in important ways to the intuitions that lead many to object to, for example, employment arrangements that are widely thought to be wrongfully exploitative, or price gouging in cases involving shortages of essential goods caused by natural disasters.

⁴⁶ See, for example, Brian Berkey, “Sweatshops, Structural Injustice, and the Wrong of Exploitation: Why Multinational Corporations Have Positive Duties to the Global Poor,” *Journal of Business Ethics* 169 (2021): 43-56.

⁴⁷ I defend the view that morality is significantly more demanding than most people believe in a number of places; see, for example, “Double Counting, Moral Rigorism, and Cohen’s Critique of Rawls: A Response to Alan Thomas,” *Mind* 124 (2015): 849-74; “The Demandingness of Morality: Toward a Reflective Equilibrium,” *Philosophical Studies* 173 (2016): 3015-35.

people make about what kind of career to pursue and how to invest or otherwise deploy financial resources that most people believe are permissible. For example, relatively few people believe that it is impermissible for an individual who is motivated by a desire to continue to develop her sophisticated culinary skills, as well as a desire for some degree of financial success, to open a fine-dining restaurant whose customers will all be quite well off, even if she could, at relatively little cost to herself,⁴⁸ open a business that provides healthy and affordable food options to people in poor communities where residents currently lack them instead. In addition, few would think that if she does open the fine-dining restaurant, then if it becomes extremely successful, she is obligated to give away most of the profits in order to support efforts to benefit the unjustly disadvantaged.

Any view that allows that the fine-dining proprietor is morally permitted both to choose to pursue a career that will do much less for the unjustly disadvantaged,⁴⁹ and to retain at least most of the profits that are generated by that choice, while at the same time holding that it is impermissible for a successful social entrepreneur to substantially profit from her efforts (which provide substantial benefits to the unjustly disadvantaged), should seem on reflection clearly objectionable. This is because there are no plausible grounds for thinking that, morally speaking, the fine-dining chef and entrepreneur has a stronger entitlement to retain the financial benefits produced by her efforts than a successful social entrepreneur has. Indeed, the fact that the efforts of successful social entrepreneurs provide significant benefits to unjustly disadvantaged people would seem to provide compelling grounds for thinking that they have stronger entitlements to

⁴⁸ We can imagine that the relevant costs here are not merely financial, but include the cost of refraining from pursuing a goal that one values, such as developing one's culinary skills as much as possible.

⁴⁹ The opening of the fine-dining restaurant is at least somewhat likely to do more than nothing for the unjustly disadvantaged, since it may provide better employment options for some unjustly disadvantaged people than they would otherwise have had.

retain the profits generated by their efforts than those whose entrepreneurial activities do not promote justice at all. The fact that some successful social entrepreneurs are motivated in part by a desire to generate profits for themselves certainly does not provide a stronger reason to be critical of them and skeptical of their claim to profits produced by their efforts than similar motivations provide for being critical of anyone motivated by a desire to profit and skeptical of their claims to retain benefits that they acquire via their economic activity.

Of course, if one denies that it is permissible for the fine-dining entrepreneur to retain significant profits produced by her venture, or, perhaps even more strongly, denies that it is permissible for her to open the fine-dining restaurant rather than pursuing a career that would benefit the badly off or promote justice much more, then there is no obvious inconsistency in also holding that successful social entrepreneurs are obligated to redirect much of the profit generated by their efforts. This would, however, involve accepting a much more demanding view than most people (including most who might be inclined to be critical of highly successful social entrepreneurs who retain substantial profits) are willing to accept. In my view, there are reasons to take such demanding views more seriously than many people do, but here the important point is merely that those who are unwilling to accept a very demanding view have no plausible basis for rejecting the claim that successful social entrepreneurs are entitled to retain significant profits.

An important additional reason to reject views according to which successful social entrepreneurs are not entitled to retain the profits produced by their efforts, but that are not more generally very demanding, is that they would give agents who are (not impermissibly) partially motivated by a desire to obtain wealth for themselves reasons to refrain from pursuing social

entrepreneurial activities that we have moral reasons to want them to pursue. To see this, consider the following case:

Avoiding Wrongdoing in Career Choice: Xiyue, like many people, cares both about improving the lives of the unjustly disadvantaged and about achieving some degree of financial success for herself. She also cares about morality more generally, and so is committed to avoiding wrongdoing. She is deciding between multiple career options, which, unavoidably, involve trade-offs between the values to which she is committed. One option involves starting up a promising social entrepreneurial venture that would provide high quality, healthy, modestly priced food to people relatively poor communities that currently lack access to sufficient options of this kind. Another involves taking a highly paid position at a financial services firm, while a third involves working for a non-profit organization that provides educational services to children in unjustly disadvantaged communities. While the social entrepreneurial option could, if successful, be both highly profitable and highly beneficial to unjustly disadvantaged people, the financial services job would be quite financially beneficial to Xiyue but would do little for the unjustly disadvantaged, and the non-profit job would do a bit to benefit the unjustly disadvantaged but would be significantly less financially beneficial for her.

Because she is committed to avoiding wrongdoing, if the correct moral view implies that successful social entrepreneurs are not entitled to retain substantial profits generated by their efforts, but is not in general very demanding, then Xiyue would have at least some reason to choose the financial services job over the social entrepreneurial option, even if the social entrepreneurial option is significantly better in terms of both expected financial returns for her and benefits for the unjustly disadvantaged. This is because Xiyue's (permissible) desire for some degree of financial success would give her reason to prefer an option that would make it permissible to retain the financial benefits that her efforts might generate over an option in which the permissibility of retaining such benefits is more limited. In addition, she might also have reason to choose the non-profit job, insofar as the social entrepreneurial option comes with both the risk of failing to generate financial benefits and failing to improve the lives of the unjustly disadvantaged. If it would be impermissible to retain substantial financial benefits produced via

this option, then Xiyue might have reason to conclude that she should prefer the option with the higher probability of doing at least something to benefit the unjustly disadvantaged, since the majority of entrepreneurial efforts, including social entrepreneurial efforts, fail.⁵⁰

These are implications that we should think any acceptable moral view will avoid. This is because there are strong moral reasons to prefer that those facing a range of options comparable to Xiyue's choose the social entrepreneurial option. Promising social entrepreneurial ventures have the potential to do a great deal to improve the lives of the unjustly disadvantaged, and even though many of them will fail, it is only when a wide range are pursued that the prospects of significant benefits for the unjustly disadvantaged are likely to be realized. Because of this, any moral view that provides those who are committed to avoiding wrongdoing with reasons to avoid choosing social entrepreneurial options in cases like Xiyue's should be rejected. And this means, again, that we must either allow that successful social entrepreneurs are entitled to retain substantial profits generated by their efforts, or accept a demanding moral view according to which, for example, everyone is obligated to choose a career path in large part on the basis of which among their options has sufficient expected value in terms of benefitting the unjustly disadvantaged, and to redirect any financial benefits over a certain threshold that they obtain via their work to further efforts to promote justice. Once again, I think there is more to be said in favor of the latter view than most people, but here the important point is that those who reject very demanding views cannot plausibly reject the permissibility of profiting substantially from social entrepreneurial efforts.

⁵⁰ It's of course also true that non-profits sometimes fail to benefit those whom they aim to help. We can, however, assume that Xiyue is considering working for an organization with an established and reliable track record of benefitting the unjustly disadvantaged, so that her work would be expected to do at least a bit of good.

Finally, it is worth noting that in light of the fact that there are moral reasons to want people in positions like Xiyue's to choose social entrepreneurial options despite the fact that those options typically come with both financial risks and the risk of failing to benefit the unjustly disadvantaged (and thereby, perhaps, the risk of failing to satisfy the obligations of justice that one aims to satisfy by pursuing the relevant social entrepreneurial activity), we should be skeptical of moral views that require people to accept burdens when morally worthwhile risks turn out badly, but do not permit them to enjoy significant benefits when things turn out well. Once again, this is because such views are likely to give agents who are committed to acting permissibly reasons to avoid taking on these risks, which is a result that there are powerful reasons to want to avoid. For example, if a view requires that failed social entrepreneurs both accept their financial losses, and take further steps in the future to satisfy their obligations of productive justice, then if it also disallows retaining financial benefits that might result from success, then those with a (permissible) desire for some degree of financial success will have reason to avoid the downside risks by pursuing a less risky but (by the lights of the view) permissible option that there is likely to be less overall moral reason for us to want them to pursue.⁵¹

One way to counter this worry would be to endorse a view that involves fewer downside risks of failed social entrepreneurial efforts. For example, we might consider a view on which those who pursue social entrepreneurial efforts that are, from an *ex ante* perspective, worth pursuing, but nevertheless fail to produce significant benefits for the unjustly disadvantaged,

⁵¹ Of course, those who are partially motivated by a desire to benefit the unjustly disadvantaged will have some reason to accept the risks, insofar as doing so provides them with the prospect of doing more good along this dimension. The worry, however, is that this is more likely to be outweighed, for those who are committed to acting permissibly, on a view on which it is impermissible to retain substantial profits from social entrepreneurial activity, but is not in general very demanding.

have satisfied (at least some of) their obligations of productive justice, and so need not do more in the future in virtue of having failed to promote justice. This kind of view, however, seems inconsistent with treating the relevant requirements of justice as outcome-based. This is because it would allow that everyone could, in principle, satisfy their obligations of productive justice via unsuccessful but sincerely pursued social entrepreneurial efforts, so that, for example, many people might continue to lack access to the basic goods and services that an outcome-based account would imply they are entitled to, without there being anyone who is obligated to do more to promote their access to those goods and services. Because this seems like an unacceptable implication, we should reject this approach to reducing the downside risks of failed social entrepreneurial efforts.

More generally, we should be skeptical of attempts to defend the impermissibility of retaining profits from successful social entrepreneurial efforts that do not imply that, quite generally, we have very demanding obligations of justice. Successful social entrepreneurial efforts benefit the unjustly disadvantaged, and this should make it more plausible, rather than less, that those whose efforts produce those benefits are entitled to retain the profits generated.

III. Conclusion

I have argued that only those who accept broader moral views that are quite demanding can plausibly deny that successful social entrepreneurs are entitled to retain substantial profits produced by their ventures. I have also suggested that there are strong moral reasons to want those in a position to do so to pursue promising social entrepreneurial ventures. For most, the success of my arguments will tend to lead them in the direction of accepting that successful social entrepreneurs are entitled to retain the profits that their efforts generate. In my view,

however, we should take similarly seriously the possibility that we ought to accept a rather demanding account of our more general moral obligations in the face of substantial injustice.

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