THE DARK SIDE OF DOING GOOD

By Frank Janssen

Based on Bacq, S., Janssen, F., Sabbatucci, A.-S., & Wuillaume, A. (2025). The Dark Side of Doing Good: A Guiding Framework for Advancing Research on the Negative Outcomes of Social Entrepreneurship. Small Business Economics. doi: 10.1007/s11187-025-01094-3. The paper is available here in free access.

What if wanting to do good could, unwittingly, cause harm? Social entrepreneurship is associated with a promise: that of mobilising entrepreneurial spirit to address social or societal problems. These are initiatives that primarily pursue the goal of creating social value, while drawing on tools and approaches from the business world. These projects are based on hybrid economic models combining commercial, public and philanthropic resources.

In this context, social entrepreneurship is often presented as a heroic response to the great challenges of our time. Social entrepreneurs are described as actors capable of solving problems that neither the state nor the market can deal with effectively. Whether in microfinance, access to healthcare, education or the fight against poverty, these initiatives are generally celebrated for their creativity, moral commitment and positive impact. However, this highly optimistic view obscures a more complex reality: even when motivated by the best of intentions, certain actions can have unexpected negative effects.

It is precisely this observation that forms the basis of the article *The Dark Side of Doing Good*. The authors do not seek to question the usefulness or legitimacy of social entrepreneurship. Their ambition is different. They show that focusing almost exclusively on positive outcomes prevents a full understanding of this phenomenon and limits the ability of researchers, policymakers and practitioners to anticipate its undesirable effects. To move forward, it is necessary to also look at what 'doing good' can cost.

The article starts from a simple idea: social problems are complex, interconnected and evolving. Acting on one of them can exacerbate another. An initiative that improves a given situation can simultaneously undermine existing social, economic or institutional balances. These negative effects are often the very product of the complexity of the contexts in which social entrepreneurs operate.

To better understand these mechanisms, the authors propose an analytical framework structured around two fundamental questions. The first concerns the actors involved: who is negatively affected by entrepreneurial action? The second concerns the nature of the losses incurred: what exactly is lost? By combining these two dimensions, the article offers a framework for interpretation that goes beyond scattered case studies and builds a more systematic understanding of the negative effects of social entrepreneurship.

From the perspective of the actors involved, four main groups are affected. Social entrepreneurs themselves may experience intense stress, psychological exhaustion or financial insecurity as a result of their commitment. Employees and partners may be exposed to difficult working conditions, low wages or ethical dilemmas. Finally, beneficiaries may paradoxically see their situation deteriorate. Beyond them, the communities and societies in which these initiatives take place may also be affected, particularly when economic or institutional balances are disrupted.

Losses, meanwhile, can take several forms. The authors distinguish between three types of capital. Health capital refers to emotional, psychological and physical well-being. Intangible capital includes resources such as skills, social networks, trust, cultural norms and institutions. Tangible capital refers to financial resources, infrastructure and livelihoods. A single initiative can lead to gains in one type of capital while causing losses in another.

MICROFINANCE: WHEN EMPOWERMENT BECOMES VULNERABILITY

Microfinance is often presented as a symbol of social entrepreneurship, aiming to offer vulnerable populations access to credit in order to promote their economic independence. However, recent debates and numerous reports have highlighted situations of over-indebtedness, social pressure and psychological distress among some beneficiaries. In some contexts, borrowers take out new loans to repay previous ones, entering a financial spiral that further weakens them. What was supposed to strengthen their independence can then increase their dependence and vulnerability. This contemporary example illustrates precisely what the authors describe: an initiative driven by deeply prosocial motivations can, under certain conditions, erode the material, social and even psychological capital of beneficiaries.

This approach has two advantages. From a scientific perspective, it provides researchers with a clear structure for asking questions, defining their analyses and accumulating knowledge in a coherent manner. From a practical perspective, it provides social entrepreneurs and public decision-makers with a tool for anticipating undesirable effects, adjusting measures and reducing the risk of unintended harm.

Ultimately, *The Dark Side of Doing Good* does not question the ambition to transform society through entrepreneurial action. Rather, it reminds us that doing good is a delicate exercise. Understanding the potential negative effects is not a barrier to commitment: on the contrary, it is an essential condition for designing initiatives that are more responsible, more sustainable and truly beneficial to all stakeholders.