Digitalisation, social entrepreneurship and national well-being

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ABSTRACT

This study examines the influence of digitalisation and social entrepreneurship on national well-being. Taking a configurational approach, the results show that digitalisation can benefit national well-being if the country has an adequate educational system, good governance, and a philanthropy-oriented financial system. Digitalisation can leverage these conditions in promoting national well-being. The study also contributes to entrepreneurship literature as it clarifies the role of social entrepreneurship. Social entrepreneurship impacts national well-being when institutions are weak, but it is indifferent in developed economies, which gives support to the institutional void perspective. This finding contributes to the ongoing debate on the role of the institutions on the creation of social enterprises and advances knowledge on the social impact of social entrepreneurship. Additionally, the results show that a combination of conditions is required to achieve high levels of national well-being.

Keywords: National well-being; digitalisation; social entrepreneurship, institutional theory, fs/QCA

1. Introduction

In many countries, developing social entrepreneurship is a well-established objective for policy-makers. However, the ultimate goal for governments should be social well-being. Thus, it is not surprising that well-being has recently moved to the forefront of entrepreneurship research (e.g., Shir et al., 2019). Nevertheless, most studies focus on entrepreneurial well-being (e.g., Abreu et al., 2019; Fritsch et al., 2019); with few exceptions, research on national well-being has been scarce (Deng et al., 2019a).

The digitalisation provides opportunities for firms to access new markets and to expand their number of customers (Nambisan, 2017). It has been widely recognised that digital trends create new opportunities for entrepreneurs; for example, they can leverage digital technologies to finance innovation (Audretsch et al., 2016). The digital world enables new activities, including the creation of digital products, services, and business models termed *digital entrepreneurship*. It has been emphasised that fast digital adaption plays a key role in achieving revenue growth and improving users' satisfaction (Dong, 2019). Similarly, digital technologies can also benefit society by providing easy access to public services, higher employment, and greater economic growth, which can lead to well-being (Galindo-Martín et al., 2019). Nevertheless, in the digital context, adverse effects on society may also occur (Shen et al., 2018). Although digital technologies can have a profound effect on the entrepreneurial process, there is still limited knowledge about their consequences (Elia et al., 2020; Nambisan, 2017). Thus, more research is needed to understand better the consequences of the increasing adoption of digital technologies, as well as their interaction with entrepreneurship.

The literature suggests that different institutional conditions should be combined to achieve high levels of entrepreneurial activity (e.g., Torres and Augusto, 2019) and that the same holds regarding social well-being (e.g., Deng et al., 2019a). This context may also enable or constrain entrepreneurship (Welter, 2011). Entrepreneurial action can address several

societal issues, in particular social entrepreneurship (Smith et al., 2013). In fact, the primary goal of social entrepreneurship is well-being or social change (Dacin et al., 2010). The social entrepreneur is an individual who works for his or her own account while mainly pursuing pro-social goals (Bierhoff, 2002). Social entrepreneurs can be seen as individuals who try to create social change (Barberá-Tomás et al., 2019). Social entrepreneurs develop business models that aim to address social issues, which can make a social impact (Selsky and Parker, 2010). Therefore, social entrepreneurship can be linked with national well-being. However, despite the growing interest in the social impact of social entrepreneurship (e.g., Nguyen et al., 2015), further research is needed to understand this potential relationship better.

Previous research suggests that the institutional environment can explain differences in social entrepreneurship (e.g., Kerlin, 2017). The institutional theory explains the emergence of social entrepreneurship considering two divergent perspectives: the institutional void perspective and the institutional supportive perspective. The institutional void perspective suggests that weaker institutions and the lack of adequate social responses drive the emergence of social entrepreneurship (Stephan et al., 2015). The void left by weak institutions creates opportunities for social entrepreneurs (Urban and Kujinga, 2017). In contrast, the institutional supportive perspective advocates that stronger institutions support the emergence of social entrepreneurship (e.g., Hoogendoorn, 2016). These divergent perspectives raised a debate among researchers that is still ongoing (De Beule et al., 2020).

Social entrepreneurship occurs in different contexts, and particularly in emergent, rapidly emerging, and developed economies (Sunduramurthy et al., 2016). Determining the contextual settings and other country-specific features that favour or hinder social entrepreneurship is an important research question (Gupta et al., 2020). "Few contemporary occupations are untouched by digital tools and social enterprise is no exception" (Symon and Whiting, 2019, p. 660). Digitalisation is shaping entrepreneurship (Autio et al., 2018). Digital

technologies constitute material artefacts and materiality is an emergent research topic when studying meaningful work, such as social entrepreneurship (Symon and Whiting, 2019).

This study aims to contribute to the emergent research stream on national well-being by taking a configurational perspective to address these research gaps. The main objective is to determine the combination of institutional conditions that influence national well-being, focusing on the importance of digitalisation and social entrepreneurship. The study considers other antecedent conditions, such as the educational system, the philanthropic financial system, and the quality of governance. A qualitative comparative analysis (QCA) was employed, in particular a fuzzy set QCA (*fs/*QCAs), to test the configurations (i.e., a combination of antecedent conditions) that reflect the necessary and sufficient conditions for the outcomes of interest (high and low national well-being). An *fs*/QCA embraces causal complexity, allowing the conjunction of simple antecedent conditions and recognising that different paths can bring about the same outcome or output (i.e., *equifinality*) (Furnari et al., 2020), which can offer new insights.

The results show that digitalisation is part of the solution to achieving high levels of national well-being. Furthermore, the results show that the absence of digitalisation combined with other antecedent conditions can lead to low levels of national well-being. The level of digital adoption can be a core condition. The results suggest that social entrepreneurship can be indifferent to achieving high levels of well-being, but its absence can be part of the configuration that leads to low national well-being. The other antecedents are important to well-being as well and are either present or absent in the combinations of conditions that result in high levels or low levels of national well-being, respectively. The importance of the educational system and governance are also highlighted. These findings advance the understanding of the influence of digitalisation and social entrepreneurship on national well-

being and have implications for future research and for policy-makers, which are detailed in the final sections of the paper.

This study makes several contributions to the literature. First, by focusing on national well-being, it advances the literature on this emerging topic. Second, the study shows that digitalisation can be a driver of national well-being, clarifying the importance of digitalisation. Third, the findings suggest that social entrepreneurship can influence national well-being when institutions are weak, but that it is indifferent in developed economies. This result gives support to the institutional void perspective, contributing to the discussion on the institutional conditions that justify the emergence of social entrepreneurship. Furthermore, it advances knowledge on the social impact of social entrepreneurship.

Following this introduction, Section 2 gives the conceptual background. Section 3 describes the research design, namely, the variables, the data sources, and the method used. Section 4 presents the results of the configurational analysis. Section 5 discusses the findings. Finally, in Section 6, the main conclusions, contributions, and limitations of the study are presented.

2. Background

2.1. National well-being and institutional theory

Well-being can be defined as a positive mental state of wellness (Deci and Ryan, 2000). This definition is broad enough to capture the hedonic, evaluative, and eudaimonic dimensions of the construct (Shir et al., 2019). In psychology, it is usual to define well-being as happiness (e.g., Kahneman et al., 1999). The present study will use this broader definition. Nevertheless, it is important to understand the main dimensions of well-being. The hedonic definition of subjective well-being considers the balance of positive and negative effects and mainly regards pleasure and life satisfaction as components of a happy life (Kahneman et al., 1999; Diener,

1984). The cognitive evaluation of life satisfaction (i.e., how well one's life is going) is also a component of well-being (Diener, 1984). These two dimensions (hedonic and evaluative) constitute the core of subjective well-being. The eudaimonic perspective considers that subjective well-being is also reflected in positive functioning, arguing that a positive effect is not the opposite of a negative effect (e.g., Keyes and Shapiro, 2004; Ryan and Deci, 2001). The eudaimonic definition of subjective well-being includes psychological well-being and social well-being (Büchi et al., 2018).

Institutional theory (Acemoglu et al., 2005; Williamson, 2000; North, 1990) can be a suitable conceptual framework to understand better the combinations of institutional conditions that are necessary and sufficient to achieve high levels of national well-being. Institutions correspond to "humanly devised constrains that shape human interaction" (North, 1990, p. 3) and can either be formal (such as regulations, contracts, and procedures) or informal (such as culture or social norms). Social entrepreneurial activity does not occur in isolation of institutional frameworks (Tolbert et al., 2011). Williamson (2000) provided a conceptual structure to the institutional framework that considers a four-level hierarchy (L1, L2, L3, and L4). This conceptual framework can be used to explore the institutional conditions that shape entrepreneurial action (Misangyi et al., 2008). The first level, informal institutions (L1), corresponds to "an evolutionary level in which the mechanisms of the mind take shape" (Williamson, 2000, p. 600). L1 is the basis of the entire system, including societal norms and culture. This institutional level reflects the spontaneous development of institutions over time (Selden and Fletcher, 2015), which is not influenced by human design. The level two (L2) comprises formal institutions (the "rules of the game"), and the level three (L3) corresponds to governance, that is the "play of the game". Finally, level four (L4) represents resource allocation, which includes engaging in entrepreneurial action (Boudreaux et al., 2019). "The higher levels each impose constrains on the lower levels by decreasing the relative cost of

abiding action and increasing the cost of evasive action" (Bylund and McCaffrey, 2017, p. 464). L2 institutions are especially important for entrepreneurial activity because they influence the portion of potential profits that entrepreneurs can claim (Estrin et al., 2013; Acemoglu et al., 2005). However, each level includes institutions that could be related, although not necessarily (Webb et al., 2009). Social entrepreneurial activity does not occur in isolation of the institutional frameworks (Tolbert et al., 2011); the same happens with well-being. Thus, it is important to understand the combinations of institutional conditions that explain well-being differences across countries.

Past studies reported contradictory results on the relationship between entrepreneurial activities and institutions, and knowledge regarding how different institutional dimensions interact with one another is still limited (e.g., Deng et al., 2019a). The present study focuses on the role of two possible antecedent conditions of national well-being: digitalisation and social entrepreneurship. Recognising that the desired outcome may require the presence or absence of other institutional conditions, the following antecedent conditions were also considered in the study: the educational system, governance, and the philanthropic financial system.

The effect of education on happiness has yielded some controversy, but there is some evidence that the relationship is positive (e.g., Nikolaev and Rusakov, 2016). The positive effect of an educational system on entrepreneurial outcomes has also been reported in the literature (e.g., Marvel et al., 2016), which suggests that there is a link between these conditions. Furthermore, past research asserts that individuals are more satisfied with their lives in countries having better governance (e.g., Helliwell et al., 2018; Ott, 2011). Governance can contribute to national well-being in several ways; for example, through higher control of corruption that potentially promotes economic growth, while maintaining social trust (e.g., Helliwell et al., 2018). Moreover, the philanthropic financial system is more closely related to social entrepreneurship than other financial sources (Sahasranamam and Nandakumar, 2020).

Philanthropic forms of capital include grants and donations (Block et al., 2018). Because philanthropic investors are socially minded, they are likely to invest in social enterprises that yield a social return (Sahasranamam and Nandakumar, 2020). In this way, the existence of a philanthropic financial system can also have a positive influence on national well-being.

2.2. Digitalisation and national well-being

While digitisation refers to the internal optimisation of processes, such as work automation and paper minimisation, the term digitalisation is broader, referring to the use of digital technologies and digitised data impacts in terms of how work gets done. Tilson et al. (2010, p. 749) define digitalisation as "the sociotechnical process of applying digitising techniques to broader social and institutional contexts that render digital technologies infrastructural".

This study focuses on digital adoption, and therefore the term digitalisation seems to be appropriate. Studies that focused on the impact of digitalisation on well-being are scarce, but there are a few exceptions. Büchi et al. (2018) examined how social well-being is affected by digital inequalities, but they did not find a significant net effect on digital participation. Contarello and Sarrica (2007) studied the changes on well-being in a sample of psychology students after they started using the Internet; their results suggest that the students felt more integrated into communities, perceived that they contributed more to society, and felt that they had a better understanding of how the society works. Valkenburg and Peter (2007) also found that Internet use positively affects teenagers' quality of life due to increasing time spent with their friends. Although there some evidence of positive outcomes, such as increased sociability, past studies also highlighted some negative effects, such as a decrease in the value attributed to face-to-face interactions (e.g., Caplan, 2003). Furthermore, digital technologies are likely to have a significant impact on entrepreneurship, but knowledge of this impact is still limited (Elia et al., 2020; Nambisan, 2017). New digital technologies support new ways of collaborating,

organising resources, and developing new solutions (Markus and Loebecke, 2013), which can not only promote entrepreneurial activity but also influence well-being. Beyond opening opportunities for innovation, the role of digital technologies transforms organisations and social relationships (Nambisan et al., 2019). Thus, digitalisation can interact with other institutional conditions in promoting national well-being.

2.3. Social entrepreneurial activity and national well-being

Social entrepreneurship can link different groups of stakeholders and push existing social frontiers (Estrin et al., 2013). It relates to the creation of social value through innovative and entrepreneurial activities (Austin et al., 2006; Peredo and McLean, 2006). Social value creation can result in combining resources to exploit opportunities to solve social problems, which can contribute to human well-being (Short et al., 2009). Thus, the presence of social entrepreneurship can be useful in promoting national well-being.

However, results obtained by past studies suggest that social entrepreneurship could be either present or absent in configurations leading to high levels and low levels of social well-being, depending on the institutional context (e.g., Deng et al., 2019a; Deng et al., 2019b). It is difficult to sustain a circumstance where some combinations of conditions for high levels of well-being require the absence of social entrepreneurship, and more research is therefore needed to understand better the role of social entrepreneurship in promoting national well-being.

Social entrepreneurship does not occur in an institutional vacuum (Urban, 2010). Social entrepreneurship tends to be more sensitive to social needs than governments, and it frequently acts on behalf of governments (Hoogendoorn, 2016). Thus, governments can make partnerships with social entrepreneurs, funding their activities (Stephan et al., 2015). The institutional void perspective claims that social entrepreneurship is driven by unfulfilled social

needs (e.g., Dacin et al., 2010). If the government is active, then the opportunity for social entrepreneurial activity is reduced (Mair et al., 2012). Hence, it can be asserted that social entrepreneurship may be indifferent in contexts in which governments do a good job fulfilling social needs and should be present when the opposite occurs. In contrast, the institutional supportive perspective suggests that stronger institutions support the emergence of social entrepreneurship (e.g., Hoogendoorn, 2016). These divergent views call for further research.

3. Research design

3.1. Variables and data sources

This study uses different publicly available data (World Happiness Report dataset; World Bank, Global Entrepreneurship Monitor, United Nations, and Charities Aid Foundation). A final sample of 27 countries was obtained by combining these able datasets. The countries considered in this study are given in Table 1, which shows the corresponding data. The collected data respects the temporal ordering. The outcome of interest corresponds to the average of 2016 to 2018 values (the last available data at the time the study was performed). The World Happiness Report suggests that well-being scores present some consistency over the years. In addition, the average smooths change. The antecedent conditions should temporally precede the outcome; the lag should correspond to one year or more. This study uses the latest available data for each antecedent condition respecting this lag. Thus, the social entrepreneurial activity refers to 2015, the educational system values are from 2013, and the other conditions (digitalisation, governance, and philanthropic financial system) were measured in 2014.

(*Insert Table 1 about here*)

The national well-being is measured by the happiness score provided by the Gallup World Poll and summarised in the World Happiness Report dataset (Helliwell et al., 2019a). This score is computed, for each country, by the 2016-2018 average of the answers to the Cantril life ladder scale: respondents were asked to think of their lives as a ladder, with the worst possible life corresponding to a 0, and the best possible life to a 10. The English wording of the question is, "Please imagine a ladder, with steps numbered from 0 at the bottom to 10 at the top. The top of the ladder represents the best possible life for you, and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?" (Helliwell et al., 2019b, p. 1). As noted by Deng et al. (2019b) the happiness score is better than other indexes usually used to measure national well-being (such as the Better Life Index, computed by the OECD, based on the opinion of the experts about eleven distinct quality-of-life categories), because it is based on basic data collected from individual respondents in each country.

The digitalisation is measured by the digital adoption index available from the World Development Report 2016: Digital Dividends (World Bank Group, 2016). The digital adoption index is a global index that measures a country's digital adoption across three dimensions of its economy: *i)* people, *ii)* business, and *iii)* government. The index covers 180 countries and is expressed on a 0-1 scale. The digital adoption index is the average of three sub-indexes. The digital adoption sub-index 'people' is the simple average of two normalised indicators from the Gallup World Poll: mobile access at home and Internet access at home. The digital adoption sub-index 'business' is the simple average of four normalised indicators: the percentage of businesses with websites, the number of secure servers, the speed of the download, and 3G (third-generation) coverage in the country. Finally, the digital adoption sub-index 'governments' is the simple average of three normalised sub-indexes: core administrative systems, online public services, and digital identification. As noted in the overview of the

digital adoption index, "each sub-index comprises technologies necessary for the respective agent to promote development in the digital era: increasing productivity and accelerating broad-based growth for *business*, expanding opportunities and improving welfare for *people*, and increasing the efficiency and accountability of service delivery for *government*" (World Bank Group, 2016). The index is available for 2014 and 2016. We used the information available for 2014, given that our outcome of interest, national well-being, is measured in the period 2016-2018.

The countries' data regarding social entrepreneurial activity is collected from the Global Entrepreneurship Monitor (GEM) adult population survey conducted in 2015. This dataset contains information for 60 economies. The data for each country is based on primary data collected through an adult population survey of at least 2,000 randomly selected adults (18-64 years of age) in each economy. The GEM classified the entrepreneurial activity according to the phases of the business process (nascent, new business, established business, and discontinuation), the types of activity (high growth, innovation, and internationalisation), and the sector of activity (total early-stage entrepreneurial activity, social entrepreneurial activity, and employee entrepreneurial activity). In this study, we focused on social entrepreneurial activity measured by the involvement in social entrepreneurial activity as nascent or owner-manager.

Following prior research (e.g., Cullen et al., 2014; Sahasranamam and Nandakumar, 2020), the level of a country's educational system is measured by the education index available in the United Nations Development Programme, Human Development Report 2014. This index is computed using the mean years of schooling and expected years of schooling. We used the data relating to this index for the year 2013.

The governance indicator is computed using the data source provided by the World Bank in its worldwide governance indicators. This indicator reports on six broad dimensions

of governance for over 200 countries and territories over the period 1996-2018: *i)* voice and accountability, *ii)* political stability and absence of violence, *iii)* government effectiveness, *iv)* regulatory quality, *v)* the rule of law, and *vi)* control of corruption. Using the data from 2014 and following Larsson and Thulin (2019), factor analysis was used to reduce the six dimensions into one: 'governance'. This factor accounts for 83.66% of the variance of the original variables.

Finally, following Sahasranamam and Nandakumar (2020), to measure the philanthropy-oriented financial system, this study uses data related to the charity donation (%) by people in different economies, in 2014, gathered by the CAF World Giving Index 2015 (Charities Aid Foundation, 2015).

3.2. Method

Since the study takes a configurational perspective, a qualitative comparative analysis (QCA), is an adequate method of analysis. This method entails a reorientation of thinking in ways that differ from more linear approaches (Furnari et al., 2020). In QCA: *i)* asymmetrical causality is allowed; *ii)* combinations of antecedent conditions are considered to be linked to the outcome; *iii)* multiple causal paths can lead to the same outcome; *iv)* links between the various combinations of causal conditions, and *v)* the outcomes are expressed as necessary and sufficient conditions (Schneider et al., 2010).

QCA involves the examination of relationships between the outcomes of interest and all possible combinations of binary states of antecedent conditions, to identify configurations that indicate necessary and sufficient conditions for an outcome of interest (Ordanini et al., 2014). A configuration that is a consistent superset of the outcome indicates a situation consistent with necessity, while a configuration that is a consistent subset of the outcome indicates a situation consistent with sufficiency (Greckhamer et al., 2018). QCA does not use

the conventional variable-based approach but rather treats configurations as different types of cases; it is the combinations of attributes that give each case its uniqueness (Fiss, 2011). Unlike a multiple regression analysis, this approach takes into consideration the fact that some cases may contradict the main effect (i.e., possible asymmetric effects may occur). The present study uses fuzzy set qualitative comparative analysis (*fs/*QCA) to identify configurations of conditions that support high and low levels of national well-being.

In *fs/*QCA, the original values of the conditions must be transformed into fuzzy scores (which are defined in the [0-1] interval). This transformation requires the specification of both the full membership and the full non-membership thresholds and a cross-over point of maximum ambiguity. Each of these thresholds translates into a specific fuzzy value. It is standard to use fuzzy values of .95, .05, and .50 for the full membership and non-membership thresholds, and for the cross-over point, respectively (see Ragin, 2008). Following previous research (e.g., Torres and Augusto, 2019), the thresholds for full membership, and non-membership, and for the cross-over point, correspond to the ninetieth, tenth, and fiftieth percentiles of the values of the original distribution of each condition. After transforming the original values of the conditions into fuzzy scores, *fs/*QCA should begin with the analysis of necessary conditions (Schneider and Wagemann, 2010). A condition is considered necessary when the outcome cannot occur in the absence of the condition (Rihoux and Ragin, 2009). Ragin (2008) established two criteria for evaluating the necessary conditions: consistency and trivialness of necessity. According to Greckhamer et al. (2018), it is good practice to establish different consistency thresholds for necessity and sufficiency analyses and not to interpret a subset relationship that does not comply with these thresholds.

The consistency threshold used to assess necessary conditions should be larger than the one used for sufficient conditions (Torres and Augusto, 2019). A consistency threshold of .90 is recommended for the analysis of the necessary condition as is high coverage, which indicates

that the potential necessary condition is relevant (Schneider et al., 2010; Ragin, 2008). For sufficiency analysis, the consistency values should be equal or higher than .80 (e.g., Greckhamer et al., 2018; Ragin, 2009). In this study, for the analyses of necessity and sufficiency, a consistency threshold of .90 and .85 was set, respectively. Furthermore, to avoid the presence of relatively rare configurations, the frequency threshold of at least two cases was set for a configuration to be included in the sufficiency analysis.

4. Results

Table 2 presents an analysis of the necessary conditions. All the antecedent conditions are below the threshold of .90. Thus, none of the conditions is necessary for the outcome of interest (high and low levels of national well-being — WB and ~WB). Nevertheless, the values suggest that the presence of social entrepreneurial activity (SEA), the presence of digitalisation (DAI), the presence of an education system (EDS), the presence of governance (GOV), and the presence of a philanthropic financial system (PFS) are more closely related with high levels of national well-being, while their absence (i.e., low levels of these conditions) is linked more with the absence of national well-being.

(*Insert Table 2 about here*)

The results of the configurational analysis, presented in Table 3, show that only the combination that involves the joint presence of DAI, EDS, GOV, and PFS leads to high levels of national well-being. Social entrepreneurship seems to be indifferent to achieving this outcome. Furthermore, the obtained solution suggests that the core condition could be either DAI, EDS or GOV, which suggests that these are the most important conditions. Considering each of these conditions as core, one by one, there are three solutions for achieving the outcome

of interest (WB1.1., WB1.2, and WB1.3). The obtained configuration presents an overall consistency of .958 and overall coverage of .596, which indicates that this configuration is sufficient to support high levels of national well-being (WB).

(*Insert Table 3 about here*)

Regarding the absence of national well-being (~WB), the results show that two configurations lead to this outcome: 1) the combination of ~DAI, ~EDS, ~GOV, and ~PFS or 2) the combination of ~SEA, ~DAI, ~EDS, and ~GOV. The core conditions are the absence of digitalisation (~DAI), the absence of an educational system (~EDS) or the absence of governance (~GOV); that is, the opposite of the ones obtained for high levels of national well-being (WB). Considering the core conditions, there are three possible combinations in each configuration, which correspond to six solutions (~WB1.1, ~WB1.2, ~WB1.3, ~WB2.1, ~WB2.2., and ~WB2.3). It must be highlighted that ~WB is the mirror opposite of WB1, but ~WB2 shows a different combination, in which the absence of social entrepreneurship is part of the configuration. Therefore, the analysis suggests that the solutions are not completely symmetric. The two configurations show that ~DAI, ~EDS, and ~GOV combined with either ~SEA or ~PFS lead to ~WB. The consistency values of both configurations are higher than .85, and the raw coverage is .550 and .490, respectively. Overall, the configurations for ~WB present a consistency of .878, and the combined models account for 66.6% of the membership for this outcome. The two models (~WB1 and ~WB2) are more or less equally represented. However, considering the unique coverage, model ~WB1 (~DAI*~EDS*~GOV*~PFS) is the most frequent (C3=.176).

An examination of the countries that present membership in each configuration can also bring some insights. There are seven countries that present configuration WB1 (i.e.,

DAI*EDS*GOV*PFS): the Netherlands, Sweden, Israel, Australia, Finland, Spain, and Slovenia. The latter (Slovenia) can be considered fully in, but the values are just slightly above the .50 threshold. Thus, the other six countries are better examples of this configuration. Regarding the absence of national well-being, the model ~WB1 (~DAI*~EDS*~GOV*~PFS) includes the cases of Ecuador, Morocco, China, India, Mexico, the Philippines, and Colombia. Model ~WB2 includes the following cases: Ecuador, Morocco, Indonesia, Mexico, and Thailand. Three countries (Ecuador, Morocco, and Mexico) have greater than .50 membership in both configurations.

5. Discussion

This study contributes to a better understanding of the roles of digitalisation and social entrepreneurship as antecedent conditions to national well-being. The results suggest that digitalisation can be important for promoting national well-being, while social entrepreneurship is indifferent. The social impact of social entrepreneurship constitutes an emergent research topic (Nguyen et al., 2015). Social entrepreneurs aim to make social change and address social issues that can make a social impact (Barberá-Tomás et al., 2019; Selsky and Parker, 2010). Although these efforts are likely to yield positive outcomes within a society, at the country level, the results suggest that this effort is not required to obtain high levels of national well-being. This new insight advances understanding of the social impact of social entrepreneurship.

The configurations for high levels of national well-being include digitalisation alongside the presence of an educational system, governance, and a philanthropic financial system. Digitalisation can be a core condition. Education, governance and philanthropic financing can be leveraged by digital adoption. This result suggests that digital technologies, which are material artefacts, play an important role in society in terms of well-being. Therefore,

government policies aiming to increase digital adoption can also be justified by its influence on national well-being.

The results somehow corroborate the idea that in societies where the government does a good job fulfilling social needs, there are lesser opportunities for social entrepreneurship (Mair et al., 2012). Thus, its presence becomes indifferent. In contrast, in societies that show a low level of national well-being, social entrepreneurship is absent in some configurations that lead to this outcome. In this situation, social entrepreneurship is either absent or indifferent. When social entrepreneurship is indifferent, a philanthropic financial system is absent. This indicates that the absence of a philanthropic financial system or the absence of social entrepreneurship, alongside other conditions, is why some countries report low levels of well-being. This result suggests that the institutional void perspective better explains social entrepreneurship (e.g., Stephan et al., 2015), rather than by the institutional supportive perspective (e.g., Hoogendoorn, 2016). When institutions are weak, social entrepreneurship can make a difference.

Furthermore, the results of the configurational analysis suggest that there are three alternative core conditions in the configurations that explain high and low levels of national well-being: digitalisation, educational system and governance. These conditions are either present or absent in all the obtained solutions for the presence and the absence of national well-being, respectively. However, none of these conditions can be considered necessary, and the presence or absence of other conditions is required. In addition to highlighting the importance of digitalisation, these findings contribute to clarifying the role of education and governance. They corroborate the notion that an educational system can benefit national happiness (e.g., Nikolaev and Rusakov, 2016), which has generated some controversy, and they suggest that countries with better governance have more satisfied citizens (e.g., Helliwell et al., 2018).

This study responds to several research gaps. Research on national well-being has been scarce and previous studies noted the rising importance of digitalisation in society. Social entrepreneurship aims to drive social change and can influence well-being. Nevertheless, despite the increasing interest on the social impacts of social entrepreneurship, few studies have focused on this emerging topic. Furthermore, there is an ongoing debate among researchers regarding which of the two institutional perspectives better explain this phenomenon (the institutional void perspective or the institutional supportive perspective). The national context in which social entrepreneurship can emerge and can make a difference remains unclear, and further research is needed.

Considering the aforementioned, the obtained results make several contributions to the literature. First, they show that digitalisation benefits national well-being. Second, they clarify the role of social entrepreneurship in promoting national well-being. The results suggest that the presence of social entrepreneurship is not relevant in countries in which governments fulfil social needs, but its absence in countries with low levels of digitalisation, bad governance quality and an inadequate educational system can contribute to low levels of national well-being. Third, the importance of having a good educational system and high governance quality is also highlighted, which contributes to clarifying their roles in explaining national well-being. Finally, the results validate the relevance of taking a configurational perspective and show that a combination of conditions is required to achieve high levels of national well-being.

These findings have implications for both researchers and policy-makers. Researchers should include digitalisation in future studies aiming to understand national well-being and should take into consideration the national context when studying social entrepreneurship. The findings give support to the institutional void perspective in explaining the emergence of social entrepreneurship. Policy-makers should take into account that a combination of conditions is required to obtain high levels of national well-being. Governments should be aware of the

influence of digitalisation on the latter, and they should consider the relevance of partnering with social entrepreneurs in their country. Policies aiming to raise national well-being should take into account digital adaptation since digitalisation can leverage education, governance, and philanthropic financing. If the government can fulfil social needs, at the national level, social entrepreneurship is not so important. However, if institutions are weak, governments should promote social entrepreneurship, since its absence can be one of the conditions that justify low levels of national well-being.

6. Conclusion

This study advances research on national well-being and clarifies the role of digitalisation and social entrepreneurship by taking a configurational approach. Extant literature reports contradictory findings and perspectives regarding the influence of digitalisation and social entrepreneurship, which can either favour or hinder national well-being. Furthermore, the institutional theory provides divergent justifications for the emergence of social entrepreneurship (the institutional void perspective and the institutional supportive perspective). Past research (e.g., Sunduramurthy et al., 2016; Welter, 2011) noted that context plays an important role and calls for further research.

This study responds to these calls and makes clearer the role of digitalisation and social entrepreneurship as drivers of social change. The obtained results suggest that digitalisation contributes to national well-being if an educational system, a philanthropic financial system, and governance are also present. In contrast, social entrepreneurship is indifferent to achieving high levels of national well-being. The findings give support to the institutional void perspective (Urban and Kujinga, 2017) thereby contributing to the ongoing debate on the institutional perspectives that justify the creation of social enterprises (De Beule et al., 2020). The findings show that weaker institutions generate opportunities for social entrepreneurs.

Social entrepreneurship is indifferent to national well-being in countries that present high levels of digitalisation, a good educational system, adequate governance, and a philanthropic financial system, such as Finland, the Netherlands, and Australia, which are represented in the obtained models for their high levels of national well-being. However, the absence of social entrepreneurship can contribute to low levels of national well-being in countries that show low levels of digital adoption, poor educational systems, and inadequate governance, such as Thailand, Indonesia, and Morocco. Thus, the results corroborate the idea that social entrepreneurship is more important in countries where governments do not fulfil social needs.

The absence of social entrepreneurship or the absence of a philanthropic financial system can be part of the configurations that explain low levels of well-being. This result suggests that social entrepreneurship and a philanthropy-oriented financial system can be substitutes and can contribute to social change in emergent economies. Therefore, the results should be interpreted with caution. While social entrepreneurship is indifferent in developed economies, it can have a social impact in emerging economies.

The findings have implications for both researchers and policy-makers. Digitalisation should be considered an important antecedent of national well-being, and governments should promote digitalisation to leverage the positive effects of education, governance, and financial philanthropy. Digital technologies transform organisations and social relationships (Nambisan et al., 2019). The digitalisation can expand the reach of the educational systems, enhance governance transparency, and make financial philanthropy more efficient and effective. Although social entrepreneurship is indifferent to achieving high levels of national well-being, governments should also promote social entrepreneurship, if institutions are weak.

Additionally, this study highlights the advantages of using fs/QCA. The findings show the relevancy of using a configurational approach because configurations that lead to low levels of national well-being are not exactly the mirror opposites of the configurations that lead to

high levels of national well-being; antecedent conditions should be considered in conjunction, and different paths can bring about the same outcome.

This research is not without limitations, such as the number of countries in the sample and the cross-sectional nature of the data, which could be addressed by future research. The number of observations is limited by the matching of different covariate data sources, which are based on large-scale surveys; however, this minimises common method bias. The predictive validity was not yet tested because that would require larger samples (N>100). The sample size also limits the number of conditions that can be included in the analysis since the model should be parsimonious and non-redundant. Furthermore, to compute set membership thresholds, the anchors were based on percentiles, given the lack of theoretical background. Future studies could overcome these limitations using different datasets. The convergence of digital and entrepreneurship requires new studies to clarify the impact of digital entrepreneurship. For example, future studies could examine the effects of digitalisation on entrepreneurs' subjective well-being.

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Table 1: Countries and data

Country	WB	SE	DAI	EDS	GOV	PFS
Argentina	6.09	4.56	.6421	.7834	-.4158	.18
Australia	7.23	11.11	.6850	.9265	1,7995	.72
Brazil	6.3	2.49	.6548	.6613	-.0181	.20
China	5.19	6.56	.5010	.6097	-.4647	.08
Colombia	6.12	10.82	.6060	.6022	-.2147	.22
Ecuador	6.03	2.59	.5248	.5938	-.6323	.13
Finland	7.77	5.92	.7900	.8151	2,0420	.39
Greece	5.29	1.59	.5756	.7970	.2930	.07
Guatemala	6.44	5.04	.4350	.4839	-.6342	.38
Hungary	5.76	11.31	.6364	.8049	.5995	.20
India	4.02	6.65	.4423	.4727	-.2805	.20
Indonesia	5.19	2.98	.3901	.6031	-.2142	.67
Ireland	7.02	11.09	.6386	.8871	1.6998	.67
Israel	7.14	12.84	.7545	.8543	.8135	.47
Italy	6.22	5.52	.7347	.7895	.5283	.32
Kazakhstan	5.81	3.08	.6343	.7623	-.4927	.35
Malaysia	5.34	1.69	.6546	.6705	.5693	.58
Mexico	6.59	2.67	.5387	.6378	-.2223	.23
Morocco	5.21	1.13	.5237	.4679	-.2607	.03
Netherlands	7.49	3.58	.8262	.8935	1.8930	.73
Philippines	5.63	10.06	.4392	.6100	-.1772	.24
Poland	6.18	7.47	.6507	.8247	.9868	.29
Portugal	5.69	4.47	.7389	.7276	1.0735	.24
Slovenia	6.12	4.65	.6444	.8631	.9922	.42
Spain	6.35	1.34	.7431	.7944	.8975	.35
Sweden	7.34	6.94	.8039	.8301	1.9453	.60
Thailand	6.01	2.86	.5672	.6080	-.2765	.87

Notes: WB = National well-being; SEA = Social entrepreneurial activity; DAI = Digitalisation; EDS = Educational System; GOV = Governance; PFS = Philanthropic financial system. Values range from 0 to 1, indicating non-membership and full- membership on corresponding conditions, respectively.

Table 2: Analysis of necessary conditions

Conditions	WB		~WB	
	C1	C2	C1	C2
SEA	.703	.689	.537	.574
~SEA	.565	.527	.709	.724
DAI	.798	.789	.501	.541
~DAI	.536	.496	.805	.813
EDS	.784	.766	.479	.513
~EDS	.502	.468	.781	.798
GOV	.721	.754	.429	.490
~GOV	.512	.451	.785	.755
PFS	.775	.762	.514	.552
~PFS	.545	.506	.778	.791

Notes: WB = National well-being; SEA = Social entrepreneurial activity; DAI = Digitalisation; EDS = Educational System; GOV = Governance; PFS = Philanthropic financial system C1 = Consistency; C2 = Raw coverage. The tilde "~" represents negation.

Table 3: Configurations supporting high and low national well-being scores

	WB1.1	WB1.2	WB1.3	~WB1.1	~WB1.2	~WB1.3	~WB2.1	~WB2.2	~WB2.3
SEA							⊗	⊗	⊗
DAI	●	•	•	⊗	⊗	⊗	⊗	⊗	⊗
EDS	•	●	•	⊗	⊗	⊗	⊗	⊗	⊗
GOV	•	•	●	⊗	⊗	⊗	⊗	⊗	⊗
PFS	•	•	•	⊗	⊗	⊗			
C1		.958			.882			.855	
C2		.596			.550			.490	
C3		.596			.176			.116	
OC1		.958				.878			
OC2		.596				.666			

Notes: WB = National well-being; SEA = Social entrepreneurial activity; DAI = Digitalisation; EDS = Educational System; GOV = Governance; PFS = Philanthropic financial system C1 = Consistency; C2 = Raw coverage; C3 = Unique coverage; OC1 = Overall consistency; OC2 = Overall coverage. Black circles ("● ") indicate the presence of a condition; circles with a cross-out ("⊗ ") indicate its absence; blank spaces indicate "don't care".