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Social Enterprises at the crossroads of Market, Public Policies and Civil Society

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THE WORKS OF THE « EMES EUROPEAN RESEARCH NETWORK »

- ✓ The emergence of social enterprises in the 15 member states of the EU (1996-2000)
 - ..→ Proposal of a European approach to the social enterprise
 - ..→ European overview of social enterprises
 - ..→ Book « The Emergence of Social Enterprise » (C. Borzaga and J. Defourny, eds), Routledge, London and New York, 2001

- ✓ Social enterprises in the field of integration by work - « Work Integration Social Enterprises » (2001-2005)
 - ..→ European overview of « WISEs »
 - ..→ Book « Social Enterprises, at the Crossroads of Market, Public Policies and Civil Society » (M. Nyssens, ed.), Routledge, 2006



Outline

1. The movement of Social Enterprise
2. The EMES approach of Social Enterprise
3. Why is it innovative ?

1. The movement of social enterprise

The pioneering initiatives

- Late 1970' – beginning 1980'
- Increasing structural unemployment
- Limits of traditional social policies to tackle social exclusion :
 - Long term unemployed or low qualified people
 - Social problems
 - Refugees, immigrants
 - “De – institutionalisation” of mental ill people (Italy, Sweden...)
 - ...

Founders of pioneering European SEs

Group of citizens 1980'	Self – help 1990'	Public – community partnership
<p>COSO Italy EFT Belgium EI, AI France EI Spain LD Ireland LI Germany VO UK</p>	<p>LCO Finland WCO UK EI Spain SOCO Swed. EIN France</p>	<p>SOCEN Denmark MO Germany RQ France CB UK SF UK</p>

Source : PERSE

Work inte- gration

Belgium	<i>Entreprises de formation par le travail</i> (EFTs) and <i>entreprises d'insertion</i> (EIs) in the southern part of the country, <i>invoegbedrijven</i> and <i>sociale werkplaatsen</i> in the northern part. EIs, which are supported by the Regional authorities, are strongly market-oriented and offer long-term employment perspectives to their workers.
Italy	B-type social co-operatives, active in the field of occupational integration of disadvantaged persons (legal framework of 1991).
Germany	<i>Soziale Betriebe</i> : market-oriented « social enterprises », which receive temporary public support. The goal is to create jobs and to support economic development while simultaneously aiming at the social and occupational integration of long-term unemployed people. The jobs are created either within already existing private enterprises or in the framework of the starting-up of new enterprises.
Luxembourg	Associations (and sometimes co-operatives) providing integration through work and economic activity, operating in fields such as the environment, agriculture, building, waste recycling, etc. Most of these enterprises are pilot projects subsidised by the state.
Spain	Work integration enterprises for the disabled or for people excluded from the traditional labour market. In both cases, these enterprises tend to provide access to transitory jobs aiming to allow the targeted workers to integrate into the traditional labour market, rather than to create long-term "sheltered" jobs.

Personal services

Sectors	Countries	Examples
Personal services	Austria	Children's Groups: childcare structures supported by a strong commitment of parents.
	France	<i>Crèches parentales</i> : childcare structures partly directed and managed by parents. These <i>crèches</i> constituted a national network: the <i>Association des Collectifs d'Enfants, de Parents et de Professionnels (ACCEP)</i> .
	Denmark	<i>Opholdssteder</i> (social homes): stay-in structures conceived as an alternative to traditional institutions for children and adolescents with problems. The focus is on training and care.
	United Kingdom	Home Care Co-ops: organisations employing their members, mainly women in charge of their family, on a part-time basis.
	Sweden	<i>LKUs</i> : local co-operative development agencies, grouped together in a national organisation (<i>FKU</i>) and pursuing a goal of rehabilitation and reintegration of people with a mental handicap.
	Italy	A-type social co-operatives, active in the field of health, training or personal services and operating within the legal framework adopted by the national parliament in 1991.
	Portugal	<i>CERCIs</i> : co-operatives for the training and rehabilitation of handicapped children, grouped together, since 1985, in a national federation.

Local dvlpt

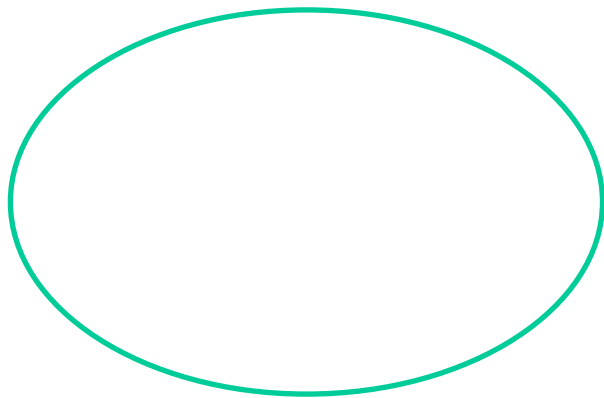
Finland	Labour co-ops: labour co-ops, grouped together at the regional level in nine Co-operative Development Agencies (CDA), represent an important lever of development for the local and regional economy. These co-operatives differ from traditional worker co-operatives insofar as they outsource the competencies of their members to other enterprises.
The Netherlands	<i>BuurtBeheer Bedrijven (BBB)</i> : independent enterprises of proximity development offering the inhabitants of disadvantaged neighbourhoods the opportunity to carry out, in exchange for a remuneration, maintenance and improvement works in private housing or common infrastructures or to provide social services in the neighbourhood.
Greece	Agro-touristic co-operatives: co-operatives set up by women living in rural areas with a touristic potential and offering services in the field of housing, restaurant and small craftwork.
Ireland	Enterprises with varied legal forms aiming at local community development through activities such as the provision of social housing, reintegration through work, credit (credit unions), proximity services etc.

- Concept of Social Enterprise encompasses different meanings and is still unclear
- Two schools of thought :
 - “social entrepreneurship” : innovative approach of tackling social needs developed by individuals in fostering business
 - “social enterprise”: collective dynamics inside the third sector (all “not for profit organisations”)

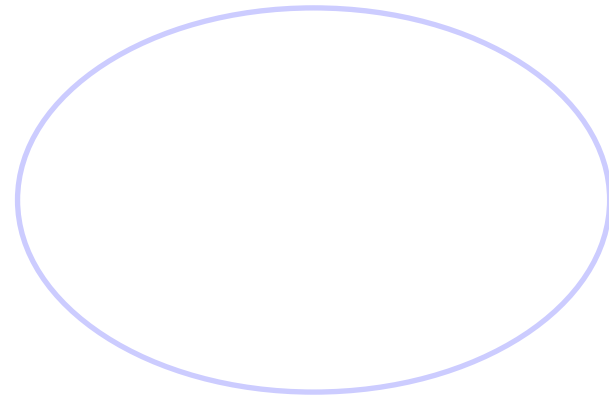
2. The EMES approach of Social Enterprise

(1) The concept of social enterprise as a bridge between traditional approaches ?

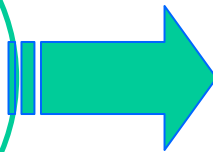
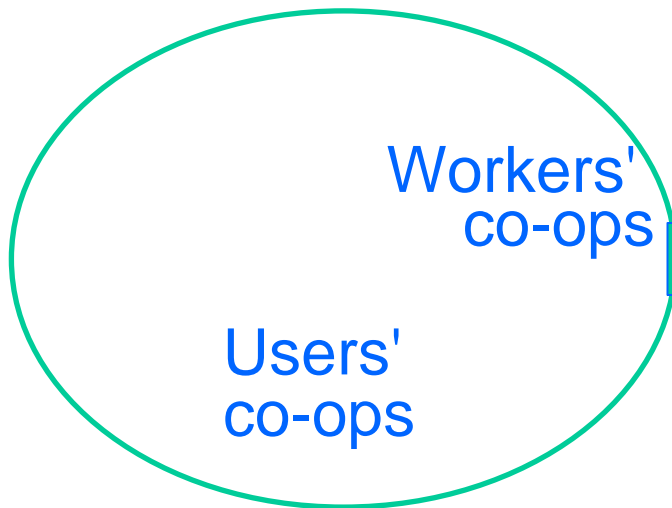
Co-operatives



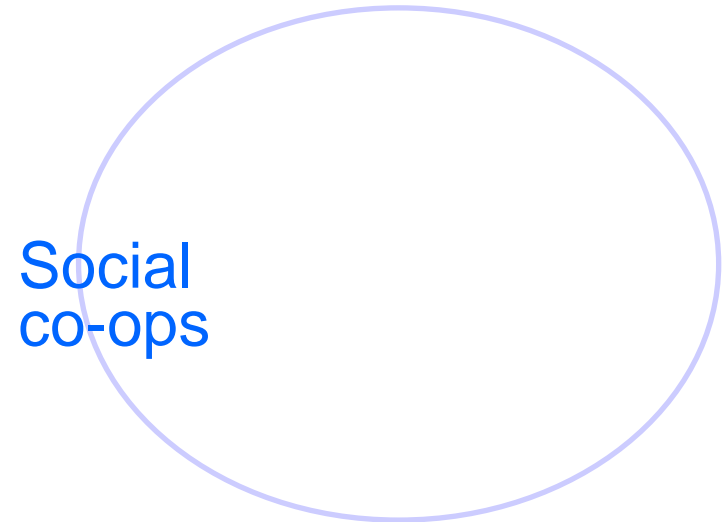
Non-profit organisations



Co-operatives



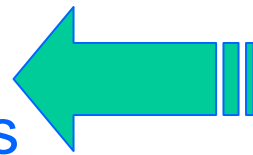
Non-profit organisations



Co-operatives

Non-profit organisations

NPO's
transformed into
social enterprises

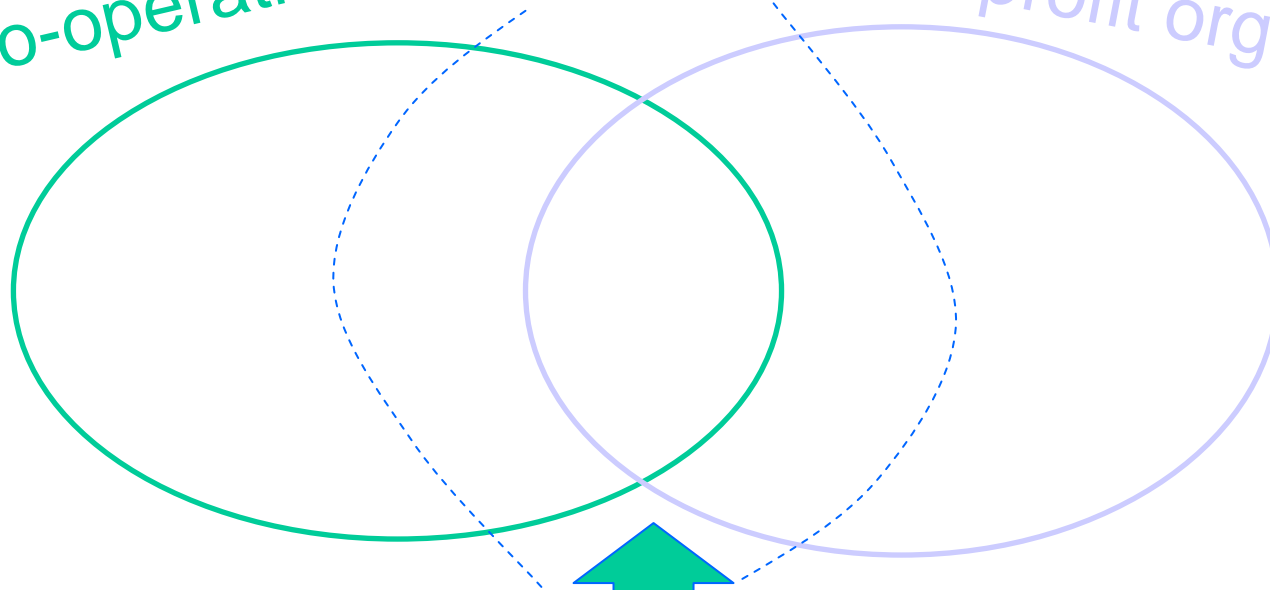


Production
Oriented
NPO's

Advocacy
Oriented
NPO's

Co-operatives

Non-profit organisations



SOCIAL ENTERPRISES

=> social enterprise is twofold :

- ✓ Social enterprises are new organisations
- ✓ and existing organisations refashioned by new dynamics

INSIDE THE THIRD SECTOR :

(2) The EMES definition of social enterprise

Economic criteria for a Social Enterprise: « An entrepreneurial dynamic »

- A continuous activity producing and selling goods and/or services
- A high degree of autonomy
- A significant level of economic risk
- A minimum amount of paid work

Social criteria for a Social Enterprise:

« A public benefit mission »

- An explicit aim to benefit the community
 - An initiative launched by a group of citizens
 - A participatory nature, which involves the persons affected by the activity
 - A decision-making power not based on capital ownership
 - Limited profit distribution
-
- The criteria are not conditions to be strictly met to deserve the label of social enterprise
 - They rather define an « ideal-type » (abstract construction) that enables one to position oneself within the « galaxy » of social enterprises

(3) The ideal-typical Social Enterprise

Multiple Goals Social Enterprise



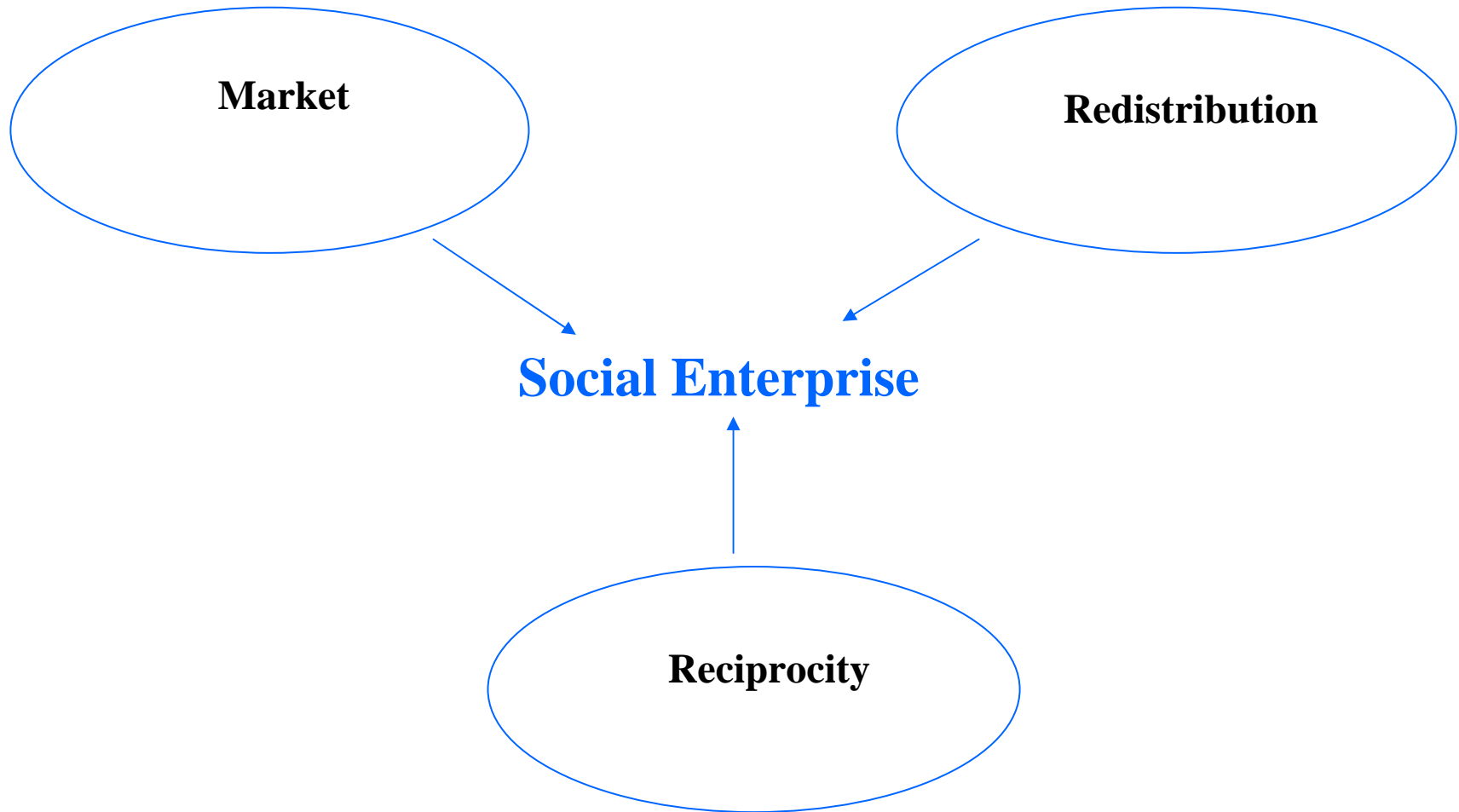
Economic Goals

Socio-political Goals

Multiple Stakeholders Social Enterprise

- ✓ Multiple stakeholders ownership > < shareholders
- ✓ Public benefit mission
- ✓ Different types of stakeholders for different goals

Multiple Resources Social Enterprise



3. Such a framework may be seen as innovative on

1) Multidimensional mode of governance

2) Economic dimension :

- risk supported by the SE
- but not especially only through trading activity
- activity of production is a support to the social mission

3) Social enterprises are not reduced to « residual actors »
filling the gaps left by the market or the State

Interaction between SEs and public bodies
through a progressive institutionalisation:

- ✓ New public schemes
- ✓ New legal forms (CIC)

⇒ Institutionalisation generates strained relations:

✓ Social goal

Empowerment > < “activating labour market policies”

✓ Production goal

➤ Niches and entry of for profit sector

but innovative capacity of Social Enterprises
through hybridisation

→ Social enterprises are located in an
intermediate space at the crossroads of
market, public policies and civil society