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Social enterprises

The methodology of the EMES network

1. The emergence of social enterprises in the 15 member states of the EU (1996-2000)

⇒ Proposal of a European approach to the social enterprise

Methodology

Facing new entrepreneurial dynamics inside the Third sector
=> inductive approach to grasp the different empirical realities and to develop a new concept

⇒ European overview of social enterprises

⇒ Book « The Emergence of Social Enterprise »
(C. Borzaga and J. Defourny, eds), Routledge,
London and New York, 2001

The EMES concept of social enterprise

"Social enterprises are not-for-profit private organizations providing goods or services directly related to their explicit aim to benefit the community. They rely on a collective dynamics involving various types of stakeholders in their governing bodies, they place a high value on their autonomy and they bear economic risks linked to their activity".

(EMES definition)

The ideal-typical Social Enterprise

“Multiple Goals Social Enterprise”



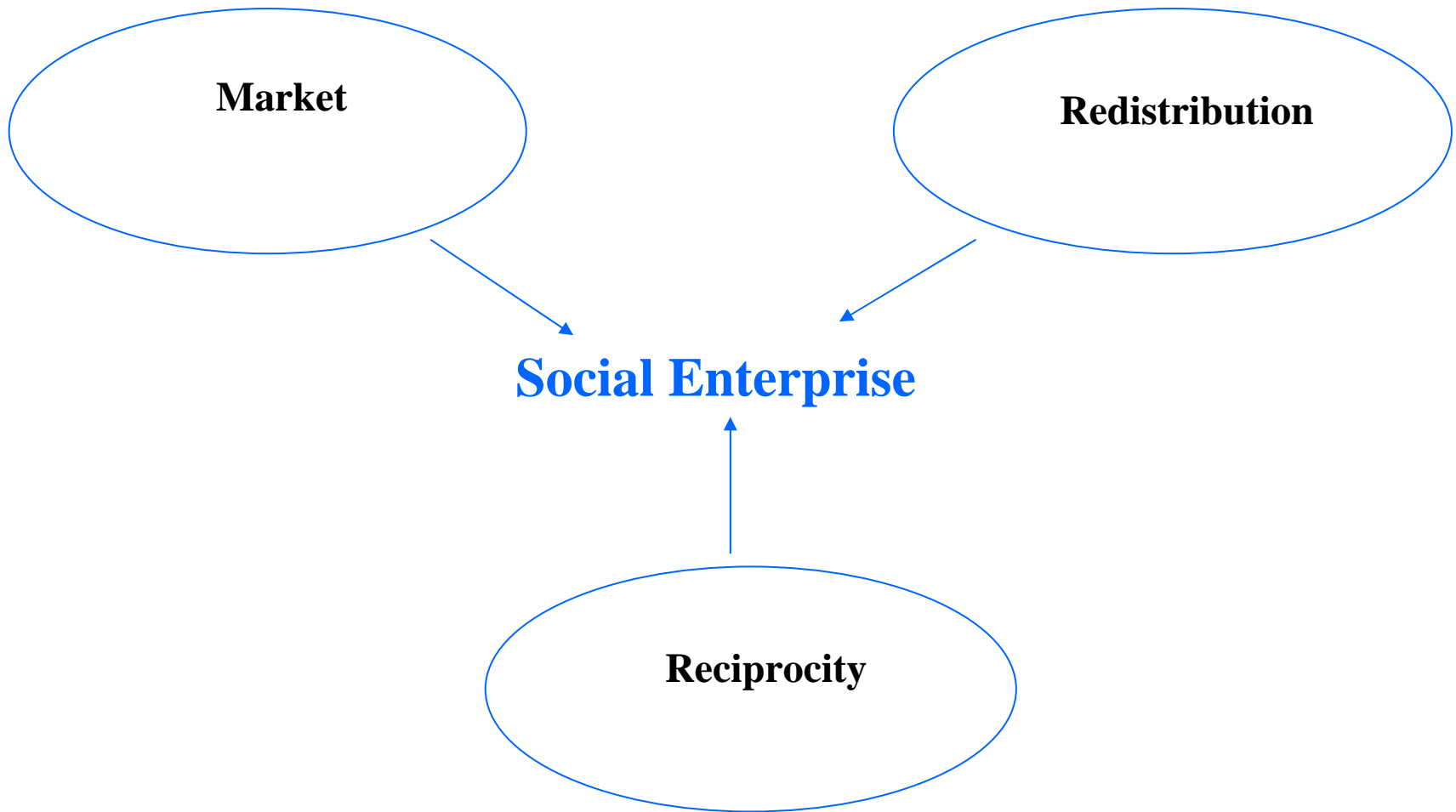
Economic Goals

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”



THE EMES DEFINITION OF SOCIAL ENTERPRISE

- Derived from extensive dialogue among several disciplines (economics, sociology, political science and management) as well as among the various national traditions present in the European Union.
- The criteria included in the definition 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

 Methodological tool rather than normative framework

Social Enterprise: « between ideal – type and institutionalisation »

- Innovative capacity of SEs
- Interaction between SEs and public policies through a progressive institutionalisation
- Movement of isomorphism ?

2. Field of research of the PERSE project: Work Integration Social Enterprise (WISE)

Main methodological objective : to explore more deeply such hypotheses through a comparative analysis of social enterprises in Europe in one specific field

The major objective of *WISE* is to help poorly qualified unemployed people, who are at risk of permanent exclusion from the labour market. WISEs integrate them back into work and society in general, through productive activity.

- ✓ Social enterprises in the field of integration by work - « Work Integration Social Enterprises » (2001-2005)

→ European overview of « WISEs » : ELEXIES
project in partnership with umbrella organisations
of WISEs

Types of work integration in WISEs

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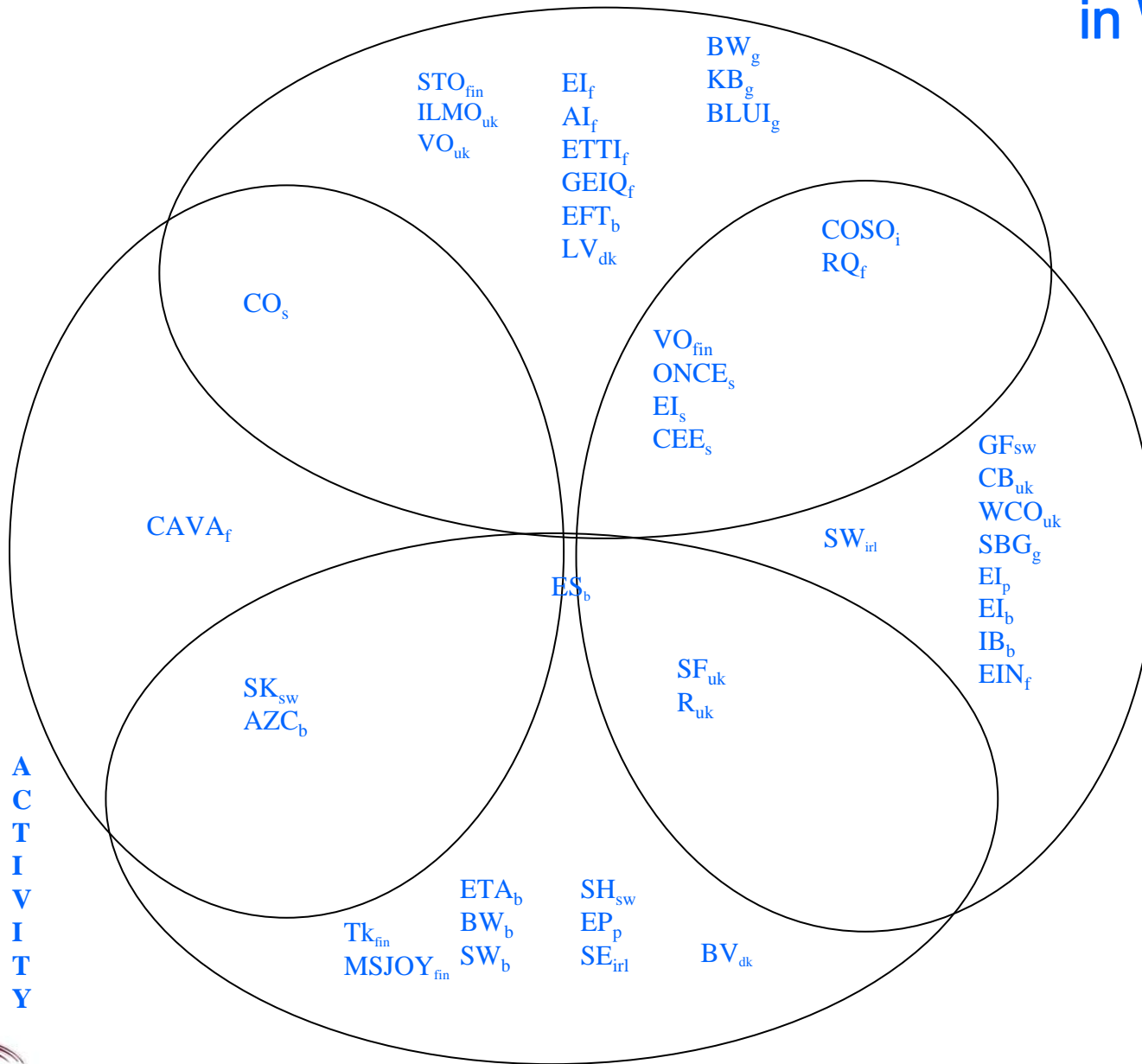
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⇒ PERSE project funded by DG research

The sample of the PERSE project

- 15 WISEs by country (162 WISEs across Europe)
 - First criterion :the representativeness of the WISE
 - were numerous or were growing in number or social importance;
 - represented a major path of organisational development
 - were typical with respect to national or regional policies
 - Second criterion : the closeness of the WISE to the EMES ideal-type of social enterprise
- ⇒ The sample is not statistically representative

Social Enterprise: « between ideal – type and institutionalisation »

Methodology and some key results...

I. The institutionalisation of WISE:

Methodology: a historical analysis of the field of public policies to grasp the interactions between SE and public bodies

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</p> <p>EFT Belgium</p> <p>EI, AI France</p> <p>EI Spain</p> <p>LD Ireland</p> <p>LI Germany</p> <p>VO UK</p>	<p>LCO Finland</p> <p>WCO UK</p> <p>EI Spain</p> <p>SOCO Swed.</p> <p>EIN France</p>	<p>SOCEN Denmark</p> <p>MO Germany</p> <p>RQ France</p> <p>CB UK</p> <p>SF UK</p>

Source : PERSE

- In the 1980' :

WISEs implementing Active Labour Policies (ALP)
before their institutional existence

- From the 1990' :

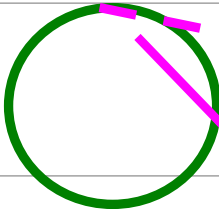
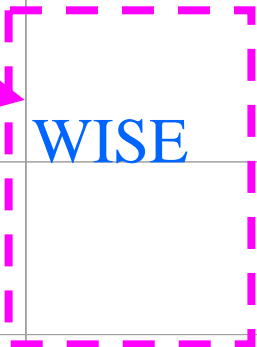
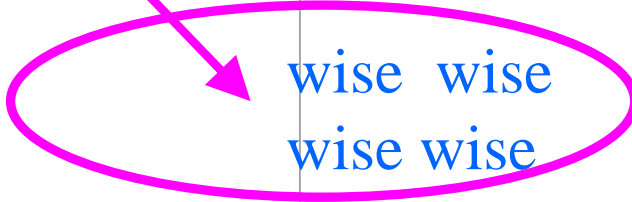
ALP frame their action in a context of structural
unemployment and a rapid increasing of ALP

WISEs institutionalisation

- Bismarckian tradition -

PUBLIC POLICIES		80 ‘ – mid 90’	mid – 90’	2000’
Active labour policies (ALP): Average level	Second labour market program	France, Belgium Germany, Ireland		
	ALP open to all kind of firms			
	Specific WISE scheme “Public labelling”		EI (F) (B) Soc. Ec. Prog.(IR)	

=> Specific public schemes for WISEs: tradition of collaboration social economy/ Public sector

		80 ‘ – mid 90’	mid – 90	2000’
Active labour policies	Second labour market			<div data-bbox="1549 676 1804 1019" data-label="Diagram">  </div>
	“Activating lab. market policies”		...	
	Specific WISE scheme “Public labelling”			
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II. Multiple goals WISEs facing institutionalisation

WISEs' mission

=

multiple goals ?

or

a tool of active labour policy

=> Contested nature of WISEs' mission

Multiple goals methodology

- A closed questionnaire regarding the hierarchy of the goals : 162 WISEs
- An in depth analysis of the trajectories of 3 WISEs by country

Multiple Goals Social Enterprise

Social Goals

SOCIAL
ENTERPRISE

Economic Goals

Socio-political Goals

- Social goals : work integration at the core of the mission

- empowerment of excluded workers through :

- democratic management structure

BUT

- instrument to the integration in the first labour market :

- transitional model of WISE

Types of work integration in WISEs

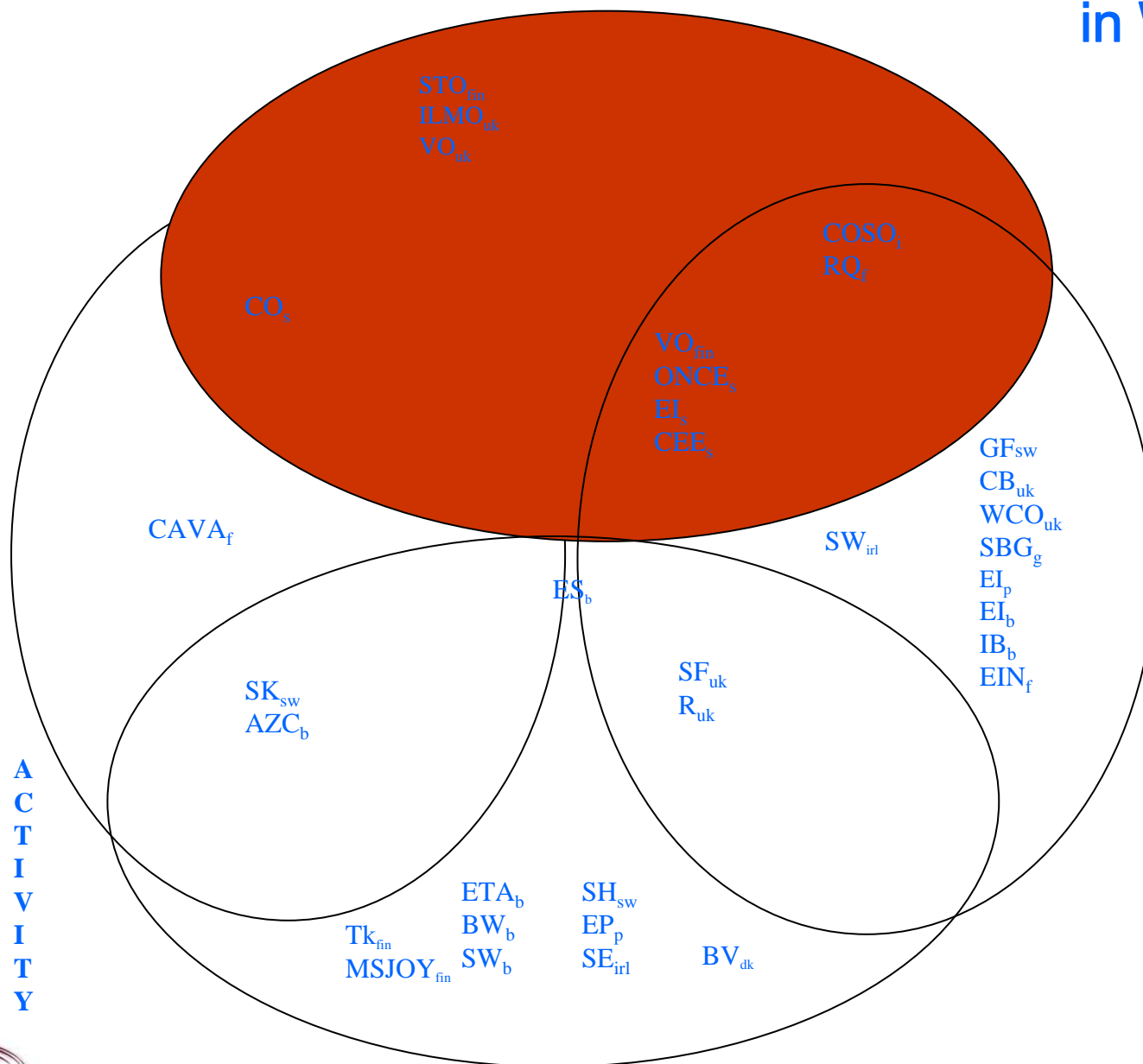
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- Social goals : work integration at the core of the mission
- empowerment of excluded workers through :
 - democratic management structure
- BUT**
- instrument to the integration in the first labour market :
 - Transitional model
 - Extensive professionalisation (competition for profit sector)
=> Weaker participation of beneficiaries

III. Hybrid nature of WISEs

**a bulwark against isomorphism
or a threat for their identity?**

Multiple stakeholders methodology

- A closed questionnaire regarding the governance structures of 162 WISEs

✓ Multiple stakeholders ownership

Members of board of European WISES

Type of ownership	Nb WISE	Proportion
Single-stakeholder	64	41 %
Multi-stakeholder	93	59 %
TOTAL	157	100 %

Source : PERSE

Influence of stakeholder categories in multi-stakeholder European WISE

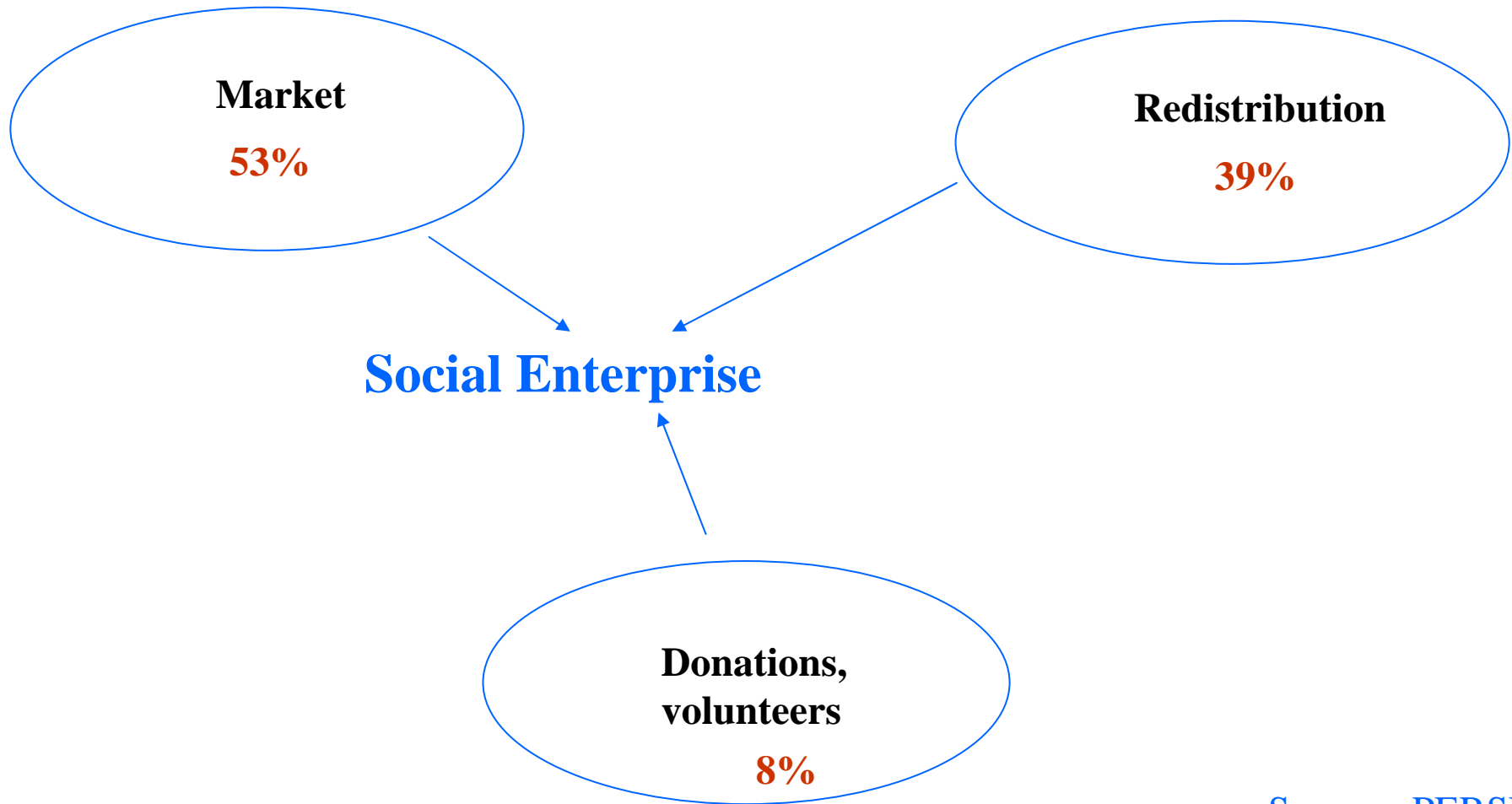
Stakeholder category	Users	Volunteer	Staff	Participant	Business	Government	NPO	Other	Total
Average	5%	20%	21%	7%	10%	13%	14%	11%	100%

=> Leads to the exercise of a real influence within boards

Multiple resources : methodology

- Framework of Polanyi of a substantive approach of the economy
- How ? The logic of circulation: exchange, redistribution, reciprocity
- Who ? The origin of resources (individuals, for profit sector, public sector, third sector)
- Type of motivations
- Total resources : monetary and non – monetary (volunteer, tax deductions, loans of equipment)

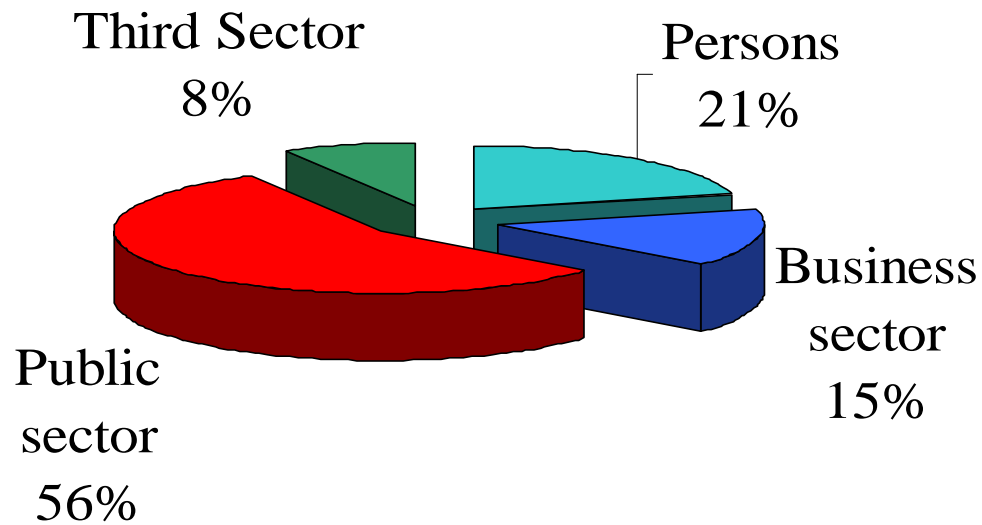
✓ Multiple resources



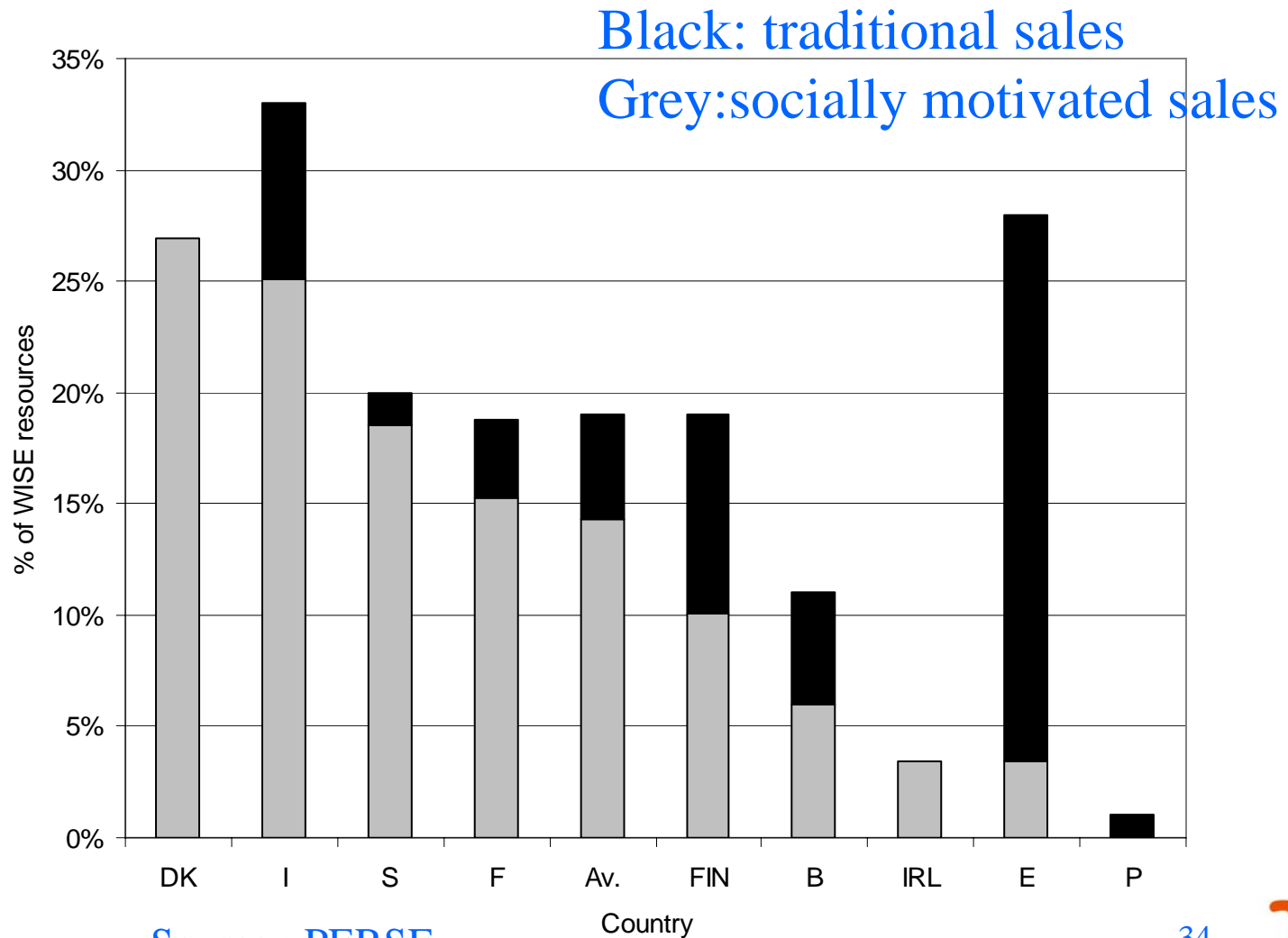
Total resources : monetary and non – monetary
(volunteer, tax deductions, loans of equipment)

Source : PERSE

The origin of resources



Sales of WISEs to public bodies



Source : PERSE

- ✓ Importance of the market
- ✓ Importance of the public sector
- ✓ “Re-embedding” of market relationships
- ✓ Voluntary resources embedded in civic networks
- ✓ Diversity of resource mix according to the type of social mission

⇒ Managing hybridity constitutes a challenge:
Bulkward against isomorphism or threat for their identity ?

- Institutionalisation generates strained relationships and put WISEs into « boxes »
- Hybridity appears to be a channel to sustain the innovative capacity of WISEs linking people from different backgrounds and resources from different nature

⇒ Book « Social Enterprises, at the Crossroads of Market, Public Policies and Civil Society »
(M. Nyssens, ed.), Routledge, 2006

Next steps...

- Social Enterprises in other contexts: UNDP research in the PECO's
- The debate of social enterprise in the last years: "Social Enterprise in Europe: Recent Trends and Developments" (EMES WP,08/0, Defourny J., Nyssens M.)
- Social enterprise and social entrepreneurship: Convergences and divergences between the European and US debates