

Chapter 12

Social Enterprise: The Shaping of a New Concept in a Comparative Regional Perspective

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Introduction

Whereas a dozen years ago concepts of social enterprise, social entrepreneurship and social entrepreneur were rarely discussed, it is now making amazing breakthroughs on both sides of the Atlantic, especially in EU countries and the United States. It is also attracting increasing interest in other regions such as Eastern Asia (especially South Korea, Japan and Taiwan) and Latin America. In Europe, the concept of social enterprise made its first appearance in 1990, at the very heart of the third sector, following an impetus which was first an Italian one, linked closely with the co-operative movement. In 1991, the Italian parliament adopted a law creating a specific legal form for 'social co-operatives' and the latter went on to experience an extraordinary growth. In the United States, the concept of social enterprise also met with a very positive response in the early 1990s. In 1993 for instance, the Harvard Business School launched the 'Social Enterprise Initiative', one of the milestones of the period.

Since this early period, the debate has expanded in various types of institutions. Major universities have developed research and training programmes. International research networks have been set up like the EMES European Research Network gathering research centres from most EU countries in 1996 and the Social Enterprise Knowledge Network (SEKN) formed in 2001 by leading Latin-American business schools and the Harvard Business School. Various foundations have set up training and support programmes for social enterprises or social entrepreneurs. Different European countries have passed new laws to promote social enterprises.

However, it is striking that these debates on both sides of the Atlantic took place in parallel trajectories, with very few connections among them until the years 2004-2005¹. Kerlin (2006) made an interesting first attempt of comparing the state of the debate between the US and Europe and discussions began to develop within the newly created University Network for Social Entrepreneurship. Within this context, the objective of the present paper is to deepen this debate and to better take into account the three terminological flags of social enterprise, social entrepreneurship and social entrepreneur in their respective contexts as well as the distinct developments they now tend to experience. In such a perspective, the paper is structured as follows: in the first part, we describe and compare the European and US contexts of the years 80's in which those concepts took root. In the second major part, we carefully analyze how the various conceptualizations in this field evolved and are still developing on both sides of the Atlantic. This analysis paves the way for a third part in which we highlight both conceptual convergences and divergences among regions as well as within the US and European landscapes.

1. The 1980's : Backgrounds of the debate

1.1. *The European context*

In the late 1970s–early 1980s, the persistence of structural unemployment in many European countries, the need to reduce State budget deficits and to keep them at low level, the difficulties of traditional social policies and the need for more active integration policies have raised the question of how far the third sector can help to meet these challenges and perhaps take over from public authorities in some areas. Social actors such as social workers and associative militants did not find adequate public policy schemes to tackle the increasing exclusion of some groups from the labour market or more generally from society: long-term unemployed people, low-qualified people, people with social problems etc. If most of the countries faced this type of challenge, the answer given has been different according to the specificities of the different European models².

The Bismarckian countries

¹ With some exceptions such as for the UK since 2002, as will be shown.

² Defourny, Favreau & Laville (1998) ; Spear et al. (2001); Nyssens (2006),

In the countries with a bismarckian tradition or the 'corporatist' group of countries (Belgium, France, Germany, and Ireland³) according to the Esping –Andersen typology, intermediate bodies are important for the management of social insurance and for the provision of social services (Esping-Andersen 1999). Indeed, these countries are characterised by a significant presence of non-profit private organisations, mainly financed and regulated by public bodies, in the field of social services (Salamon et. al 2004).

During the 1980s, public bodies, faced with high rates of unemployment and a crisis in public finances, have developed active labour policies which aimed to integrate the unemployed into the labour market (through professional training programmes, job subsidy programmes etc.), instead of relying only on passive labour market policies based on a system of allocation of cash benefits to the unemployed. Within this field of active labour market policies, we can spot a large 'second labour market programme' offering intermediate forms of employment between employment policies and social policies. Such a programme was based on the observation that, on the one hand, a number of unsatisfied social needs existed and, on the other hand, a large number of people were unemployed. These programmes thus tried to encourage the creation of new jobs in areas where they could satisfy social needs, as a mean of both creating jobs for unemployed persons and curbing mainstream social spending.

In a context of a lasting collaboration between the State and associations in providing social services, public bodies heavily relied on the associations for the implementation of this 'second labour market programme'. Indeed, some associations were pioneers in promoting the integration of unemployed persons through a productive activity. It could even be considered that these pioneering associations actually implemented active labour market policies before the latter came into institutional existence. With the institutionalisation of the second labour market programme, the associations have increasingly represented a tool for its implementation. This kind of public scheme fostered the trend toward a more productive role and an entrepreneurial dynamic of the associative sector.

In countries such as France and Belgium, these dynamics were explicitly located inside the third sector named as "économie sociale" or "économie solidaire". In these countries, the existence of a third sector – alongside the public and the for-profit sectors – was still recognized and influenced the perception of these new "associative dynamics". The influence has been reciprocal; the emergence of these associations active in the integration of people excluded from the labour market – whose official recognition was in some respects made easier by the existence of a social economy sector – often in turn brought new life into this sector.

The Nordic countries

In the Nordic countries characterised by the highest level of welfare expenditures in Europe corresponding to the 'universalist' group of Esping-Andersen's typology, welfare has, mainly, been delivered by the state. In these countries, associations are traditionally either involved in culture or leisure membership associations or viewed as having an advocacy role and therefore not a role of social service provider as such. These countries are also characterized by a tradition of a co-operative movement, like, among others, workers or farmers cooperatives (Hulgård, 2004). In a context where these societies were facing new challenges, new dynamics emerged in this cooperative sector in the 1980'. In Sweden, the first new worker co-operative were initiated in the wake of the psychiatric care reform of 1989 (that phased out the large closed mental institutions) by actors within the field of mental care: care personnel, patients and ex-patients (Stryan, 2004). The expansion of the Swedish public childcare sector slowing down during the 1980's, parent cooperatives spurred a rapid growth, seeking new pedagogical models (Pestoff, 2004).

³ The inclusion of Ireland in this second group may seem rather odd. Ireland has one of the highest shares of employment in the non-profit sector, which relies heavily on public funding. Actually, some research has shown that Ireland is a borderline case between the 'liberal' and the 'corporatist' state (Hicks and Kenworthy 2003)

In these countries, a division of tasks between state, business community, and civil society is, traditionally, assumed (Stryan, 2006). The welfare state is expected to deliver welfare, the business sector stands for production, accumulation, and the creation of workplaces and civil society focuses on articulation of interests, and the shaping of the broad societal agenda. With the emergence of these new forms of cooperatives, a new actor traditionally identified as part of the business sector, appears in the landscape of the production of welfare.

The UK context

UK is traditionally viewed as emblematic of the liberal model. In this configuration, a lower level of government social spending is associated with a relatively large voluntary sector relying mostly on private resources (Salamon et al. 2004). According to this model, charities, relying on voluntary resources, are seen as key actors to solve market and state failures. However, the situation is mixed in the UK. Indeed, the experience of the two World Wars led national public authorities to develop various social programs with universal coverage where charities were supported through public subsidies (Lewis, 1999).

This landscape has been challenged in the 1970's and 1980's by a new public management approach that stresses quasi-market mechanisms to increase efficiency in service provision. Following Le Grand (1991), a quasi-market implies a split between the functions of financing and providing, which were traditionally devoted, in the field of social services, to the State. Within a quasi-market, the state still contributes to the financing and the regulation of the service but provision is open to all kinds of organisations: public sector, third sector and for profit sector which compete on the market. The UK community care reform of the early 1990s was emblematic of this trend in which policies were seeking reform of public sector bureaucracy and the introduction of the discipline and rigor of the market place (Netten et al., 2004). A new role was assigned to local authorities in exercising their purchasing power through commissioning practices towards the "independent sector", the focus being put on private providers, whatever their nature for profit or voluntary firms.

In this context, the types of relationships between the State and the voluntary sector were at stake. It seems that it is not the level of social expenditures which is challenged but more the instruments through which government supports third sector organizations. When supported, public money across takes the form of contracts and third-party payments instead of grants.

The Southern countries: the specificity of the Italian experience

In the Southern countries, like Spain, Italy or Portugal, on the one hand, welfare spending in general is lower and the provision of social services financed by the State, in particular is underdeveloped. Families are considered as the key actor in providing welfare. On the one hand, if Church related charitable organizations have played in history a central role, in these countries, as providers of social services, this responsibility has been controlled or limited in the 20th century by the state especially during the fascism period in order to control civil society. It is for this reason that, in the 1970's, non profit organisations were relatively few and merely confined to advocacy activities in Italy (Borzaga, 2004). On the other hand, countries as Spain and Italy are characterized by a strong cooperative tradition.

In this context, it is not surprising that in the late 1980s, new co-operative initiatives emerged in Italy to respond to unmet needs, especially in the field of work integration, as some groups were increasingly excluded from the labour market, as well as in the field of personal services, in a context of rapid aging of the population and changes in family structures. In contrast to traditional co-operatives who were primarily oriented toward members' interests, these initiatives were serving a broader community and putting more emphasis on the dimension of general interest. They also differed from traditional co-operatives in that they often combined different types of stakeholders in their membership (paid workers, volunteers and other supporting members, etc.), whereas traditional cooperatives are usually single-stakeholder organizations.

Although it may have been used elsewhere previously, the concept of "social enterprise" as such seems to have first appeared in Italy, where it was promoted through a journal launched in 1990 and entitled *Impresa sociale*. The concept was introduced at the time to designate these pioneering initiatives for which the Italian Parliament created the legal form of "social cooperative" one year later.

1.2. A US comparative perspective

When looking at the US historical context, what is striking is the diversity of terms which have been used since the early 1980's to describe entrepreneurial behaviours with social aims which mainly developed within the non-profit sector: non-profit venture, non-profit entrepreneurship, social-purpose endeavour, social innovation, social-purpose business, community wealth enterprise, public entrepreneurship. Around the years 1993-95, most of those terms were put in relation with and paved the way for the concepts of social entrepreneurship, social entrepreneurs and social enterprise which are now dominating the US landscape⁴. However, let us focus first, as for Europe, on 1980s' to understand the background of those further developments.

Despite the diversity of the terms used until the early 1990's, the typology proposed by Dees and Anderson (2006) may help to distinguish two major streams of thought rooted in different types of initiatives during this early period. Although it is far from perfect, such a distinction will allow us to better point out divergences and convergences with the European scene.

The first and still dominant stream on social entrepreneurship refers to the use of commercial activities by non-profit organizations in support to their mission. As summarized by Kerlin (2006), although such a behaviour can be traced back to the very foundation of the US when community or religious groups were selling homemade goods or holding bazaars to supplement voluntary donations, it gained a particular importance in the specific context of the late 1970's and 1980's. Indeed, when the federal government launched the Great Society programs in the 1960's, a lot of the huge funds invested in education, health care, community development and poverty programs were channelled through nonprofits operating in these areas, instead of being managed by an enlarged public bureaucracy. Such a strategy of course represented a very strong push towards the expansion of existing nonprofits as well as the creation of many new ones. However, the downturn of the economy in the late 1970's led to welfare retrenchment and to important cutbacks in federal funding (Salamon 1997). Nonprofits then began to expand commercial activities to fill the gap through market sales of goods or services not directly related to their mission. Typical of this early stage was the creation of New Ventures in 1980, the most prominent of the consulting firms which then emerged for nonprofits interested in exploring business ventures. Skloot (1983, 1987), one of the firm's key founders, made important contributions to the analysis of enterprises that were "related but not customary to the (non-profit) organization" and could help diversify its funding base⁵. Among social scientists, Crimmings and Kiel (1983) may have been the first who surveyed systematically such practices and analysed their factors of success.

Based on a broader vision of entrepreneurship, the second major stream had B. Drayton and Ashoka, the organization he founded in 1980, as the primary driving force. The mission of Ashoka was (and still is) "to find and support outstanding individuals with pattern setting ideas for social change"⁶. Its focus was therefore more on the profiles of very specific individuals, first referred to as public entrepreneurs, able to bring about social innovation in various fields than on the form of organisations they might set up. Moreover, most types of support Ashoka was offering from the outset to its entrepreneurs were financed by the increasing number of foundations which backed Drayton's organization. In a similar vein, Drucker (1985) developed

⁴ According to Nicholls (2006), the term "social entrepreneur" had already been used by two or three authors in the 1970's although in very specific contexts and with quite different meanings.

⁵ Skloot (1987, p.381) as quoted by Dees and Anderson (2006) who also list a few other early authors responding to the same nonprofits' interest for earned income.

⁶ Drayton and MacDonald (1993, p. i)

the concept of public service entrepreneur, suggesting that entrepreneurship could happen in any sphere.

Such an emphasis on two major streams should not hide major contributions such as the pioneering work of Young (1983, 1986) who somehow had a foot in both streams. Indeed as the former, he developed his thought for the non-profit sector but he offered a much broader and deeper conception of entrepreneurship. Alike the second stream, he particularly focused, along the classical work of Schumpeter (1934), on (non-profit) entrepreneurs he described as “the innovators who found new organizations, develop and implement new programs and methods, organize and expand new services, and redirect the activities of faltering organizations”.

1.3. Convergences and divergences between the European and US landscapes

Among common features on both sides of the Atlantic, we first note that the field developments and conceptual debates about new entrepreneurial behaviours driven by a primary social purpose mainly took place within the non-profit sector. However, the cooperative tradition also played a significant role in several European countries while foundations were important actors in the US. So, it can be asserted that the third sector as a whole was the matrix from which new practices and concepts emerged along the 1980's⁷.

It is also clear that changes in public funding of the third sector played an important role in shaping new attitudes and strategies. However, the US scene was first marked by shortcuts in public grants and, on a longer period, by a decrease in the relative size of public support in many subsectors while the share of commercial income increased significantly (Kerlin, 2006). As to Western Europe, it was the forms rather than the volume or the share of public funding which were transformed: second labour market programs provided new support for hiring or retraining unemployed people in non-profit organisations while the development of quasi-markets emphasized contractual relations with the public authorities in a more competitive environment.

As a result, the first US stream set the grounds for conceptions of social enterprise mainly defined by earned-income strategies, while European entrepreneurial initiatives generally relied on a combination of various types of resources which always varied according to the needs to be addressed as well as to local contexts.

At this stage, it also appears that the second US stream and even more Young's approach were closer to European trends through their insistence on innovation and new answers to social needs neither met by the public sector nor by the for profit sector. Within this last overall convergence of European and US developments, it should be noted however that collective forms of entrepreneurship, with participatory dynamics, were central in the former while individual profiles of entrepreneurs were sought in the latter. Moreover, unlike the European debates, the second American school led by Ashoka put a particular emphasis on the scale of social innovation while it was not an explicit key concern in EU countries. As a matter of fact, the scale of innovation did not have the same place in discourses but as will be seen later, a large number of field experiments led European governments to pass new laws and to launch new programs promoting replication of innovative undertakings which could *ex post* be qualified as path-breaking or pattern-setting undertakings.

2. From the early 1990's through the years 2000's: towards conceptualization of social enterprise

Although field initiatives along the former decade's trends continued to blossom across Europe in the first half of the 1990's, with Italian social cooperatives as an inspiring model, the concept of social enterprise as such did not really spread during those years. From the mid-1990's on the contrary, the development of social enterprise has been fostered by several driven forces. In the political arena, laws have been passed to promote new legal forms better suited to social

⁷ Some US for-profit companies interested in delivering human social services also took part in the debate, especially through the “Alpha Center” created in 1986.

enterprises, public schemes have been designed to target more specifically work integration social enterprises (sometimes associated to new legal forms) (Defourny & Nyssens, 2008). In the academic sphere, major analytical efforts were undertaken both at conceptual and empirical levels, especially by the EMES European Research Network.

We will see afterwards how the US scene also experienced major advances for social entrepreneurship and social enterprises during the same decade, in concrete terms as well as from an analytical point of view. What may look a bit surprising at first sight is the fact that those evolutions on both sides of the Atlantic took place in parallel trajectories with very few connections among them, at least until the early 2000's.

2.1. European policies promoting social enterprises

New legal forms

The Italian law adopted in 1991 distinguishes between two types of social co-operative: those delivering social, health and educational services, called "A-type social co-operatives" (*cooperative sociali di tipo a*), and those providing work integration for disadvantaged people, referred to as "B-type social co-operatives" (*cooperative sociali di tipo b*).

Other European countries introduced, in the second part of the 1990', new legal forms reflecting the entrepreneurial approach adopted by an increasing number of "not-for-profit" organizations even though the term of "social enterprise" was not always used as such.

In France, Portugal, Spain and Greece, these new legal forms are of the co-operative type. The Portuguese "social solidarity co-operative" (*cooperativa de solidariedade social*) legal form was created in 1997. This type of co-operative provides services with an objective to foster the integration of vulnerable groups, such as children, people with disabilities and socially disadvantaged families and communities. As for Spain, a national law created the label of "social initiative co-operative" (*cooperativa de iniciativa social*) in 1999; any type of co-operative providing social services or developing an economic activity aiming at the work integration of socially excluded persons can use this label. Twelve autonomous regions have since developed their own legislation linked to this national law. In Greece, a status of "limited liability social co-operative" (*Koinonikos Syneterismos Periorismenis Eufthinis*, KoiSPE) has been designed in 1999 for organizations targeting very specific groups of individuals with psycho-social disabilities and aiming at the socio-professional integration of the latter through a productive activity. A French law, passed in 2002, defines the "collective interest co-operative society" (*société coopérative d'intérêt collectif*, or SCIC). This new form of co-operative undertaking brings together employees, users, volunteers, local and regional authorities and any other partner wishing to work together on a given local development project.

In Belgium, the "social purpose company" (*société à finalité sociale*, or SFS, in French; *vennootschap zonder winstoogmerk*, or VSO, in Dutch) legal framework, introduced in 1996, does not focus on the sole co-operative tradition, although it is often combined with the latter. More precisely, this framework is not, strictly speaking, a new legal form, as all types of business corporations can adopt the "social purpose company" label, provided they "are not dedicated to the enrichment of their members"⁸. This type of "legal brand" which crosses boundaries of legal forms, enabling various types of organizations (not only co-operatives and non-profit organizations, but also investor-owned organizations, for instance) is the approach adopted by the Italian law voted in 2005 on social enterprise (*impresa sociale*). Indeed the impressive development of social co-operatives⁹ has not prevented other types of Italian organizations from developing social entrepreneurial activities. According to this law, any enterprise can obtain the "legal brand" of social enterprise, provided that they comply with the non-distribution constraint and organize the representation of certain categories of stakeholders,

⁸ A book entitled « Développer l'entreprise sociale » (Defourny, 1994) seems to have first introduced the notion of social enterprise in French speaking regions. While it surveyed existing non-profit and cooperative initiatives focusing on work integration in Belgium, France and Italy, it also paved the way in Belgium for new forms of "integration enterprises" which have all adopted this new label of "social purpose company";

⁹ In 2005, there were more than 7,300 social co-operatives in Italy; they employed some 244,000 workers.

including workers and beneficiaries. This law on social enterprise identifies a wide range of activities defined as fields of "social utility": welfare services, work integration, environmental services, health, education...

In France, Belgium and Italy, these legal innovations have met, up to now, with little success. This may be explained by the fact that they involve a considerable number of requirements which add to those associated with traditional legal forms, without bringing a real value added for the concerned organizations. In France and in Belgium, unlike the concepts of social economy or solidarity-based economy, which have inspired coalitions of actors for the last twenty years, from both the world of associations and that of co-operatives, and which are increasingly characterised by a social entrepreneurial approach, the notion of social enterprise itself is far from having achieved general recognition in these two countries.

In 2002, there was a sudden acceleration of the debate regarding social enterprise in the United Kingdom. The UK government defined social enterprise, more than a decade after Italy gave the first impetus to the social enterprise concept, as "businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners" (DTI 2002). A Social Enterprise Unit was created in the Department of Trade and Industry¹⁰. Different tools have been implemented to foster their development such as training programs or support to umbrella structures. A new legal form, the "Community Interest Company" (CIC), was also approved by the British Parliament in 2004. The 1,000th community interest company was created less than two years after the implementation of this legal form.

Public schemes targeting work integration social enterprises: advantages and risks

Social enterprises may be active in a wide spectrum of activities, as the "social purpose" may refer to many different fields. However, in the 1990', one major type of social enterprise is clearly dominant across Europe, namely "work integration social enterprises" (WISEs). Precisely, the main objective of work integration social enterprises is to help low qualified unemployed people, who are at risk of permanent exclusion from the labour market. WISEs integrate these people into work and society through a productive activity (Nyssens, 2006).

In many countries, besides the creation of new legal forms or frameworks, the 1990s have seen the development of specific public programs targeting the field of work integration¹¹. This has even led to the concept of social enterprise being systematically associated with such employment creation initiatives. The Finnish Act on Social Enterprise passed in 2003 is emblematic of such a trend, as it reserves this term to the field of work integration. According to this Act, a social enterprise, whatever its legal status, is a market-oriented enterprise created for employing people with disabilities or long-term unemployed. In 2006, Poland also passed an Act on Social Co-operatives, specifically intended for the work integration of particular needy groups (such as ex-convicts, long-term unemployed, disabled persons and former alcohol or drug addicts). So it may be asserted more broadly that WISEs have increasingly represented a tool for implementing active labour market policies. In the Bismarckian countries more particularly, they have really become a "conveyor belt" of such policies

2.2. The EMES approach of social enterprise

¹⁰ In 2006, the Unit was transferred to the Cabinet office, where it is now linked with government responsibilities for the voluntary sector within the "Third Sector Office".

¹¹ Those public programs sometimes impose a specific legal form to be eligible. In other cases, they do not do so. Examples of public programs at the national level include those promoting integration enterprises (*empresas de inserção*) in Portugal, integration enterprises and intermediary associations (*entreprises d'insertion* and *associations intermédiaires*, respectively) in France, as well as the Social Economy Program in Ireland. In Germany, 'Employment enterprises' (*Beschäftigungsgesellschaften*) were founded through a partnership between municipalities, traditional non-profits, and local trade unions. At the regional level, there are public programs focusing on work-integration enterprises (*entreprises d'insertion*), on-the-job training enterprises (*entreprises de formation par le travail*) and social workshops (*sociale werkplaatsen*) in Belgium and on work-integration enterprises (*empresas de inserción*) in Spain

As soon as 1996, i.e. before most public policies just listed were launched, a major research program funded by the European Commission was undertaken by a group of scholars coming from all EU member states. Named the EMES European Research Network¹², that group first devoted itself to the definition of a set of criteria to identify organizations likely to be called "social enterprises" in each of the fifteen countries forming the EU by that time. Such a set of criteria was to be considered as a "working hypothesis", not necessarily encompassing the whole reality of social enterprises, but as it turned out, this initial set of indicators proved to be a fairly robust and reliable conceptual framework.

To its merits, the EMES approach derived from extensive dialogue among several disciplines (economics, sociology, political science and management) as well as among the various national traditions and sensitivities present in the European Union. Moreover, guided by a project that was both theoretical and empirical, it from the outset preferred the identification and clarification of indicators over a concise and elegant definition.

Most importantly, such indicators never represented the set of conditions that an organization should meet to qualify as a social enterprise. Rather than constituting prescriptive criteria, these indicators describe an "ideal-type" in Weber's terms, i.e. an abstract construction, that enable researchers to position themselves within the "galaxy" of social enterprises. In other words, they constitute a tool, somewhat analogous to a compass, which help the researchers locate the position of the observed entities relative to one another and eventually identify subsets of social enterprises they want to study more deeply.

Here, we just list those indicators, without the comments which were carefully phrased for each of them and to which we will refer when comparing the EMES approach to other definitions of social enterprise¹³.

Four criteria reflect the economic and entrepreneurial dimensions of social enterprises:

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

Five other indicators tend to encapsulate the social dimensions of such enterprises:

- *an explicit aim to benefit the community*
- *an initiative launched by a group of citizens*
- *a decision-making power not based on capital ownership*
- *a participatory nature, which involves various parties affected by the activity*
- *a limited profit distribution*

Although EMES always worked with such a list of indicators, we here put forward a way to really phrase a definition along the same lines: "Social enterprises are not-for-profit private organizations providing goods or services directly related to their explicit aim to benefit the community. They generally 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".

¹² The letters EMES were first standing for "*EMergence des Entreprises Sociales en Europe*" – i.e. the title in French of that vast research project carried out from 1996 through 2000. The acronym EMES was subsequently retained when the network decided to become a formal international association and went on to conduct other research projects on social enterprises and the third sector as a whole. Nowadays, the EMES European Research Network brings together ten university research centers and some individual researchers specialized in these fields throughout Europe.

¹³ Defourny (2001:16-18). This set of criteria had already been identified in interim reports to the European Commission (EMES European Research Network 1997 and 1998).

Of course, those economic and social indicators allow identifying brand new social enterprises, but they can also lead to designate as social enterprises older organizations being reshaped by new internal dynamics.

The same research also presented an initial attempt to outline a theory of social enterprise: an 'ideal-typical' social enterprise could be seen as a 'multiple-goal, multi-stakeholder and multiple-resource enterprise'. However, these theorised features remained untested and paved the way for further research. It is why EMES undertook another major research program in 2001 to explore more deeply such hypotheses through a comparative analysis of social enterprises in Europe¹⁴.

Although, social enterprises are active in a wide variety of fields, including personal social services, urban regeneration, environmental services, and the provision of other public goods or services, researchers decided to focus on work integration social enterprises (WISEs) to allow for meaningful international comparisons and statistical analysis. On such a basis, they made an inventory of the different existing types of social enterprises in the field of on-the-job training and work integration of low-qualified persons. They so were able to highlight 39 categories or models of WISE in the twelve countries surveyed.¹⁵ They tested empirically various theoretical hypotheses which had been put forward¹⁶.

2.3. The US conceptual debate

Let us now turn back again to the US scene where a review of literature and official documents suggests that the use as such of the concepts of social entrepreneur, social entrepreneurship and social enterprise has really emerged around the years 1993-1995¹⁷. Among prominent expressions of this in 1993 were the launching of a "Social Enterprise Initiative" by the Harvard Business School and the renaming of the Alpha Center set up earlier by a group of business executives as the "Alpha Centre for Social Entrepreneurs". In a similar vein, various existing organizations such as Echoing Green and Ashoka began to adopt officially the term "social entrepreneurs" while new funds dedicated to the latter were also set up, as for instance by Youth Service America in 1994.

While the 1990's witnessed some convergence towards those three terminological flags, the diversity of approaches and definitions remained and even increased. There were a few attempts to map initiatives and definitions¹⁸, but it seems that a longer perspective was needed to better identify major streams as did Dees and Anderson (2006) already quoted.

The "Earned Income" school of thought

Within the first stream those authors highlight, the bulk of publications was mainly based on nonprofits' interest to become more commercial and could be described as "prescriptive" as it focused on strategies for starting a business that would earn income for a nonprofit organization (Massarsky, 2006). Such a trend was strengthened by the blooming of institutions, initiatives and consulting practices to support this new "industry" along the 1990's. Moreover, the National Gathering of Social Entrepreneurs promoted by a few thought leaders in 1998 greatly helped this emerging community of practitioners and consultants to reach a critical mass.

¹⁴ Named PERSE, this project focused on the « Performance of Social Enterprises » in the field of work integration. Funded by the 5th Framework Programme of the European Commission (DG Research), it was carried out in twelve EU countries from 2001 through 2004

¹⁵ The country studies were published in the EMES *Working Papers Series* (www.emes.net). For a synthesis, see Spear and Bidet (2003) and Davister, Defourny and Grégoire (2004).

¹⁶ Nyssens (2006)

¹⁷ In 1991, Waddock & Post had already published a short paper on "social entrepreneurs and catalytic change"

¹⁸ Boschee (1995) and Waddock & Post (1995)

A few years later, the National Gathering, as a central player in the field, became the Social Enterprise Alliance which defined social enterprise as “any earned-income business or strategy undertaken by a nonprofit to generate revenue in support of its charitable mission”¹⁹. The term “social enterprise” was also adopted with the same orientation by various other organizations although some of them extended the “social-purpose venture” perspective to a wider set of organizations, including for-profit companies²⁰. Such a broader and market oriented conception of social enterprise even crossed the ocean when the United Kingdom Department of Industry and Trade created a “Social Enterprise Unit” to promote social enterprise across the country. Indeed, as mentioned earlier, the British model stresses the business character of social enterprise: although no reference is made to the percentage of market resources in the definition or in the CIC law, it is widely accepted that a significant part (usually 50% or more) of the total income must be market-based for the enterprise to qualify as “social enterprise”. Alter (2002) and Nicholls (2006) go even further along the same line when reserving the term social enterprise to fully self-funded organizations, as do Haugh and Tracy (2004) when they define social enterprise as “a business that trade for a social purpose”²¹

Those developments suggest that the first stream of thought and practice already identified in the 1980’s has continued to grow until these days in the Anglo-Saxon world, either focusing on the non-profit sector or through an approach embracing a broader of set of initiatives. Because of such a wide use of the term “social enterprise” and just “following a convention which has emerged in practice here”, Dees and Anderson (2006, p.41) reluctantly proposed to call that first and still dominating stream outside academia, the “social enterprise school of thought”. On our side however, we rather choose to follow their own comments stressing that they prefer using the term “social enterprise” more broadly to refer to significant social-purpose undertakings. In such a perspective, we would rather name that stream the “Earned Income” school of thought in which we make a distinction between its earlier version focusing on nonprofits, that we call the “*commercial non-profit approach*” on the one hand, and its broader version embracing all forms of business initiatives that we name the “*social-purpose business approach*” on the other..

It should also be noted that some authors such as Emerson and Twersky (1996) early provided analysis shifting from a sole market orientation to a broader vision of business methods as a path to more effective, not just better-funded, social sector organizations. In doing so, they already paved the way for later works of the years 2000’s which would increasingly stress a “double bottom line” vision as well as the creation of a “blended value” in a effort to really balance and better integrate economic and social purposes and strategies (Emerson, 2006). In a way, such recent works contribute to reduce the gap which exists since the 1980’s between the “earned income” school of thought (and its two approaches) and the second school of thought we will just deal with. Such a divide however seems to remain between actual field practices on the one hand and writers from universities, foundations or major consultancy organizations on the other hand.

The “Social Innovation” school of thought

It is precisely those authors who, along with organizations like Ashoka, really fed a second major stream that Anderson and Dees (2006) name the “Social Innovation” school of thought. Indeed, the emphasis here is on social entrepreneurs in a Schumpeterian perspective adopted earlier by Young (see above). Social entrepreneurs are defined as change makers as they carry out “new combinations” in at least one the following ways: new services, new quality of services, new methods of production, new production factors, new forms of organizations or new markets. Social entrepreneurship can therefore be more about outcomes and social impact than about incomes. Several authors like Cohen (1995), Leadbeather (1997), Dees (1998), Alvord et al. (2003), Bornstein (2004) and Kramer (2005), among others, have contributed to such a deeper view of social entrepreneurship, the three last publications stressing especially the systemic nature of innovation brought about and its impact at a broad societal level. Various

¹⁹ Social Enterprise Alliance (website) This vision is also found for example in the various programs of the NESsT (Nonprofit Enterprise and Self-sustainability Team)

²⁰ For instance the Hass School of Business at UC-Berkeley. See also Boschee (1995) and Austin (2000), the latter stressing particularly partnerships between nonprofits and for-profit companies.

²¹ As quoted by Mair & Marti (2006).

foundations involved in “venture philanthropy”, with the Schwab Foundation and the Skoll Foundation among the first, have embraced the idea that social innovation is central to social entrepreneurship. Along with academic works mainly based on case studies and business schools, celebrations of outstanding social entrepreneurs as modern times’ heroes are typical tools providing support and visibility to that school.

Within the “social innovation” school of thought, Dees (1998) has proposed the most widely referred definition of social entrepreneurs. He sees the latter as “change agents in the social sector by adopting a mission to create and sustain social value, recognizing and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptation and learning, acting boldly without being limited by resources currently in hand, and finally exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created”.

Although many initiatives of social entrepreneurs result in the setting up of non-profit organizations, most recent works of this school tend to underline blurred frontiers and opportunities for entrepreneurial social innovation within the private for-profit sector²² and the public sphere as well. By the way, the concept of social entrepreneurship is increasingly described as a very wide spectrum and often appears as the broadest of the three conceptual “SE flags”.

3. Convergences and divergences between European and US debates

Knowing that these last years have witnessed a growing mutual influence between both sides of the Atlantic, probably stronger from the US upon Europe than the reverse, our aim here is not at all to oppose them. Instead we want to point out their convergences as well their divergences to better understand how the European and US landscapes of social enterprise are evolving and what kinds of contextual features may still explain differences.

3.1. The social mission

On both sides of the Atlantic, the explicit aim to benefit community or the creation of « social value », rather than distribution of profit, is the core mission of social entrepreneurship and social enterprises.

This is the first EMES social criterion as according to this conception, , the social impact on the community is not just a consequence or a side-effect of economic activity but it is the key motive of the latter. This central place of the social mission is also clearly reflected by the different legislations related to social enterprises. When a legal form or a public scheme in Europe defines a social enterprise, it requires the organisation to be driven by its social goals. For example, the UK CIC is dedicated to its expressed community purposes, the Belgian “social purpose company” is not dedicated to “the enrichment of their members”, the social finality being defined in the statutes of the company. Italian “social cooperatives” are driven by “the general interest of the community for the human promotion and the social integration of the citizens”. The objective of the Portuguese “social solidarity co-operative” is to deliver services which foster the integration of vulnerable groups.

In the United States, the social mission is at the core of social enterprises and social entrepreneurship as well. Within the “earned income” school of thought, this is obvious for organisations targeted by the « commercial non-profit approach », as they allocate any profit to the fulfillment of a social mission. As for the “social innovation school”, social entrepreneurship dynamics are embedded in firms which may be either non-profit or for-profit but the innovation process is primarily oriented to a social or societal change.

However, in the current of the 90’s, various activities undertaken by for-profit firms to assert their corporate social responsibility began to be considered, by some authors, as part of the

²² See Mair & Marti (2006) among others.

spectrum of social entrepreneurship (Boschee, 1995 and Austin, 2000). In this perspective, it becomes more difficult to assess the real weight of social concerns in the mission of the enterprise. Any social value-generating activity could be considered in a wide spectrum of social entrepreneurship even if this activity remains marginal in the firm's overall strategy²³

3.2. The production of goods and services and their relation to the social mission

In a rather classical way, most European and US approaches use the term (social) enterprise to refer to the production of goods and/or services. Accordingly, social enterprises, unlike some non-profit organizations, are normally neither engaged in advocacy, at least not as a major goal, nor in the redistribution of financial flows (as, for example, grant-giving foundations) as their major activity; instead they are directly involved in the production of goods or the provision of services on a continuous basis²⁴.

However, differences appear regarding to the nature of this production activity. When speaking of social enterprise in Europe, it appears that the production of goods and/or services does itself constitute the way the social mission is pursued. In other words, the nature of the economic activity is closely connected to the social mission: the production process involves low-qualified people if the goal is to create jobs for that target group; if the social enterprise's mission is to develop social services, the economic activity actually is the delivery of such social services, and so on. This type of approach is also found in the US social innovation school where innovative strategies to tackle social needs are implemented through the provision of goods or services. Although the innovating behaviour may only refer to the production process or to the way goods or services are delivered, it always remains linked to the latter, the provision of such goods or services therefore representing the reason, or one of the main reasons, for the existence of the social enterprise.

By contrast, for the US « commercial non-profit approach », the trading activity is often simply considered as a source of income, and the nature of the traded goods or services does not really matter as such. So, in this perspective social enterprises can develop business activities which are only related to the social mission through the financial resources they help to secure.

3.3. Economic risks

Social enterprises are generally viewed as organizations characterized by a significant level of economic risk

According to the EMES criteria, such an economic risk means that the financial viability of social enterprises depends on the efforts of their members to secure adequate resources for supporting the enterprise's social mission. These resources can have a hybrid character and may come from trading activities, from public subsidies or from voluntary resources. Although the public opinion tends to associate the concept of economic risk to market orientation, rigorous definitions, including for instance in EU legislation, see an enterprise as a organization or an undertaking not necessarily seeking market resources, although often bearing some risk.

This conception appears to be shared to a large extent by the "social innovation" school of thought. Indeed, according to Dees (1998), the centrality of the social mission implies a very specific mix of human and financial resource and social entrepreneurs explore all types of resources from donations to commercial revenues. To bear economic risks does not necessarily mean that economic sustainability must be achieved only through a trading activity; it rather refers to the fact that those who establish the enterprise assume the risk of the initiative.

By contrast, for the US "commercial non-profit approach" and "social-purpose business approach" (both forming together the first "earned income" US school of thought), to be a social

²³ A large part of the « Cross-sector collaboration continuum » proposed by Austin (2000) for analysing partnering relations between corporations and non-profits may fall in this category. More precisely, traditional donations (representing the « philanthropic stage » of relations) as well as collaborations described as the « transactional stage » such as event sponsorships, cause-related marketing activities or employee volunteer activities do not, in our view, transform corporations into social enterprises.

²⁴ We are aware of the possibility to argue that advocating nonprofits may also be described to a certain extent as service providers.

enterprise means relying more on market resources. Here, the economic risk tends to be correlated with the amount or the proportion of income generated through trade. This vision is shared by some European policies, which tend to require a market orientation from social enterprises. In the United Kingdom, social enterprises are seen as first and foremost as businesses (see above). The Finish Act on social enterprise and the social economy program in Ireland describes social enterprises as market-oriented enterprises. In other cases like in Italy, a great deal of social cooperatives is financed through contracts which are passed with the public authorities in a more or less competitive market.

The divergence between the "social innovation" school and the "earned income" school as to economic risk should not however be overstated. Viewing social entrepreneurship as a social-purpose business is increasingly common among business schools and foundations which foster more broadly business methods, not just earned income strategies, for achieving social impacts. In this last perspective, we are coming back to the recent efforts made by Dees and Anderson (2006) and Emerson (2006) to stress converging trends between both major US streams, at least in parts of the academic debate.

3.4. The structure of governance

As we have seen, social enterprises are, across Europe, mainly, embedded in the third sector tradition, more precisely in its associative and/or in its cooperative component. At first sight, the same could be said about US social enterprises emerging within the non-profit sector. In the latter case however, we know the main driven force was and often still is the search for market incomes, while the bulk of the European third sector tradition has always been associated with a quest for more democracy in the economy. As a result the governance structure of social enterprise has attract much more attention in Europe than in the United States, as shown by the EMES approach as well as by various public policies, across Europe, promoting social enterprises.

First, social enterprises are characterized by a high degree of autonomy. According to EMES, they most often are voluntarily created by a group of people and are governed by them in the framework of an autonomous project. Accordingly, they may receive public or private support but they are not managed, directly or indirectly, by public authorities or by a for-profit firm and they have both the right of "voice and exit" (the right to take up their own position as well as to terminate their activity)²⁵. This condition of autonomy clearly diverges with the conception of the "Social Enterprise Knowledge Network" where a short-term project with a social value undertaken by for-profit enterprises or public bodies can be considered as social enterprise. For this network formed by leading Latin-American business schools and the Harvard Business School, a social enterprise encompasses "any kind of organization or undertaking engaged in activities of significant social value, or in the production of goods and services with an embedded social purpose, regardless of legal form" (Austin et al., 2004: xxv).

Second, the ideal-type EMES social enterprise is based on a collective dynamics and the involvement of different stakeholders in the governance of the organization. The various categories of stakeholders may include beneficiaries, employees, volunteers, public authorities, and donors among others They can be involved in the membership or in the board of the social enterprise thereby creating a "multiple stakeholder ownership" (Bacchiaga and Borzaga, 2003). Such a multi-stakeholder ownership is even recognized or required by national level legislations (in Italy, Portugal, Greece and France)²⁶. Stakeholders can also participate through less formal

²⁵ See Defourny (2001, 16-18) for all comments of the EMES criteria.

²⁶ In the Italian social cooperatives, workers are members of the cooperative and disadvantaged workers should be members of the cooperative of type B if this is compatible with their situation. The statutes may also foresee the presence of volunteers in the membership. In the Portuguese "social solidarity co-operative", users and workers must be effective members. In the French legal form of "collective interest co-operative society", at least 3 types of stakeholders must be represented: workers, users and at least a third category, defined according to the project carried out by the cooperative. As to Greek social co-operatives, they are based on a partnership between individuals of the "target group", psychiatric hospital workers and

channels than membership as representation and participation of users as well as democratic management. In many cases indeed, one of the aims of social enterprises is to foster democracy at local level through economic activity. To that extent, this approach to social enterprise remains clearly in line with and rooted in the third sector literature, especially that part of it focusing on community development.

This insistence on collective dynamics contrasts with the emphasis put on the individual profile of social entrepreneurs and their central role. The EMES approach does not exclude, of course, emerging social enterprises in which a charismatic leader or a dynamic entrepreneur plays a key role in the enterprise, but such persons are generally viewed as supported by a group whose members are collectively responsible for the public benefit mission of the social enterprise²⁷.

Third, among EMES criteria, the decision-making power is not based on capital ownership, again reflecting the quest for more economic democracy in the line of the cooperative tradition. This generally means the principle of "one member, one vote" or at least a voting power not distributed according to capital shares on the governing body which has the ultimate decision-making rights. Once more such rules are reflected in different national legal frameworks designed for social enterprises, the majority of them requiring the rule one member – one vote²⁸. They actually limit the power of capital as do provisions prohibiting or limiting the distribution of profits. According to EMES criteria, social enterprises not only include organizations that are characterized by a total non-distribution constraint, but also organizations which may distribute profits to a limited extent, thus avoiding a profit-maximizing behavior as required by legal forms²⁹.

As Young and Salamon state: 'In Europe, the notion of social enterprise focuses more heavily on the way an organisation is governed and what its purpose is rather than on whether it strictly adheres to the non-distribution constraint of a formal non-profit organisation' (2002: 433). As a matter of fact, although the EMES approach of social enterprise also includes this feature by its 'limited profit distribution' criterion, it goes further than that, by incorporating other aspects which are central to characterising social enterprise's governance structure and guarantee its social mission.

In the last three or four years however, a relatively new discourse crossing the ocean and the Channel has appeared on the continental European scene, spreading mainly through business schools. It seems to emphasize social entrepreneurship more than social enterprise, as a sub-field to be studied and taught within the growing field of entrepreneurship or as a potentially distinct field³⁰. Adopting a broad view, it does not underline any organizational features to guarantee the primacy of the social mission, the type of governance structure not being an issue any more.

institutions from the community. These different stakeholders have to be represented in the board of the organization.

²⁷ It is interesting to learn from Nicholls (2006) that Banks (1972) first coined the term « social entrepreneur » while referring to management approaches inspired by values such as those promoted by Robert Owen, a major utopian widely considered as a father of ...the cooperative movement.

²⁸ It is the case for the Italian "social cooperatives", the Portuguese "social solidarity co-operative", the Spanish "social initiative cooperative" and the French "collective interest co-operative society". For the Belgian "social purpose company", no single person can have more than 1/10th of the total number of votes linked to shares being represented. The Belgian social purpose company also provides for procedures allowing each employee to participate in the enterprise's governance through the ownership of capital shares.

²⁹ In Portuguese "social solidarity co-operative" and the Spanish "social initiative cooperative", any distribution of profit is forbidden while distribution of profit is limited by strong rules in the Italian "social cooperatives" and Belgian "social purpose company". As to the British "community interest company", it includes an asset lock to ensure that the new entity is dedicated to its expressed community purposes.

³⁰ Scholars are increasingly exploring strategies to foster social entrepreneurship as a field of its own. (Dees, 2007)

3.5. Which channels for the diffusion of social innovation?

In the European context, the process of institutionalization of the social enterprises has often been closely linked to the evolution of public policies. As we have seen, social enterprises were pioneers in promoting the integration of excluded persons through a productive activity and a historical perspective shows that they have contributed to the development of new public schemes and legal frameworks. Such public policies however have not been designed and implemented without raising important questions and strong debates. More precisely, the nature of social enterprise' mission appears as to be a contested issue between promoters of social enterprises and public bodies. Public schemes often frame their objectives in a way considered as too narrow by some promoters, with a risk of reducing social enterprises to instruments to achieve specific goals which are given priority on the political agenda. On the other side, it is clear that recognition through public policies has been and still is a key channel for the diffusion various models of social enterprise throughout Europe.

In other contexts such as the United States, the scaling up of social innovation has also been a concern from the outset, especially for the "social innovation" school of thought historically led by Ashoka. Typically however, social innovation is expected to expand through the growth of the enterprise itself (for instance the Grameen Bank before it inspired other microfinance initiatives) and/or with the support of foundations bringing a leverage effect to the initiative through increased financial means and professional skills as well as through celebration and demonstration strategies. Such trajectories are not without risks, as a strong reliance on private actors may involve some perverse effects. The main ones could result from a kind of implicitly shared confidence in market forces to solve an increasing part of social issues in modern societies. Even if various scholars stress the need to mobilize various types of resources, it is not impossible that the current wave of social entrepreneurship may act as a priority-setting process and a selection process of social challenges deserving to be addressed because of their potential in terms of earned income. This probably explains to a large extent why large segments of the non-profit sector in the US as well as the community and voluntary sector in the UK express major fears of excessive confidence in market-oriented social enterprises from both private organizations (foundations and major corporations within CSR strategies) or public policies seeking to combat social problems while reducing allocated budgets.

Conclusions

Aside from clear divergences on some important points, our analysis allowed us to identify strong converging features, especially between the EMES approach and European traditions on the one hand and the US social innovation school of thought on the other hand. We have also noted some recent efforts in the US academic debate to go beyond the strong divergences which characterized the two major US streams or schools of thought we followed in our EU-US comparative perspective.

On such a basis, a way to synthesize our analysis might be to use the latter in an attempt to reduce confusion which still seems to prevail around those "three flags" which have been hoisted up in the last twelve or fifteen years : the notions of social entrepreneur, social entrepreneurship and social enterprise.

Beyond a great diversity of national or regional contexts, it seems there is a growing agreement to see the concept of social entrepreneurship as the broader, and probably the vaguer. Indeed, social entrepreneurship may be viewed as a wide spectrum of initiatives or practices even if there might be strong controversies as to what kinds of organizations and practices might constitute the extreme points of such a spectrum³¹. As to social entrepreneurs, their profile has been particularly highlighted in the US and European traditions have never denied the central importance of leadership even if they have more emphasized collective dynamics as the

³¹ The possibility of representing such a spectrum along a single dimension (for instance the level of self-financing, as by Nicholls, 2006) is another question.. For sure it is possible to argue that a few key dimensions, not just a single one, should be taken into account.

background of social innovation. Indeed, many socio-economic innovations may be traced back to the initiative of a key person or a small group of persons who brought about “new combinations “in a Schumpeterian perspective³². As to the methods adopted by such leading persons, it is not difficult to acknowledge the fact that a move towards professionalization and the use of (some) business methods have become more common, even among a large number of traditional non-profit or voluntary organizations.

When it comes to the notion of social enterprise, it is more difficult to stress convergences as we observe a growing tendency in the US to qualify as “social enterprises” those initiatives which tend to be fully self-financed, regardless of any other defining features than a vaguely alleged social mission. Even if it is easy to point out a trend which also pushes European social enterprises to consider the potential of market income, what is really at stake here is the way the primacy of a social mission can be preserved.

In Europe, specific governance structures are put forward with a twofold objective. First a democratic control or a participatory involvement of stakeholders reflects the quest for more economic democracy in the line of the cooperative tradition. It therefore comes in addition to constraints as to distribution of profits in order to protect and strengthen the primacy of the social mission which is at the very heart of the organization. Second, those two combined guarantees (often involving a strict non distribution constraint) often act as a signal allowing public authorities to support social enterprises in various ways (legal frameworks, public subsidies, fiscal exemptions, etc.). Otherwise, the risk is greater that public subsidies just induce more profits to be distributed among owners or managers. In turn, such public support often allow social enterprises to avoid purely market oriented strategies which in many cases would lead them away from those who cannot afford market prices and nevertheless constitute the target group referred to by the social mission. Public policies are also supposed to avoid the most needy to depend primarily on private philanthropy. In this overall perspective, our view is that a well balanced conception of social enterprise is not only meaningful in the academic debate, it is also needed to avoid temptations to simplify social challenges which must be addressed in a multi-dimensional way.

Last but not least, the historical perspective we have adopted suggests distinctive features of social enterprise are deeply rooted in the social, economic, political and cultural contexts in which they emerge. This has at least two major implications. First, contrasting with the analysis of market forces or stock exchange movements whose major principles increasingly become universal, the understanding of social entrepreneurship and social enterprises requires a humble approach of those local or national specificities which shape them in various ways. This, by the way, is also true for the whole third sector to which the bulk of social enterprises belong in spite of the current diversification of their forms. Second, it is clear that supporting the development of social enterprise cannot be done just through exporting US or European approaches³³. Without being embedded in local contexts, social enterprises will just be replications of formula that will last as long as they are fashionable.

³² It is quite easy to find clear parallels between Dees' definition of social entrepreneurs (1998) and the way the EMES Network introduces its approach through an adaptation of Schumpeter's « new combinations » to the field of social enterprise (Defourny, 2001, 11-14)

³³ For instance, when collaborating with the UNDP to analyze the potential for promoting social enterprise in Central and Eastern European countries and in the Community of Independent States, the EMES Network decided to radically simplify its approach based on Western European experiences (EMES – UNDP, 2008)

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