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**The EMES “ideal-type” social enterprise as a compass**

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As soon as 1996, 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 Network,<sup>1</sup> that group first devoted itself to the definition of a set of indicators to identify organizations likely to be called "social enterprises" in each of the fifteen countries forming the EU by that time. Although such a set of criteria was to be considered as a "working hypothesis", this initial set of indicators proved to be a fairly robust and reliable conceptual framework (Borzaga and Defourny, 2001)

These indicators have for long been presented in two subsets: a list of four economic indicators and a list of five social indicators (Defourny 2001: 16-18). In a comparative perspective with other schools of thought, however, it appeared more appropriate to present these nine indicators in three subsets rather than two, which allows highlighting particular forms of governance specific to the EMES approach (Defourny and Nyssens 2011, 2012)<sup>2</sup>. Thus, in a slightly reshaped EMES approach, the three sets of indicators are as follows:

**Economic and entrepreneurial dimensions of social enterprise**

- a) A continuous activity producing goods and/or selling services
- b) A significant level of economic risk
- c) A minimum amount of paid work

**Social dimensions of social enterprise**

- d) An explicit aim to benefit the community
- e) An initiative launched by a group of citizens or civil society organisation

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<sup>1</sup> The letters EMES stood for "*EM*ergence des *Enterprises Sociales en Europe*" – i.e. the title in French of the vast research project carried out from 1996 through 2000 by the network. 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, more broadly, on the third sector as a whole. Nowadays, the EMES Network brings together 13 research university research centres and since 2013, his membership is open to researchers from all over the world.

<sup>2</sup> Such a presentation of the EMES approach based on three sets of three indicators is also available in Spanish, Japanese and Chinese in the EMES Working paper Series: [www.emes.net](http://www.emes.net)

f) A limited profit distribution

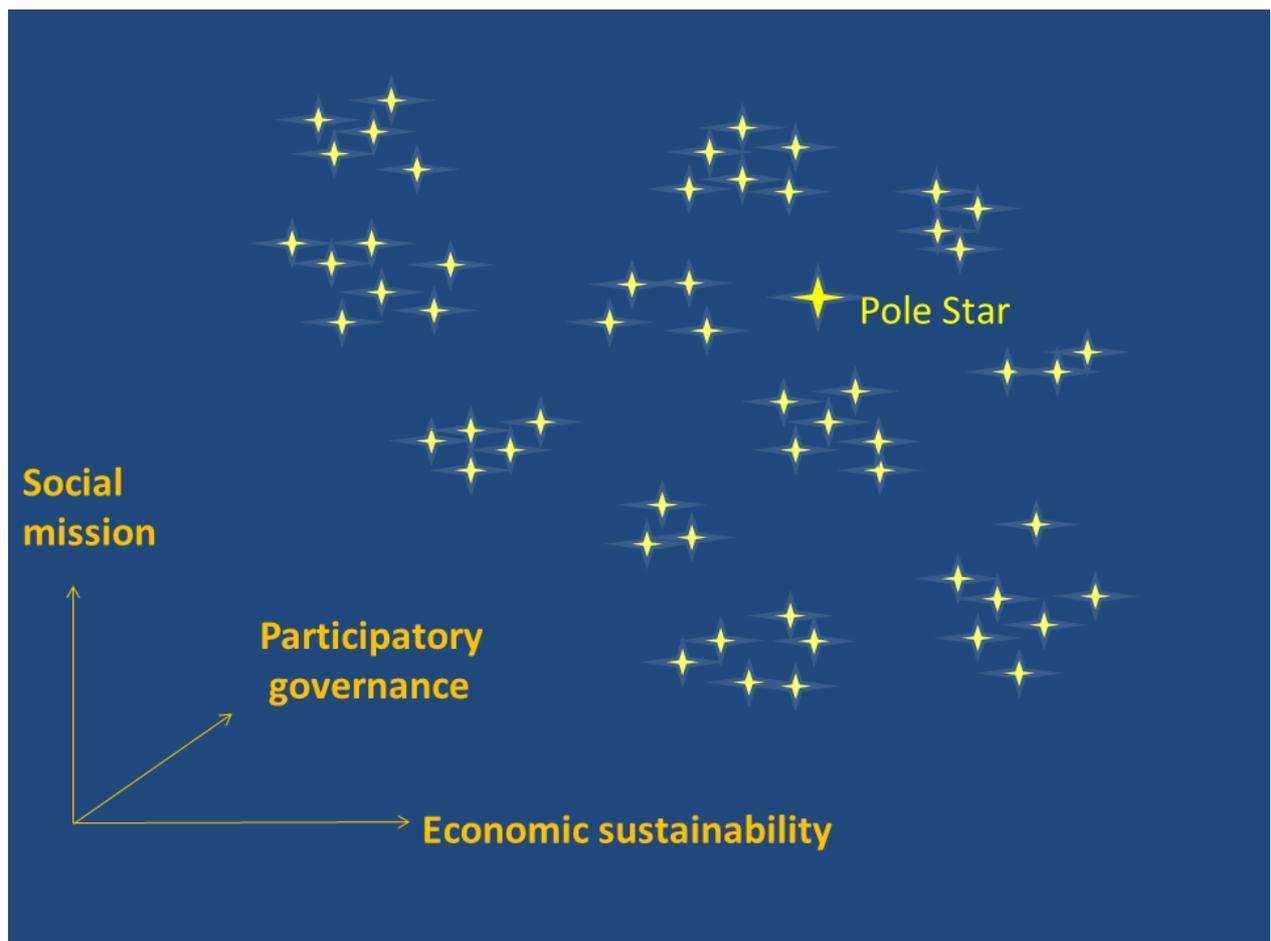
### **Participatory governance of social enterprise**

g) A high degree of autonomy

h) A decision-making power not based on capital ownership

i) A participatory nature, which involves various parties affected by the activity

Most importantly, such indicators were never intended to represent the set of conditions that an organization should meet to qualify as a social enterprise<sup>3</sup>. Rather than constituting prescriptive criteria, they describe an "ideal-type" in Weber's terms, i.e. an abstract construction that enables researchers to position themselves within the "galaxy" of social enterprises. In other words, they constitute a tool, somewhat analogous to a compass pointing out the Pole Star, which helps 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 (see figure hereafter). However, the compass by no way suggests that walking North-East or North-West is better or worse than trying to go straight to the North.



<sup>3</sup> In the first EMES book, it was clearly stressed that social enterprises were appearing in each country as a wide spectrum of organizations for which the fulfilment of those criteria varied greatly (Defourny, 2001).

## References:

- Borzaga, C. & Defourny, J. (eds) (2001) *The Emergence of Social Enterprise*, London and New York: Routledge (paperback edition: 2004).
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- Defourny, J. and Nyssens, M., (2011) Approches européenne et américaine de l'entreprise sociale: une perspective comparative. *Revue internationale de l'économie sociale – RECMA*, 319, pp.18-36.
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