

International Social Innovation Research Conference
(ISIRC, Univ. of York, Sept. 2015)

Social Enterprise Models in a Worldwide Comparative Perspective

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based on J. Defourny and M. Nyssens
(ICEM Working Paper, 2015, forthcoming)



Contents

- I. The ICSEM Project
- II. Relying on existing SE classifications
- III. Finding « Logics of Action »
- IV. Logics of Action generating Social Enterprise Models
- V. Analysing SE Models through EMES Lenses

I. The International Comparative Social Enterprise Models (ICSEM) Project

- Kick-off meeting in Liege (July 2013)
- About **50 countries** covered
- More than **200 researchers** involved in preparation of country-contributions
- **Regional and Global Meetings**
- **ICSEM Local Talks**

ICSEM 1st phase (2013-2015)

Contributions from every country:

- A. Understanding concepts and contexts
- B. Typology of social enterprise models
- C. Institutional trajectories of SE models

20 ICSEM Working Papers already available

30 more coming soon

Yonsei Univ., Wonju, SK, July 2014



Seoul, South Korea, July 2014



La Roche – en – Ardenne, Belgium, October 2014



Santiago de Chile, May 2015



Helsinki, Finland, July 2015



Lugano, Switzerland, May 2015



Rishon Le'Zion, Israel, June 2015



ICSEM 2d phase (2015-2017)

- A. **Comparative analysis** of SE models and institutional trajectories

- B. Survey being carried out with a common questionnaire to build an **international database**

- C. Statistical analysis

II. Existing SE Classifications

1. Alter (2007) analyses the level of integration of SE's business activities in social programs: mission-centric, related, unrelated.
2. Kerlin (2009, 2012) identifies various **macro (country-level) institutional frameworks**
3. Defourny and Nyssens (2010) identified **3 SE schools of thought**:
 - A. Earned Income school** involving
 - the Commercial Nonprofit Approach (Trading NPO)
 - the Mission-driven Business Approach (Social Business)
 - B. Social Innovation school** (ex. Ashoka social entrepreneurs)
 - C. EMES approach** allowing for a wide diversity of SE models

4. Spear et al. (2009): classification of SE based on their origins

A. Trading charities

B. Public sector spin-offs

C. New-start social enterprises

D. Mutuals

5. Teasdale (2012): classification of SE according to discourses

A. Earned income

B. Delivering Public Services

C. Social business

D. Community Enterprise

F. Co-operatives

6. Gordon (ICSEM Working Paper, 2015) identifies various « traditions » representing distinct purposes and values

A. Altruistic purpose : Charity and philanthropy

B. Public statist purpose: Public social enterprise

C. Private market purpose: Business and enterprise

D. Community purpose : Community and voluntary association


E. Mutual purpose : Co-operation and mutuality

F. Ethical purpose : Alterity and radicalism

II. Finding "logics of action" (1)

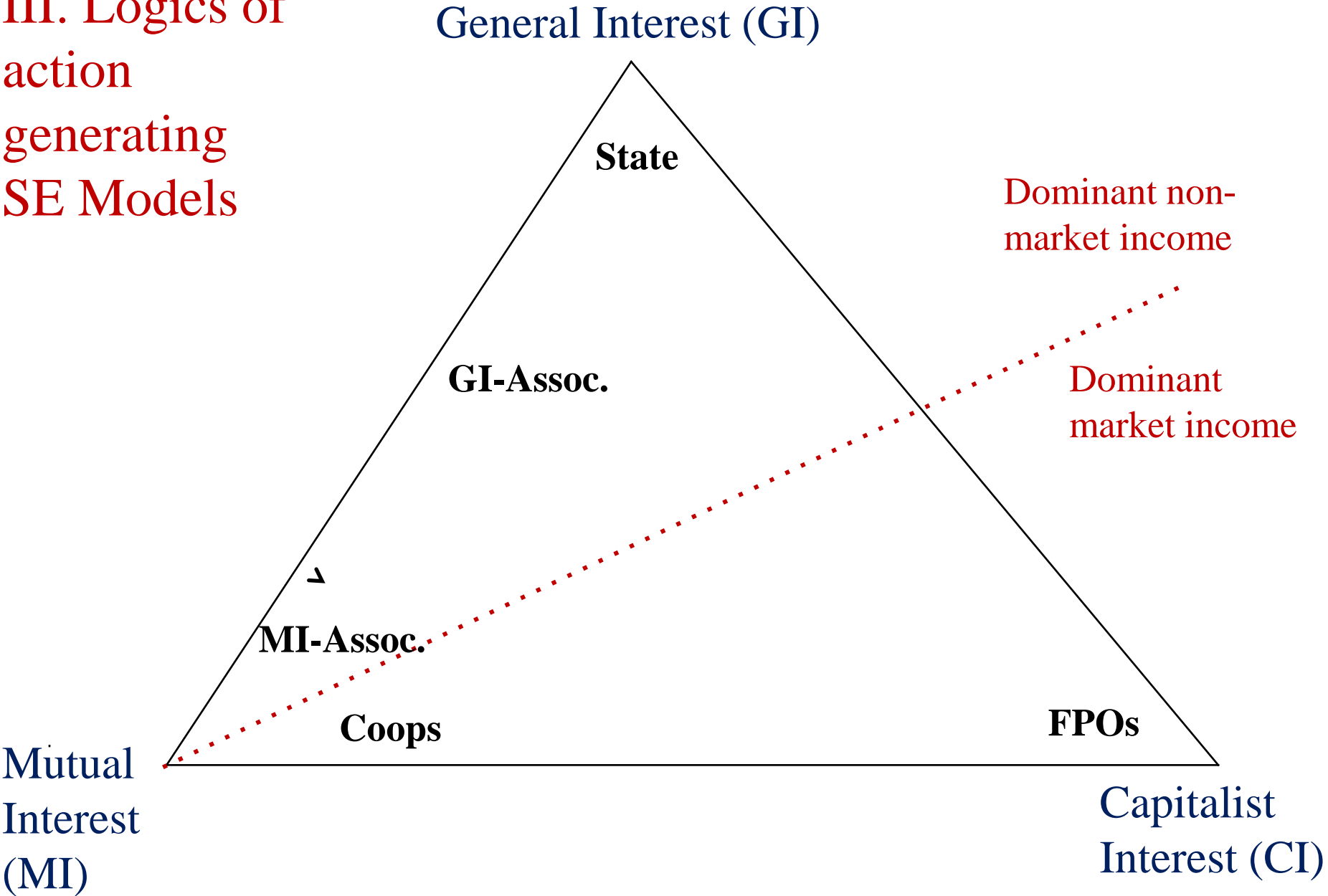
- « Public sector spin-offs » (Spear et al.)
- « Delivering public services » (Teasdale)
- « Public statist purpose » (Gordon)
 - ➔ **General interest pursued by the State and by state-controlled organisations**
- « Trading charities » (Spear et al.)
- « Delivering public services » (Teasdale)
- « Altruistic purpose » (Gordon)
 - ➔ **General interest (at all levels) pursued by NPOs**

II. Finding "logics of action" (2)

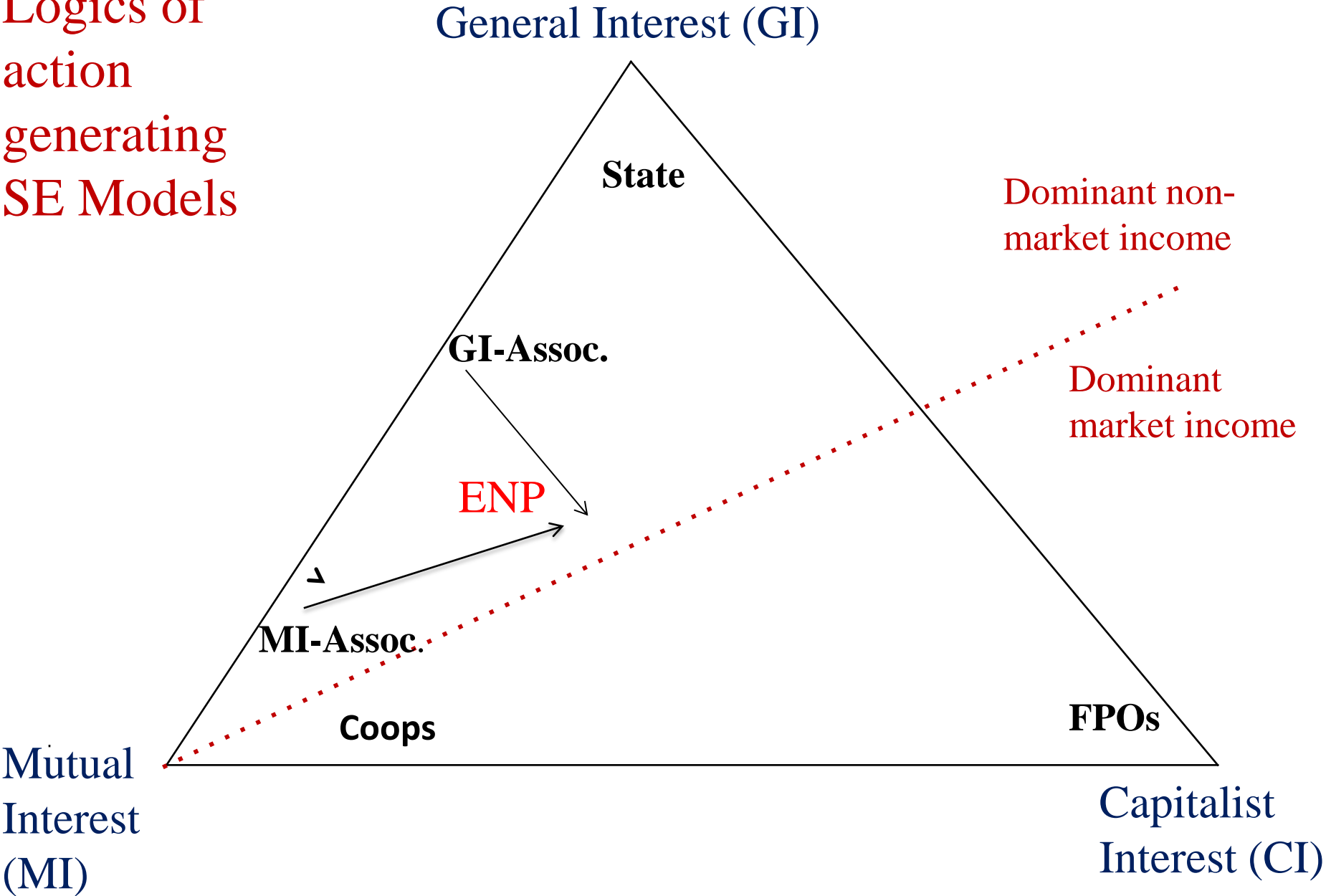
- « Mutuals » (Spear et al.)
 - « Cooperatives » (Teasdale)
 - « Mutual purpose » (Gordon)
-  **Mutual interest pursued by member-based not-for-profit enterprises**

**General Interest (GI) and Mutual Interest (MI)
as two « logics of action » quite distinct from
shareholders' « Capitalist Interest » (CI)**

III. Logics of action generating SE Models



Logics of
action
generating
SE Models

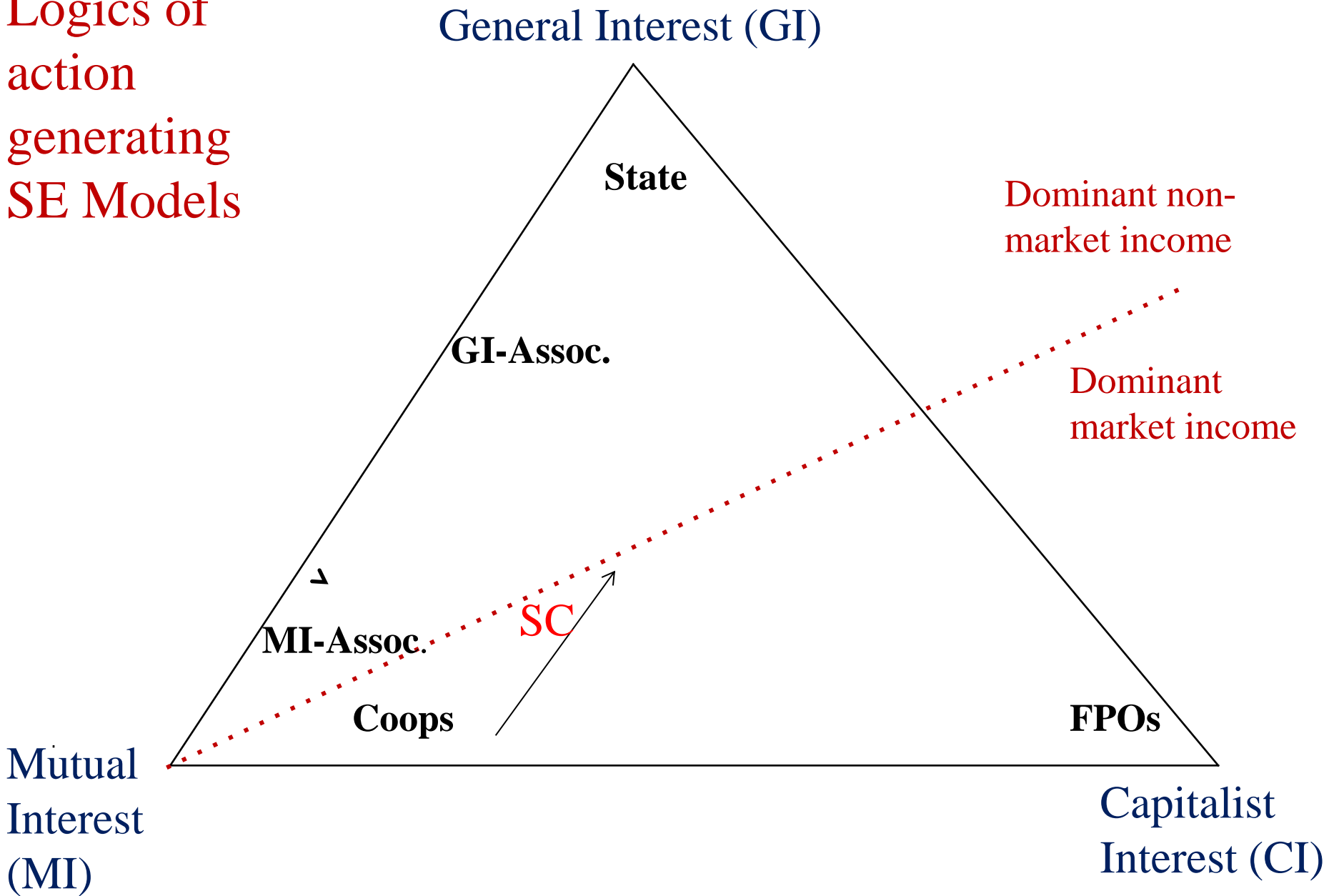


Model 1: Entrepreneurial NPO

NPO developing any earned-income business or/and other entrepreneurial strategies in support of its social mission

- NPO with a mission-unrelated trading activity (trading charities : a shop whose surplus finances the social service...)
- NPO's subsidiary with a trading activity
- NPO with mission-centric economic activities developing entrepreneurial strategies (WISE...)

Logics of
action
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SE Models

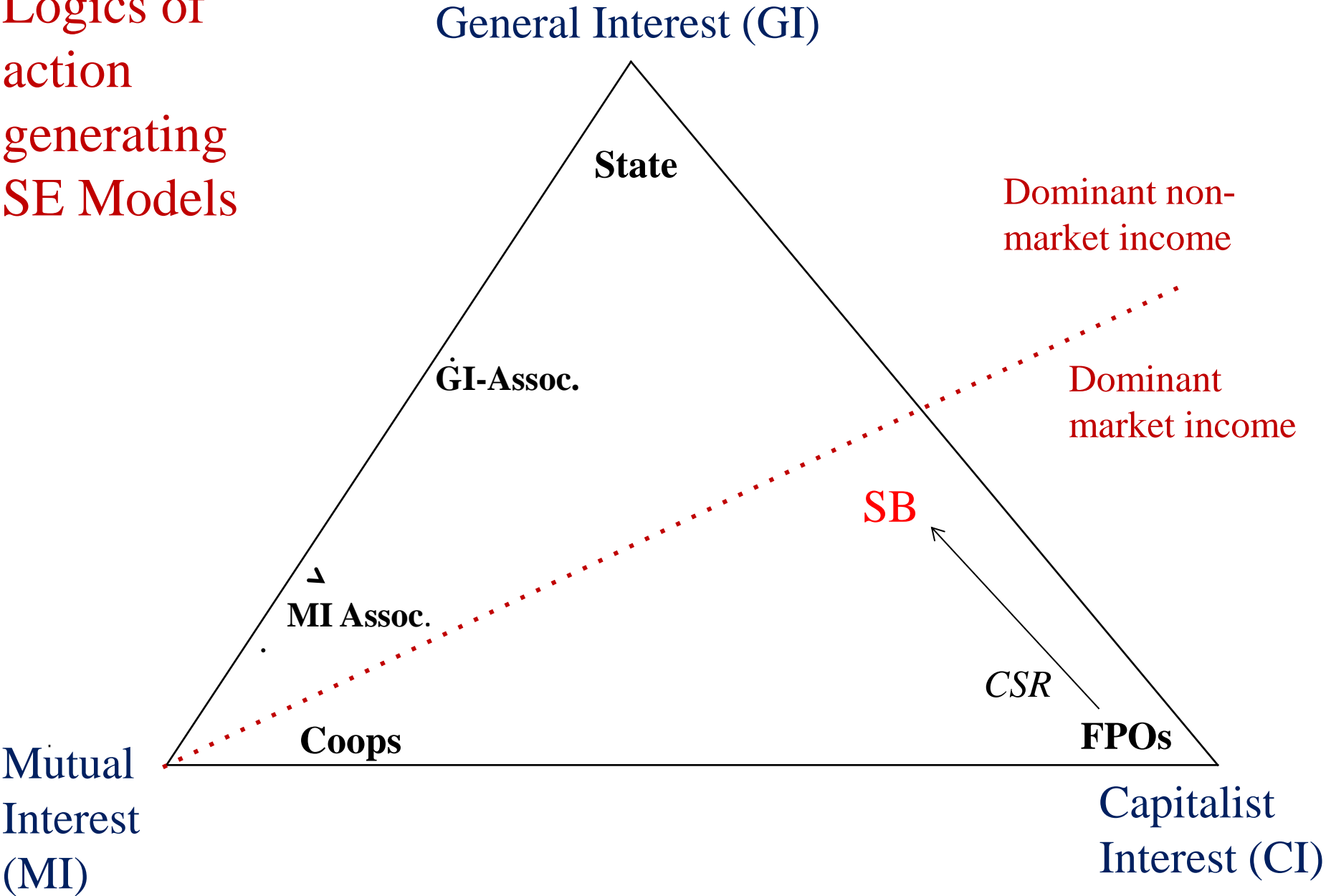


Model 2: Social cooperative

Cooperative or cooperative – like enterprise implementing economic democracy and combining mutual interest with the interest of the whole community or with the interest of a specific target group

- Single stakeholders coop. (popular economy labor – managed firms, renewable energy citizens' coop., etc.)
- Multiple stakeholders coop. (short circuits coop. with producers and consumers, Italian social coops)

Logics of
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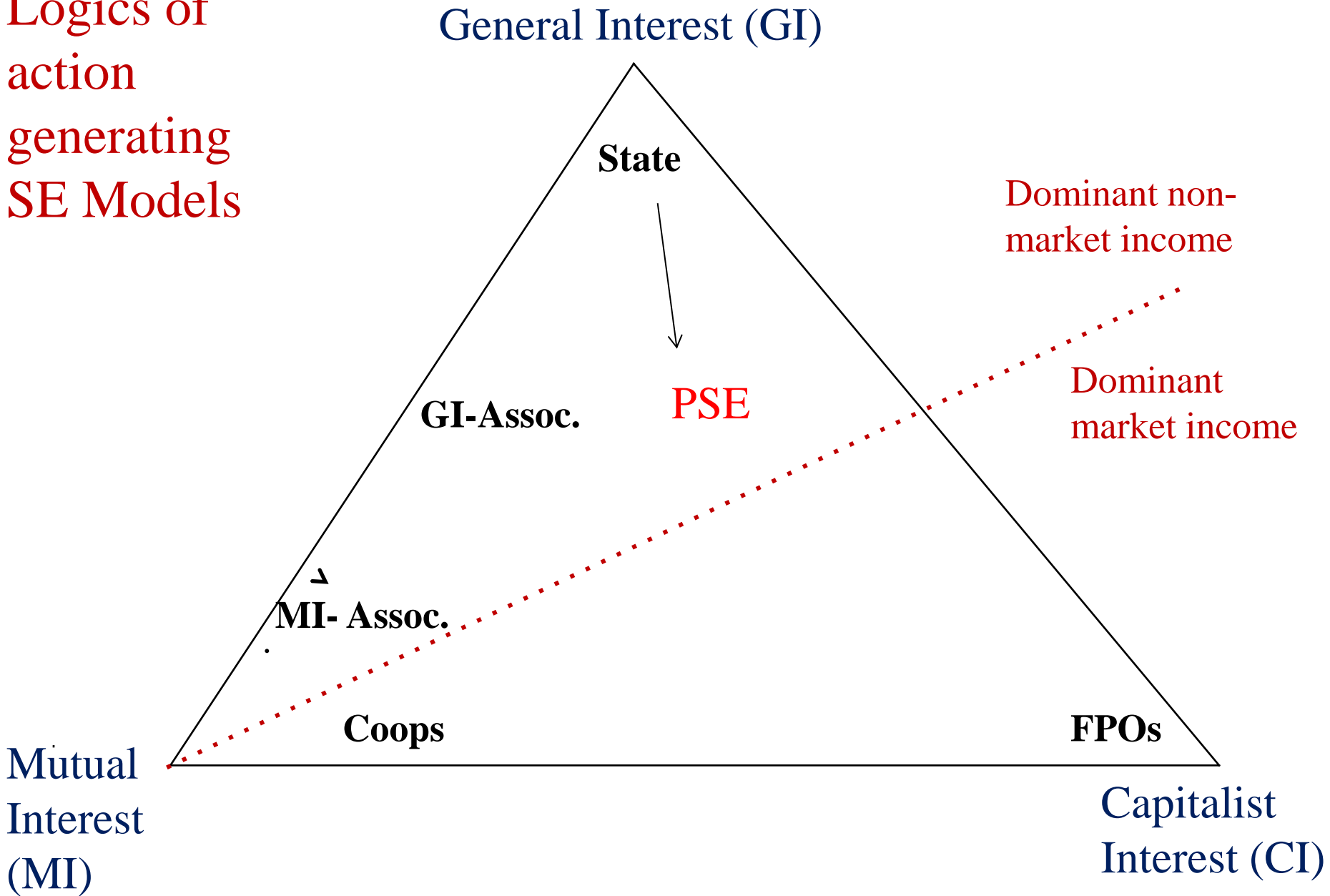


Model 3: Social business

Shareholder company combining business activities with the primacy of a social mission:

- SMEs combining a for-profit motive with the primacy of their social mission
- "Yunus type" social business: a non-loss, non-dividend, fully market-based company dedicated entirely to achieving a social goal
- Social intrapreneurship strategies developed by large companies well beyond instrumental CSR strategies

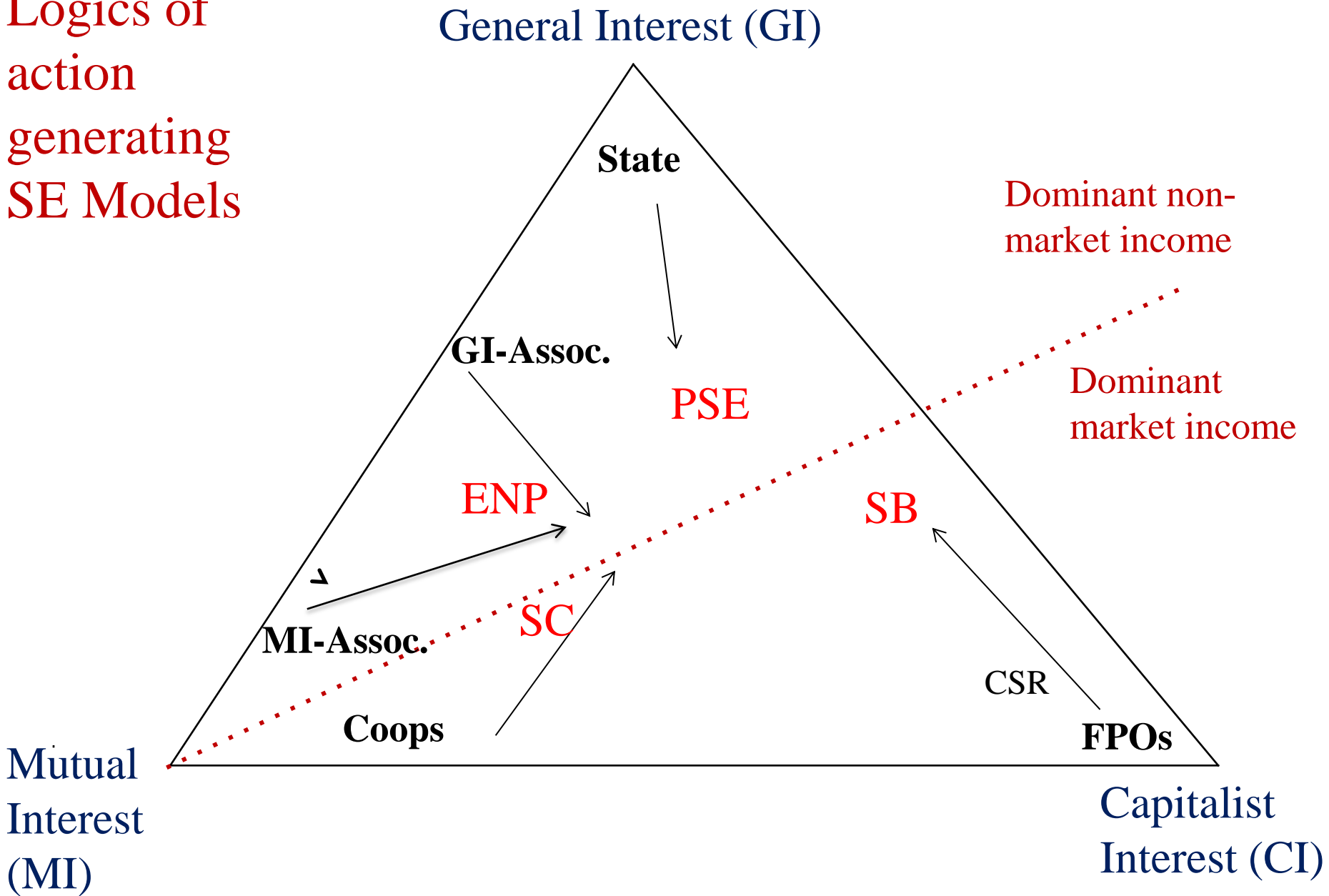
Logics of
action
generating
SE Models



Model 4: Public Sector Social Enterprise

Public sector spin-off : a WISE developed by a local public welfare centre, social services delivered by a local public body on a quasi-market...)

Logics of
action
generating
SE Models




IV. Analysing SE models through EMES lenses

EMES: An « ideal-type » social enterprise defined by

- **An economic project**
 - A continuous production
 - Some paid work
 - An economic risk
- **A social mission**
 - An explicit social aim
 - Limited profit distribution (primacy of social aim)
 - A initiative launched by a group of citizens or TSO
- **A participatory governance**
 - A high degree of autonomy
 - A participatory nature, which involves various parties affected by the activity
 - A decision-making power not based on capital ownership

THE EMES DEFINITION AS AN « IDEAL-TYPE »

- These criteria are not conditions to be strictly met to deserve the label of social enterprise
- They rather define an « ideal-type » (abstract construction) like a star within the « galaxy » of social enterprises

 A methodological tool rather than a normative framework to analyse SEs models

The ICSEM questionnaire relies on the **hypothesis that these 3 major dimensions would particularly inform the diversity of SE models** and be relevant to develop typologies


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<p>An explicit social mission</p> <p>SE models</p>	<p>Work integration</p>	<p>Access to health or social services</p>	<p>Ethical consumption /production Ecological and social transition</p>	<p>Fighting poverty and social exclusion</p>	<p>...</p>
<p>Entrepreneurial nonprofit</p>	<p>WISE implemented by a charity</p>	<p>Association providing home care services for elderly</p>	<p>Associative Fair trade shop</p>	<p>Neighbourhood association (<i>régies de quartier</i>)</p>	
<p>Public sector SE</p>	<p>WISE implemented by a local public service</p>	<p>Local public body providing social services on a quasi-market</p>			
<p>Social cooperative</p> <ul style="list-style-type: none"> ➤ Single stakeholder ➤ Multiple stakeholder 	<p>Popular economy LMF Social coop. type B (Italy)</p>	<p>Coop of health care professionals</p>	<p>Renewable energy citizens' coop. Coop. in short circuits</p>	<p>Coopec (IMF) Community development coop.</p>	
<p>Social Business</p> <ul style="list-style-type: none"> ➤ SME ➤ Yunus type ➤ Project developed by large companies 	<p>A company developing a call center with primacy of its social mission: hiring handicapped people</p>	<p>A social worker starting a residential care institution Aravind eye hospital</p>	<p>SME active in fair trade</p>	<p>Grameen-Danone social business Bottom of the Pyramid strategies</p>	

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Features of profit distribution SE Models	<ul style="list-style-type: none"> No shares Distribution of profit prohibited 	Cap on distribution of profit + asset lock	Cap on distribution of profit	None
Entrepreneurial nonprofit	X (NPO or NPO's subsidiary with a trading activity)			
Public sector SE	X	X		
Social cooperative		X		
Social Business				
<ul style="list-style-type: none"> ➤ SME ➤ Yunus' type ➤ Project developed by large companies 		X X (non dividend company) X	X X	

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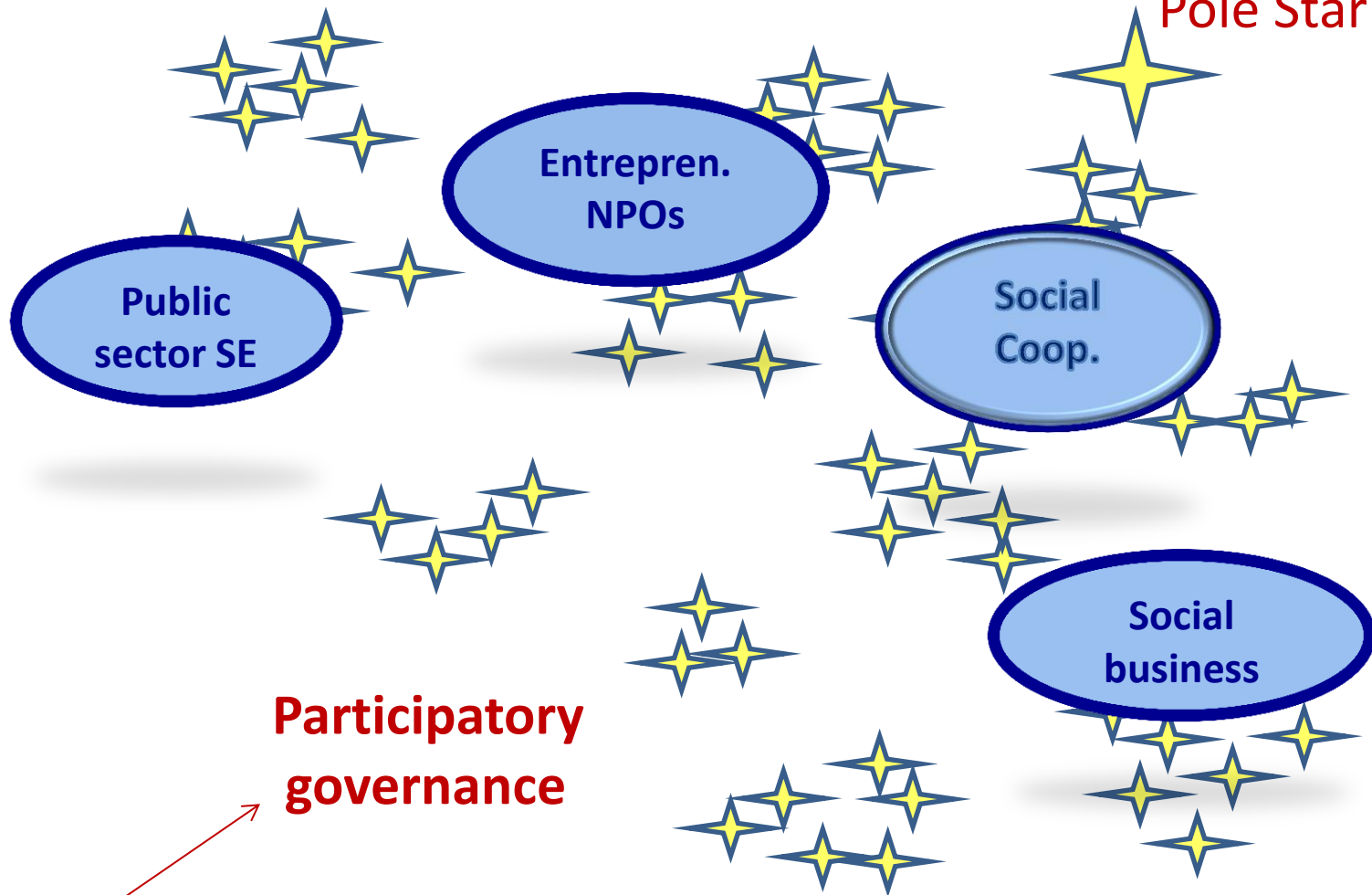
Governance	Democratic	Bureaucratic	Independent	Capitalist
SE Models				
Entrepreneurial nonprofit	X - Trustees - Members			
Social cooperative	X Members as co-owners			
Public sector SE		X		
Social Business				
➤ SME			X	X
➤ Yunus' type				X
➤ Project developed by large companies				X

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Economic risk SE Models	Mix of resources	Quasi-market resources	Fully market based resources
Entrepreneurial nonprofit	X	X	
Public sector SE	X	X	
Social cooperative	X	X	X
Social Business <ul style="list-style-type: none"> <li data-bbox="79 1086 233 1129">➤ SME <li data-bbox="79 1200 349 1243">➤ Yunus' type <li data-bbox="79 1300 484 1400">➤ Project developed by large companies 	X X	X X	X X X

Pole Star



Public sector SE

Entrepren. NPOs

Social Coop.

Social business

Social mission

Participatory governance

Financial self-sustainability