

# Fair Trade and Social Enterprise<sup>1</sup>

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## <a> Introduction

The organizational landscape of fair trade has evolved towards increasing complexity and diversity, even when only taking into account organizations that have a central focus on importing and retailing fairly traded products (Becchetti and Huybrechts 2008; Gendron, Bisailon and Rance 2009; Huybrechts 2012). Hence, ambiguities may occur when delineating and naming these organizations. Moreover, focusing on 'fair trade' as the defining characteristic of 'fair trade organizations' shifts the attention away from how these organizations are structured and from the many similarities they share with other organizations outside the fair trade sector. This chapter suggests that the notion of 'social enterprise' is useful to capture the DNA of organizations focused on fair trade and to locate them within a broader organizational taxonomy. Without seeking to impose a new term that may not resonate for certain actors or regions, this chapter aims to bring two contributions to fair trade research and practice. First, it is suggested that the social enterprise approach is particularly useful as an analytical tool enabling researchers and other stakeholders to capture the evolution and diversification of organizational models in fair trade. Second, the use of a broader organizational approach that is not specific to the sole fair trade sector allows for connections with similar organizations in other sectors and brings a shift from considering mainly what the organizations do (fair trade in this case) towards also addressing what they are (innovative social enterprise

models combining market dynamics with social purpose). This chapter is structured as follows. First, the concept of social enterprise is introduced and discussed. Then, the evolution of the organizational landscape of fair trade (in the North) is summarized. Finally, fair trade organizations are examined in the light of the social enterprise concept, with illustrations from a study in four European countries (Huybrechts 2010a; 2012).

#### <a> The concept of social enterprise

The notion of social enterprise first emerged in Italy in the 1990s, embodied by the practitioner's review 'Impresa Sociale', and a few years later in the United Kingdom (Borzaga and Defourny 2001; Defourny and Nyssens 2008b). It rapidly diffused across Europe and the United States with a common basis: in short, developing an economic activity as a tool to pursue a social mission. In other words, social enterprises combine market and social dynamics in the context of a common, 'hybrid' organizational model (Billis 2010; Doherty, Haugh and Lyon 2014; Huybrechts 2012). Beyond this broad acceptance, however, there are diverging interpretations on how this combination should be implemented in terms of organizational structure and practices.

These diverging interpretations are related, to a certain extent, to cultural differences (Defourny and Nyssens 2010; Kerlin 2006). In Europe, following the European Commission and a large part of the academic literature, social enterprise is generally considered as a market-oriented version of the 'social and solidarity economy', thus referring to nonprofits and cooperatives that combine a production

activity with a general interest orientation (see for instance Defourny 2001; Defourny and Nyssens 2008b; Thompson 2008). Hence, as will be detailed below, it is generally agreed that giving the primacy to the social mission requires governance forms that put a limit to the distribution of profits to private shareholders and that incorporate diverse stakeholders in the decision-making processes. In the United States, social enterprise is seen as the typical expression of social entrepreneurship, for which any type of business aiming for social impact is considered, regardless of governance forms and profit distribution rules. Here, the focus is laid more on the figure of the social entrepreneur and on the innovative pursuit of social impact, rather than on the organizational model and the types of stakeholders associated to decision-making. Within the universe of social enterprise conceptualizations, several authors (e.g. Defourny and Nyssens 2010; Kerlin 2013) propose to distinguish three complementary approaches: the two main schools of thought developed in the United States and then focus on the perspective of EMES, an international research network examining social enterprises in Europe.<sup>2</sup>

<b> North-American literature on social enterprise and social entrepreneurship

Two schools of thought are generally distinguished in the North-American literature (Battle Anderson and Dees 2006; Kerlin 2006). The first one focuses on how nonprofit organizations have developed ‘earned income’ strategies to better sustain their social mission in the context of decreasing public and philanthropic support. What Dees and Battle Anderson call the ‘Social Enterprise’ school has then been extended to any type of business relying on commercial incomes to pursue social

aims. What matters here is thus that social enterprises rely on market resources, not whether they emerge from the social or from the business sectors, the boundaries between which are seen as increasingly blurring.

The second school of thought, called the 'Social Innovation' school, focuses on innovation rather than on income generation. Authors related to this school suggest that 'social entrepreneurship needs not to be framed in terms of income. It could be more about outcomes, about social change' (Dees and Battle Anderson 2006, 45). The attention here is not related to exclusive market income (although a significant part of market incomes is welcomed) but rather to underlining the commitment of enlightened social entrepreneurs and their support by foundations and networks (Nicholls 2010b).

These two historical visions have been converging over time, as social enterprise and social entrepreneurship conceptions now tend to embrace all the innovative initiatives that seek to create sustainable social change by blending methods from both the business and the social sectors. Hence, most definitions of social entrepreneurship include three ingredients: social mission, innovation, and market orientation (Bacq and Janssen 2011; Huybrechts and Nicholls 2012; Nicholls and Cho 2006). The social component can be defined as 'a context, process and/or set of outputs that might reasonably be considered to be in the public benefit' (Nicholls 2010a, 245). Innovation, as broadly defined by the Austrian economist Joseph Schumpeter, refers to new combinations of goods, services, production processes and organizational forms. Three types of 'social innovation' can thus be distinguished (Gardner, Acharya and Yach 2007; Nicholls 2010a, 247): 'in new product and service development (institutional innovation); in the use of existing

goods and services in new—more socially productive—ways (incremental innovation); in reframing normative terms of reference to redefine social problems and suggest new solutions (disruptive innovation)’. Finally, market orientation involves a stronger emphasis on competition, performance, rational cost recovery strategies and accountability.

<b> EMES work on social enterprise

For nearly two decades, the scholars of the EMES international research network on social enterprise have examined social enterprises in different sectors and countries across Europe and beyond (Defourny 2001; Nyssens 2006). Social enterprises are defined here as ‘not-for-profit private organizations providing goods and 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’ (Defourny and Nyssens 2008b, 5). This approach aims to provide an ‘ideal type’ that ‘can help anyone to locate the position of the observed entities relative to one another and [...] to establish the boundaries of the set of organizations that he or she will consider as that of social enterprises’ (Defourny and Nyssens 2008b, 5).

Common among most social entrepreneurship approaches is thus the centrality of commercial activity as a means to pursue social aims, the diversity of organizational vehicles and the innovative dynamics. However, the EMES approach also differs from other approaches in various ways (Defourny and Nyssens 2008a).

First of all, the strong connections with the social and solidarity economy bring the emphasis on explicit rules limiting profit distribution and thus legal forms such as nonprofit or cooperative organizations. Unlike other approaches, EMES scholars consider that the primacy of social goals is better guaranteed by formal legal provisions than by the sole appraisal of managers or owners. This limits the eligibility of ‘business’ forms, few of which adopt such provisions. Another difference is the emphasis on democratic and participatory governance, in line with the principles of the social and solidarity economy. Democracy is generally implemented through the ‘one member, one vote’ principle (rather than ‘one share, one vote’) and participation means that different stakeholders concerned by the activity should have a voice (formal or at least informal) in organizational decision-making. Finally, unlike the ‘earned income’ school, EMES relies on empirical work to underline the diversity of resources raised by social enterprises on the market but also through public subsidies, gifts and voluntary work (Campi, Defourny and Grégoire 2006; Defourny and Nyssens 2006). These hybrid resources are seen as a natural corollary to the diverse missions of social enterprises: social, economic, but also in many cases political, in the sense of challenging the broader structures of the economic system.

<b> Fair trade through the lens of social enterprise

The three approaches offer complementary insights of social enterprise and social entrepreneurship at different levels of analysis: individual (profiles and motivations of social entrepreneurs), process (the dynamics of social innovation and social entrepreneurship) and organizational (the specific features and management of

social enterprises). At the individual level, fair trade pioneers have been regularly highlighted as successful and inspiring social entrepreneurs in both academic (Zahra, Gedajlovic, Neubaum and Shulman 2009) and practice-oriented literature (Bornstein 2004; Yunus 2006), featuring leading figures such as Fransisco van der Hoff (UCIRI), Paul Rice (Fair Trade USA), Tristan Lecomte (Alter Eco, France) and Harriet Lamb (Fairtrade Foundation and now Fairtrade International). At the process level, fair trade is often cited as one of the most emblematic examples of social entrepreneurship (Hervieux 2012; Huybrechts and Nicholls 2012; Nicholls 2010a; Santos 2012) and social innovation (Huybrechts 2013; Mulgan, Tucker, Ali and Sanders 2007; Phills, Deiglmeier and Miller 2008). Finally, at the organizational level, fair trade organizations have been depicted as typical social enterprises (Alter 2006; Doherty 2011; Doherty and Huybrechts 2013; Huybrechts 2012; Huybrechts and Defourny 2008) and case studies of fair trade organizations both South and North have been made using this perspective (Davies, Doherty and Knox 2010; Doherty and Tranchell 2007; Huybrechts 2010b). Given the focus chosen here, the remainder of this chapter will further explore the connections between fair trade and social enterprise at the organizational level.

<a> Evolution of fair trade organizations: from ATOs to social enterprises

The first organizations specifically created from the 1960s to the early 1990s to engage in 'fair' trading relationships with producers in the South called themselves alternative trading organizations (ATOs) (Anderson 2009), 'a name stemming from the early days of fair trade where 'fair' seemed too weak a description of the vision

that these companies had' (Moore 2004, 76; see also the chapter by McConway and Moore in this volume). ATOs were relatively uniform in terms of organizational structures and practices, including: nonprofit legal forms, massive use of volunteers, retailing through worldshops and sympathetic networks (such as church groups), low turnovers and reliance on other funding sources such as gifts and public subsidies. Pioneer ATOs in Europe including Traidcraft in the United Kingdom, Artisans du Monde in France, and GEPA in Germany, were instrumental in the institutionalization of the movement (Huybrechts and Reed 2010). This included, parallelly, 1) the creation of the International Federation for Alternative Trade (IFAT, now WFTO) that gradually also included alternative trading organizations (ATOs) from the United States (grouped in the North American Alternative Trade Organizations, or 'NAATO', network) and producer organizations, and 2) the emergence of labelling initiatives in different countries (see also the Bezençon, Doherty, and Balineau chapter in this volume).

The configuration of the fair trade landscape dramatically evolved throughout the 1990s with the development of product-based labelling, the increasing corporate participation, and the growth of both sales and public awareness (see also the chapter on mainstreaming by Le Velly in this volume). Most ATOs adapted themselves to this changing context. Some of them supplied food products to corporate retailers, for instance Oxfam-Wereldwinkels in Belgium, Traidcraft in the United Kingdom or CTM Altromercato in Italy. Some of these organizations parallelly developed their worldshop networks, increasing their number and attractiveness to consumers. Others joined together to create new companies specifically devoted to selling on mainstream markets, for instance in the United Kingdom with Cafédirect, Divine Chocolate and



later Liberation Nuts, all created by a consortium of organizations including Twin Trading, Oxfam GB and Traidcraft.

Hence, the vast majority of ATOs gradually changed their initial organizational structures and practices to deal with market partners (retailers or product transformers), increase the attractiveness of their products, manage higher sales volumes and consequently higher volumes bought from producers and increase their accountability. In short, ATOs made commercial activities much more central to their operations. This translated into concrete changes. Most ATOs changed their legal form from nonprofit towards cooperative (e.g., CTM and other Italian fair traders became ‘social cooperatives’), limited company (e.g., new fair trade companies in France and the United Kingdom), a group structure combining nonprofit and cooperative forms (e.g., several Belgian fair traders), or nonprofit and limited company (e.g., Artisans du Monde in France and Traidcraft in the United Kingdom). Other ATOs remained as nonprofit organizations but subject to commercial company accounting and taxation rules (e.g. Oxfam-Magasins du Monde in Belgium). As commercial departments or sub-structures were created, hiring practices increasingly targetted people with a business training or experience. ATOs conceived more aggressive marketing strategies as well as turnover and profitability targets (including for worldshops). Finally, governance structures such as boards of directors and general assemblies evolved from mainly volunteer-based towards ‘multi-stakeholder’ including workers, volunteers, partners, business experts as well as consumer and producer representatives (Huybrechts 2010b; Mason and Doherty 2012; see also Bennett chapter in this volume).

In parallel, many new entrepreneurs and companies with a ‘100% fair trade focus’ have emerged since the late 1990s, constituting what some have called a ‘third wave’, after the development of ATOs (first wave) and the rise of labelling (second wave) (Poos 2008). These companies often focus on specific products and/or innovative distribution segments such as B2B (business-to-business), Internet or community marketing. Products can be labeled or not, and the distribution channels can be ‘mainstream’, ‘specialized’, or both. These entrepreneurs and small businesses focused on fair trade are traditionally not represented in international fair trade networks but they tend to be much more involved at the local level, in regional or national fair trade networks often connected with other initiatives such as organic foods, local supply chains or integration of low-skilled workers (Özçağlar-Toulouse, Béji-Bécheur, Gateau and Robert-Demontrond 2010).

The commercial evolution of pioneer fair trade organizations as well as the emergence of newcomers have contributed to an overall diversification of products and sales outlets (specialized and/or mainstream) that seems to challenge the traditional ‘dual picture’ of fair trade based on two distinct distribution strategies: the ‘alternative’ one, consisting of worldshops and volunteer networks; and the mainstream one, consisting of supermarkets and other non-specialized shops (e.g., Moore 2004; Raynolds, Murray and Wilkinson 2007; Renard 2003). The resulting organizational diversity echoes the observation that ‘fair trade is translated into chains, structures and organizations that are far more numerous and varied than what a simplistic analysis [...] restricted to the sole labels [and networks] grouped within FINE might suggest’ (Gendron, Palma Torres and Bisailon 2009, 190, author's translation).<sup>3</sup>

Hence, as most organizations became less ‘alternative’ and as ‘alternative trade’ only resonated for those pioneers who had identified themselves with this early term, the term ‘ATO’ became less and less used and was replaced by different other terms. The term ‘fair trade organizations’ is now largely used, among others by WFTO and Fairtrade International in their annual reports and in their Charter of Fair Trade principles, where they are defined as ‘organizations of which Fair Trade is part of their mission and constitutes the core of their objectives and activities’ (WFTO 2009). ‘Organizations’ is probably the most neutral term to encompass the diversity of actors but other terms are used in the literature such as ‘fair trade businesses’ (Reed, Thomson, Hussey and LeMay 2010), ‘companies’ (Davies and Crane 2003) and, increasingly, ‘social enterprises’ (Doherty 2011; Doherty and Huybrechts 2013; Huybrechts and Defourny 2008).

The purpose here is not to advocate for the use of one or another term, but rather to show that the originality of fair trade organizations as both market players and development actors, and the diversity of forms through which this combination is expressed, fit particularly well into the concept of social enterprise. This is useful in order for fair trade researchers and practitioners to develop an umbrella organizational term enabling to look at who fair trade organizations are (not only what they do) and to build more bridges with similar initiatives in other fields. The next section documents in more details how the different dimensions of social enterprise apply to fair trade organizations.

<a> Fair trade organizations as social enterprises

This section reviews a number of connections between the social enterprise approach (at its organizational level of analysis) and the structure and practices of fair trade organizations. To illustrate these connections, data and case examples are provided from a study on 57 fair trade organizations member of a local or national fair trade network in Belgium, France, Italy and the United Kingdom (Huybrechts 2010a; 2012). This study examined the organizations' legal forms, governance structures, goals, activities and resources (more details in the original work). Based on these elements, different dimensions of social enterprise can be explored, five of which will be summarized here: 1) combination of commercial activity and social purpose; 2) diversity of organizational vehicles; 3) multi-stakeholder governance models; 4) resource plurality; and 5) societal change.

<b> A combination of commercial activity and social purpose

At its heart, fair trade is about using market mechanisms to achieve social change and is thus a natural field for the development of social enterprises. This connection is particularly evident in the United Kingdom as fair trade organizations, together with other initiatives such as work integration enterprises, have fed the conceptualization of social enterprise. Both academics (e.g., Doherty and Tranchell 2007; Nicholls 2006) and practitioners<sup>4</sup> have thus taken fair trade organizations as emblematic examples of social enterprises. More particularly, fair trade social enterprises are, according to Alter's taxonomy of social enterprise 'mission and money' models (Alter 2006), mission-centric and embedded: the social enterprise is not just a device to raise resources to achieve a distinct social mission, but 'the

enterprise activities are ‘embedded’ within the organization’s operations and social programmes’ (212). Nicholls (2010a) suggests that two avenues in fair trade correspond with two types of social enterprise: those that address a social purpose while working within and using the current market institutions, and those that try to challenge the configuration of these institutions. This echoes the analyses of fair trade as both ‘within and against the market’ (Fridell 2003). What may appear as a contradiction is presented by Nicholls (2010a), and others (e.g. Wilkinson 2007), as a strength enabling ‘both current exploitation of extant [market] institutions and future reframing of their meaning and functions’ (Nicholls 2010a, 247). Logically, the tensions and dilemmas of combining ‘market’ on the one hand and ‘social mission’, ‘development’ or ‘solidarity’ on the other hand, which are well documented at the social movement level of analysis (Gendron, Bisailon and Rance 2009; Murray and Reynolds 2007; Nicholls 2010a; Wilkinson 2007), are also observed at the organizational level within fair trade organizations (Audebrand 2012; Davies and Crane 2003) as much as in other ‘hybrid’ social enterprises (see Doherty, Haugh and Lyon 2014 for a review).

#### <b> Diverse organizational vehicles

The combination of commercial activity and social purpose finds expressions in different types of organizational forms. Our study of 57 fair trade organizations in four European countries confirmed such a diversity: 28 per cent of the sample were nonprofit organizations, 22 per cent were cooperatives or closely related forms (such as the community interest company in the United Kingdom), 26 per cent had a

traditional business form that had often adopted statutory rules committing to fair trade and limiting profit distribution, 12 per cent were individual entrepreneurs, and another 12 per cent were ‘groups’ consisting of two or more different forms.<sup>5</sup>

Interestingly, the diversity of structures and practices observed in fair trade organizations echoes the rich diversity of conceptualizations of social enterprise. Indeed, fair trade organizations with a nonprofit or cooperative form (see previous chapter on cooperatives in fair trade), a collective dynamic, democratic decision-making and a hybridized resource mix are probably closer to the EMES ideal type, as well as to the ‘social innovation’ school. Conversely, other organizations that rely more strongly on market tools and resources might be better described by the ‘earned income’ approach. In certain cases of small, entrepreneurial fair trade organizations, a characterization of the distinctive features of the social entrepreneur may be the most useful perspective. It seems clear that each conception may shed light on a particular dimension of fair trade, from the more market-based approaches to those that emphasize the socio-political role of social enterprise, from the broad, ‘blurred boundaries’ vision to the more narrow situation of social enterprise in the social and solidarity economy, and from the entrepreneur-centred conceptualization to those that emphasize the collective, citizen-based and democratic dynamics.

#### <b> Multi-stakeholder governance models

Although governance issues do not have the same place in all conceptualizations of social enterprise, it seems clear that the involvement of stakeholders at one or another step of decision-making processes is one of the ‘key

selling points' claimed by social enterprise supporters, more particularly in Europe (Defourny and Nyssens 2010; Huybrechts, Mertens and Rijpens 2014; Spear, Cornforth and Aiken 2009). Interestingly, different patterns of stakeholder involvement can be observed among fair trade organizations that engage with a broad set of stakeholders including producers, customers, workers, businesses, NGOs, public authorities, etc.

At the most advanced governance level, formal involvement on the board of directors has been practiced by an increasing number of fair trade organizations, some of which have integrated customers and partner organizations in an innovative way (Huybrechts 2010b). The involvement of producers as shareholders and board members is also particularly emblematic and has spread among several organizations such as Cafédirect, Divine Chocolate or Agrofair (Mason and Doherty 2012; see also Bennett chapter in this volume). Yet, when formal involvement is not possible for instance because of a very large number of producer partners or because of a lack of financial or organizational capacity, other schemes are possible. Traidcraft in the United Kingdom is one example where advanced dialogue with several stakeholders including producers has been conducted successfully. Other fair trade organizations regularly connect with producers through mutual invitations to and participation in one another's meetings.

#### <b> Resource plurality

Even if fair trade organizations have evolved towards a stronger commercial profile where most of the incomes are generated through the sales of fair trade

products, a diversity of resources can be observed when the different types of consumers are distinguished and when non-monetary resources (such as voluntary work) are included. Indeed, many fair trade organizations, even the commercial success stories, are still supported by networks of committed volunteers. Not necessarily ‘activists’ as in the early days of fair trade, but consumers (De Pelsmacker, Driesen and Rayp 2005; Özçağlar-Toulouse, Shiu and Shaw 2006), employees (Davies and Crane 2003; Diaz Pedregal 2006), investors (Doherty 2011) or social movement partners (Anderson 2009; Davies 2009) whose commitment to fair trade leads them to actively supporting the organization. In certain cases, fair trade organizations also rely on gifts or on public subsidies that are usually dedicated to education and advocacy activities or specific development work with producers. Finally, it can be argued that consumption and investment by ethically-minded individuals is a kind of indirect gift that would be ignored by labelling their contribution as purely ‘market-based’. Indeed, when consumers accept to pay a higher price for a product or when investors accept to receive a lower return on investment because of the social mission of the fair trade organization, the latter can count on an additional and specific type of resource that deserves attention (Balineau and Dufeu 2010; Becchetti and Huybrechts 2008; De Pelsmacker, Driesen and Rayp 2005).

#### <b> Societal change

A last major issue connecting fair trade and social enterprise is the ambition to act not only to solve particular social problems but to also aim for ‘systemic change’ (e.g., Bacq and Janssen 2011; Dees 2001). This is one element differentiating



fair trade organizations from for-profit companies dealing with some fair trade products, although this ambition may be translated into different practices that do not necessarily take the form of explicit lobbying and advocacy. Our study of fair trade organizations in different European countries revealed several patterns, even for individual fair trade entrepreneurs, to contribute to the ‘societal change’ agenda of the fair trade movement. This contribution took different forms: participation in local and global fair trade networks, involvement in ‘fair trade town’ campaigns (on this, see chapter by Alastair Smith in this volume), information on global issues (such as poverty reduction) on the company website or on the entrepreneur’s blog, partnerships with advocacy NGOs, etc. A vast majority of interviewed managers and entrepreneurs in this study felt committed to this ‘societal change’ agenda, even if the types of commitment did vary. Typically, the smaller and more market-oriented organizations acknowledged that education and advocacy were not their core business (unlike pioneer fair traders) and that they rather saw this as a collective endeavor in which they could modestly participate.

#### <a> Conclusion and implications

This chapter’s analysis of the connections between fair trade and social enterprise offers two contributions to fair trade research and practice. First, it suggests that social enterprise may be a useful (though not necessarily the only) umbrella notion to name and capture organizations and entrepreneurs totally focused on fair trade. It may indeed help not to refer to only one particular organizational model

(such as cooperative) but to encapsulate the sector's organizational diversity in terms of legal forms, governance models and 'generations' (from pioneers to newcomers).

Second, underlines the nature of the organizations and not only their activities. This is crucial to avoid examining fair trade in a vacuum or as a stand-alone sector whereas its principles and participants in fact share many common features with other movements or sectors populated by organizations using market mechanisms to address societal needs (i.e., social enterprises). Such neighbor initiatives typically include microfinance, in which social enterprises share similar challenges in terms of diversification of participants, 'mainstreaming' and ethical dilemmas (see for instance Hudon and Sandberg 2013). But also many others such as integration of low-skilled workers, renewable energy, recycling, health, education, etc.

While it would be misleading to forget the specific history and challenges of each of these fields, this chapter argues that emphasizing the common features and challenges of social enterprises across these fields is useful in at least four ways. First, several initiatives show the benefits of knowledge and practice exchange across field borders in order to learn from one another's successes and failures. Second, learning to know each other may facilitate inter-organizational collaboration taking advantage of synergies. Third and most importantly, emphasizing the integration of fair trade organizations into a broader social enterprise or social economy movement and identity is particularly useful to increase the size and thus the negotiating power of these types of organizations when communicating and dealing with several stakeholders, such as public authorities, corporations and the general public. Last, in terms of research, the social enterprise approach may help, as other approaches do (e.g., ethical consumption, social movements, development, etc.), to locate empirical

observations of fair trade against a broader literature, which may help interpret these observations as much as it may be fed by the specific features of fair trade. In these ways, this chapter contributes to the challenging endeavor of building knowledge about one of the most exciting socio-economic laboratories of the last decades: fair trade.

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<sup>1</sup> This chapter compiles and elaborates on previous writings including the 2012

Routledge book 'Fair Trade Organizations and Social Enterprise. Social Innovation through Hybrid Organization Models' as well as empirical articles examining fair trade social enterprises in Europe. This research has been carried out in the framework



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<sup>2</sup> EMES is named after its first research programme, “The emergence of social enterprises in Europe” (1996-2000). See more at: <http://www.emes.net/about-us/who-we-are/#sthash.KaTplKCD.dpuf>.

<sup>3</sup> FINE is a working group created in in 1998 by four fair trade organizations: Fairtrade Labeling Organizations International (now Fairtrade International), the International Fair Trade Association (now the World Fair Trade Organization or WFTO), the Network of European Worldshops (NEWS!) and the European Fair Trade Association (EFTA). FINE is an acronym of the organizations’ names.

<sup>4</sup> Examples include numerous collaborations between fair trade organizations and social enterprise networks (for instance, Social Enterprise London) or the exemplification of fair trade leaders as social entrepreneurs (for instance, Penny Newman, former CEO of Cafédirect, designated as ‘Social Enterprise Ambassador’ in 2007).

<sup>5</sup> Typically a nonprofit and a cooperative (Miel Maya, Oxfam-Wereldwinkels, etc.) or a nonprofit and a business (Artisans du Monde, Traidcraft, Twin, People Tree, etc.).