

General ICSEM Project's Meeting

Helsinki, June 30, 2015

From Schools of Thought to a Tentative Typology of Social Enterprise Models

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(ICEM Working Papers, 2015, forthcoming)



Contents

- I. Review of Social Enterprise Classifications
- II. Finding « Logics of Action »
- III. Logics of Action generating Social Enterprise Models
- IV. Analysing SE Models through EMES Lenses

I. Social Enterprise 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 but not SE models at a micro-level
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 while stressing governance as an important dimension as in **Cooperatives** and many **Associations**

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 (2015, ICSEM Working Paper) 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

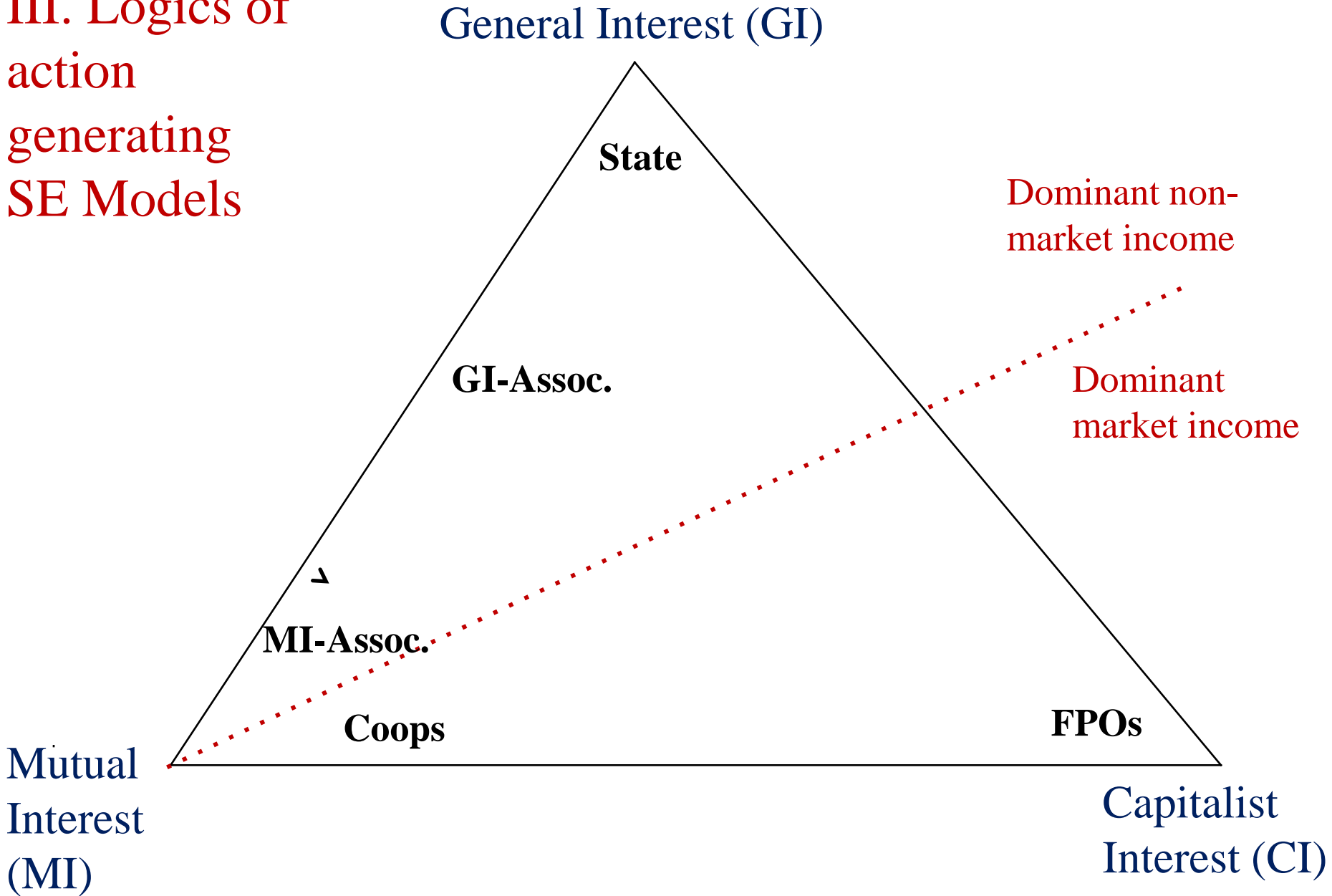
- « Trading charities » (Spear et al.) «
- « Delivering public services » (Teasdale)
- « Altruistic purpose » (Gordon)
 - ➔ General interest (at all levels) pursued by NPOs

II. Finding "logics of action« (2)

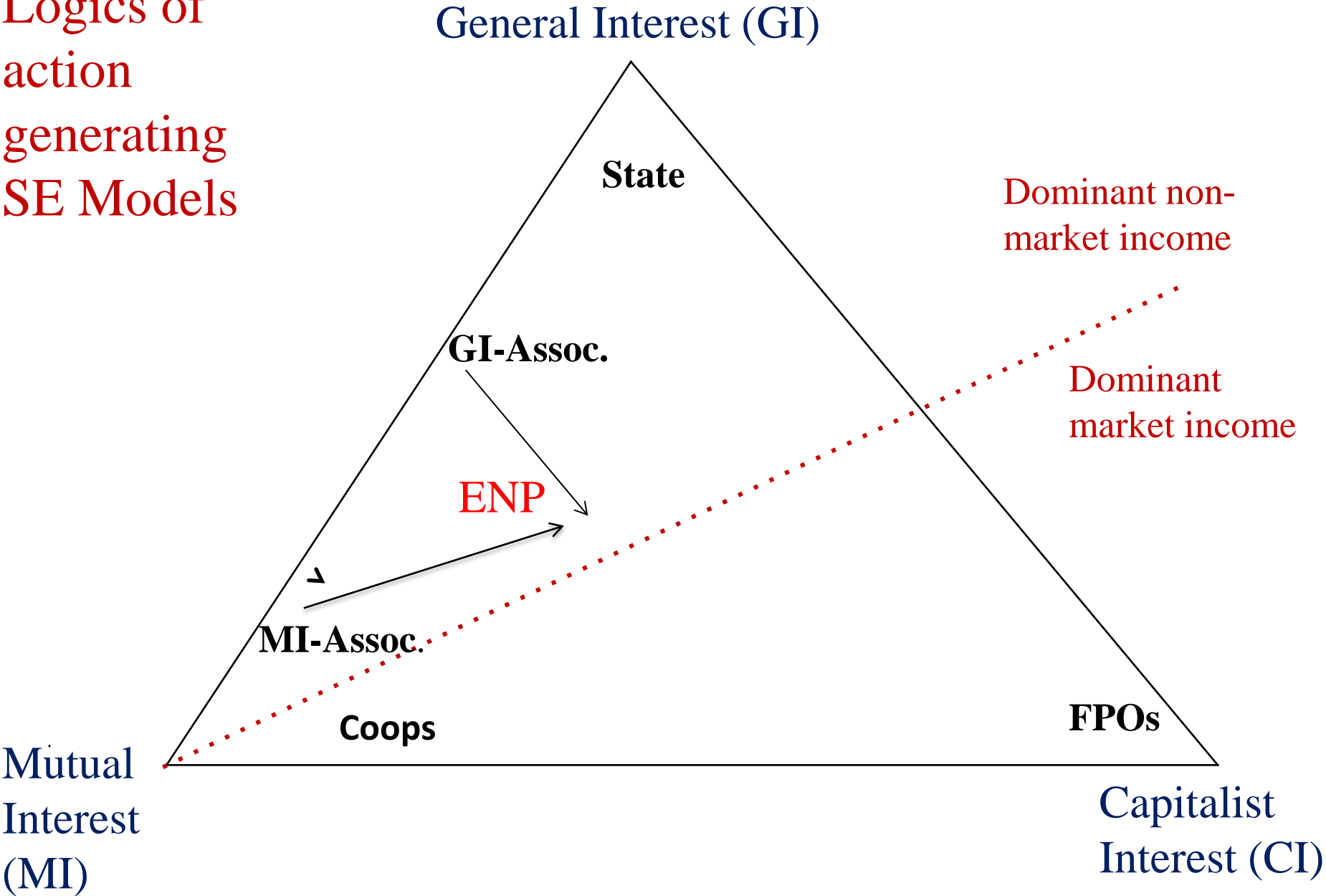
- « Mutuals » (Spear et al.)
 - « Cooperatives » (Teasdale)
 - « Mutual purpose » (Gordon)
-  Mutual interest pursued by member-based not-for-profit enterprises

**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

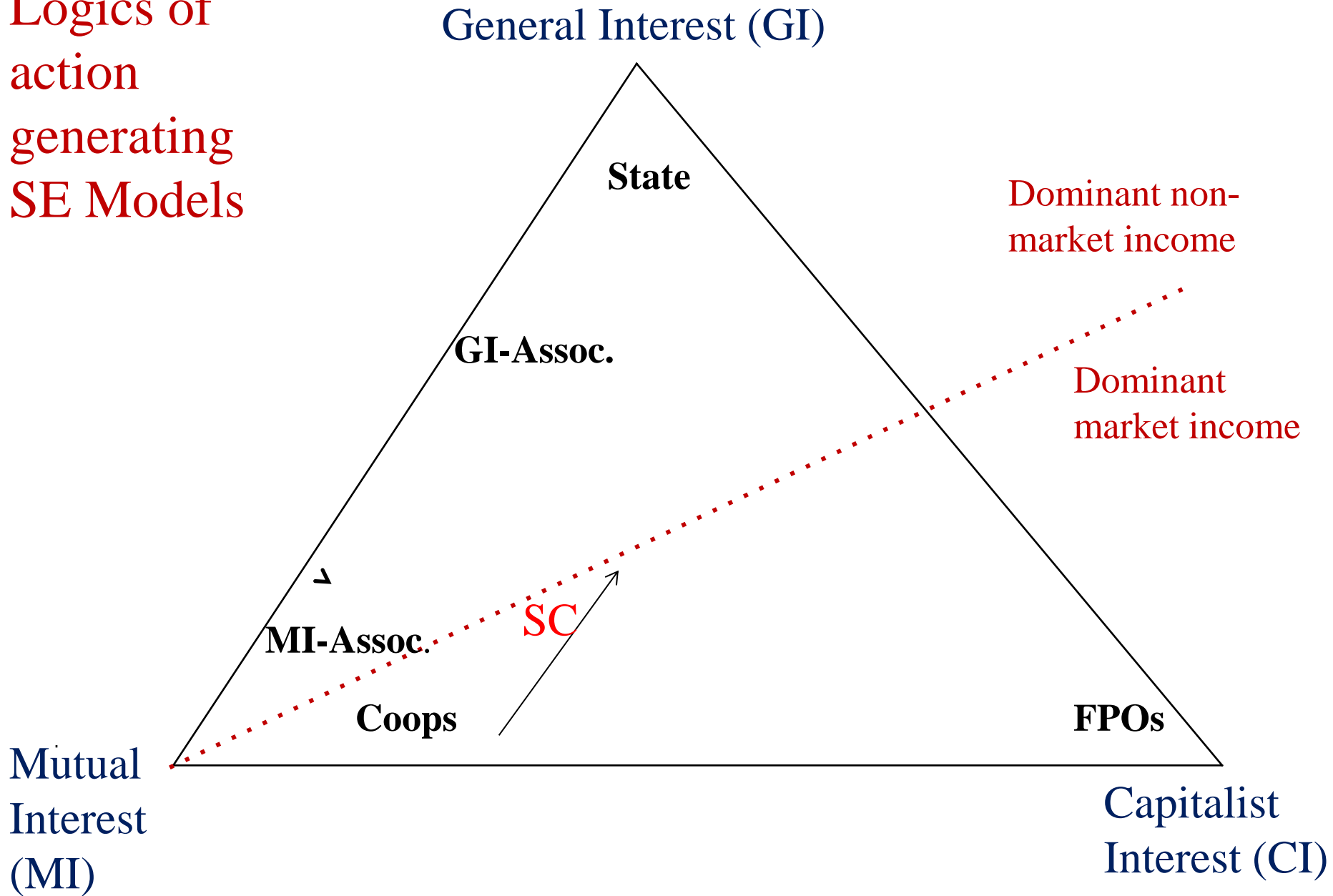


Model 1: Entrepreneurial NPO

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
generating
SE Models

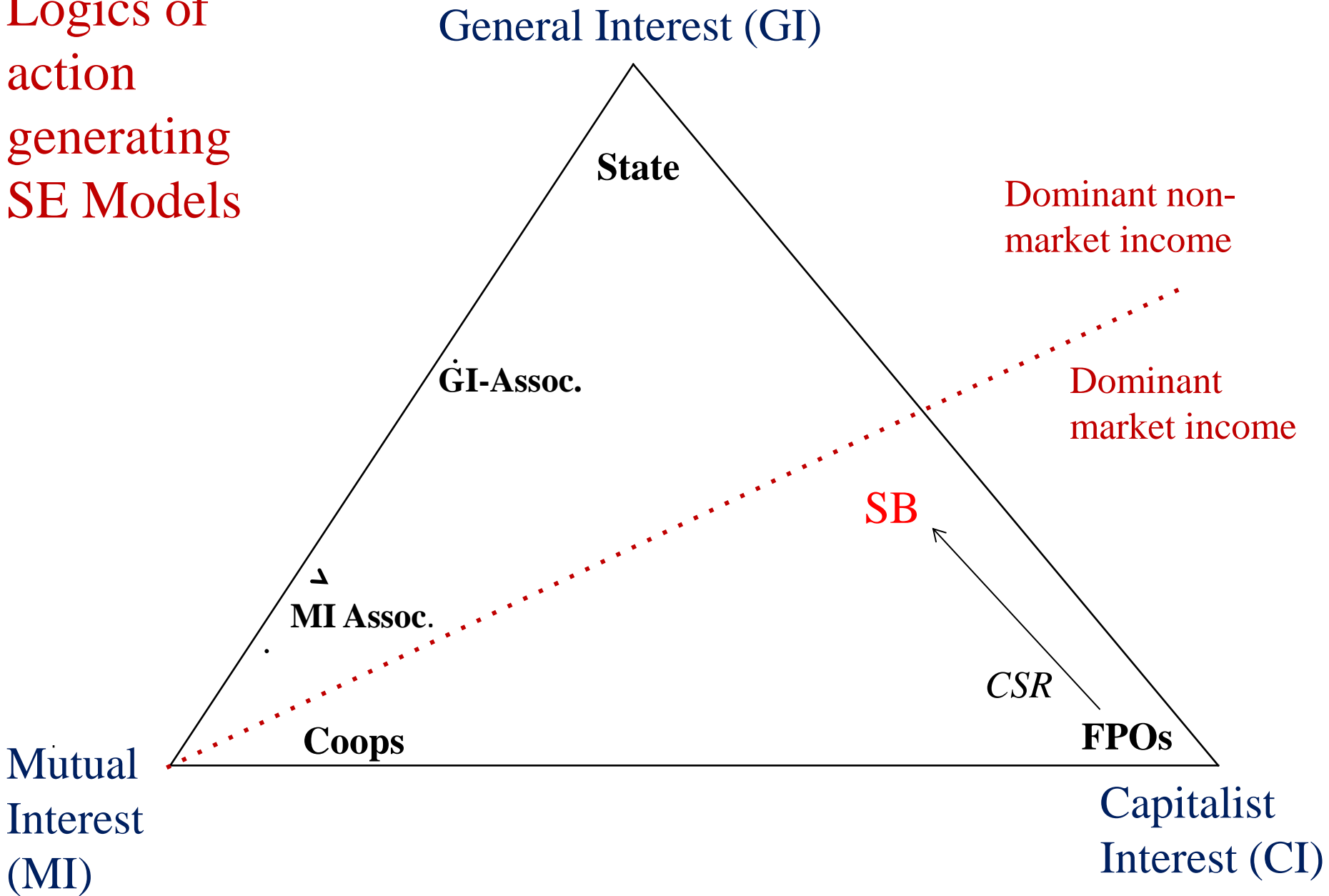


Model 2: Social cooperative

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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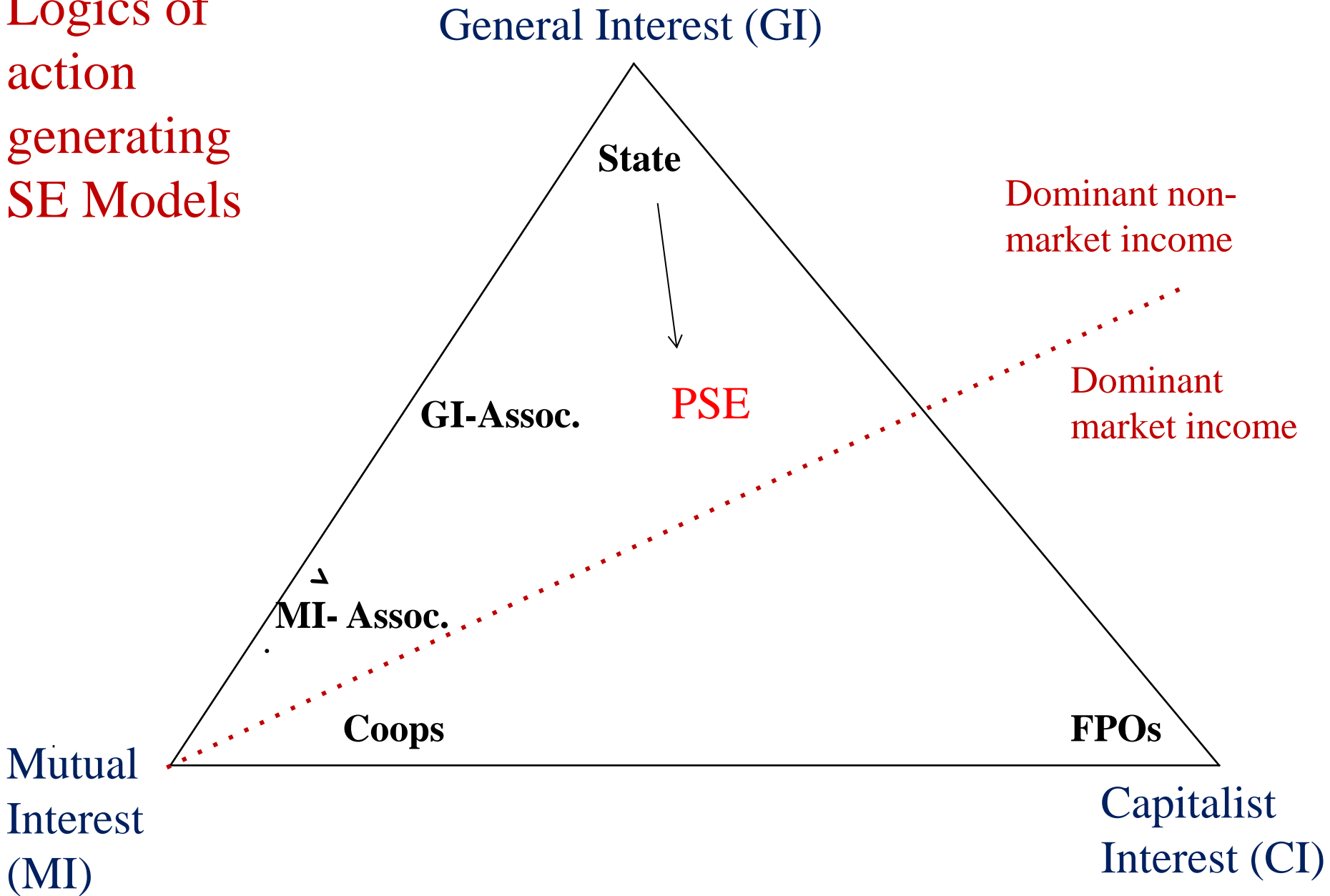


Model 3: Social business

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

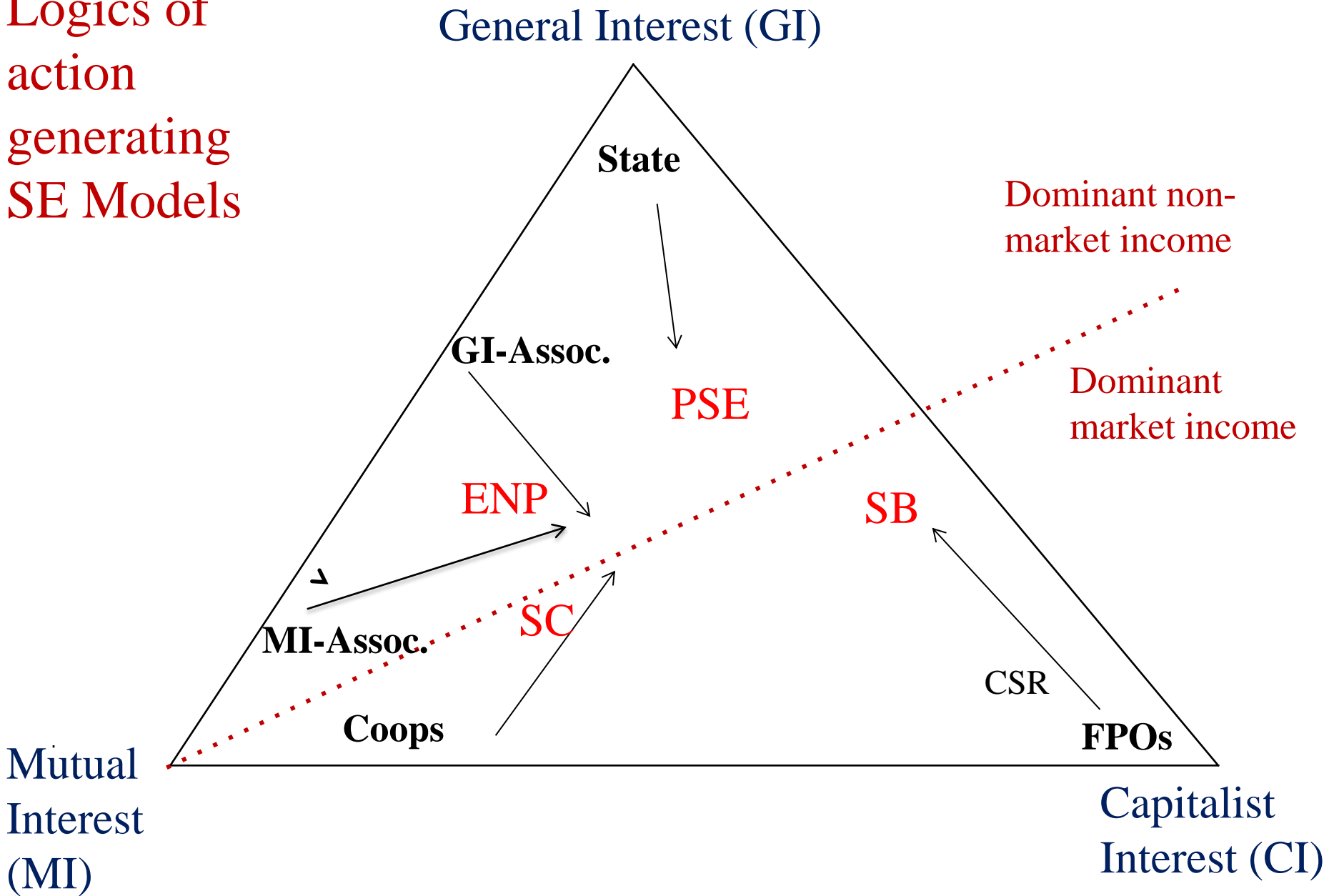
Logics of
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Model 4: Public Sector Social Enterprise

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

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 reflecting the 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

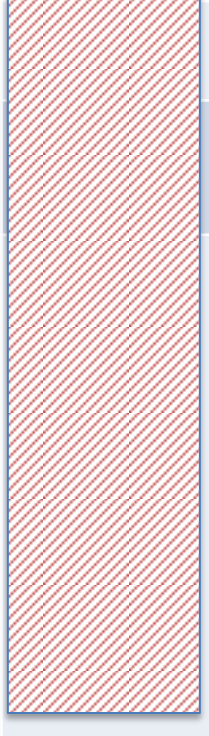
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| <p>An explicit social mission</p> <p>Logics of action</p> | <p>Work integration</p> | <p>Access to health or social services</p> | <p>Ethical consumption /production Ecological and social transition</p> | <p>Fighting poverty and social exclusion</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 (régies de quartier)</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 citizen 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 the 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 | <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 |
|--|--|--|-------------------------------|--|
| Logics of action | | | | |
| Entrepreneurial nonprofit | X (NPO or NPO's subsidiary with a trading activity) | | |  |
| Public sector SE | X | X | | |
| Social cooperative | | X | | |
| Social Business | | X | X | |
| | | X (non dividend company) | | |
| | | X | X | |
| ➤ SME | | | | |
| ➤ Yunus' type | | | | |
| ➤ Project developed by large companies | | | | |

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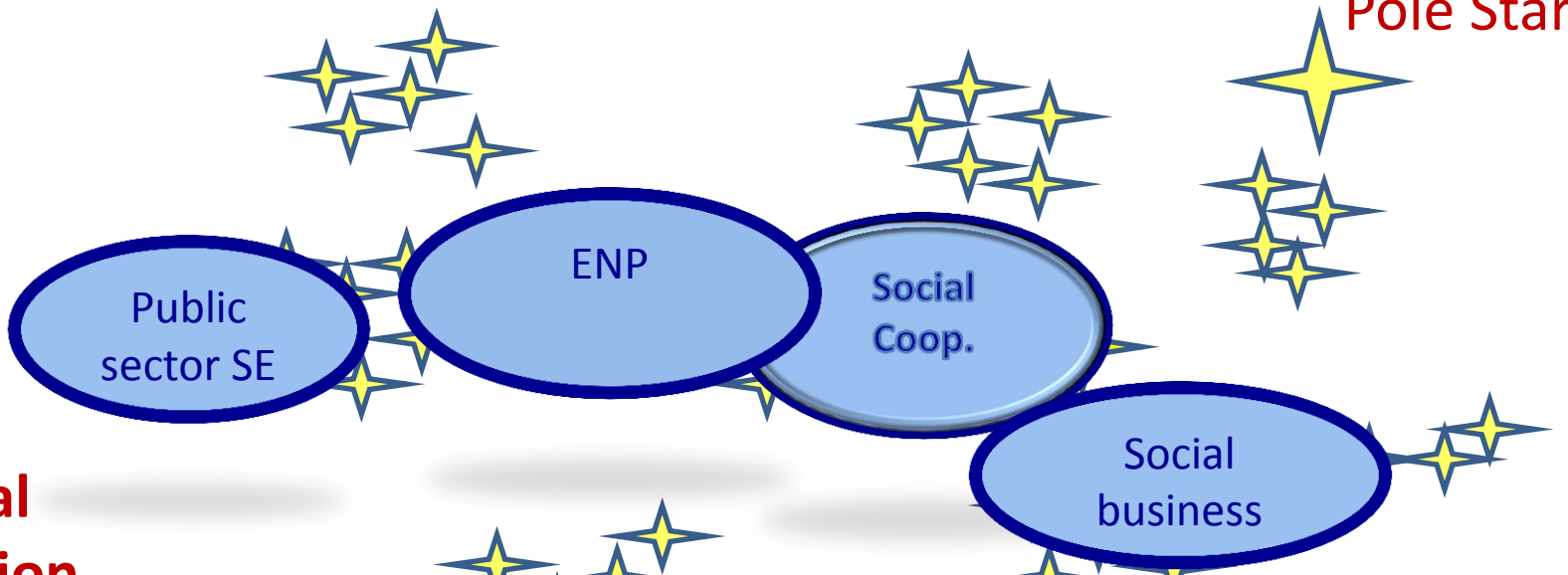
| Governance | Democratic | Bureaucratic | Independent | Capitalist |
|---|------------------------------|---------------------|--------------------|-------------------|
| Logics of action | | | | |
| Entrepreneurial nonprofit | X - Trustees - Members | | | |
| Social cooperative | X Members as co-owners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

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| Economic risk Logics of action | 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 ➤ SME ➤ Yunus' type ➤ Project developed by large companies | X X | X X | X X |

Pole Star



Social mission

Participatory governance

Economic sustainability

