

L'impresa sociale. Una prospettiva italiana ed europea  
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# The Social Enterprise: a European Perspective

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# OVERVIEW

1. The appearance of the notion of social enterprise
2. The approach built up by the EMES European Research Network
3. Work integration social enterprises in Europe
4. Towards a theory of the social enterprise
5. Contributions and limits of the approach

# 1. THE APPEARANCE OF THE NOTION OF SOCIAL ENTREPREISE

- UNITED STATES: SUPPORT PROVIDED BY FOUNDATIONS TO SOCIAL ENTREPRENEURSHIP
    - 1980: Bill Drayton, young North-American economist influenced by India and the ideas of Gandhi, creates Ashoka, the first network of « social entrepreneurs »
      - Goal: to support the vocations of individuals having both the enthusiasm and the passion of entrepreneurs and the awareness of committed activists
      - Tools: guaranteed salary for three years, trainings, coaching, sponsorship
      - Funding of Ashoka: business foundations and private donations (currently ± 25 millions \$/year)
      - Creation of a « social entrepreneurship » branch at the University of Washington
-  Very individualistic (« vocational ») conception of the social entrepreneur

- 1990s

- Harvard University: launching of the « Social Enterprise Initiative » (trainings, support) in 1993 and of the « Social Enterprise Knowledge Network » (SEKN) in 2001 (university network)

- Varied and often vague conceptions of the social enterprise

- ✓ « Any business strategy or activity carried out by an NPO to generate income supporting its social mission » (Social Enterprise Alliance, 2002)

- ✓ « Any form of enterprise in the framework of an NPO, a business company or entities from the public sector, carrying out an activity with a significant social value or producing goods or services having by themselves a social aim » (SEKN)

- Partial confusion with the « corporate social responsibility »

## B. ITALY: THE BOOM OF « SOCIAL CO-OPERATIVES »

- ✓ Withdrawal of the state from some social services
- ✓ Power of large co-operative federations
- ✓ As soon as 1990, launching of the « Impresa Sociale » journal
- ✓ Law of 1991 creating the legal form of « social solidarity co-operative »
  - A-type social co-operatives: social services co-operatives
  - B-type social co-operatives: work integration social co-operatives
- ✓ End of 2004: 7,100 social co-operatives having created 223,000 jobs (of which 24,000 work integration jobs in B-type social co-operatives) and mobilising 31,000 voluntary workers.



Very « co-operative » (collective) conception of the social enterprise

## C. THE WORKS OF THE « EMES EUROPEAN RESEARCH NETWORK »

- ✓ The emergence of social enterprises in the 15 member states of the EU (1996-2000)
  - ➡ Proposal of a European approach to the social enterprise
  - ➡ European overview of social enterprises
  - ➡ Book « The Emergence of Social Enterprise » (C. Borzaga and J. Defourny, eds), Routledge, London and New York, 2001
  
- ✓ Social enterprises in the field of integration by work - « Work Integration Social Enterprises » (2001-2005)
  - ➡ European overview of « WISEs »
  - ➡ Book « Social Enterprises, at the Crossroads of Market, Public Policies and Civil Society » (M. Nyssens, ed.), Routledge, 2006

# A European overview of social enterprises

Sectors	Countries	Examples
Personal services	Austria	Children's Groups: childcare structures supported by a strong commitment of parents.
	France	<i>Crèches parentales</i> : childcare structures partly directed and managed by parents. These <i>crèches</i> constituted a national network: the <i>Association des Collectifs d'Enfants, de Parents et de Professionnels (ACCEP)</i> .
	Denmark	<i>Opholdssteder</i> (social homes): stay-in structures conceived as an alternative to traditional institutions for children and adolescents with problems. The focus is on training and care.
	United Kingdom	Home Care Co-ops: organisations employing their members, mainly women in charge of their family, on a part-time basis.
	Sweden	<i>LKUs</i> : local co-operative development agencies, grouped together in a national organisation ( <i>FKU</i> ) and pursuing a goal of rehabilitation and reintegration of people with a mental handicap.
	Italy	A-type social co-operatives, active in the field of health, training or personal services and operating within the legal framework adopted by the national parliament in 1991.
	Portugal	<i>CERCIs</i> : co-operatives for the training and rehabilitation of handicapped children, grouped together, since 1985, in a national federation.

<b>Training-integration through work</b>	Belgium	<i>Entreprises de formation par le travail</i> (EFTs) and <i>entreprises d'insertion</i> (EIs) in the southern part of the country, <i>invoegbedrijven</i> and <i>sociale werkplaatsen</i> in the northern part. EIs, which are supported by the Regional authorities, are strongly market-oriented and offer long-term employment perspectives to their workers.
	Italy	B-type social co-operatives, active in the field of occupational integration of disadvantaged persons (legal framework of 1991).
	Germany	<i>Soziale Betriebe</i> : market-oriented « social enterprises », which receive temporary public support. The goal is to create jobs and to support economic development while simultaneously aiming at the social and occupational integration of long-term unemployed people. The jobs are created either within already existing private enterprises or in the framework of the starting-up of new enterprises.
	Luxembourg	Associations (and sometimes co-operatives) providing integration through work and economic activity, operating in fields such as the environment, agriculture, building, waste recycling, etc. Most of these enterprises are pilot projects subsidised by the state.
	Spain	Work integration enterprises for the disabled or for people excluded from the traditional labour market. In both cases, these enterprises tend to provide access to transitory jobs aiming to allow the targeted workers to integrate into the traditional labour market, rather than to create long-term "sheltered" jobs.



<b>Local development</b>	Finland	Labour co-ops: labour co-ops, grouped together at the regional level in nine Co-operative Development Agencies (CDA), represent an important lever of development for the local and regional economy. These co-operatives differ from traditional worker co-operatives insofar as they outsource the competencies of their members to other enterprises.
	The Netherlands	<i>BuurtBeheer Bedrijven (BBB)</i> : independent enterprises of proximity development offering the inhabitants of disadvantaged neighbourhoods the opportunity to carry out, in exchange for a remuneration, maintenance and improvement works in private housing or common infrastructures or to provide social services in the neighbourhood.
	Greece	Agro-touristic co-operatives: co-operatives set up by women living in rural areas with a touristic potential and offering services in the field of housing, restaurant and small craftwork.
	Ireland	Enterprises with varied legal forms aiming at local community development through activities such as the provision of social housing, reintegration through work, credit (credit unions), proximity services etc.



## D. THE UNITED KINGDOM: A GOVERNMENTAL STRATEGY FOR THE PROMOTION OF « SOCIAL ENTERPRISES »

- ✓ 2002: publication of the document « Social Enterprise: a Strategy for Success » (P. Hewitt, Secretary of State for Trade and Industry)
- ✓ Definition: « A social enterprise is a business 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 maximise profit for shareholders and owners. »
- ✓ Tools of the British government strategy: creation of a « Social Enterprise Unit », support to training programmes, support to the « Social Enterprise Coalition », evaluation reports etc.

- ✓ The situation of « social enterprises » in the United Kingdom in 2005
  - ± 15,000 social enterprises registered as « companies with limited guarantee » or as « industrial and provident societies » (no « charities »)
  - ± 450,000 jobs (of which 2/3 are full-time jobs) and 300,000 voluntary workers (on average 2h/week)
  - Average size of social enterprises: less than 10 salaried workers (49 %) or between 10 and 49 salaried workers (38 %)

✓ The situation of « social enterprises » in the United Kingdom in 2005 (continued from the previous slide)

- sectors of activity: « health and social care » (personal services, childcare, guidance, support to housing), « community and social service » (environment, culture, arts, sports...), estate activities (rental, access to property, sale), and education.
- users/beneficiaries: handicapped people (19% of enterprises), children and young people (17%), elderly people (15%), people with low income (12%)
- for 88% of social enterprises, more than 50% of their resources originate in the sale of goods and services

 Rather market-oriented conception of the social enterprise

## 2. THE APPROACH BUILT UP BY THE EMES EUROPEAN RESEARCH NETWORK

### A. WHY TALK ABOUT A NEW SOCIAL ENTREPRENEURSHIP?

Schumpeter (1934): entrepreneurs are the persons who contribute and implement « new combinations » in the process of production:

- New products or new qualities of product (ex: in the occupational integration of the low-qualified workers)
- New methods of organisation and/or of production (ex: parental *crèches*)
- New factors of production (ex: evolution of volunteering and of the relations of volunteer workers with salaried workers)
- New relations to the market (ex: practices of « contracting out » of public authorities)
- New forms of enterprises (ex: original legal frameworks in Italy, France, the UK, Belgium, Portugal...)

## B. THE « WORKING DEFINITION » OF THE EMES EUROPEAN RESEARCH NETWORK

- The social enterprise can be identified on the basis of
  - 4 economic criteria
  - 5 social criteria
- The 4 economic criteria:
  - A continuous activity producing goods and/or services
  - A high degree of autonomy
  - A significant level of economic risk
  - A minimum amount of paid work

- The 5 social criteria:

- 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 the persons affected by the activity
- Limited profit distribution



Conception of the social enterprise deeply rooted in the social economy



The concept of social enterprise  
is thus double-sided:

Social enterprises can be

**NEW ENTITIES**

**OR**

**ALREADY EXISTING ORGANISATIONS**

reshaped by a new dynamics

## C. THE EMES DEFINITION AS AN « IDEAL-TYPE »

- The nine criteria are not conditions to be strictly met to deserve the label of social enterprise
- They rather define an « ideal-type » (abstract construction) that enables one to position oneself within the « galaxy » of social enterprises



Methodological tool rather than normative framework

# 3. WORK INTEGRATION SOCIAL ENTERPRISES (WISEs) IN THE EUROPEAN UNION

## A. THE FIELD UNDER STUDY

- Besides the main criteria of the « working definition », a WISE is characterised by two major elements:
  - ✓ Goal : occupational and social integration of handicapped or marginalised people
  - ✓ Means : productive activity with guidance or training, with the view of achieving a lasting integration, be it within the social enterprise or within a traditional enterprise

- Three main types of WISEs
  - ✓ WISEs with a specific and comprehensive legal framework, focussing only on integration (ex: B-type social co-operatives in Italy)
  - ✓ WISEs focussing only on integration but operating without a comprehensive legal framework (ex: work integration enterprises in Belgium and in France)
  - ✓ Other types of social enterprises with various goals (ex: worker co-ops in the United Kingdom)

## B. MODELS OF WISEs IN THE EU

### Germany

**SBG<sub>a</sub>** = Soziale Betriebe und Genossenschaften  
= social firms and co-operatives

**KB<sub>a</sub>** = Kommunale Beschäftigungsgesellschaften  
= municipality-owned social enterprises

**BW<sub>a</sub>** = Beschäftigungsgesellschaften von  
Wohlfahrtsverbänden  
= social enterprises organised by welfare organizations

**BLUI<sub>a</sub>** = Beschäftigungsgesellschaften von Lokalen,  
Unabhängigen Initiativen  
= social enterprises organised by local initiatives

## Belgium

<b>EI<sub>b</sub></b>	= entreprises d'insertion = work integration enterprises
<b>ETA<sub>b</sub></b>	= entreprises de travail adapté = sheltered work enterprises
<b>EFT<sub>b</sub></b>	= entreprises de formation par le travail = enterprises for training through work
<b>SOLIDR<sub>b</sub></b>	= entreprises sociales d'insertion SOLID'R = SOLID'R work integration social enterprises
<b>ESR<sub>b</sub></b>	= entreprises sociales d'insertion actives dans la récupération et le recyclage = work integration social enterprises with recycling activities
<b>SW<sub>b</sub></b>	= sociale werkplaatsen = social workshops
<b>IB<sub>b</sub></b>	= invoegbedrijven = work integration enterprises
<b>BW<sub>b</sub></b>	= beschutte werkplaatsen = sheltered workshops
<b>AZC<sub>b</sub></b>	= arbeidszorgcentra = work health centers

## Spain

**CEE<sub>e</sub>** = centros especiales de empleo  
= special employment centres

**CO<sub>e</sub>** = centros ocupacionales  
= occupational centres

**ONCE<sub>e</sub>** = empresas de la Organización Nacional de Ciegos de España  
= enterprises of the Spanish National Organisation for the Blind

**EI<sub>e</sub>** = empresas de inserción  
= social integration enterprises (for people at risk of social exclusion)

## Finland

**LCO<sub>fin</sub>** = labour co-operatives

**CSF<sub>fin</sub>** = co-operatives and social firms for disabled people

## France

**CAVA<sub>f</sub>** = centres d'adaptation à la vie active  
= centres for adaptation to working life

**EI<sub>f</sub>** = entreprises d'insertion  
= work integration enterprises

**AI<sub>f</sub>** = associations intermédiaires  
= intermediate voluntary organisations

**RQ<sub>f</sub>** = régies de quartier  
= neighbourhood enterprises

**ETTI<sub>f</sub>** = entreprises de travail temporaire d'insertion  
= temporary work integration enterprises

**GEIQ<sub>f</sub>** = groupements d'employeurs pour l'insertion et la qualification  
= employers organisations for work integration and training

**EIN<sub>f</sub>** = entreprises insérantes  
= long-term work integration enterprises



## Italy

**COSO<sub>i</sub>** = cooperative sociali di tipo b)  
= B-type social co-operatives

## Ireland

**SE<sub>Irl</sub>** = sheltered employment

**LD<sub>Irl</sub>** = local development work integration social enterprises

**SEW<sub>Irl</sub>** = Social Economy (National Programme) work integration social enterprises

## Portugal

**EI<sub>p</sub>** = empresas de inserção = integration companies

**EP<sub>p</sub>** = emprego protegido = sheltered workshops

## United Kingdom

**WCO<sub>uk</sub>** = worker co-ops

**CB<sub>uk</sub>** = community businesses

**SF<sub>uk</sub>** = social firms

**ILMO<sub>uk</sub>** = intermediate labour market organisations

**R<sub>uk</sub>** = Remploy (large quasi-state enterprise)

## Sweden

**SOCO<sub>sw</sub>** = social co-operatives

**SH<sub>sw</sub>** = Samhall (network of sheltered workshops)

## C. TYPOLOGIES OF WISEs

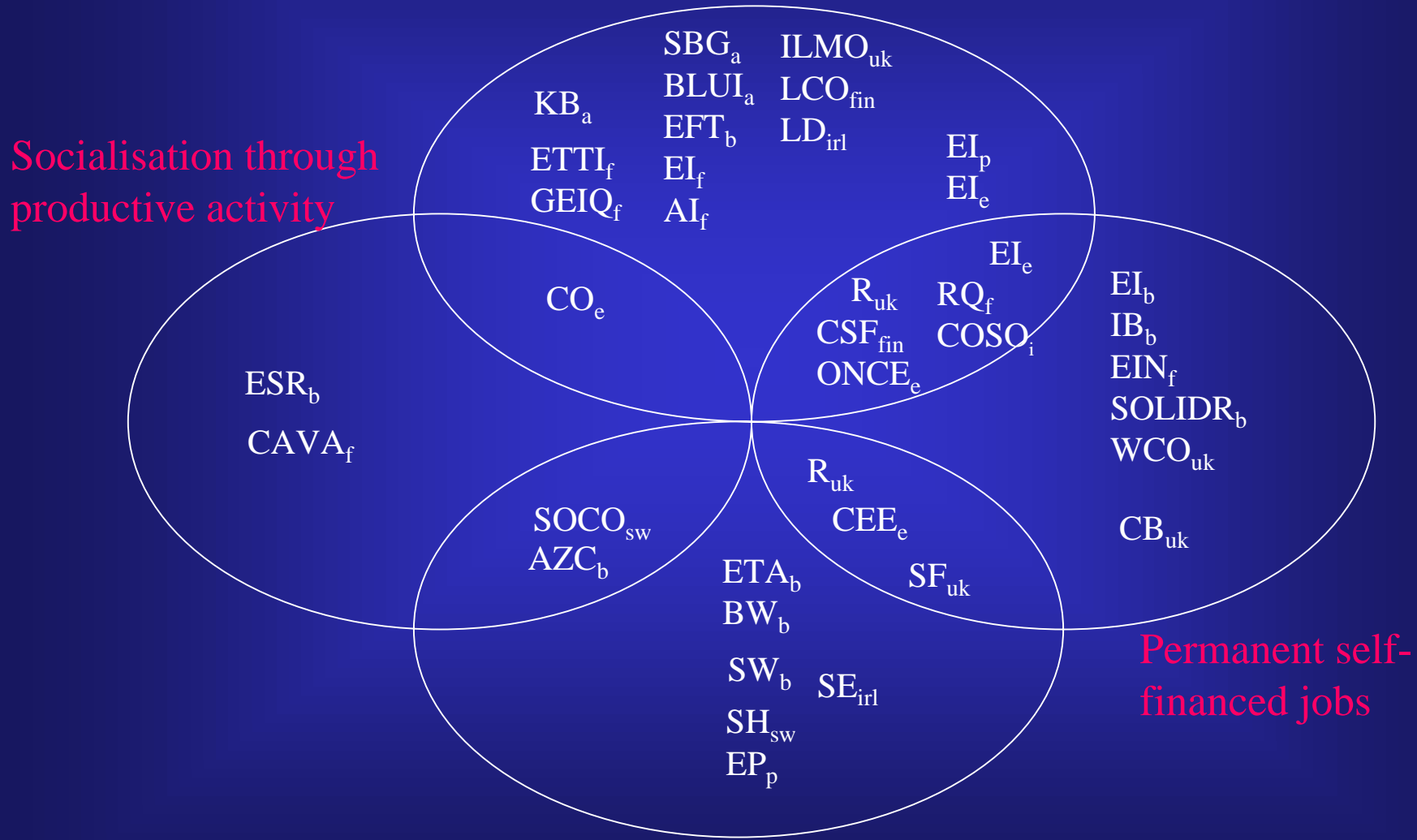
For each of these categories of WISE, spotting of the main characteristics: legal form, goals, types of jobs, importance of training, target group, resources...



Identification sheet for each category of WISE

# Integration goals

Transitional jobs (« springboard » employment or on-the-job training)



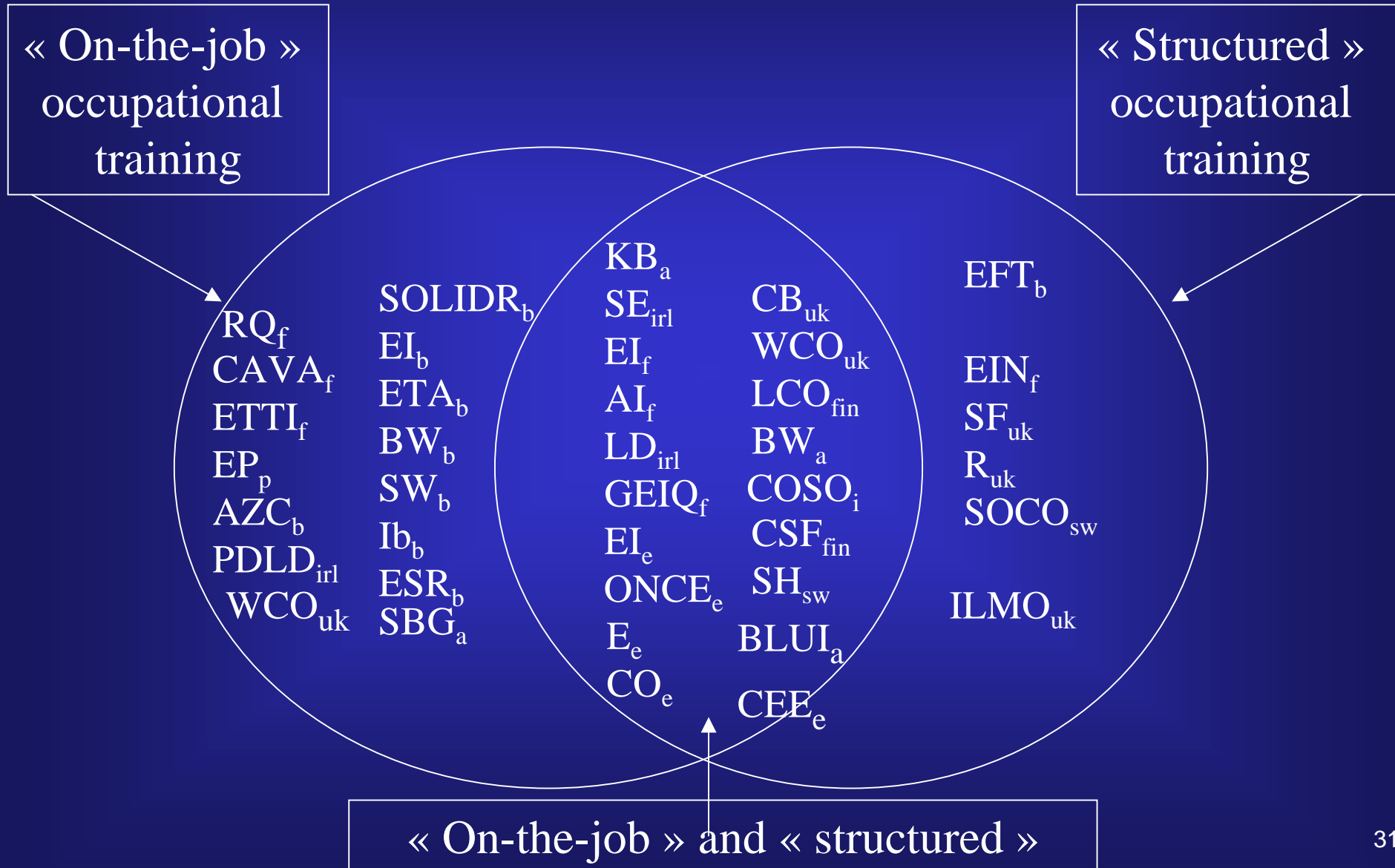
# Main characteristic of target groups

Persons with mental or physical disabilities	« Abled » unemployed workers					
	Women at risk	Minorities	Low-qualified young people	«Social handicap» (alcohol, drug)	«Hard-to-place» (long-term)	
ETA <sub>b</sub> BW <sub>b</sub> COSO <sub>i</sub> EP <sub>p</sub> CEE <sub>e</sub> ONCE <sub>e</sub> CO <sub>e</sub> SBG <sub>a</sub> BW <sub>a</sub>	R <sub>uk</sub> PDDL <sub>uk</sub> CSFDP <sub>fin</sub> SOCO <sub>sw</sub> SH <sub>sw</sub>	Ai <sub>f</sub> RQ <sub>f</sub> WCO <sub>uk</sub> CB <sub>uk</sub> LD <sub>irl</sub> KB <sub>a</sub> SEW <sub>irl</sub> LD <sub>irl</sub>	RQ <sub>f</sub> WCO <sub>uk</sub> CB <sub>uk</sub> LD <sub>irl</sub> CSF <sub>fin</sub>  SEW <sub>irl</sub>	SEW <sub>irl</sub> EFT <sub>b</sub> EI <sub>e</sub> RQ <sub>f</sub> ETTI <sub>f</sub> GEIQ <sub>f</sub> CB <sub>uk</sub> ILMO <sub>uk</sub> CSF <sub>fin</sub> SBG <sub>a</sub> BW <sub>a</sub>	SOLIDR <sub>b</sub> ESR <sub>b</sub> SW <sub>b</sub> AZC <sub>b</sub>  COSO <sub>i</sub> Ei <sub>p</sub> Ei <sub>e</sub> CAVA <sub>f</sub> RQ <sub>f</sub> SEW <sub>irl</sub> CSF <sub>fin</sub>	EI <sub>b</sub> SOLIDR <sub>b</sub> IB <sub>b</sub> AI <sub>f</sub> ETTI <sub>f</sub> EIN <sub>f</sub> KB <sub>a</sub> BW <sub>a</sub> LD <sub>irl</sub> EI <sub>p</sub> SBG <sub>a</sub> UCS <sub>irl</sub> LCO <sub>fin</sub> CSF <sub>fin</sub> RQ <sub>f</sub> GEIQ <sub>f</sub> BLUI <sub>a</sub>  SEW <sub>irl</sub>

# Status of the workers

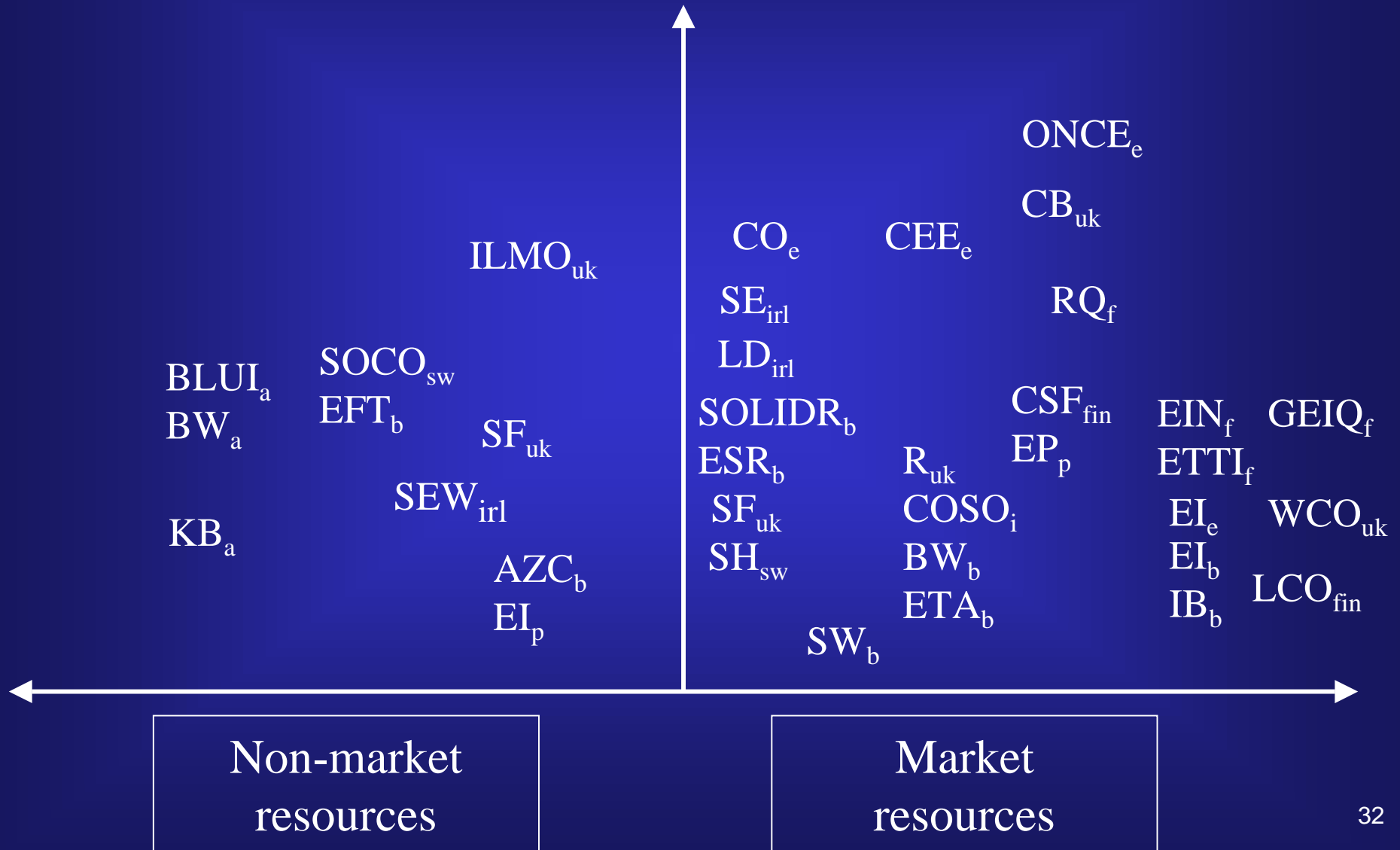
Traineeship	Occupational status	Work contract			
		Fixed-term contract		Open-ended contract	
GEIQ <sub>f</sub> RO <sub>f</sub> EFT <sub>b</sub>  LD <sub>irl</sub> SE <sub>irl</sub> EI <sub>p</sub>	ESR <sub>b</sub> SW <sub>b</sub> CAVA <sub>f</sub> CO <sub>e</sub>  SOCO <sub>sw</sub> LD <sub>irl</sub> SE <sub>irl</sub>	GEIQ <sub>f</sub> EI <sub>f</sub> CAVA <sub>f</sub> COSO <sub>i</sub> KB <sub>a</sub> BW <sub>a</sub> ETTI <sub>f</sub> Ai <sub>f</sub> BLUI <sub>a</sub> SF <sub>uk</sub>	SE <sub>irl</sub> LD <sub>irl</sub> EI <sub>p</sub> EI <sub>e</sub> ILMO <sub>uk</sub> LCO <sub>fin</sub> CSF <sub>fin</sub> SH <sub>sw</sub> SOCO <sub>sw</sub>	RQ <sub>f</sub> EIN <sub>f</sub> COSO <sub>i</sub> EI <sub>b</sub> ETA <sub>b</sub> BW <sub>b</sub> SW <sub>b</sub> IB <sub>b</sub> SOLIDR <sub>b</sub> AZC <sub>b</sub> SBG <sub>a</sub>	EI <sub>e</sub> EP <sub>p</sub> CEE <sub>e</sub> ONCE <sub>e</sub> WCO <sub>uk</sub> CB <sub>uk</sub> SF <sub>uk</sub> R <sub>uk</sub> CSF <sub>fin</sub> SH <sub>sw</sub> LD <sub>irl</sub> SE <sub>irl</sub>

# Importance of occupational training



# Resources used

Donations/Volunteering





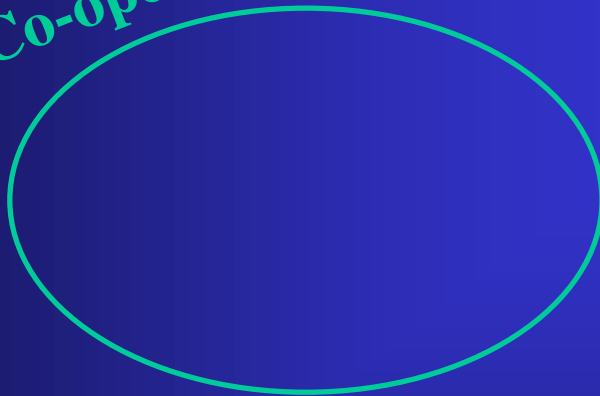
# • TOWARDS A THEORY OF SOCIAL ENTERPRISE

## A. A FEW LINES OF RESEARCH

- The social enterprise as a multiple-goal and multi-stakeholder organisation → first attempts of empirical testing with WISEs
- The social enterprise in the light of the new institutional economy: the diversity of goals and the plurality of stakeholders lead to a specific system of « contracts » and « incentives »
- The social enterprise mobilises and reproduces « social capital » in specific forms

## B. THE SOCIAL ENTERPRISE AS A BRIDGE BETWEEN THE ASSOCIATIVE WORLD (NPOs) AND THE CO-OPERATIVE WORLD

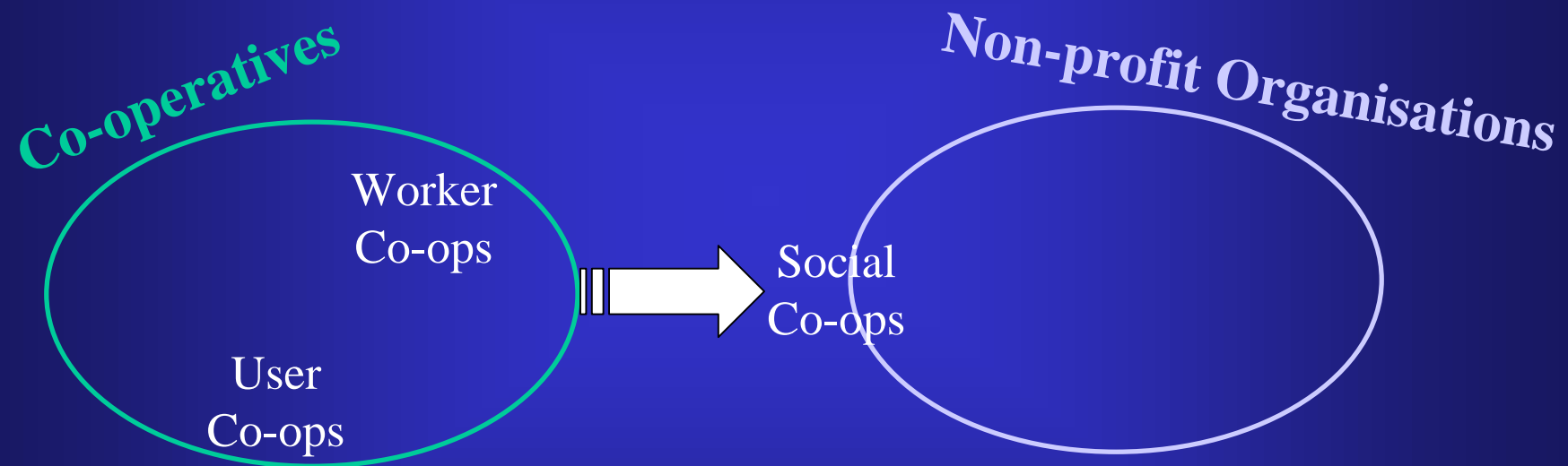
*Co-operatives*



*Non-profit Organisations*



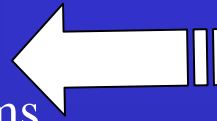
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## B. THE SOCIAL ENTERPRISE AS A BRIDGE BETWEEN THE ASSOCIATIVE WORLD (NPOs) AND THE CO-OPERATIVE WORLD

*Co-operatives*

NPOs  
transformed  
into social firms

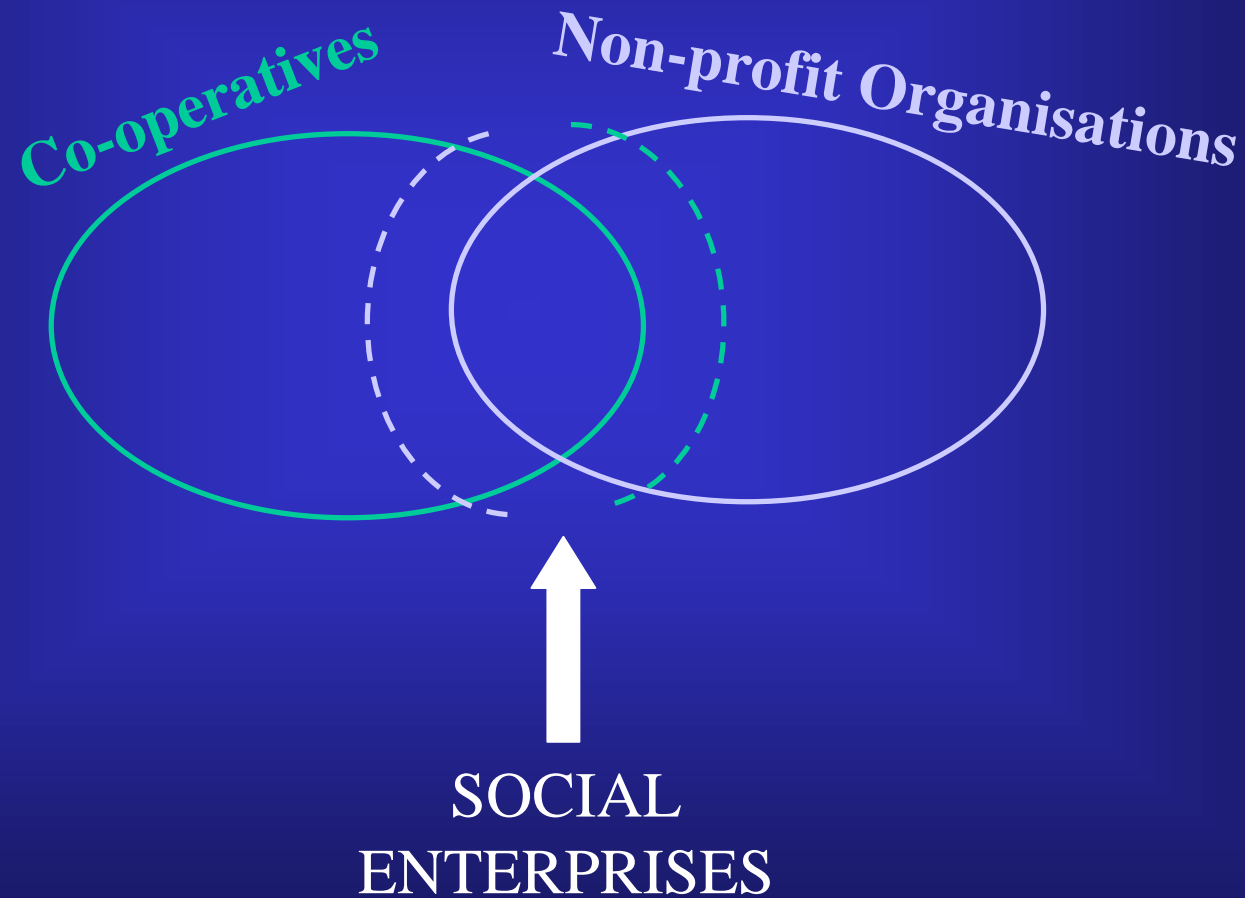


*Non-profit Organisations*

Production-  
oriented  
NPOs

Advocacy  
NPOs

## B. THE SOCIAL ENTERPRISE AS A BRIDGE BETWEEN THE ASSOCIATIVE WORLD (NPOs) AND THE CO-OPERATIVE WORLD



# 5. CONTRIBUTIONS AND LIMITS

## A. CONTRIBUTIONS

- Microeconomic approach going beyond the specific forms of organisations and able to encompass them all (NPOs, co-operatives, mutual societies...)
- Focus on innovation and risk-taking as well as on individual and collective actors bearing these risks (social entrepreneurs)
- Easy broadcasting of the concept, which is easier to apprehend than the concepts of « social economy » or « solidarity-based economy »
- Marked opening towards management sciences

## B. LIMITS

- Possible confusion originating in the diversity of approaches and definitions
- Possible interference with the vast and vague notion of « corporate social responsibility »
- Difficulties to differentiate between the notions of « social enterprise » and « social economy enterprise »
- Theoretical corpus still to be built