

**The third sector and the social inclusion agenda:
the role of social enterprises in the field of work integration**

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The increasing acknowledgement of the third sector in Europe, together with the broader interest in non-conventional entrepreneurial dynamics addressing current challenges, led to the emergence of the new concept of 'social enterprise'. Social enterprises have been defined by the EMES¹ Network as

organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. Social enterprises also place a high value on their autonomy and on economic risk-taking related to ongoing socio-economic activity.

(Defourny and Nyssens 2006: 5).

The persistence of structural unemployment among some groups, the difficulties traditional active labour market policies face in integrating them and the need for more active integration policies have naturally raised questions as to the role that social enterprises can play in combating unemployment and fostering employment growth. Indeed, although the rate of employment varies greatly among European countries (with high rates of participation in the UK and Nordic countries and the lowest ones in Spain, Italy and Belgium), all EU countries are characterised by low rates of employment for some groups, such as women, non-European workers, older people and/or low-skilled workers.

The field of 'work integration' is emblematic of the dynamics of social enterprises and constitutes a major sphere of their activity in Europe. 'The major objective of "work

¹ In 1996, European researchers decided to form a network to study the emergence of social enterprises in Europe. Covering all of the 15 countries that then made up the European Union, this group, named the EMES (www.emes.net) European Research Network, carried out its initial research work over a four-year period and gradually developed a common approach to the study of social enterprises Borzaga, C. and J. Defourny, Eds. (2001). The emergence of social enterprise. London

New-York, Routledge.

integration social enterprises" (WISEs) is to help disadvantaged unemployed people, who are at risk of permanent exclusion from the labour market. They integrate them back into work and society, in general through productive activity' (Defourny and Nyssens 2006: 13).

In this contribution, we will first define more precisely the concept of social enterprise and its relevance for grasping some dynamics inside the third sector. Then, we will analyse the dynamic of institutionalisation of work integration social enterprises in the landscape of public policies and explore how this process influences the identity of these social enterprises. Finally, we will explore the extent to which the hybrid nature of the logics mobilised by social enterprises constitutes a channel to fulfil their multiple-goal mission.

1. THE CONCEPT OF SOCIAL ENTERPRISE

Whereas a dozen years ago the concept of social enterprise was rarely discussed, it is now making amazing breakthroughs on both sides of the Atlantic.

In the European public debate, the concept may have various meanings. One school of thought stresses the social entrepreneurship dynamic exemplified by firms which seek to enhance the social impact of their productive activities. In this area, the literature quite often highlights the innovative approach to tackling social needs which is taken by individuals in fostering business (Grenier 2003), mainly through non-profit organisations, but also in the for-profit sector (Nicholls 2005). In this latter case, this idea has to do, at least partially, with the 'corporate social responsibility' (CSR) debate.

Another stream only uses the concept of social enterprise for organisations belonging to the third sector and therefore builds on the specificities of the latter. According to the European tradition of the social economy (Evers and Laville 2004; Defourny 2001), the third sector brings together co-operatives, associations and mutual societies (and, with increasing frequency, foundations). The third sector is viewed here as the set of organisations whose mission is to benefit either their members or a larger collectivity rather than to generate profits for investors. In such a perspective, the social impact of social enterprises (which are generally organisations of the non-profit or co-operative type) on the community is not only a consequence or a side-effect of their economic activity, but their motivation in itself. The EMES concept of social enterprise belongs to this school.

Theoretically, the EMES concept of social enterprise can be seen as a tool for building bridges between distinct components of the third sector. On the one hand, compared to traditional associations, social enterprises place a higher value on economic risk-taking related to an ongoing productive activity (in the world of non-profit organisations, production-oriented associations are certainly closer to social enterprises than are advocacy organisations and grant-making foundations). On the other hand, in contrast to many traditional co-operatives, social enterprises may be seen as more oriented to the whole community and putting more emphasis on the dimension of general interest. Moreover, social enterprises are said to combine different types of stakeholders in their membership, whereas traditional co-operatives have generally been set up as single-stakeholder organisations. These contrasting elements, however, should not be overestimated: while social enterprises as we have defined them are in some cases new organisations, which may be regarded as constituting a new subdivision of the third sector, in other cases, they result from a process at work in older experiences within the third sector. In other words, it can be said that the generic term 'social enterprise' does not represent a conceptual break with institutions of the third sector but, rather, a new dynamic within it – encompassing both newly-created organisations and older ones which have undergone an evolution.

This perspective on social enterprise differs on at least three points from the dominant approach of the rationale of social enterprise in the US and UK contexts (Defourny and Nyssens, 2006).

First, this framework places the emphasis on the multidimensional character of the governance of social enterprises. This point of view is far richer than the sole non-distribution constraint or the limitation on profit distribution which constitutes the central feature around which most of the non-profit literature has been built. In comparing it with social enterprise in the United States, Young and Salamon state, “In Europe, the notion of social enterprise focuses more heavily on the way an organization is governed and what its purpose is rather than on whether it strictly adheres to the nondistribution constraint of a formal nonprofit organization” (2002: 433). The EMES definition of social enterprise also integrates this feature by its “limited profit distribution” criterion. However, other aspects are central to characterizing social enterprise’s governance structure. These include, among other aspects, the existence of a collective dynamic of entrepreneurship involving people belonging to a

community or to a group that shares a well-defined need or aim. This does not exclude the possibility for some leader or charismatic entrepreneur to play a key role in the enterprise, but generally these persons are supported by a group whose members are responsible for the public benefit mission of the social enterprise. This view contrasts with the emphasis on social entrepreneurship (see Dees, 2001) “which reflects a shift towards focusing on individuals and away from traditional emphasis on the community and collective found in community development and the co-op movement” (Grenier, 2003, p 4).

The EMES definition also stresses the involvement of different stakeholders in the governance of the organization through formal channels (participation in the board) or more informal ones. Defourny states, “In many cases, one of the aims of social enterprises is to further democracy at a local level through economic activity“(2001: 18). What sets them apart is the involvement of stakeholders through the representation and participations of workers, customers or beneficiaries - use of a democratic management style, that are not a requirement of social enterprise in the United States For example, some cooperatives are commonly understood as a basic type of social enterprise. Indeed, in some European countries the term of ‘ social cooperative’ has come into common usage before the term of social enterprise, like in Italy (Bengtsson and Hulgard 2001).

Moreover, regarding the involvement of stakeholders, the concept of “multiple stakeholder ownership” has been developed (Bachiega and Borzaga 2001) referring to the fact that different types of stakeholders can be represented on the board of an organization. Governing bodies are made up of a diverse group of stakeholders that may include beneficiaries, employees, volunteers, public authorities, and donors among others. Moreover, multi-stakeholder cooperatives, as a distinct legal form of cooperative, are becoming increasingly popular in Europe and are even recognized in some national level legislation (see legal forms below) (Münkner 2003; Levi 2003; Lindsay et al 2003).

Second, the economic dimension does not necessarily refer to the growing importance of a trading activity as is widely assumed in the US and UK debate on social enterprise. The central idea in Europe is rather that the financial viability of the social enterprise depends on the efforts of its members to secure adequate resources to support the enterprise's social mission, but these resources can have a hybrid character and come from trading activities,

from public subsidies or from voluntary resources obtained thanks to the mobilisation of social capital.

Finally, though not explicit in the EMES list of criteria, the third point is related to the nature of the continuous activity of the social enterprise. The production of goods and/or services should constitute in itself (and not only indirectly through the income it generates) support of the social mission of the organization. In other words, the nature of the economic activity must be connected to the social mission: if the mission of the social enterprise is to create jobs for low-qualified people, the economic activity itself supports the work-integration goal; if the mission of the social enterprise is to develop social services, the economic activity is the delivery of these social services. By contrast, in the US or UK conception of social enterprise, the trading activity is often considered simply a source of income, and the nature of the trade does not necessarily matter (Dees 1998).

Legal forms

The legal form adopted by social enterprises varies from one country to another (Nyssens and Kerlin, forthcoming). In some cases, social enterprises adopt existing legal forms: association, cooperative, company limited by guarantee or other, country-specific forms (such as the Industrial & Provident Societies in the UK). Most social enterprises are associations or cooperatives; social enterprises are more commonly established as associations in those countries where the legal form of association allows a degree of freedom in selling goods and services on the open market, whereas in countries where associations are more limited in this regard, like in the Nordic countries, social enterprises are created, more often, under the legal form of cooperatives.

Besides these traditional legal forms, a number of national governments have created new legal forms specifically for social enterprises, with the goal of promoting their development. In 1991, Italy was the first to create a 'social cooperative' legal form, which has been successful in increasing the number of organizations of this type. The Italian law distinguishes between two types of social co-operative: on the one hand, those delivering social, health and educational services, called 'A-type' social co-operatives and, on the other hand, those providing work integration for disadvantaged people, called 'B-type' social co-operatives.

Then, in 2006, an Italian law on social enterprise was enacted which opens this label to various legal forms (and not only social cooperatives) and fields of activities, provided that the organisation complies with the non-distribution constraint and involves certain categories of stakeholders, including workers and beneficiaries. Belgium introduced legislation for a 'social purpose company' in 1995, Portugal created the 'social solidarity cooperative' in 1998, and Greece the 'social cooperative with limited liability' in 1999. France introduced the 'cooperative society of collective interest' in 2002. Most recently, in 2004, the UK approved the creation of the 'community interest company' legal form. All of these legal forms define social enterprise by the social purpose of the company and the limitation imposed on the distribution of profit; all of them, except the UK model, also define a specific governance model regarding the involvement of the various stakeholders and the implementation of a democratic decision-making process within the board.

2. INSTITUTIONALISATION OF WORK INTEGRATION SOCIAL ENTERPRISES

Social missions of social enterprises are various: fight against the structural unemployment of groups excluded from the labour market, provision of social services, urban regeneration, provision of environmental services... As the focus of this article is the contribution of social enterprises to the social inclusion agenda, we will now concentrate on work integration social enterprises (WISEs), whose social mission is to help disadvantaged unemployed people, who are at risk of permanent exclusion from the labour market. WISEs integrate them back into work and society, in general through a productive activity: recycling, building and processing industry (wood, clothing, painting, carpentry, metal etc.), running of restaurants, provision of social services (childcare, elderly care, second-hand shops for needy people, etc.)...

Pioneering initiatives²

In the European Union, the pioneering Work Integration Social Enterprises were launched in the late 1970s–early 1980s, without any specific public scheme to support their objectives. In a context of increasing unemployment and social exclusion, social actors did not find public policy schemes adequate to tackle these problems. Initiatives thus emerged as a protest against established public policies and pointed at the limits of institutional public intervention

² This section is based on Laville et al. (2006).

practices towards those excluded from the labour market: long-term unemployed people, low-qualified people, people with social problems etc.

Most pioneering WISEs were founded by civil society actors: social workers, associative militants, representatives of more traditional third sector organisations, sometimes in cooperation with the excluded workers themselves. Most of these initiatives were launched by persons whose main objective was to help persons excluded from the labour market, i.e. they were created in a perspective of general interest. In some countries with a tradition of cooperative entrepreneurship, some pioneering initiatives were launched by the workers themselves, relying on a self-help dynamic. Sometimes, the groups launching the WISEs were linked to public bodies and, in countries such as Germany or Denmark, the composition of the WISEs' founding groups probably reflected the fact that the third sector and the public sector were closely interwoven.

The key role of active labour market policies

The processes of institutionalisation of WISEs should be studied in the context of the boom in active labour market policies. During the 1980s, public bodies, faced with high rates of unemployment and a crisis in public finances, developed policies which aimed to integrate the unemployed into the labour market (through professional training programmes, job subsidy programmes etc.), instead of relying only on passive labour market policies based on a system of allocation of cash benefits to the unemployed.

It seems that WISEs have increasingly represented a tool for implementing these active labour market policies – in other words, they constituted a 'conveyor belt' of active labour market policies. Indeed, they were pioneers in promoting the integration of excluded persons through a productive activity; it could even be considered that the first WISEs actually implemented active labour market policies before the latter came into institutional existence.

However, we can observe, at least at the beginning of these processes of public institutionalisation of WISEs, that some countries, such as Sweden and Denmark, which are characterised by a long tradition of social policies, used programmes other than employment programmes to sustain such pioneering initiatives; one example is the 'Social Development

Programme' in Denmark. WISEs whose main target groups are disabled people were also recognised through traditional social policies.

In some countries, like the United Kingdom or Spain, where welfare spending in general is low and labour market policies in particular are underdeveloped, pioneering initiatives received little, if any, public support. This also seems to be the case, in all the countries surveyed, for initiatives that rely more on a self-help dynamic. Indeed, public bodies seem to consider that workers developing their own initiatives should be considered as carrying out 'normal business' and do not need to receive any special support, even though they are at risk in the labour market regarding their employability profile.

In some countries, WISEs are officially recognised and a specific public scheme supports their mission at the national level (this is for example the case in Portugal, France, Ireland and Finland) or at the regional level (for example in Belgium, Spain and Italy). This legal recognition, by public authorities, of the mission of integration through work performed by WISEs allows, in most cases, a more stable access to public subsidies, but in a very specific way. Most of the time, some temporary subsidies are granted to start the initiative and to make up for the 'temporary unemployability' of the workers. In fact, these public schemes are also considered as a tool of active labour market policies. Public bodies recognise and support the actions of WISEs – and at the same time, they also influence their objectives and target groups, as we will develop below.

Support to WISEs through public contracts

Another way for public authorities to support the mission of WISEs is through the contracting out of the provision of goods or services. Public bodies can organise their purchases in different ways: as traditional market purchases (when the bid with the lowest price, for the level of quality required, is chosen) or as purchases motivated by social criteria. 'Socially motivated purchases' (Gardin 2006) take into account the social goals of WISEs. Below a certain threshold, these purchases can occur in a discretionary way: when they have to buy a product or service whose price does not exceed a certain amount, set by European law, public bodies (usually at the local level) may simply 'privilege' WISEs they know in order to support them and their social mission. In the case of larger purchases, when the public bodies have to

issue public calls for tenders, some social dimensions can be included in the public procurement procedures, for example in the form of social clauses that take into account types of criteria other than market ones, such as the importance of integrating disadvantaged workers. These are ways – formalised or not through regulations – to support both the production and the work integration goals of WISEs.

Competing in the market with for-profit companies solely on the basis of financial criteria often appears difficult for WISEs, and some WISEs thus demand that public authorities take their social dimension into account when awarding public contracts. However, the practice of inserting social criteria in public contracts is not yet very extensive in the European Union. In this region, Italy provides the oldest case of introduction of a social dimension into public purchasing: in 1991 already, a law was passed in this country which reserved certain public markets to social co-operatives. But this law had to be re-examined, following objections from the European Commission (it is at the level of European legislation that the principal debate in this matter occurs today). This kind of legislation does not exist in countries such as Ireland, Portugal, the United Kingdom or Spain; legislation is evolving in other countries (such as Belgium), which are considering introducing social clauses into public tenders. Indeed, national and regional practices in this matter are relatively diverse across the European Union.

WISEs and public policies: a typology

Different kinds of support can coexist within one country. However, the analysis of the general patterns of labour market policy expenditures allows us to construct a typology of the countries surveyed in terms of public support to WISEs.

The first group includes Denmark and Sweden and is characterised by a high level of active labour market policies and of welfare expenditure in general. In these countries, no public schemes specific to WISEs have been developed, but there is an increasing collaboration between WISEs and public bodies to implement 'activate labour market policies' (ALMP). As Stryjan (Stryjan 2004) stresses for Sweden, the current Swedish labour market is, to a

significant extent, the product of active labour market policy. In this context, WISEs are not the result of a shortage of active labour market policies but are rather a response to the fact that such facilities either cannot reach significant portions of the population, or are ineffective for certain groups. This is quite a new phenomenon for these countries, where the third sector is traditionally viewed as having an advocacy role, not a role of service provider. This first group corresponds to the 'universalist' group of Esping-Andersen's typology – a group in which welfare has traditionally been delivered by the state (Esping -Andersen 1999). Finally, it has to be noted that even though there is no official accreditation for social enterprises in Sweden and Denmark, there is in these countries a tradition of a co-operative movement; it is thus not surprising to see that there is now a Swedish Minister of the Social Economy, rooted in this co-operative movement, and that there are linkages and lines of communication between the co-operative movement and new social enterprises.

The countries in the second group - Belgium, Germany, France and Ireland - still have relatively high levels of expenditure on active labour market policies (although these levels are lower than in the countries in the first group) and, within the field of active labour market policies, there exists a large 'second labour market programme' offering intermediate forms of employment, within the non-profit sector, between employment policies and social policies. The implementation of these active labour programmes was based on the observation that, on the one hand, a number of unsatisfied social needs existed and, on the other hand, a large number of people were unemployed. These programmes thus tried to encourage the creation of new jobs in the non-profit sector, in areas where they could satisfy social needs, as a mean of both creating jobs for unemployed persons and curbing mainstream social spending.

The first WISEs in these countries relied heavily on these 'second labour market' programmes. All these countries, except Ireland, belong to the 'Bismarckian' tradition or the 'corporatist' group of countries, i.e. in these countries, intermediate bodies are important not only for the management of social insurance but also for the delivery of social services (Esping-Andersen 1999). Indeed these countries (Salomon 1999) are characterised by a significant presence of non-profit private organisations, mainly financed by public bodies, in the field of social services. Not surprisingly, it is in these countries that the 'second labour market programmes' emerged; they relied on this kind of organisations. The inclusion of Ireland in this second group may seem rather odd as it does not belong to this Bismarckian tradition. Nevertheless,

Ireland has one of the highest shares of employment in the non-profit sector, which relies heavily on public funding. Actually, some research has shown that Ireland is a borderline case between the 'liberal' and the 'corporatist' state (Hicks and Kenworthy 2003).

In the 1990s, the countries in this second group adopted public schemes specific to WISEs; the only exception is Germany – which probably reflects the decline of the co-operative movement in this country. In the other countries, the persistence of a social economy sector or a co-operative sector which still maintains some of its original features influences the environmental perception of WISEs and the building of organisational identities within this tradition (Bode, Evers et al. 2006).

A third group – bringing together Portugal, Spain, Italy and the United Kingdom - is characterised by a low level of expenditure on active labour market policies and by the (near) non-existence of a second labour market programme. Regarding the development of a public scheme specific to WISEs, Italy played a pioneering role in the European Union, thanks to the action of its strong co-operative movement. In the countries of this group that do not have a historical heritage similar to that of Italy, the situation is in rapid evolution at the moment, due among other factors to the increasing number of interactions – and probably a certain homogenisation – between European Union initiatives and national public policies. Portugal and the UK are now experimenting an increase in their ALMP, and public schemes specific to WISEs viewed as an ALMP tool have recently been adopted in these countries.

3. MULTIPLE-GOAL WISES FACING INSTITUTIONALISATION

Historical analysis shows that social enterprises have contributed to the development of public policies. Indeed, they were pioneers in promoting the integration of excluded persons through a productive activity. As we have seen, WISEs have increasingly represented, for public bodies in most European countries, a tool for implementing labour market policies.

However, dialogue has not always been smooth. Indeed, the accommodation between the views of WISEs and those of public bodies on the contested nature of WISEs' mission does not seem to be easy. This explains why some pioneering initiatives chose not to use WISE-

specific public schemes; this is for example the case of the 'local development' initiatives in Ireland, which did not adopt the 'social economy' framework (O'Shaughnessy 2006). It should be noted too that, if public schemes have encouraged some initiatives, they have also excluded others. In France, for instance, the institutionalisation process recognised and favoured initiatives launched by professional and associative militant actors aiming at the integration through work of disadvantaged populations, whereas the initiatives originating from these populations themselves were in most cases neglected.

Social enterprises are usually viewed as multiple-goal organisations; they mix social goals, connected to their specific mission to benefit the community (for WISEs, the integration of people excluded from the labour market through productive activity); economic goals, related to their entrepreneurial nature; and socio-political goals, as social enterprises are often rooted in a 'sector' traditionally involved in socio-political action.

The WISE-specific public schemes or the more general activate labour market policies used by WISEs now shape (at least partially) their objectives and practices. But is the extent of this influence sufficient to speak of 'isomorphism' on the part of WISEs – isomorphism being understood as a progressive loss of their inner characteristics under the pressure of legal frameworks or professional norms spilling over from the for-profit private or public sectors? Bode et al. (2006) conclude that there is no overall tendency, among European WISEs, towards isomorphism understood as an evolution in which WISEs completely lose their initial identity. This being said, external pressures however generate strained relations between the different goals of WISEs. The simultaneous pursuit of these various goals often constitutes an essential challenge for these organisations.

Social goals

Regarding the social goal of integrating disadvantaged workers through a productive activity, the philosophy of the innovative social enterprise which emerged in the 1980s clearly resided in the empowerment and integration of excluded groups through participation in WISEs whose aim was to offer the disadvantaged workers a chance to reassess the role of work in

their lives by supporting them while they gained control over their own personal project. This conception implies not only giving an occupation to these persons but also developing specific values, for example through democratic management structures in which the disadvantaged workers are given a role, and/or through the production of goods and services generating collective benefits (such as social services or services linked to the environment) for the territory in which the WISEs are embedded. Getting workers back into the 'first' labour market was thus not the priority of these pioneering WISEs. But the progressive institutionalisation and professionalisation of the field over the years, through public schemes increasingly linked to active labour market policies, has generated a clear pressure to make the social mission instrumental to the integration of disadvantaged workers into the first labour market.

As a result, we observe a strained relation between the mission of empowering excluded groups and the mission of integrating the beneficiaries into 'normal' jobs. This has implications for the actual implementation of the social mission of WISEs.

First, as showed by Borzaga and Loss (Borzaga and Loss 2006), the type of integration provided by a WISE is highly influenced by the type of integration scheme defined by the labour market authorities that this WISE uses. Integration schemes usually consist of temporary public support intended to compensate for the 'temporary unemployability' of the disadvantaged workers. But it appears that the length of this temporary subsidy is not sufficiently linked to the actual profiles of the workers. This can lead to a phenomenon of skimming, i.e. there are incentives for the enterprises to hire only those workers who are most likely to be 'cost-effective' by the end of the project and to retain only those who have attained this level of 'cost-effectiveness' when the subsidised period ends.

Second, although the pioneering initiatives emphasised the empowerment of participants through participative decision-making processes, nowadays, daily practices are more deeply influenced by other factors, such as the extensive professionalisation of the organisation and the evolution of production methods towards those of the private sector (Bode, Evers et al. 2006). As a matter of fact, WISEs sell their products in markets in which they compete with for-profit enterprises; as a result, WISEs can be driven to adopt the norms of these for-profit

competitors. Analysis of formal channels of participation such as board membership indeed shows that, on the one hand, the level of participation of disadvantaged workers is low and that, on the other hand, the staff is one of the more influential categories within the boards of the WISEs surveyed (Campi Sara, Defourny Jacques et al. 2006); this could be a consequence of the process of professionalisation, in which participation may suffer. However, deeper investigation is needed regarding the participation of disadvantaged groups within WISEs through informal channels potentially linking the social enterprise and its workers.

Economic goals

Regarding the production goal, the first challenge for WISEs is to find a type of production suited to the capacities of the disadvantaged groups they employ while making it possible to train these workers through the production process.

To meet this challenge, developing market niches has proven a successful strategy, but 'WISEs that have successfully entered into niche markets may discover that, from the moment these markets become more stable, private competitors (with fewer social concerns and constraints) are keen to make money in them as well' (Bode, Evers et al. 2006). The case of recycling is emblematic in this regard: at the European level, WISEs played a pioneering role in developing recycling services, but today, these markets are more secure and WISEs have to compete with new entrants coming from the for-profit sector. Moreover, when choosing a production niche, WISEs sometimes face a trade-off between the type of production and the level of employability of the participants. For example, the building and gardening sectors employ more workers with a weak employability profile, while – unsurprisingly – workers in the field of social services and education are usually more qualified.

If WISEs consider their goal of producing goods and services as important insofar as it supports their integration mission, some of them also develop the production of a specific type of goods because it generates collective benefits and equity³ (this is for example the case of social services). These WISEs face a second challenge when looking for the necessary

³ Such goods can be considered as quasi-collective goods. Their consumption is clearly divisible but it gives rise, besides the private benefits, to collective benefits which affect the whole community.

resources to support this kind of production. Indeed, while all WISE-specific public schemes emphasise the production goal as the main support for work integration, only a few of them recognise the possibility of producing (quasi-)collective goods. Moreover, when this is the case, this collective dimension is rarely sustained by specific public financing, which makes it more difficult for these WISEs to maintain the concurrent pursuit of different collective goals – namely the integration of their disadvantaged workers and the production of a good or service with a collective dimension – that characterises them. As O’Shaughnessy (2006: 140) explains, '[this] presents an enormous challenge to those WISEs which may be serving a disadvantaged community, where the consumers of their services lack the financial means to procure these services from other vendors and where public service provision is inadequate.'

Socio-political goals

Regarding the socio-political goal, we have shown how WISEs have contributed to shaping public policies in the field of work integration. Both public authorities and promoters of WISEs agree on the fact that the hiring and occupational integration of disadvantaged workers are at the very heart of WISEs' mission, but differences arise, as we just explained, regarding the way in which this integration is to be understood. The dominant model of public recognition of WISEs tends to recognise only one kind of benefit – namely those benefits linked to the work-integration goal – in the framework of active labour market policies and with a very specific target – the integration of workers into the normal labour market. This evolution entails a risk of reducing the innovation capacity of WISEs.

4. SOCIAL ENTERPRISES AT THE CROSSROADS OF MARKET, PUBLIC POLICIES AND CIVIL SOCIETY

Social enterprises are often presented as hybrid organisations (on this subject, see Evers in this book); this hybrid nature is reflected particularly clearly in their mode of governance and sources of income. Does this hybrid character of social enterprises constitute a channel to fulfil their multiple-goal mission and therefore a bulwark against isomorphism, or is it rather a threat for their identity, embedded in different, contradictory logics?

Their mode of governance could be seen as hybrid insofar as it relies on a dynamic of linking people with different backgrounds. Indeed, most WISEs were founded through a partnership among different kinds of civil society actors. Local public bodies were sometimes associated with this dynamic. Fifty-eight per cent of European WISEs have been described as involving more than one category of stakeholder on their board (Campi Sara, Defourny Jacques et al. 2006), and the data collected seem to indicate that 'the participation of stakeholders in these WISEs leads to the exercise of a real influence within boards', thanks to the 'balanced governance structure' (see table 1). These features highlight the collective and hybrid dynamic of social entrepreneurship and contrast with the emphasis that social entrepreneurship literature generally places on individual social entrepreneurs (Grenier 2003).

Table 1 – Influence of stakeholder categories in multi-stakeholder WISEs

<i>Stakeholder category</i>	Users / Customers	Volunteers	Staff	Participants	Business	Government	NPOs	Other ^(*)	Total
<i>Country</i>									
Belgium	1%	13%	24%	10%	9%	10%	19%	15%	100%
Denmark	9%	7%	17%	7%	13%	25%	18%	5%	100%
Finland	0%	6%	26%	21%	10%	10%	15%	13%	100%
France	10%	36%	10%	3%	10%	10%	13%	10%	100%
Germany	0%	25%	12%	18%	10%	18%	18%	0%	100%
Italy	4%	29%	55%	1%	3%	0%	1%	6%	100%
Spain	0%	44%	28%	0%	4%	0%	15%	9%	100%
Sweden	12%	6%	24%	24%	9%	15%	3%	8%	100%
United Kingdom	3%	13%	4%	0%	25%	19%	19%	17%	100%
<i>EU (average)</i>	<i>5%</i>	<i>20%</i>	<i>21%</i>	<i>7%</i>	<i>10%</i>	<i>13%</i>	<i>14%</i>	<i>10%</i>	<i>100%</i>

() This category includes: private individuals (other than consumers), local community representatives, private financing bodies, experts etc.*

Source: Campi et al. 2006: 40.

Hybridity is also reflected by the resource mix mobilised by European WISEs (Gardin 2006). The latter indeed show a particular capacity to articulate resources coming from different sources. Moreover, it appears that WISEs do not rely only on a mix of market- and

redistribution-based resources; they are the scene of a more complex hybridisation, built upon four types of economic relationship: the market and redistribution, but also the socially embedded market (see above) and reciprocity (an example of a reciprocity-based resource is provided by volunteering). The sales of goods and services represent on average, at the European level, 53 per cent of WISEs' resources – of these 53 per cent, one third are socially motivated sales. Redistribution resources (direct and indirect subsidies) account for 38.5 per cent of resources. Voluntary resources, which are most probably undervalued, represent on average 8.5 per cent of total resources. This last kind of resource reflects the degree of embeddedness of WISEs in civic networks; social enterprises which are more strongly embedded in civic networks are usually better able to mobilise volunteer resources than social enterprises launched by public bodies. It finally has to be noted that this resource mix varies from one type of WISE to another in accordance with their specific social mission.

Public schemes, though, usually do not recognize this hybrid character of social enterprises. Indeed, one of the most visible effects of the institutionalisation of WISEs in the different European countries is that it pushes them to reduce the variety of their resources mix and to position themselves, most of the time, either in the 'market economy' or, when they employ very disadvantaged workers, in the 'redistributive economy'; as to the role of voluntary resources, it is in neither case recognised. This type of scheme puts social enterprises in 'boxes', denying one of their fundamental characteristics – namely the fact that they are located in an intermediate space between the market, the state and civil society.

This dynamic has put pressure on the identity of the WISEs which try to preserve their original approach, that is, to provide for the long-term social integration for disadvantaged groups, to solidly establish different sorts of economic activities that are beneficial to the community, to keep relying on strong civic stakeholders, and to empower employees through workplace democracy and broad social support.

Bode et al. (2006: 254)

The presence of various stakeholders constitutes a channel for developing links and trust across different types of stakeholders and can consequently enhance the development of bridging social capital. Analysis tends to show that this multi-stakeholder nature can in turn be a resource for WISEs to pursue their complex set of objectives. The reliance on a variety of resources, both from the point of view of their origin (e.g. from private customers, from the

private sector, from the public sector, from the third sector) and from the type of allocation (e.g. the sale of services, public subsidies, gifts and volunteering), also appears to be a key element for WISES to fulfil their multiple-goal missions. Managing hybridity constitutes a daily challenge for social enterprise, but this character also appears to be a part of their identity linked to their multiple-goal mission.

5. CONCLUSION - WIDENING THE SCOPE OF INVESTIGATION TO THE SERVICE SECTOR

Social enterprises have become associated mainly with work integration. They are not often recognised by public bodies as a viable strategy in other fields of activity. In a context where the sector of services – and more specifically that of personal services – is 'on the rise', the analysis of the specific characteristics of social enterprises must go beyond the field of work integration. Indeed, personal services are provided by a variety of operators (for-profit private enterprises, traditional non-profit bodies, social enterprises and public sector organisations) which have specific organisational forms and modes of governance. The development of these services generates many expectations, based on the collective benefits they can produce (impact in terms of equity regarding the users, creation of high-quality jobs). Therefore, it is important that the question of the value added of the model of social enterprises – which are driven by their explicit aim to benefit the community – be studied more thoroughly. Is the development of social enterprise in this field a sign of a retrenchment of the welfare state or, on the contrary, a way to enhance the collective benefits that may be associated with these services? The answer is obviously complex. The analysis of the work integration field suggest that the response will vary depending on the type of regulation that is developed. If public bodies limit their action to developing quasi-market policies, which place all types of providers on an equal contractual footing, without taking the collective benefits the providers create into account, the risk is that the social innovation role of social enterprises will be curtailed, as most probably will be their capacity to provide specific answers to these collective problems. Conversely, if public bodies recognise the specific characteristics of the social enterprise model and foster its development, social enterprises could, most probably, make their specific contribution to the public good.

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