

**BOOK REVIEW**

## Janelle A. Kerlin (Ed.): Shaping Social Enterprise: Understanding Institutional Context and Influence

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Over the last two decades, social enterprise (SE) has received increasing attention from policymakers, practitioners and scholars, who have explored this phenomenon from various angles. The comparative analysis of SEs across countries represents one of the newest avenues of research (Kerlin, 2010; 2013). While essential steps forwards have been made over the last years, it seems that this avenue of research still needs, more than any other, to be further investigated: “there has been relatively little work done on examining the contextual nuances and comparative institutions of social entrepreneurship/social enterprise within and across countries” (Nicholls, 2017: xix).

Among the foremost pioneers in the comparative regional analysis of SEs, there is undoubtedly Janelle Kerlin, associate professor at the Georgia State University (USA), who back in 2009 edited a book entitled *Social Enterprise: A Global Comparison*. The book presented the Macro-Institutional Social Enterprise (MISE) framework, a framework showing that institutions play an essential role in shaping national SE models. To put it simply, as governments, civil society organisations and economic systems are interrelated amongst each other and differ from country to country, SE models inevitably change across countries.

The MISE framework has received an outstanding acknowledgment from the scholars of the field because it enables researchers and policymakers to address SE issues from different perspectives, such as government, economy and civil society. Yet, the framework has also received some negative reviews. Indeed, Kerlin's book lacked empirical framework testing to understand the different institutions that can influence SEs. According to Wolcott (2011:198), the book "is actually just a piecing together of nominally-related ventures".

This observation and others have been addressed in the new book edited by Kerlin *Shaping Social Enterprise: Understanding Institutional Context and Influence*, which is presented here. This book, published in 2017, shows the first empirical research that tests the MISE framework and provides an inspiring analysis of the interplay between institutions, formal and informal<sup>1</sup>, and the different models of SE. The book shows how institutions have shaped SEs in their main aspects, such as their organisational structure, governance, activities, financial resources and strategies. Before this book, it was not clear enough that SEs change from country to country in terms of their main features and how this happens.

Thanks to the findings emerging from both a quantitative and qualitative research, Kerlin updates the version of her MISE framework and includes some novelties, such as a better understanding of how culture affects SEs and a differentiated analysis at macro-level (government and civil society organisations at country level), meso-level (regional institutions, such as federations, networks, and capacity-building intermediaries, supporting and connecting micro-level organisations with macro-level institutions) and micro-level (local-level governments and every single SE). Furthermore, the new book presents South Korea and China, which were not analysed in the previous edition.

These two books can be valuable resources for policymakers, social entrepreneurs and scholars since they show which factors, from county to country, can affect SE models. Such an understanding can help in targeting interventions in favour of SEs. For example, this approach can be particularly useful to transfer SE best practices across countries to develop further and support emerging SEs and their support organisations such as incubators and accelerators. Indeed, policymakers and other stakeholders involved in SE in their national contexts can adapt their interventions following other countries' best practices presented in the book. Moreover, the book can "facilitate the entrance of new social enterprise organisations because mechanisms that are known to support their development can be drawn upon and constraining factors addressed or avoided" (Kerlin, 2017: 302). Scholars are invited to frame their research on SEs at a national or non-national level under the relevance of formal and informal institutions at macro-, meso- and micro-level.

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<sup>1</sup> Formal institutions are presented as a range of national, regional, and local government entities, while informal institutions as aspects related to the culture, values, norms and beliefs of each society. About this last point, Kerlin, on page 5 quotes Scott (2005 in Hechavarría, 2016: 1026) pointing out that "informal institutions are enduring systems of shared meanings and collective understandings that, while not codified into documented rules and standards, reflect a socially constructed reality that shapes cohesion and coordination among individuals in a society".

The volume has the following structure. It starts with a preface by A. Nichols, where he presents a summary of the existing literature on the contextual nuance and the comparative institutions on SEs within and across countries.

In Chapter 1, *The Macro-Institutional Social Enterprise Framework: Introduction and Theoretical Underpinnings*, Kerlin, the editor, introduces the reader to the topic of the book, by presenting a literature review on the influence played by institutions on the development of SEs across countries and regions. The chapter also discusses the original MISE framework and its critiques.

In Chapter 2, *An Updated Quantitative Assessment of the Macro- Institutional Social Enterprise Framework*, Monroe-White and Coskun take on the challenge of quantitatively testing the framework and its results for SEs through multilevel regression analysis. In particular, the chapter develops the previous study by including a variety of additional cultural variables. This change enables a better test of informal institutional effects on SE variation across countries. The authors also update the testing of formal institutional influences by including civil society with the help of newly available data.

In Chapter 3, *Government Directed Social Enterprise Development: Towards a New Asian Social Enterprise Country Model*, Jeong concentrates on in-depth research of the development of SEs in South Korea. In particular, the author examines South Korean SEs from a historical institutional perspective. From such an approach, he illustrates the proactive role of the South Korean government in developing such organisations.

In Chapter 4, *The Diffusion of Social Enterprise Innovation: Exported and Imported International Influence*, Cui and Kerlin examine the development of SEs in China from the perspective of imported and exported diffusion of innovation to China in the context of an authoritarian government regime and a regulated civil society. After providing a literature review on the main features of SEs and the civil society sector in China, the chapter presents an empirical analysis based on the MISE framework. It concludes with an explanation of the implication of the given model for SEs in China.

In Chapter 5, *Fostering Social Enterprise in a Post- Transitional Context: Caught between Social Enterprise Country Models*, Lambriu and Petrescu explore the post-transition context for social enterprise development in Romania focussing on the current civil society context and the supporting role and influence played by the European Union. In particular, the authors conducted multiple research data triangulation on financial data related to social economy entities in Romania. Data shows that, in Romania, the institutionalization process of SE was affected by several driving features. Among them, there were the welfare state, the low regional social spending, the degree of public market openness toward the civil society sector and the development of economic and social players in a broader sense.

In Chapter 6, *Understanding Social Enterprise Country Models Across Time and Sub-Country Regions*, Fisac-Garcia and Moreno-Romero apply the MISE framework to two distinct periods in Spain's history. The authors show how the application of the framework in both historical and present contexts can reveal a more dynamic picture of SE evolving concept at a country level. The

chapter is structured in three main sections. In the first one, the authors present an overview of the general aspects of Spanish SEs, while in the next one, Kerlin's institutional framework is applied. The last section discusses the model and presents the main conclusions of the research.

In Chapter 7, *The Influence of Institutional Holdovers from the Past on the Social Enterprise Country Model*, Gatica, through a historical application of the MISE framework, considers the influence of prior socioeconomic contexts and SE country models on the present SE model in Chile. In particular, the chapter aims to test Kerlin's framework to understand the reasons for the increasing number of SEs in the country and to frame the topic from an international perspective. The research was based on qualitative and quantitative methodology and was conducted through the analysis of three expert group discussions and 20 in-depth interviews.

In Chapter 8, *Tracing Social Enterprise across Different (Social) Spheres: The Dynamic Interplay among Institutions, Values, and Individual Engagement*, Gawell argues that there are both ambiguity and paradoxes behind the aggregated data and intertextual consensus related to the SE country models generated by the MISE framework. The chapter presents several studies on SE and social entrepreneurship based on Sweden's civil society sector. It analyses Swedish SEs with the suggested framework and concludes that values play one of the most significant roles in affecting SEs in the country. These values can also be found within corporations that provide welfare services on the market on behalf of the government.

In Chapter 9, *Innate Resource Legacies and Social Enterprise Development: The Impact of Human Agency and Socio-Spatial Context in a Rural Setting*, Chilufya and Kerlin examine how rural social enterprises in Zambia utilize spatial resource legacies, such as natural, historical and cultural resources. To do so, the chapter answers the following interrelated questions: how do rural SEs emerge in a developing country? How do SEs interact with their local and social environment? What are the primary outcomes of agricultural SEs activities?

Chapter 10, *Understanding Future Social Enterprise Country Model Development through Individual-Level Policy Discourse Analysis*, by Mason and Barraket, aims to provide an empirical baseline from which to draw a comparative assessment of the main historical factors alongside country-specific discourses that influence SEs. The results show that a combination of historical antecedents with explained institutionalism is necessary to understand the SE path at the national level. Moreover, the authors underline the influence of both macro-level institutions and micro-level discourses in SE development.

Kerlin presents the conclusions in chapter 11, *Conclusion: Revising the Macro-Institutional Social Enterprise Framework*, which offers a revision of the MISE framework based on the critiques as well as on the models that have been added to the original five: culture, political context, economic situation, civil society, and international influences. The revised MISE framework is applied only to the following six countries: Chile, Zambia, Sweden, Spain, China, and Australia. A unique characteristic is that it includes more attention to culture and the micro- and meso-level forces as well as a presentation of optional framework components.

Although the research results are well presented and the revised MISE framework fills the gaps left by the previous book, this new book still has some limitations and aspects that would benefit from further research. The main one being that each country chapter lacks a detailed presentation of the different models of SE present at a single country level. Indeed, the book is more focussed on comparing different SE country models than shedding light on the different SE models present at the country level. Moreover, it does not explain how the MISE framework works differently from one specific SE model to the other. The recent ICSEM research project has shown that, at a national level, there is not a single typology of SE, rather more than one (Defourny and Nyssens, 2017; Poledrini, 2018). Another aspect that could be better clarified is how each country defines SE and so how each country's definition of SE varies from those given by other countries. For example, in some chapters, cooperatives were considered SEs, while in others, they were not. Finally, a more detailed explanation of how the eight countries presented were chosen, alongside their similarities and differences, would have enhanced the general comprehension of the book.

For sure the research on the institutional context and the different forces underpinning SE development and diffusion is not over, as pointed out by the same editor in her invitation "to investigate further aspects of social enterprise and the framework that have only begun to be examined here including many cultural and institutional meso- and micro-level factors, new country cases, and applications of the framework" (Kerlin, 2017: 302). Therefore, the volume does not close the ongoing research. Instead, it invites researchers to further extend the analysis to geographical areas that have not yet been explored in-depth, such as "countries from the Middle East, Southeast Asia, and the former Soviet states" (Kerlin, 2017: 302).

In light of the above considerations, I recommend this book as it presents a productive debate as well as useful data from which scholars, practitioners, and policymakers can learn essential lessons about the evolution models of SEs from country to country. This book should be read as a valuable resource for those seeking to understand the various ways in which SEs around the world differ in attempting to pursue their social aim.

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