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The Role of Participatory Governance in the EMES Approach to Social Enterprise

ABSTRACT

This paper emphasizes the importance of participative governance in the EMES approach to social enterprise. The EMES approach is based on three dimensions, rather than a single one, as is common in most Anglo-American definitions of social enterprise. The latter often see social enterprise as a simple phenomenon that can be arranged along a continuum, ranging from economic to social, where more of one means less of the other. Alternatively, a “unified theory”, based on key elements from a single academic discipline, is proposed; but it fails to acknowledge the multi-disciplinary nature of the EMES approach. The multi-dimensional approach of EMES combines economic, social and political elements and, therefore, can more readily promote a truly multi-disciplinary understanding of this complex phenomenon. However, EMES needs to devote greater attention to exploring the interactive and interrelated nature of these three dimensions of social enterprise in Europe.

KEY-WORDS

SOCIAL ENTERPRISE; EMES'S MULTI-DIMENSIONAL APPROACH; ECONOMIC, POLITICAL AND SOCIAL DIMENSIONS; PARTICIPATORY GOVERNANCE.

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1. Introduction

Both the public and the academic debates about social enterprises appear to suffer from a lack of agreement on basic definitions and demonstrate considerable confusion about what to include and what not to include. Much of this confusion could be dispersed with a more concise and focused definition of social enterprise, one that is contextually specific rather than vaguely universal. Here we will mainly focus on the European discourse. The three dimensional approach of EMES¹ to the study of social enterprises can offer a way forward and provide an anchor in a sea of confusion caused by competing perspectives. In order to pursue this we will first discuss the state of confusion often found in the public and academic debates about social enterprise before presenting the second and third dimensions of the three dimensional EMES approach, one that clearly emphasizes the importance of governance.

2. The public debate

The public debate about social enterprise and social entrepreneurship suffers from a mix of the vagaries of two contrary tendencies. The first tendency is so broad that it appears as an attempt to “make a chicken from a feather”, while the second tendency is so narrow that it seems the opposite, an effort to “make a feather from a chicken”. In the first case the rule seems to be that “anything goes”, where almost any and every business firm, including those with only an indirect or vague social value and those that practice some form of corporate social reporting or corporate philanthropy can qualify as a “social enterprise”, although this is clearly part of a strategy to achieve greater sales, turnover and profit. The second case reflects the opposite tendency, here “almost nothing qualifies” and very few organizations are able to meet the strict criteria necessary to gain public recognition as a social enterprise in some European countries. However, large differences can be observed between the EU countries, a point to which we will return later on.

In the first case, some definitions of social enterprise are so vague or loose that a big international fast food chain might even qualify as a social enterprise, since it offers many young people their first job and helps them get a foot into the labor market. In addition, it may also operate a number of special houses for the families of children with a serious illness, allowing them to stay close to their family when they are hospitalized and receive advanced medical treatment. While such activities clearly represent important social values, they don't comprise the main focus of this big international food chain's business activities. Rather they are related to its business strategy of employing cheap unskilled labor in order to keep its costs down and/or promoting its public image. They are a means to an end, rather than an end in themselves. Similarly, a mammoth retailer provides jobs in many communities across the nation, which is very laudable in times of high unemployment; but it is also notorious for its low wages and poor working conditions. Would it also qualify as a social enterprise under such vague criteria? Perhaps it might. Would the world's largest tobacco manufacturer also qualify as a social enterprise if it donated funds to a known local nonprofit to feed the elderly? Or perhaps a big European state-owned energy company that mines huge reserves of brown coal for its operations abroad and manages nuclear plants outside its borders, could

¹ EMES is a research network of established university research centres and individual researchers whose goal has been so far to gradually build up a European corpus of theoretical and empirical knowledge, pluralistic in discipline and methodologies around “SE” concepts: social enterprise, social entrepreneurship, etc. (www.emes.net).

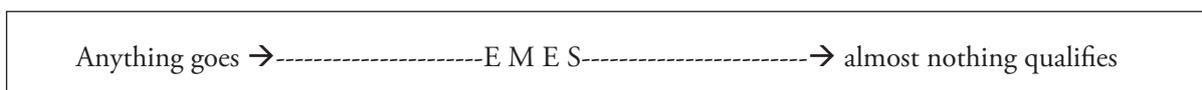
it also be considered a social enterprise if it regularly arranged a marathon or other sporting events in a big city? Such questions are not always easy to answer, especially without any clear standards or guidelines.

Calling a huge international fast food chain, a mammoth retailer, the world's largest tobacco manufacturer or a big European energy company a "social enterprise" promotes the idea that "anything goes". Are there any limits on how much of a big enterprise's activities or surplus needs to be earmarked for social activities for it to be considered a "social enterprise"? Is 25 per cent of its turnover or surplus sufficient, 50 per cent, or perhaps 75 per cent? Without limits, whether high or low, any firm that wanted to adopt this popular label could easily do so, although it could be the key to its marketing strategy. Therefore, we need to ask what would be excluded or left out of a term like social enterprise. Very little it seems, especially if there are no clear academic standards or legal guidelines. Moreover, when almost everything is included, we also need to ask what is left to compare or contrast it with. Once again, the answer would be very little.

In the second case, some academics, representatives of the social enterprise community itself and even public bureaucrats can promote a particular agenda by employing a very narrow focus on certain social enterprises, to the exclusion of many others. For example, public bureaucrats can seize a new, popular academic term, like social enterprise in an attempt to promote their own policy aims. Thus, the European Social Fund and labor market agencies in several European countries have coupled the term social enterprise with policy aims of job creation, particularly for persons with a physical, social or psychological handicap. Naturally, such public bureaucracies are clearly interested in promoting work integration social enterprises (WISEs), since they appear to offer new and innovative ways to promote employment and job-training among their target populations. Therefore, some public bureaucrats define social enterprise so narrowly as to exclude most other types of cooperative social services, like childcare, elder care, etc., or services of general interest. So, in the public debate in some EU countries, social enterprise becomes synonymous with work integration social enterprise. The Finnish Act on Social Enterprises introduced in 2004 has a specific focus on WISE. A similar development can be observed in Poland (Pestoff, 2011) and Sweden (Levander, 2011). Thus, WISE has become equivalent to and sometimes even the official definition of social enterprise in certain EU countries, to the exclusion of other phenomenon that closely fit European academic approaches to the study of social enterprises. Some observers even suggest that the European bureaucrats have "hijacked" the concept social enterprise for their narrow policy goals, to the detriment of the public debate and development of the sector itself. Once again, we are left to ask what is left to study and compare work integration social enterprises with, when most other types of firms with clear social goals are excluded? Once again the answer is very little.

It is noteworthy that the EMES approach is found somewhere in the middle of these two conflicting extremes in the public debate. The EMES approach provides a stable middle ground in an otherwise stormy and contentious sea of change. Thus, the public debate might be summarized by the following figure.

Figure 1. From "anything goes" to "almost nothing qualifies"



Source: author's elaboration.

Given the conflicting tendencies in the public debate on social enterprise one should expect that the academic debate could perhaps provide more guidance. However, it too remains highly divided and contentious, as discussed below.

3. The academic debate - differing perspectives

The terms *social entrepreneurship* and *social enterprise* are sometimes used interchangeably. They gained importance in the academic debate in the early 1990s and later became buzz words both in the United States and continental Europe, although with a somewhat different focus, scope and understanding. Galera and Borzaga (2009) state that definitions of social entrepreneurship can range from narrow to broad. According to the narrow definition, social entrepreneurship is strictly located in the nonprofit sector and refers to the adoption of entrepreneurial approaches in order to earn income. It presumes that the social mission is explicit and essential. What primarily distinguishes social from commercial entrepreneurship is something they call the opportunity dimension. Commercial entrepreneurship focuses strictly on markets that can provide profitable opportunities, while social entrepreneurship is attracted by an unmet need, demand or market failure, i.e., the opportunity for social change. Broad definitions refer to a conception where this phenomenon can be found anywhere and in any business or setting, for-profit, nonprofit, public sector or any mix thereof (*ibid.*: 212).

In continental Europe, social enterprise refers to an organizational unit or enterprise (Borzaga and Defourny, 2001; Nyssens, 2006; Defourny and Nyssens, 2014). This understanding stems from strong collective traditions found in cooperatives, mutuals and associations in Europe (Defourny and Nyssens, 2006). Galera and Borzaga (2009) maintain that the EMES concept of social enterprise does not seek to replace other existing concepts; rather it aims to promote a better understanding of third sector entrepreneurial dynamics in Europe by focusing on social aims within the sector, combined with the entrepreneurial trends involving them in the provision of social services. Thus, a specific feature of the European social enterprise tradition is setting up an autonomous institutional structure specifically designed to pursue social goals in a stable and continuous way through the production of goods or services of general-interest (*ibid.*: 213).

The United States by contrast has shown a preference for the term social entrepreneurship and adopted a broader understanding of the term that includes the idea of “market based approaches to social issues” (Kerlin, 2006) which can be undertaken by any organization or firm in any sector of the economy. However, they are often undertaken by nonprofit organizations that manage to generate a surplus from their trading or business activities in order to meet their social goals (Dees, 1998). Nevertheless, this broad definition appears to focus more on the phenomenon of entrepreneurship than the organizations or enterprises involved in them, i.e., more on social entrepreneurship than on social enterprise.

Differences in perspective between Europe and the US concerning social enterprises also mirror a prevailing private and business focus in the US, where private foundations provide most outside financial support for social enterprises and the welfare state is relatively weak, while there is a stronger government and social service focus in Europe (*ibid.*: 7). According to Teasdale, the United Kingdom appears to borrow a bit from both traditions. The government sees social enterprises as part of the third sector and defines them as “a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximize profits for shareholders and owners” (Cabinet Office of the Third Sector - UK Government, 2006: 10). However, this broad definition also leads to confusion and different observers use the same term to refer to different types of organizations (Teasdale, 2010).

4. In search of a “unified theory” of social enterprise

The works of a prominent American third sector scholar, Dennis Young, help illustrate some of the limitations and shortcomings of this broader US approach to social enterprise. Two of his recent works come to mind since they provide the following definitions of social enterprise as activity that is “...intended to address social goals through the operation of private organizations in the marketplace” (2008: 23) or that “...involves the engagement of private sector forms of enterprise and market based activity in the achievement of social purpose” (2009: 175). However, these broad, market oriented attempts to define social enterprise not only appear vague, but they provide little guidance for distinguishing between what is and is not included by the term social enterprise. In the former article Young provides alternative perspectives on social enterprise from the various academic or disciplinary approaches to the phenomenon that include history, economics, management theory, organizational theory, entrepreneurship and international manifestations (Young, 2008). Management theory, organizational theory and entrepreneurship are sub-disciplines of business administration, while international manifestations are not generally recognized as a separate discipline. Unfortunately, he fails to include public administration, political science or sociology in his attempt to define and delimit this highly multi-disciplinary field.

His survey of academic disciplines results in six different social enterprise identities, including one called “corporate philanthropy”, which is illustrated by “a profit seeking organization that devotes some of its resources to social programs as part of a competitive strategy” (*ibid.*: 35). Whether corporate philanthropy should be considered as market or non-market entrepreneurship is debatable. Shockley *et al.* (2009) argue that non-market entrepreneurship excludes any form of entrepreneurship being undertaken solely for the purpose of profit maximization or commercialization. Nor would corporate philanthropy be included in the EMES approach to social enterprise (Defourny and Nyssens, 2014; Galera and Borzaga, 2009). Yet, under “international manifestations” Young notes that “... the forms of social enterprise in Europe are often quite different from those in the US”. In the former there is “... more emphasis on governing arrangements that help insure an enterprise pursues the right combination of social and private goals” (Young, 2008: 33). We will return to this point in greater detail below.

In the second article Young (2009) pleads for a more “unified theory” of social enterprise, since it is viewed so differently in Europe and the US. He bases this “unified theory” on “... a framework that ties all together in a comprehensive way”. This framework is well known, especially by economists, as it is “... the basic economic paradigm of supply and demand as applied to social enterprise” (*ibid.*: 176). He argues that the supply and demand framework helps to explain the varying concepts of social enterprise in different parts of the world, particularly in Europe where it appears to be demand driven, while in the US it seems more supply driven (*ibid.*). “... [O]nly a ‘unified theory’ of social enterprise which acknowledges both demand and supply side forces allows us to recognize social enterprise as a coherent phenomenon and understand variations from one venue to another” (*ibid.*: 183). Thus, he concludes that “... the supply demand framework for understanding social enterprise has the potential for integrating heretofore disparate subject matter into a more coherent whole” (*ibid.*: 189).

It is questionable, however, whether a “unified theory” can in fact encompass the diverse, and at times conflicting, understandings of social enterprise found in Europe and the US. There seems to be an inherent tension between recognizing major contextual differences between them, on the one hand, and trying to provide a “unified theory” of social enterprise, on the other. Moreover, there also appears to be some tension between attempting to integrate the perspective of various disciplines in the field of social enterprise, on the one hand, and proposing to unify them by employing the conceptual tools so closely tied to a single discipline.

5. Evolution of the European perspective

Defourny and Nyssens (2006) distinguish between three major schools of thought concerning social enterprise: the “Earned Income” School, which is illustrated by a single dimension or continuum ranging from pure economic to pure social activity; the “Social Innovation” School, which emphasizes the pioneering role of individual entrepreneurs; and the EMES School, which recently regrouped its nine criteria for social enterprise in Europe. Rather than premising four economic and five social criteria for identifying social enterprise, as it did at the beginning of the 21st century, today the EMES prefers to emphasize a troika of three economic, three social and three political criteria for judging the status of social enterprise.

The EMES approach reflects major economic, social and political developments in Europe. For example, Italian experience in developing social cooperatives to solve a variety of social problems in the late 1980s and early 1990s helped to spread ideas and models about social cooperatives to other European countries and elsewhere. They took the cooperative form in several countries, like France, Portugal, Spain and Greece, due to favorable laws found there. In others, like Belgium, the UK and more recently even Italy, the models developed were not specifically based on cooperative laws. Although this varied throughout Europe, some projects, like promoting work integration, were found in several EU countries (Nyssens, 2014). These developments led to a coalition of scholars who wanted to better understand the similarities between separate national phenomena, so they formed a research network, called the EMES, in the mid-1990s. They wanted to promote a common definition of social enterprise throughout Europe, based on multiple and diverse indicators of social enterprises in various countries (Defourny and Nyssens, 2014).

In the US social enterprises can take a number of different legal forms, while nonprofit organizations, on the other hand, are recognized and defined by law and they have a preferred status under US tax law. In Europe, by contrast, the policy and legal context appears much more conducive to the development of social enterprises as welfare actors, given their more institutional nature. Moreover, European legal frameworks reflect specific legal traditions, welfare regimes, and economic issues dealt with at the national level. Hence, we find a greater diversity of approaches and solutions in Europe. (*ibid.*: 218).

The EMES network identified the common principles shared by the relevant legal structures in the concerned countries, which promotes an approach that encompasses national differences. This facilitated the development and gradual convergence of a common understanding of social enterprise that proved valuable for undertaking comparative studies (Borzaga and Defourny, 2001). However, the EMES criteria for social enterprise excludes all third sector organizations that do not carry out entrepreneurial activities, like those that mainly perform advocacy or re-distributive activities, as well as public institutions and for-profit enterprises engaged in social projects (Galera and Borzaga, 2009: 215). The EMES efforts are based on an extensive dialog between and among several disciplines including economics, sociology, political science and management. They also take into account the various national traditions present in the EU. However, despite more than a decade of intensive discussion, a precise definition of social enterprise at the EU level does not yet exist. The EMES approach relies on identifying indicators rather than on proposing a synthetic definition. This approach allows for the conceptualization of the institutional features of organizations that are most likely to be identified as social enterprises. These features are highly interdependent and therefore, tend to reinforce each other (*ibid.*: 215).

According to EMES a social enterprise’s economic project is comprised of continuous production of a good or service, based on some paid work and it takes an economic risk. Its social mission relies on pursuing an explicit social aim that is usually launched by a group of citizens or a third sector organization and that has clear limits on the distribution of its surplus or profit. Although the EMES economic and social criteria have some similarity with the ideas of the other two schools mentioned above, they are not conceived as

representing the extremes of a continuum going from purely economic to purely social, where more of one implies less of the other. Rather, in the EMES configuration the economic and social dimensions work in conjunction with each other or go hand-in-hand. Thus, the social and economic criteria comprise two independent, but interrelated dimensions that do not have a zero-sum relation to each other.

Moreover, what makes the EMES approach or school truly unique is the existence of a third dimension, participatory governance. Here we find issues related to an organization's autonomy from both the state and market, its participatory nature of involving the major parties or stakeholders affected by its activities and the exercise of democratic decision-making, based on the idea of one-member/one-vote, rather than capital ownership or shareholders. Taken together these three dimensions represent a three dimensional space, rather than a one dimensional continuum, according to EMES spokespersons (Defourny and Nyssens, 2006). We will return to the governance dimension in greater detail below.

Given several unique features of the EMES approach, it seems legitimate to ask whether the differences between the perspectives found primarily in the USA and EU can be reconciled and various approaches can be brought together in a single unified theory of social enterprise. The answer given to that question seems to depend on where you stand.

6. Does a trip to the zoo provide us with a better clue?

Young and Lecy (2013) recently lament the continued lack of agreement on the proper metaphor for studying social enterprise, given more than a decade of academic debate on definitions and attempts to classify this phenomenon. They present three or four alternative schools of thought for studying social enterprise, including the EMES school, the social-economic spectrum school, the social innovation school and the UK social business school. But they appear to dismiss the EMES school as normative since it requires "... all social enterprises to adhere to particular norms of organizational operation in connection with governance and profit distribution, as well as giving priority to community benefit over profit making". (Young and Lecy, 2013: 8). They argue that this "... tends to exclude certain forms that others would consider part of the social enterprise field" (*ibid.*).

In order to resolve this dilemma, they propose the metaphor of a *zoo* as the most appropriate way of understanding different and divergent tendencies in the study of social enterprise (*ibid.*). They attempt to delimit the creatures found in this zoo by building walls around them with the help of two concentric overlapping circles. One represents a social enterprise's commercial activity while the other is its social mission (*ibid.*: 18). Only those animals included in the central overlapping part of their figure are surrounded by the walls of the zoo and recognized as social enterprises. Not surprisingly, this includes six main species of animals: a) for-profit business corporations that engage in corporate social responsibility, environmental sustainability or corporate philanthropy; b) social businesses; c) social cooperatives; d) commercial nonprofit organizations; e) public-private partnerships; and f) hybrids (*ibid.*: 18-20). Furthermore, they argue that the zoo metaphor suggests some important research questions, including which animals belong in the social enterprise zoo, how is each best nurtured, understanding their food chain and who eats whom, how a species evolves over time, which ones make good pets, etc. (*ibid.*: 21-22).

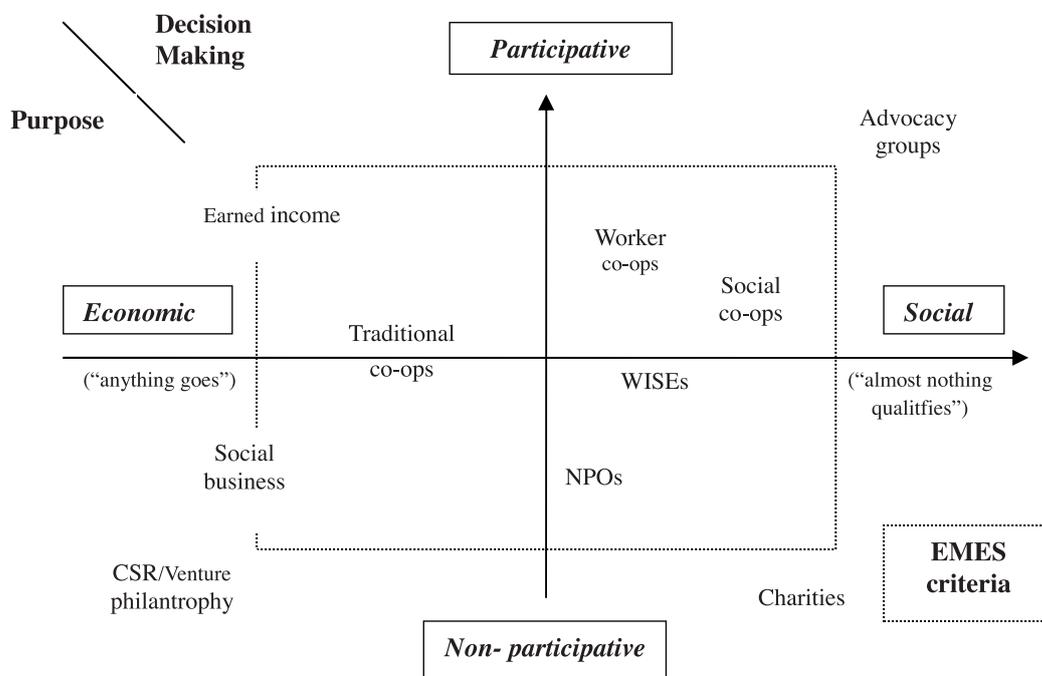
The concentric overlapping circles used to represent the confines of the zoo are presented in the two dimensional space found in their figure. However, there is no mention of the nature of this second dimension in their discussion of the social enterprise zoo, or whether a third dimension might provide a roof to shelter some of the zoo's inhabitants. Therefore, we propose adding another dimension to the Young

and Lacey figure and to make it explicitly political. Thus, in addition to the classical commercial activities and social mission of social enterprises, we propose to add their governance structure and process in order to achieve a more robust shelter for social enterprises that don't merely want to become the fodder of some big corporate competitors.

Teasdale (2010) underlines the importance of adding a second dimension to the classical continuum from the economic to social found in most academic and public discussions of social enterprise. He notes that much of the UK debate about social enterprise emphasizes the importance of individual entrepreneurs to the detriment of the democratic processes found in collective bodies like cooperatives, mutuals and associations. Based on the work of Pharoah, *et al.* (2004) he discusses the tensions found in the social enterprise field and proposes a two dimensional representation of the space in which they operate (*ibid.*). By combining them he proposes four ideal types of social enterprises in the UK, including: social business, nonprofit enterprise, community business and community enterprise (*ibid.*: 93, Figure 1).

However, unlike Teasdale's depiction of the second dimension, which ranges from individualistic to collective, we propose to employ the concepts of participative and non-participative for this additional dimension to more clearly capture the nature of participatory governance. This modification is motivated by the three criteria that comprise participative governance of social enterprise according to the EMES approach, mentioned above. Taken together they underline the participative role of the governance dimension, while organizations that lack some or all of these features could be represented as non-participative.

Figure 2. EMES and the governance dimension of social enterprise



Source: author's elaboration

The combination of these dimensions allows us to more accurately denote and delimit the space for the development of social enterprise in Europe. By adding the dimension of democratic governance to the economic and social dimensions we can more easily map the contextual space for various types of social enterprises found in Europe. However, it should be kept in mind that the economic and social dimensions are not conceived as representing a continuum, represented by the Earned Income School, but rather as two separate dimensions, in addition to the governance dimension. Note that this figure clearly excludes corporate philanthropy, corporate social responsibility, venture philanthropy, as well as advocacy groups and charities. So, it would exclude some of the animals found in the zoo proposed by Young and Lecy (2013), but not others.

7. Reasserting the importance of governance

It seems, however, that much of the American academic debate about social enterprise fails to take into account the political or governance dimensions at the center of the collective efforts of the EMES network of European scholars to provide a definition of social enterprise. The EMES network has extensively discussed and developed nine ideal type criteria for defining and delimiting social enterprise that are comprised of three economic, three political and three social criteria. Only when combined or taken together, rather than considering them one-by-one, they do help define and delimit social enterprise. Together, they allow for a wide and rich array of phenomenon that comprise social enterprise in Europe, ranging from the historical established cooperative and mutual societies of the 19th century, non-profit organizations (NPOs), as well as new social service cooperatives and WISEs of the late 20th century, etc. Social enterprises in Europe are embedded in the third sector, which in turn is characterized by its historical role in the quest for more democracy in the economy and society at large, as seen in its efforts to promote universal suffrage. Thus, governance structures have attracted much more attention in Europe than elsewhere. In fact, it could be argued that the emphasis given to the governance issue reflects the most distinctive contribution of the EMES approach to date. Moreover, governance structure can also be seen as an organizational device to ensure the pursuit of a social enterprise's social mission (Defourny and Nyssens, 2014: 21). Thus, both the public debate noted at the outset of this paper and some academic approaches clearly ignore the political or democratic essence of social enterprise that provides one main reason to study them in Europe.

Moreover, it is widely recognized that the role of governance structure is a key issue in the European discussion of social enterprise. Thus, Young and Salamon (2002: 433) state that "...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 non-distribution constraint of a formal non-profit organization". Defourny and Nyssens (2012) argue that the European approaches to social enterprise highlight the central place of governance mechanisms in order to guarantee its social mission, whereas the American social enterprise schools of thought do not emphasize organizational features as a key tool for guaranteeing the primacy of the social mission.

The growing importance attributed to the governance dimension by EMES is documented in numerous papers presented at the recent EMES international conference in 2013². They include papers by Huybrechts *et al.* (2014), Nyssens and Petrella (2013) and Vidal (2013), to mention only a few. Factors promoting

² 4th EMES International Research Conference on Social Enterprise "If not profit, for what? And How?", EMES Network and University of Liège, 1-4 July 2013, Liège, Belgium.

the development of multi-stakeholder representation and involvement are becoming a key focus of many active EMES members. For example, Huybrechts *et al.* (2014) attempt to explain stakeholder involvement in social enterprise governance in relation to their resources and legitimacy, Nyssens and Petrella (2013) explore the role of multi-stakeholder ownership in relation to quasi-collective goods, while Vidal (2013) distinguishes between the role of a multi-stakeholder dialog and multi-stakeholder governance in social enterprises that produce public services.

Nyssens and Petrella (2013) discuss the importance of multi-stakeholder representation in order to better take the collective benefits of quasi-collective goods and services into account in both individual and organizational decision-making. In particular, there are numerous difficulties in evaluating the performance of quasi-collective services that lead to uncertainty in terms of their quality. Some of these difficulties can be overcome by engaging in a multi-stakeholder dialog or multi-stakeholder governance. Based on empirical evidence from 21 partnerships between public and third sector actors they propose four different types of ownership to facilitate a dialog between the partners (*ibid.*: 15). They conclude that European approaches to social enterprise highlight governance and its relation to an organization's social mission.

The central and growing importance attributed to participatory governance by the EMES network can be explained by several interrelated factors. First, it is a key issue in relation to keeping the economic activity in line with an enterprise's social activity. It can help to limit or avoid mission drift noted in so many established consumer cooperatives in Europe. Second, stakeholder participation in the deliberations of a social enterprise can make a crucial contribution to social innovation. Third, it plays a role in strengthening the effectiveness of limits on enterprises' ability to extract a profit. Fourth, social ownership is becoming recognized as an important aspect of entrepreneurship in itself. Finally, governance is also coming increasingly under scrutiny in many social science disciplines. Thus, governance is becoming a key concept, not merely a normative prescription.

7. Conclusions

It was argued in the introduction to this paper that the EMES approach to study social enterprise can provide an anchor in a turbulent sea of confusion, both in the public debate and the academic discourse. It clearly goes beyond the simple zero-sum perception of a continuum ranging from purely economic to purely social pursuits that is prevalent in the American debate. According to the EMES approach, it is necessary to conceive of three separate yet interrelated dimensions of social enterprises: economic, social and political. Each of them is comprised of three separate criteria used to distinguish social enterprises from advocacy organizations and charities as well as firms that aim to promote their sales strategies by using CSR or that support corporate philanthropy. The interrelated nature of the EMES criteria helps them to reinforce each other, making for a more robust sustainable phenomenon than if a single criterion was adopted or applied to the study of social enterprise. The more complex multi-dimensional approach of EMES has clear advantages over using a single dimension or criteria for defining social enterprises.

In spite of the advantages of the EMES approach to social enterprise, it too has some shortcomings. In particular, two are considered briefly below. The first concerns the need to specify the participatory governance dimension more specifically. It is clearly a political criterion related to democracy and democratic participation by members and/or clients served by a social enterprise. Earlier, the EMES spoke of "a decision-making power not based on capital ownership". Yet, this is a far cry from participatory governance based on democratic decision-making. The latter needs to be more clearly stated and further research is needed

in this area to specify the governance structures and democratic nature of social enterprises. Second, it was argued herein that these three dimensions and nine criteria are highly interactive and tend to reinforce each other. Taken together, they can provide a measure of the sustainability of a social enterprise. They can also help guard against isomorphic tendencies. If one or more of these criteria is missing we should, therefore, expect that a given enterprise will be less sustainable as a social enterprise and more open or subject to isomorphic tendencies. Thus, the additive or interactive nature of these three dimensions and nine criteria should be studied in greater detail.

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