

Introduction

Documenting, Theorising, Mapping and Testing the Plurality of SE Models in Central and Eastern Europe

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In comparison with other regions of the world, Central and Eastern European (CEE) countries display various features which make the landscape of social enterprise (SE) in this region quite specific.

First, although various expressions of civil society have existed in CEE countries for a long time, the era of state socialism, which lasted several decades, left no space—or a very limited one—to the forms of organisation that would today probably be considered as social enterprises: social cooperatives, associations, foundations, social-integration centres, mutual-benefit funds and public-benefit companies (Lés and Kolin 2009). The legacy of such centralised socialist regimes is by no way “neutral” and still induces various types of influence on both the organisations themselves and their institutional environment (Ciepielewska-Kowalik *et al.*, Chapter 12 in this volume).

Another key feature of the SE field in CEE countries is the dominance of the “transition myth”, which mostly induces policies that are highly reliant on the creation of a free market and fail to appreciate the value of “alternative” organisations and enterprises, rooted in local and collective dynamics (Borzaga *et al.* 2008). Moreover, to a large extent, the neoliberal paradigm has been espoused by the media, the elites and politicians, and little attention is paid to collective and solidarity values (Fougère *et al.* 2017).

Thirdly, academic and grey literature discussing social enterprises in CEE is strongly influenced by the “European-integration narrative”, which is built on an evolutionary approach towards development and stresses, the need and the capacity of CEE countries to “catch up” with more developed European Union (EU) countries (Nenovsky and Tochkov 2014). Most of the scholars would also concur on the fact that many programmes of the EU have exerted and still exert a strong influence on the way in which social enterprise is understood and shaped in the region. The same is true regarding the way in which SE missions are framed, thereby fostering homogenous trends and moves across countries and

fields, and thus overlooking the fact that the very nature of social enterprise is closer to grassroots dynamics and bottom-up movements; but without strong endogenous drivers, exogenous factors only produce short-term and often vague effects (Cvejić *et al.*, Chapter 14 in this volume). In any case, many researchers would conclude that the emergence of social enterprise in Central and Eastern Europe can rather be linked to EU policies and to international donors' programmes than to national policy reform strategies (Srbijanko *et al.* 2016; Vidović and Rakin 2017; Baturina *et al.*, Chapter 13 in this volume).

In the framework of various EU-funded research projects covering most of the European countries, some research leaders tried to avoid conceptual debates and decided to build *ad hoc* SE "operational" definitions.¹ Such a strategy proved to be useful to deal with certain types of issues, for instance, to compare legislations or policies targeting disadvantaged persons. However, when it comes to defining the boundaries of the SE field, the limitations of such approach become quite obvious, especially if statistics about the weight of social enterprises or their value added are expected to be delivered to the funding institution(s).

As evidenced by the overviews of existing definitions of social enterprise and social entrepreneurship proposed by Dacin *et al.* (2010), Brouard and Larivet (2010), Bacq and Janssen (2011), Alegre *et al.* (2017), Aliaga-Isla and Huybrechts (2018) or Persaud and Bayon (2019), the concept of social enterprise is still heavily debated in various scientific arena (academic journals, conferences, etc.). Some of these authors also tried to build their own synthesis, in an attempt to reach larger conceptual agreements, which could serve as foundations and key references for the academic sphere, public authorities promoting SE development and intermediary bodies providing various types of services (advocacy, legal or technical tools, financial support and so on).

In spite of all these efforts, it is today acknowledged, to a large extent, that the SE field is too wide and too diversified to be embraced by a single definition which would be unanimously accepted. Against such background, an increasing number of scholars tend to adopt an alternative research strategy whose main principle is to accept *a priori* SE diversity and to describe the various types or categories of social enterprise. Some go one step further and look for factors that could account for such diversity.

This book clearly adopts this alternative strategy, and it focuses on social enterprise as the main unit of analysis. As far as the geographical coverage is concerned, this volume is part of a series of four books on social enterprise, covering, respectively, Asia (Bidet and Defourny 2019), Latin America (Gaiger *et al.* 2019), Western Europe (Defourny and Nyssens 2021) and Central and Eastern Europe (this volume).

In Europe, the very first study of social enterprise covering several countries and comparing SE types dates back to the late 1990s (Borzaga and

Defourny 2001).² In line with this pioneering work, the EMES Network then went on to deepen the analysis of SE types operating in a specific field and with a specific mission: the work integration of disadvantaged and disabled people (Nyssens 2006).³ Since then, various research projects have been developed at the European level, oriented to management tools, policy instruments and other challenges related to the promotion and development of social enterprises.⁴

But the comparative analysis of SE types or models still lacked strongly integrated theoretical foundations and, even more, empirical surveys that would enable researchers to statistically test typologies of SE models; this was all the more true at the international level, as empirical relevance should be sought beyond national borders.

This book aims precisely at documenting SE diversity in CEE countries, as well as addressing the lack of a scientifically robust typology of SE models by providing an analysis that combines two key strengths: (1) it is rooted in sound theoretical grounds, allowing for a wide diversity of SE models within each country and across countries; and (2) it is supported by strong empirical evidence, provided by the statistical exploitation of a large international dataset, resulting in turn from a survey carried out in the same way in many countries.

The International Comparative Social Enterprise Models (ICSEM) Project was designed in this twofold ambitious perspective. This large research project was carried out over several years by a large number of research partners from all world regions. In this introductory chapter, we will show how this Project was structured and developed along three major phases, which took place one after the other in most cases, but not exactly at the same time across countries, as many researchers actually joined the project at different times during its first years.

1. Documenting SE Diversity (Phase 1 of the ICSEM Project)

The International Comparative Social Enterprise Models (ICSEM) Project was presented and launched at the end of the 4th EMES International Research Conference on Social Enterprise, which was held in Liege (Belgium) in early July 2013. From the outset, some 100 researchers from 25 countries decided to get involved and committed themselves to carrying out the proposed work over at least four years. Over the following twelve months, some 80 additional researchers joined the Project, and some others came in each year until 2016; by 2018, the ICSEM community of active research partners gathered 230 researchers from some 55 countries from all regions of the world.⁵

In short, the main objective of the ICSEM Project was to document the diversity of SE models as a way (1) to overcome most of the problems related to the quest for a unifying and encompassing conceptualisation

of social enterprise; (2) to try to theoretically and empirically build an international typology of SE models; and, consequently, (3) to pave the way for a better understanding of SE dynamics and ecosystems.

1.1. Country-Based Contributions About the SE Landscape

All researchers involved in the project were first asked to provide a “country contribution” about the SE landscape in their respective countries. Two distinctive features of this approach should be underlined. First, no *a priori* strict definition of social enterprise was imposed for these national contributions. We broadly delineated the field of analysis as “made of organisations that combine an entrepreneurial dynamic to provide services or goods with the primacy of their social aims”. The emphasis was put on the embeddedness of the SE phenomenon in local contexts. Secondly, most of the research was carried out by teams rather than by individual researchers, and this fostered discussion at the local or national level, thereby reducing the risks of biases induced by purely personal perceptions.

On such a basis, researchers were requested to follow a work plan made of three main parts.

Part A—titled “Understanding concepts and context”—aimed to address questions such as: Is the notion of social enterprise explicitly used in your country? If so, in which circles: academic spheres, among policymakers, civil-society organisations . . . ? What is (are) the major existing or emerging conception(s) of social enterprise in your country? Is it (are they) rooted in any specific social, political or cultural background? Which other terms or concepts tend to be used in your country (instead of or beside that of social enterprise—for example, social entrepreneurship, non-profit organisation, social economy, voluntary organisation and NGO)? Do public authorities tend to be interested in the notion of social enterprise? If so, which kind of conception tends to be adopted in their discourse or policies?

In a similar perspective, a recent EU-funded study on “*Social Enterprises and Their Ecosystems in Europe*” proposed a comparative analysis of the degree of acceptance of the concept of social enterprise across European countries (see Table 0.1). In spite of the limitations of such exercise, it is striking to note how the acceptance of the SE concept seems different in Western Europe and in Central and Eastern Europe. In the Western part of Europe, social enterprises benefit from a strong political and legal recognition as well as from a high level of self-recognition in only three countries—namely Italy, the UK and Ireland. In “Latin” European countries other than Italy, the SE concept is challenged by other notions, such as the social and solidarity economy, social entrepreneurship, corporate social responsibility or social innovation. In most of the other Western European countries, and especially in Scandinavia and Germany, the central place of traditional welfare institutions leaves little

Table 0.1 Degree of acceptance of the SE concept in European countries

<i>Degree of acceptance</i>	<i>Country</i>
Politically and legally accepted—large self-recognition	Ireland, Italy, the United Kingdom
Challenged by social economy/social and solidarity economy	Belgium, France, Greece, Luxembourg, Portugal, Spain
Not commonly used—limited space due to traditional welfare institutions	Austria, Denmark, Finland, Germany, Iceland, The Netherlands, Norway, Sweden
Politically and legally accepted but narrow understanding (work integration)—weak self-recognition	Bulgaria, Croatia, Czech Republic, Finland, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, Serbia, Sweden
Challenged by other concepts, such as corporate social responsibility, social entrepreneurship and social innovation	Cyprus, Denmark, Estonia, Iceland, Montenegro, The Netherlands, Norway, Sweden
Emerging acceptance	Albania, Malta, North Macedonia, Turkey

Source: European Commission (2020: 35)

space for discourses about the SE concept and for social enterprises to play a significant role as key actors.

From the point of view adopted in this table, the situation in CEE countries appears much more homogenous, as almost all CEE countries are listed in the same cell. A more thorough reflection on this single cell also reveals at least three interwoven features that are probably shared by a large majority of social enterprises in most of the CEE countries. First, in the eleven CEE countries listed in this category, the SE concept is said to be “politically and legally accepted” but with a “narrow understanding”; it is actually understood as referring only to the field of work integration. Secondly, this field happens to be the priority of many EU programmes. Being eligible to such funding programmes is certainly a strong incentive for both governments and organisations to pursue a goal of employment creation for disadvantaged groups. Moreover, most of the new legal frameworks which have been passed in CEE countries to enhance SE development clearly target unemployed, unskilled or disabled people. Thirdly and finally, a “weak self-recognition” might mean, in such contexts, that social enterprise is more an instrument to attract new resources than a qualification expressing a deep identity.

Part B—titled “Mapping SE categories”—aimed to identify and characterise various sets of social enterprises as well as their fields of activity, social mission, target groups, the public or private forms of support they receive, their operational and governance models, stakeholders, etc. In such a perspective, researchers were encouraged to collect and analyse all

available literature and documentation, to establish a first classification of the main groups/categories of social enterprises, either on the basis of existing classification(s) or through personal intuitive attempts, and to select the main indicators or variables reflecting the major features that differentiate these various categories.

It was suggested to use, as one among other tools, the three dimensions of the EMES “ideal-typical” social enterprise—namely the nature of the social mission or social aims, the type of economic model and the governance structure—to inform the diversity of social enterprises. In the EMES approach to social enterprise, these three major dimensions can be apprehended through various indicators—more precisely, three indicators are proposed for each dimension.⁶ Most importantly, these indicators were never intended to represent a set of conditions that an organisation should meet to qualify as a social enterprise; rather than constituting prescriptive criteria, they describe an “ideal-typical” social enterprise in Weber’s terms, that is, an abstract construction or a tool, analogous to a compass, which helps locating social enterprises (“stars”) or groups of social enterprises (“constellations”) relative to one another in the “galaxy” of social enterprises. Therefore, the EMES SE ideal-type has to be seen as an analytical construct, an “abstract model” in relation to which enterprises can be located.

Part C—titled “Analysing institutional trajectories of the main SE categories or types”—aimed to identify and describe the main “institutions” (at large) shaping the profile of social enterprises: legal frameworks used by social enterprises, public policies and programmes, major forms of financial support, tools such as norms or accreditations, federations of social enterprises and private charters to which they subscribe.

All the country contributions prepared during this first phase were presented and discussed during ICSEM Meetings, which took place in different parts of the world.⁷ Then, revised versions of these country contributions were published in the series of ICSEM Working Papers.⁸ The quantity and the average quality of these Working Papers led us to consider the publication of three “ICSEM books” focusing on three different parts of the world—namely Asia, Latin America and Europe. As already mentioned earlier, the first two books, covering Asia and Latin America, were published in 2019 (Bidet and Defourny 2019; Gaiger *et al.* 2019), but the number of contributions on European countries kept increasing, thanks to the support of a European COST Action.⁹ As a result, two books, instead of one, were finally prepared to cover the European landscape, respectively, on Western Europe and on Central and Eastern Europe in a broad sense (including Georgia and Russia).¹⁰

The first part of the present volume, dedicated to Central and Eastern Europe, is made up of contributions covering Bulgaria, Croatia, the Czech Republic, Georgia, Hungary, Latvia, Lithuania, Poland, Romania, Russia and the Slovak republic.

1.2. *Transversal and Comparative Analyses*

In addition to—and on the basis of—country contributions, several international research teams were formed to address some transversal issues through a comparative analysis. In such perspective, four chapters (namely Chapters 12, 13, 14 and 15) were prepared to highlight some specific SE features across CEE countries. These four chapters correspond to a second level in the first phase of the ICSEM Project, which aimed to “document SE diversity”. As already underlined earlier, two cross-cutting themes emerge from the transversal chapters, which analyse the emergence of social enterprise in CEE from different angles. One of these themes is the historical legacy of state socialism; the other one is the role of international financial support in SE development, including the role of international donors and the EU as a supra-national actor.

The Historical Legacy of State Socialism

The transversal chapters distinguish three main types of former socialist states: (1) countries that were ruled by the USSR, such as Armenia and the Baltic States; (2) the so-called “allied states” of the USSR, such as Czechoslovakia, Hungary and Poland; and (3) post-Yugoslav countries, such as Croatia and Serbia. The most oppressed socialist states were the former republics of the USSR, such as Armenia (see Chapter 14) and the Baltic states (see Chapter 15). Socialism started earlier in these countries than in post-Yugoslav countries and in the allied states. The Soviet occupation of Armenia started right after the communist revolution in Russia; as a socialist state, Armenia was thus among the founding members of the USSR in 1922. The Soviet occupation of the Baltic states started in 1939 and lasted for some 50 years. Yugoslavian countries were the least oppressed among the three types of socialist states. Indeed, the “Yugoslavian type” of state socialism gave more freedom to people than “Soviet-type” socialist regimes (which included both the Soviet socialist republics and the allied states), as it was based on self-management and was largely marked by more liberal tendencies (see Chapter 12 in this volume). The allied states of the USSR were in an intermediate situation: they were not Soviet republics but still had a “Soviet-type” socialism (ideologically marked as “real” socialism), which was more repressive towards human rights and freedoms (see Chapter 12) than state socialism in Yugoslavia. Although state socialism was implemented at the same period (after World War II) in Yugoslavia and in the allied states, the political democratisation started later in former Yugoslavia, due to the Yugoslav Wars (1991–2001) (see Chapters 12 and 14), than in the allied states (1989–1990).

The authors of all the transversal chapters concur on the fact that all the three types of state socialism had a negative influence on the cooperative

movement and on formal civil society in CEE countries. Prior to state socialism (before World War I and during the interwar period), the cooperative movement was strong in Serbia (see Chapter 14), Croatia, Czechoslovakia, Hungary and Poland (see Chapter 12). But the cooperative movement of the 20th century, despite having a strong rural base and an image of representing primarily the interests of small-scale farmers (see Chapter 14), was not necessarily a bottom-up democratic movement. For instance, capital and politics played an important role in the Hungarian cooperative movement, and the leaders of cooperatives were not small-scale farmers but members of the ruling political elite. Under state socialism, cooperatives became fundamental economic institutions, and they even monopolised some branches (such as farming) under centrally planned economies (see Chapter 12). They also became instruments of the socialist regime: they were fully controlled by the state, and membership in them was compulsory. After the collapse of most of the socialist regimes and during the Yugoslav Wars (1991–2001), the number of cooperatives remained smaller than before World War II, and they were still hindered from becoming democratic organisations, autonomous from the state (see Chapter 14).

As far as voluntary organisations are concerned, they have existed in Poland, Hungary, the Czech Republic, Slovakia and Croatia since the Middle Ages (see Chapter 12). Beside organisations dominantly driven by the Catholic Church or rich individuals and based on philanthropic solidarity (Laville 2014), mutual-aid associations and guilds were also present in CEE countries (for example in Hungary and Croatia, see Chapter 12). During the interwar period, the number of associations increased and their main role was to supplement public authorities in providing social services for vulnerable groups (see Chapter 12). After World War II, Yugoslavian socialist authorities declared all types of civic organisations to be bourgeois entities; both foundations and citizens' associations were abolished until the late 1940s. The legal form of foundation was prohibited in Poland in 1952 and seven years later in Hungary. State-sponsored and state-controlled “(mass) social organisations” were created in place of foundations and associations in countries like Poland and Czechoslovakia (see Chapter 12). In socialist Yugoslavia, work-integration social enterprises (WISEs) emerged in significant numbers, based on strong egalitarian values and an inclusive social policy, but they suffered from economic inefficiency and low productivity; therefore, many of them could not survive after the collapse of state socialism (see Chapter 14). Steps towards a slight liberalisation (such as the introduction of the socialist self-management model in Yugoslavia in 1948) and the political opening of the allied states between 1960s and 1980s contributed to the emergence of human rights and welfare organisations (see Chapter 12). In most of these countries, the legal recognition of civil society took place in the 1980s and early 1990s.

The Role of International Financial Support in SE Development

The collapse of state socialism opened up the borders of CEE countries for international development aid and made the Eastern enlargement of the European Union possible. Among other influences, international aid supported the re-emergence of civil society. The concept of social enterprise is also linked to international development agencies that stepped in to initiate and influence the development of the SE field in CEE countries (see Chapter 13). SE development agencies (such as NESsT, Ashoka, Yunus Social Business) and other international donors (e.g. ERSTE Foundation, Open Society Foundations, UN programmes, USAID, the World Bank, the British Council and the Swiss Agency for Development and Cooperation) played a crucial role in thematising social entrepreneurship in Central and Eastern Europe. The concept of “social enterprise” emerged around 1995 in the former allied states, such as Hungary and Poland. In Albania, Armenia, Croatia, Serbia and North Macedonia, it only started receiving attention in the new millennium (see Chapters 13 and 14). International donors (including SE development agencies) mainly frame social enterprises as a tool to increase the financial sustainability of civil society; their approach can thus be considered to belong to the “earned-income school of thought” (Defourny and Nyssens 2014).

The transversal chapters point out that, beside international development agencies, the EU is highly influential in shaping the SE field in the CEE countries that are already members of the EU (see Chapters 12, 13, 14 and 15), and that this influence seems to be even stronger in the countries that are not yet EU members but are engaged in the pre-accession process (see Chapter 13). In other countries, the SE field is less of a policy priority, and it continues to be mainly shaped by international donors; in Armenia, for example, there is neither a definition of social enterprise in policy papers and ministry documents nor a specific legal framework for social enterprises and social entrepreneurship (see Chapter 14).

Social enterprise, which is in line with the EU’s ideals of “inclusive growth”, “full employment” and “competitive market economy” (European Commission 2011), is considered as both a vehicle of economic growth and a solution to social challenges (Fougère *et al.* 2017). Social entrepreneurship is indeed a priority area in EU Structural Funds (European Parliament and European Council 2013), and its role is increasingly important in rural development (see Chapter 15). Policy narratives, however, fail to reflect on structural mechanisms resulting in socio-spatial polarisation. It is contradictory that, while social enterprises are expected to tackle complex challenges, such as those linked to territorial cohesion and social exclusion, they are funded on a project basis (see Chapters 12 and 13). Furthermore, SE policy frameworks are often shaped by a top-down approach, and policymakers reflect only to a limited extent on the challenges that social enterprises are facing (see Chapter 12). A top-down

approach aiming to establish an SE sector is probably not likely to succeed if it does not meet with genuine social entrepreneurial initiatives and a collective identity in the field (see Chapter 14).

The SE field is often considered to be “less developed” in CEE countries than in Western Europe (Borzaga *et al.* 2008; Galera 2016; ICF 2014). Such an approach might be methodologically problematic, as it relies on a linear historical approach. Considering this, Baturina and his co-authors (see Chapter 13) emphasise the importance of avoiding “self-colonisation” in studying social enterprises in Central and Eastern Europe. Funding represents power in the development of the SE field in CEE countries, and this must be reflected upon.

2. Theorising and Mapping Major SE Models (Phase 2 of the ICSEM Project)

In emerging fields, it is common to develop descriptive works as well as classifications of observed facts or entities to be compared to an ideal-type. This may particularly take place in an exploratory research step aimed at developing conceptual tools for future research purposes. Discrepancies between the ideal-type and the facts or entities actually observed can give rise to a set of hypotheses aimed at providing explanations. It is in this perspective that we developed a framework to theorise the diversity of SE models and to highlight theoretically a few major SE models.

Considering that social enterprises are often seen as belonging to the “third sector” or as being somehow related to the latter (Defourny 2014), we chose to build our analysis upon some of the strongest theoretical frameworks focusing on this sector’s identity, such as those proposed by Gui (1991) and Hansmann (1996). Leaving aside “capital-interest-driven” or capitalist enterprises, which distribute their profits to their investors, who also control these for-profit firms, Gui (1991) defines the third sector as composed of “mutual-benefit organisations” and “public-benefit organisations”. “Mutual-benefit organisations” are those in which the stakeholders (other than the investors) who have the ultimate decision-making power (the “dominant category”) also make up the “beneficiary category”, that is, the category of stakeholders to whom the residual income is explicitly or implicitly distributed. Indeed, such convergence of control and benefit ensures that members’ mutual interest is the objective pursued by the organisation. As for “public-benefit organisations”, they correspond to those entities in which the beneficiary category is different from the dominant category: they are voluntary organisations oriented to serving other people (beneficiaries) than the stakeholders who control the organisation. Beneficiaries are those who are at the heart of the organisation’s mission—more precisely, in the case of social enterprises, of the enterprise’s social mission (Santos *et al.* 2015).

2.1. Three “Principles of Interest” as a Cornerstone

These distinctions lead us to consider three distinct major drivers or “principles of interest” that can be found in the overall economy: the capital interest (CI), the mutual interest (MI) and the general interest (GI). We propose to represent them as the vertices of a triangle in which mixes of principles can also be represented along the sides (see Figure 0.1).

Before locating types of social enterprise on our graph, we note that all traditional cooperatives and associations that are pursuing the interests of their members (for instance, sport clubs) are located in the “mutual-interest” angle. By contrast, those associations (voluntary organisations, charities etc.) that are pursuing a public benefit as defined by Gui may be seen as located close to the general-interest angle. However, they are not in the vertex itself, as their general interest (the community they serve) is usually not as wide as the one targeted by the state. On the right-hand side of the triangle, shareholder companies are located in the “capital-interest” vertex. However, when they develop CSR strategies, through which they tend to express a concern for some issues of general interest, such concern may be represented as a limited move upward along this side of the triangle.

The figure’s lower (horizontal) side represents a continuum between the cooperative treatment of profits and the capitalist stance on profits. The search for profit in a cooperative is mainly instrumental to its productive activity. Profits may only be distributed as dividends with a cap and/or put into collective reserves with an asset lock; by contrast, the main goals of shareholding companies are profit distribution and increasing the value of their shares. Many small- and medium-sized enterprises, though, especially family businesses, although capitalist, may balance in a different way the search for profits and non-financial goals (Zellweger *et al.* 2013).

2.2. Market Reliance and the Resource Mix as Central Issues

Many publications and discourses on social enterprise underline a significant move towards market activities as a key feature of social enterprise. When trying to identify social enterprises, many observers suggest to look at the proportion of market income and might require that at least half of the enterprise’s resources come from market sales. Such a stance, however, is often far from the field reality in many countries, and it is not shared by all schools of thought (Defourny and Nyssens 2010). However, we fully acknowledge that market reliance is a major issue in the debate, and it is why we have drawn two dotted lines across our triangle to take into account the various combinations of resource types (market income, public grants, philanthropic resources). Let us also note that the lower dotted line divides the “mutual-interest” angle: cooperatives

mainly operate on the market and they appear below this dotted line, as do all enterprises earning all or most of their income from the market; by contrast, mutual-interest associations, like leisure voluntary organisations, are located above the line, because they generally rely on a mix of market resources (membership fees, sales at a bar or cafeteria) and other resources, such as volunteering and various types of public contributions.

2.3. Institutional Logics Generating SE Models

On the basis of the various elements presented earlier, we tried to show how various “institutional logics” in the whole economy may generate SE models (Defourny and Nyssens 2017a).

As shown in Figure 0.1, SE models (in grey) emerge from six traditional models through two distinct institutional logics:

1. The first type of logic generating social enterprises can be observed among non-profits or public organisations experiencing a *downward move towards marketisation* (solid-line arrows):
 - **The entrepreneurial non-profit (ENP) model** gathers all non-profit organisations, most often general-interest associations (GI-Assoc.), that are developing any type of earned-income activities in support of their social mission (Fitzgerald and Shepherd 2018).

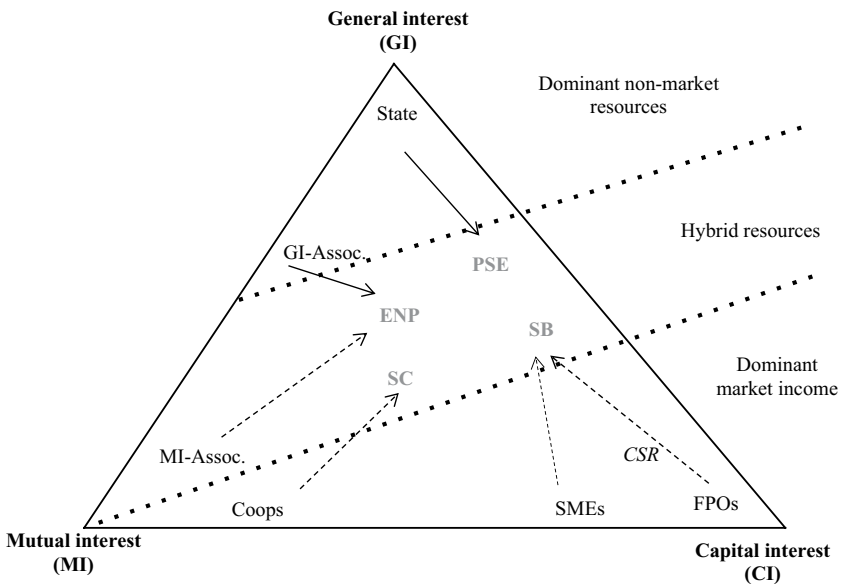


Figure 0.1 Institutional logics and resulting SE models

- The **public-sector social-enterprise (PSE) model** results from a movement towards the marketisation of public services which embraces “public-sector spin-offs”. These social enterprises are usually launched by local public bodies, sometimes in partnership with third-sector organisations, to provide services which are outsourced (such as care services) or new services (such as those offered by work-integration social enterprises).
2. The second type of logic corresponds to an upward move of conventional cooperatives and mutual-interest associations *towards a stronger general-interest orientation*; such a move may also be observed through some advanced CSR initiatives launched by the traditional business world (dotted arrows):
- **The social-cooperative (SC) model** differs from traditional mutual-interest organisations—that is cooperatives (Coops) and mutual-interest associations (MI-Assoc.)—in that it combines the pursuit of its members’ interests (mutual interest) with the pursuit of the interests of the whole community or of a specific group targeted by the social mission (general interest).
 - **The social-business (SB) model** is rooted in a business model driven by shareholders’ (capital) interest, but social businesses mix this logic with a “social entrepreneurial” drive aimed at the creation of a “blended value”, in an effort to balance and better integrate economic and social purposes.

At first sight, when looking at Figure 0.1, the four SE models seem to arise from new dynamics at work in pre-existing organisations. Thus, it may seem that social enterprises cannot be created from scratch. Such an interpretation would be clearly misleading, as a new (social) enterprise can emerge anywhere in the triangle; its location will depend on its general-interest orientation and on the way in which it balances social and economic objectives and financial resources.

As suggested earlier, our typology of SE models is based on some key dimensions, but we do not pretend that it covers all possible SE cases. Especially, we are aware of the many types of hybridity that can be observed in the field. For example, partnerships between for-profits and non-profits and those also involving local public authorities in a community-development perspective are quite common.

2.4. Social Missions Across Models

Most of the SE approaches in the literature, if not all, share the view that social enterprises combine an entrepreneurial dynamic to provide services or goods with the primacy of a social mission. For Nicholls (2006: 13), “the primacy of social mission over all organisational objectives is

the first key determinant of a potentially socially entrepreneurial venture”. Dees (1998: 2) also argues that “for social entrepreneurs the social mission is explicit and central”. For Chell (2007), it is the centrality of the social mission that distinguishes social enterprises from commercial ventures. As we summarised elsewhere, “for all schools of thought, the explicit aim to benefit the community or the creation of social value is the core mission of social entrepreneurship and social enterprises” (Defourny and Nyssens 2010: 44).

In our analytical construction, the social mission is also central but implicitly assumed through the notion of “general interest”. However, to what extent are our SE models able to accommodate the diversity of social missions carried out by social enterprises? We do not intend to analyse this question in depth here, but for illustrative purposes, we just present Table 0.2, in which the work integration of disadvantaged

Table 0.2 SE models and diversity of social missions

<i>Social mission</i>	<i>Work integration</i>	<i>Access to health or social services</i>	<i>Ecological transition</i>	<i>Fight against social exclusion, access to housing, culture, social finance, etc.</i>
<i>SE models</i>				
<i>Entrepreneurial non-profit</i>	WISE implemented by a charity	Association providing home care services for the elderly	Second-hand associative shop	NGO providing training to migrants
<i>Public-sector SE</i>	WISE implemented by a local public authority	Local public body providing social services on a quasi-market	Joint initiative of municipality and citizens to produce renewable energy	Social-housing public agency
<i>Social cooperative</i>	Cooperative WISE	Cooperative of health-care professionals	Citizens' cooperative in short circuits for organic and local food	Social-finance cooperative
<i>Social business</i>	Social venture whose primary social mission is to hire vulnerable people	Residential care institution launched by a social worker	SME providing compensation for CO ₂ emissions	SME active in fair trade

Source: Based on Defourny and Nyssens (2017a: 2488)

persons, which appears to be a particularly widespread mission for social enterprises in Central and Eastern Europe, is presented in the first column. The importance of this work-integration mission in CEE countries is confirmed through all parts of this book, from country contributions to the last chapter, which focuses on the identification of clusters and major SE models; but depending on social or societal challenges that are particularly pressing and poorly addressed by the existing public and private for-profit sectors in a given country or region, other types of social mission may have more or less importance in the SE landscape. The other columns of Table 0.2 illustrate the diversity of models for some social missions other than work integration, such as ensuring access to health and social services, implementing ecological transition, fighting poverty and social exclusion, promoting more ethical economic behaviours and access to social finance or housing.

3. Testing SE Models (Phase 3 of the ICSEM Project)

The approach we had adopted in the previous section to build a typology of SE models was theoretical. In order to test the relevance of the latter, we relied on data collected through a large survey that we coordinated and that was carried out by researchers from 43 countries across the world.

In order to address the lack of reliable datasets at enterprise level, in-depth information was collected about social enterprises on the basis of a common questionnaire. Researchers were asked to collect information regarding the nature of the enterprise's social mission or social aims, the type of economic model and the governance structure, relying on the hypothesis that these three dimensions particularly informed the diversity of social enterprises, in line with the use of the EMES ideal-type as an analytical tool.

More precisely, ICSEM research partners interviewed the managers of three to five social enterprises that were deemed emblematic of each of the SE types which they had identified in the project's first phase. As a result, detailed data were collected in a rather homogenous way for 721 social enterprises from 43 countries. Within this dataset, a subset of data covering 164 social enterprises from seven CEE countries was extracted to provide a workable statistical basis.

In the last step, which also corresponds to the last chapter of this book, the dataset built through the ICSEM survey was exploited to see if it provided any empirical support to the proposed typology of SE models in Central and Eastern Europe. More precisely, a hierarchical cluster analysis was performed in order to identify relevant clusters. A careful analysis of each of these clusters was carried out and paved the way to the identification of three of the four theorised SE models (see Section 2.3): the entrepreneurial non-profit model, the social-cooperative model and the social-business model. No significant support was found for the public (or quasi-public) SE model.

This book's introduction was designed as a guide to navigate the various steps of the ICSEM Project and their specific objectives: a first phase to document SE diversity in each country; a second phase to theorise SE diversity and to map SE models through an original analytical framework; and finally, a third phase to empirically test the relevance of these SE models in Central and Eastern Europe.

Notes

1. See for instance the recent report of the European Commission (2020) on social enterprises and their ecosystems in Europe.
2. This EU-funded research project was carried out from 1996 to 1999. It focused on the “Emergence of Social Enterprise in Europe”—hence the acronym “EMES”, which was subsequently retained by the research network that had carried out the project.
3. This large EU-funded research project was based on a detailed survey covering 160 “work-integration social enterprises” (WISEs) across eleven Western European countries.
4. Major EU-funded research projects included EFESEIIS (2013–2016), TSI (2014–2017) and SEFORIS (2014–2017); see also European Commission (2020). Although it was much less-oriented towards academic research, the “Social Business Initiative”, launched by the European Commission in 2011, also played a significant role in fostering SE development across Europe (European Commission 2011).
5. One outstanding feature of the ICSEM Project was that participants did not get any financial support. Only accommodation costs and sometimes part of travel costs to take part in meetings were covered by the Belgian Science Policy Office, national and international foundations as well as a COST Action at the European level.
6. See Defourny and Nyssens (2014) for a detailed presentation of the EMES approach.
7. The so-called “ICSEM Local Talks” were organised in a dozen countries. At the regional level (Latin America, Eastern Asia, Western Europe, Central and Eastern Europe), ICSEM Symposiums took place in Chile, Belgium, South Korea, Albania, Brazil and France, and at the worldwide level, ICSEM General Meetings were organised in Finland, Sweden, Belgium and the United Kingdom, in relation to the EMES International Research Conferences, in 2013, 2015, 2017 and 2019.
8. All these country contributions are available on the website of the ICSEM Project: www.iap-socent.be/icsem-working-papers.
9. This COST Action (2017–2021) was titled “Empowering the next generation of social enterprise scholars”. Its first Working Group aimed at the production of exactly the same kind of “country contributions” as the ICSEM Project for a dozen additional EU or neighbouring countries.
10. The ICSEM Project also generated a set of country contributions that did not fit the “regional approach” adopted for the four books. Most of these contributions were published in a special issue of the *Social Enterprise Journal* (Defourny and Nyssens 2017b), which included country contributions about Australia, Canada, Israel, the United States, the United Arab Emirates, Rwanda, South Africa and South Korea.

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