

Erasmus School of
Social and
Behavioural Sciences

Social enterprise – a hybridity perspective

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Outline

1. Social enterprise & social enterprises – a first definition
2. Organizational hybridity as general characteristic
3. The potential role of SE in public service provision

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Social enterprise (SE)

- A multifaceted phenomenon, marred in conceptual confusion: *“social enterprise is a fluid and contested concept constructed by different actors promoting different discourses connected to different organizational forms and drawing upon different academic theories”*. (Teasdale, 2012: 99)
- A combination of *“economic and social welfare creation”* (Mair & Marti, 2006)
- *“A social enterprise is an operator in the **social economy** whose main objective is to have a **social impact** rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an **entrepreneurial and innovative fashion** and uses its profits primarily to achieve **social objectives**. It is **managed in an open and responsible manner** and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.”* (European Commission, 2011)

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Example: WISE



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EMPOWER-SE
www.empowerse.eu

Improve your policies for social entrepreneurship
Check the wheel to see the self-assessment modules accessible in 24 languages

SOCIAL ENTERPRISE IN WESTERN EUROPE
THEORY, MODELS AND PRACTICE
Edited by Jacques Defourny and Marthe Nyssens

www.betterentrepreneurship.eu
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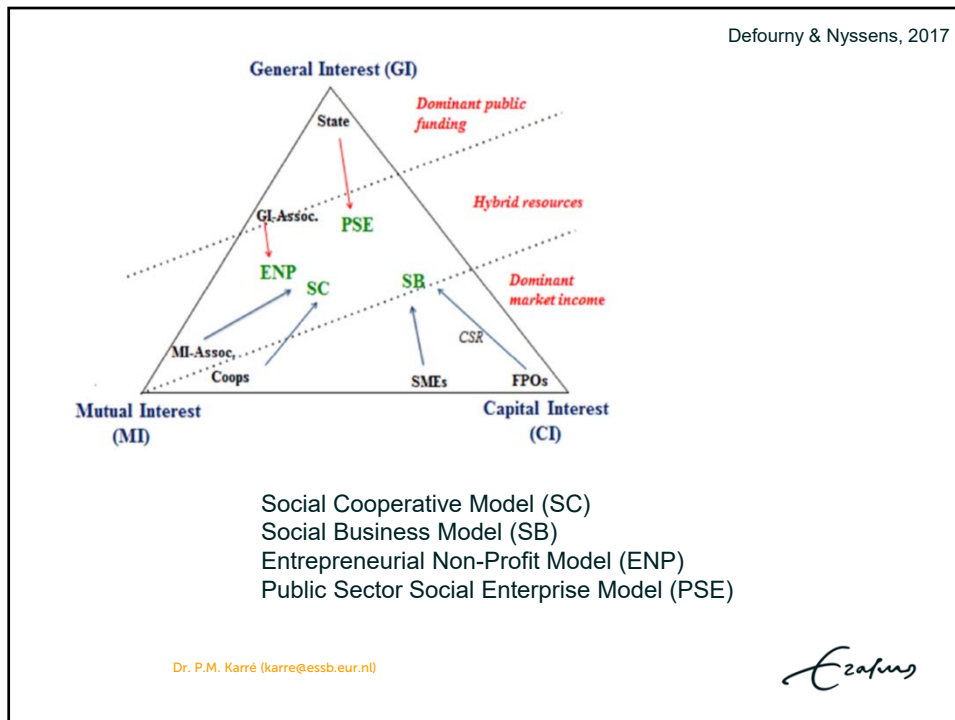
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Organizational hybridity as general characteristic of SE

- “Straddle, cross, muddle and even integrate boundaries between for-profit and nonprofit (and occasionally public) sectors” (Dart, Clow & Armstrong, 2010)
- By doing so, they combine the institutional logics of state, market and civil society
- Mix of general interest (state), capital interest (market) & mutual interest (civil society)

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Effects of organizational hybridity

- Positive effects
 - Stimulates innovation.
 - Grants access to new resources.
 - Brings together people with various, supplementary backgrounds and expertise, creating synergy.
- Negative effects
 - Creates ambiguity and stimulates opportunistic behaviour (e.g. mission drift).
 - Blocks access to resources.
 - Leads to cultural clashes between people with different backgrounds.

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SE in conservative/corporatist welfare states

- Conservative/corporatist welfare states = NL, DE, B, etc. based on subsidiarity principle.
- SE no new phenomenon, just a new name: long history of service provision through other organizations than state.
- Rise of 'new style social enterprises' or 'social start-ups' linked to (UK/US based) social innovation discourses.
- Issues in relationship between traditional providers and social start-ups: 'commercialization of social welfare' through 'social washing'?
- Issues in relationship with governments as funding agencies and regulators.

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A public admin perspective on SE

Governments don't know how to react (and ask us for help)

- Should we create an 'enabling ecosystem'? And if so, how?
 - New legislation?
 - New legal form?
 - Preferential treatment for SE in public procurement?
- How to define SE? Which criteria?
- How to measure impact?

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