Deepening the theoretical and critical debate through a North South dialogue

Lars Hulgård[1], Flor Avelino[2], Philippe Eynaud[3], Jean-Louis Laville[4]

This is an Accepted Manuscript of a book chapter published by Routledge/CRC Press in THEORY OF SOCIAL ENTERPRISE AND PLURALISM: Social Movements, Solidarity Economy, and Global South on May 2019, available online: https://www.routledge.com/Theory-of-Social-Enterprise-and-Pluralism-Social-Movements-Solidarity/Eynaud-Laville-dos-Santos-Banerjee-Avelino-Hulgard/p/book/9780367260408

To cite this paper:

Hulgård L., Avelino F., Eynaud P., Laville J. L., 2019, "Deepening the theoretical and critical debate through a North South dialogue", in Eynaud P., Laville J.L., Dos Santos L.L.., Banerjee S., Hulgard H., Avelino F. (2019), *Theory of social enterprise and pluralism: Social Movements, Solidarity Economy, and Global South*, Routledge Publisher, Oxfordshire, June, pages 225-240.

Social enterprise, plurality and solidarity

Talks and publications about social enterprise and social innovation often begin with the claim that there is no common agreement about how to define and research these phenomena. Accordingly, the table is free for serving all types of dishes with a taste of something social spiced up with something entrepreneurial and something economic. Sometimes speakers and authors move on by calling on governments and other public agencies to make legally and politically committed definitions. Social activists and entrepreneurs tend to either adopt these terms to fit within their own goals, or avoid it altogether. Meanwhile, private foundations, global consultancy companies and lobbyists often tend to include as much as possible in the catchy 'social-e' phrase. They insist to include conventional market procedures such as social impact investment, Social Impact Bonds (SIB), market based growth, incubator and escalation programs as well as schemes aimed at exporting corporate decision-making procedures to the third sector and civil society. This process and other so-called Payment by Result procedures (PbRs) are fiercely launched as ways of funding and scaling social innovation and social economy activities. Roy et al (2017) argue that SIBs are most likely producing creaming effects, due to the necessity of proving their efficiency to the investors. Furthermore, such instruments structurally lack the ability to work on the participatory and democratizing aspects of social enterprise and social innovation that are crucial in a critical and plural approach. Instead, tools such as SIBs "alter the moral dimension of welfare services and

[1] *Professor of social entrepreneurship, Roskilde University, Denmark*

[2] *Assistant professor and Senior researcher at the Dutch Research Institute for Transitions (DRIFT, Erasmus University of Rotterdam*

[3] *Professor at Sorbonne Business School, Université Paris 1 Panthéon Sorbonne*

[4] *Professor at the Conservatoire national des arts et métiers (Cnam, Paris), head of the Chair of Solidarity Economy*

profoundly change the nature of the relationship between the state and the citizen" (Roy et al, 2017: 12).

Accordingly, from such a neo-liberal position phenomena, like catalytic philanthropy, corporate social responsibility (CSR), PbR and corporate social innovation become important instruments for maintaining, renewing and refining the Washington consensus with a social flavour as highlighted by Laville and Eynaud in the first part of this book. When the Washington consensus in 1989 finally replaced keynesianism and universal welfare as procedures of regulating capitalism and reducing citizens' exposure to the negative consequences of change, collective efforts in the social and solidarity economy simultaneously became objects of investment instead of subjects of democratization and participation. Accordingly, a plural theory of social enterprise must break the idea of "limiting democracy to reprioritize competition" that was the core of the Washington consensus (Laville and Eynaud, part one). The part one further highlights how the following decades of neo-liberalism gradually had to include "the social factor to its basic tenet, competition" to maintain legitimacy which has had a deep impact on several of the theoretical traditions within the overall field of social enterprise. With the contributions of Laville and Eynaud, we lay the foundation of understanding the problem that a plural theory of social enterprise departs from and we define some key features of such a theory.

The main problem is the introduction of "warm" values to the overall "cold" mechanism of competition. Thus, instead of being a vehicle for another economy, social enterprise tends to inscribe itself in an innovation of capitalism with social means. Some of these strategies relates to organizational development of the third sector and some to the financialization of activities. They include the rise of managerialism, moralization of capitalism and the extreme growth in private philanthropy. Such procedures appear in various institutional configurations around the Globe and with different values according to context, however, they all embody a vision of social enterprise that "is ultimately absorbed entirely in the new capitalism, of which it is simply the social component" as emphasized in the first chapter. The "warm-value-capitalism" in social enterprise has gradually become a value both for many leaders of social enterprises and for philanthropists.

Throughout the book, we have provided numerous examples of and critical observations on the overwhelmingly strong ability to structure social enterprises in accordance with the need of warm values in conventional capitalism. But we must also turn more directly to the forward-looking objectives and results of the book, namely the outline of a plural theory of social enterprise. Such plurality does not mean relativism. This is stressed by Santos (2008) in their call for another knowledge; another epistemological understanding of the relation between the South and the North. This approach is at the core of the book, and discussed from a variety of perspectives in various chapters. In chapter one, Lucas dos Santos and Banerjee ask the question if it is possible to decolonize the Western concept of social enterprise by "shedding light on community-based forms to face social inequalities"? Accordingly, the book expresses a deep approach to decolonization spanning from decolonizing epistemology to decolonizing forms of power and economy as expressed strategically in the Washington consensus but grounded more profoundly in the larger framework of Western rationalization. Lucas dos Santos and Banerjee address these issues by promoting an analytical distinction that is another transversal theme throughout the book, that "there is no economic democracy without the proper recognition of different rationalities and rhythms concerning the communities' material life".

Laville and Eynaud show that solidarity has been a throwing ball between democratic and philanthropic presentations since the beginning of the 19th Century. After a short period of redistributive solidarity ensured by the post-World War II Keynesian welfare state a long wave of neo-liberalism re-introduced solidarity as philanthropism. The period of the re-emergence of philanthropic solidarity quickly became an engine for the expansion of the Yunus model of social business and dominant forms of social entrepreneurship, where "donor investors are concerned about the impacts of their donations". Laville and Eynaud further show that for the sake of reinforcing solidarity as a core principle in the substantive approach to social enterprise, we need to use the conceptual approach about public spaces by Habermas but in the meantime, we need to break loose from the restricting framework in his notion of the relation between civil society, associative relationships and public policy. When adopting pluralism as the perspective for studying social enterprise, it makes no sense to separate the economic capacity of a particular social enterprise from the democratic and societal potential as in the Habermasian public-sphere model. Whereas the space for civil society and associationism in the Habermasian sense are neither economic nor linked to the state, Laville and Eynaud argue that the substantive approach enables us to break loose from the 'artificial' divide between production and advocacy.

Social enterprises are in British political scientist John Keane's terms, `micro-public spheres´. Keane suggests, that a variety of local spaces today are counterparts to the coffeehouse, town-level meeting and literary circle, in which early modern public spheres developed. Micro-public spheres are a vital feature of social movements, and they are "local spaces in which citizens enter into disputes about who does and who ought to get what, when and how" (Keane, 1998: 170). Such micro-public spheres are places of democratic solidarity, and this is explored in the third chapter by Eynaud and Laville as well as in the fourth chapter by Hulgård and Andersen.

Insights from Social Enterprises across the World

The second part of the book gathers in-depth case studies coming from different parts of the world in order to show the variety of social enterprise features. We have opted for qualitative research for proposing comprehensive approaches to the plurality of social enterprises. This choice helps us to support a critical theoretical debate grounded in in-depth case-studies and contextual analysis.

In chapter four, Hulgård and Andersen discuss exactly how the formation of a rural social enterprise network in Denmark started with a deep understanding of the material life in the particular community. Already in 1990, the founder of the network argued that "not until we dare to formulate the beat or rhythm of a social policy, where it becomes possible to develop an alternative labour market will we be able to liberate the ties that control". The network has created a significant number of social enterprises and activities targeting the de-population that many rural areas suffer from. These activities are exactly of the kind mentioned by Lucas dos Santos and Banerjee, that departs from a recognition of different rationalities and of the community's material life. The social enterprise network discussed by Hulgård and Andersen sheds light upon an important aspect of the plural theory of social enterprise. Thus, it illustrates how founders, leaders, workers and other stakeholders are both contributing to building collaborative economy and expanding the space for democratic solidarity as well as deliberative democracy and public spheres generating ideas and input to the policy process.

In chapter five, Hillenkamp and Lucas dos Santos apply the substantive vision of the book to the domestic domain and women's emancipation. With examples from the Global South, they argue

that an euro-centred perspective in feminism have engaged in misrepresentations of indigenous, peasant, peripheral, immigrant, Muslim women – both in the Global South and in the South of the Global North – and their ways of fighting against asymmetries within and outside their communities. They reveal how subaltern people in general and women in particular have suffered a lack of recognition for their economic activities, nor have they had access to voicing and negotiation. Thus, the authors remain critical to the habermasian concept of the public sphere, since it was unable to cope with claims brought by different marginalized groups – "particularly the ones who are part of the uncivilized civil society" (Santos, 2006). To break both the potential eurocentrism in the habermasian framework and the trajectory of the feminism of the North, the authors adopts the counter-hegemonic agenda (Fraser 1990) that brings insurgent social groups and parallel discursive arenas to the surface. The postcolonial feminist perspective advocated by Hillenkamp and Lucas dos Santos provides the foundation of a situated recognition of the domestic domain. Firstly, they argue that the domestic domain is poorly understood in much social enterprise theory and feminist theory, and secondly, they argue that a deeper understanding of the domestic domain will provide a framework for going beyond the Western dichotomy of market versus household and thus reveal the crucial contribution of women to substantive economy.

Chapter six by Banerjee and Shaban emphasizes the need to understand social enterprise in the context of situated complexities in social challenges, as the case in India where it is particularly paramount "to build on an understanding of people, their lived experiences of poverty and their deprivations, and facilitate innovations that are led by marginalized people at the grassroots for a process of larger societal change". They demonstrate how and why the two main versions of social enterprise – focused on the new capitalism and the social economy – why both of those fail to allow for an understanding of how social enterprise emerges in the grassroots context in which communities in the South aim to address social challenges, including their specific political dynamics and power relations. The authors explicitly emphasize the need to "repoliticize the depoliticized space of the present discourses around social enterprise". Through two case-studies of how poor and marginalized groups (farmers and women in low income neighbourhoods), they demonstrate how and why we need to conceptualize a third type of SE focused on solidarity, which they characterize as "Community-preneurship", conceptualised as "a collective entrepreneurship effort of marginalized communities from an understanding of social enterprise as located in democratic solidarity defined by the ideas of inclusion, collective agency and empowerment and collective action". This concept of "community-preneurship" demonstrates an interest to acknowledge the solidarity-type social enterprise as a category in and of itself, with its own unique name.

In chapter seven, França Filho, Rigo and Souza explore social enterprises in terms of the (non)-reconciliation between the economic and the social, and argue that "both the means of undertaking management and its purpose must be socially defined, according to the prevalence of the notions of democratic governance and social utility". For this purpose, they develop a conceptual matrix distinguishing between modes of management (technocratic governance vs. democratic governance) and the goals of management (financial viability vs. social utility). Building on empirical examples in the Brazilian context, the authors then apply their conceptual matrix to distinguish between four types of social enterprise: social business, Third Sector, social economy and solidarity economy. In the case of the social business, there is no reconciliation but rather a "radical separation of the economic from the social", as financial viability and technocratic governance both clearly dominate. While social enterprises in the Third Sector tend to prioritise social utility goals, they often display a dominance of technocratic governance, hence leading to a juxtaposition between economic and

social logics. The same applies to social enterprises within the social economy, but the other way around, in that e.g. cooperatives often do have democratic governance but prioritise financial viability over social utility. Ultimately, social enterprises in the solidarity economy – also referred to as solidarity-type social enterprises are the only form that demonstrate an "effective tendency towards a reconciliation between economic and social (…) [as in] an effective interaction, involvement and/or rooting of the economic in the social".

Bucolo, in chapter eight, discusses the problematic integration of social business into capitalism by relating it to the interweaving of legal and illegal economic activities: "liquid capitalism" (…) is more and more infiltrated by the crime economy, rendering the legal and ethical borders even more uncertain, almost non-existing". Based on the case of Sicily and South-Italy more broadly, the author argues how alternative (legal) forms of the economy rooted in social and solidarity economy can oppose and challenge the 'crime economy'. However, the case also shows how such solidarity enterprises are 'conditional' regarding their ethical and economic viability, in that they need broad economic support networks (because the costs and risks of legality can get very high), and they need the political support of – and collaboration with - (local) governments to challenge and confront the crime economy.

The topic of illegality has an interesting link with the next chapter nine, in which Hespanha addresses how an important part of the solidarity economy, namely the popular and informal economy, is made invisible in mainstream economic and institutions discourses. Accordingly, "the informal economy is commonly seen as illegal and even criminal, a very negative evaluation that often contradicts the real intentions of their members". While the invisibilization of the informal/popular economy can be observed as a more general phenomenon, Hespanha shows how this invisibility is particularly strong in Portugal. Despite of the large public visibility of new social movements that were introduced in this country, which include many popular economy elements, "these initiatives are ostensibly ignored, if not contested, often insidiously, by the governments and public institutions". Since this "deficit of institutional recognition" significantly hampers the chances and viability of solidarity economy, the author explicitly calls for more explicit state recognition of informal initiatives promoting solidarity. While recognizing that such "institutional recognition" of the informal economy is an ambivalent process that raises many challenges such as the risk of premature institutionalization and bureaucratization, it is still necessary for the state to recognize informal initiatives promoting solidarity, but to do so "without prematurely institutionalizing them, and respecting their collective nature". This ambivalent relation between the state and the informal economy is also a clear transversal theme across the chapters, often accompanied by a call for the state to support solidarity economy and for social enterprises and public actors to collaborate in challenging dominant market actors.

In chapter ten, Avelino and Wittmayer explore social enterprises from a multi-actor perspective that distinguishes between four 'institutional logics': state, market, community and the non-profit sector. This perspective includes an explicit conceptualisation of shifting power relations, not only between different institutional logics, but also zooming in within those logics on the micro-political interactions between collective and individual roles that actors play across those logics (as 'policy-makers', 'citizens', 'neighbours', 'activists', 'entrepreneurs', etc.). The authors explore the transformative potential of social enterprises by conceptualising their capacity to challenge, alter and/or replace existing power relations within a given context. Three case-studies are discussed of networks working on SE and with explicit transformative ambitions: the global Impact Hub network of 'impact entrepreneurs', the global Ecovillage Movement, and the international

movement of Participatory Budgeting. The chapter demonstrates how all three cases harbour elements of at least two different versions of social enterprise, how all cases show how their manifestations of social enterprise shift over time, and all cases display diverse types of transformative potential in the sense of having the capacity to challenge different types of power relations in various ways at both micro- and macro-levels. Based on the empirical case-studies, the authors argue that even though the first type of social enterprise as private initiative, social entrepreneurship and a market logic, does not necessarily alter power dynamics at a meta-level between state, market and community, it can challenge unequal power relations at a more micro-level within the market sphere, for instance between incumbent industries and impact entrepreneurs. In conclusion, they argue that the challenge for social enterprise research is to study how the transformative potential of each version of social enterprise can be increased, and – more importantly – which complementarities and synergies across the different version can be used to increase the overall transformative potential of social enterprise, in all its plurality, to challenge, alter and replace existing inequalities and injustices.

Social enterprise in parallel with Social Innovation

Social enterprises are carriers of ideas, values and meaning. In the substantive perspective, they are vehicles for people's livelihoods as well as processes of institutionalization, and primarily they are not just neutral organizational types that policy makers can activate to solve social problems. When integrated in the capitalist logic of the economy, they become vehicles for further and intensified capitalist hegemony. When integrated in patterns of egalitarian solidarity, they become vehicles for re-imbedding the economy in the fabric of society. Considering the first position: Due to their dual character of combining economic and social measures for the service of society, they are perfect tools for expanding the market economy to more and more spheres and sectors of society. When 'the social' is turned entirely into a capital to be utilized by organizations as different as voluntary associations, private enterprises and public agencies, social enterprises can become parts of an extension and deepening of the capitalist structure of society. This is based upon the fact that there are "two fundamentally opposing approaches to the social: the relational and the utilitarian" (Somers, 2008: 223). However, when considering the second position, in situations where actors begin to socialize the economy, there might occur an expansion of the space for egalitarian solidarity. That particular space is a space for freedom and emancipation, and the struggle for constituting, defining and institutionalizing that particular space is as old as humanity.

Recently the Canadian historian Godin (2015) traced the concept of innovation back through the centuries and arrived in old Greece where innovation meant 'cutting fresh into'. Cutting fresh into has a double meaning of both concrete ways of opening new mines and abstract thinking as ways of imagining the ways in which things could be different. From this lookout, he explored how the concept of innovation – not even 'just' social innovation – always was related to social movements' and their struggle for freedom. Only in most recent times did innovation start to narrow down to issues of technology and economy as a parallel to that of the economy narrowing down to issues related to the neo-classical understanding of managing scarce resources through market exchange. Accordingly, the interest for social innovation has gone through a similar process of restriction as that of social enterprise. Moulaert et al (Moulaert, Jessop, Hulgård and Hamdouch, 2013) articulate this as a discontinuity between old theories of social change and new social innovation analysis. Whereas classical theories of social change are concerned with changes in the inter-related framework of all societal spheres, many of the new social innovation analyses are more instrumental and engaged in the expansion of "caring capitalism" where a conventional approach to

the market based economy is “the primary sphere of social life” (Moulaert, Jessop, Hulgård and Hamdouch, 2013). Following the classical tradition of such thinkers as Marx, Weber and Durkheim, social innovation is about change in all dimensions of society, including culture, work relations, identity and the shape of public institutions. As a contrast to this new social innovation analysis is more concerned with the change of markets to serve better the disadvantaged parts of the population, be it in the sense of Social Impact Bonds as a way of improving pathways to social responsible investment or inclusion of disadvantaged groups through Work Integration Social Enterprises (WISE).

If the option for market-driven social innovation is prevalent in public policies, over the past years, there has been in the research an increasing attention for a broader and more critical understanding of both technological and social innovation. Various theoretical developments have taken a more systemic, historical, institutional and political perspective on how social innovation relates to transformative change, including empirical studies of numerous ‘social innovation’ initiatives and networks with explicit transformative ambitions (e.g. Westley et al. 2017, Avelino et al. 2017, Moulaert et al. 2018, Haxeltine et al. 2017). These more political and critical perspectives on social innovation, overlap with developments in the fields of socio-technical system, innovation and sustainability transformations, which take an interdisciplinary perspective to analyse how socio-material novelties as intertwined with social, political and economic developments in wider systemic constellations, and scrutinizes how, to what extent and under which conditions novel technologies and other ‘innovations’ contribute towards more sustainable pathways (Markard et al. 2012, Stirling 2011, Loorbach et al. 2017, Köhler in press).

While all these fields are characterized by considerable theoretical diversity and conceptual disagreement, with some building on evolutionary and structuralist perspectives, while others take a more relational or narrative perspective (Garud and Gehman 2012), they still share an explicit and critical attention for the distinction between ‘innovation’ on the one hand and ‘transformative systems change’ on the other hand. While socio-technical innovation can contribute to transformative change, it does not necessarily do so, and even if it does, transformative change obviously does not necessarily move into a more sustainable direction (ecologically sound, equitable, fair, just, inclusive, etc.). Quite on the contrary, innovation may very well impede transformative, systematic change towards sustainability, and accelerate further developments towards deeper unsustainability (ecological degradation, inequality, poverty, injustice, exclusion etc.). It has been argued that in order for innovations to help tackle persistent societal problems, they have to address and transform the systemic root causes of these problems (e.g. Grin et al. 2010, Westley et al. 2011, Schuitmaker 2012), and that innovations can (only) be transformative to the extent that they challenge, alter and/or replace existing structures in the social context (Haxeltine et al. 2017). In order for innovations to have such transformative impact, they must – by definition – become applied in and accessible to society, and thus undergo some form of mainstreaming, diffusion, scaling, institutionalisation and/or translation (Smith 2007, Pel 2016). In this process, innovations lose some of their novelty and run the risk of reproducing the existing structures that they meant to challenge in the first place, thereby possibly aggravating societal problems and contradicting their original intentions. Hence, the process by which innovations gain transformative impact is inherently paradoxical, dialectical and highly political (Avelino et al. 2016, Smith and Stirling 2018).

These explorations on (social) innovation have much parallels with ongoing debates on social enterprise. Just like (social) innovation is not inherently good (Howaldt & Kopp 2012), nor

automatically leading to desirable transformative change, likewise social enterprises have an inherently dialectic relation with existing dominant institutions and structures, such as the neo-liberal paradigm and the capitalist economic system. Solely assessing social enterprise in terms of its contribution to 'social innovation' may easily remain rather shallow and possibly circularly fallacious if both are confined to a private market logic, without relating it to processes of social change in the wider socio-material context. And even if and when social enterprises are found to challenge, alter or replace some aspects of certain dominant institutions in the capitalist economic system, they can meanwhile also reproduce (other aspects of) these or other dominant, and problematic, institutions (Pel and Bauler 2014, Haxeltine et al. 2017).

Engaging the debate about the plurality of Social Enterprises

The challenge for researchers aiming to understand the dynamics of social enterprise, is to acknowledge the abovementioned dialectic complexity between transformative change and systematic reproduction, and to develop conceptual frameworks and empirical observations that help us understand how, when, to what extent and under which conditions social enterprise can contribute to transformative social change towards more resilient and just societies. This is exactly what this book has set out to do, by proposing a framework to distinguish and compare the different ways in which social enterprise manifests, and by exploring a rich set of empirical cases of and theoretical perspectives on social enterprise around the world.

In several chapters, we have pointed to the need of opening up the canon of knowledge (Santos, 2008) about social enterprise by adopting a plural framework that depicts and recognizes the economic activities of people when struggling to maintain and improve their livelihood without deeming them conceptually peripheral. In the chapter by Lucas dos Santos and Hillenkamp, we argued that Northern feminism had a share of invisibilising the crucial economic activities of women in the global South or the South in the North. In the chapter by Laville, we argued that although Habermas gave an important contribution to understanding the potential of civil society in deliberative democracy, he failed to understand how associative relationships are realizations of economic principles. On the one hand, with Habermas, we get the foundation for understanding how social enterprises cannot escape elimination or manipulation if they do not aim towards intermediary public spaces in addition to their own autonomous public spaces. On the other hand, we have also shown the need for a critical theory of social enterprise to break free from the restricted habermassian perspective, since social enterprises and other entities in the social and solidarity economy are, and can be, much more than mere contributors to the public sphere. Both the potential and the restriction can be traced back to his work on the theory of communicative action (Habermas, 1981). Here, he observed an immense threat to the social fabric of the lifeworld in the expansion of the dual mechanisms of money and power. When these mechanisms start substituting communication and dialogue as a means of exchange in sensitive areas, it often has *pathological consequences* for the everyday life of ordinary citizens. Thirty years later, these pathologies begin to become devastating at a global scale in the acceleration of *multi-dimensional* types of inequality combining health, work, income, education, housing as well as the ability to face the negative consequences of climate change. Pathological side-effects start growing with "the entrance of economic forms and administrative rationality in action spheres that are opposing the transition to become regulated through money and power. Instead, they are specialized in areas of

cultural tradition, social integration and socialization. They are reliant upon mutual understanding as the basic coordination mechanism of actions" (Habermas, 1981, vol. 2: 488, own translation).

However, although the contemporary society is certainly marked by vast numbers of pathological consequences, the reason is not the mere entrance of economic and political principles in the sphere of civil society, but the lack of recognition of plural principles in economy and politics. To social enterprise advocates in the plural and solidarity economy framework it is not enough to cater to the daily needs of their stakeholders, but to use their social and political capital to have an impact on the larger society. Accordingly, solidarity economy is concerned with linking the organizational analysis of the particular enterprise or organization in the social- and solidarity economy to the larger questions about what kind of economy constitutes the economic basis of our societies (Hart, Laville, Cattani, 2010); and what kind of democracy constitutes the space for political power and will formation in our societies?

From epistemological questions towards a critical and possibilist theory

Most of the research works about social enterprises have been framed in occidental-centrist approaches reducing Southern contributions to applications of the same pattern. To take into account the diversity of the real world, it is not enough to do so or to have vague conclusions about blurring boundaries between private, public and community areas. It is necessary to identify social enterprises as a tension field, already assumed when analysing the South American controversies about it (Laville, França Filho, Eynaud, Lucas dos Santos, 2019). In the last two centuries, according to Habermas, "between capitalism and democracy there was an insuperable tension" (Habermas, 1987, page 379). If we consider this hypothesis, the case studies in the second part of the book obviously underline that there is a growing opposition between two projects of society behind the apparently consensual umbrella of social enterprise.

Following the Anglo-Saxon market resources and dominant social innovation schools, social business is clearly a component of a second wave of neoliberalism. Different from the first wave, it integrates an explicit discourse about the social question. Especially after the 2008 crisis, it develops the idea of a capitalism with a social goal in order to re-legitimate this systemic order in hard times of global contest.

In conclusion, social business can have transformative ambitions but they tend to be centred at the micro-level. At the meso and macro levels, its transformative potential is very weak. This weakness stems from its assumptions that the number of social enterprises will be enough to diffuse new values and behaviours among the formal economic actors, while the history of social economy has shown exactly the contrary. The existence of particular enterprises such as cooperatives does not lead to a change of the system but rather to market isomorphism. As Polanyi argues, behind the benevolence of social business promoters relies a risk of weakening democracy and strengthening the elites' and aristocracies' belief in managerialism and corporation success. The good will of the private powers is supposed to fight poverty, forgetting the struggles against hierarchies, social inequalities and environmental stakes. "The whole of society should be more intimately adjusted to the economic system (…) The individual is conditioned to support an order that has been designed for him by those who are wiser than he" and "wish to maintain this system unchanged" (Polanyi, 1947, page 117). The problem is not located in this perspective but in its overestimation by the economic and political elites as well as the mass medias. As mentioned in some contributions, the defenders of social business build a narrative which progressively replaces the one about social and

solidarity economy. This diversion becomes obvious when at the same time researchers include in it initiatives and when the citizens involved openly refuse this label. This is the case when Limeira (2014) refers to Banco Palmas, a community bank deeply involved in solidarity economy, and with Comini (2016) integrating Banco Palmas and other solidarity economy initiatives in social business. Without entering in their numerous methodological and deontological problems, these misappropriations reproduce the mechanisms already used in the past to negate such initiatives: positive discrimination for philanthropy and negative discrimination against democratic solidarity, efficiency and effectiveness reserved to market actors. They are expressing power relations and, in this context, it would be very naive to believe in the coexistence of the two narratives. In fact, there is a conflict. The symbolic invalidation of civil society initiatives is as violent as it was in the 19th century and is contained in a presentation in which social businesses, very weak in real figures, is annexing solidarity enterprises or reframing them: the fight between moral economy based on self-organization and the moralization of the poor is still going on. Social business is invisibilizing the citizen initiatives, in terms of epistemology of the South, it is producing absences invalidating existing experiences assimilated to non-existent or a no credible alternative to what exists.

The European research network about social enterprise (EMES) definition brings another perspective in the social enterprise debate because it recognizes its collective dimension, its democratic solidarity roots and the interaction with public policies. However, we argue it is not yet sufficient, as the collective dimension is only seen through governance criteria, the democratic solidarity is reduced to formal rights inside the organization, and the interdependence with public authorities it is not sufficiently considered. That is why the question of plurality has to be deepened by including not only southern realities but also the epistemology of the South. Epistemology of the South is explaining the production of absences as it is mentioned above but it is also attentive to emergences “undertaking a symbolic enlargement of knowledges, practices, and agents in order to identify therein the tendencies of the future upon which it is possible to intervene so as to maximize the probability of hope vis-à-vis the probability of frustration" (Sousa Santos, 2014, p. 184).

The solidarity-type social enterprise is an open proposal to be discussed with other ones like “community-preneurship” or “empredimiento solidario”. Such conceptual diversity demonstrates an acknowledge of the plurality and is not a problem in itself, as long as there is an effort towards comparison and debate on transversal themes and principles. We need insights into the plurality as well as a collective search across that diversity for transversal societal principles necessary for a solidarity economy to blossom and expand its space as a cornerstone in the economic, political and social life of all human beings. With the combination of these understandings, it would even make sense to propose standards for how a substantial part of contemporary economy are constituted by the solidarity economy. By synthetizing contributions to this discussion with insights from social enterprises across the world, the authors of this book call upon thinkers across social and economic research to engage in this discussion.

It assumes that social enterprises are not only private initiatives but also micro-public spheres, both referring to the habermassian framework and challenging its separation between economic and political spheres. Moreover, it means that the study of institutionalization complex processes is decisive, between institutional isomorphism and entrepreneurship. The capacity of building institutional entrepreneurship from social enterprises (Hulgård, 2010) is linked with the constitution of intermediary public spaces representing solidarity economy actors in order to react against the invisibilization obvious in South America but also in other contexts as demonstrated for the case of Portugal in this book. But this capacity deepens more broadly to the relations with other social

movements like it has been emphasized in several concrete examples (Corragio, 2015: Laville et al. 2017).

We started this concluding chapter by pointing out that many discussions about social enterprise tend to start with a focus on resolving a supposed lack of conceptual clarity. Perhaps, it is time to underline that the problem in contemporary social enterprise research is not a lack of conceptual clarity, but rather a lack of critical reflection on the diversified and plural reality of social enterprise as well as the broader sphere of the social and solidarity economy. So, it is urgent to have a critical theory in social enterprise researches. This critical theory, however, has not only to be deconstructive of official discourses (like the social business one), it has also to be constructive by not condemning all social enterprises as tools for new capitalism (as is done by e.g. Zizek 2009), but recognizing the ambivalences of such instrumentalization by large companies in parallel to other alternative practices in the field. In other words, we need to move "beyond deconstruction" (Avelino and Grin 2016) towards a (re)constructive discussion of social enterprise that builds on diverse insights from critical theory and transition theory (Pel et al. 2016). Under these conditions, social enterprise conceptualization can provide an impulse to a new critical theory, both critical and "possibilist" as Hirschman (1971, 1986) suggests. By opening the field of possibilities, through global experiments and dialogues, a plural understanding of social enterprise provides a relevant contribution to a range of interdisciplinary fields that not only study social enterprise but also social movements, sustainability transitions and transformative social change more broadly.

References

Avelino, F., Grin, J., Jhagroe, S. and Pel, B., (2016) The Politics of Sustainability Transitions, *Environmental Policy and Planning,* 18(5), 557-567,

Avelino, F., Wittmayer, J.M., Pel, B., Weaver, P., Dumitru, A., Haxeltine, A., Kemp, R., Jørgensen, M.S., Bauler, T., Ruijsink, S., O'Riordan T. (2017) "Transformative Social Innovation and (Dis)Empowerment," *Technological Forecasting and Social Change*, available online.

Comini, G., 2016, "Negocios sociais e innovaçao social - um retrato de experiencias brasileiras", Sao Paolo, Universidade de Sao Paolo

Coraggio, J., L., (2015). Economia social y solidaria en movimento, Qinto , Instituto de altos estudias nacionales

Fraser, N. (1990) "Rethinking the Public Sphere: A contribution to the Critique of Actually Existing Democracy" In *Social Text* No. 25/26, Pp. 56-80.

Garud, R., Gehman, J., Kumaraswamy, A., and Tuertscher, P. (2016). From the process of innovation to innovation as process. Chapter in: Langley, A., and Tsoukas, H. (Eds.). (2016). *The Sage handbook of process organization studies*. Sage: London, 451-466.

Garud, R., and Gehman J. (2012) "Metatheoretical perspectives on sustainability journeys: Evolutionary, relational and durational." *Research Policy* 41, no. 6: 980-995.

Godin, B. (2015) Innovation Contested. The Idea of Innovation over the Centuries. New York: Routledge.

Grin, J., Rotmans, J. and Schot, J. (2010) *Transitions to Sustainable Development; New Directions in the Study of Long Term Transformative Change*, New York: Routledge.

Habermas, J. (1981) *Theorie des kommunikativen Handelns*. Frankfurt am Main: Suhrkamp Verlag.

Habermas, J., (1987), Théorie de l'agir communicationnel, tome 2, Fayard

Hart, K., Laville, J.L. and Cattani D. (2010). The Human Economy. Polity Press, 320 pages.

Hirschman 1971, political economics and possibilism, A bias for hope, Essays on development and latin America, New Haven, Yale University Press

Hirschman 1986, In defense of possibilism, Rival views of market society and recent essays, New York, Viking-Penguin.

Haxeltine, A., Pel, B., Wittmayer, J.M., Dumitru, A., Kemp, R., and Avelino, F. (2017) "Building a middle-range theory of Transformative Social Innovation; theoretical pitfalls and methodological responses," *European Public and Social Innovation Review*, 2(1), pp. 59-77.

Howaldt, J. and Kopp, R. "Shaping social innovation by social research." Chapter in: Franz, H. W., Hochgerner, J., and Howaldt, J. (2012). *Challenge Social Innovation: Potentials for Business, Social Entrepreneurship, Welfare and Civil Society*, pp. 43-55. Springer, Berlin, Heidelberg, 2012

Hulgård, L.. (2010). Social entrepreneurship, in Hart K. Laville J.L., The human economy, Polity, pages 293-300.

Keane, J. (1998) Civil Society, Old Images, New Visions. Oxford: Polity Press.

Köhler, J. et al., A review and agenda for sustainability transitions research: State of the art and future directions, *Environmental Innovation and Societal Transitions*, *in press*

Laville, J.L., Bucolo, E., Pleyers, G., Coraggio, J., L., (2017). Mouvements sociaux et economie solidaire, Paris, Desclée de Brouwer.

Laville, J.L., França Filho, G.C., Eynaud, P., Lucas Dos Santos, L. (2019). Deepening the theoretical debate through North South dialogue, in Nyssens M. Gaiger L.I., Wanderley F., Social enterprise in Latin America, Routledge.

Limeira, T/M/,2014, "Empreendorismo social no Brasil : estado de arte e dasafios", Sao Paolo, Inovaçao em Cidadania empresorial

Loorbach, D., Frantzeskaki, N. and Avelino, F. (2017) "Sustainability Transitions Research: transforming science and practice for societal change," *Annual Review of Environment and Resources*, 42, pp. 599-626.

Markard, J., Raven, R., Truffer, B. (2012) "Sustainability transitions: an emerging field of research and its prospects," *Research Policy*, 41(6), pp. 955-967.

Moulaert, F., Jessop, B., Hulgård, L. and Hamdouch A. (2013) "Social innovation research: A new stage in innovation analysis?" In *International handbook on social innovation: collective action, social leanring and transdisciplinary research* (Moulaert, F., MacCallum, D., Mehmood, A. and Hamdouch, A. eds.) Edward Elgar, Pp. 110-130.

Moulaert, F., Mehmood, A., MacCallum, D. and Leubolt, B. (eds.) (2017) *Social innovation as a trigger for transformations - the role of research*, Luxembourg: Publications Office of the European Union. Available at: https://ec.europa.eu/research/social-sciences/pdf/.

Pel, B. (2016). Trojan horses in transitions: A dialectical perspective on innovation 'capture'. *Journal of Environmental Policy and Planning*, 18(5), 673-691.

Pel, B., Avelino, F. and Jhagroe, S. (2016). "Critical Approaches to Transitions Theory." In: *Handbook on Sustainability Transition and Sustainable Peace*, pp. 451-463. Springer, Cham

Polanyi, K., (1947). "Our obsolete market mentality: Civilization must find a new thought pattern", in Commentary, vol. 3, N°2, February

Roy, M., McHugh and Sinclair, S. (2017) "Social Impact bonds – Evidence-based policy or Ideology". In Handbook of Social Policy Evaluation. Cheltenham: Edward Elgar. 263-279.

Santos, B. d. S. (2006)

Santos, B. d. S. (2008) (ed.) *Another Knowledge is Possible. Beyond Northern Epistemologies*. London: Verso.

Smith, A. (2007) "Translating Sustainabilities between Green Niches and Socio-technical Regimes", *Technology Analysis and Strategic Management,* 19(4): 427–450

Smith, A., and Stirling, A. (2018). Innovation, sustainability and democracy: an analysis of grassroots contributions. Journal of Self-Governance and Management Economics, 6(1), 64-97.

Somers, M. (2008) *Genealogies of Citizenship: Markets, Statelessness and the Rights to have Rights*. Cambridge: Cambridge University Press.

Stirling, A. (2011), "Pluralising progress: From integrative transitions to transformative diversity", *Environmental Innovation and Societal Transitions*, 1(1), 82-88.

Zizek, S;, 2009, First tragedy then farce, 24th November, video Youtube.