Chapter 1: The Many Meanings of Social Entrepreneurship

1.1 Introduction: Social Entrepreneurship – Still a 'Messy' Field of Research

This chapter is going to draw on literature on social entrepreneurship (SE) to give an overview of different definitions, explanations, narratives and interpretations of the SE concept. Although it still remains a niche phenomenon, SE has gained popularity around the world in the past two decades. Fuelled by impressive stories of heroic entrepreneurs (labelled as 'changemakers'), and their innovative ventures, such as the *Grameen Bank* founded by Nobel laureate Muhammad Yunus, and promoted by organizations like *Ashoka* and the *Schwab Foundation*, interest in this phenomenon has sparked across different societal spheres, including the media and academia. As a result, there is a growing amount of research on social entrepreneurship in different academic disciplines; Sassmannshausen & Volkmann (2018) even claim that social entrepreneurship is reaching maturity as an academic field itself. Yet, the body of literature on SE appears quite diverse (to put it nicely) – or somewhat 'messy' (to put it less nicely). The literature on SE is spread over various disciplines and makes reference to SE in various geographies, institutional and political contexts. In addition, there is a significant share of 'grey' literature, in particular contributions by support agencies, or foundations, targeted mainly at practitioners and policymakers.

Most SE literature is rooted in business administration, followed by third sector and non-profit studies. Further contributions come from policy studies, economics, geography, politics, sociology, among others (Sassmannshausen & Volkmann 2018; Teasdale et al. 2022). This book mainly approaches the SE phenomenon from a sociological perspective. Yet, the literature that is reviewed in this chapter includes various disciplines, given that authors from different dis-

ciplines offer explanations of SE as a social and political phenomenon – even though, this might not always be made explicit, let alone be empirically investigated (e.g., Ranville & Barros 2021).

While most literature is shaped by Anglophone research, it often also transcends geographical boundaries, with SE often being portrayed as a 'global' project or phenomenon (Dacin et al. 2010). Sometimes, a distinction is made between an 'American' and a 'European' school of SE research (Kerlin 2010; 2013; Hulgard 2010; Defourny & Nyssens 2010; 2012). In addition, it needs to be noted that there are overlaps – as well as lack of clarity and delineation – between different terms and concepts, including: social entrepreneurship, social business, social enterprise, social entrepreneur, or social innovation. Therefore, the main focus and object of study in SE literature may vary, with research that either focuses on individuals (entrepreneurs), on organisations (enterprises), or on the process and phenomenon (entrepreneurship) (Danko & Brunner 2010).

Despite the growing body of research and literature thus, there is still much "conceptual confusion" (Teasdale 2012: 99) around SE, in particular when it comes to trying to make sense of SE as a political phenomenon, the 'wider' meanings of SE and what sort of economy and society SE is envisioning. Despite SE being a value-loaded concept (as I will explain in Section 1.2), which advocates for 'change', the political and normative underpinnings of SE are only sometimes overtly and explicitly addressed, remaining understudied. The normativity in SE is rarely researched, with academic literature often reproducing assumptions around SE, instead of questioning and investigating them (Ranville & Barros 2021; Bruder 2021). Overall, the relationship between social entrepreneurship and society remains vague and ambiguous (Lautermann 2012). What is more, the political and normative meanings of SE are in flux and dynamic and can change over time (as Section 1.6 will address in detail). As Teasdale notes:

> The construction of social enterprise is ongoing, and fought by a range of actors promoting different languages and practices tied to different political beliefs. That is, social enterprise is politically contested by different actors around competing discourses (Teasdale 2012: 100).

Sections 1.3, 1.4 and 1.5 shall shed light on these contested meanings around SE; the sections are organised according to what I will call different levels or layers of meaning(s) contained in explanations of SE. Section 1.3 will address

definitions of social entrepreneurship, which at first sight appear (or seek) to be merely conceptual or cognitive explanations, but implicitly contain certain theoretical, normative and political underpinnings. Section 1.4 will address descriptions and explanations of SE that are linked to wider narratives and topics, thereby ascribing SE a certain function or role in society and offering a more explicit (sociological) explanation of SE. Section 1.5 will then engage with accounts of SE that outright address the 'bigger' systemic questions around how the phenomenon of SE relates to the (neoliberal) capitalist economic model, explicitly discussing SE in the context of wider political or social developments. It shall be noted that while I use these three conceptual levels or layers to organise the chapter, they shall be regarded as rather loose categories that are not completely clear-cut from each other. Section 1.6 will emphasise and discuss the role of context when it comes to trying to make sense of SE as a sociological phenomenon, and address the fact that different actors may shape SE according to their beliefs. Finally, Section 1.7 will provide a summary of the findings of the chapter and outline this book's empirical analysis of the SE discourse(s) in Germany between 1999 and 2021.

1.2 All Things Social Entrepreneurship Carry Meaning(s) – Always

SE is always tied to certain normative and socio-economic underpinnings and political beliefs – whether or not this is addressed in an explicit way, or merely implicitly. Social entrepreneurs are branded or brand themselves as 'changemakers' (Bandinelli & Arvidsson 2013; Ashoka 2020). However, it remains unclear what kind of 'change' SE actually promotes, and in which way this shapes the economy and society. SE being framed as 'social' is inherently tied to normative and political assumptions – while at the same time, it often remains vague. The 'social' nature of SE and closely related concepts, such as 'social impact' or 'social value' in the context of SE usually means 'for the good of society'. This has already been pointed out, for example, by Cho (2006) and more recently by Ranville & Barros (2021), who also explain that precisely this 'social' nature of SE often remains unclear and ambiguous, and that academic literature also tends to (re)produce this unclarity and ambiguity. Bruder, too, has noted that "[t]he prefix 'social' itself is not a value-free description (2021: 487), instead implying "being beneficial for society and ethically legitimate" (ibid.) and, therefore, is positively connoted.

Assuming that SE contributes to 'the good of society' inevitably raises questions of legitimacy: who gets to define what is to be understood as 'good for society' or 'social', and why? This will, of course, be answered differently by various actors – according to their worldviews and underlying normative and political beliefs. To translate the quote by management scholar Dees (2001 [1998]) into a more sociological perspective: What is considered to be 'social' will be different for different people – and rightfully so: in democratic and pluralistic societies, the 'common good' shall not be determined *a priori* by a certain actor or entity. Instead, different individual and group interests and positions shall be discussed and negotiated in a political process (e.g., Schubert & Klein 2020). A fixed and *a priori* understanding of the common good (set by a specific entity) would, instead, be an indicator for an autocratic system. Therefore, while I agree with Ranville & Barros (2021) who, having analysed SE against contemporary schools of political philosophy, demand SE researchers to be reflexive regarding the normativity in their object of study, I argue that the 'social' being a contested category is a somewhat desirable dilemma for SE that will (need to) persist, even if this might sometimes be unsatisfactory to researchers trying to make sense of SE and to untangle the 'conceptual confusion' that SE presents us with. Overall, such sociological aspects of SE are understudied (Somers 2013). According to Parkinson & Howorth, one reason for this is that "much of the current work has come out of business and management disciplines" (2008: 287), which does not place an emphasis on studying SE "as a complex social movement" (ibid.). Similarly, Lautermann (2012) and Bruder (2021), too, have pointed out the lack of foundation in the relevant social theories and disregard of the normative and political questions about the relationship between SE and society in the study of SE.

At the same time, as indicated in the Introduction, there are many different views on the 'wider' meaning(s) of SE and what sort of 'change' SE promotes or should promote, depending on different understandings of the SE phenomenon and the 'hopes' attributed to it. The following three sections in this chapter highlight the diversity of these understandings as well as their complexity and ambiguity. They show how meanings around SE are being constructed and contested on different levels at the same time, whether it comes to 'simply' defining SE, or explaining the wider political or social role of SE. The next section is going to begin with focussing on the apparently 'simple' level of defining or describing SE, which inevitably (implicitly) linked to certain (world)views and value judgements.

1.3 Describing and Defining Social Entrepreneurship – No Innocent Task

'Social entrepreneurship' is an umbrella term, which is used to refer to a wide array of activities; social enterprises can differ greatly in size, organizational form, or the context they work in. They often operate at the margins and intersections of the state, the market and the third sector, sometimes blurring the boundaries between the three (Ridley-Duff & Bull 2011). SE might stand for a microcredit institution in Bangladesh, a work integration social enterprise in Belgium, a fair-trade chocolate producer in Benin, a kindergarten in Britain, or a tech company in Brazil. SE may also bring different people together – and as its 'practitioners' you may encounter (former) bankers or business consultants as well as activists and social workers, sometimes within the same venture. Considering this heterogeneity of the field and its people, it would be surprising to find that all of them had the same understanding of SE and had the same vision for SE as well as for the economy and society as a whole. The projections onto SE – the hopes that people associate with SE – are many, and often quite different from each other. Definitions are supposed to provide a solution exactly for this problem: establishing a common ground so that everyone can share the same understanding of SE. The task of defining SE plays an important role in literature on SE (Dacin et al. 2010). However, defining SE is never 'neutral' or 'innocent'.[1] Defining SE is inevitably tied to underlying normative assumptions – which also extend to or are linked to wider meanings, as I will explain in the following paragraphs.

Definitions of SE are *per se* normative. They delineate what the 'ideal' or prototypical form of SE is or should be and establish a set of characteristics that determines what is to be considered to be 'social entrepreneurship' and what is not. These characteristics inevitably convey some sort of normative or political meaning(s). As explained in the previous section (1.2), this is linked to the prefix 'social', which always carries both underlying and wider (normative) meanings and political beliefs – even though this might not always be stated, or, perhaps, not even be evident to the authors.

It shall be noted here that this section addresses the issue of defining SE differently than probably most other academic texts. I will have to disappoint the reader that is looking for a specific definition of SE. Selecting a

1 I am borrowing this term from Diaz-Bone et al. (2007: 6) who write: "Discourses, as Said (1978) and Spivak (1987) note, are not innocent explanations of the world".

certain definition as a basis is not my purpose. Quite the contrary, settling on a specific definition would be opposed to my research project, which is analysing how (different) meanings and interpretations are discursively constructed. Put differently, the definitions and explanations of SE that will be discussed in the following have a different function: they are part of the object of study. Nonetheless, as I will explain in Chapter 2, my study strongly relies on Birkhölzer (2015), who defines SE as a distinct (social economy) movement, situating it in a specific time in history (and not necessarily linked to a specific organisational form).

This being said, most academic literature tries to define SE in terms of the 'social entrepreneur' (the person) or the 'social enterprise' (the organisation). There is a vast variety of these definitions; comprehensive overviews are provided, for example, in Dacin et al. (2010: 39–41), listing 37 different definitions, or in Jansen (2013: 39–49), who gives an overview of 29 definitions.[2] Most definitions of SE part from the two constituting words 'social' and 'entrepreneurship', explaining in which way, SE has a 'social' and an 'entrepreneurial' (or 'economic') dimension. This is also somewhat the lowest common denominator of the different definitions. The 'social' character of SE may be described as the pursuit of a 'social mission' or the creation of 'social value'; for example, by Mair & Marti (2006: 37) as "to pursue opportunities to catalyse social change and/or address social needs" by Peredo & McLean (2006: 64) as "creating social value, either exclusively or at least in some prominent way", or by Haugh (2006: 5) as to "trade for a social purpose". However, the 'social' aspect of SE is seldom discussed in detail and can be considered as undertheorized in SE literature. The 'entrepreneurial' dimension of SE associates SE with 'doing business' and 'innovation', among others. For Korosec & Berman (2006: 449) this means to "develop new programs, services, and solutions to specific problems", for Mair & Marti (2006: 37) "involving the innovative use and combination of resources to pursue opportunities", and for Tracey & Jarvis (2007: 671) to "identify and exploit market opportunities, and assemble the necessary resources, in order to develop products and/or services". Due to the combination of 'economic'

2 The overview of 37 definitions presented by Dacin et al. (2010) demonstrates the lack of delineation and the almost interchangeable use of different terms ('social entrepreneurship', 'social enterprise', 'social entrepreneur', 'social business', etc.). Strictly speaking, only 10 of the definitions refer to the term 'social entrepreneurship', while 11 definitions refer to 'social entrepreneur', 4 to 'social enterprise', 2 to 'social business', and 10 definitions even combine the different terms.

and 'social' logics, social enterprises are often described by management scholars and organisational sociologists as 'hybrids' or 'hybrid organizations' (e.g., Hockerts 2006; Heinze et al. 2011; Doherty et al. 2014; Grohs et al. 2016).

Apart from the 'social' and the 'entrepreneurial' (or 'economic') dimension, some definitions of SE include a third domain: one that is often framed as 'governance' and which refers to aspects such as organisational form, control and accountability. In particular, third sector and 'social economy' scholars (most of who are organised in the research networks *EMES* or *CIRIEC*) have advocated for this perspective.[3] The defining characteristics of the 'governance' dimension can, for example, be formulated as "a decision-making process in which voting power is not distributed according to capital shares" (Defourny & Nyssens 2012: 15) or might be inscribed within rules for "the reinvestment of surplus for community benefit" (Haugh 2006: 5). According to Defourny & Nyssens, this "governance [dimension is] specific to the *EMES* ideal-type of social enterprise" (2012: 12), and is sometimes considered to distinguish the 'European' from the 'American' school of thought of SE (as I will further discuss in Section 1.6).

Arguably, prescribing rules for the organisational governance of SE – or *not* – is linked to certain premises and normative underpinnings. More specifically, this is linked to a (normative or political) position on the question of what makes 'good' organisational forms for SE. Whether or not a social aim can be pursued by any organisation – agnostic to its organisational form (including for-profit private enterprises) – or whether this requires a specific organisational setting. 'Governance' aspects, such as participatory governance, democratic decision-making and ownership within organisations and the principle that power should be decentralised – instead of centralised in the hands of a few – comes from a specific historical and political tradition, associated with third sector organisations and cooperatives (e.g., Pearce 2003; Ridley-Duff & Bull 2011). 'Governance' aspects may, therefore, be seen as an expression of a

3 *CIRIEC* stands short for the *The International Centre of Research and Information on the Public, Social and Cooperative Economy*. It is a non-governmental international scientific organization that was founded in 1947 (CIRIEC 2020). *EMES* is an international research network. *EMES* takes its name from the French title of its first research project: *L'EMergence de l'Entreprise Sociale en Europe* (the emergence of social enterprises in Europe), conducted between 1996 and 2000 (Borzaga & Defourny 2001; EMES 2020). Both networks mainly consist of economists, as well as sociologists, political scientists and other scholars, who ascribe to the 'social economy' concept.

certain worldview that positively connotes democratic control and participation of the many, expressing the view that organisations integrating these aspects are better suited in order to ensure the (social) aims of an organization in the long run. On the other hand, not including 'governance' indicates faith in the private enterprise, expressing the view that organisational forms based on capital ownership are suitable for or compatible with the pursuit of social aims.

Furthermore, when comparing different definitions, it quickly stands out that various definitions of SE show very different degrees of detail regarding the 'social' or 'entrepreneurial', or, where applicable, also the 'governance' dimension of SE – and, therefore, place different emphases. The following table illustrates this by comparing four definitions of SE: Dees (2001 [1998]) and Austin et al. (2006), coming from a business administration background, Defourny & Nyssens (2012) representing the 'social economy' approach and *SEND* (2019), the main network and lobbying organisation for SE in Germany. These four definitions were chosen, because they are either highly influential for SE scholarship in general or specifically for the German context. According to Sassmannshausen & Volkmann (2018), Dees' (2001 [1998]) text is the most-cited text on SE overall, while Austin et al. (2006) is the most-cited journal article. Defourny & Nyssens (2012) are main representatives of the *EMES* network, which is highly influential in Europe, both in scholarship as well as in shaping (EU) policy, while *SEND* is currently the leading interest group for social enterprises in Germany.

The table shows which aspects of the three dimensions 'social', 'economic' and 'governance' are included in the definitions of the respective author or organisation:[4]

4 Some texts were reorganised in order to be integrated into the structure of the table. Two things should be noted on *SEND*'s (2019) definition included in the table: First, next to the short definition referenced here, *SEND* has also developed a longer definition, involving different stakeholders, in particular member organisation. Second, before developing this definition, *SEND* (until 2018) relied on a definition by the *European Commission* (of 2014), which in turn has been shaped by the members of the *EMES* network.

Table 1: Three Definitions of SE and Comparing Their Social, Economic and Governance Dimensions

	Dees (2001 [1998]: 4)	**Austin et al.** (2006: 2)	**EMES/Defourny & Nyssens** (2012: 12–15)	***SEND*** (2019)
	Social entrepreneurs play the role of change agents in the social sector, by:	*We define SE as (…)*	*Criteria or indicators for an 'ideal-type' of social enterprises (in Weber's terms) are:*	
Social dimension	*Adopting a mission to create and sustain social value (not just private value),*	*social value creating activity*	*An explicit aim to benefit the community,* *An initiative launched by a group of citizens or civil society organisations,* *A limited profit distribution*	*The primary goal of SE is to find solutions for social challenges*
Economic-entrepreneurial dimension	*Recognizing and relentlessly pursuing new opportunities to serve that mission,* *Engaging in a process of continuous innovation, adaptation, and learning,* *Acting boldly without being limited by resources currently in hand,*	*Innovative*	*A continuous activity producing goods and/or selling services,* *A significant level of economic risk,* *A minimum amount of paid work*	*This is achieved by continuously applying entrepreneurial means, resulting in new and innovative solutions.*
Governance dimension	*Exhibiting heightened accountability to the constituencies served and for the outcomes created*		*A high degree of autonomy,* *A decision-making power not based on capital ownership,* *A participatory nature, which involves various parties affected by the activity*	*Controlling and steering mechanisms ensure that the social mission is pursued internally and externally*

The overview of the four definitions shows different things: first, that, in general, the degree of detail of the defining criteria varies considerably. The definition by Austin et al. (2006) is very short and broad, while e.g., the definition by Defourny & Nyssens (2012) is, in many ways, much more detailed and specific. Furthermore, a definition may offer a detailed understanding of one dimension – but not of all three. For example, Dees' (2001 [1998]) definition provides a quite sophisticated and detailed understanding of the 'entrepreneurial' dimension, with three of the five defining characteristics in his definition referring to this dimension. The 'governance' dimension, on the other hand, remains rather unspecific – in the definition by Defourny & Nyssens (2012), on the other hand, the 'governance' dimension is quite elaborate. It can be argued, therefore, that the degree of detail that different definitions place on different (aspects) of the dimensions of SE is, to some extent, also an expression of emphasis – what is considered to be important. Certain aspects of SE are given (more) importance (over others), which, again, derives from normative underpinnings and political beliefs that are linked to different understandings of SE.

Furthermore, there are many other aspects of definitions that are normatively or politically grounded, as I will briefly illustrate, exemplarily focussing on the definition by management scholar Dees (2001 [1998]). Dees (2001 [1998]) clearly positions SE as a form of entrepreneurship – a perspective that can often be found in SE literature by business studies scholars. Embedding SE within entrepreneurship, however, can be seen as a reduction of the concept – as, to some extent, this perspective fails to acknowledge that SE may have 'wider' political meaning, to which I will come back in Chapters 6 and 7. Dees' (2001 [1998]) definition ascribes certain characteristics to SE that derive from his discussion of entrepreneurship theory, namely that SE implies *pursuing new opportunities* as well as *innovation, adaptation, and learning* and *acting boldly*, i.e., taking risks (see table above). Dees' definition associates SE with newness, innovation, flexibility and risk. Dees' (2001 [1998]) framing of social entrepreneurs as 'change agents' further underlines the notion of SE as something that embraces the new, change and breaking with established habits or practices. What is more, newness, innovation, risk-taking, etc. as defining aspects of SE are also as such presented as positive features. Moreover, Dees' (2001 [1998]) definition in centred around the 'social entrepreneur', the person or agent who engages in social entrepreneurship – in contrast, for example, to 'social enterprise' (as in the definition by Defourny & Nyssens 2012), which implies a stronger focus on the organization, or to 'social entrepreneurship',

foregrounding the phenomenon or process. Dees (2001 [1998]), therefore, mainly parts from the individual as the core agent of SE, establishing SE as a process driven by individuals – and not e.g., by collective action. In addition, Dees' (2001 [1998]) definition contrasts 'social value' against 'private value'. While Dees' (2001 [1998]) understanding of 'social value' remains quite vague, the distinction from 'private value' is nonetheless remarkable.[5] Even though the two different types of 'value' are not presented as mutually exclusive – this is indicated by the word 'just' (see Table 1 above), which implies that SE may create both forms of value ('private' as well as 'social') – Dees (2001 [1998]) highlights that 'social value' should be the primary focus. Finally, Dees (2001 [1998]) clearly positions SE as a phenomenon that occurs in the 'social sector'.[6]

This exercise of trying to unpack the sometimes explicit sometimes implicit normative and political meanings within definitions of SE could be continued endlessly. However, the main point has been made: to some extent, all definitions and academic literature on SE carry wider political meaning(s). This has been demonstrated in Section 1.2, discussing the prefix 'social' as well as in Section 1.3, addressing the different dimensions of SE ('social', 'entrepreneurial' and 'governance') and briefly discussing the definition by Dees (2001 [1998]). SE is always a value-loaded concept, even if this may not be explicitly stated by the respective author (appearing implicit and/or opaque) and not be of direct concern to their research. Yet, part of the literature on SE does, in fact, address and overtly discuss explanations and interpretations of the social entrepreneurship phenomenon and its wider meaning(s), or they link SE to certain narratives and political developments (more) explicitly, as I will discuss in the following section.

5 Strictly speaking, Dees' distinction between 'private' and 'social' value also seems hard to reconcile with 'mainstream' neoclassical economic thought (e.g., Friedman 1970). In this perspective, the pursuit of private value (individual and egoistic interest) would, in fact, result in a maximisation of social value anyway, and delineating 'private' from 'social' value should then appear nonsensical to the neoclassical economist.

6 Dees (2001 [1998]) does not further explain the 'social sector' mentioned here. Other terms in social science literature would be 'third sector' or 'non-profit sector' (e.g., Betzelt 2001; Evers & Laville 2004; Defourny & Nyssens 2010).

1.4 Social Entrepreneurship Linked to Wider Narratives

This section is going to focus on academic literature that more explicitly links the SE concept to wider narratives. More specifically, by 'wider narratives', I am referring to SE being explained in a societal context, i.e., when a certain function or role is attributed to SE, and relationships between SE and other (established) societal institutions are addressed. These narratives, explanations or interpretations of SE are, inevitably, connected to specific normative and political views. Again, it shall be noted that these wider narratives of SE are extremely heterogeneous. As already indicated in the Introduction, different actors may link the idea of SE to very different political agendas and broader visions for society. In addition, it must be said that this section will only be able to provide a fraction of all the wider meanings that may be attributed to SE in academic literature and shall by no means be regarded as an extensive or complete account thereof.

A concise overview, which demonstrates the great diversity of these wider explanations of SE in academic literature, is offered by Teasdale et al. (2019: 22–23), who (citing various authors) synthesise that SE has been described as

> a potential solution to area-based deprivation (…); an alternative vehicle for the delivery of publicly funded services (…); a more effective means of international development (…); an additional revenue raising stream for non-profits (…) or a potential alternative to winner-takes-all-capitalism (…); (…) a solution to the failure of markets to distribute goods and services equitably (…); (…) a policy solution to the failure of the state to deliver public services that were responsive to consumers (…); (…) a solution to the failure of the third sector to scale-up (…); (…) a vehicle through which public services can be spun off, allowing greater democratic ownership and control (…) (Teasdale et al. 2019: 22–23).

This overview shows that various authors propose quite different narratives of SE and of the societal and political functions or goals connected to the SE phenomenon. Each narrative or explanation of SE comes with its own system of thought and normative and political underpinnings. Each explanation or narrative comes with its own assessment of a 'problem', a situation which SE is seeking to change or overcome – thereby giving SE a specific role (in relation to other societal institutions). To pick out two of the explanations cited above: introducing SE as an 'alternative to winner-takes-all-capitalism' implies the as-

sumption that capitalism (or a certain form of it) is a problem – one that SE shall help to overcome. Portraying SE as a 'more effective means of international development' implies that current forms of international development are regarded as ineffective – and that the function or *raison d'être* of SE is to offer a 'better' model for development.

Without doubt, these interpretations of SE are embedded in different worldviews, they ascribe SE a certain function or role in a social and economic context and represent very different underlying normative or political stands. Teasdale (2012: 103–106) has identified the following as the main theoretical assumptions behind the different narratives of SE: *state failure* (i.e., the assumption that the state and its institutions are unable to provide adequate welfare for its citizens), *market failure* (i.e., the assumption that the private sector is unable to organise equitable distribution), *earned income approaches* (i.e., the assumption that nonprofits are adopting earned income strategies to compensate for declined funds), *marketization of the nonprofit sector* (i.e., the assumption that nonprofits are becoming more business-like because of a general shift in society towards business ideology) and *voluntary failure* (i.e., the assumption that the third sector is unable to deliver effective welfare services). These theoretical assumptions carved out by Teasdale (2012) show that SE can be connected to very different – even opposed – analyses of contemporary societies and developments. Moreover, different narratives may place SE in completely different sub-systems or sectors of society – for example, 'SE as an alternative to capitalism' places SE in the economic system, giving SE the function to transform the economic model. Whereas 'SE as the delivery of publicly funded services' places SE in the public realm (or at the intersection of the public and the 'traditionally social' or 'third' sector), instead, attributing SE the function of transforming the model of welfare production and distribution.

These sectoral placements also determine the relationships between SE and other actors or institutions – e.g., private businesses, state agencies, nonprofits, etc. – which might be contrasted or linked to SE. When SE is introduced as a 'new' phenomenon in a specific setting, this inevitably comes with a statement about the 'old' (established) actors and institutions in this setting. When SE is explained as an "[approach] to better help individuals and communities beyond those institutionally pervasive and arguably stale welfare state charitable service models" (Dart 2019: 66), this entails a negative image of state institutions. On the other hand, presenting SE as a solution to "the failure of the private sector to allocate resources equitably" (Teasdale 2012: 104) comes

with a critical statement about private businesses. The societal functions that SE is given varies in different explanations, narratives and interpretations.

Beckmann (2011: 71–72), for example, offers three different interpretations about SE's functions: First, SE may be considered as a phenomenon that offers a wider perspective on economic activity; SE seeks to (re-)connect private (or economic) value and economic efficiency with social value, which today are often seen as antagonistic. Second, SE may amplify the repertoire of practices and entities that address social challenges by discussing the contribution of private entities (social enterprises) to public benefit. Thus, also questioning the (welfare) state's monopoly on providing social or welfare needs. Third, SE may challenge today's understanding of the areas or issues that traditionally comprise the 'social' or welfare sector, such as health or care. SE also opens up a new spectrum of social challenges and potential solutions (e.g., combating poverty or climate change) (Beckmann 2011: 71–72).

Engaging with these wider narratives around SE also shows that explaining SE in relationship to society and its institutions can never be 'innocent' and that such wider explanations are also tied to questions of legitimacy, i.e., justifying why SE is necessary, or 'good' for society. This is linked to an assessment of the 'problem', for which SE provides a 'solution'. For example, when SE is introduced as an alternative to capitalism, capitalism is automatically described as a problem. The need for an alternative economic model is expressed – this view being based on a specific set of value judgements, normative and political beliefs. Similarly, if welfare state institutions or the way they work are presented as the problem – and SE as a means to change these – the *raison d'être* of SE is legitimised in a quite different way.

However, even if there are very different wider narratives around SE – each coming with different 'problem assessments', sectoral placements and ways of legitimising SE – these different narratives and underlying theories are not necessarily incompatible, as Teasdale (2012: 106) notes. Explanations or narratives of SE might, in fact, combine different theoretical assumptions and ways of legitimising SE. Ranville & Barros (2021) share a similar view when they find many "normative contradictions" (2021: no pagination) in academic literature. This means that wider narratives are not necessarily coherent in the sense of strictly following to the ideal types of theories (e.g., *state failure*) identified by Teasdale (2012: 103–106). This applies to academic literature, but, of course, to other, non-academic discussions about SE as well. To stick with an example of a narrative of SE that has already been introduced: if SE is understood as a form of international development, and legitimised as a necessary form to improve

the practices of international development, the underlying theory behind this might be a combination of both *state failure* (assuming that governments in developing countries are failing to provide adequate welfare) and *market failure* (assuming that in the global market economy businesses from the Global South suffer from unequal terms of trade).

Furthermore, it shall be noted that in spite of the diversity of the narratives of and around SE – each with their own theoretical assumptions, functions attributed to, or ways of legitimising SE – there are also similar patterns of argumentation across different narratives. Three shall be pointed out here: SE presented as a 'new' phenomenon, SE as a 'better' way of doing things and SE as 'empowering'. First, SE is mostly introduced as a 'new' way of doing things. The wider narratives of SE also reproduce what I have mentioned previously – the 'new' being somewhat automatically and inherently positive. Related to this is, second, the idea of SE as a 'better' way of doing things. Introducing SE as a 'new' phenomenon in a certain field comes with establishing a relationship to existing ways of doing things, institutions and actors – and since SE (as most often understood) is about bringing positive change, it is presented as the 'better' version compared to the *status quo*. While the problem assessment differs in different narratives (as noted above), the argument is mostly structured in the way that SE provides the way out, being introduced as a response to the identified problem. Third, a common ground across different narratives and theories is often the idea that SE is somewhat (more) empowering. Whether SE is placed in the social/public realm or in the economy, narratives of SE often imply a critique of top-down approaches to the delivery of goods or services and the hierarchies connected to this. SE in different settings is described as an approach to break with hierarchies and dependencies, propagating self-help and capacity building. In this perspective, SE 'empowers' people, making them realize their potential, but also involving them and giving them a voice. Consequently, some authors claim that the empowering aspect of SE also has an impact on higher (democratic) participation of the people engaged in SE. For example, Sievers (2016) stresses the participatory dimension of SE, claiming that 'beneficiaries' or 'service/product users' are more involved in decision-making processes. This may also apply to fostering community spirit and social cohesion, or, as Sievers argues, "collective empowerment" (2016: 79).

This section has addressed wider narratives, which explain SE and attribute certain functions or a *raison d'être* to SE, often in relationship to other (established) institutions or actors. The different explanations or narratives discussed in this section shall by no means be understood as a complete, all-

encompassing account of all explanations, narratives or interpretations that may be found in academic literature. Instead, it was the aim to show the diversity and ambiguity of different explanations, narratives and interpretations and their underlying theoretical assumptions – once again, showing that meaning(s) of SE are contested. However, it is also important to note that these different explanations of SE not necessarily propagate a coherent worldview or a specific political agenda, but might in fact be intertwined in a combination of different theoretical assumptions. Moving from Section 1.3 to 1.4, this chapter has tried to demonstrate how the meaning(s) of SE are being contested on different levels – both when it comes to seemingly simple explanations (as, for example, being inherent to definitions) and on a 'wider' scale, within narratives around the functions of SE or explaining why SE is needed. The boundaries between these different levels of meaning, however, are fluid and shall not be overstated. This has become quite evident in this section, as discussing 'wider' narratives quickly reaches into even 'bigger' – systemic – questions. These systemic questions will now be elaborated on in the following section, with a particular focus on how the relationship between SE and neoliberalism has been discussed in academic literature.

1.5 A 'Systemic' Perspective: Social Entrepreneurship in Relationship to Neoliberalism

As explained in the Introduction, the realisation that there are many and quite differing, even opposite, interpretations of the SE concept has been a starting point for this book. Even on a 'systemic' level the interpretations of SE may differ considerably, i.e., when it comes to explaining what sort of economic or social model is envisioned by SE, what sort of social or political developments SE might be part of and what the relationship between SE and neoliberal capitalism is. Academic literature, once again, provides very different answers for this. Shaw and de Bruin (2013), for example, juxtapose two very different systemic interpretations of SE, asking "whether (…) social enterprise is driven by neo-liberal policies or offers an alternative to capitalism" (2013: 738). Without doubt, the relationship between SE and neoliberalism, and whether SE may be considered as part of a 'neoliberal', as part of an 'alternative' or 'social' economic model is a contested debate in scholarly literature (e.g., Hulgard 2010; 2011; Dey & Teasdale 2016; Sievers 2016; Nicholls & Teasdale 2017; Bandinelli 2017) – with many scholars offering a somewhat ambiguous or contradictory

explanation of SE as a concept that joins both 'neoliberal' and 'alternative' elements, as will be addressed in this section.

First, it must be noted that 'neoliberalism' is complex and has various understandings to it. Some understand neoliberalism mainly as an ideology, others as a specific (historical) period, as a set of policies, or as a political and economic movement – or as a combination of these (e.g., Rose 1999; Mirowski & Plehwe 2009; Crouch 2011; Davies 2014a; Davies 2014b). Based on different understandings, there are also different views on what represents an 'alternative' to the neoliberal economic and political model. Therefore, different assessments of the relationship between SE and neoliberalism that are mentioned in this section might lack a common underlying understanding or focussing on different aspects of neoliberalism.

A few key features of neoliberalism identified by social science scholars shall be mentioned here. A helpful attempt of summarising the essence of neoliberalism has been made by Crouch (2011), who describes neoliberalism as a specific (historical) period and also as a set of ideas, namely as "the set of economic ideas that have ruled the western world and many other parts of the globe since the late 1970s" (2011: VII). Above all

> that free markets in which individuals maximize their material interests provide the best means for satisfying human aspirations, and that markets in particular to be preferred over states and politics, which are at best inefficient and worst threats to freedom (Crouch 2011: VII).

Davies (2014b) also stresses the political and historical dimensions of neoliberalism and the role of governments in promoting it, explaining neoliberalism as "a form of market fundamentalism, imposed upon developing nations by the United States government and multinational institutions" (2014b: no pagination), which is linked to "the elections of 'new right' political leaders, Margaret Thatcher and Ronald Reagan in particular, in the late 1970s and early '80s" (ibid.). Davies (2017) highlights, however, that this does not mean that under neoliberalism markets (as institutions) were introduced into all areas of society, even though they have expanded into many. Instead, many areas of society and its institutions were transformed and shaped in market-like or business-like ways, which also applies to individuals and organisations. "It is economic calculation that spreads into all walks of life under neoliberalism, and not markets as such", Davies (2017: XIV) recalls – to an extent that economic calculation sometimes replaces politics (as an instrument of governing and making deci-

sions in society). Competition and competitiveness (rather than market fundamentalism) are the defining features of neoliberalism. "[T]he neoliberal state takes the principle of competition and the ethos of competitiveness (which historically have been found in and around markets), and seeks to reorganise society around them" (Davies 2017: XVI). This spread of economic rationality for Davies also marks the crucial difference between neoliberalism and (classical) liberalism. "A defining trait of neoliberalism is that it abandons this liberal conceit of separate economic, social and political spheres, evaluating all three according to a single economic logic", Davies (2014a: 20) explains – a development which can be termed 'economization'. Moreover, areas such as health, welfare, education or security are then increasingly understood in terms of human capital and organised as (private) enterprise (Foucault 2004 [1978/1979]; Rose 1999; Bröckling 2007).

Observers and critics of neoliberalism also point to the important role of the individual and individualism (Foucault 2004 [1978/1979]; Rose 1999; Bröckling 2007). Neoliberalism promotes "responsibilization and entrepreneurialization of the citizen" (Rose, 1999: 139), the individual acts as 'entrepreneur of the self', transferring the rationality of the market economy to the most diverse areas of life, where process optimisation and efficiency become guiding doctrines. The figure of the entrepreneur is a particularly important *motif* for neoliberalism, mainly introduced through the work of Schumpeter (Davies 2014a). Schumpeter presumes "an ideal vision of the heroic, creative entrepreneur" (Davies 2014a: 47) – and this image of the entrepreneur is crucial in applying the ethos of neoliberalism to the individual level, leading, more precisely, "to a psychological emphasis on competitiveness as an essential trait of individuals" (Davies 2014a: 47).

In Schumpeter's understanding, entrepreneurs defy and seek to redefine the set of rules and institutions that organise the economy, what is famously labelled 'creative destruction'. However, this does not mean that entrepreneurs challenge the capitalist model as such – quite the contrary, Schumpeter assumes that entrepreneurs are 'exceptional' and 'uncommon' individuals. Thus, only a small, 'exceptional' minority can be entrepreneurs, which bases the ideal figure of the (Schumpeterian) entrepreneur on the idea of (human) difference and competitiveness – representing the core principle of neoliberalism according to Davies (2014a, citing Schumpeter [1934; 1954; 1976]). In addition, following Schumpeter, the 'creative destruction' caused by entrepreneurs is necessary to allow capitalism to adapt to changing developments and therefore to maintain capitalism itself. Without 'creative destruction', capitalism

would succumb to bureaucratic organisation, given that large corporations tend towards this form of organisation, which makes entrepreneurs central agents of neoliberal capitalism (Davies 2014a, citing Schumpeter [1934; 1954; 1976]). More generally, given that the 'creative destruction' in Schumpeter's eyes is a necessary (and therefore legitimate) process, entrepreneurs and entrepreneurial activity justify competitive behaviour (in individuals) as well as profit-making, inequality and the power relations on which the capitalist system relies.

As mentioned above, scholars who have written about SE and neoliberalism not necessarily share the same understanding of neoliberalism that I have outlined here. This being said, several scholars relate SE to (aspects of) neoliberalism (e.g., Cook et al. 2003; Eikenberry & Kluver 2004; Dey 2010; Garrow & Hasenfeld 2014). It should be kept in mind, however, that only a fraction of contributions on SE address such 'systemic' questions concerning the relationship between SE and neoliberalism in the first place, trying to 'make sense' of SE from a social science perspective.

A simple reason for SE often being interpreted as a neoliberal phenomenon may be the fact that the term 'social entrepreneurship' includes 'entrepreneurship', which is so strongly associated with Schumpeterian theory and to a certain ideal image of the 'entrepreneur' – a theoretical background that these scholars are aware of and project onto SE. But there are more reasons for why SE is often interpreted as a neoliberal phenomenon. A main argument for this perspective is that SE is associated with processes of marketization and privatization in the social or public sector (Hulgard 2011), given that SE is mainly driven by 'new', mainly private actors, some of which are market-based. Related to this is a view of SE as the projection or application of principles and logics of the private sector into social or public realms. Dart (2004) sees in SE a vehicle that introduces business thinking and the language of management into nonprofit sectors and organisations. Similarly, according to Dey, SE contributes to "inscribing ideas of efficiency, management savvy and entrepreneurship into the body of the social" (2010: 1). Certainly, there are parallels to the idea of *New Public Management*, as an instrument of introducing and legitimising business methods in the pursuit of social and public objectives (Ridley-Duff & Bull 2011). Furthermore, SE is associated with emphasising the individual and individual responsibility. Through SE, the idea of individual social responsibility may become more important in areas such as welfare, social security, health or education (Hulgard 2011).

As mentioned above, there are perspectives, on the other hand, which interpret social entrepreneurship – or aspects of it – as part of an 'alternative', 'counter movement' or 'counter discourse' to (neoliberal) capitalism (Pearce 2003; Hulgard 2011; Teasdale 2012; Sievers 2016; Longhurst et al. 2016). Pearce (2003) clearly positions social enterprises as part of an alternative economic model. For Pearce, SE contributes to a wider project of creating and establishing a 'social economy' that represents a viable alternative economic system. According to Pearce (2003), this alternative economic system stands against the dominant (neoliberal) capitalist economy and is built on values of the 'third sector', including: co-operation, decentralisation, inclusivity, good work, sustainability and people-centration (2003: 40–44). Hulgard claims that (at least some) forms of social entrepreneurship represent "part of an emerging counter discourse in the sense of a participatory non-capitalist economy" (2011: 202). Sievers (2016), too, highlights aspects of participation and collective action – and that contrary to individualism, SE promotes an idea of 'community' and 'collective empowerment', contributing to community building and fostering community resilience (Sievers 2016). Longhurst et al. describe SE as part of "nascent 'new economic' narratives which represent fundamentally different imaginaries of the urban economy" (2016: 69). According to Longhurst et al. (2016), the dominant neoliberal logic is challenged in four key dimensions: the purpose of economic development, distributive mechanisms, governance and form of economic organisation, with SE "providing a viable alternative to privatization, de-regulation and re-regulation" (Longhurst et al. 2016: 72).

Finally, many authors point out the ambiguities in the relationship between social entrepreneurship and neoliberalism, arguing that SE has both neoliberal and alternative elements, making it an ambiguous concept (Grenier 2009; Beckmann 2011; Hulgard 2011; Teasdale 2012; Sievers 2016; Bandinelli 2017). Bandinelli calls this the "inner ambivalence of social entrepreneurship" (2017: 23). Sievers offers a similar perspective, explaining that different types of logics are contained within the phenomenon of SE. This causes a state of constant ambiguity and contestation: "ambiguities between care and efficiency, between market-oriented activation and just being and between participation and exclusion co-exist and co-develop continually through repeated negotiations" (Sievers 2016: 90). Some authors have argued that SE may also be a combination: that "social enterprise exemplified the 'Third Way' by promising the successful combination of social justice and market dynamism (Nicholls & Teasdale 2017: 332)". Other authors differentiate between different currents of SE – and this is also where actors with different agendas around SE come

into play. Teasdale supports this view, describing SE as "a fluid concept which is continually re-negotiated by different actors" (2012: 101). Nicholls (2010) argues that because SE is 'pre-paradigmatic' and that "the field has failed to set any normative boundaries around the term" (2010: 613), this creates a "fluid institutional space for dominant actors to shape and exploit" (2010: 612).

Davies, too, has written about the ambiguities of entrepreneurship (more generally). Theoretically speaking,

> [t]he entrepreneur (…) desires [to re-make] the economic *status quo*(…), including its rules and conditions. For this reason, there is undoubtedly political potential in entrepreneurship to introduce something radically new, and not simply 'more innovation' in the sense favoured by business and neoliberal policy makers. (…). In this respect, entrepreneurship has always posed a tacit threat to neoliberalism, while also being celebrated (Davies 2014a: 197).

Davies (2014a) also explains that when considering actual developments and observations, however, that this 'political potential' or 'threat' posed by entrepreneurship has so far been contained by the capitalist system (i.e., by financially rewarding entrepreneurs) and by business elites, who manage to hold close links to entrepreneurs. With regards to social entrepreneurship, Davies (2014a) indicates that SE might be seen as a minor shift away from the complicit and sustaining role of entrepreneurship for neoliberal capitalism. In this regard, Davies highlights the fact that social enterprises mainly pursue non-monetary goals. However, Davies (2014a) also notes that SE fails to break with the central principle of competitiveness – with SE, too, mostly being centred around a small minority of 'exceptional' individuals.

All in all, the contributions show that SE may, in fact, be an ambiguous phenomenon – and that a single and clear answer to the question "whether (…) social enterprise is driven by neo-liberal policies or offers an alternative to capitalism" (Shaw & de Bruin 2013: 738) seems impossible (and a flawed approach to begin with). Instead, once more there are different (competing) interpretations of SE as a political phenomenon and what it means for society or the economy as a whole. These interpretations may vary according to different actors (and their interests concerning SE) or may vary in different contexts, as will be addressed in the following section.

1.6 The Meanings of Social Entrepreneurship: Context-Specific, Dynamic and Shaped by Different Actors

This book is building, above all, on research contributions that have demonstrated that the meanings of SE are contested in different ways and on different (conceptual) levels and that these may be ambiguous, combining different logics, narratives, or theoretical assumptions; meaning(s) of SE are dynamic and in constant flux. Making sense of SE as a normative and political phenomenon is a complex undertaking – and giving a universal answer to what sort of phenomenon SE is, what sort of 'change' and what economic and social model is envisioned by SE seems impossible or at best flawed. Such a universal answer would ignore the contestations that are taking place on different levels. Instead of trying to find a single answer to what sort of phenomenon SE *is*, whether it is a 'neoliberal' or an 'alternative' movement – which seems impossible, as I have argued – the meaning(s) of SE may be better understood and analysed according to different contexts. This view, stressing the crucial relevance of context for understanding SE – is also sustained by Teasdale et al. (2019), who (citing various authors) explain that "[s]ocial enterprise is a concept that is variably interpreted according to historical, geographical, political, social, cultural and economic factors (…)" (Teasdale et al. 2019: 22).

'Context' is another term that may be understood in different ways and that needs to be briefly addressed. Even though my perspective on SE (research) is one that sees SE as 'more' than a (sub-)form of entrepreneurship – and that entrepreneurship theory is only of limited use for discussing SE – it shall be noted that important contributions have been made on entrepreneurship and context (e.g., by Welter 2011). Welter (2011), for example, has criticised that context is too often disregarded in entrepreneurship research and suggested that researchers pay greater attention to contextual factors. This mainly includes 'where' contexts (i.e., business, social, spatial and institutional factors) and 'when' contexts (i.e., temporal and historical factors) as well as paying attention to the people engaging (or not engaging) in entrepreneurship, e.g., women or entrepreneurs in formerly socialist countries (Welter 2011; Welter & Baker 2021). Based on this critique, in recent years,

> [r]esearchers have embraced the need to measure and model many of the contextual factors that shape whether and how people engage in entrepreneurship and we also seem to have gotten better at describing

> limitations to the generality of our findings that contextualization often implies (Welter & Baker 2021: 1155).

However, many aspects of the interplay of contexts and entrepreneurship still remain understudied. In addition, the main focus of 'context' in entrepreneurship research remains somewhat functional or utilitarian, aimed at understanding how conditions for entrepreneurship may be improved (e.g., in certain regions) or how entrepreneurship can be made more attractive for certain groups (e.g., for women). This strand of research thus, seems somewhat captured within a paradigm of entrepreneurialism, assuming that entrepreneurship is a value as such and politically desirable. Moreover, to some extent, this perspective is also based on the idea of competitiveness, based on the notion that different regions are competing to attract entrepreneurs and/or seeking to 'produce' a high number of or particularly successful entrepreneurs. Naturally, this is a narrower interest in 'context' than in this book. My aim is to making sense of SE as a political phenomenon or movement in relationship to the specific context in Germany. Therefore, the most relevant contextual aspects include the socio-economic, political and policy context in Germany in a specific point in history – namely, when SE was introduced in Germany and during which the SE movement continued to develop (as Chapter 2 will address more in detail).

When it comes to SE in different contexts, I must also mention the work of Kerlin (2010; 2013; 2018) as well as of Defourny & Nyssens (2010; 2012), who have pointed towards differences of SE (and of SE research), mainly between the 'European' and the 'US' context, each having their own history, grown traditions and specific features. The US tradition of SE places a stronger emphasis on the individual (the social entrepreneur), while the European tradition gives more attention to the organisation (the social enterprise). In the US tradition, 'social innovation' and 'earned income' (i.e., revenue generation for social organisations that go beyond donations or state aid) are main themes. Instead, in the European SE tradition, organisational governance (including ideas of democratic organisation of the economy, participation, ownership, decision-making, etc.) is of great importance (Kerlin 2010; 2013; Defourny & Nyssens 2010; 2012), as I have already mentioned in Section 1.3. Related to this distinction is that in Europe, cooperatives were and are considered as part of the SE tradition, which is not always the case in the US – even though this might be changing more recently (Kerlin 2010; 2018). According to Kerlin (2010; 2018), another difference between the two regions is that in many European coun-

tries, national governments have been providing strong support for SE, therefore playing a significant and active role in shaping the SE field. By comparison, SE in the US has mainly been driven by private and civil society actors, with foundations rather than national governments shaping the SE field.

This clear division into a 'US' and a 'European' version and school of SE has been criticised and questioned, among others, by Bacq & Janssen (2011). For the research purposes of this book, I also have to make a few critical remarks here. First, it must be noted that the grouping into a single 'European' version of SE certainly comes with a reduction of the national individualities of the different SE scenes and organisations, as Kerlin (2010), Defourny & Nyssens (2010; 2012) and Defourny et al. (2021) have observed, too. For Germany, this seems particularly problematic, since one of the main aspects that supposedly separates 'US' from 'European' SE does not apply, namely that (national) government has supported and shaped the development of a SE field (as noted e.g., by Birkhölzer 2015 or Grohs et al. 2016 and as I will further explain in Chapter 2). Second, the literature that contrasts 'European' and 'US' traditions of SE is primarily focused on organisational models and aimed at explaining the type of organisations (social enterprises) that have emerged and developed in the different regional contexts. My main focus, however, is the relationship between SE and the wider social and political context, and making sense of SE as a political phenomenon (beyond its organisational expressions). Third, given that the main purpose of my empirical analysis is to *understand* SE (conceptually taking a few steps back), I argue that a too fixed notion of SE that already explains what sort of phenomenon SE *is* (as rooted in or belonging to a distinct 'European' tradition) may be harmful for this purpose. Thus, while it is important to highlight the important contributions that were made in this regard, the simple distinction between a 'European' and a 'US' version of SE, seems rather limited for my purpose.

The relevance of context and for understanding SE in Germany, however, is undeniable, and the fact that contextual aspects remain largely understudied presents both a challenge for my research purpose – and a research gap, to which my book makes a contribution to close. The importance of context and the fact that the meanings of SE are dependent on context may also be seen linked to the discussion in Section 1.2. In different societies, understandings of the 'social' and 'the good of society' will differ. What is considered beneficial for a society ('social') must be negotiated by the members of this society and is contingent on the normative, political and also regulatory frameworks of a respective context. Societal values are specific to historical, geographical, po-

litical, social, cultural and economic circumstances – and they are also in flux, dynamic and subject to change. For example, in Western Europe, child labour was commonplace during the early industrial era, which saw children aged ten or younger often working about twelve hours a day. Perhaps, a company that would have employed children to work five hours per day would have been considered a 'social' enterprise back then (by exceeding the regulatory and ethical standard of the time, in offering more humane working hours), while today such a company would be frowned upon – and be shut down for illegal activity. SE is described as 'changemaking' (e.g., Ashoka 2020), i.e., bringing about social change. If this is taken seriously, one would also need to answer: '*what* change to *what* society or what system or processes within this society?', as 'social change' is not transferrable from one place or historical context to another. Yet, SE research and interpretations of SE (too) often fail to provide an answer for this. Perhaps, this comes from SE often being presented as a 'global' phenomenon. But for understanding SE as a political phenomenon, this is not very helpful, as 'social change' only makes sense with regards to a specific society, its norms and institutions. Thus, understandings of the 'social' as well as of 'social entrepreneurship' might be different in different places.

Moreover, understandings and meanings associated with SE can also change over time when looking at a single country or society. This is where different actors and interest groups have a crucial role. The SE concept is diverse, fluid and dynamic – and this is a result of different actors shaping it, as different studies, mostly focusing on the UK, have demonstrated (among others, Parkinson & Howorth 2008; Nicholls 2010; Teasdale 2012). In the Introduction, it was also demonstrated that German politicians with different party affiliations may propagate different views on SE. SE may even been appropriated by political actors in different ways, to fit their own ideological views and political goals. As Teasdale (2012) has explained:

> The construction of social enterprise is ongoing, and fought by a range of actors promoting different languages and practices tied to different political beliefs. That is, social enterprise is politically contested by different actors around competing discourses (Teasdale 2012: 100).

For the UK, Nicholls (2010), Teasdale (2012), Kay et al. (2016) and Teasdale et al. (2019) explain how social enterprise policy was promoted by the *New Labour* government in order to contribute to the party's political goals. The *Coalition* government under David Cameron then continued to promote SE, reshaping

social enterprise policy in a way to fit its own political purposes. Mason and Moran (2019) go even further, arguing that social enterprise policy was crucial in enacting David Cameron's *Big Society* agenda.[7] Building on Foucault's concept of *governmentality*, Dey & Teasdale (2016) explain that in the UK,

> government used social enterprise to govern the third sector 'at a distance' (…), with power exercised through a network of heterogeneous techniques such as policies, grants, and various forms of intellectual and material support (2016: 488).

Nicholls (2010) also addresses the role of different actors in a specific context and (again, focusing on the UK) addresses four types of resource-rich actors that are interested in and capable of shaping the meaning and development and institutionalisation of SE: government, foundations, fellowship organisations and network organisations. Teasdale, too, has highlighted the fact that different actors shape the 'conceptual confusion' that surrounds SE:

> This conceptual confusion is because social enterprise is a fluid and contested concept constructed by different actors promoting different discourses connected to different organisational forms and drawing on different academic theories (Teasdale 2012: 99).

Both Parkinson & Howorth (2008) and Teasdale (2012) identify competing views and interests surrounding SE between social enterprise practitioners and policymakers. Despite holding differing views than policymakers, practitioners may engage in what Dey & Teasdale (2016) call 'tactical mimicry', i.e., being opportunistic participants in the policymakers' interpretation of SE in order to gain resources and direct them into their social mission. As a result, practitioners may then reinforce and support, but at the same time "challenge and appropriate the normative demands and subject position of social enterprise inscribed in government policies and programs" (Dey & Teasdale 2016: 492). Kay et al. (2016: 221, citing Ridley-Duff & Bull 2011: 103) claim that there are two different 'camps' of SE: a 'radical' and a 'reformist' one. The former with the aim "to subvert the logic of the free market and change relationships between money, land and people" (Kay et al. 2016: 221),

7 Mason and Moran (2019) include a comparative study on developments in the UK and in Australia.

and the latter as one that "accept[s] [market-driven capitalist] globalisation and use it to advance social entrepreneurial enterprises" (ibid.). Furthermore, an emphasis on changing meanings of SE over time is provided by Dart (2019), who writes that:

> As an academic researcher and a consultant, I have observed the drift from social enterprise as 'daring new problem-solving model to improve mission fulfillment' to social enterprise as 'hybrid quasi- commercial structure and operations' (Dart 2019: 67).

What I want to capture in this section thus, is the following: making sense of SE from a sociological perspective needs to be context-specific and to consider the socio-economic and political environment of the respective place(s), in which SE is unfolding. In addition, the meanings of SE are contested, they are dynamic and in constant flux, and because SE is such a malleable concept, different actors are able to promote different aspects of SE. This is the rationale for my empirical research that aims at offering a better sociological understanding of representations of the SE concept in Germany between 1999 and 2021 and to examine different representations, dominant views on SE, how the concept has developed during this time as well as notions of 'change' and the relationship between SE and the current social and economic model of neoliberalism.

1.7 'Conceptual Confusion' as the Starting Point of an Empirical Research Project

This chapter has explained that all definitions, descriptions, narratives and interpretations of SE implicitly contain wider normative underpinnings and political beliefs. Meanings of SE are dynamic and contested – on different levels and simultaneously; SE is inevitably tied to wider narratives, for example, about what should change in a society – even though these aspects are only rarely addressed in academic literature on SE, which, currently, mainly comes from business administration and management scholarship (e.g., Sassmannshausen & Volkmann 2018). There are different views on the relationship between SE and neoliberalism, and what sort of economic and social model SE envisions. Overall, there are different answers to what sort of 'change' SE will or shall bring about. In spite of increasing research on SE, a great deal of 'conceptual confusion' around SE remains. In addition, it was demonstrated that

a universal and finite answer to the question of what sort of change SE brings about does not seem to make much sense. The meanings of SE are context-specific, and in each context the contestations of meanings of SE may play out differently. Parts of this process may be opaque and other aspects more explicit; some aspects may be either unintentional or intentional, with certain actors trying to shape and exploit the "fluid institutional space" (Nicholls 2010: 612) in which SE unfolds.

As explained throughout this chapter, this book develops from acknowledging these ambiguities and contestations of SE on multiple layers; the normative and political meanings of SE are not static but flexible and dynamic and dependent upon specific socio-economic contexts as well as positions and interests of different actors. Taking into account these premises, this book explores the contestations of meanings of SE in a specific context: in Germany between 1999 and 2021. Arguably, little is known about SE as a phenomenon or movement in Germany, about its 'wider' meanings – in particular beyond the initial phase of the late 1990s-early 2000s, and about how the idea of SE has developed in Germany over time – and, especially, this is only rarely backed up by empirical research. This is where my book makes a contribution, towards a better sociological understanding of SE in Germany, along four topics:

- ***Diversity and dominance***: What different understandings of SE can be identified, and what is the dominant representation and perspective of the SE concept in Germany?
- ***Representation and Relevance***: What does a broader audience get to learn about the SE phenomenon? What parts or aspects of SE are given a platform and getting noticed by wider society, i.e., beyond the niche spaces of the SE scene itself?
- ***Development over time***: How has the idea of SE been introduced in Germany in the late 1990s (when the 'social entrepreneurship' term first started to appear), and how has the concept developed over time, until the early 2020s (when interest for SE in the public and in politics has started to increase)?
- ***Notions of 'change' and politics:*** SE seeks to 'change' the *status quo* – but which *status quo* is meant, what shall 'change' and how, and what is the vision for economy and society proposed by SE? What (potential) societal or political role is ascribed to SE, and what is the relationship between SE and the dominant (neoliberal) social and economic model?

Understanding these aspects is necessary and helpful to a sociological making sense of SE as a complex social and political phenomenon and movement – and to assess the path that SE might take in this specific context in the future. Next to the academic interest, this endeavour also has practical and political relevance, given that, at the time of writing, SE in Germany is in a particularly interesting position. SE has not (yet) attracted significant interest or involvement of policymakers and remains very weakly institutionalised. Nonetheless, political interest in SE is slowly growing (as I outline in Chapter 2), not least due to increased media interest in the SE phenomenon and lobbying activities by *SEND*. The route that different representations and contestations of the SE concept in Germany might take seems open to various routes, which is why it is relevant and timely to better examine and understand the SE concept in Germany in the recent past and present.

For researching (representations of) the SE concept in Germany (1999–2021) along the above four investigative lines (diversity and dominance, representation and relevance, development over time, notions of 'change' and politics), discourse analysis is a suitable theoretical and methodological approach, as it allows to study the different meanings – in the broadest sense – around SE, how these meanings have been 'produced' and contested, and how they have developed over time (as I will explain in detail in Chapter 3). Discourse analysis will contribute to better understanding the multi-layered and dynamic processes around SE and to identifying potential changes over time. But before diving into the empirical analysis, Chapter 2 will first engage with developments concerning SE in the specific context of Germany.