

## Chapter 4: Social Entrepreneurship Coming to the Aid of the 'Sick Man' (1999–2008)

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### 4.1 Introduction

As explained in the previous chapter, through the process of analysing the data, three periods of the social entrepreneurship (SE) discourse(s) were identified – with the first period ranging from 1999–2008, to which this chapter is dedicated. The beginning of the first period is marked by the first article on 'social entrepreneurship' in the German press in 1999. The end of the period is marked mainly by what I call a 'sectoral shift'; until 2008, SE (as represented in the news articles) is principally conceptualised as part of the welfare-producing 'social' infrastructure; instead, from 2009, SE is increasingly understood as part of the economy, as will be explained in detail in Chapter 5. These beginning and end dates of the different periods, however, should be regarded as somewhat flexible. Furthermore, while one of the aims of my analysis was identifying certain main or 'dominant' aspects in the representations of SE, there is never a homogeneous view of SE. Contestations of SE are ongoing during all three periods, as should be taken into account when reading the results chapters.

In this first and early period, SE still plays a very marginal role in the German press, especially between 1999 and 2004 with (on average) only one article per year. In 2005, the number of articles considerably increases to seven articles per year (on average), but still remaining at a low level. Overall, the results that are presented in this chapter derive from the analysis of 35 articles published between 1999 and 2008. In Chapter 2 it was already noted that the early SE movement in Germany revolved mainly around *Ashoka* and a few other actors, such as the *Schwab Foundation* – and that SE has largely been interpreted as an 'American' version of SE. This version emphasises the individual entrepreneur and market-based solutions and business logics and establishes links to (business) elites. Although, several scholars recall the complexity

of the SE phenomenon, suggesting that the SE field and its actors may be more diverse and ambiguous than sometimes assumed (Birkhölzer 2015; Bandinelli 2017; McRobbie et al. 2019). Moreover, academic literature has often connected SE to a more general context of neoliberalism, and explained SE as a result of marketisation and liberalisation trends. Chapter 2 has also explained specific aspects of the socio-economic and political context in Germany at the time. In the late 1990s and early 2000s, large parts of the public, politics and the media in Germany (and abroad) shared the view that Germany was the ‘sick man’ of Europe (Dustmann et al. 2014; Spohr 2019), mainly due to high unemployment rates.

Against this background, this chapter aims at complementing, contesting and expanding the existing literature on the origins of SE in Germany with empirical findings of the analysis of newspapers, which has captured certain representations of SE in the media (as explained in Chapter 3). The chapter begins with presenting the findings in a more descriptive way and focusing on how SE has been explained and described in the news articles. Gradually, the chapter moves towards more analytical aspects, reflecting on wider narratives that establish a relationship between SE and broader social and political developments.

## 4.2 Describing, Explaining, Defining Social Entrepreneurship

This section will focus on how SE is described in the analysed news articles of the early period (1999–2008). In the articles, SE is often presented as something ‘new’, a term or phenomenon that needs to be explained to the audience. However, the degree of detail of the different explanations varies greatly – and some articles do not really provide a systematic description of SE, explaining SE throughout the article. Other articles, instead, make an attempt to define the terms ‘social entrepreneurship’ or ‘social entrepreneur’, as, for example, in A\_4:

A social entrepreneur is someone who acts like an entrepreneur, but does not seek to create economic value but social value instead (A\_4\_Die Zeit\_24.01.2002).

Overall, six main approaches to explaining SE could be identified for the 1999–2008 period, as the following table summarises:

*Table 4: Approaches to Explaining 'Social Entrepreneurship' in the Newspaper Articles (1999–2008)*

<b>approach to explaining SE</b>	<b>example (translation)</b>
1. SE as a mix or combination of two worlds	<i>a melange of entrepreneurship and philanthropy</i> (A_1_Die Zeit_08.04.1999)
2. SE as the creation of social value	<i>A social entrepreneur is someone who acts like an entrepreneur, but does not seek to create economic value but social value instead</i> (A_4_Die Zeit_24.01.2002)
3. SE as the solution to social (and sometimes ecological) problems	<i>People who "solve social problems with innovative ideas successfully, efficiently and in the long-run"</i> (A_9_Tagesspiegel_19.11.2005)
4. SE as social change	<i>People "employing entrepreneurial skills innovatively, in a pragmatic and long-term way, in order to achieve ground-breaking social change"</i> (A_7_Frankfurter Rundschau_31.03.2004)
5. Explaining SE through the sector	<i>entrepreneurs in the social field</i> (A_12_Südkurier_07.12.2005)
6. Explaining SE through the person/agent (the social entrepreneur)	<i>entrepreneurs with a social mission</i> (A_28_Welt am Sonntag_24.02.2008)

As can be observed in these examples, these different approaches to explaining SE are not mutually exclusive and might, in fact, be combined. The second example in the table illustrates this, explaining SE as the creation of social value, but also making use of the approach of explaining SE through the person or agent (the entrepreneur). In some explanations, even more than two approaches may be combined, such as in article A\_10:

Globally, the *Schwab Foundation for Social Entrepreneurship* has given awards to 84 'entrepreneurs in the social field'. On December 6th, the prize will be awarded in Germany for the first time. The award goes to people who have developed innovative solutions to social problems (A\_10\_Südkurier\_02.12.2005).

This explanation of SE builds upon three approaches: explaining SE as problem-solving (“innovative solutions to social problems”), through the person and through the sector (“entrepreneurs in the social field”).

Overall, for 1999–2008, the analysed data shows a predominance of the person-centred-approach to explaining SE, which is employed 25 times. The other approaches appear rather evenly, with the explanation of ‘SE as solution to social problems’ occurring slightly more often (10 times), against ‘SE as the creation of social value’ (7 times), ‘SE as a mix or combination of two worlds’ and ‘Explaining SE through the sector’ (both 5 times) and ‘SE as social change’ (4 times).<sup>1</sup> Furthermore, it could be noted that the explanations of SE become a bit more specific over time. The approach of explaining ‘SE as a mix or combination of two worlds’, which seems a bit vaguer than the other approaches, loses relevance. However, this gradual concretisation is not a linear process and, certainly, there is no common agreement in this time period about what SE is; there is no uniform way of describing SE, it remains a contested (and often vague) concept. The fact that SE “means different things to different people” (Dees 2001 [1998]: 1) when it comes to the level of conceptual or cognitive explanations of SE (see Section 1.2) is, therefore, also mirrored in the newspaper articles. Furthermore, it was found that the person-centred approach – i.e., understanding SE as an activity that revolves mainly around the social entrepreneur, or even equating the phenomenon (entrepreneurship) and the person (entrepreneur) – is predominant in the early period. This can be linked to the prominent role of *Ashoka* and the *Schwab Foundation* in the early SE discourse, as I will explore in the next section.

### 4.3 Three Groups of Actors and ‘Speakers’, and Social Entrepreneurship Coming to Germany

A few actors that appear in the news stories were already mentioned, e.g., social entrepreneurs, *Ashoka* and the *Schwab Foundation*. This section will now systematically address the actors that constitute the field of SE – as represented in the corpus for 1999–2008 – focusing on three groups: 1) the portrayed social

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1 Mind that my analysis is mainly qualitative and when frequencies are mentioned, these are only indicative and illustrative.

entrepreneurs, 2) organizations and people of the wider 'ecosystem' (or support system) of SE and 3) the beneficiaries or target groups of SE.<sup>2</sup>

Social entrepreneurs are often portrayed in the analysed media articles, their stories are told and they serve as examples for explaining what SE is. Not all but many articles describe social entrepreneurs and their ventures. Moreover, the reader learns about the social entrepreneurs and their individual backgrounds. In A\_1, for example, several social entrepreneurs are introduced: One of the portrayed social entrepreneurs used to be a drug investigator, another a social worker, and two of them were managers in the food industry. In another article, A\_7, the reader encounters a former *World Bank* officer, the former head of *Greenpeace Germany*, a nurse and a teacher. A\_11 presents a (former) businessman; and A\_23 a lawyer and education specialist.

The articles, therefore, provide information about the social entrepreneurs' professional backgrounds. With regards to different socio-demographic categories, however, it is more difficult to gain information on the portrayed social entrepreneurs. One article (A\_33) places a focus on women and claims that women are not only drawn to 'social' professions but that women were also likely to start social enterprises. However, this claim does not match the representation of the social entrepreneurs in the analysed articles over the period 1999–2008. In total, 49 entrepreneurs or teams of entrepreneurs are introduced; of which 35 are (all) male and 10 (all) female; 4 are mixed teams, often (married) couples.<sup>3</sup> Overall, 42 individual entrepreneurs and 7 teams of entrepreneurs are presented in the news articles. Once more, this highlights the rather individualistic take on SE in the media representation. For other socio-demographic categories (such as class, race or sexual orientation, among others) it seems almost impossible to derive substantial information from the analysis. When assuming that class is linked to education, it can be noted that many of the portrayed entrepreneurs are degree-educated. It also stands out that many social entrepreneurs have had prestigious jobs previous to their SE engagement. Another aspect that certainly is relevant is dis/ability – not least

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- 2 Social enterprises aim to achieve improvements for a specific target group, e.g., providing work for people with disabilities.
  - 3 It should be noted that for this purpose I have assumed the gender identities of the entrepreneurs only based on their names. This, of course, must be taken with caution and might be rightfully criticised – not least due to a binary classification of gender identities (male/female).

because many social ventures aim to empower people with disabilities, as I will address later in the section.

Some social entrepreneurs appear in several articles, mostly social entrepreneurs that have won prestigious awards for their work. This includes international 'shooting star' Muhammad Yunus, the Nobel laureate and founder of the *Grameen Bank* (a pioneer in the microcredit movement). Yunus appears for the first time in A\_20 (in January of 2007), and in total in 6 articles in the first period.<sup>4</sup> Andreas Heinecke, founder of *Dialog im Dunkeln*, an enterprise that organises exhibitions led by people with visual impairments and blind people, whose popularity might be specific to the German context, appears for the first time in A\_9 (in 2005) and in total in 8 of the 35 analysed articles of the first period. Overall, the articles draw a quite favourable picture of the social entrepreneurs, generally representing them as competent, capable and committed. Their technical or professional skills are highlighted as well as their previous life and work experience, showing that they have a lot of experience and skills to offer and to apply to their ventures. This is also fostered by the award-culture of the young SE field: Organisations such as *Ashoka* organise competitions, seeking 'the best' social entrepreneurs with 'exceptional' talent and 'successful' ideas. In A\_7, for example, Konstanze Frischen, head of *Ashoka Germany* is quoted, describing the social entrepreneurs that *Ashoka* is looking for, namely:

People "employing entrepreneurial skills innovatively, in a pragmatic and long-term way, in order to achieve ground-breaking social change" (A\_7, Frankfurter Rundschau\_31.03.2004).

The strong focus of the media representation on 'star' social entrepreneurs such as Yunus and Heinecke further accentuates the idea of SE as a field for 'exceptional' individuals, mirroring the ideal figure of the entrepreneur in neoliberalism (Davies 2014a).

Moreover, social entrepreneurs are often quoted in the newspaper articles, sometimes in indirect or in direct speech. Through direct and indirect quotes, the social entrepreneurs are therefore given a voice, they are able to 'speak'. As said above, the presentation of the social entrepreneurs is generally favourable,

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4 As I have noted in the previous chapter, the presence of Yunus is even much more striking in articles containing the term 'social business'.

they are mainly given positive attributes and are portrayed as figures of expertise and authority. Their utterances and statements contribute to shape the presentation of the situation and of the social or environmental problems that need to be addressed and that are addressed by their social enterprises. An example for this can be found in A\_11, reporting on Moritz Lehmkuhl's social enterprise *Climate Partner* that deals with CO<sub>2</sub> offsetting. The entrepreneur is quoted several times across the text – e.g., at the beginning, establishing the 'social problem' (or in this case environmental) and, therefore, the framework in which his social enterprise operates:

"On average, every German emits 10.3 tons of CO<sub>2</sub> per year," says the founder of *Climate Partner* (A\_11\_Süddeutsche Zeitung\_06.12.2005).

Elsewhere, the entrepreneur is quoted, explaining what his enterprise does and describing an order of a client (the company *Averatec*):

The notebook manufacturer *Averatec* gave its customers one ton of the greenhouse gas CO<sub>2</sub> for every computer. "That corresponds at least to the volume of a 25-by-10-meter swimming pool," says Lehmkuhl (A\_11\_Süddeutsche Zeitung\_06.12.2005).

Here, the social entrepreneur is allowed to comment on the impact of his own enterprise, drawing a comparison between the volume of the CO<sub>2</sub> and a swimming pool, which is an accessible image for the reader, and in turn, establishes legitimacy for his project. While this is still mediated by those involved in producing the stories (journalists, editors, etc.), social entrepreneurs play an important part in the analysed articles in shaping what the readers get to perceive as 'social entrepreneurship'.

However, an even more powerful role can be ascribed to the second group of actors: organizations and people of the wider support or ecosystem of SE. This can be observed in the following passage of A\_23, staging a social entrepreneur (Björn Czinczoll), who has received an award by the *Schwab Foundation* – and who, as a result, is invited to the *World Economic Forum* – and two representatives of this second group of actors, Klaus Schwab (President of the *Schwab Foundation*) and André Habisch (an academic):

Björn Czinczoll would never have dreamed of being able to chat with the most powerful business leaders for setting up needs-based nursery schools

for working parents. A year ago, the lawyer took part in the competition to become the 'Social Entrepreneur of 2006' (...). Björn Czinczoll won and was allowed to participate in the exclusive *World Economic Forum* in Davos. "In Germany there is a lack of impetus to implement new social ideas," says Klaus Schwab, founder of the *World Economic Forum*. "These social entrepreneurs are showing new ways." Their approaches are always also related to solving regulatory problems, adds André Habisch, head of the *Center for Corporate Citizenship* at the *Catholic University of Eichstätt*. Until now, the social sector has been left to the state and been delegated to the welfare associations. Now, it is time to rethink this (A\_23\_Berliner Morgenpost\_21.10.2007).

While the social entrepreneur (Björn Czinczoll) appears quite prominently in the article (he is also described more in detail elsewhere), when it comes to conceptualising the SE phenomenon, i.e., providing a more abstract explanation of SE and embedding the concept in wider social structures, others are brought into the picture and even quoted directly: the head of the *Schwab Foundation* (Klaus Schwab), and an academic (André Habisch).

In fact, the examined media articles give this second group of actors a quite articulate and powerful role. Above all, this includes *Ashoka* and the *Schwab Foundation* and the people associated with these two organizations. In the period 1999–2008 overall, *Ashoka* (and/or its representatives) appears in 14 of the 35 articles and the *Schwab Foundation* in 13 articles. *Ashoka* (here referring to the American branch) is present in the corpus from the very first article (A\_1). As mentioned in Chapter 2, *Ashoka* opens an office in Germany a few years later: in late 2003. Shortly after this, *Ashoka Germany* is introduced in the press – more precisely, in A\_7\_Frankfurter Rundschau\_31.03.2004. Following suit, A\_8 introduces the *Schwab Foundation* and announces its 'Social Entrepreneur of the Year' award, which in Germany is awarded for the first time in 2005 (A\_8\_Ostthüringer Zeitung\_02.11.2005).

Without doubt, the remarkable increase of yearly articles in 2005 from, on average, one yearly article to seven – as mentioned in the introduction to this chapter – is linked to *Ashoka* and the *Schwab Foundation* initiating activities in Germany, the press taking notice of these organisations, and these organisations successfully engaging in public relations. Moreover, *Ashoka* and the *Schwab Foundation* 'coming to Germany' also marks an important shift in the geography or geographical focal point of SE in the corpus as I will explain in the following paragraphs.



Before 2004, all specific examples for SE that are introduced in the newspaper articles are from outside of Germany, often from the US. From 2004 onwards, and with the first article on *Ashoka Germany*, it is transmitted to the reader that SE is a phenomenon that takes place in Germany, too. A\_7 even explicitly addresses aspects of the geography of SE, paraphrasing (Konstanze) Frischen, one of the two the managing directors of *Ashoka Germany*:

The two managing directors often hear the argument that the type of people that *Ashoka* promotes all over the world doesn't exist in Germany. Then Frischen mentions people like Peter Eigen. Ten years ago, the former *World Bank* employee founded *Transparency International*, an organization with the aim to fight global corruption. Eigen started in a small one-room office. Today, *Transparency* has a wide network with branches in 90 countries. Thilo Bode, the former head of *Greenpeace Germany*, is another good example of a 'socially oriented' entrepreneur. Recently, Bode has launched the independent consumer protection organization *Foodwatch* (A\_7\_Frankfurter Rundschau\_31.03.2004).

'German' examples for SE are provided here, in order to demonstrate that SE *does* exist in Germany. However, this does not mean that the international orientation of SE completely disappears – the same article (A\_7) includes examples of SE from Brazil, South Africa, or Poland. In addition, the article assumes and emphasises that Germany is still struggling to accommodate this 'new' phenomenon, often picturing the US as a role model:

The Germans, believes Frischen, still have to slowly get used to the idea that success-oriented entrepreneurial spirit and social engagement can very well go hand in hand. "In Germany this is – other than in the USA and in England – a radically new approach, because here, in our minds, we often still have the idea of the cold, heartless capitalist" (A\_7\_Frankfurter Rundschau\_31.03.2004).

Very emblematic for this view is also the opening quote of A\_7, again by Konstanze Frischen: "*Deutschland ist reif für Ashoka*" (Germany is 'ripe' [ready] for Ashoka). This opening has the effect of creating momentum for SE: finally, Germany, too, is 'waking up'. In the concluding section to this chapter (4.7), I will further elaborate on this idea of a backwards Germany 'finally' following international examples.

More generally, these quotes from A\_7 show that representatives of support or umbrella organisations, such as *Ashoka Germany*, have a strong voice in explaining SE and constructing knowledge around SE in the media representation (through indirect or direct quotes). What is more, some articles are even written by the leading figures of these support agencies, as guest contributions or opinion pieces. For example, A\_5 is (co-) written by Klaus Schwab (President of the *Schwab Foundation*), A\_24 is authored by Konstanze Frischen (Managing Director of *Ashoka Germany*). Again, this emphasises the central role of these two organizations in the early SE discourse. In addition, this stands in contrast to the first group of actors (social entrepreneurs), who in the period 1999–2008 are not given the same degree of power or voice – i.e., the opportunity to themselves write about SE as (guest) authors of entire articles.

With regards to actors that appear in the newspaper articles as the wider support and ecosystem of SE in the early period (beyond *Ashoka* and the *Schwab Foundation*), it was a remarkable finding of my analysis that these primarily consist of wealthy individuals, foundations, corporations, universities and research institutes. The following overview lists all actors (organizations and individuals, apart from social enterprises, social entrepreneurs and ‘beneficiaries’) that I have identified in a selection of 11 articles for the first period:<sup>5</sup>

- In A\_1: private companies (*Boeing* and *Microsoft*, as customers of a social enterprise), research institutions (*Kauffman Center for Entrepreneurial Leadership*, *National Center for Social Entrepreneurs*, universities in Seattle), local administration (Seattle city administration), foundations (*Roberts Foundation*), associations (*Evergreen Society*), the *World Economic Forum*, *Ashoka*, *McKinsey* (as former employer of William Drayton, founder of *Ashoka*).
- In A\_5: the *Schwab Foundation*, the *World Economic Forum*.
- In A\_7: *Ashoka*, *McKinsey* (as former employer of William Drayton, founder of *Ashoka*, and as sponsor of *Ashoka*), supporters of *Ashoka* (PR agency *Hill & Knowlton* as well as law firms *Clifford Chance*, *Latham & Watkins* and *Hogan & Hartson*).
- In A\_11: private companies and one NGO (*Allianz*, *World Wide Fund for Nature*, *Hansbeton*, *Neckermann*, *Averatec*, *Deutsche Post*, *Playboy*, *Sixt*, as

5 The 11 articles included here are: A\_1, A\_5, A\_7, A\_11, A\_14, A\_23, A\_24, A\_27, A\_29, A\_30, A\_33. These are particularly relevant, as they address and discuss the SE phenomenon in great detail. The selected articles cover different perspectives on SE within the corpus.

customers of a social enterprise), local administration (Munich city administration, as partner in planning), the *Schwab Foundation* (as host of the award, together with the *Boston Consulting Group* and *Capital* magazine).

- In A\_14: *Ashoka*, prominent families of entrepreneurs (the owners of *C&A*: Brenninkmeyer, the Breuninger family and *Deutsche Bank*, as supporters of *Ashoka*), foundations (*Breuninger Foundation*, *Schwab Foundation*), wealthy individuals (Swiss entrepreneur Stefan Schmidheiny and Pierre Omidyar, founder of *Ebay*), a bank (*UBS*, as the sponsor of an SE competition).
- In A\_23: the *Schwab Foundation* (as host of the award together with the *Boston Consulting Group* and *Capital* magazine, research institutions and academics (André Habisch, head of the *Center for Corporate Citizenship* at the *Catholic University Eichstätt*, Ann-Kristin Achleitner, Professor of Entrepreneurial Finance at *TU München*, *Saïd Business School* in Oxford and its *Skoll Centre for Social Entrepreneurship*, established with a donation of the first president of *Ebay*, Jeffrey Skoll, *Instituto de Empresa* in Madrid), *Ashoka*.
- In A\_24: *Ashoka*, a social investment fund (*Acumen*), a research institution (*Johns Hopkins University*).
- In A\_27: the *World Economic Forum*, the *Clinton Global Initiative Meeting*, entrepreneurs (Susanne Klatten or Michael Hilti) and companies (*Allianz* and *Bertelsmann*), the alternative nobel prize (2003 for *Sekem*), the Nobel Prize (2006 for Yunus), an academic and a research institution (Johanna Mair, Professor of Strategic Management at *IESE Business School*).<sup>6</sup>
- In A\_29: foundations (*Schwab Foundation*, *Skoll Foundation*, *Ashoka*), former politicians (Bill Clinton, Al Gore) business tycoons [sic!] (Bill Gates and George Soros), scientists (Muhammad Yunus), managers (former *Microsoft* employee John Wood or *Ebay* founder Jeff Skoll), artists (Bob Geldof, Bono or Mia Farrow), *Clinton Global Initiative*, the *Bill and Melinda Gates Foundation*, an academic and a research institution (Tine Stein, political scientist at *Wissenschaftszentrum Berlin (WZB)*).<sup>7</sup>
- In A\_30: *Ashoka*, *Schwab Foundation*, the *Boston Consulting Group*, research institutions (*Witten-Herdecke University*, *TU München*, *Zeppelin Universität*, 'Top-Business-Schools' in the USA as a reference, Ann-Kristin Achleitner, Professor of Entrepreneurial Finance at *TU München*), a venture capital fund and other financiers (*Bonventure*, *Forum for Active Philanthropy*, *National Lottery* (UK)).

6 The academic appearing in the article (Johanna Mair) is also its author.

7 Tine Stein is also the author of the article.

- In A\_33: a priest (Nick Francis), a social-ecological bank (*GLS Gemeinschaftsbank*).

This overview clearly shows that the field of support, the wider ecosystem of SE – as it is presented to the reader in the articles – mainly includes wealthy individuals, foundations, corporations, universities and research institutes. This highlights the SE field's links to global elites, foundations and multinational companies – in other words: to members of the capitalist elite or establishment. This has been addressed in Chapter 2 and noted, especially, in the critical reception of SE, e.g., by Voß (2015). SE being associated with the capitalist elite (and some names that could, arguably, be seen as its main flagships, such as *McKinsey* or *Deutsche Bank*) might explain the resistance to SE in large parts of social science and social economy circles. Whether or not these actors actually are the main actors around SE in Germany in the first period cannot be answered here for sure. Yet, this is the picture that the media representation (and my empirical analysis of it) shows.

Occasionally, public (local) administrations appear, too, but their position is not very prominent. People associated to universities have a slightly more significant role, as for example in the excerpt above, where an academic (Habisch) is quoted when it comes to making sense of SE as a phenomenon. In fact, some articles are written by academics (e.g., A\_27 and A\_29). However, it stands out that the academic institutions appearing in the articles are often expensive, 'elite' (international) business schools (such as IE Madrid or Oxford's *Saïd Business School*), and not the standard public universities that predominate in Germany.<sup>8</sup> Private universities such as *Witten-Herdecke* or *Zeppelin*, which were (and still are) very marginal in Germany, are definitely over-represented in the newspapers. The academics appearing in (or writing) the news articles (Johanna Mair or Ann-Kristin Achleitner) are some of those who have first published on SE in Germany, too. In the case of Achleitner, there are undeniably strong links to the corporate world. Next to her professorship of entrepreneurial finance at the *TU Munich*, Achleitner is a board member of

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8 Taking 2000 as a year of reference within the first period, only approximately 25.000 of 1.799.000 students in Germany were enrolled at private universities, i.e., less than 2% (Statistisches Bundesamt 2018: 16).

several large companies, which, once more, accentuates the links between SE and business elites in the early period.<sup>9</sup>

Finally, I shall address the third main group of actors in this section: the target group(s) or beneficiaries of SE. As I have indicated above, not all but many forms of SE aim at improving or achieving something for a specific group of people or community, one that is viewed as 'disadvantaged' by mainstream society, as, for example, work integration for disabled people. These beneficiaries or target groups of SE also appear in the analysed newspaper articles. However, it could be noted that the representation of this group of actors is much less frequent and also lacking depth in comparison with the other actors mentioned above. When representatives of this third group appear, they often are depicted in a rather superficial way, as the following passage from A\_1 illustrates, starring a social entrepreneur (David) and a beneficiary (Maria):

One day, he [David] quit his job as a drug investigator: "It was frustrating. As soon as the junkies and dealers got out of jail, it all started again. After my time as a policeman, I had a business, but that didn't satisfy me either. And at some point, I heard about *Pioneer Human Services*." Today the 53-year-old is leading the company. (...) Walking around in a suit and tie, the boss greets everybody. "Hi, Maria," David says to a lady in an office suit. "Our construction manager. She used to trade in cocaine." Most permanent employees are former clients. They have made it. Others fail early; more than a third of the clients are fired from the company because they do not come to work regularly or they repeatedly fail the drug test (A\_1\_Die Zeit\_08.04.1999).

The contrast between the representation of the social entrepreneur (David) and of the beneficiary (Maria) is quite remarkable. The reader receives a fair amount of information about David, the entrepreneur: including age, former employment, background and motivation to work for a social enterprise (elsewhere in the article there is more information on David and his background). Maria, on the other hand, only appears with her first name; the reader only learns that she used to deal with drugs, but nothing else about her personal background, or her age, etc. Most extraordinarily, she is spoken to ("Hi, Maria"), but does not

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9 Ann-Kristin Achleitner, who was one of the first academics writing on SE in Germany (see Achleitner et al. 2007; Achleitner et al. 2010) and who is a co-founder of the *Social Entrepreneurship Akademie* in Munich, also sits on the supervisory board of several major companies, and, indeed, had been named 'most influential woman in the German business-world' by the *Handelsblatt* (Kewes 2017).

respond (or it seems irrelevant to include her response to the reporter). Maria is not given an active or distinct voice; others speak about her. She is reduced to the role of former-drug-dealer-turned-worker, a 'successful case' of the social enterprise led by David – appearing as an object rather than an agent.

An exception to this could be found in A\_30, telling the story of Betty Schätzchen, a hearing-impaired businesswoman:

Betty Schätzchen wakes her students from meditation with a nudge on the knee. She explains them the next exercise in sign language. It is quiet in the room, muted light breaks on sky-blue and white walls. Betty Schätzchen teaches yoga for both deaf and hearing people. She is almost deaf herself – and she is an entrepreneur. "I turned a weakness into a strength," says the 26-year-old. After a bank apprenticeship, she went to Asia for several months, completed courses in Thai massage and yoga. Back in Germany, she dared to take the step into self-employment (A\_30\_Die Welt\_15.03.2008).

The article then goes on presenting *Enterability*, a social enterprise that helps people with disabilities (like Betty Schätzchen) into entrepreneurship. While Betty Schätzchen is portrayed as the beneficiary and not as the social entrepreneur (in this article the social entrepreneur is the head of *Enterability*), we learn something about her background and about her as an individual. She is not merely reduced to the feature of being almost deaf. However, this degree of detail in describing a beneficiary as in A\_30 is certainly an exception; it is the only article in the period 1999–2008, in which the reader gets substantial information on a beneficiary that goes beyond their (perceived) disadvantage or disability. Most importantly, I argue that this example, too, should be regarded carefully, since Betty Schätzchen is also an entrepreneur, i.e., her role is not totally clear-cut.<sup>10</sup>

In sum, it can be concluded that the beneficiaries themselves rarely have a distinct voice as agents or actors. Their role in explaining SE is very limited in the newspaper articles in the 1999–2008 period. I argue that there is a certain clash between this finding and the idea of SE as being exceptionally 'empowering', as often claimed about SE in the literature (see Chapter 1). Often, SE is associated with defying established hierarchies and establishing more egalitarian relationships – in contrast to hierarchical relationship between a

<sup>10</sup> In addition – even though this might be a mere coincidence – Betty's last name, 'Schätzchen', which is repeated several times in the article, somewhat seems to question her standing as an entrepreneur.

'benevolent' and a 'beneficiary', as in traditional forms of charity. All in all, the media representation does not seem to provide evidence for this idea of 'empowerment'.

#### 4.4 The Fields for Social Entrepreneurship, the Sectoral Positioning and Relationships to Established Institutions

It was already mentioned that the articles of the corpus (1999–2008) contain many examples for SE, which are used in order to explain and illustrate SE to the audience. In the analysis, I have identified all concrete examples or references for social entrepreneurship or social entrepreneurs – which go hand in hand, given that SE is often explained through the person (entrepreneurs). As noted elsewhere, SE is a heterogeneous phenomenon, occurring in various areas or fields. Through clustering the examples from the newspaper articles, the following fields were identified in the first period:

- work integration (for people with disabilities and/or special skills)
- education
- environmental or climate protection
- support of self-employment, entrepreneurship, or co-working
- poverty reduction and development (in the Global South)
- support of street children (in Germany)
- housing and homelessness
- health and health care
- fight against corruption/ transparency
- consumer protection
- sustainable production and goods (e.g., organic food)

First, this overview shows that, generally speaking, when it comes to the different fields of SE, the diversity of SE seems to be represented in the newspaper articles. In addition, the articles mirror that, from early on, the 'social' in SE can sometimes mean 'environmental': examples for social enterprises with environmental or climate protection causes appear in the first period (1999–2008), even in the second article of the corpus (A\_2). However, environmental or climate topics are not too prevailing yet: in total occurring 4 times in the first period.

The overview also shows that the articles mainly include examples from what in Germany would traditionally be considered either as part of the public sector and/or of the third or 'social' sector, such as the field of 'education'. Overall, the most frequently represented fields in the 1999–2008 period are 'work integration' (with 16 examples from this field) and 'education' (with 11 examples).<sup>11</sup> As explained in Chapter 2, unemployment was a pressing issue in Germany at the time. The prevalence of (un)employment as a main topic, to some extent dominating public discourse in Germany (as I will address again in Section 4.7), might explain why there are so many examples for work integration in the first period. While it could be argued that work integration has an economic dimension – integration or inclusion at work parts from an understanding that everyone should have access to work, and to provide for themselves financially – the main focus lies on achieving an improvement for a certain ('disadvantaged') group of individuals. Work integration is not necessarily about changing the system of work, the *economic* system, but rather about allowing disadvantaged groups to join it, giving them the chance of participating in the economic realm of social life, which is why I categorise this as a traditionally 'social' field. Similar to this is the field of 'support of self-employment, entrepreneurship, or co-working'. The only field that – from a sectoral perspective – can clearly be seen as part of 'the economy' – is the area of 'sustainable production and goods', for which there was only one example in the 1999–2008 articles.

This brings me to addressing the 'sectoral' perspective or positioning of SE in the 1999–2008 articles. For this, I am parting from a perspective of asking: 'where does SE take place?' and 'as part of which sector or subsystem of society is SE presented in the articles?'. I argue that this is an important aspect of understanding SE as a political phenomenon, because different relationships between SE and other, existing and established societal institutions and actors derive from the conditions in a specific sector. SE is often juxtaposed and set into relation to established societal actors and institutions, such as the state, non-profit organisations, businesses or individuals. The way that these relationships are constructed comes with attributing certain features and roles to SE, but also to these other actors. In some instances, this also entails wider narratives or visions with regards to how society should be organised.

First, it was already noted that one approach to explaining SE is through the sector (see 4.2). For example, A\_12 describes social entrepreneurs as 'en-

11 Several ventures or entrepreneurs are active in more than one field.



trepreneurs in the social field' (A\_12\_Südkurier\_07.12.2005). This approach to explaining or defining SE entails a clear sectoral positioning: placing SE in the 'social field'. As seen in Chapter 1, some definitions of SE in academic literature do the same (e.g., Dees 2001 [1998]). A similar positioning can be found in A\_22, where SE is explained as a phenomenon that is linked to social work, and therefore, too, occurring in the 'social' domain. Here, SE is described as

a movement (...), which aims at making social work more efficient by means of entrepreneurial methods (A\_22\_Die Zeit\_27.09.2007).

There are different perspectives in the articles of the early period; in some, SE is positioned within the economy. For example, A\_5 writes about SE in the context of a:

new economic philosophy [that consists of] four elements known from Anglo-Saxon economic theory: corporate attractivity, corporate integrity, corporate citizenship and social entrepreneurship (A\_5\_Frankfurter Allgemeine Zeitung\_26.03.2003).

In several articles, the situating of SE is ambiguous. A\_1, for example, at first discusses SE in the context of capitalism (i.e., the economy):

Here (...) a mixture of entrepreneurship and philanthropy is emerging, one that could give capitalism a new face (A\_1\_Die Zeit\_08.04.1999).

Then, elsewhere in the same article (A\_1), SE is described as part of the 'social' sector – i.e., as a new form of social work:

A new culture of social work is emerging here, a social capitalist one, if you will. (ibid.)

Overall, however, the most widespread positioning in the articles for the period 1999–2008 is within the 'traditional' social sector or fields. This is further emphasised by the specific examples for SE (such as work integration and education), as I have explained above.

Second, in the analysis I have put an emphasis on the relationships between SE and established societal institutions and what the emergence or existence of SE implies for them. Once more, the diversity of the SE phenomenon

becomes apparent. The analysed media articles present SE as many different things in relation to more established institutions and actors. At times, SE is presented as a complement to the state and its institutions (A\_1; A\_27; A\_29). Other times, as a vehicle to reform the economy (A\_1; A\_5, A\_27). Some articles present SE as a business opportunity (A\_21; A\_27). Again others, as a reform of social work (A\_1; A\_22). A different perspective sees SE as a new form of philanthropy (A\_14; A\_19; A\_24). Several articles combine various presentations or interpretations (in A\_1; A\_16; A\_23; A\_27). In other articles, SE is described as a process of learning that transcends actors and institutions beyond different subsystems or sectors (A\_1; A\_2).

In short, the analysed articles provide a vast variety of interpretations when it comes to the societal role or positioning of SE. The accounts of SE are diverse and ambiguous – sometimes within one and the same article (in which SE might be presented as giving capitalism a new face in one paragraph and as a new culture of social work in another), and most definitely considering the overall media representation of SE between 1999–2008. Thus, they very well mirror the “conceptual confusion” (Teasdale 2012: 101) around SE that can be found in the academic literature (see Chapter 1). Yet, there is a dominant perspective on SE in the first period – for which it is necessary to look beyond the overview and deeper into the wider narratives around SE, how they introduce the need for SE and the vision(s) for the economy or society that these are embedded in.

## 4.5 Why Social Entrepreneurship? The Need and Urgency for SE

As I have addressed in the previous section, the examined articles often present SE within wider narratives that establish a relationship between SE and society. These explanations are based on a certain problematisation, a ‘vision’ for society and what should ‘change’ about it. SE is then introduced as an idea that can contribute to this ‘change’. The reason for SE – or even the ‘need’ in a more forceful way – is explained to the audience, creating urgency and justification for the SE phenomenon. Often, these narratives entail assumptions and statements about established societal institutions.

Once more, there is no single view – the reasons or the need for SE may be rooted in various narratives and strategies. The following table shows six rationales for SE that were identified in the news articles in the first period:<sup>12</sup>

*Table 5: Overview: The Need for Social Entrepreneurship in the Media Representation (1999–2008)*

<b>rationale for SE, why SE is presented as necessary</b>	<b>example, text passage from article</b>
SE as a result of state failure: the state is unable to cope with the tasks at hand	<i>When it comes to child care, there are a lot of problems. "There have to be private offers because the state system can no longer or doesn't want to shoulder everything. What the state has to offer is not enough and it is getting worse and worse" (A_18_Süddeutsche Zeitung_17.11.2006).</i>
SE as a result of the failure of both public institutions and businesses	<i>Social entrepreneurs are needed worldwide: In most countries and cultures, important social needs are still not taken seriously neither by existing political institutions, nor by companies or markets. This is where social entrepreneurs come in: They recognize these 'faults in the system' and develop innovative business models to meet the respective demands (...) (A_27_Handelsblatt_14.01.2008).</i>
SE is necessary due to the sheer amount and magnitude of the current challenges	<i>Nature itself is making sure that climate protection is becoming more important and relevant: Pictures in the news of flooded Bavarian villages and patrolling soldiers in a devastated New Orleans are the best advertisement for Climate Partner (A_11_Süddeutsche Zeitung_06.12.2005).</i>
SE as (necessary) reform of the social sector	<i>a movement that is described by the term 'social entrepreneurship', which aims at making social work more efficient by means of entrepreneurial methods (A_22_Die Zeit_27.09.2007).</i>
SE as (necessary) reform of the economic sector	<i>It used to be quite common for companies like Ford or Swarovski to get involved in social issues. Much of this tradition has been lost in the past few decades. Shareholder interests and profit maximization were increasingly at the centre of entrepreneurial activity. Against this, social entrepreneurship has established itself as a counter-movement (A_27_Handelsblatt_14.01.2008).</i>

<sup>12</sup> Some of these quotes were already included in previous sections. This also demonstrates that *explaining* and *justifying* SE often comes together. Indeed, all descriptions of SE carry wider normative or political meaning(s), as demonstrated in section 1.2.

rationale for SE, why SE is presented as necessary	example, text passage from article
SE as a response to public discontent with the free-market economy	<p><i>Large sections of the population today have the impression that a deep gulf has opened up between the economy and society. At first glance, economic interests and social objectives appear to have become irreconcilable. (...)</i></p> <p><i>The market economy system itself is being called into question! (...)</i></p> <p><i>The only way to prevent further erosion is for business to take the initiative and present itself clearly and convincingly as part of society. It must develop a new philosophy of economics (...).</i></p> <p><i>This philosophy consists of four elements known from Anglo-Saxon economic theory: corporate attractiveness, corporate integrity, corporate citizenship and social entrepreneurship</i></p> <p><i>(A_5_Frankfurter Allgemeine Zeitung_26.03.2003).</i></p>
SE is a necessary to achieve (economic) growth	<p><i>Companies [are] always [looking for] new growth markets. Market entry in developing countries, also known as business at the base of the pyramid, is a hot topic for many companies</i></p> <p><i>(A_27_Handelsblatt_14.01.2008).</i></p>

However, not all narratives are given the same attention in the media representation. ‘State failure’ is by far the most prevalent narrative in the articles in the 1999–2008 period. Most of the other rationales are marginal, with some only appearing once. The view that the state is unable to cope with the challenges of the contemporary world and that it needs the assistance of other (private) actors, is shared in different articles. For example, in A\_1, in which it is argued that Germany’s welfare state is ineffective and the US (model), on the other hand, is presented as a role model for Germany. A\_3 even uses the terms ‘failure of the state’ to describe the (public) German education system, claiming that, in the future, it will just be impossible for the state to manage education alone:

The first political experience of *Generation@* [sic] is the failure of the state in schools and universities. In the future, it will not be possible anymore that tasks such as equal opportunities, access to knowledge and learning only rely in the state’s responsibility (A\_3\_Die Welt\_30.06.2001).<sup>13</sup>

<sup>13</sup> By ‘Generation@’, which is not an established term, the author is referring to a generation of students, who are growing up with the internet.

A similar view is promoted in A\_23. A need for change (implementing 'new social ideas') is described here; however, this sort of reform cannot come from the traditional actors in the public or 'social' field – so the view presented in the article:

"In Germany there is a lack of impetus to implement new social ideas" (...). Until now, the social sector has been left to the state and been delegated to the welfare associations. Now it is time to rethink this (A\_23\_Berliner Morgenpost\_21.10.2007).

This is precisely where the new SE actors are able to step in, as another article (A\_7) proposes:

"Germany is ready for *Ashoka*" (...) In view of cuts in the social sector, job cuts and high unemployment, the conditions for the commitment of the non-profit organization are given here in Germany (A\_7\_Frankfurter Rundschau\_31.03.2004).

As demonstrated in these quotes, the state-failure narrative is presented with a certain forcefulness. This becomes apparent especially in contrast to narratives that are related to the (reform of the) economy. A quote from A\_5 (the article written by Klaus Schwab) helps to illustrate this contrast. Here, the author argues that

The market economy system itself is being questioned! (...) The only way to prevent further erosion is for business to take the initiative and present itself clearly and convincingly as part of society. It must develop a new philosophy of economics (...) (A\_5\_Frankfurter Allgemeine Zeitung\_26.03.2003).

This quote is interesting for two reasons: First, because it is not the market economy system *itself* that is being criticised – this is not the main 'problem' that is raised by the author. Instead, it is the *image* of the market economy system, its public acceptance that needs to be addressed. The (main) contribution that SE shall make here is restoring the image of the market economy – yet, without necessarily tackling structural change of the economic model. Second, Schwab's article postulates that business – or the economy as a system – has the ability to reform *itself*. There seems to be no need for external actors (let alone for regulation). This is a stark contrast to the 'solutions' to 'state failure'

that are proposed in the quotes above – in which the state is declared unable to reform itself. Business is able to reform itself, but the state is not, and there is no other way than for other (external and mainly private) actors to step in – to come to the aid of the ‘sick man’, as the German economy and welfare state was often portrayed in the late 1990s and early 2000s, as I will further explore in the final two sections of this chapter.

## 4.6 Logics and Value Statements in and around Social Entrepreneurship

The narrative of a deficient or ineffective state and social sector is not only promoted in a direct and explicit way. It is also reinforced by certain assumptions and normative statements that appear in a more subtle or opaque way, e.g., in statements about entrepreneurs, managers or organisations, as will be addressed in this section. Before discussing the relationship between these statements to wider narratives about the public or ‘social’ sector, however, this section shall first address the logics of SE, especially those that derive from combining ‘the economic’ and ‘the social’ more generally.

By its very name and definition(s), social entrepreneurship combines (and blurs) ‘the social’ and ‘the economic’ (see Chapter 1). Beyond the terminology, this combination also entails a combination of different logics, ways of thinking and doing. An important focus of my analysis was how the media articles address the interaction of these two poles and how ‘the social’ and ‘the economic’ are organised within the portrayed SE ventures. In particular, I wanted to examine the hierarchies between social and economic goals, and the value statements that are attached to these.

First, I would like to emphasise that not all articles engage in a detailed discussion of what it means to combine these two different domains (‘the social’ and ‘the economic’); sometimes, it is reported matter-of-factly that SE is a combination of the two. This is in line with rather simple explanations of ‘SE as a mix or combination of two worlds’, which I have mentioned in Section 4.2. It is sometimes merely said that social entrepreneurs are ‘entrepreneurial’ or that they ‘act entrepreneurially’, but this is rarely further specified – let alone critically discussed. In this way, the articles make the combination of ‘social’ and ‘economic’ domains within SE seem easy and unproblematic.

A slight differentiation or specification is sometimes made between goal and method, e.g., in A<sub>33</sub>, where social entrepreneurs are described as joining:

the methods of an entrepreneur with a do-gooder's intentions (A\_33\_Tages-spiegel\_01.06.2008).

This combining of the 'social' and 'economic' domains is presented to the reader as an important innovation. In line with academic literature (see Chapter 1), the analysed news articles widely promote the view that SE is a 'new' phenomenon. However, most of the time, the details on what is actually supposed to be 'new' remain unclear. In particular, little attention is given to the structures that are expected to emerge when 'the social' and 'the economic' worlds meet, and in which ways and according to which principles, processes are actually done and organised.

Some articles address the role of (financial or economic) profits and the relationship between these profits and the 'social' orientation of the portrayed ventures. At times, this relationship is addressed in a rather functional manner, in the context of explaining funding structures or business models of the social enterprises. Only some articles discuss this as a moral issue, asking whether 'the social' and 'the economic' are compatible, or in conflict with each other. As always, there are different perspectives on the relationship between (financial or economic) profits and social aims within SE.

Mainly four different perspectives could be identified. First, profits and social aims are described as being mutually beneficial. A\_2, for example, claims a 'win-win'-relationship between economic and social goals. In A\_34, a social enterprise claims that hiring employees with disabilities improves the overall work atmosphere in the company and that it helps fostering a feeling of togetherness across different departments of the company. Following this view, the social cause may generate an economic (competitive) advantage against other businesses. Second, profits and social aims are presented as parallel or coexisting side by side. This perspective does not claim that financial and social gains are beneficial to each other, but neither that there is a clash between the two. Economic and social aims are presented as coexistent, and this coexistence is not questioned, nor discussed in detail. SE serves as an example (or even 'proof') that it (nowadays) seems possible to join the two different domains. For some articles, this even seems to be one of the main concerns or messages to the audience. For example, A\_7 explains that – in spite of what the Germans [sic] believe –

success-oriented entrepreneurial spirit and social commitment [can] very well go hand in hand (A\_7\_Frankfurter Rundschau\_31.03.2004).

Very similar to this, A\_14 explains that:

“Ashoka shows how outdated the old dichotomy is: either someone is evil and makes a profit or they are good and charitable,” says Frank Trümper, head of culture and society at *Deutsche Bank* (A\_14\_Die Welt\_24.12.2005).

A third perspective sees profits and social aims as coexisting side by side (as in the second perspective), but a hierarchy is established between the two. This perspective only appears towards the end of the period (in articles from 2007 onwards). In most cases, it is emphasised that the social aim comes first (e.g., in A\_24, A\_27, A\_33). In one case (A\_25), however, the social aim is described as additional, i.e., secondary to (financial) profit. A fourth perspective, on the other hand, describes a conflict between profit (economic benefit) and social benefit. Articles that maintain this perspective delineate SE from economic or financial gain and emphasise that SE is about the social aim. They imply that there is a conflict between the economic and the social aims, or that there are trade-offs between the two. In the most explicit and detailed manner, this conflict is addressed in A\_1. The reader learns about the history of a social enterprise, and that, in the past, there had been conflicts between social and economic logics, which were to some extent personified through different people working for the company. The article describes

disputes between social workers and managers; the businessmen prevailed and bought semi-automatic ironing and folding machines. “Now the department was making a profit, but we had eliminated 20 jobs for the mentally disabled. In addition to the dozen healthy employees [sic], only 16 slightly disabled people now work in the laundry – that’s very much on the edge of our social goals.” (A\_1\_Die Zeit\_08.04.1999).

Some articles indicate that there are different models of SE that differ based on their profit orientation. A\_14 explains that *Ashoka’s* fellows must work on a non-profit basis, while the *Schwab Foundation* allows contestants with profit-oriented ventures. In addition, several articles discuss the role of money or funding for social enterprises, but instead of ‘profit’ the discussion revolves around covering costs, e.g., addressing ‘financial independence’ (*finanzielle Selbständigkeit*) in A\_5, or ‘financial sustainability’ (*finanzielle Nachhaltigkeit*) in A\_27.



Overall, questions remain both regarding the different (competing) perspectives on the role and relationship of (financial) profits and social aims as well as on the 'newness' of SE. On the other hand, when it comes to value judgements in the articles for the 1999–2008 period – i.e., what is presented as positive or negative – there is a much clearer picture. The articles transmit a very optimistic take on SE. SE is almost always presented as bringing positive change for people and communities, or the economy and society as a whole. In most articles, SE has a clearly positive connotation; some accounts are overwhelmingly euphoric. Five articles give a merely factual, or a neutral or balanced account of SE. Only one article (A\_11) includes criticism or doubts about the self-proclaimed positive impact of SE. Here, even the title of the article, which presents a CO<sub>2</sub> offsetting company, questions the social enterprise's beneficial impact as 'ecological sale of indulgences' ("Ökologischer Ablasshandel") (A\_11\_Süddeutsche Zeitung\_06.12.2005). Other than this example, the articles simply assume and accept the beneficial impact of SE in a taken-for-granted fashion, almost as if it would not need further explanation.<sup>14</sup>

It appears that this assumed positive impact of SE derives mostly from two things. First, from the 'social' mission pursued by SE ventures. As explained in Chapter 1, 'social' in the context of SE is mainly understood as 'doing good', an assumption that is widely (and uncritically) reproduced in academic literature as well. The media representation, on the whole, reflects this assumption and the reader seemingly just has to accept this as fact. Second, almost by definition the approaches and methods of SE are described as 'innovative', 'effective' and 'efficient'. Social enterprises and social entrepreneurs seem to be able to achieve what others – other institutions or even entire fields, such as social work or international development – have been unable to achieve.

This brings me to further value statements in the early (1999–2008) period. It stands out that the media representation of the 'economic' world as such, of businesses and of entrepreneurs is very optimistic. The articles generally describe business and the private sector with positive attributes, highly valuing its skills and logics. The private (business) sector is presented as a role model for the 'social' sector, which apparently lacks the positive virtues of the business world. This is expressed, for example, in A\_10, announcing the nomination of a local social enterprise (*Off Road Kids*) for the *Schwab Foundation's* award:

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14 Two articles were excluded from this classification, since they would not connect the term and concept of SE to any adjectives or descriptions that entail a clear value statement.

The award [by the *Schwab Foundation*] goes to people who have developed innovative solutions to social problems. (...) With this award, the social field is finally taken out of the dirty corner. "It shows young people that this task is interesting. We [*Off Road Kids*] are like other companies, but our profit is the perspective for young people, not the money" (A\_10\_Südkurier\_02.12.2005).

Here, the 'social' field is assumed to find itself in a 'dirty corner'. While it remains unclear what exactly this expression is supposed to mean, there is no doubt that it is a negative description, and one employing rather aggressive language. The journalist does not seem to see the need to explain or problematise this term. Including it suggests that (apparently) it can be widely assumed and accepted as 'common' knowledge that the traditional social sector finds itself in said 'dirty corner'.

The nominated social entrepreneur, on the other hand, is different than the traditional 'social' sector – instead, sharing the virtues of the private business world: *We are like other companies*. The economic, private or commercial sector is presented as superior, as an ideal that the social sector should aspire for – and SE is an instrument that can help to achieve this. SE offers 'salvation' for the social sector, which, as it is implied, finds itself in an unacceptable state, as deficient or dysfunctional (or 'dirty').

A\_12 (published five days later than A\_10) follows up on this – the founder of *Off Road Kids* has now won the award:

"The title [awarded by the *Schwab Foundation*] helps enormously in making social professions attractive for young people with managerial skills." And it is exactly these people that are needed in social work (A\_12\_Südkurier\_07.12.2005).

Again, the argumentation implies that the traditional social sector and the field of social work are deficient. Yet, in this representation the focus lies on the individual level, arguing that social work lacks the 'right' people, i.e., *young people with managerial skills*. But, once more, the business world and entrepreneurship have the answers. Businesspeople, managers and entrepreneurs are presented as exuding efficiency, as highly skilled and applying a can-do attitude to tackling problems and 'getting things done'. Therefore, they may come to the rescue of the social sector. This (potential) introduction of managers and social entrepreneurs into the social sector is presented as a form of professionalisation, as, for example, in A\_30, explaining that:

the number of social entrepreneurs is increasing in Germany, too. More and more professionals are mingling with the benefactors. They are people who tackle social problems with entrepreneurial enthusiasm (A\_30\_Die Welt\_15.03.2008).

This implies that there has been a lack of professionalism and of professionals (and of 'entrepreneurial enthusiasm') in the social sector before. In turn, adopting the talent and the techniques of business and management (behaving like entrepreneurs and managers) would mean a professionalisation. Similar to this, A\_24 argues that

the turn to the person and to entrepreneurship is particularly important in the social sector, which is often associated with alms and charity but not with strategic thinking and business concepts. Those who support social entrepreneurs do not hand out alms. They support talent with targeted means in order to see sweeping results (A\_24\_Frankfurter Allgemeine Zeitung\_23.10.2007).

The article, therefore, also more explicitly addresses the *methods* of the business world, such as 'strategic thinking' and 'business concepts'. It is not only the amazingly skilled managers of the commercial sector that are required in the ailing 'social' sector, but also their methods. The ways of doing things of businesses are presented as an example to follow and may lead the social sector to achieve 'sweeping results'.

Furthermore, A\_24 openly celebrates and calls for a 'turn to the person' and entrepreneurship in the social sector and thus, propagates the understanding and narrative of SE as a person-centred activity. Commercial entrepreneurs are introduced as role models for social entrepreneurs – for which A\_16 provides another illustrative example, stating that:

Social entrepreneurs "formulate excellent ideas to solve important problems, and they are neither willing nor able to sit back and relax until their ideas have spread throughout society" (...). Parallels to entrepreneurs in the economy cannot be denied. Similar to Henry Ford or Steve Jobs (*Apple*), who whirled entire industries upside down with their innovative products, social entrepreneurs are also creative visionaries (A\_16\_Frankfurter Rundschau\_03.05.2006).

The figure of the entrepreneur is highly valued here. Regardless of the prefix 'social', entrepreneurs are described as 'creative visionaries', who are all (apparently by definition) untiring in the pursuit of their 'excellent ideas'. Clearly, these idealised and glorifying descriptions of entrepreneurship rely on the ideal figure of the entrepreneur in neoliberal theory, in particular on Schumpeter's "ideal vision of the heroic, creative entrepreneur" (Davies 2014a: 47). In this understanding, entrepreneurs are 'exceptional' and 'uncommon' individuals with a competitive spirit. However, the article fails to explain what it would mean for the social sector that these individuals *are neither willing nor able to sit back and relax until their ideas have spread throughout society* (A\_16\_Frankfurter Rundschau\_03.05.2006). The same goes for the comparison with Henry Ford or Steve Jobs, who have *whirled entire industries upside down* (ibid.). But where would this leave the social sector and its existing structures and institutions? A question that is left unanswered.

In sum, it can be concluded that the media articles on SE in the first period (1999–2008) draw a quite negative picture of the traditional social sector. Business and (commercial) entrepreneurship, on the other hand, are understood as positive, their methods and techniques as superior and their people (managers and entrepreneurs) as more skilled and professional than those traditionally integrating the social sector. Business and (commercial) entrepreneurship and the private sector, more generally, are presented as role models. On occasion, the articles uncritically reproduce the ideal figure of the heroic entrepreneur, which is an important component of neoliberal ideology (Davies 2014a). SE then appears as a phenomenon that facilitates a transfer of knowledge, logics, methods, skills and people from the economic into the social realm, introducing management practices and techniques, business models and structures can be introduced. In the media representation of SE, this development is presented as positive and as a form of professionalisation of the social sector. This perspective on SE as the introduction of managerial and entrepreneurial logics into the public and social realms is the dominant feature of the first period, as I will elaborate in the following (concluding) section.

#### 4.7 Business Virtues as a Cure for the 'Sick Man'?

This chapter has demonstrated that SE in the first period (1999–2008) is still quite marginal. SE is presented to the readership as 'new' and as a phenomenon that requires explanation. The news articles have different

approaches to explaining SE, but most often, SE is explained through the person (the social entrepreneur). Arguably, the predominance of the person-centred view is related to *Ashoka* and the *Schwab Foundation*, who have a central role in the SE discourse in the first period, and who promote an award and competition culture that circles around individuals. In the analysed articles, social entrepreneurs are often described as 'exceptional' individuals with very favourable attributes. They are presented as skilled and as able to achieve what others for so long have been unable to achieve, which sometimes verges on heroization – an aspect about SE that has been criticized by Dart (2004), Nicholls (2010), Papi-Thornton (2016), among others. There is also a considerable parallel between the media representation of SE and the ideal figure of the entrepreneur in neoliberal theory and ideology (Davies 2014a).

Another interesting finding for the first period is that the circle of supporters, the extended ecosystem of SE in Germany (beyond *Ashoka* and the *Schwab Foundation*) not exclusively but largely includes business elites or people close to them – an aspect that has previously been raised by Voß (2015). It is striking that the articles mention these actors quite matter-of-factly, without really *addressing* these links between SE and the corporate world. The journalists do not really question or discuss these power relations and whether it is acceptable or not for actors and individuals like Klaus Schwab, McKinsey or *Deutsche Bank* to be involved in the SE movement. Arguably, (using Fairclough's words) these strong links to business elites and the corporate world may be seen as 'opaque' relations in the SE discourse. In addition, this explains that these links are part of the reasons why the early SE movement encountered such critical reactions in social science, third sector and social economy circles (see Chapter 2).

Overall, this chapter has demonstrated that, while there are different competing narratives about SE in the newspaper articles during the first period (1999–2008), a dominant perspective stands out: representing SE as a (re)form of welfare production and social infrastructure. SE is described as a phenomenon that occurs mainly in areas where the state and non-profit organisations are active. The specific examples for SE that are presented to the reader are mostly from these areas, such as work integration or education. The newspapers create a contrast between SE and the established institutions in the public and social realm. While public institutions, welfare associations and non-profit organisations are presented as inefficient or even deficient, SE appears as a (necessary) vehicle for reform and sometimes as the 'better' alternative.

The ‘state failure’ narrative is dominant in the first period – arguably, extended into large parts of the third, non-profit (or ‘social’) sector. Considering the corporatist structures of the German welfare system, a clear-cut distinction between the public and the third sector is difficult, anyhow (as explained in Chapter 2). In addition, these state failure narratives surrounding SE are sometimes linked to geography. While the traditional public and social sectors are associated with Germany, the modern and business-like SE scene is associated with the US. SE and the US are both depicted as role models for a backward Germany, which finds itself in need of reform.

The wider political and socio-economic context of Germany in the late 1990s and early 2000s, which was discussed in Chapter 2, needs to be taken into account here. In these years, unemployment was high and large parts of the German society and international commentators held the view that the German labour market and social security system needed reform (Heinze 1998; Hassel & Schiller 2010; Zimmermann 2013; Seibring 2019). A vivid image for this *zeitgeist* was provided by the British *Economist*, which was then taken up by others, including the German media, labelling Germany as the ‘sick man’ of Europe (e.g., Dustmann et al. 2014; Spohr 2019). As a result, the Schröder governments introduced the largest reform programme in recent German history: the *Agenda 2010*. This reform programme significantly transformed the labour market and welfare system, on the basis of marketisation, liberalisation and entrepreneurialism, and strengthening the principles of ‘activation’, ‘individual responsibility’ and ‘welfare to work’ (see Chapter 2).

Therefore, SE – or more precisely: how SE is presented in the media in the early period – is mainly embedded in (or part of) a wider discourse of welfare and labour reform, and may be interpreted as part of a global neoliberalisation. This is in line with the main view on SE in the social sciences, as Chapters 1 and 2 have demonstrated. Dart (2004), for example, has highlighted the (global) environment for SE as one of “decline of the welfare-state ideology (...) and (...) pervasive faith in market and business-based approaches and solutions” (Dart 2004: 418). Referring to the global neoliberal era, Steyaert & Dey (2019) have described “social entrepreneurship (...) [as] a product of its time” (Steyaert & Dey 2019: 4). While I have challenged this perspective for the specific German context in Chapter 2, arguing that there is little empirical evidence to substantiate it and that projecting findings from other contexts is problematic, the empirical findings presented in this chapter, indeed support this view. According to the empirical findings, the dominant perspective on SE in Germany in the first period (1999–2008) sees SE as a reform of the social infrastructure and related

to (neoliberal) welfare and labour market reform. My analysis thus, provides empirical evidence for the specific context of Germany between 1999–2008, which is widely in line with previous literature (mainly focusing on other contexts).

Beyond the 'grand' or 'macro' narratives around state failure, or welfare and labour market reform, the empirical findings presented in this chapter also provide important insights into other levels. The pressure on the social work profession and on organisations in the social field, which are expected to adopt the techniques of business and management, were some of the main themes in the analysed articles. The dominant – and apparently 'commonly accepted' – view in the newspapers is that social work needs to become more efficient and to adopt business methods. The private (business) sector is presented in an overwhelmingly positive light – its virtues are praised as effective and efficient. On the whole, the newspapers suggest that business is able to offer the 'better' and 'more professional' solutions than the public or social sector. Private for-profit business serves as a role model for public and 'social' sector institutions – and SE is presented as a way for public and 'social' sector institutions to become more like businesses. A similar pattern could be observed on the individual level. Managerial skills are described as positive, or even 'necessary' attributes of individuals. People working in the social field should act and behave (more) like entrepreneurs and managers – and SE may help them to achieve this. Overall, the articles portray an extremely favourable view of entrepreneurship and of the figure of the entrepreneur.

These findings on organisations and individuals and on the value statements that are made regarding public and non-profit institutions and social workers on the one hand, and on private businesses, managers and entrepreneurs on the other hand, mirror various key aspects that have been addressed in critical literature on SE or on neoliberalism, more generally (see Chapters 1 and 2). SE in the first period appears linked to some of the core principles of neoliberalism, such as individual responsibility (Rose 1999; Hulgard 2010), a glorified figure of the heroic entrepreneur (Davies 2014a), or elevating economic rationality (Davies 2014a; Bruder 2021). Values and logics of the private sector are projected and applied onto social and public fields (Dart 2004; Dey 2010). This development can be described as 'economization', in the sense of a transfer of economic logics into social fields. Overall, the empirical findings for the first period, therefore, show and exemplify a connection between SE and neoliberalism in the specific context of Germany (1999–2008). In addition, they demonstrate the extent to which neoliberal

logics have already permeated into different levels (organisations and individuals), beyond the 'grand' or 'macro' narratives around the state, welfare or the labour market – and they may help to shed light on some of the ongoing processes within this development.

Another interesting theme in the first period is legitimacy, and I argue that there is an interesting two-way relationship (or 'dialectical' in Fairclough's terms) concerning legitimacy between SE and capitalism at hand. Earlier, I have explained that SE in the first period appears as new and as little established. In the initial years, SE receives little media attention (see e.g., the very low number of articles per year), only few actors seem interested in SE and the concept is very weakly institutionalised. The newspaper articles seem to have the function of not only writing about SE, but also of creating legitimacy for the SE term, concept and phenomenon. First, this is done in a rather simple and direct way: depicting SE as positive *per se*. As described in the previous section, the representation of SE in the newspapers is overwhelmingly positive, with only one of 35 articles being primarily critical of SE. It is widely assumed that SE brings positive change to the world. The media articles, therefore, reproduce what I have noted in Chapter 1, i.e., that the 'social' in SE is almost always understood as 'good' for society and as morally legitimate (e.g., Cho 2006; Bruder 2021; Ranville & Barros 2021). Second, SE is able to gain legitimacy for resembling the private (businesses) sector. As I have already discussed in this section, according to the wider neoliberal framework, the (assumed) virtues of the private sector, including businesses as organisations and managers and entrepreneurs are *en vogue*. Or, as Dart has put it: "government-dependent social welfare organizations are considered less legitimate than initiatives that followed a more businesslike model framed as entrepreneurial generating revenue" (Dart 2004: 419). In acting (more) *like* business, SE earns legitimacy.

This is where I would like to highlight the dialectical relationship between SE and (neoliberal) capitalism. I argue that a process of mutually establishing legitimacy can be observed here. The articles create legitimacy for SE – but at the same time they provide legitimacy for *commercial* entrepreneurship and businesses. This occurs not only through the abstract praise of the (assumed) virtues of the private (business) sector (as explained above). Commercial entrepreneurs, businesses and business elites also gain legitimacy from their (direct) links to or from being associated with actors in the SE field. An illustrative example is A\_7, in which *Ashoka's* managing director (Frischen) explains:



The Germans, believes Frischen, still have to slowly get used to the idea that success-oriented entrepreneurial spirit and social engagement can very well go hand in hand. "In Germany this is – other than in the USA and in England – a radically new approach, because here, in our minds, we often still have the idea of the cold, heartless capitalist" (A\_7\_Frankfurter Rundschau\_31.03.2004).

Making use of the recurring *motif* of the overly sceptical and backwards Germans (see above), *Ashoka's* Frischen pleads for overcoming the idea of the 'heartless capitalist' – suggesting that it is now possible to marry capitalism and 'doing good' – in the shape of SE. Ultimately, however, this is a direct promotion of (neoliberal) capitalism.

Similar to this, A\_14 quotes an employee of *Deutsche Bank*, who applauds *Ashoka's* work:

"*Ashoka* shows how outdated the old dichotomy is: either someone is evil and makes a profit or they are good and charitable," says Frank Trümper, head of culture and society at *Deutsche Bank* (A\_14\_Die Welt\_24.12.2005).

This alliance between *Ashoka* and *Deutsche Bank* and the fact that the 'speaker', who is allowed to construct meaning around SE in this article, is no other than a *Deutsche Bank* representative is interesting in itself. What is more, similar than in the previous quote, Trümper declares that making profits and being 'good and charitable' can now go hand in hand – which in both cases is not questioned or problematised by the journalists. Making profits loses its (assumed) negative connotation – thanks to SE. In turn, SE obtains a legitimising function for (neoliberal) capitalism – and for the actors linked to it, such as *Deutsche Bank*.

Once more, it shall be noted that there is no single or homogeneous portrayal of SE, or of the 'wider' narratives around SE in the first period (1999–2008). As explained earlier in this chapter, some narratives, for example, embed SE into a critique of the economy (even if the critique is usually not a structural one). But a dominant version of SE was certainly identified: SE in the first period is mainly represented as person-centred activity, based on the ideal figure of the neoliberal entrepreneur and with the aim of reforming the social and welfare infrastructure, promoting the methods of the business world as superior. My empirical analysis, therefore, widely substantiates, exemplifies and expands previous perspectives on SE as a phenomenon that

is linked to wider neoliberal developments – specifically for Germany and for 1999–2008. Around the years 2008–2009, a significant shift could be observed in the media representation of SE. This introduces the second period in the SE discourse, ranging from 2009 to 2014, as I will address in the following chapter (5).