4 Social Enterprise in France

At the Crossroads of the Social Economy, Solidarity Economy and Social Entrepreneurship?

Francesca Petrella, Nadine Richez-Battesti, Laurent Fraisse, Jean-Louis Laville and Laurent Gardin

Introduction¹

Social enterprise (SE) is a notion that is little discussed in France, by comparison with other national contexts. The guiding hypothesis of this chapter is that the SE notion, as initially conceptualised within the EMES International Research Network (Defourny 2004), is little used in France since it does not correspond to a stabilised approach. In fact, it takes different forms, situated (as represented in figure 4.1) between three “poles” that characterise the current French situation: the social economy, the solidarity economy and social entrepreneurship.

The criteria traditionally defining *social-economy* organisations in France are the following: They combine a group of persons and a production unit of goods (or services) that are reciprocally linked in a dual relationship of activity and membership (Vienney 1994). They develop socially necessary activities within the framework of specific rules: democratic functioning, rules for the allocation of surpluses and collective ownership. These criteria were included in the Social-Economy Charter, written by the organisations themselves in 1980.

The *solidarity economy*, for its part, brings together all the activities contributing to the democratisation of the economy through citizen involvement. The major characteristic of this perspective is that it considers these activities not only in terms of the legal form under which they are carried out (association, cooperative, mutual society, etc.), but also through their dual—economic and political—dimension (Eme and Laville 2006).

The aim of *social entrepreneurship* is to create a profitable or cost-efficient economic activity responding to social and environmental needs in the framework of a private initiative serving the general interest (Dees 1998). The emphasis is thus placed on the combination of economic efficiency and a social objective, with the purpose of reinvesting economic surpluses into the social mission. In France, the concept of social entrepreneurship is closely related to that of social entrepreneur,

Figure 4.1 Social enterprise in France: at the crossroads of three “poles”.

highlighting the individual characteristics of the entrepreneur and his/her behaviour (Mair and Marti 2006).

Nevertheless, the most commonly used concept today to refer to private organisations whose main objective is not to maximise profit but to address unmet societal needs and whose governance is democratic (following the “one person, one vote” principle) is that of the *social and solidarity economy* (SSE). This SSE notion is the result of an institutional compromise, reached at the end of the 1990s between actors from the social economy and the solidarity economy, as explained below, but the two poles still exist. The SSE, which accounts for more than 10% of the country’s total employment, is now recognised as a major force in the French economy. An important step towards its institutionalisation was achieved with the adoption, in July 2014, of a specific framework law that lists the criteria defining an SSE enterprise. Until this framework law was passed, in the current vocabulary and in national statistics, the SSE included only associations, cooperatives, mutual societies and foundations; the law opened up the field of the SSE to commercial companies that fulfil a set of conditions (which will be described later in the chapter).

In the first part, we briefly review the history of these various socio-economic practices, identifying their different phases of institutionalisation and giving some hints to understand their current coexistence and the institutional compromise that constitutes the SSE. In the second part, building upon the EMES approach to social enterprise, we identify three models or ideal types of what could be regarded as social enterprise in France—even though the term is not often used by the organisations themselves—and the main tendencies that researchers in the field consider as important. In the third part, we analyse how these models differ from or, conversely, are linked to the tradition of the social and solidarity

economy, which dominates today in the French context. The conclusion summarises the limits and prospects of SE initiatives in France.

4.1 Social Enterprise and the SSE: Historical Overview of Their Institutionalisation Process

With a view to understanding the current issues linked to social enterprise and the SSE in France, we look back at history. The roots of the social and solidarity economy can be traced back to the middle of the 19th century, in relation to the industrial revolution. The first workers' organisations and social movements developed in response to social demands for democratic solidarity, in the context of the rise of associationism (which combined such demands with the claim for equal rights for all citizens), leading to the creation of the first mutual societies and cooperatives. In the second half of the 19th century, the legal forms of cooperative, mutual society and association were progressively and separately recognised by law, and they became distinct from trade unionism. At the end of the 19th century, the notion of a "social debt" gave a central role to the principle of redistribution and to the welfare state. At the same time, however, the sight was lost of the role that associations could play in the construction of solidarity and of the more horizontal, reciprocal dimension of solidarity which they embodied. Public redistribution seemed sufficient to correct the inequalities created by the market.

After World War II, the society was understood as the simple addition of the market and the welfare state. Associations became service providers for public authorities. They were enrolled in social policies through relations submitted to supervisory regulations; public authorities financed activities for which they set the norms. In parallel, mutual societies were more or less integrated in the social-welfare system and considered complementary service providers, while cooperatives increasingly asserted themselves as non-capitalist enterprises on the market. The distance between associations, mutual societies and cooperatives increased to the point where, for a number of them, the very idea of common identity was lost.

Nevertheless, a historic alliance was forged in the late 1970s between representatives of cooperatives, mutual societies and associations around common statutory principles. They joined together in 1976 to create the national liaison committee of mutualist, cooperative and associative activities (CNLAMCA).² This committee elaborated a Charter of the Social Economy in 1980 and a Joint Declaration in 1991. The social economy tried to demonstrate that non-capitalist enterprises, which are characterised by property rights that are not proportional to the capital held, could exist. In this sense, cooperatives—enterprises initiated by the voluntary grouping of associates—were at the heart of the theorisation of the social economy (Demoustier 2001). The exhaustion of the state-market

synergy that was a fundamental characteristic of the “Glorious Thirty” (i.e., the thirty years—1945–1975—of unprecedented growth that followed the end of World War II) also contributed to the institutionalisation of the social economy. More than in other European countries, the social economy in France sought to organise itself and to secure its own recognition in the political and institutional spheres as a set of organisations whose operating rules were distinct from those of capitalist enterprises.

In the course of time, however, with the growth of some of its organisations and the transformation of their environment, the social economy suffered from a tendency to banalisation, in the sense that social-economy organisations tended to become increasingly similar to traditional enterprises, limiting their mission to their economic dimension and neglecting their political and social-transformation aim. Some social-economy organisations indeed encountered difficulties in the exercise of democracy, in mobilising their associates or in supporting processes of emancipation, especially when they were growing.

The solidarity economy emerged in a context of crisis and in reaction to the institutionalisation of the social economy and to its tendency towards market isomorphism; it claimed to have a political capacity of social transformation. The distinction—of political nature—between the solidarity economy and the social economy lies in the fact that solidarity-economy organisations are considered to belong to the public domain, in the sense that these are not envisaged as private organisations, but as citizens’ initiatives calling for public action.

Between the 1970s and the 1990s, the solidarity economy favoured a return to solidarity practices, a reflection on the dynamics of participation and a theorisation of exchange (Laville 1994), and it was marked by a resurgence of the principles of the pioneering associationism of the first half of the 19th century. The reaffirmation of the political dimension was accompanied by questions on the economic dimension. As regards the economic order, the solidarity economy builds upon Polanyi’s denunciation of the “economistic fallacy”, which equates the economy with the market, and on the distinction established by this author between the orthodox, formal economy and the substantive economy. Indeed, all economic activities can be envisaged as involving a combination of various economic principles (redistribution, reciprocity and the market), rather than by referring solely to the market principle.

After a period of tensions between social-economy organisations and solidarity initiatives, these two groups forged an alliance that strengthened their position in the dialogue with public bodies. As mentioned above, a compromise was achieved in the 2000s on the term “social and solidarity economy” (SSE). It resulted from another step of the institutionalisation process, in which the main milestones were the creation of a state secretariat for the solidarity economy, which existed from 2000 to 2002, and the emergence, for the first time, of local elected politicians in charge of the

solidarity economy, with the constitution of a “Network of territories for the solidarity economy” (*Réseau des territoires pour l'économie solidaire*, or RTES). The local politicians—who aimed to marshal a broad coalition of actors and networks to construct the legitimacy of a new field of action for local authorities—and part of the practitioners and researchers used the term “social and solidarity economy”, influencing in return the structuring of the territorial grouping of the actors, who progressively adopted this terminology. But this compromise does not resolve internal tensions between the social economy and the solidarity economy concerning democratic issues, the political dimension and the banalisation process.

Moreover, social entrepreneurship—strongly—raises the question of the integration, into the social and solidarity economy, of organisations that do not adopt the traditional legal forms of the SSE (association, mutual society, cooperative, foundation). By contrast to what is the case with the solidarity economy, the growing interest towards social entrepreneurship is linked to the rise of the ideology of the enterprise, which is increasingly seen as the only legitimate form of collective action (Laval 2007; Foucault 2008).

The Law on the Social and Solidarity Economy (Law No. 2014-856), which was adopted on 31 July 2014, opted for an inclusive definition of the SSE. This law has an important symbolic significance: it gives official recognition to another way of conducting economic activities and provides a legal basis for the social and solidarity economy, the principles of which are summarised in Article 1 (SSE organisations must pursue an objective other than the distribution of profits; they must have a democratic governance; profits must be reinvested in the activity; there must be asset lock, etc.). With these principles, only the legal statutes of association, mutual society, cooperative and foundation were included in the SSE, leading to what was called the “statutory” approach of the SSE. The novelty lies in Article 2, which opens up the field of the SSE to commercial companies whose economic activity pursues a social-utility aim (support to persons in fragile situations, fight against exclusion and inequalities, education in citizenship, promotion of sustainable development) and whose management corresponds to specific requirements (reinvestment of part of the profits, restrictive takeover conditions, etc.). Commercial companies meeting these requirements can be granted the specific label of “social-utility solidarity enterprise” (*entreprise solidaire d'utilité sociale*, or ESUS), as detailed in Article 11. Enterprises with the ESUS label could be considered, strictly speaking, as the only type of officially recognised social enterprise in France. In March 2019, according to the Ministry of Economy and Finance, about 1,700 enterprises had received this label.³ But limiting the analysis of the French SE field to enterprises with the ESUS label would be too restrictive an approach, in particular with the EMES indicators describing the ideal-typical social enterprise in mind.

Due to the spreading of market regulation and competition and the evolution of contemporary capitalism towards the inclusion of more ethical or environmental considerations, the links between the three existing poles in France (the social economy, the solidarity economy and social entrepreneurship) appear more or less “stretched”. It is in this context that the notion of social enterprise has emerged in France. Although the concept is not often used by practitioners, its apparition questions the links and boundaries between these three poles.

4.2 Three Models of Social Enterprise

Within the French context, which socio-economic practices could be considered as corresponding to the notion of social enterprise, and which ideal types could be identified among these?

Building upon the conceptual approach of the EMES Network (Defourny and Nyssens 2012), we distinguish three main models or ideal types of social enterprise, although French stakeholders do not necessarily name them as such. The first two can both be seen as resulting from the evolution of French SSE initiatives. The first one emphasises the enlargement of governance to multiple stakeholders that led to the emergence of new legal forms within the SSE, and in particular to the creation of the legal form of collective-interest cooperative and to the formalisation of territorialised cooperation among a diversity of stakeholders (*pôle territorial de coopération économique*, or PTCE). The second one results from an evolution of the socio-economic model of associations, in a context marked by budgetary constraints, pressure on welfare states and increased competition. In such a context, many associations have adopted a more entrepreneurial model. The third model is linked to the emergence of commercial businesses with a social purpose, in line with the social-entrepreneurship pole described earlier.

4.2.1 General-Interest and Multiple-Stakeholder Organisations

The first model corresponds to general-interest and multiple-stakeholder organisations.

Historically, the cooperative form is the most entrepreneurial type of social-economy organisation. Traditional cooperatives are in general mainly governed by one type of stakeholder (workers, consumers, producers). However, as in many European countries, where new SE legal forms appeared in the 1990s and 2000s (Laville and Nyssens 2000), the need to take into account the interests of a plurality of stakeholders and to pursue a general-interest purpose emerged (Nyssens and Petrella 2009) among cooperatives in France, leading to the creation, in 2001, of a new legal form, the collective-interest cooperative (*société coopérative d'intérêt collectif*, or SCIC).

The SCIC form allows for the involvement of multiple stakeholders, thanks to a specific governance structure characterised by the existence of several possible “colleges” (of employees, users, volunteers, local authorities; any physical or legal person who contributes to the activity can belong to a college). At least three colleges are required, of which two are obligatory: the college of employees and that of users. The economic activity is clearly carried on for the benefit of the community rather than for that of the organisation’s members alone; the social-utility character of the production is recognised by public authorities.

SCICs’ social-utility character and multi-stakeholder governance are their most specific features; these characteristics distinguish them from the earlier, more traditional types of cooperative and bring them closer to the EMES ideal type of social enterprises, as far as the governance-related and social criteria are concerned.

Although steadily rising, the number of SCICs created so far remains modest: there were 974 SCICs in 2019.⁴ This slow development can be put down, among other causes, to the complex functioning of the multi-stakeholder cooperative form, and to the fact that recognition of the social utility does not entitle the organisation to any particular tax or regulatory regime as compared to commercial companies.

The enlargement to multiple stakeholders is also observed at the inter-organisational level, in the emergence in 2012 of “territorial poles of economic cooperation” (*pôles territoriaux de coopération économique*, or PTCEs). Territorial poles were recognised by the 2014 Law (Article 9); each pole gathers different organisations in a given territory, such as commercial enterprises, SMEs, local public authorities, research and training centres and SSE organisations; they all cooperate in order to develop innovative projects to foster sustainable local development.⁵ In 2017, there were over 150 PTCEs in France. PTCEs are quite similar to clusters and industrial districts, but they differ from these in that they are initiated by SSE actors, who are at the heart of their multi-stakeholder governance (Fraisie 2017; Demoustier and Itçaina 2018).

An example of social enterprise corresponding to this first SE model is provided by “A taste of illusion” (*Un goût d'illusion*). This SCIC is a limited-liability company that supports cultural and artistic projects in performing arts. It helps to professionalise cultural organisations, which often lack administrative, managerial and strategic expertise. The project started in Montpellier with the creation, in 2000, of the association *Illusion et Macadam*. In 2010, the association decided to adopt the SCIC form, with the name “A taste of illusion”, as the project had reached the limits of the associative legal form. The innovative choice of this cooperative status was motivated by the will to take into account the diversity of stakeholders’ interests and to reinforce the collegial functioning in a context of the lack of volunteers. The multi-stakeholder governance indeed facilitates the involvement of the multiple stakeholders by formalising their partnerships and the

“network-type organisation” increases the initiative’s capacity to adapt to new opportunities and anticipate changes in the environment.

4.2.2 Entrepreneurial Associations

The second model corresponds to entrepreneurial associations, which typically mix resources and tend to scale up.

The institutional developments of the 2000s led some segments of the associative world to evolve in a more entrepreneurial direction and to scale up to position themselves on the market and stand up to the growing competition. Indeed, the increase in public procurement practices (Tchernonog 2013), which replaced to some extent the traditional mode of financing by grants, combined with the entry of for-profit enterprises into sectors such as home-care services (Fraisse and Petrella 2012) or child care (Petrella and Richez-Battesti 2013), led to a diversification of associations’ strategies. The growing recourse to contracting-out practices is leading associations to merge or join forces to reach a critical mass in order to be able to respond to this evolution. Several strategies of growth (through mergers or takeovers), mutualisation or grouping (through membership in a federation or the creation of territorial or sectoral networks) have been observed and have radically changed the structure of the associative sector across the national territory (Richez-Battesti and Malo 2012).

This managerial turn (Hoarau and Laville 2011) takes different forms: diversification of activities, managerial professionalisation through the adoption of managerial tools and practices, etc. Some community-education federations (Bucolo 2011) or more recently created medium-sized associations managing several structures, as in the case of child-care services (Petrella and Richez-Battesti 2013), set up central headquarters covering the whole country and offer their services to local authorities in areas in which they had previously not been historically active. These practices call the associative project into question, whenever associations’ role evolves into managing local services of general interest in a top-down way, in the framework of public procurement and managerial requirements defined by public authorities.

These transformations have led the Associative movement (*Mouvement associatif*), which represents the federations in sectors as diverse as social work, community education and sport, to try to position itself and make proposals in the public debate. It expresses a new and strong awareness of a need for change in the socio-economic model of associations, with a view to integrating a plurality of types of exchange (Mouvement associatif 2014). Associations adopting such a socio-economic model are close to the EMES ideal type of social enterprise, even though they do not explicitly refer to it.

This model can be illustrated by Family Help (*Association pour l’aide aux familles*), in Valréas. This association, created in 1961 as an organisation of

volunteers, provides home-care services (housekeeping and support for children's education) to families in need and dependent persons (elderly and disabled persons). It succeeded, until now, to adapt to the constraints of its environment while keeping strong social, ethical and associative values. It is, however, a constant challenge. A major strength of the association lies in its willingness to improve the quality of both jobs and services. Some forty years after the organisation's creation, the board appointed a director to face the increasing volume of activity and change in the legislative environment.⁶ Relying on his solid experience both in the financial and business world and in the social and cultural world (community centres, vocational training), the director initiated changes in the governance and management of the organisation.

4.2.3 Commercial Businesses with a Social Purpose and Social Entrepreneurs

Work-integration social enterprises (WISEs) are one of the oldest SE models; the first WISE emerged in France in the late 1970s (Gardin 2013). WISEs were progressively institutionalised in the 1990s as an instrument of employment policies. They are referred to as “organisations for integration through economic activity” (*structures d'insertion par l'activité économique*, or SIAE). The SIAE sector is composed of a large variety of organisations: some are more oriented towards social integration, while others are more focused on work integration; some are clearly operating on the market, while others are more dependent on public subsidies. Organisations' characteristics depend *inter alia* on the characteristics of the workers whom they try to integrate. While many SIAE initiatives belong to the first or the second models presented above, others can be considered to be part of a third model, which corresponds to commercial businesses with a social purpose and to social entrepreneurs. Some historic leaders of the work-integration field define themselves as social entrepreneurs and are among the founders of the “Movement of social entrepreneurs” (*Mouvement des entrepreneurs sociaux*, or Mouves), a network of social entrepreneurs created in France in 2010.

These common roots of work-integration enterprises and social entrepreneurship tend to relativise the hypothesis of a simple “importation” of the SE concept from the English-speaking world. Some leaders of Mouves now aim to move beyond the role of simple “intermediation” that they have been playing on the labour market and to enter dynamics of concentration and merging. In such context, social entrepreneurship would then be in part (but not solely) an evolution of some SIAEs aiming at a change of scale and pursuing a goal of local economic development, thus contributing to the emergence of the third model.

This model of social enterprise generally emphasises the central role of the social entrepreneur, who is an individual with an entrepreneurial

spirit dedicated to a social purpose. This conception of social enterprise is thus more related than the other two models to the social-innovation school of thought (Dees and Anderson 2006). The statutory form appears secondary, while the process and the social purpose predominate. The legal form is neither a necessary condition nor a sufficient one to characterise social entrepreneurship; common principles—solidarity and economic efficiency—are more important.

This model is close to the EMES ideal type of social enterprise, even though the participative-governance dimension or limits imposed on profit redistribution are not always central and the individual dimension of entrepreneurship is dominant. As a matter of fact, within this group, some social enterprises may have neither a democratic voting system (“one person, one vote”) nor a participatory decision-making process (involving a diversity of stakeholders, such as workers or users), and some of them might not impose a clear limitation on the distribution of profit (although a social or societal purpose does exist, it is not sufficient in itself to ensure that a limitation is imposed on the distribution of profits). In most cases, no criteria linked to the legal form, governance issues and limitation of profit distribution are mentioned in the bylaws, the focus being on the priority given to the social mission. An analysis, on a case-by-case basis, of enterprises’ bylaws and profit-distribution criteria is thus necessary here to determine whether the social enterprise implements democratic or participatory governance or not.

An example illustrating this model is provided by a WISE named La Varappe. It was originally an association, but it changed its structure, legal form and scale to face the evolutions of its competitive and institutional environment. La Varappe was first created in close cooperation with local public authorities to foster work integration on their territory. Being active on competitive markets, La Varappe had to grow and change scale. It chose to adopt a commercial legal form (*société par action simplifiée*) to attract capital to develop its activity. Today, the founding association is part of a holding (Optima), composed of different subsidiary WISEs, and it owns more than one-third of the shares of the holding, along with other shareholders (in particular, solidarity investment funds and managers). Throughout this evolution, though, La Varappe was very careful to adopt important safeguards to guarantee that the pursuit of the social mission remained the priority goal of the holding and to protect the association’s values. The holding has been labelled as a work-integration social enterprise and as a social-utility solidarity enterprise (ESUS). In 2017, 87% of La Varappe’s workforce was composed of workers in integration and at least 20% of the benefits of the organisation were allocated to asset lock.

Finally, these three models are partially converging towards the EMES ideal type of social enterprise—even though the main divergences, resulting from the different models’ social, historical and political embeddedness within the SSE, are likely to persist in the future. Not all

social enterprises from the third model correspond to the EMES indicators, but the border is hard to draw in France for the time being.

4.3 Social Enterprises: Between Rupture and Continuity

The first two major sections of this chapter highlight the importance of the boundaries or, conversely, of recognition of an entrepreneurial continuum between different socio-economic practices that combine, in various ways, an entrepreneurial dimension with a social mission. Indeed, we identify several elements of continuity between the three models presented above and the SSE tradition in France (Gardin 2013; Petrella and Richez-Battesti 2014); but, at the same time, the “social-impact-investment” (Martin 2013) and the “social-business” (Yunus 2007) trends are now calling these continuities into question and suggesting the existence of “breaking points” between these different approaches.

The individual entrepreneur often plays an important role in social enterprises: in the third model, the emphasis is on the personal characteristics of the entrepreneur, as in Ashoka’s approach.⁷ By contrast, in the SSE and in the first and second models of social enterprise presented above, although the question of the founder of the enterprise remains important, the role of the individual entrepreneur is often eclipsed by the collective and participatory dimension of entrepreneurship, in particular in terms of the attention paid to a wide range of stakeholders, whether internal or external to the organisation. This difference in focus creates a dividing line between the third model, on the one hand, and the first and second models of social enterprise, on the other hand.

The focus on an economic dimension, embedded in the market, which is observed in all models of social enterprise, goes back to the founding model of the social economy, which was marked by cooperatives. However, this anchoring in the market should be weighed against the mechanisms of redistribution and reciprocity (Eme and Laville 2006; Laville and Nyssens 2000: 323–7) which, combined with the market mechanism, lead in social enterprises to a hybridisation of resources that is more important than in a purely market-based model. In this regard, a dividing line emerges between the advocates of the SSE and of the first and second models, on the one hand, who favour resource hybridisation, and those of social entrepreneurship and of the third model, on the other hand, who emphasise integration into the market.

The form of governance and, more broadly, the internal democratic process constitute crucial dimensions distinguishing the SSE and the first and second models, on the one hand, from some visions of social enterprise or social entrepreneurship (from the American schools of thought) and some social enterprises belonging to the third model, on the other hand (Petrella and Richez-Battesti 2013). Indeed, the democratic rule of “one person, one vote” is fundamental in social enterprises belonging to the first

two models and distinguishes these organisations from capitalist enterprises and from some social enterprises belonging to the third model, within which the decision-making power is proportionate to the capital invested. For some social enterprises belonging to the third model, the criterion of democratic governance is not relevant. These enterprises differ from capitalist enterprises mainly through the social or environmental objectives they pursue, to which at least part of the enterprise's profits is devoted. But these social enterprises' behaviour is quite similar to that of capitalist enterprises adopting corporate social responsibility (CSR) practices.

As the boundaries between the different SE models are becoming increasingly blurred, the questions of capital holding, allocation of profits, distribution of decision-making power and involvement of a diversity of stakeholders in various governance mechanisms of the organisation become primordial and must be studied on a case-by-case basis. The pursuit of a social mission is not enough for an enterprise to be considered as a social enterprise belonging to the SSE, and this is where a major difference lies with some social enterprises belonging to the third model and considered as social enterprises by some actors (from Mouves or Ashoka) while not meeting all the EMES indicators of the ideal-typical social enterprise.

The three models that we identified are linked to SSE initiatives, which highlight solidarity not solely directed towards their members or their users. But while the social-utility dimension is shared by SSE organisations and social enterprises, evidencing a degree of continuity between the SSE and social enterprises, a point of divergence can be identified in the political positioning of the projects. Although the social-entrepreneurship approach specific to the third model underlines a will to "re-socialise the enterprise", bringing competitive markets into the social field, importing private-enterprise management style and moving closer to major groups may lead to a "depoliticising" of the social question and to the belief that this question can be handled by managerialism alone.

In synthesis, although we have observed that social enterprises present many elements of continuity with the SSE, the major point of divergence between social enterprise and the SSE concerns the fact that, in some social enterprises, in particular among those belonging to the third model, the legal form and the democratic governance principle (which goes along with the focus on the social objective of these organisations) become less important. Moreover, the "drift" that can be observed in many "social businesses", which totally reject the hybridisation of resources and prioritise alliances with big corporations, has also been pointed out as an element of differentiation between some social enterprises and the SSE.

Conclusion

We have observed diversity of models among the organisations that could be referred to as social enterprises in France. These models

highlight important evolutions of the SSE, notably in terms of enlarging the involvement of multiple stakeholders, reinforcing the entrepreneurial dimension or changing scale. The development of commercial businesses with a social aim, labelled as “social-utility solidarity enterprises”, which fit into the third model identified above and which are considered by law to be part of the SSE, reinforces the heterogeneity of the SSE. One major risk associated with this growing diversity is a weakening of the overall recognition of the SSE, despite the attempts of the law to promote such recognition.

More generally, the difficulties of “positioning” social enterprises in France are related to larger debates. These debates have been strongly influenced by North-American schools of thought, which emphasise the social mission and the figure of the individual entrepreneur. By contrast, the European EMES approach is rather marked by a multidimensional perspective, based on the identification of three types of indicators, namely economic, social and governance-related indicators. These indicators combine elements relative to the organisational and institutional dimensions of social enterprise. In France, the two perspectives—a strictly organisational conception of social enterprise and one that combines the organisational and institutional dimensions—are coexisting.

If we analyse social enterprise through the lens of the organisational conception, the three models offer a way out of the binary oppositions between economic and social dimensions, and between the for-profit and the non-profit stances. Social enterprise creates “porosities”; it shifts the boundaries and seeks to create articulations where there were barriers. It strives to articulate at least three rationalities, by aiming simultaneously to produce a social good or a social service in an innovative way; to construct a viable and efficient economic model within the framework of limited profitability; and to associate its stakeholders, in particular its users, through strategies of co-production. These rationalities can, however, collide, be hierarchised (with one being given the priority over others) or be subject to compromises. In any case, they presuppose a successful combination of private initiative and satisfaction of the general interest by responding to demands hitherto unsatisfied or poorly satisfied. Few impact studies have so far been made on these new organisations and their real contributions to economic and social development, and there is not yet sufficient hindsight to assess their capacity to persist in the long term. These emerging models are undeniably succeeding in transforming the imaginative capacities of entrepreneurship and in promoting original responses to the challenges that society is facing, but so far they have contributed little to new modes of regulation of the economy.

The perspective that articulates the institutional and organisational dimensions is, for its part, related to the current international debates on social enterprise (Petrella and Richez-Battesti 2014; Coraggio *et al.* 2015), which call for a recognition of economic pluralism. Beyond their

economic and social activity, social enterprises are also sites for expression, which contribute to the construction and management of the common good through a dialogue with public authorities that is at once conflictual and constructive. Their economic and social dimensions cannot be separated from their institutional dimension. They must assume their deliberative function, come together and speak up more strongly for a new dialogue with public authorities. But recognition of their institutional role presupposes an approach that is not focused on the Anglo-American definitions, but turns to a deeper analysis of the realities of social enterprise in continental Europe, Africa, Asia and South America.

Notes

- 1 This chapter is based on a Working Paper produced under the International Comparative Social Enterprise Models (ICSEM) Project (Fraisse et al. 2016).
- 2 Created in 1970 by cooperatives and mutual societies, this liaison committee was enlarged to associations in 1976. In 2001, this committee changed its name to become the “Council of enterprises and groupings of the social economy” (*Conseil des Entreprises et Groupements de l'Économie Sociale*, or CEGES). Since the 2014 Law, it has become the Chamber of the Social and Solidarity Economy (*Chambre française de l'Économie Sociale et Solidaire*, or ESS France).
- 3 See <https://www.tresor.economie.gouv.fr/banque-assurance-finance/finance-sociale-et-solidaire/liste-nationale-agreements-esus>.
- 4 *Les SCIC en chiffres*. Available on www.les-scic.coop/.
- 5 See <http://www.lelabo-ess.org/+PTCE+.html>.
- 6 A new law concerning social services was passed in 2002 (*Loi de janvier 2002 rénovant l'action sociale et medico-sociale*).
- 7 Ashoka defines itself as a community of leading social entrepreneurs that supports people, not projects; see <https://www.ashoka.org/sites/www.ashoka.org/files/2013-Impact-Study-FINAL-web.pdf>.

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