

# Social entrepreneurship in Germany: A Bourdieuian perspective

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## 1. Introduction

Social entrepreneurship is a novel means of organising and promoting efforts to catalyse social change. The concept is spreading from the U.S. where authors such as Bornstein (2007) use the term *social entrepreneur* to describe individuals who come up with pioneering means of dealing with social conditions they deem problematic or to bring about changes they deem positive; historical examples are taken to include Florence Nightingale helping to modernise nursing, or von Humboldt's work on establishing the university. Social entrepreneurs past and present are labelled as such because they are seen to share a number of traits with their counterparts in the business world. These characteristics include being visionary, courageous, disruptive and strong-willed, though the social entrepreneur is different in that their objectives are social and not commercial. *Social entrepreneurship* can be described as the activity of social entrepreneurs and all those who promote and enable their work. The idea has been growing in popularity in Germany since the mid-2000s (Leppert 2013) and its manifestation here forms the basis for this project.

In the literature review in Chapter 2, it becomes clear that the links to the business world are not only semantic. The appeal of combining business acumen with social objectives has led to a strong interest in social entrepreneurship. Most major business schools world-wide now have social entrepreneurship programmes, with the majority of research on the topic produced in these institutions. That research is focussed on the study of best-practice cases or other means of increasing the spread and efficiency of social entrepreneurship. Policy-related research also features strongly, with the emphasis placed on how to promote the model through legislation or supportive structures and schemes. Within the remaining work, social scientific inquiry is developing a position, but is still at a nascent stage and in need of both increased breadth and depth of analysis.

Having identified this gap in the social scientific literature, the question remained of how best to fill it. First of all, a set of research objectives were identified and made explicit: The objectives set in this work are to increase the

*actor-level understanding* of social entrepreneurship as well as to examine the *edges of the sector* and where it comes into contact with other institutional forms. The final objective is to begin mapping out the *cultural context* from which social entrepreneurship is originating. In order to meet these objectives, the work of Pierre Bourdieu is drawn upon for the analytical framework utilised. Bourdieu's approach is adopted as it allows for addressing each of the individual objectives under the umbrella of one framework, thus producing more coherent and poignant results.

In Chapter 3, Bourdieu's central concepts of *field*, *habitus* and the *forms of capital* are supplemented by further elements from the institutionalist line of thought. The interpretations of both field and the forms of capital remain close to Bourdieu's original work, but there are three refinements to his position put forward here: The first is that the portrayal of the habitus highlights the generative and creative references in Bourdieu's body of work, at the expense of the unconscious and field-determined facets. This *open system reading* both facilitates and necessitates the second refinement, which is to establish a notion of culture appropriate to the project at hand. The final move is the introduction of the *stages of institutionalisation*, which can be employed to describe how established a field or habitus is from an analytical perspective.

In order to operationalise the Bourdieuan framework and provide a structure and focus for addressing the research objectives, a straight-forward central research question was posed: Is there a field of social entrepreneurship in Germany? The short answer – which came out of a long process – is that yes, there is a small but independent field of social entrepreneurship in Germany. In order to reach this answer, there needed to be a set of characteristics novel enough to justify labelling this group of actors and their activities as a field. This proved to be the case, with the Bourdieuan framework providing the lens through which the insights required are captured.

Specific areas of research focus are identified to serve the function of providing the basis for answering the central research question in a manner which simultaneously deals with the research objectives set out. The *economic habitus* is the first and expands on the actor-level analysis of social entrepreneurship while also helping to identify the key categories used by

actors in this field. The categories thus identified form the basis for the analysis of the cultural context. *Symbolic capital* is a defining characteristic for any field, and is thus chosen as the second area of focus. Its field level equivalent, *illusio*, plays an important part in the analysis of the field and the *boundaries of the field*, which is the third area of focus. Marking out the boundaries of a field is a central process in a Bourdieuan research undertaking, and relates directly to the second objective of assessing what is happening at the edges of the social entrepreneurial sector.

Chapter 4 deals with the methodological considerations in the project. The fieldwork conducted over the course of this project was informed by an ethnographic approach, predominantly utilising *participant observation*. The mode in the field was primarily passive observation, but there was one short active phase which involved participating in a social entrepreneurial project. The methods involved in data generation included organisational visits, interviews and document analysis. The interviews were *narrative biographical interviews*, while their form was influenced by the habitus analysis method used for their interpretation. The sampling for the interviews was based on theoretical premises drawn from the literature and were mostly conducted on-site.

The interpretation of the interviews and the other material followed a *critical hermeneutic* process, with the *habitus analysis* method playing a central role. Habitus analysis involves analysing qualitative data and sorting the central categories into four groups according to whether they represent a perceived positive or negative experience for the actors, and the corresponding sources of these experiences. Central *operators* in the economic habitus could thus be identified, and the structural relations between them described. The critical hermeneutic process involved a constant comparison and interplay between fresh empirical material and the interpretation of both new and old material.

The results of the research are introduced in five sections, split into two chapters. Chapter 5 has two sections covering the *actor types* and *cultural context*. There are two distinct actor types identified in the field, the *business convert* and the *liminal*. The differentiation between the two types is based on their narratives: For the business convert, there is a very clear before-and-after

pattern where the actor undergoes a biographical break upon coming into contact with social entrepreneurship. The liminals, on the other hand exhibit no such break as their narrative up to their involvement in social entrepreneurship will have been characterised by a weak identification with the roles undertaken. Each actor type has two further sub-types, which in the case of the business convert are distinguished into the *maximiser* and the *enabler* based on their role in the field; the liminals are split into the *ever-green* and the *seeker* according to the stage in their professional career.

The four actor types are each portrayed through a series of excerpts from interviews, but these portrayals do not just introduce the characteristics of the actor types: They serve a double function in that over the course of the actor portraits a series of categories central to actors in the field will be highlighted. These categories have been identified in the habitus analysis, but serve as a basis for assessing the cultural context in which social entrepreneurship is appearing. The background of the various categories is explored using analysis from authors on the relevant topics. No claim is made that the cultural context is exhaustively described, but the material should serve as a good point of orientation for further work.

In Chapter 6, a number of the categories investigated in the cultural context act as operators in those sets of dispositions highlighted for the economic habitus in this field. The two sets which are featured relate to *calculation and returns* and *occupation and purpose*. For each set of dispositions a comparative basis is developed using temporally distinct analyses from Bourdieu (2000) and Boltanski and Chiapello (2005b). The comparative basis thus established helps to track the structural shifts and novel interpretations distinctive to the field of social entrepreneurship. One of the major points to become apparent from the habitus analysis is that we can establish the symbolic capital relevant in the field, *social impact*.

Social impact is can be understood as the ‘good’ generated through activity at the actor-level, while at the level of the field this translates into a social impact-based *illusio*. The *illusio*, or ‘stakes in the game’ and the symbolic capital are difficult phenomena to capture empirically. In the field of social entrepreneurship, however, there are concerted efforts to describe and report



on social impact. Thus, several *impact assessment frameworks* are introduced to exhibit the characteristics of social impact as it is understood in the field. The related concept of the *social impact bond* is also dealt with, where impact-oriented projects can generate a return on invest if they achieve a pre-defined level of social impact. The *illusio* is then used as a fixed analytical point from which the *nomos*, or ‘rules of the game’, can be analysed.

In the organisational research on social entrepreneurship to date, the focus of analysis has been placed squarely on the core organisations. These organisations are the social enterprises themselves, and their specific characteristics have been examined in some detail. Organisations in the periphery have received less attention, although their influence on the field is often stronger than organisations from the core. With this in mind, a number of the most significant organisations from the periphery are described. The description for each organisation is used to introduce components of the *nomos* surfacing in the field. Having established that social impact is the basis of the *illusio*, the elements of the *nomos* are understood as an effort by the various organisations to best generate social impact. The *nomos* of the field is not well defined, but there are some aspects which seem to having an influence beyond the field itself. This influence is assessed as a means of discerning the *boundaries of the field*, with the effect of *social innovation* being stressed.

## **2. Literature review and research objectives**

As noted by Aygören (2014), there has been a veritable explosion in literature on the topic of social entrepreneurship over the past decade, with the number of publications rising year on year. Internationally, research on social entrepreneurship is at a relatively nascent phase and has been spear-headed by work from business schools. Although there is growing interest from the social scientific community, it is still under-represented in the discourse around the topic. Much of the literature generated around social entrepreneurship can be described as being research *for* social entrepreneurship, either in the form of how-to manuals for potential social entrepreneurs or discussions around policy to foster and promote social entrepreneurship. Research *on* social entrepreneurship is less common, but provides the basis for this literature review. The accent is placed on social scientific works which are then split according to the level of focus involved in the research, i.e. *organisational* versus *actor-level*. Having introduced the material most relevant for this study, some conclusions are drawn and used to formulate the research objectives addressed in this work.

One additional consideration is that this review will focus on literature around social entrepreneurship, i.e. the empirical basis of the current project. The focus will not be placed on material which has shared methodological or theoretical roots, though there have been a number of studies which have been conducted along similar – Bourdieuan – lines on diverse empirical material. Some examples would include Bennett et al. (2005) on the cultural field in Britain, Blasius and Friedrichs (2008) on the urban poor in Cologne, or Benson & Neveu's (2005) volume on the journalistic field. Of Bourdieu's own work, *The Social Structures of the Economy* (Bourdieu 2005) would be the closest to the present work.

### **2.1 Organisational research**

Much of the social scientific research in this area is focussed on organisations, dealing with organisational characteristics and structure. There is a limited amount of work done from a social theoretical perspective, while broader perspectives on the significance of social entrepreneurship also receive limited

attention. The following is a snap-shot of the research based on these topics in order to contextualise this work and ground the research objectives laid out below.

We begin with Defourny and Nyssens (2010) who take a detailed look at the institutional backdrop for social entrepreneurship, comparing the European and U.S. cases. Among Defourny and Nyssens' (2010: 6-7) conclusions is that a *social enterprise school* (encompassing research focussed on classifying social enterprises according to levels of earned revenue) tends to be more dominant in the U.S., while a *social innovation school* is more prevalent in the European setting (focussed more on the innovative aspects of social enterprises). The other major point is that Defourny and Nyssens (2010: 33-4) place the phenomenon of social enterprise very squarely within the conceptual boundaries of the third sector, as opposed to claiming that it is a cross-sectoral phenomenon or a new field in its own right – see Martin and Osberg (2007) below.

Both Defourny and Nyssens were founding members of the social enterprise-focussed EMES Network, itself named after a pan-European research project, *EMergence des Entreprises Sociales en Europe*, which ran from 1996 to 2000. Defourny was the head of the network from its establishment in 2002 until 2010, a supporter of the dedicated *Journal of social entrepreneurship* (ibid), and has been a central voice in the academic discourse around social entrepreneurship in Europe. He has produced a series of articles and books around the topic, and co-edited the collected volume *The Emergence of Social Enterprise* (Borzaga/Defourny 2001) which led to the eventual refinement of a working definition for a social enterprise based on four economic/entrepreneurial criteria:

- “a continuous activity producing goods and/or selling services
- a high degree of autonomy
- a significant level of economic risk
- a minimum amount of paid work” (Defourny/Nyssens 2007: 9);

and five social dimensions:

- “an explicit aim to benefit the community
- an initiative launched by a group of citizens

- a decision-making power not based on capital ownership
- a participatory nature, which involves various parties affected by the activity
- a limited profit distribution” (ibid).

This definition has formed the backdrop for social entrepreneurial research across a number of European countries, including Belgium (Huybrechts 2010), Ireland (O’Shaughnessy 2006), and Denmark (Hulgård 2006).

Nicholls and Cho (2006) maintain a focus on organisations but move away from definitional issues and instead discuss the lack of a strong social-theoretical basis in the analysis of social entrepreneurship. They offer three sociological terms which can be used when seeking to identify and classify social entrepreneurial activity: *sociality*, which incorporates the dual aspects of how social enterprises define their social objectives and maintain their legitimacy as socially-oriented organisations; the degree of *market orientation* exhibited by an organisation is a decisive factor in differentiating between organisations, with social enterprises tending to exhibit higher levels of market orientation and the associated characteristics related to rationalising strategic operations; and *innovation* which highlights the disruptive tendencies of social entrepreneurial activity (Nicholls/Cho 2006: 104-11). Innovation is used by the authors as a means to introduce Giddens’ (1986) work on structuration, placing social entrepreneurship within the traditional agency/structure debate. Their qualified conclusion is that, presupposing a spectrum of agentic versus deterministic action, social entrepreneurs tend toward the former and exert more influence on their socio-structural environment than other actors (Nicholls/Cho 2006: 110-111). Nicholls and Cho (2006) then take a strong neo-institutionalist line, drawing on the classic work on isomorphism from DiMaggio and Powell (1983) and linking the social entrepreneurial tendency to resist it to a debate around legitimacy. The authors conclude with a call for more rigorous research in order to lay down “compelling theoretical foundations” (Nicholls/Cho 2006: 115-6).

Nicholls has gone on to develop the legitimacy argument (Huybrechts/Nicholls 2013), while utilising a Weber-inspired method when assessing the institutionalisation of social investment practices (Nicholls 2010a). In the latter

paper, Nicholls (ibid) took on an interpretive methodology, marking a break from the standard case-study style utilised in the former work and which forms the empirical basis for virtually all of the literature on social entrepreneurship (see, for example, Mair and Marti's (2006) paper written to inspire more social scientific research on social entrepreneurship). The need for new – and particularly critical – perspectives and research designs has been highlighted by Curtis (2008) and partially met by a number of papers which use critical discourse analysis aspects such as narrative formation (Dey/Steyaert 2010) or social enterprise policy formation in the UK (Mason 2012).

Birkhölzer (2011) introduces some specifics about social entrepreneurship in Germany when placed within an international context. Birkhölzer (ibid: 24-6) provides his position on the definitional debate through a well-reflected discussion of the background of the term 'social enterprise' and its use and interpretation in different institutional settings. The term can thus be understood, in his view, to incorporate established welfare organisations as well as newer social movement-based organisational forms that operate in a business setting but with social objectives. Birkhölzer (2011: 26) states that this sector is crucial in generating a more socially-oriented business culture which will offer victims of social and economic crises a sustainable chance to survive (ibid: 26). He also touches on a poignant issue whereby the motivation behind social enterprise organisations should not be beyond question and presupposed as being 'better' or 'more social' than operations in the conventional economy (Birkhölzer 2011: 30).

Finally, Balgar's (2011) paper on the lack of attention to *situatedness* in research on social entrepreneurship is of particular significance for this work. Balgar (ibid: 87-91) begins by briefly introducing the topic of social entrepreneurship before describing the socio-cultural aspects most commonly utilised in explanations of the appearance of social entrepreneurship. Balgar (2011: 91-4) identifies two primary branches of research on the area: a more social scientifically-informed strand coming from the perspective of the third sector and social movements; and a strand which draws upon concepts from the business world and the study of entrepreneurship. From the former comes the idea that social entrepreneurship is a development out of an organised civil

society, and notes that this strand provides only a limited amount of the overall research. The latter provides the vast majority of literature and is strongly informed by business disciplines (ibid). Balgar (2011: 94-7) calls for research with a much greater focus on the specific *cultural context* in which social entrepreneurship is emerging as well as calling for more debate about whether social entrepreneurship is a good thing in its own right and/or the best means of dealing with social problems in the German institutional setting.

## **2.2 Actor-level research**

The amount of research on social entrepreneurship conducted at an actor level is more limited than that on the organisational level. We look first at the most common strand of actor-level research which stems almost exclusively from business schools and which focuses on the qualities and characteristics of the individual social entrepreneur. There are other works representing intellectual strands beyond business studies, but these tend to be sparse.

The central journal globally on the social entrepreneurship scene is arguably the *Stanford Social Innovation Review* (SSIR 2013), which published one of the most cited papers around the topic: Martin and Osberg's (2007) case for defining social entrepreneurship has come forward as a central frame in the discussion both in the U.S. and in Europe. The authors draw on the classic vision of an entrepreneur as developed by Schumpeter (1975) and built upon by Drucker (1993), singling out characteristics such as creativity and courage and ascribing them to social entrepreneurs in the sense that they address social issues as opposed to trying to conquer markets (Martin/Osberg 2007: 39). This strongly individualised picture of the entrepreneur is widely followed, mirroring a general trend in entrepreneurship studies.

Similarly, Dees (1998) wrote an early piece on the meaning of social entrepreneurship, which began to elaborate upon and systematically develop the prominent portrayals put forward by authors such as Bornstein (1997). Dees (1998: 4-6) lays out a "set of behaviors that are exceptional" and which he views as being necessary for an "idealized definition" of social entrepreneurship that can be used as a basis for further research:

- “Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.” (ibid)

Once again, these characteristics mark out the research of social entrepreneurship as a study of ‘exceptional’ individuals and focuses strongly on character traits which one should expect to find as opposed to examining the social entrepreneur as a social actor.

A counterpoint can be found in a masters’ work by Rummel (2011) where the author compares case-study material with the results of a Foucault-based discourse analysis of depictions of social entrepreneurs in Germany. Her aim is to refine the understanding of social entrepreneurial praxis and to examine how divergent are the representations of social entrepreneurs in general discourse from everyday practice (ibid: 19). This leads to a discussion on the role of social entrepreneurs as “institutional entrepreneurs” in the sense that they stimulate changes within the institutional framework in which they operate (ibid: 79-94). The most significant finding is that there is a marked difference between the portrayal of social entrepreneurs as motors of radical institutional change found in much of the discourse, and the reality where social entrepreneurs can be seen to link into existing frameworks and contribute to broader efforts at institutional change (ibid: 95-96). Another issue is that much of the research on this topic is influenced by the “ideal” of social entrepreneurship depicted in definitions used by key organisations. This leads to a situation where only a limited number of individual actors get included in research projects due to their already having been given the title of ‘social entrepreneur’. Thus numerous other actors who would be included in a context-specific, praxis-based definition of social entrepreneurship are left out (ibid: 95).

The final work we will turn to is Leppert's (2013) analysis of the social entrepreneurship phenomenon from a motivational psychological perspective. Upon conducting and examining a series of qualitative interviews, Leppert (ibid: 266-98) describes a number of psychological categories which emerge as central for people who have founded or are seeking to found a social enterprise. Leppert delivers an overview of the actor-level research addressing social entrepreneurship (ibid: 97-104; 135-8) and, more significantly from the perspective of this project, also goes some way to addressing the lack of understanding surrounding the cultural roots of the phenomenon. Having said that, the description of the cultural elements is limited to those aspects deemed relevant as specific background information for Germany and are not derived directly from the empirical material (ibid: 44-54).

### **2.3 Conclusions and research objectives**

There is an apparent need for more empirical work on the topic of social entrepreneurship, a point made in the majority of research papers such as in Rummel (2011: 96), Balgar (2011: 94), or Hackenberg and Empter (2011) in Germany alone, not to mention the numerous calls on the international scene such as from Martin and Osberg (2007: 39) who state that "it merits more rigorous, serious attention than it has attracted so far." The empirical basis, and particularly the social scientific basis, needs to be expanded and deepened. Relatedly, the range of analytical and methodological approaches needs to be widened. To date, the interpretative components in Dey and Steyaert (2010), Nicholls (2010a) and Rummel (2011) are among the few publications which have moved beyond the use of case studies – and it should be noted that most authors do not provides an in-depth – if any – methodological underpinning for their research.

The use of social theoretical perspectives is limited almost exclusively to the use of a loose neo-institutionalist framework. Bourdieu's work is referenced sporadically and not in a systematic manner, with social capital being the most cited – and then most commonly as a comparative basis for the use of the term from Putman (1995). Given the limited use of social theory in researching social entrepreneurship, it is not surprising that there is almost no use of social



entrepreneurship as a basis for new social theoretical concepts or a re-interpretation of existing social theory.

Almost all material is implicitly or explicitly pro-social entrepreneurship, with publications focussing on how to encourage and promote the expansion of its use. At the same time, there is a vast array of definitions and interpretations of what exactly social entrepreneurship is and its function. Dey and Steyaert's (2010) critical-reflexive assessment of the narratives around social entrepreneurship is an isolated note of caution about research being conducted from an overly positive starting point. Several authors also presuppose that there already is a field of social entrepreneurship, either emergent or newly established (Nicholls 2010b; Martin/Osberg 2007). Whether this presupposition proves substantiated in the face of detailed empirical research remains to be seen.

Moving on from these general observations, there are specific points which form the reasoning behind the research objectives addressed in this project. Firstly, of the social scientific research conducted on social entrepreneurship, there is little focus placed on the level of the actor. Organisational forms and characteristics have received social scientific attention, while actor-level research stemming from other academic branches has looked primarily at the motivational factors for entrepreneurs launching social enterprises as opposed to commercial ones. Thus the first objective is deliver actor-level social scientific analysis of social entrepreneurship:

*Research Objective 1: Expand the actor-level social scientific understanding of the phenomenon of social entrepreneurship.*

The characteristics of social enterprises as organisations have been the subject of enquiry in many research undertakings. Topics such as organisational structure, governance and earned-revenue have been elaborated upon for social enterprises themselves. One area which has received less attention are those organisations which form the boundaries of the social entrepreneurial eco-system, i.e. those organisations which promote and influence the development of social entrepreneurship. Relatedly, social entrepreneurship is also a topic which is having an influence on those organisations with which it comes into contact. While a detailed examination of all the relevant

organisations and all aspects of these inter-relations is outside the scope of this project, a preliminary exposition of these relations for Germany would provide a basis for further research on the topic:

*Research Objective 2: Provide a rudimentary analysis of the organisations and trends at the edges of the social entrepreneurship sector.*

There is a common narrative (see Balgar 2011) describing the emergence of social entrepreneurship as a reaction to the rolling back of the state in the provision of social services and as an answer – particularly in recent years – to a perceived justificational crisis in capitalism. There is, however, a large gap in the research around the cultural context in which social entrepreneurship is originating. No social phenomenon emerges in a vacuum and social entrepreneurship is bringing together ingredients from a number of sources, a process which deserves greater attention in order to better contextualise and theorise its potential significance and development trajectory.

*Research Objective 3: Identify and elaborate upon central cultural elements which form the basis and context for the emergence of social entrepreneurship.*

The sample of literature reviewed here is far from exhaustive. For one, it leaves completely aside all of the research conducted *for* social entrepreneurship, and thereafter focuses broadly on social science-related publications. The review does, however, highlight the major trends within research on this area. The objectives formulated should go some way to providing a clearer understanding of social entrepreneurship as a sociological phenomenon while offering a basis for further research.

### **3. Terminology and research focus**

As noted, there is a scarcity of thorough social scientific work on the phenomenon and the social theoretical basis of the analysis undertaken is often thin and limited to neo-institutionalism. In order to address these issues, the work of Pierre Bourdieu has been selected to provide the conceptual framework for this project. Bourdieu is not without his critics, but his work is expansive and offers the possibility to address in a comprehensive yet succinct fashion the research objectives set out above. The reading of Bourdieu's work adopted here is not a 'classic' reading, and could be better described as a 're-reading' in some respects, particularly in the case of the habitus. Further insights from the studies of institutions have been used to bolster and help in refining the language used in describing the developments around the habitus and field later in the work.

#### **3.1 Bourdieu's three central ideas**

The three central aspects in Bourdieu's framework are that of *habitus*, *field* and the *forms of capital*, each of which will be briefly addressed here. Bourdieu's approach was refined over a period of decades and offers a robust set of constructs for analysing social phenomena. At the same time, some of these constructs are in need of re-working. We will be looking at the actor-level in some detail in this project, while a central characteristic identified in the literature around social entrepreneurship is an emphasis on innovation. With these points in mind, the understanding of habitus adopted here places the focus on the generative and creative features throughout Bourdieu's work in order to increase its potential to capture and accurately describe those aspects of the empirical material.

##### **3.1.1 Fields**

The concept of *fields* is the most widely used of Bourdieu's ideas in the area of organisational and institutional analysis (see, for example, Battilana 2006). The complexity and breadth of applicability are understated by the brevity of the definition that Bourdieu (1996: 132) provides, positing simply that fields are "social microcosms characteristic of differentiated societies". The

characteristic features, the functioning and the delineation of fields have all been addressed through various descriptions provided by Bourdieu.

In Bourdieu (1992) fields are described as being “the products of a long, slow process of autonomization” (ibid: 67). Every field has its own internal logic or *nomos*, that set of rules which differentiate a field as a specific, independent microcosm within the overarching structure that is society (ibid). Each field is independent, but at the same time it must be acknowledged as part of something bigger. For example, in discussing the work of Martin Heidegger, Bourdieu (1991) cautions the reader to reject the idea of total independence of the field of philosophical production, and simultaneously to accept that there are “specific rules governing the internal functioning of the field of philosophical production” (ibid: 2). These rules serve as the means through which all that is outside of the field is interpreted, and how stimuli are systematically transformed within the field through “the medium of mechanisms specific to the ... field” (ibid: 3). The specific transformations which occur within a given field are one aspect of *field effects*.

Field effects are seen by Bourdieu as being one of the most accurate means of delineating an independent field (Bourdieu 1998). Where the effects of the field become negligible, there lie the boundaries of the field:

“The existence of field effects ... is one of the chief indicators that a set of agents and institutions functions as a field, as well as one of the reliable instruments for empirically determining the limits of this field, which are simply the point at which these effects are no longer found.” (ibid: 132)

As well as the effects generated through the rules which govern a field, there are also effects caused by the relative size, the position, and the position-taking strategies of particular entities within a given field (Bourdieu 1996). Bourdieu uses the metaphor of gravitational pull to illustrate that the entities within a field can also be a source of field effects through “the *objective relations* among establishments that, like heavenly bodies belonging to the same gravitational

field, produce effects upon one another from afar” (Bourdieu 1996: 132, emphasis in original).

Given that Bourdieu’s work can broadly be defined as conflict-based<sup>1</sup>, the nature of the struggles which actors engage in can be used in determining the characteristics of a field. Bourdieu (2006: 157) warns that the history of a field cannot be understood as simply the history of the struggle to monopolise the imposition of legitimate categories within a field, but that “it is in the very *struggle* that the history of the field is made” (ibid, emphasis in original). The processual nature of the struggle between established actors and newcomers is what adds a temporal facet to field theory, while simultaneously offering a possibility to assess the strategies applied by dominant and dominated:

“[The history of a field] is engendered in the fight between those who have already left their mark and are trying to endure, and those who cannot make their own marks in their turn without consigning to the past those who have an interest in stopping time, in eternalising the present state; between the dominants whose strategy is tied to continuity, identity and reproduction, and the dominated, the new entrants, whose interest is in discontinuity, rupture, difference and revolution.” (Bourdieu 2006: 157)<sup>2</sup>

Of course, a field can only exist when its logic or *nomos* is adhered to by a set of actors, meaning that the relation between a field and those actors is essential to any effort at understanding its functioning. Bourdieu introduces two interrelated terms to describe this relation: *illusio* and *doxa*. *Illusio* refers to the buying into the game by the actors in question, a belief in and willingness to compete for the specific capital deemed worthwhile in a field: *illusio* is a

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<sup>1</sup> There is one consideration to be borne in mind with respect to the interpretation of the field employed in this project: There is less emphasis placed on the conflict-based language which characterise most of Bourdieu’s writing. Bourdieu propounds the use of methodological relationalism, whereby the relations between various actors in a field become central to generating an understanding of the social microcosm in question (Bourdieu/Wacquant 1992: 224-35). This position stems from a desire to bring to public attention the power inequalities inherent in social structures. While this aim is not deemed unimportant, the language of ‘power’ and ‘domination’ do not play a central role here, though struggles around definition and the valuation of various forms of capital do receive some attention.

<sup>2</sup> The parallels between this description of the newcomer and the idealised version of the entrepreneur as a ‘disruptor’ and ‘game changer’ are quite clear.

“practical ... [or] ... tacit acceptance of the stakes of the game” (Bourdieu 1989: 112). The *illusio* is reproduced through *doxa*, which is the term used by Bourdieu to describe the adherence by an actor to the *nomos* of the field. *Doxa* can be understood as referring to the relation between the macro-level field and the micro-level *habitus*, an “undisputed, pre-reflexive, naive, native compliance with the fundamental presuppositions of the field” (Bourdieu 1992: 68).<sup>3</sup>

It can be thus said that fields are independent microcosms set within the broader societal constellation, with their own internal mechanisms and *nomos*. Fields can be delineated by mapping out and describing the interplay between actors within that field and where the characteristics of the field cease to have a significant influence.

### **3.1.2 Habitus**

Habitus is a set of dispositions which help shape an actor’s way of acting and understanding the world. The concept was originally developed by Bourdieu in large part to account for the discrepancies between actors’ economic dispositions and the economic structures that had been imposed in Algeria under French rule (Bourdieu 1979). Poor Algerians did not act in a way which could be deemed as ‘rational’ within a capitalist economic system and it became clear that their interpretation of – and thus behaviour within – the economic reality differed from that of the interpretation of those same economic structures by people who lived in the countries where these structures developed (*ibid*). Thus Bourdieu highlighted the dispositions of the actors in question, “structured structures which function as structuring structures, orienting and organising the economic practices of daily life” (*ibid*: vii). From this observation Bourdieu went on to generalise his version of *habitus* (*ibid*).

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<sup>3</sup> We will see later that social entrepreneurship is at an early stage in field development; the result is that *doxa* does not feature strongly in the upcoming analysis perhaps due to the *nomos* not being at an undisputed and pre-reflexive stage.

The position in the social space occupied by a person influences their understanding of the world through the shaping of their practices and the set of categories that they use to interpret the social reality which they come into contact with (Bourdieu 1979). Macro-level social structures, as well as the positions within those social structure, get produced and reproduced as those in specific positions infuse those around them with elements of their habitus, specifically as a means of distinguishing ‘them’ and ‘us’. Bourdieu’s focus on trying to uncover the mechanisms of reproducing social classes and the corresponding inequality led him to often focus on the pre-conscious and structuring role of habitus in the life-world of the actor:

“Habitus is thus at the basis of strategies of reproduction that tend to maintain separations, distances, and relations of order(ing), hence concurring in practice (although not consciously or deliberately) in reproducing the entire system of differences constitutive of the social order.” (Bourdieu 1996: 2, parentheses in original)<sup>4</sup>

The reception of Bourdieu’s work on habitus can be divided roughly into two camps, the first of which we will call the *closed system* reading. In this interpretation of Bourdieu’s work, where the pre-conscious and ‘determined’ features of Bourdieu’s descriptions are fore-grounded: Habitus is seen as a mere reflection of the field structures in which it was formed. Bourdieu is thus criticised for placing too much weight on the role of social structures in shaping the mental structures – and thereby the practices and world-views – of individuals, reducing them to unreflective role-players within those structures (see, for example, Berard 2005). Bourdieu’s emphasis on the importance of the actors’ ‘feel for the game’, and their capacity for creativity within social structures (see Bourdieu 1990b: 61-4), does not trump the argument that the shaping of the actors’ mental structures sets the boundaries for what they come to view as being feasible strategies and desirable ends.

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<sup>4</sup> One common misunderstanding of habitus is that it is a concrete phenomenon, i.e. either each person or group has their own unique habitus which is actually a part of them. Habitus is – in the sense adopted here – a social scientific construct used for identifying and describing patterns of dispositions shared by a number of people. It is an analytical tool, a micro-level social structure and not an individual phenomenon.

Bourdieu is charged with leaving no space for the individual actor to develop strategies beyond those prescribed to her by the field. Habitus is a means for fields to reproduce themselves, with the spectrum of possible moves available to an actor delimited by the social space in which they find themselves.

“Considerations about improvisation cannot call into question the fixed habitus required for reproduction ... There is no view of change in the case of testing the experience of untoward circumstances. If habitus were plastic, it could not play this key role in the reproduction model. Habitus cannot be made 'flexible' without severely damaging the whole theory. Again, considerations about 'improvisation' in the 'play' are to be placed within the strict limits of this fixity.” (Thévenot 2011: 51)

Change may occur, but only at the level of the field with the actor thus having no effective input or influence on the process. This reading leads to Bourdieu being labelled as a *determinist* or a *structuralist* (Berard 2005). The system is a closed loop: Structure determines practice and practice reproduces structure. In such a reading, habitus plays a passive role in helping to recreate the structures which produced it.

The closed system reading is not without its justifications: Much of the inspiration for the original ideas in Bourdieu's framework was drawn from empirical studies in rural Algeria, a setting which had up to then seen centuries of social continuity. Its application and further development was then based on empirical work on stable social classes in France. The normative edge in Bourdieu's work meant that he focussed on trying to uncover hidden and unwelcome mechanisms in society, thus leading him to emphasise the unconscious and reproductive features. It is becoming rarer for researchers looking to use Bourdieu's framework to focus on these aspects. It is more common for a closed system reading to be taken by academics seeking to highlight the innovative and flexible nature of the positions they are developing, ostensibly using Bourdieu's work as an intellectual sparring partner, but ultimately as little more than an intellectual straw-man.

An alternative interpretation of Bourdieu's work – and the one more closely followed here – is an *open system* reading which lays the emphasis on the creative capacity of the individual and the flexibility of the habitus vis-à-vis its environs. At several points in his writing, and particularly later in his work,



Bourdieu made a concerted effort to meet head-on the criticism that his social theoretical framework is overly structuralist in nature:

“It is easy to see how absurd is the cataloguing which leads people to subsume under structuralism, which destroys the subject, a body of work which has been guided by the desire to reintroduce the agent’s practice, his or her capacity for invention and improvisation. I should recall that this active, creative, inventive capacity is not that of the transcendental subject of the idealist tradition, but that of an acting agent.” (Bourdieu 1990: 13)

The habitus is not to be understood as a fixed orientation, inculcated and branded into the actor’s being from childhood and scripting their existence. Instead, habitus is taken to be malleable, semi-durable and generative.

“Habitus is not the fate some people have read into it. It is *an open system of dispositions* that is constantly subjected to experiences, and therefore constantly affected by them either in a way that reinforces them or modifies its structures. It is durable but not eternal!” (Bourdieu/Wacquant 1992: 133, emphasis in original)

As Swartz (2008: 48) points out, “Bourdieu also shows that habitus is continuously adaptive” while Bourdieu (2013: 116) himself notes that a habitus may change due to the “effect of a social trajectory leading to conditions of living different from initial ones” or due to an “awakening of consciousness”. It is thus presumed that experiences which are new, and therefore generate the need for new structures, can trigger processes of creativity and invention pushing beyond that which may have originally been inherent and deemed possible (Strydom 2009).

The presumption of possible creativity is grounded in the notion of habitus as being generative. As Seibert (2014) points out, the generative elements in Bourdieu’s conception of habitus is what distinguishes it from more behavioural interpretations where it used to express a form of conditioning or habituation. Bourdieu elaborates a subjective but non-individualised version of habitus which does not reject the behaviouralist position related to passive responses to external stimuli, but which broadens the focus to include a capacity to act spontaneously and generatively vis-à-vis their socio-structural environs (ibid). Seibert (ibid) stops short of ascribing the actor a strong creativity, however, and does not push his interpretation of Bourdieu into the realms of a creative re-reading.

It is in the work of Schäfer (2005) that we find the interpretation of habitus adopted here, incorporating a stronger capacity for creativity and invention among actors. The constituent dispositions provide not a script to be followed but a range of practically usable categories or *operators* which can be re-interpreted and combined in novel ways to help actors devise strategies for dealing with changes in their circumstances (ibid). It may be the case that these changes fall under the rubric of existing field configurations with corresponding existent strategies; it may, however, be the case these changes require or motivate the actor to re-interpret their circumstances, combine operators in novel ways, and develop new strategies accordingly.

There are two characteristics which must be borne in mind in order to grasp this interpretation of habitus: The first of these is that the habitus is constructivist in nature – as opposed to substantialist (ibid: 604-6). This is significant from two further perspectives, the first of which highlights the fact that habitus is nothing more or less than an analytical tool used by researchers to grasp and describe an actor level social phenomenon. The habitus does not, as such, exist beyond these analyses. Relatedly, the habitus as a phenomenon is socially constructed; it is not a ‘thing’ to be given from one actor to another, but the result of a long process of development influenced by environmental factors and individual life biographies (ibid). Thus, a given individual will have a unique, personal habitus, but this will have in common many characteristics with other individuals’ habitus which have been formed under similar circumstances. The individual habitus can be taken to be a variant of a *collective habitus*, a research construction which can be used to describe a generalised habitus for a given group of actors (ibid).

The second point from Schäfer (2005) is that the accusation of determinism within the field/habitus nexus is based on a dated philosophical position. Drawing a comparison with the evolution from Newtonian to quantum physics, Schäfer makes clear that systems which have been labelled as ‘linear’ in the past are in fact ‘non-linear’ in nature, i.e. one can no longer simply speak of statistical regularities and ‘social laws’ as being the product of causal and linear natural processes, nor of freedom as a polar opposite of nature (ibid: 618). There are regularities apparent in human behaviour, but these patterns are far

from being constant enough to enable a prediction of future action thereby justifying a deterministic critique. The range of possible choices open to an actor in a given situation is not and logically *cannot* be unlimited (ibid: 619) – at least at this stage in human development. To that end, habitus theory is used to draw attention to that set of possibilities which come into play for an actor in a given circumstance, with this set influenced but not determined by a given field.

In this reading, the actor is thus afforded the potential to creatively interact with their socio-cultural environs in order to remedy a sense of unease they may experience due to the current field conditions. The habitus, taken to be a semi-durable pattern of dispositions, is thus understood as a set of categories acting as operators which combine to shape practice and provide actors with a basis for orientation and strategy development. The actor can – to an extent<sup>5</sup> – adapt to new conditions by introducing new categories as operators, re-interpreting existing operators, or adjusting their pattern of combination. Understanding the habitus as generative in nature implies that actors are not constrained and limited to the range of possibilities prescribed by a given field, but that they can innovate and share a degree of influence with the socio-cultural environment of which they are a part.

### **3.1.3 Forms of capital**

Bourdieu (1986) proposed three fundamental forms of capital, *economic*, *cultural* and *social*. Each of these has their own individual characteristics and guises, providing the possibility for analysing the structural configuration of a field at a given point in time. The amount of capital wielded by an actor dictates how much influence that actor will have. This leads to struggles for capital, but also leads to struggles over which forms should be most highly valued within a field. In this project the three fundamental forms of capital do

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<sup>5</sup> Human beings are only capable of a certain amount of change at any one time. From a purely neurological perspective, levels of brain plasticity among adults are now viewed to be higher than previously thought, but still not nearly at a point where a claim to a perfect neuro-physiological flexibility would be justified (see Li et al. 2001).

not play a central role in the analysis undertaken. This is partly due to the lack of relevant statistical data on the actors involved, which is the best method for estimating levels of capital forms possessed by actors. There is a particular emphasis placed on one further form of capital, *symbolic capital*, which is not as concrete a form as those above but which is nonetheless key to conceptualising the functioning of social structures in a Bourdieuan framework.

### ***3.1.3.i The fundamental forms of capital***

Bourdieu (1986) posited three fundamental forms of capital which he used as an analytical tool in mapping out fields and their (re)production. Later in his work on the social structures of the economy, Bourdieu formulated further varieties of capital (Bourdieu, 2005: 117; 194-5), but ultimately these can be seen as variations on the original three. Despite these three forms not playing a central role in this project, they do appear at several points and a basic understanding of them provides a context for the introduction of symbolic capital below.

- *Economic capital* is the most readily quantifiable and comprehensible of the three forms of capital. In line with the definition from economic theory, economic capital refers to all material goods that can be exchanged for or converted into money (Bourdieu, 1986: 47). The possession of material goods and their transmission from one generation to the next is ensured by the presence of the institutions of property rights and inheritance. Bourdieu takes a neo-Marxian position when he states that the other forms of capital are disguised forms of economic capital: “economic capital is at the root of all the other types of capital” (ibid: 54).
- Bourdieu developed *cultural capital* in order to explain the different levels of academic achievement between people from varying class backgrounds. Bourdieu and Passerson (1979) examined statistics related to the composition and results achieved in the French education system with the gap not correlating as strongly with differences in economic factors as had been expected. There are three forms of cultural capital (Bourdieu 1986: 48-51) including the *embodied state* (i.e. exposure to varying amounts and genres of cultural products and activities providing long-term dispositions of body and mind); *the objectified state* (i.e. cultural ‘goods’ such as books, paintings, and even machines and instruments or the knowledge and means for ‘consuming’ or ‘using’ these goods); and *the institutionalised state* (e.g. academic qualifications).

- *Social capital*, as Bourdieu (1986: 51-3) understands it, relates to the amount of support or resources that a person has the potential to access through their membership of groups or networks. In Bourdieu's work, the network itself may have a collective identity and form, but it is the individual's ability to mobilise resources – whether individual or collective – that is referred to as social capital. Clubs and groups with selective membership tend to bring together relatively homogenous adherents, giving rise to seemingly serendipitous meetings and connection-formations between individuals of similar backgrounds and social position. Bourdieu explicitly posits that there is a 'multiplier effect', whereby the resources of the individual remain his own, but are worth more as they form part of the sum of resources of the group; thus it is often the case that small, elite clubs will be formed in order to concentrate capital, and thereby maximise the multiplier effect with the least amount of effort (ibid).

### **3.1.3.ii Symbolic capital**

Developed in the context of trying to explain the importance of honour for the Kabyle peoples in Algeria, *symbolic capital* is that form of capital which confers on its bearer a sense of legitimacy, competence and primacy in the eyes of those in the same field (Bourdieu 1979). Bourdieu (2005) states that "symbolic capital resides in the mastery of symbolic resources based on knowledge and recognition" (ibid: 195). Symbolic importance impacts upon those who grant it, and in an important sense it is inseparable from those who do the granting; "as a form of power which functions as a form of credit, it presupposes the trust or belief of those upon whom it bears because they are disposed to grant it credence" (ibid). Thus the actors in a particular field will share the relation to the dominant symbolic capital, which offers another means of demarcating a field – in conjunction with the field effects.

Depending on the context, the term symbolic capital tends to contain a connotation of 'right' or 'good'. While the terms 'right' and 'good' are open to interpretation, they indicate that symbolic capital infers a positive bias in the eyes of those who grant it credence, with the effect of implicitly conferring legitimacy on its bearers. Bourdieu (2000) does not view symbolic capital in a positive light, branding it as a means of control: "[it] enables forms of domination which imply dependence on those who can be dominated by it" (ibid: 166). If, however, the trust or belief in the significance of this form of

capital is removed, then it loses its symbolic import “which can only be perpetuated so long as it succeeds in obtaining belief in its existence” (ibid).

Upon entering a field, new entrants must come to terms with the expectations of that field with respect to symbolic capital. Only those actors who strive for the relevant symbolic capital and acknowledge its value can expect to be recognised as an affiliate of that field by other actors:

“the power relations which are imposed on all the agents entering the field – and which weigh with a particular brutality on the new entrants – assume a special form: they are, indeed, based on a very particular form of capital, which is both the instrument and the object of competitive struggles within the field, that is, symbolic capital as a capital of recognition or consecration, institutionalized or not, that the different agents or institutions have been able to accumulate in the course of previous struggles, at the cost of specific activities and specific strategies.” (Bourdieu 1990: 141)

There is not generally a formalised means of assessing symbolic capital, though in a given field certain proxy indicators can give a clue as to the level of symbolic capital ascribed to a given actor. Taking the example of the literary field, Bourdieu talks about the recognition underpinning symbolic capital, pointing out that researchers “still need to specify the nature of this recognition which can be measured neither by commercial success ... nor by mere social recognition – belonging to academies, winning prizes, etc. – nor even by mere fame” (ibid). Here, the key is taken to lie in the eye of the beholder: If actors in a given field ascribe significance and prestige upon other actors and strive to generate similar results, then the basis of this esteem will provide insights into the symbolic capital relevant in that field.

The ascribing of symbolic significance at the level of the actor leads to an understanding of the symbolic capital relevant in a field. At the level of field, however, the striving for a particular form of symbolic capital is taken to lead to the development of a field-specific *illusio*. As introduced above, the *illusio* refers to the ‘stakes of the game’ that actors in a given field context for and over. In the case of a distinctive symbolic capital, one can assume a well-functioning *illusio*, which in turn can shed light on the field’s *nomos*: Once the *illusio* has been identified, it provides a stable point in the description of the

field which can be used for orientation when assessing the rules that the actors abide by in their contestations.

### **3.2 Bourdieu and institutions**

While we must be wary of not reifying Bourdieu's field theory, it is possible to conceptualise both field and habitus as institutions. This move is discussed below and opens up the possibility of drawing on an extensive line of thought and one that potentially offers insights into how the pattern described by the field and habitus concepts become established in everyday life. A further advantage is that a Bourdieuan perspective can be brought to bear on institutional development, or, in this case, the developments within organisations. Thus we shall address the topic of institutionalisation first before going on to look at the attempt at introducing Bourdieu to organisational studies from Emirbayer and Johnson (2008).

#### **3.2.1 Institutionalisation**

In a critique of the study of *institutions*, Hamilton (2010) points out that “[d]efining the concept is at once simple and impossible” (ibid: 32). Those who use the phrase ‘institution’ tend to have an intuitive understanding of it, as it is a fundamental building block in the social sciences or, as Hamilton puts it, “a primitive term” (ibid). While accepting that the task is a difficult one, we turn to the formulation offered by Jepperson for orientation and to examine the common bases which justifies relating institutions and field theory:

“[I]nstitutions are those social patterns that, when chronically reproduced, owe their survival to relatively self-activating processes. Their persistence is not dependent, notably, upon recurrent collective mobilization, mobilization repetitively reengineered and reactivated in order to secure the reproduction of the pattern ... Rather, routine reproductive procedures support and sustain the pattern, furthering its reproduction – unless collective action blocks, or environmental shock disrupts, the reproductive process.” (Jepperson 1991: 145)

In defining institutions as patterns, Jepperson broadens the scope so as to be able to include phenomena as diverse as a hand-shake, the corporation (Jepperson 1991) or fields and habitus. Institutions are often considered as ‘taken-for-granted’ aspects of social life which will continue to be reproduced unless an external influence affects the process, or until some aspect of the

reproductive process or an effect of the institution itself becomes problematised and induces a collective effort to address the issue (ibid). As Jepperson notes that “one takes action by departing from [institutions], not by participating in them” (ibid: 149). These characteristics mirror closely our discussion on Bourdieu’s framework above: The field itself is a distinctive, objectified pattern of rules and expectations; the habitus is an identifiable, embodied pattern of dispositions exhibited by a group of actors. This provides a basis for introducing insights related to the process of *institutionalisation* to the examination of fields and habitus.

Jepperson uses the term institutionalisation to refer to the means through which an institution comes into being, i.e. the process through which a self-reproducing social pattern develops (ibid: 145). In the work of Barley and Tolbert (1997) some methodological issues concerned with tracking the crystallisation of an institution are examined, noting that it is a “formidable task” (ibid: 100). Institutionalisation is presented as a continuous process which can only be studied over a period of time, and they describe a hands-on methodology for assessing the process of institutionalisation, but without expressly formulating the theoretical position around that which they seek to study (ibid).

In the work of Tolbert and Zucker (1999) institutionalisation as a process is addressed directly. The authors split the process into three phases, pre-, semi- and full institutionalisation. Each of these phases has a corresponding and distinguishing process, habitualisation, objectification, and sedimentation respectively:<sup>6</sup>

1. *Pre-institutionalisation and habitualisation*: In the early stages of the institutionalisation process new patterns or structures are developed in response to a particular problem or set of problems. This process is generally an independent activity, with early adoption tending to be

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<sup>6</sup> It must be noted that the language used by the authors to put forward the concepts are couched in the terminology of organisational analysis. I have intentionally generalised the terms to increase their relevance for this project, while taking care not to misrepresent the ideas.



clustered within closely interconnected groups. There are low levels of consensus about the utility of the new pattern, and imitation may or may not occur. At this stage there will be multiple adopters, though the manifest forms which develop will be varied. Knowledge of the new patterns will be very low outside of the early adopters, and there will be very little theorising occurring.

2. *Semi-institutionalisation and objectification*: In the second stage of the process a consensus begins to form regarding the value of the pattern. If it is deemed to not be worth the investment, the pattern will be disregarded. On the other hand, the consensus may be that the new pattern is worthwhile. One influential factor within the process of consensus formation is the presence of ‘champions’; the champion must be able to theorise the problem and generate a feasible solution. Through theorising, there is an increase in the cognitive and normative legitimacy associated with a given pattern through the production of supportive evidence, which can lead to swifter diffusion. Variance in the manifest forms begins to decrease. There is still a relatively high level of reflexivity among adopters, as there is an awareness that the new pattern is still not fully tested.
3. *Full institutionalisation and sedimentation*: The final stage in the process of institutionalisation is that of sedimentation, which refers to the phase where a pattern becomes embedded and, to use Jepperson’s terminology, self-reproducing. During sedimentation the pattern spreads through virtually all potential adopters, and persists through the turnover of generations.<sup>7</sup> The process of diffusion may be adversely affected by groups opposed to the new pattern or by a lack of long-term evidence that the pattern achieves the intended outcome; in this case alternatives may be sought and adopted instead. Full institutionalisation requires low levels of opposition, strong support and a strong correlation between the pattern and the desired outcome. (ibid: 175-8)

Though only given one sentence, Tolbert and Zucker (1999) do mention that there may be a process of *deinstitutionalisation*. For this process to be triggered requires major changes in the environment, this may allow for opposition to be mobilised, and “allow a set of social actors whose interests are

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<sup>7</sup> This is an important point, as it distinguishes an institution from a ‘fad’ or ‘fashion’.

in opposition to the structure to self-consciously oppose it or to exploit its liabilities” (ibid: 178). Institutionalisation should not be conflated with *institutional change* which refers to changes in the form of already existing institutions (see Jepperson 1991: 152-3).

The institutionalist *lingua franca* offers a terminological basis for grasping and describing the process of field formation and habitus development which is left ill-defined in Bourdieu’s writing. Being able to employ pre-, semi- and full institutionalisation and their related processes, as well complementary elements such as the existence of champions expands and sharpens the analytical potential of Bourdieu’s framework.

### **3.2.2 Bourdieu and organisational analysis**

With a similar objective in mind, Emirbayer and Johnson (2008) published an essay on the use of Bourdieu’s three central concepts – habitus, field, and capital – within organisational analysis. The authors posit that while field and capital have been widely adopted, they are not used in a consistent and coherent fashion (ibid). This problem is further compounded by the fact that habitus is completely neglected within organisational analysis. Emirbayer and Johnson’s main aim is to generate a new understanding of Bourdieu’s work as a means of expanding the analytical usefulness of inter- and intra-organisational research (ibid).

The focus in Emirbayer’s (1997) previous work on relational sociology was on trying to conceive of social reality as a dynamic process, particularly through a strong emphasis on power and conflict; these features of Bourdieu’s work are also fore-grounded in Emirbayer and Johnson (2008). The power differentials inherent in the *objective relations* between and within organisations have a major impact on the choices made at the individual and organisational level (ibid). By highlighting these power differentials and their impact, Emirbayer and Johnson critique those who fail to take into account the power structure within a field, and thereby fall victim to an ‘interactionist fallacy’ (ibid).

The introduction of objective relations ties together field and capital, in that objective relations refer to the relative strength or weakness of those involved in an interaction, particularly with respect to how much capital each party has

access to (ibid). Emirbayer and Johnson also highlight the contrasting *conservation* and *subversion strategies* employed by those endowed respectively with greater or lesser amounts of capital – particularly symbolic capital (ibid: 11).

Emirbayer and Johnson consider habitus to be a concept which “helps us to grasp the link between present action and the social past” (ibid: 29). They propose that habitus can be used to come to a better understanding of the micro-level processes occurring within organisations. This is because a person’s habitus, as a set of dispositions, influences what they view as being possible and correct in a given situation, thereby having an effect on the person’s trajectory within an organisation and further on the trajectory of the organisation as a whole. The influence that an actor can exert is relative, once again, to the amount and relative value of capital available to them (ibid). Thus habitus becomes an important factor in assessing the strategies adopted by organisations – or institutions more generally – and in particular the habitus of those people who are most influential (ibid: 27-8).

As Swartz (2008) points out, the understanding of habitus put forward by Emirbayer and Johnson reflects a closed system reading, highlighting the dispositions inculcated upon actors in early life. This means that the portrayal of habitus tends to focus on what it can tell the researcher about the position-taking and strategies of actors within the organisation, while neglecting to examine what it can tell us about organisational development and shifts in the habitus itself: “This dynamic/adaptive character of habitus is not stressed in the article but would be something that organizational researchers would also want to be attentive to” (ibid: 48). There two major problems stemming from this position: Firstly, it fails to take account of the influence of the organisation on the actors’ habitus, or as Swartz (ibid) puts it, “organizations themselves can instil certain dispositions that do not trace back to early family socialization”. The other major issue is that the influence of external factors on the organisation which filter in through an adaptive, generative habitus is conceptually ruled out, cutting off a potentially fruitful avenue of scientific enquiry.

As Bourdieu's (2005) analysis of the economic field was centred at the level of the firm, the combination of two insights – i.e. that organisations are fields, and the corresponding significance of the habitus of the most influential individuals on the orientation of the firm – is of particular interest in this project: As the individuals chosen for interview are the founders of organisations with a very specific orientation, it should be possible to make some assertions as to the link between developments in individual habitus and organisations. Further links to the level of the field may be tenuous at this stage, but some insights may be feasible through an assessment of the emergent field characteristics. The link between the economic habitus and the resultant organisational models can be tracked from an early stage, however, offering the possibility for further research with respect to influence of a generative habitus reading on our understanding of organisational and field development.

### **3.3 Research focus**

So how do all of this terminology relate to the research objectives introduced above? In order to address this question, three areas of focus for the research are set out and used as a basis for explaining how the framework above has been operationalised to address the objectives. While the areas of focus have been chosen with the research objectives in mind, there is not a one-to-one transposition from research objectives to areas of focus. Instead, different areas of focus address the research objectives from different perspectives. The research objectives can be summarised as being focused on (i) expanding the *actor-level understanding* of social entrepreneurship; (ii) *trends at the edges* of the field; and (iii) examining the *cultural context*. In the end, the corpus of material and analysis generated should meet these objectives.

#### **3.3.1 Economic habitus**

Bourdieu (2000) wrote a paper in which he expressly dealt with the mismatch between the pre-colonial and pre-capitalist honour-based economic habitus of native Algerians, and the economic habitus of the “so-called rational economic agent”. In doing so, the characteristics which Bourdieu associates with the

*economic habitus* are laid out, providing the basis for the first area of focus in the research proposed here.

The economic habitus describes that set of dispositions which act as operators in economic matters. In the description of economic habitus provided below, two specific sets of operators are outlined, those related to *occupation and purpose* and *calculation and returns*. Limiting the analysis to specific sets of operators is necessary to reduce complexity and to focus the analysis. Describing the characteristics and level of institutionalisation exhibited in the economic habitus helps in fulfilling the objective of expanding on the actor-level understanding of the phenomenon. It also provides insights into the symbolic capital representative of this field.

Finally, the examination of the economic habitus involves identifying the central categories which function as operators when actors engage in economic activity. While this will aid in assessing the active *illusio*, the major point is that these categories are drawn from the symbolic system which constitutes the cultural context for those actors. The task of mapping out the entire cultural landscape facilitating social entrepreneurship in Germany would be a massive task, but identifying and elaborating upon the central categories which come into play in the field provides a point of orientation and thus a foundation for further work.

### **3.3.2 Symbolic capital**

Symbolic capital is a characteristic feature which varies from field to field. As outlined above, symbolic capital is that form of capital which ascribes a sense of competence and primacy in the eyes of those in the same field (Bourdieu 1979). It is thus that form of capital which is most sought after. The analysis of symbolic capital is challenging due to its elusive nature; it is not a form of capital which lends itself to quantification and its effects at both the individual and field levels is more implicit than explicit.

It does, however, impact upon those who grant it significance in that they admire and seek to emulate those who are deemed to possess it. Thus the symbolic capital prevalent in the field should be accessible through the analysis of the economic habitus at the individual level, as mentioned above. These

insights relate directly to the objective of expanding the actor-level understanding of social entrepreneurship.

At the level of the organisation, symbolic capital's influence is accessible through examining an organisation's goals; or from another perspective: once the organisation's goal has been established, it offers a point of reference for examining organisational nomos. The analysis at both the actor and organisational levels provides the basis for postulating field-level effects of symbolic capital, though this is more of an abstraction from lower level analysis. What we can address, however, is the *illusio* active in the field of social entrepreneurship. The *illusio* refers to the way a field exerts influence on actors through setting the form of capital most prized in that field. Once identified, this will shed light on the efforts of the actors to attain that capital; logically, this means that the efforts to influence the nomos – “the rules of the game” (Bourdieu 1990a: 148) – will come into focus. This addresses directly the second research objective dealing with the influences on the emergence of the field.

### **3.3.3 The boundaries of the field**

The *boundaries of the field* serve as an indicator differentiating a field as a specific, independent microcosm, though their approximation is also a challenge. The focus will not be on trying to map out the internal structure of the field per se, i.e. all of the specific actors in the field, their positions and capital stocks, etc. Instead the focus will lie on sketching out the boundaries which can be used a basis for identifying relevant characteristics of the nomos and their sources, thereby addressing the second research objective.

The nomos offers a means to assess how that which is outside of the field is interpreted, and how stimuli are systematically transformed within the field through “the medium of mechanisms specific to the ... field” (Bourdieu 1991: 3). The organisations which are situated at the edges of the social entrepreneurship field are those which come most in contact with outside stimuli and therefore are the most likely to be introducing new features into the nomos. Simultaneously, the organisations at the periphery are those generating the most points of contact with external institutions: Where the

nomos and the corresponding *illusio* fail to hold any more significance marks the end of the field effects, another indicator of the boundaries of a field. Due to the field of social entrepreneurship being limited in size, the influence it can exert will also be limited. Having said that, we will try to identify any ways in which the field is having an influence at the points where it comes into contact with established institutions.

The areas of research focus operationalise the terminological framework set out in this chapter. This framework is built primarily on Bourdieu's work, while habitus has been revamped to increase its analytical potency in the empirical circumstances dealt with in this project. Both habitus and field are interpreted as being patterned aspects of social life, thereby paving the way for the introduction of analytical elements from the institutionalist tradition to further bolster the framework. The terminology related to institutionalisation as a process offer a clearer means of describing habitus and field development, while the presence of 'champions' is also highlighted. The cross-pollination goes in the other direction through insights into how Bourdieu's work can be better utilised in the study of organisations, with an emphasis placed on the role of habitus in organisational goal formation. Finally, the opaque topic of culture receives some attention, with the main conclusion being that the cultural context represents the over-arching set of categories which an actor can draw upon as operators in their habitus. Equipped with this framework, we will now look at the research approach adopted in generating and interpreting the data in this project.

## **4. Research approach**

Bourdieu states that the most important aspect of any research undertaking is the construction of the object, “no doubt the most crucial operation, and yet the most ignored” (Bourdieu/Wacquant 1992: 224; see also Grenfell 2008: 218-22). The process of constructing the object involves a constant reassessment of the available material, and is not possible to prescribe before empirical work has begun (Bourdieu/Wacquant 1992: 227-8). Further, Bourdieu does not state whether qualitative or quantitative methods should be used to begin this process. This is significant as the research object here – social entrepreneurship in Germany – is, as yet, quite nascent and less suited for the use of quantitative methods (Seymour 2014). Given the absence of a quantitative component, the approach utilised here would be best described as being primarily *qualitative*.

One methodological issue – *reflexivity* – has played a pivotal role in shaping the research undertaking and is afforded consideration below. A number of different methods are employed in this project for the production of primary data – predominantly drawing on *ethnographic fieldwork* centred on interviews, and visits to organisations and social entrepreneurship events. The corresponding sampling strategy and details of the empirical area researched set out the basis for the data generated before we look finally at the interpretative framework employed, which is built around the use of *habitus analysis* and *critical hermeneutics*.

### **4.1 Reflections on reflexivity**

The above labelling of Bourdieu’s work as a “terminological framework” and separating it from direct methodological application is not exactly what he had in mind. He tended to not discuss the topic of methodology in a systematic fashion, but insisted that his intellectual corpus can only be fully operationalised in research, and is therefore of methodological significance (Bourdieu/Wacquant 1992: 218-60). As Grenfell (2008) points out, Bourdieu’s social theoretical framework was developed through empirical work, and is geared towards empirical work; the key concepts of field, habitus and capital “only make sense when applied to practical research, and the whole *raison*



*d'être* of the approach is that they should be used in new projects” (Grenfell 2008: 219, emphasis in original). Put simply: The role of Bourdieu’s framework in shaping the researcher approach is crucial and should not be underestimated.

Bourdieu was highly critical of methodological approaches which claimed to achieve ‘objectivity’. This is explicitly described in his chapter *Objectification objectified* (Bourdieu 1992), but also tends to be a recurring theme in discussions related to epistemology and methodology (Bourdieu 1990; (Bourdieu/Wacquant 1992). Bourdieu (1990: 33) describes attempts by sociologists to achieve a perfect distancing and capacity to objectively describe that which they are investigating as being highly problematic, “this kingly, divine ambition is a tremendous cause of error”. Bourdieu explains the claim to objectivity as being part of the game within the scientific field, where actors have an interest in maintaining the ideal of an absolute and non-relativistic viewpoint.

In order to maximise the chances of generating an accurate description of social reality, Bourdieu propounds the use of instruments which can aid the researcher in clarifying her position. The most potent of these instruments is *reflexivity*: self-analysis and reflection on one’s own background and the origins of the methodological position adopted: “self-analysis [is] understood as knowledge not just from the point of view of the scientist, but also of his instruments of knowledge in their historically determinate aspects” (Bourdieu 1990: 33). In a later discussion on the struggles related to the construction of ‘truth’, Bourdieu (ibid: 183-4) makes the point that the sociologist can never hope to develop a holistic picture without having first extricated himself from the game in which he is involved and implicated. Failure to do so will mean that the theoretical representation produced will remain incomplete and that “objectification is doomed to remain *partial*, and thus false, for as long as it ignores or refuses to see the viewpoint from which it is stated, and thus view the game as a whole” (ibid, emphasis in original). In terms of how to go about systematically extricating oneself – at least to some extent – from the game and one’s social environs, Bourdieu tended to provide fewer details.

Here we turn to the work of Kögler (1999) for some suggestions. Kögler points out that the ‘classical’ model that gave a privileged position to the researcher must give way to a dialogue-based model between a *theoretically informed* researcher and a *life-worldly situated* subject (ibid: 7). Thus, the researcher may use their epistemic advantage as an outsider to reveal aspects and presuppositions that usually remain concealed to the subjects themselves. The process works both ways however, and the interpreter also gains insights from the process: through a “methodologically undogmatic amalgam of interpretively gleaned insights and conclusions, phenomenological observations, and analytically conceived results and arguments” the researcher can “bring to conscious awareness the underlying premises of their own interpretative praxis” (ibid: 11).

Kögler is wary of the use of a universal context of judgement within research, as this can be methodologically problematic; he is

“strictly opposed to evolutionary accounts of cognitive or moral development or of an ideal speech situation as *interpretative perspectives*, insofar as these thought experiments use one’s own intuitions and assumptions to judge other beliefs and practices, instead of aiming at a radical self-questioning attitude.” (ibid: 168, emphasis in original)

In order to minimise the bias generated by the researcher’s own standards and persona, their pre-understanding should be divided into symbolic, practical and subjective spheres that describe different components; it is “internally differentiated into a *symbolic* sphere of basic beliefs and assumptions, a *practical* sphere of acquired habits and practices, and a *subjective* sphere that reflects biographical events and practices” (ibid: 251, emphasis in original). Kögler’s position is in line with Bourdieu’s in that self-distanciation is singled out as a key step in the research process (ibid: 252). In fact, the two positions are complementary in that Kögler’s expands the range of factors to be considered beyond the influence of one’s social position.

Of particular methodological interest is the inclusion of an explicit symbolic element which parallels the understanding of the role of culture outlined in the previous section. The inclusion of field-specific categories in the reflexive process can be implicitly found in Bourdieu’s position when he argues that, for example, the researcher’s role as a researcher will mean she tends to be

scholastic in her world-view. Thus the central categories associated with a specific position will come to have an effect on the interpretative process, a point made explicit by Kögler.

The final point is on the importance of reflexivity when conducting research with an abductive mode of inference: The researcher has to be extremely careful to avoid slipping into what Bourdieu et al. (1991) call a “spontaneous sociology” based on a superficial transposition of everyday knowledge into the scientific process. Without a radical questioning and break from everyday understanding, the researcher cannot hope to produce results which shed light on the conditions producing everyday interpretation of reality, and thus will simply reproduce it. Given the central role of the researcher’s interpretation in an abductive process, the risk of “artificialism” is extremely high and thus so too the need for reflexivity:

“Artificialism, the illusory representation of the genesis of social facts according to which the social scientist can understand and explain these facts merely through ‘his own private reflection’ rests, in the last analysis, on the presupposition of innate wisdom which, being rooted in the sense of familiarity, is also the basis of the spontaneous philosophy of knowledge of the social world.” (Bourdieu et al. 1991: 15)

Reflexivity is not the golden key to unlocking the mysteries of the social universe. On the other hand, it is difficult to imagine how any researcher could hope to produce an accurate empirical description without factoring in those facets of their own circumstances and persona which are going to influence the generation and interpretation of data during a research undertaking. In this project I lay claim to neither having achieved a pure objectivity through reflexivity nor having produced an auto-biographical account of my adventures in the rabbit-hole of ‘social reality’. The focus was on producing as accurate a picture of the empirical area as possible. A constant, low-level self-awareness on my part has helped avoid chronic levels of both would-be objectivity and unnecessary subjectivity. The resulting work should be read as a mosaic representing the views of all actors involved, including but not dominated by my own.

## 4.2 Data generation

Throughout his career, Bourdieu made use of a mixed methods approach integrating qualitative and quantitative aspects into his work. From the outset, his fieldwork was strongly informed by his training as a social anthropologist (see Bourdieu 1979; 2000), while he also made constant use of statistical data in his research. In addition to statistics, Bourdieu used of a broad range of sources including interviews, ethnographic observation with extensive field notes, photography, and document analysis. The mixing of various methods and data sources is something that Bourdieu strongly promoted as a means of avoiding scientific rigidity: “We must try, in every case, to mobilize all the techniques that are relevant and practically usable, given the definition of the object and the practical conditions of data collection” (Bourdieu/Wacquant 1992). The explorative nature of the work leaves much room for methodical flexibility – guided by the abductive mode of inference – with the two primary data generators being *ethnographic field work* and *narrative interviews*.

### 4.2.1 Ethnographic field work

It is more accurate to refer to ethnography as a methodology – as opposed to a method – and there is a considerable body of literature devoted to the epistemological underpinnings and intellectual cohesion of ethnography as an over-arching framework for the structuring of a research undertaking (see, for example, Wolcott 2005). Without trying to downplay the relevance of ethnography as a methodology, this project has relied strongly on the central ethnographic method – *participant observation* – while utilising it within a largely non-ethnographic framework. We will first look at the understanding of participant observation adopted, while there is a further discussion of organisational analysis, which falls under the broader rubric of participant observation, but which has some specific components that are incorporated.

As the term *participant observation* can imply a number of things to various readers, we adopt Becker and Geer’s (1957) classic definition which is simultaneously encompassing and delineated enough to serve as a description of the activities undertaken in this project:

“By participant observation we mean the method in which the observer participates in the daily life of the people under study, either openly in the role of researcher or covertly in some disguised role, observing things that happen, listening to what is said, and questioning people, over some length of time.” (Becker/Geer 1957: 28)

Becker and Geer’s labelling of some roles as ‘covert’ has, however, not proved accurate in this project. There have been some activities undertaken in another role in order to generate data, but not in a ‘disguised’ or ‘covert’ manner. In this case, it is more helpful to distinguish between *passive* and *active* phases in data collection.

An active phase was spent in the field assisting with a social enterprise project. This provided data for the analysis of various actors in the field, i.e. mid-level field actors or organisations in line with the recommendations of Emirbayer and Johnson (2011). In addition, this opened up access to situations and events not normally open for research. In the *passive* phases, field trips were undertaken to social entrepreneurial organisations and events in Germany, which provide a focal point for the social milieu central to the formation of the corresponding habitus and field characteristics. Locally organised events and on-line forums also offered insights into the development of social entrepreneurship in Germany.

Within the qualitative paradigm, there is much debate about what constitutes ‘good’ research, with organisational research also being influenced by this debate: The ethnographer Geertz (1973) was a strong proponent of “thick descriptions”, in which the subjects of study are observed over a period of years, leading to dense and detailed descriptions. At the other end of the spectrum are the so-called “quick descriptions” criticised by the organisational ethnographer Bate (1997). In this critique ‘thicker’ descriptions are seen as being closer to the spirit of ‘true’ ethnography. With the material and temporal constraints around this project, elements from *reflexive organisational* ethnography (Neyland 2008) and *focussed ethnography* (Knoblauch 2005) were included in order to generate short organisational descriptions which are accurate and relevant. Neyland’s (2008) work on organisational ethnography offers a framework and practical guide for the study of organisations. Knoblauch (2005) provides a means of combining short but intensive periods

of ethnographic data collection with longer periods of data analysis in order to provide a different type of description from that proposed by Geertz (1973) and the classical ethnographers.<sup>8</sup>

#### **4.2.2 Biographical-narrative interviews**

The interviews conducted in this project can technically be considered part of the ethnographic fieldwork. They require more detailed attention, however, due to the centrality of the material generated for the upcoming analysis. There were a total of eleven interviews conducted, with all but one taking place at the interviewee's place of work. The sampling strategy used in selecting the interview partners is outlined below, while here we will look at the structuring of the interview itself. The interviews are best described as semi-structured and biographical-narrative in nature (Mense Petermann/Klemm 2009), while the content of the guidelines was structured on the habitus analysis method developed by Schäfer (2011).

In the Appendix are copies of an earlier draft and the end draft for the interview guidelines, as well as a protocol template. The topic of social entrepreneurship forms the backdrop for the interviews, but there is a strong focus on placing it within the context of the interview partner's biography: The interview partners were asked about their family backgrounds and education; their career up to the point of beginning to engage in social entrepreneurship; and their activities in the field of social entrepreneurship. The interviewees were encouraged to speak as freely as possible. A standardised template was then used to track the relevance of the material vis-à-vis the habitus analysis approach.

While the habitus analysis as an interpretative tool is introduced in detail below, the basic presuppositions were used to steer the interviews and are thus

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<sup>8</sup> It should be noted that not all of the organisations included in Section 6.3 were visited on-site. Some descriptions are brought together from interview material, informal discussions with employees and others, and through interaction with the organisations in the 'active' phases of the research.

dealt with here. The habitus analysis model is based on four simple, interrelated assumptions about actors' relation with social reality:

- There is no basis for experience without interpretation
- There is no basis for interpretation without experience
- Actors evaluate experience as having been positive or negative
- Actors form views on the sources of positive and negative experience

Thus, as can be seen in the guidelines provided, the interviewees are asked open-ended questions on their positive and negative experiences and the interpretation of the relevant sources. In cases where more negative experiences and corresponding interpretations were introduced by the interviewee, the interview would be steered toward positive experiences and vice versa. While there were specific topics relevant to the research project (see guidelines in the Appendix), questions directly referring to those topics were only asked when the interviewee did not address the topic themselves. This tactic was followed in order to minimise the influence of the research process – and the researcher – on the interview material (see Seibert 2014).

### **4.3 Sampling and empirical focus**

In line with the view that numerous methods can – or should – be employed in completing the task of constructing and describing the object, numerous forms of empirical material were incorporated in this project. The selection of material was based on those aspects which were judged to be of most relevance in constructing the object according to the research approach, not according to what the actors themselves judged to be of greatest significance – though that is not to say that the two never corresponded.

The research process took an *iterative form* (Glaser/Strauss 2009), with new material leading to a re-interpretation of old and influencing where the process would lead next. The process began with a review of written material, some social entrepreneurship events, and only later came organisational visits and

interviews.<sup>9</sup> The written material provided a basis for developing *sensitising concepts*, which, according to Blumer (1969: 148), supply the researcher with “a general sense of reference and guidance in approaching empirical instances”, while avoiding a premature fixing of what is deemed relevant. This leaves open many routes, and serves to “merely suggest directions along which to look” (ibid). Supplemental to the material listed below, there was further material generated in email exchanges and informal discussions.

### **4.3.1 Written material**

Written documents provide a powerful means of communicating ideas and – potentially – reaching a broad audience. Several key publications were identified and used as a basis for further research in that they provided the sensitising concepts that guided the initial field work. Of course, the written material was not only examined in the early phases of the research, but material was revisited later on and new material examined as its relevance became clear.

The significance of the written material should not be down-played and understood as merely a preparatory stepping stone in the research process: In addition to the events organised around social entrepreneurship, the written material represents a powerful means of disseminating ideas and thus maintaining an influence over the understanding of what it is that social entrepreneurship is and should be.

The material below is made up of publications which are often mentioned by the actors themselves, implying they have had an influence on habitus development as well as on the nomos of the field:

- *The enorm magazine*: Enorm is a journalistic magazine and the only publication in Germany which is tailored for the social entrepreneurship market. It was first released in Spring 2010, and is published quarterly. This publication is the central point of thought on the topic of social

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<sup>9</sup> One practical consideration played a strong part in this approach: At the beginning of the project I spoke very little German, and so visits to organisations and native-language interviews would have proven unproductive.



entrepreneurship in Germany and has a major formative effect on the emergent habitus and field. A total of 12 issues were scanned and analysed.

- *Prof. Yunus' books:* The other central publications are the books by Prof. Mohammad Yunus, the Nobel Peace Prize recipient, whose publications have a strong readership among actors engaged in social entrepreneurship. These publications also have a strong formative effect on the habitus and field nomos with the publications being translated directly into German. Yunus' (2007) first publication on his version of social business was analysed.
- *Writings of Peter Spiegel:* Spiegel is the founder of the Genesis Institute and the Vision Summit. The role and character of globalisation processes is a central theme in his publication on a humane global economy, which included a call for Germany to lead the way in developing a global eco-social market (Spiegel 2007). Spiegel introduced Yunus to the German scene, but since has split intellectually in arguing for the promotion of social impact business, allowing for the payment of reasonable dividends (Spiegel 2011).
- *The Mercator Report:* Known to actors in the field as the 'Mercator Report', this publication (Mercator 2012) is a policy brief produced through a research consortium funded by the Mercator Foundation. The report received much attention as it partially debunked several central building blocks of the self-understanding of social entrepreneurship in Germany. It also highlighted a number of ways in which the state and private actors could promote the establishment of social entrepreneurship in Germany.

#### **4.3.2 Organisations and interviewees for the habitus analyses**

The choice of interview partners for the habitus analyses was based on actors who are active full-time in the field of social entrepreneurship.<sup>10</sup> Each interviewee was a founder of a social enterprise or working on services/investment provision to the social entrepreneurship sector. The actor did not have to be identified as a 'social entrepreneur', but must be active in the field; this procedure was adopted to at least partially circumvent the problem noted by Rummel (2011) where only those already identified as social entrepreneurs get included in research undertakings.

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<sup>10</sup> This has the drawback that the people chosen may be portraying themselves differently from how they are in actuality. A deeper investigation to ascertain the accuracy of these self-depictions was not feasible in this study, but the problem is largely circumvented due to the fact that even if actors were being untruthful vis-à-vis the reality of their actions, they will have been so in order to project an image of themselves which highlights those elements which they deem desirable according to the *illud* and *nomos* of the field. Given that it is exactly those elements which are of interest here, the desired image is equal significance to the reality.

The sampling was based on *theoretical sampling* (Glaser/Strauss 2009), with two underlying premises:

- From the literature, the issue of allowing or not allowing dividend payments on invested capital is a central theme. Thus, the interview partners were selected with a view to having half who were principally against the payment of dividends to investors, while the other half were accepting of the possibility.
- In terms of addressing the research objectives set, the habitus analyses would address the need for more actor-level research, but in order to deal with the second objective – assessing the influences on the field nomos – interview partners were also selected according to whether their activities address a social objective directly, or whether they act in a ‘peripheral’ function in enabling or investing in social enterprises.

Taking these two considerations and operationalising them left the following grid:

Non-dividend	Dividend-paying
Services/Investment provider	Services/Investment provider
Non-dividend	Dividend-paying
Social entrepreneur	Social entrepreneur

The selection of interview partners began with trying to identify some of the key figures in the field, who could be described as ‘core actors’, and then filling in the grid around them. Most of the people approached about giving interviews were very co-operative, but there were some difficulties in finding time-slots that would suit. The communication with the actors in question has also provided some of the empirical material used in the descriptions below, and it is instructive to note that the more business-oriented the interview partner, the more difficult it was to arrange a time-slot and the shorter the interview.

According to Schäfer (2011) and his research team, a minimum of 8 analyses are required to attain an adequate picture of the relevant aspects of the habitus. In this case, the total number of interviewees was 11, with 3 cases from each quadrant of the grid – except Dividend-paying Service/Investment. The

interviews were transcribed and analysed according to the interpretative process set out in the next sub-section. Here is a summary of the interview material:

- Dividends unacceptable, service/investment: 3 interviews; 160 minutes
- Dividends acceptable, service investment: 2 interviews; 109 minutes
- Dividends unacceptable, social entrepreneurs: 3 interviews; 143 minutes
- Dividends acceptable, social entrepreneurs: 3 interviews; 158 minutes

The number of minutes is included to give an indication as to how much transcribed material has been analysed from each group. This has, to an extent, an influence on the interpretative process in that the central categories can be identified through the habitus analyses using a coding process, i.e. more material leads to more codes and a stronger representation.

As it was, there were only two female interviewees. While it is difficult to make a definitive judgement on the levels of female participation in the field of social entrepreneurship, the ratio male to female of nine to two would not be too inaccurate in terms of its representation of the field as a whole. A further point is that the interviews were – as far as possible – conducted at the interviewee’s place of work in order to ensure that they had a sufficient level of familiarity.

The process of selecting organisations to visit followed a similar logic as the selection of interview partners. The initial focus was on organisations within the social entrepreneurship sector, with a view to assessing social objective integration and profit use/distribution. The founders of some organisations provided interviews, while the visits included informal discussions with employees and observations on the organisations activities.

The selection and approaching of enterprises to examine began with organisations which are well established and known within the field. The basis was at first drawn from the written material above, but moved forward with a ‘snowball effect’ leading from one to the next. Initial contact was primarily through email, though in several cases personal contact was made with members of a given organisation at social entrepreneurship events.

As the nomos and boundaries of the field became somewhat clearer, organisations outside of the field also came into consideration. Thus a

classification along three lines is useful, mirroring the sampling strategy above: *core*, organisations which address social objectives directly; *periphery*, organisations which enable or invest in social entrepreneurship; *external*, organisations which engage with the field but are external to it. The following is an overview of the number of organisations visited and the number of separate visits:

- Core: 6 organisations; 10 visits
- Periphery: 7 organisations; 8 visits
- External: 3 organisations; 5 visits

### **4.3.3 Project participation**

Over a period of six months at the end of 2012, I assisted a group of musicians in putting together a social enterprise project based on the provision of music instruction to children from socially-disadvantaged backgrounds and efforts to use music instruction to promote inter-cultural understanding. I was involved in producing the financial plans of the organisation and in trying to secure funding. The role afforded the opportunity to come into contact with external and peripheral organisations, gather information and experience on the founding process, as well as enter into social entrepreneurship competitions. An executive summary for the project can be found in the Appendix.

### **4.3.4 Social entrepreneurship events**

Large- and small-scale events play a key role in the formation of habitus and field in that they bring together actors who share an interest in social entrepreneurship, but who otherwise rarely meet in person. The events have a further influence in that the speeches, workshops and networking activities are arranged so as to maximise the exchange and dissemination of ideas.

The focus of the events visited tended to vary somewhat, opening up the possibility of comparing the views and interpretations of different actors. This also led to insights into the underlying motivation driving the spread of social entrepreneurship as it comes into contact with actors from different fields (i.e. those originally engaged in the political field as opposed to the economic field), thus offering a further comparative basis.

The events visited over the course of this project are broken down into three groups reflecting the scope of the event and the corresponding backgrounds of the attendees. Included in each case are a brief summary of the event and the number of attendees. The first group of events were *international events*:

- *Social Business Conference 2012*: London-based event focussed bringing together social entrepreneurs and social investors while exploring developments around the interactions between the two; c.400 attendees.
- *Global Social Business Summit 2013*: Yunus-based event in Vienna focussed on disseminating and discussing his interpretation of social business; c.1,200 attendees.
- *European Commission's Social Entrepreneurship Summit 2014*: Event organised in Strasbourg to discuss and promote social entrepreneurship in Europe; c.1,500 attendees.

The next group of events were *national events* which took place in Germany and which were focussed on bringing together actors from the German social entrepreneurship scene:

- *Klassentreffen 2010*: Yunus-based event focussed on disseminating and discussing his interpretation of social business; c.200 attendees.
- *SensAbility - Sozialunternehmerkonferenz 2014*: Business school-based event organised by students primarily for students and focussed on new thinking around social entrepreneurship and ethical business; c.400 attendees.
- *Vision Summit 2014*: Central social entrepreneurship event introducing new thinking and facilitating experience exchange around social entrepreneurship in Germany; c.1,200 attendees.

In addition to the events above, seven further *local events* were attended with the focus on local implementation of social entrepreneurial thinking. Attendance varied from round-table discussions involving 7 to 10 people up to larger meetings of up to 50 people.

#### **4.4 Data interpretation**

Having established the empirical material which formed the basis for the upcoming analysis, the final step is to introduce the methods involved in the interpretative process. Just as the *habitus analysis* influenced the interviews conducted, it is also intertwined with the *critical hermeneutic* approach outlined below. In effect, the habitus analysis can be understood to have been the central method involved in the critical hermeneutic process, though the two are introduced separately as they both have their distinctive features. The

interpretative process is closely tied to the representation and presentation of those aspects to be included in the chapters hereafter. This point is expanded upon after the discussion of critical hermeneutics with an infographic provided to summarise the presentation of the material.

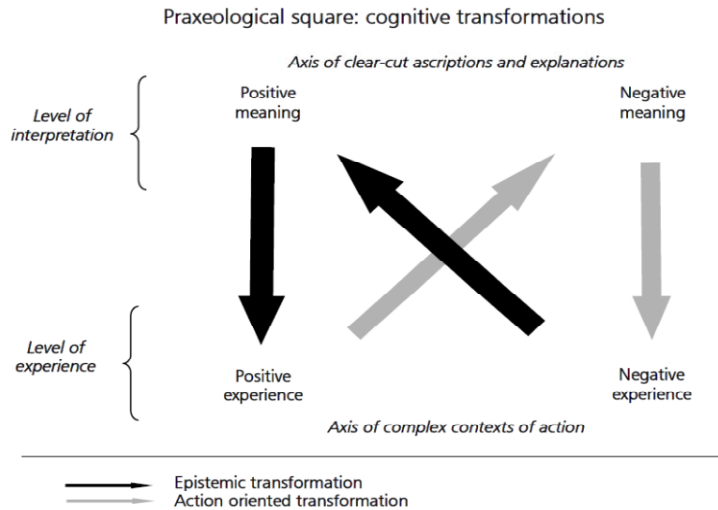
#### **4.4.1 Habitus analysis**

This method for examining specific details of the individual habitus is being developed by Schäfer (2009: 2) who introduces the method as offering “techniques for the analysis of qualitative research material and for the reconstruction of the actor’s habitus and ... identity as a network of dispositions”. The habitus analysis is a “praxeologically-oriented discourse analysis” (Schäfer 2003: 229, own translation).

While the focus to date has been on religious habitus, the method is equally appropriate for the study of economic habitus. Concretely, the analysis consists of coding qualitative research material [primarily interviews], which are then bundled semantically and used to generate categories grouped under four headings: positive experience, negative experience, interpretation of positive experience, and interpretation of negative experience. These four headings represent the corners of a praxeological square which can be used to systematically describe and compare elements of the habitus.

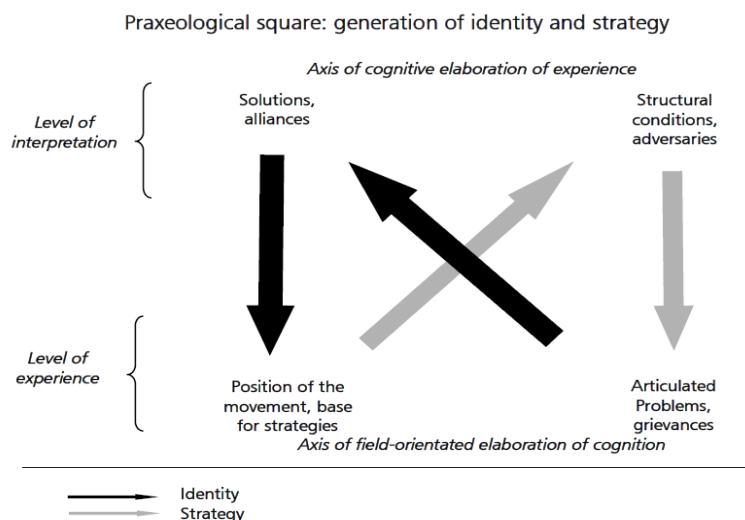
To date the praxeological square developed in this method has been used to model two distinct processes:

*Cognitive transformations:* In this respect the categories generated through the coding process are used to describe the “cognitive transformations that operate between the experiences of social relations and the ascription of meaning to them” (Schäfer 2009: 16). Two transformative processes are deciphered through the square, one epistemic (meaning ascription and interpretation of complex contexts) and one action-oriented (shaping of action through evaluation of experience). These transformations provide a basis for the analysis of particular aspects of the habitus and can thus be used as a comparative basis for comparing those parts of the habitus which act as operators for actors engaged in social entrepreneurship against those in a habitus for other economic actors.



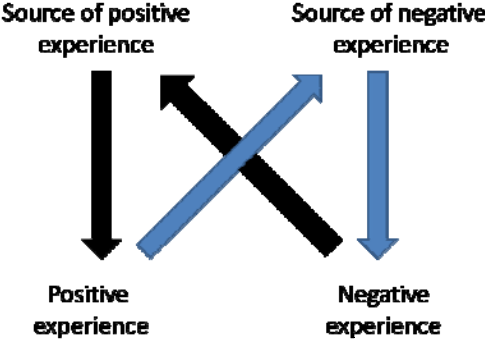
Source: Schäfer (2009: 17)

*Generation of identity and strategy:* In this second variant of the praxeological square, the categories are used as an interpretative basis for assessing the perceived grievances or problems which actors face, their causes and possible solutions, and the strategies which arise from these conditions. Abstracting from this interpretation, it is possible to make postulations with respect to the characteristics of identity and the strategies pervasive in a field. This also leads to insights with respect to the perceived structural conditions and nomos within the field vis-à-vis the opportunities (“solutions”) and constraints (“adversaries”) with which the actors’ strategies seek to contend with.



Source: Schäfer (2009: 19)

Abstracting from these two practical applications of the praxeological square, a simplified heuristic can be drawn out where the four corners represent positive and negative experience and the perceived sources of these experiences. The resulting square can be shown as follows:



In this way, the central categories which have been identified as operators in a habitus can be related to each other in an accessible and comprehensible manner. The depictions of the praxeological square in the upcoming analyses are closer to the second variant outlined above, whereby the blue arrows represent strategies for dealing with the negative experiences and their sources, while the black arrows signify identity formation and illustrate the operators which the actor deems positive and thus wants to be identified with.

**4.4.2 Critical hermeneutics**

The interpretation of the various sources of data drawn upon in this project is undertaken along the lines of a critical hermeneutic method. The basic concept is that the hermeneutic cycle involves a constant interplay between the ‘representation’ of our empirical area with the ‘whole’ of that empirical area. The result should be that, in the end, the representation is as true and as accurate as possible.

Critical hermeneutics was derived from the debates between the interpretative and critical traditions, typically represented by Gadamer (2004) and Habermas (1990) respectively, with Ricouer (1981) credited with bringing the two position together. It is the work of Thompson (1981) which guided the hermeneutic process in this project, building as it does on the work of both Habermas and Ricouer. Thompson (1981) presents an in-depth analysis of the importance of the contribution which the work of Ricoeur and Habermas have



made to the philosophy of the social sciences, while also providing criticism of each. He uses *ordinary language philosophy* as a basis for his work in the belief that this process may help to provide insights into the advantages and usefulness of both hermeneutics and critical theory.<sup>11</sup>

Thompson's formulation of a critical hermeneutic method is based on two explanatory components: The concept of *schemata*, which are regulatory forces or "accumulated conventions of the past" (ibid: 174). These dictate the social genesis of human action and "impinge upon the actor and govern the creative production of the future" (ibid). Here, instead of using the term 'schemata' we will use *categories*. The second element is *social structuration*, in which there is a dynamic relationship at play between social structures and actors. Social structures are reproduced through *social institutions* which help to limit action, but, simultaneously, particular structures may be transformed by agency (ibid: 176). This is in line with our understanding of habitus and field as institutions.

Thompson then proposes that the first moment in a depth interpretation must involve the *mapping out of cultural categories*, a process which may draw on techniques such as comparison and abstraction. This first step enables the investigator to explain why an act is performed in relation to particular categories, thus providing an explanatory component in the understanding of human action (ibid: 176-7).

The second moment in the process involves the *reconstruction of structural elements* which enables one to expose concealed aspects of institutions such as the exercise of power or the impact of ideology (ibid: 177). This step places the actor within an observable web of conditions of which they are partially or completely unaware. This mapping out of the categories aids the understanding of action. Further, analysing the formational processes of structuration enhances the comprehension of these categories (ibid: 178).

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<sup>11</sup> It also is worth noting that Thompson edited the English version of Bourdieu's ((2003)) *Language and Symbolic Power*.

There are two ways in which the critical hermeneutics adopted here diverges from that of Thompson: In line with the position on the relation between the researcher and the researched, we must be extremely cautious when ascribing the researcher a greater capacity to recognise the ‘web of conditions’ in which an actor may find herself. Instead, presupposing an equal relation between the researcher and the actor, both are ascribed a capacity to recognise and articulate elements of this web. The role of the theoretically-informed researcher is then to express this knowledge in a succinct and analytical manner; but an accurate picture of the empirical reality can only be produced in an even-handed dialogue with actors who possess the practical and life-worldly knowledge needed in the production of those pictures.

Thompson’s interpretative method involves two steps, which correspond roughly to the break-down of the analysis undertaken in this project, i.e. with distinct representations of the cultural and socio-structural aspects. The second issue arising is that, in practice, it was not feasible to conduct one analysis before the other. There were at different points in the interpretative process shifts in the focus placed on the cultural aspects and on the socio-structural aspects. It would be more accurate to say that the two processes – if they can be separated at all – took place in parallel, with each providing insights into the other. The upcoming portrayal of the central categories as something distinct from the socio-structural descriptions should not be taken to imply an empirical or ontological split; it is an analytical approach and a useful means of aiding the reader in their efforts to make sense of social entrepreneurship in Germany.

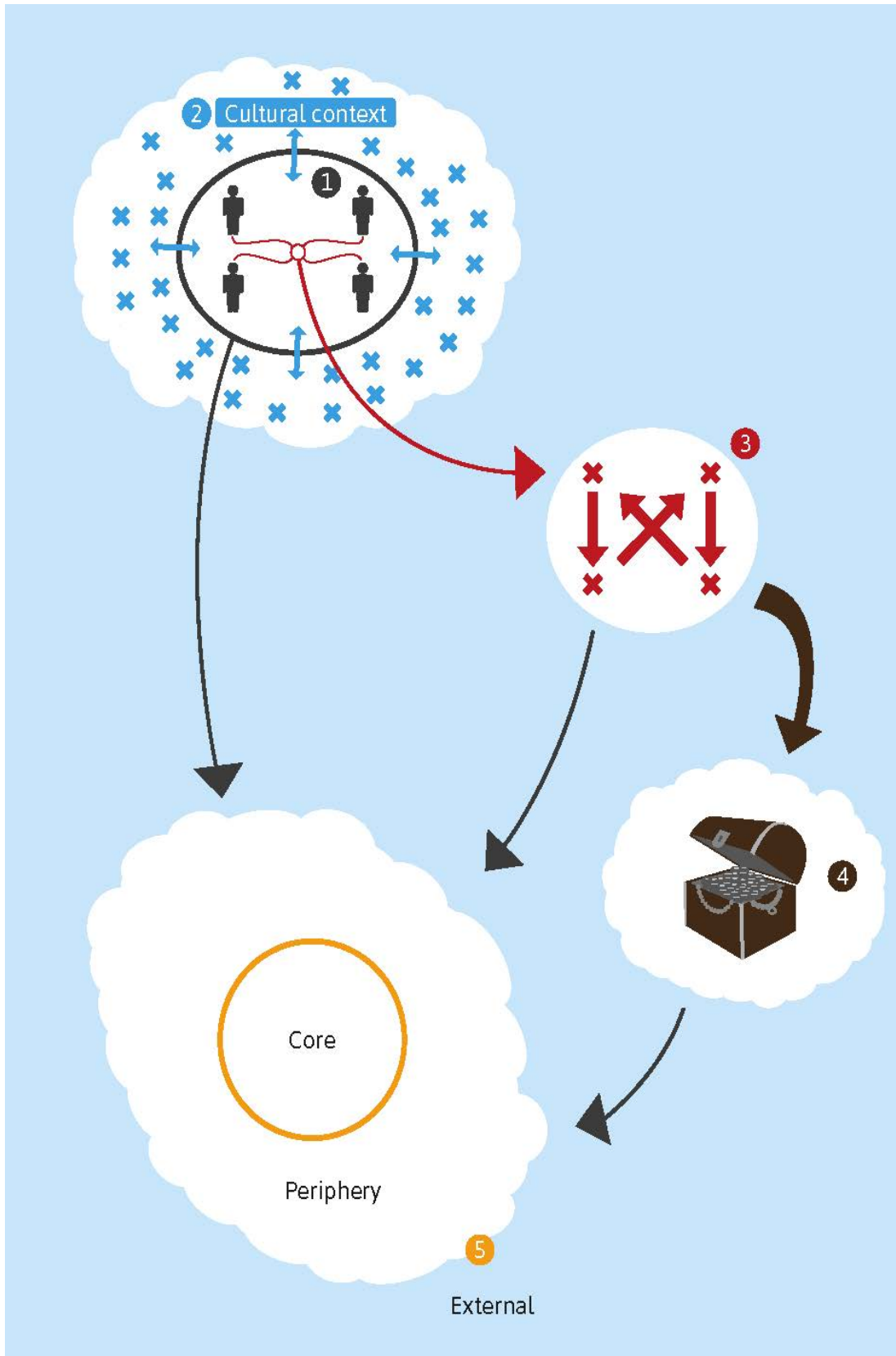
#### **4.4.3 Graphical representation of results**

A graphical representation – or ‘infographic’ – of the results is now provided in order to illustrate that which will be depicted in words over the next two chapters. The items in the graphic are numbered and represent the order in which the corresponding aspects will be dealt presented:

- 1. Actor types:* The first aspect of the results is a set of actor-types. There are two main actor types identified, each with two sub-types. One interview per actor type is examined in detail and used to introduce categories which have come out as central in the habitus analysis.

2. *Cultural context*: Drawing on the categories introduced in the actor-type descriptions, the cultural context in which social entrepreneurship is appearing is described. The context is painted in very broad strokes using analysis from other researchers who have produced detailed analyses of phenomena related the categories identified.
3. *Economic habitus*: Many of the categories introduced in the descriptions of the actor types are used as operators by actors in the field of social entrepreneurship. The pattern of relations between the operators is illustrated using praxeological squares.
4. *Symbolic capital and illusio*: The analysis of the economic habitus provides an understanding of the symbolic capital relevant to the actors, which, when transposed to the level of the field, sheds light on the illusio in the field.
5. *Field nomos and boundaries*: Drawing on insights from the analyses of illusio and other factors, the various facets of the nomos are introduced in combination with descriptions of key organisations operating in the periphery of the field. This also leads to descriptions of points of interaction with external institutions.

Owing to the fact that social scientific research on social entrepreneurship and the field itself are at a relatively nascent stage of development, the research paradigm adopted was explorative and qualitatively based. This led to a largely ethnographically-based style of fieldwork centred on participant observation and narrative interviews. A broad range of data sources has been utilised in addition to the interviews including visits to organisations, written documents and visits to key social entrepreneurship events. The interpretation of the data followed two inter-related methods, with the more focussed habitus analysis complementing the over-arching critical hermeneutic method.



## 5. Actor types and cultural context

A common means of presenting findings in the qualitative research paradigm is the presentation of *types* which are used to categorise and group features of a given phenomenon. This can be done, for example, with organisations (Mense Petermann 2000) or for actors (Archer 2007). As in any social group, the actors engaged in the area of social entrepreneurship in Germany cannot be described as homogenous and each has their own background, their own biography, and their own focus. The biographic-narrative interviews conducted in this project yielded results which lead to two distinct actor types, the *business convert* and the *liminal*, which can be used to classify almost all of the actors involved in this sector.<sup>12</sup>

The primary differentiation between the two actor types lies in their narratives before and after they come into contact with social entrepreneurship. For each of the actor types, there are two further sub-types identified: amongst the business converts there are the *enabler* and the *maximiser*; while amongst the liminals, there are the *ever-green* and the *seeker*. The differences between the sub-types are more nuanced than the differences between the actor types themselves, but the inclusion of all four provides the reader with a comprehensive introduction to the range of actors active in this sector.

In order to portray these actor types, one interview per type has been selected and is examined in depth to identify defining characteristics. There are two inter-related reasons why this style has been adopted: Firstly, in the next chapter, the results of an intensive analytical process are presented with the socio-structural building blocks around social entrepreneurship duly portrayed. There is empirical material included in these depictions, but it is used in an illustrative manner and removed from the life-worldly context from

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<sup>12</sup> There may be a third group emerging, which could be labelled *social sector converts*, but the classification does not have a sufficient empirical basis in my material to warrant its inclusion. These actors would be those who are coming into contact with the concept of social entrepreneurship from a social sector background. If they are there, the number of these actors is extremely limited in comparison with the other two groups, though this may begin to change if the developments around social innovation begin to take hold, as discussed later.

which it originated. The following portraits allow the actors to introduce their field in their own words, and in the context of their own lives. This affords the reader the opportunity to familiarise themselves with the actors, thus providing a concrete basis for the socio-structural renderings.

The second point is that the actors' interviews are used to introduce details of the cultural context for the emergence of social entrepreneurship in Germany. A number of central categories acting as operators in the habitus of actors in this field have been identified through the habitus analysis. The structural relations between these categories are explicated through the use of praxeological squares in the next chapter. Before we reach that stage, however, many of the central categories are highlighted [i.e. *italicised*] in the descriptions of the actor types and the cultural context from which they originate is examined in detail.

The categories are divided into two groups and introduced at the end of the passages on each actor type. This does not imply that the categories should be read as being exclusive to the actor type whose description brings them in; it would be more accurate to say that they are more prevalent for that actor type. As the depiction of the distinctions between the two actor types is based primarily on differences in their biographical narratives, the portrayals of the actor types also follow a biographical pattern.

### **5.1 The business convert**

The business convert is characterised by the following biographical path: The actor achieves a high level of success in a 'standard' career before becoming aware of a growing sense of unease or nonfulfillment; upon coming into contact with social entrepreneurship, there is a more or less immediate biographical break with a corresponding move into social entrepreneurship from their position at that point. There will have been little or no social engagement or social entrepreneurial activity up to that point. Based on their backgrounds, the business converts can be sub-divided into two further actor types, the *enabler* and the *maximiser*. Both types share the characteristic biographical narrative, but the focus of their activities diverge due to their specific skill sets and corresponding levels of focus.

The central categories employed by business converts tend to reflect their longer involvement in the 'standard' economy. It is important to again emphasise that the categories introduced should be read as valid for all actors engaged in social entrepreneurship, though more prevalent among the business converts.

### **5.1.1 The enabler**

The enabler is an actor who has moved into the social entrepreneurship space from areas such as management consulting or financial services. In the social entrepreneurial area they continue to apply their stocks of knowledge and skills, working on topics such as capacity building and financing for social enterprises. We will take excerpts from the interview with Michael to examine more closely the typical narrative of the enabler.

We begin with Michael's background, where it quickly becomes clear that the environment in which he grew up in had a strong influence on his later career-related choices:

Well, I come from a middle-class family. I was influenced from an early age by the many self-employed and entrepreneurs among my parents' circle of friends. My father himself had a technical training and was an employee in a large company.

During his most formative years, Michael would have had a stable economic background, with the chance to establish a solid basis of cultural and social capital. In a classic Bourdieuan sense, this basis and his middle class background provide Michael with a strong possibility for success in his later efforts within the economic field. As it turns out, business-oriented studies were not his first choice with there being interests beyond those dominant in the economic sector.

After finishing school, I actually wanted to study in the classic Humboldt style. In other words, back then I would have chosen philosophy, German studies, definitely psychology too and maybe something else. My parents reacted with great poise. They didn't forbid me to do that, they simply said "Oh, we have a bohemian in the family!"

Michael began to weigh up the options which would be available to him if he were to choose such a route. These included becoming a teacher, a professor, a

museum director or gallerist. In the end, spurred on by family expectations, his decision was to move into business in order to later support his other interests.

Then I get into business as a means to an end. I choose a career, an occupation, and then I can pursue my other interests as a hobby. That's how it came about.

With this decision made, Michael sought out and attended one of the top business studies courses available in the German-speaking world before embarking on a 'normal' career.

Following on from that I had a relatively normal career biography. I worked as a strategy consultant, but always focussed on the area of making out and assessing business plans. Then I switched paths, and then I did my doctorate...

On the basis of his doctoral work, Michael went on to co-found an information technology-based consultancy. Despite the success of the operation, doubts began to grow as to the satisfaction and *meaning* which could be derived from this work:

And then there was a tipping point that I saw, it was when I received a new commission from a major client. I just frowned a bit and looked half-heartedly through my calendar and told them I would take on a role in the steering committee. Then I looked for someone that I could send there, some consultant. And I realised that in that moment I should really have been jumping for joy and shouting yippee!

Michael's identification with his professional role began to dwindle over a period of approximately six years, with an ever-stronger *social orientation* taking its place. The possibility of working professionally in a social context was not immediately apparent to Michael, but the offer to get paid for his involvement in a project opened up this horizon.

It wasn't easy for me to grasp that he wanted to pay a fee because he said – and this I learned through him – that he wanted this project at the top of my agenda, like a real commission that I also do in the morning and not only in the evening when you're tired and maybe have other things to do. He wanted it done as professionally – both in terms of content and the time-frame involved – as a normal commission. I knew this kind of work more as voluntary work, and I felt uncomfortable with the fee we did arrange, which was a moderate fee. But then I began to see just how much work was involved, and that it was appropriate to pay a fee.



Based on this experience, the dissonance between his professional path and his social leanings grew until a definitive change in direction became necessary in order to avoid slipping into a *crisis*.

Whenever I introduced myself, I never spoke about my consultancy work, but only about this work on the side. And in the end something in me said that if I continue like I'm doing now, I'm going to have a mid-life crisis in ten years. And that's how [enterprise name] actual came into existence, as a preventative against a mid-life crisis.

Michael's new operation works on a *project* basis and draws on a *network* of free-lancers for support. He uses his stock of experience and knowledge to help social entrepreneurs develop *innovative* solutions for assisting people who are in some way disadvantaged.

It's the sector where services are provided for socially needy people, people who have a particular difficulty or disadvantage. And I work with people who develop solutions that not only help people to deal with their circumstance, but to do so in a manner which is economically sound.

Michael goes on to clarify why helping ensure a sound economic footing and *financial sustainability* are such important issues in much of the social sector in Germany:

That means, particularly economically, there is an underlying issue in many sector there whereby every extra person that you help increases the financial deficit. Then structurally you can't help any more people, because all the money in the world isn't enough to cover all these deficits.

Dealing with this problematic issue is the first of the *social aims* Michael stated for his new career.

And that I find simply wrong. That can't be the case, the end of our knowledge. Therefore I take it on myself to make sure that the same people get help, at least as well as other do it, but that at the same time it's economical, it's sustainably viable.

The origin of this problem lies, according to Michael, in a widely held perspective from the philanthropic sector, which states that the greater the operational losses, the more 'social' is the organisation. Showing that this does not have to be the case has been a high point in his career, providing him with a *sense of fulfilment*.

But it was like that back then, you'd hear in these committee meetings the others talking about the ground-rule, the higher the loss the more social is the service. That was a kind of seal of approval, that you were providing a social service. And we're out to show the opposite is true. Well, not directly the opposite, but we're out to show that it can function differently. And that has worked out.

The sense of *meaning* and *self-realisation* Michael derives from his work can be seen in another career milestone in convincing several philanthropists to invest part of their capital endowments in the social sector.

... I had secured new funds for social objectives. That money had been invested in some international financial instruments and we secured a portion of those funds, and a substantial sum at that. That was exactly the point, exactly what I was looking to do. I want more money to flow into the social sector through my actions.

Fund and wealth managers are put off by the higher risk on social entrepreneurial projects, however, with another major issue being the fact that such investments are too novel and do not fit the expectations of those managers.

It was a long and arduous way before I realised that only the only backers who come into question are private individuals, those who have their own funds. No employed manager with a mandate can choose to invest in my projects. That's related to the fact that this kind of social investment is simply too colourful. They don't fit the normal boxes, and financially seen their risk profile is poor.

There is, however, a growing interest among wealthy individuals in the area of social entrepreneurship and investment. So what is the motivation for these individuals to invest in such projects?

In the end it's a question of meaning, the somewhat luxury question of meaning. If you have – financially seen – had a lot of success, then the question arises as to why you are doing what you do. You start to find the best deck-chairs in Monaco, the ones right up front, are really expensive and difficult to reach with your yacht. You begin to say to yourself, why? And then there are many others who say that investing itself is something lifeless.

Michael's experiences and the new focus he chose for his life are typical for the enabler, reflecting a questioning of the reason for economic activity and the concept of *progress*. The enabler is a professional networker and is characterised by particularly high levels of social capital. Their perception of

and role in the field of social entrepreneurship can be described as systemic: They are engaged in the process of developing systems or securing resources to enable social entrepreneurs achieve their objectives. The enabler will formulate this role in objectives for himself, though the actual societal benefit remains in a sense indirect in that the social benefit they generate is in helping others to achieve social change.

One of the reasons why Michael was chosen as our enabler is that the time-span for his conversion from the 'normal' business world to social entrepreneurial one was approximately six years, representing the longest conversion phase found in this project. In the next section, we will see that this process can occur much more rapidly.

### **5.1.2 The maximiser**

As noted above, business converts follow a specific biographical trajectory. The maximiser will not have a background in consulting or financial services, but from one of the myriad other branches within the economy. As with the enabler, the maximiser will bring their previous experience to bear in the social entrepreneurial sector, but their focus will be on tackling a concrete societal issue as opposed to enabling others to do so.

Our example for a maximiser is Fred, whose switch from the standard economy to the social entrepreneurship sector was more abrupt than gradual. Before we reach that defining point, we will first look at Fred's background and earlier career. Fred describes his parents' background, noting that those were difficult times. Both his parents had worked, but after she had children, Fred's mother stopped working outside of the household. Fred's father had earned himself a secure position over his career, though his working life had started sooner than he had hoped.

He had the intellectual capacity to have graduated well from school and to go on to study. But it was a different time, straight after the post-war rebuilding phase, and he had to bring in money. So he had to go work ... He did fifteen years as a plasterer, then joined the local administration and as I was born he was employed in the public sector ... My mother was trained in the textile industry, and had served an apprenticeship in dressmaking. After she had children, she became a full-time housewife and mother.

Fred's childhood was a secure and enjoyable phase, where he had room to be active and develop.

My parents had then built a little house, as it goes. Built a little house, dad working in the public sector, mom at home. There were three of us at home. I would say, looking back, I have always said that I had a great childhood with a lot of freedom. I see myself always on the football field, school, homework, then back to playing football.

Partly inspired by religious influences in his childhood, Fred spent a year working with monks in Brazil. Thus, a decision to try to move into the development sector had a concrete background.

I finished with school, then did my civil service, which was still twenty months back then. That was still before the wall came down, 87-89. Then came that year in Brazil and I then started with my studies, aiming to get into the development sector.

As it would turn out, Fred did not make it into the world of international *development* as he had planned. He instead followed another path which opened up to him during over the course of his studies.

It didn't actually come to that. At some point, as I was studying politics and economics and Spanish I only had journalists or wannabe journalists around me, it became an option for me. It wasn't the first option, but then I did an internship and realised that it was exciting, and then, as these things go, I continued on that path.

Fred continued on the journalistic route, taking on a number of *projects* over the course of his eighteen year career. Eventually, Fred began to realise that his path may have taken a wrong turn.

... I then went to Cologne as a head reporter for the [...]. That was a great time, two years I took care of the Page 3, the file of the daily newspaper. Then I turned to magazines, The [...], a lifestyle magazine. After that I worked as a chief editor, as a political correspondent, and as an economic correspondent. And then also with [...], a men's lifestyle magazine with lots of naked flesh. A poor man's Playboy, awful! I had somehow ended up on the wrong track.

Upon finding himself working in corporate publishing, Fred was no longer able to draw any satisfaction from his work and was slipping into a *crisis of meaning*. He thus sought help from a business coach.

... after one hour he said to me, “Mr. [Fred], it’s pretty simple, in the space of one hour you have managed to say twenty times that you’re sick of your job. Either you quit, in which case you’re welcome to come back, or you don’t quit, in which case you stay well away from me.” I thought to myself that that is a clear message and a week later I handed in my notice ... it makes no sense to have a job where I have to drag myself there and then sit for ten hours or sometimes long into the night and where I simply break down. My mid-life crisis.

At the suggestion of his business coach, Fred visited the Vision Summit where he heard for the first time about social entrepreneurship. It made an immediate impression, though Fred was perplexed that it is not better known.

... that just can’t be true, A, that I have never heard anything about this sector, and B, that I have never read anything in newspapers or magazines or so. These valuable ideas, these valuable smart ideas aren’t broadly publicised and never really reach the masses, because it has potential. That was also around the time of the economic and financial crises you know, where many people reoriented themselves anyway, and alternative concepts really hit a nerve.

Fred identified strongly with what he heard, and saw an opportunity to leverage his experience in journalism to increase awareness about social entrepreneurship. Being able to *contribute socially* in this way offers the possibility for *meaning* in his occupation.

... where I started at 17-, 18-years-old, I had lost somewhere along the way and now with this topic I feel like I’m getting back to that. What I mean is that I am reconnecting with my values that I carry within me – strongly influenced by a sense of fairness – and connecting that with all that which I learned over eighteen years of journalism to produce something new. And then it makes sense.

Having developed the outline for a magazine around the topic of social entrepreneurship, Fred assembled a small team to get the *project* off the ground. While the focus of the magazine impressed established players in the publishing sector, the decision to run the operation as a non-dividend paying organisation was not met with enthusiasm. Fred’s interpretation of *profit-maximisation* differed greatly from what was expected.

They found the idea really cool and that it was the right topic at the right time. That was until we started to talk about the business model. There were five co-founders and we had all agreed that we are a social business. We can’t go writing about something new if we’re not doing it ourselves, living it. We found ourselves back outside very quickly! They had said, “OK, no profit

distribution? So you don't want to earn anything." We had said that we do want to make money, but what's left after all the costs are covered stays in the business. In the social business tradition, we don't want to maximise the monetary profit but the eco-social profit, maximising the societal profit. They simply didn't understand. Well actually, they did understand, but they said they find it totally crap!

Despite these setbacks, the magazine was launched, and reporting on social entrepreneurship in Germany over the years has provided Fred with a number of insights. He is confident that the field is beginning to institutionalise and take root in Germany.

At the moment we are experiencing a rupture, in a positive sense. What I mean is that the social enterprise sector in Germany is taking shape. In many corners there are projects, universities are looking into it, it's on the political radar for the past two or three years. Albeit at the Ministry for Families, crazy! Anyway, big businesses, or their foundations, have a foot in the door, the financial sector too. All that means that what we're seeing this year is structure.

Fred is quick to point out that social entrepreneurship is not the only concept seeking to generate societal changes. Again, questions about the role of the economy and *progress* come into play with many of the efforts aimed at establishing alternative economic models to circumvent the problematic aspects of the *capitalist* model.

In the end I believe we're going through an exciting time with respect to this field, and I think that it will continue to grow, alongside other efforts. While there is a great deal of overlap, there are also many other approaches that are attracting a lot of attention. There's the Sharing Economy or the Solidarity Economy which are both pulling in a similar direction. They've all found support on the basis of, above all, the economic and financial crises. Capitalism as we know it had its victory in 1989 through confrontation with and as an alternative model to communism or the socialist economy and now, twenty years later, we've discovered that it's also totally crap.

The potential significance of social entrepreneurship for societal development is highlighted by Fred's assertion that it could play a central role in ushering in a new form of social organisation, decoupling societal development from the current interpretation of capitalism. There is an important *freedom to innovate*, though what exactly will come is an open question.

Capitalism, as it's currently interpreted and lived, is heading up a blind alley. Therefore the openness to new alternatives is essential and also widespread at the moment. Social entrepreneurship is but one of many and works with many others, and it is important to view it like that. It is not the road to redemption, but it is a darned good way forward. How the history books will judge it in a hundred or five-hundred years, we don't know that today. But my feeling is that it is a bridging technology to something else, and we don't know what is going to come after that. Whether it leads to a post-monetary economy, or leads to a solidarity economy, or leads to chaos. Well, I don't think it'll lead to chaos, but who knows!

At the heart of Fred's actions is a drive to maximise the eco-social returns generated by his organisation. This is a novel interpretation of the profit-maximising logic dominant in the economic field and is characteristic for the maximiser as an actor type. The maximiser will have high levels of cultural capital, having specialised in a particular activity. On coming into contact with social entrepreneurship, the maximiser seeks to leverage their expertise and develops an objective which addresses a concrete social objective while still relating to their former career. As with the enabler, the maximiser will have reached a biographical point with a radical questioning of the meaning of their occupation accompanied by a feeling of actual or impending crisis.

### **5.1.3 Cultural context: Part one**

A number of categories were highlighted in the passages above and many correspond with operators active in the economic habitus from the field of social entrepreneurship. The development of the novel relations between these categories is dealt with in the next chapter. In this section, however, we will address the third research objective and explore the cultural context from which these categories are being drawn. While identifying the central categories was feasible in this project, a thorough researching of them was not; thus we rely on secondary material from prominent thinkers on the topics in question.

Before we move on to describing the components of the cultural context deemed most central in this study, we will first look briefly at the understanding of culture adopted here and thus shed light on the empirical connections between the categories introduced, habitus, and the cultural context. Here, culture is understood as a symbolic system, where the *cultural*

*context* of a given individual or group is that set of *categories*<sup>13</sup> that can be drawn upon when acting, interpreting or developing strategies to get along in social life. Culture becomes part of social reality in that moment where it is drawn upon and utilised by actors for their purposes.

From this perspective, habitus, understood as a generative means of guiding an actor's actions, represents a specifically configured matrix or pattern of interlocking categories which then act as operators. This matrix is semi-durable and adaptive, meaning that it can be influenced by external factors – e.g. field effects and other external stimuli –; but it is also generative, meaning that the introduction of new categories or re-interpretations of existing operators are possible, as is a reconfiguration of the connections between operators. This can in turn lead to novel institutional configurations in the cases where these new patterns become accepted and shared by a group and institutionalisation occurs.

The categories introduced through the actor types are drawn from the interview material of all of the interviewees as well as other data sources. How they relate to each other in praxis is examined in the next chapter where the economic habitus is described. Here, however, the focus is on the cultural context. In this case the categories introduced shed light on the context in which the actors' understanding of specific cultural symbols is derived from. Empirically, the cultural context is difficult to grasp, but through addressing a number of central categories, we can begin to achieve a level of orientation vis-à-vis the origins of the interpretation of specific symbols adopted by the actors in question.

Taking the example of the business convert, they will have spent a large part of their life active in the 'standard' economy, and thus shows a prevalence towards using categories and interpretations of categories which can be traced back to developments within and around the capitalist system: Fred's efforts to

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<sup>13</sup> A category is understood as a meaning-filled symbol used by actors when interacting with social reality.



maximise the eco-social profits of his operation can be seen as a straight-forward variant of the *profit-maximising* principle ubiquitous in the economic field. Writ large, the profit-maximising principle is connected to the closely related notions of *progress and economic development*. While the topic of profit-maximisation can be traced back to earlier stages of capitalism, more recent developments are also apparent. The project-based careers of both Michael and Fred point to a trend which was captured by Boltanski and Chiapello in their work on the *projective city*, while their work on the failure of the social critique of capitalism opens up the question of *self-realisation and crises of meaning*.

### **6.1.3.i Weber and profit-maximisation**

According to Weber's (1998) analysis, the origins of present-day capitalism can be traced back to Protestant sects. In the areas of Europe and America where capitalism began to develop, people knew that to gain access to certain sects, one first had to be accepted by a cast of ballots by others already within the sect. The would-be initiants were subject to a rigorous assessment of their eligibility, principally on the grounds of their conduct in life, "the decision was made according to whether or not the person had *proved* his religious qualification through conduct" (ibid: 312, emphasis in original). Those who wished to join the sects had to be seen to have lived in accordance with a strict, rational set of norms, thus "it bred, or if one wishes, selected qualities" (ibid: 320). The initiation process would have a strong formative effect on an individual's habitus and, once in the sect, the members had to continuously demonstrate – to themselves and others – that they were able to hold their own, that they were among the *chosen* people. This involved continuously *proving* their worth, thereby "the sect controlled and regulated the members' conduct *exclusively* in the sense of formal *righteousness* and methodical asceticism" (ibid: 322, emphasis in original).

Weber addresses examples both from Europe and America in his explanation for the influence of *life as proof* on capitalism. The basic premise is that the Protestant sects *stuck to their own* in a business sense. If a member had proved his worthiness, then he could be trusted to conduct his affairs in a rational, honest manner. Thus lines of credit could be extended to him, and it

was assumed that business could be safely conducted with him. While there were usually no formal regulations against the conducting of business with an outsider, “it was self-understood that one preferred the brethren” (ibid: 319). When travelling outside of the local area, or when moving to a new area, a certificate was supplied to insure the bearer, and as a means of vouching for his trustworthiness. The instant trust conferred by this certificate would be crucial to a businessman seeking to expand his operations; this made it essential that the rational moral code of the sect was adhered to, and that the businessman continuously *proved* his eligibility among the sect (ibid).

The accumulation of wealth was not discouraged; in fact, the opposite could be said to be true: as Weber (2012) describes it; “For if that God, whose hand the Puritan sees in all occurrences of life, shows one of His elect a chance of profit, he must do it with a purpose” (ibid: 162). Thus the maximisation of profit, and the associated accumulation of wealth, was seen as part of *proving* oneself in the eyes of God. Wealth was not unacceptable, but “the enjoyment of wealth with the consequence of idleness and the temptations of the flesh” (ibid: 157) were interdicted and viewed as a “distraction from the pursuit of a righteous life” (ibid). In this insight Weber shows us that the continuous drive for profit-maximisation within the capitalist system was not – at least at the outset – related to greed, but was instead a means through which members of those Protestant sects went about *proving* themselves as being members of the ‘elect’.

As capitalism became more institutionalised, a passive acceptance of wealth generation gave way to a *win-at-all-cost* drive for profit-maximisation with one of the results being that actors within the economic field are provided with a normative justification for disembedding economic activity from its social constraints. The ‘rational’ pursuit of profit as ‘good’ in itself became institutionalised in the logic of the economic field and in the business models that showed up in this period, best illustrated by the corporation. The popular view of the socially unreflexive nature of contemporary business models is succinctly captured by Bakan (2004) who brands their actions as being “the pathological pursuit of profit and power” (ibid). Social entrepreneurship can be interpreted as a reaction to these tendencies and their repercussions. On the

other hand, social entrepreneurs often uses the profit-maximising category in describing their activities, while the nature of the ‘profits’ to be maximised has been re-interpreted as being eco-social or societal. The move to an understanding of profit beyond the purely material reflects a broader questioning within the social entrepreneurial sphere of the idea of ‘progress’.

### ***5.1.3.ii Progress and economic development***

Victor (2008) tracks the concept of ‘progress’ from its roots in Baconian philosophy, Newtonian science, and works from other Enlightenment writers such as Voltaire (ibid: 5-9). The rise of science, and a gradual improvement in living conditions gave birth to the idea that existence is not static, as had been traditionally presumed, but is part of a process which can lead to better conditions for one’s descendants (ibid). Victor notes that the perception that our lives might somehow be better than those before and that our children’s lives may be better than ours is now taken for granted, but this idea has only emerged since the seventeenth century. It is tied to the project of modernity, and Victor even goes so far as to state that progress is “the quintessential modern idea. It is modernity” (ibid: 6). During the eighteenth century, progress was seen as involving “all facets of individual and social experience” (ibid: 8). This view became popularised through the nineteenth century, and by the twentieth century “the idea of progress was fully accepted by mainstream society” (ibid). But over the centuries the concept of progress became ever-narrower and more focussed on material development:

“a broad conception of progress encompassing improvement in all facets of the lives of individuals and communities has been severely curtailed as the idea of progress evolved from its historically broad origins to the narrower conception of progress as economic growth.” (ibid)

While Victor notes that the concept of progress narrowed (ibid), he makes no attempt to develop the reasons underpinning this claim.

The economist Benjamin Friedman (2013) does try to provide an explanation. Friedman tracks the process whereby economic growth became synonymous with progress back to the writings of Adam Smith and Anne Turgot. He writes that both mapped out the historical development of economic institutions, and coupled them with social and political development (ibid: 27-8). Thus,

economic developments were seen as inevitably leading to developments in other aspects of life as part of an ongoing process: “this process, driven by the underlying engine of economic change, necessarily led to political and social advance” (ibid: 29). The result was the idea that economic activity, even if derived out of self-interest, in the end contributed to the common good; “commerce would harness [individual’s insatiable] appetites to serve the society as a whole” (ibid: 40). Offering a complementary point on Weber’s explanation for the emergence of certain characteristics within the commercial actors’ habitus, Friedman notes that “the Enlightenment thinkers also saw that commerce rewarded such personal traits as reliability, order and discipline” thus “it was in people’s self-interest to adopt those and other similar personal characteristics, conducive to success” (ibid: 41).

Friedman (2013) also discusses the results of psychological experiments which show that people come to see a decrease in growth as a loss, an important reason for the drive for *sustained* growth. Ultimately, economic growth became strongly correlated with progress, with Friedman summing up the position in a section on the empirical foundation for this correlation:

“Raising people’s incomes and living standards is precisely what economic growth does, and the consequent improvement in lifespan, health and literacy is the foundation of why higher incomes matter so greatly for citizens.” (ibid: 299)

Actors within the social entrepreneurship scene are moving beyond the economic growth paradigm, with authors such as Meadows et al. (2004) in particular being influential. As we will see later, the logic of growth maintains of significance within this area – though in a specific form –, while characteristics of contemporary capitalism are also noticeable.

### ***5.1.3.iii The ‘new’ spirit of capitalism***

Boltanski and Chiapello (2005b) analysed a large number of management texts in order to find an explanation for why a number of seemingly negative developments in France were accepted largely without social unrest at the end of the 1980s and early 1990s. Their hypothesis was that the ‘spirit of capitalism’, or the ideological position providing justification for involvement in capitalism, had undergone fundamental changes between the two periods

they analysed, 1959-69 and 1989-94. In essence they find capitalism to be an extremely adaptive institution that relies on critics to provide the means through which it can adapt itself and continuously regenerate a justifying ideological basis to which actors within it can turn when confronted with criticism (ibid). While their extensive study raises a host of subjects for discussion, here we will focus on two: the *projective city*, and the non-answering of the *social critique*.

Before we get into the work in more detail, however, it must be noted at this point that the reading put forward here is limited to those elements which are of greatest relevance to this study. The complete work on the new spirit from Boltanski and Chiapello is an expansive and highly detailed volume, a point which must be kept in mind when reading the abridged descriptions below. In particular, the compressed representation of the social and artistic critiques could be viewed as an overly-selective and instrumentalised reading of their work. Weighed against this danger is the interpretative added-value to be gleaned from their insights, and the elements included below are selected to shed light on the emerging field of social entrepreneurship, and not to reinterpret or misrepresent the original work.

The concept of the *city* had been developed by Boltanski in earlier work with Thévenot and referred to a range of justificatory regimes used by actors to justify their activities (see Boltanski/Thévenot 2006). Each of the six cities they theorised had its own justificatory test, which ties the justificatory element of the city to reality by confronting verbalised claims with real world experience (ibid). Each city also has its own conception of *great* or *small*, i.e. what characteristics are seen as desirable (Boltanski/Chiapello, 2005a: 167). Boltanski and Chiapello (2005b: 103-63) posit that a new city has evolved, which they refer to as the 'projective city'. The introduction of this new city is deemed necessary to account for the increase in references to the terms *network* and *project* (ibid).

Capitalism is now characterised as having become strongly networked in nature, i.e. there is an emphasis placed on the development and maintenance of connections with other people. Having a large network of contacts which can be drawn upon is a principle feature of 'greatness' within the projective city, of

which the 'project' is the defining feature. The utopian vision of one's work life is seen as being a series of short-term projects, with variety in the nature of these projects being highly desirable. Greatness in this environment is ascribed to those who are always available to engage in a new project. Other attributes of the great include: adaptability, flexibility, sincerity, and an enthusiasm to increase others' employability (ibid). Some of the key characteristics valorised in the projective city are central in the social entrepreneurial scene: These include innovation, creativity, dismantling of rigid hierarchy, and independence in thought and action (Boltanski/Chiapello 2005b: 419).

Boltanski and Chiapello posit that during the twentieth century two forms of critique against capitalism were formulated: the artistic critique "elaborates demands for liberation and authenticity" (ibid: 346), while the social critique "denounces poverty and exploitation" (ibid). With the *social critique* remaining largely unanswered, Boltanski and Chiapello (2005b) interpret the emergence of the projective city as being at least a partial response to the *artistic critique* that capitalism was subjected to from 1968 into the early 1970s – as evinced in the characteristics valorised above (ibid). But questions remain over the anxiety or feelings of a "loss of meaning" due to the lack of authenticity inherent in capitalism (ibid: 420).

The example of 'eco-products' is used to illustrate how capitalism can assimilate aspects of criticism into its institutional logic. The realm of eco-products was seen during the 1970s as being a bastion for an authenticity-based artistic critique of capitalism's tendency toward commodification (ibid: 445). This was based on the view of nature's diversity having inherent value, and on nature being the ultimate source of originality. As the number of 'green consumers' rose during the 1980s, generating a challenge to the standard capitalist logic, it led to the development of 'green marketing' whereby businesses began to highlight their eco-credentials (ibid: 446). Over time it became difficult to distinguish between firms who were ecologically reflexive and those who were not. As a result of the commoditisation of the green image, scepticism began to increase during the 1990s, and the growth of the 'green consumer' movement faltered; the threat to capitalism's functional logic had been neutralised (ibid: 449).

The analysis of capitalism put forward by Boltanski and Chiapello has dual implications for theorising on social entrepreneurship: On the one hand, organisational developments have led to increased freedom and room to innovate, particularly due to the emphasis placed on creativity and independence in thought and action [with the ideal-type being that of the entrepreneur]; while on the other hand, the unanswered social critique and only partially answered artistic critique act as a motivation to seek out alternative societal configurations. Whether social entrepreneurship offers a sustainable solution to the social or artistic critiques remains an open question, but the subject of meaning is certainly a central theme, and one which catalyses the transition for business converts. The perceived lack of authenticity in contemporary society is related to another topic that is generating debate: the relationship between capitalism and *self-realisation*.

### ***5.1.3.iv Capitalism and self-realisation***

It is the Marxist view on self-realisation that is of concern for those analysing developments within capitalism, whereby authenticity and the issue of the ‘good life’ for workers are highlighted (Elster 1989). In the more recent work of Axel Honneth (2004), self-realisation attracts more detailed attention. Honneth’s (2004) argument – which in some ways parallels with that of Boltanski and Chiapello (2005b) – is that self-realisation has been incorporated into the internal logic of capitalism, thus transforming it from a potential source of liberty into a legitimating and oppressive feature of capitalism’s architecture. Honneth assesses different forms of individualisation before positing that different strands began to come together during the late 1960s and early 1970s (ibid). A key part of the unified version of individualisation is taken from Romanticism, and stresses the unique character of the individual and encourages the attainment thereof; this perspective “permitted one to regard life as though it were an affair of experimental self-realisation” (ibid: 470).

Faced with this trend, institutions were forced to adapt to the new demands from individuals who wanted to have the creative and flexible working conditions seen as conducive to attaining self-realisation (Honneth 2004). Over time, however, the institutionalisation of these demands has led to a

situation where flexibility is now demanded of people, and where the individual is given the responsibility to define or create their own role; this reversal leads to a deeper involvement of the individual and the utilisation of efforts at self-realisation as a productive force within capitalism. Honneth posits that this configuration demands more of the individual than the previous Fordist regime (ibid: 471-4). His pessimistic summary is that this process has strongly negative effects:

“the individualism of self-realisation, gradually emergent over the course of the past fifty years, has since been transmuted – having become an instrument of economic development, spreading standardization and making lives into fiction – into an emotionally fossilized set of demands under whose consequences individuals today seem more likely to suffer than to prosper.” (ibid: 474)

Honneth concludes his line of argumentation by positing that one of the primary results of this process has been the massive increase in recent times in instances of depression and crisis. People feel more empty and lack meaning in their lives, pushed too far by the constant requirement to generate a façade of a flexible and dynamic ‘self’; as Honneth puts it:

“the permanent compulsion to draw material for an authentic self-realization from their own inner lives requires of individuals an ongoing form of introspection which must sooner or later leave them feeling empty.” (ibid: 475)

Somewhat characteristically for a member of the Frankfurt School, Honneth’s vision of an over-individualised and vacuous existence within the capitalist system may be a little melodramatic, but it does highlight the reason for many actors being motivated to move into social entrepreneurship: It is an attempt to instil life with more meaning. The transition into social entrepreneurship undertaken by business converts is characterised by an effort to achieve a level of self-fulfilment, bringing together their expertise with a socially meaningful objective in their occupation. This leads to a clearly defined narrative of ‘before and after’ for the business convert as an actor type. It is this aspect of their narrative which differentiates the business convert from our second actor type, the *liminal*.



## 5.2 The liminal

*Liminality* came out of anthropological work on rites-of-passage rituals in tribal communities. The liminal phase of a ritual describes that period where the person involved is no longer identified as being in their old role, but is not yet deemed to have taken on their new role. Turner (1975) describes liminality thusly:

“The first phase, separation, comprises symbolic behavior signifying the detachment of the individual ... from either an earlier fixed point in the social structure or from an established set of cultural conditions ... During the intervening liminal period, the state of the ritual subject ... becomes ambiguous, neither here nor there, betwixt and between all fixed points of classification ... In the third phase the passage is consummated and the ritual subject ... reenters the social structure ...” (ibid: 232)

Liminality has been picked up on by several authors, most notably (Szakolczai 2003) and Thomassen (2009). It is in Thomassen’s work that liminality is used to describe individuals who not only find themselves outside of ‘normal’ social structures due to external factors, but also individuals who themselves choose to remain on the periphery of established cultural settings and social structures (ibid). It is this interpretation of liminality which provides the basis for the labelling of our second actor type as *the liminal*.

With the liminal, the primary characteristic is not engaging fully in established social roles: They have short or interrupted careers in the ‘normal’ economy, though remain detached from its structure and identity. The narrative of the liminal is not characterised by a dialectic of before and after contact with the social entrepreneurial field. Instead, the narrative is one where the field of social entrepreneurship offers a space for the liminal to feel at ease in choosing to (re-)enter a social role and identifying with the cultural setting.

There are two sub-types for the liminal, the *ever-green* and the *seeker*, with the differentiation between the two sub-types based on the fact that the ever-green will already have been engaged in what is now referred to social entrepreneurship, even before the category had become established; on the other hand the seeker is younger, finding that social entrepreneurship offers the possibility of engaging socially but in a form that appeals to their desire for autonomy and creativity. Whereas the sub-types under the business converts

were classified according to their professional backgrounds, the ever-greens are from an older age group than the seekers. They do, however, share many central categories and focus within their work.

### **5.2.1 The ever-green**

While social entrepreneurship has only appeared over the past two decades – and from the mid-2000s in Germany (Leppert 2013) –, the practices which are captured and represented by the term have been engaged in by actors over a longer time-span. The ever-green is an actor who has been in social entrepreneurial practice before it was labelled as such. The ever-green tends to non-typical career paths and a low level of identification with the specific roles that they have filled at certain points in the past. The ever-green may or may not have worked in the standard economy, though if she has then with social entrepreneurial projects running in parallel. The emergence of and contact with social entrepreneurship as a field in its own right does not lead to a break and change in direction in the ever-green's narrative; it instead represents a title or social role which fits to the actor.

Our ever-green is Erwin, whose career has brought him to the point of being an established social entrepreneur. His narrative is characterised by a series of situations in which his status can be described as being 'liminal', on the edge of the established and not always accepting of the status quo. Erwin grew up in a rural setting with working parents and an environment which was not oriented toward academic achievement.

I come from a relatively simple background. My mother worked in the public sector and my father was a worker in a mid-sized company, and later as an office worker. I lived in a small village of 800 inhabitants. Our family were not highly educated, and there were a number of coincidences which came together to make it possible for me to graduate from school and then go on to study.

Erwin did eventually go on to study, though the decision took time and the intervention of friends. Reflecting the significance of *peace*, Erwin decided against military service – a decision taken by all the male interviewees in this project who would have had to serve.

... there were a number of steps to be taken before I could graduated from school. Even then I didn't dare to start studying directly. That wasn't the done thing in my family and in our village. The only one who had gone on to university at that time was the doctor's son. In the end, there were two reasons for my decision. Friends that I had made in school encouraged me, and on the other hand I didn't want to join the army. Berlin was the only escape route.

The focus of Erwin's studies certainly contributed to his later work, which, as we will see, was focussed on a form of economic inclusion through the promotion of entrepreneurship among people with disadvantaged backgrounds.

I studied to be an economics teacher. In my time that was effectively a full degree in economics and a full degree in pedagogy. Basically you could have labelled it a double-degree.

As it transpires, Erwin's choice of studies was also influenced by his training as a banker, which he had undertaken after finishing school. He identifies so weakly with that stage of his past that the information only emerges much later in the interview when discussing a different topic.

... despite being a trained banker. That I had left out before. I mentioned that I didn't study directly after school, but had gone into a training programme at a bank. Becoming a banker was seen as the most qualified business training that you could get, so I had applied and been accepted. I didn't have any strong affinity to the bank, except for the fact that it was a well-positioned job and one could earn well at it in those days.

Returning to his times as a student, Erwin was involved in a number of projects. Despite studying to become a 'standard' business studies teacher, he worked simultaneously for a large and strongly left-leaning organisation in Berlin. One of his tasks was to introduce new trainees to the organisational system. The result, however, was not that which was expected from his employers.

... I was responsible for introducing young trade unionists to the programme. I brought them to visit alternative companies and showed them how work and education can be organised on a self-help basis. That contradicted the Marxist-Leninist ideas of the unionists, that capitalism's faults have to be problematised. Alternative ideas were seen as counter-productive. Change comes from the top down and not from the bottom up, that was the general rule. I was pretty quickly thrown out.

Having completed his studies, Erwin's attention turned to the development sector. His curiosity led him to undertake a personal fact-finding mission to assess the *social impact* of money channelled through international aid organisations.

... as I finished at the university, I went to Central and South America and gained experience there around development politics. I wanted to see what actually goes on with the money that gets made available. That was more of an autonomous evaluation in that I didn't have any mandate to do it. For me, it was all about the social impact. I went there and observed a couple of projects to see what happened with the money, and checked whether something really came out in the end.

Returning to Germany, Erwin was unconvinced about the development sector and did not return to banking; he instead chose to work free-lance. He soon established his own social enterprise which expanded operations over the course of the 1990s. One of the key projects was to help disadvantaged groups to start their own businesses. This approach was originally developed for young people, but was later applied to other groups.

... in this way we were able to build up the first integrated model for entrepreneurs from disadvantaged backgrounds, and developed a new financing tool. We then took the experiences we had made with these young adults, and transferred it into a model to help people with disabilities.

The financial tool to which Erwin refers was a form of micro-finance developed in conjunction with a German bank. The idea was launched in 1999, seven years before the global micro-finance trend sparked by the Grameen Bank's Nobel Prize in 2006.

In 1999 we launched the first micro-finance model in Germany with the [...] -Bank. Based on this DM50k programme, the [...] -Bank went on to found the German Micro-Finance Institute years later. The model has led to the German micro-finance approach which has €100m backing in Germany. All of that has emerged from the original DM50k project. We were, so to speak, the first German micro-finance organisation.

Erwin's long-term engagement in establishing *innovative* solutions to social problems provides him with a broader perspective on new programmes. Speaking, for example, on widely-acclaimed developments in the United

Kingdom, Erwin points out that the approach is not quite as innovative as it is made out to be.

I was, for example, in the UK where I visited the Big Society Bank and Big Society Capital and listened to what they're doing. And that sounds, when you look at it from the context of social innovation in Europe, like something really novel. But when you compare it with what we have in Germany for the past fifty years, the Bank for Social Economy, you see that it's a class below what we have for a long time already.

Erwin's attention to developments in other countries does not neglect what is happening on the German scene. Of particular interest is the evolution of the social sector, with the relationship between the Wohlfahrtsverbände and the state deemed pivotal and closely knit. The state is trying to foster more competition in the sector in order to increase efficiency, while the Wohlfahrtsverbände are to an extent resisting these efforts.

There is a tight symbiosis, and some things get squeezed out through that. You don't have to be economical as a Wohlfahrtsverband because you have so much influence over the decision-making process. That influence is sometimes constitutionally safe-guarded. The trend, however, is increasingly about trying to promote competition. The Wohlfahrtsverbände on the other hand are working against this process, because in the end it's about their continued existence.

Erwin is not critical of the Wohlfahrtsverbände and their work, but he does elucidate the problems associated with trying to establish a culture of *innovation* in the current system.

... it is defined, down to the finest detail, what you will be paid for, and what you won't get any more money for. In those circumstances, any form of innovation is economically damaging because it automatically leads you to receive less money. So the drive is not to improve things, but to reduce scale. That's why you don't have much of an innovation culture in the Wohlfahrtsverbände. At the same time, there will ever more pressure and a number of parallel processes in place from the state, as they have to save money.

Despite social entrepreneurship being a niche phenomenon and tiny in scale when compared with the Wohlfahrtsverbände, its potential might be scaled through closer co-operation between the two scenes. Up to now however, the relations between the two has been largely cool, fuelled by the media tending to focus on the *cult of the entrepreneur*.

... the Wohlfahrtsverbände consider the social entrepreneurs to be competitors and a danger because they receive so much positive press. The background is that this is politically desirable in order to increase the pressure to innovate among the Wohlfahrtsverbände. Of course, if you ask me, I see the process of change lying in the opening up of the core areas of the Wohlfahrtsverbände. This opening up and increased innovation could well take place through co-operation between social entrepreneurs and the Wohlfahrtsverbände. There is a certain dynamism, because a number of central themes begin to come together there.

The popularity of social entrepreneurship has grown towards the end of the 2000s, with Erwin experiencing a rapid growth in the number of people seeking to switch into the social entrepreneurship scene. This surge in interest has stemmed partially from efforts by actors within the sector, but external factors also play a huge role. Of these, the issue of *ecological crises* and the search for *meaning* in work – oft catalysed by the financial crisis of 2007 – have been among the most important.

There is therefore a large number of people who want to launch social start-ups and have their own social enterprises. They simply want to have meaning in their work. We have a huge number of applications from people who want to work with us, who are looking for a job or want to do an internship. And that has a good deal to do with the financial crisis, which opened people's eyes up to the fact that money is not enough to make you happy. There's also the climate crisis, and these two have certainly opened a lot of people's eyes.

In the late 2000s, Erwin received several awards for social entrepreneurship, almost twenty years after he had begun with those activities. This narrative is typical for the ever-green; the work they have been undertaking for years was once considered liminal, but with the emergence of social entrepreneurship their efforts are gaining in public recognition and support. What is unique about the ever-greens is that they will already have a stock of symbolic capital built up, having been active in this area for some time. The sense of prestige and recognition afforded by this symbolic capital translates into a rapid increase their social capital in recent years, reflecting the growth of the field itself. The ever-green will not have had a sense of impending personal crisis nor have made a transition into social entrepreneurship, but will have had the field develop around them – or they will have helped establish it.

### 5.2.2 The seeker

In contrast to the ever-green – with their established track-record in social entrepreneurship – the seeker is new to the sector. The seeker is young, well-educated and looking for a possibility to develop as a person while contributing to positive social change. Unlike the business convert, the seeker will have spurned a traditional career, remaining in a liminal position vis-à-vis the ‘normal’ economy. For the seeker, social entrepreneurship is not only about finding or maintaining meaning in life, but also about having the space to experiment and try out new approaches to and models of economic activity.

Our seeker is Steve, who co-founded a social enterprise in southern Germany. Steve grew up in a wholesome environment and exhibits a high awareness of the influence that his parents had on his development, particularly during his early years.

I grew up in [...]. You could say it was a kind of paradise, a supposed paradise. My mother is a teacher, my father an architect. He also pushes in an ecological direction, with very high standards, both with respect to form and ecologically. That's the reason why we often went on culture holidays. On holidays, from a kid's perspective, it was demanding but I got a lot out of it. You develop a kind of eye for quality. It means that you don't just take things for granted, that things you don't slip into indifference. Responsibility is another factor. You stand for something, even if it's arduous.

Steve's education was ‘alternative’ in that he received a Waldorf schooling as opposed to a standard one. His performance in school was dependent on his level of interest, but at university he began to show greater potential.

I spend the full thirteen years at a Waldorf school. The full program from kindergarten through to a really poor graduation. Then I needed to get out of there. I went on to study in [...], and also spent time in Istanbul. There were also study-related trips to India and the US. I was a poor pupil at school. I always saw that in certain moments I was really good, when I had the motivation to do so. During my studies that changed drastically. There I was suddenly among the best, which was a major surprise for me. It also told me that I was on the right path.

Steve studied design with his final project based on social design; he had a strong desire to pursue his interest in incorporating social aspects into his work. At the same time, we can see that employment in the ‘traditional’ economy was not an appealing route. Working freelance in design offered him

an amount of freedom, while his personal *mission* was to integrate social design into all aspects of his work.

There was a strongly consistent development, that perhaps couldn't have gone differently. After my studies, where we had written a work on social design, I turned free-lance. I couldn't imagine being an employee. I worked two years on free-lance projects for advertising and internet agencies, and constantly tried to bring in the themes around social design.

This compromise position was not to last for long, however, and once the possibility came to co-found his social enterprise, Steve took the opportunity to found a socially-oriented co-working and events space. He was also aware of the fact that the more common path into social entrepreneurship is that of the business convert, but his desire to test out the possibilities open to him was stronger than his reservations about his own track-record.

I spent the whole time searching, in fact I am still searching. That which I developed in theory, I wanted to test in practice. Can a business work from the off for the common good? That meant a jump into the deep end after my studies, because I had seen that most successful operations in this sector started out doing something else. They established themselves and then went through a kind of 'change'.

Steve sees his efforts to help establish a welfare economy as part of a much broader movement towards a more just and humane economy. He takes the example of speculation on food prices to illustrate how the question of personal ethics and *corporate responsibility* manifest themselves in the reality of the business world.

Ok, so what is legal and what is illegal? The question must be posed as to whether someone is indirectly guilty complicit when they knowingly invest in something that will lead to food shortages and to the deaths of thousands of people. When we speculate on these things, are we not just as guilty as when we are directly involved, as is currently deemed illegal? So if someone knowingly has such speculative investments in their portfolio, then they must also be held accountable.

Typical for an actor in social entrepreneurship, and particularly for a liminal, is that Steve goes on to posit that institutions – in this case the legal system – should not be understood as a rigid set of commandments to be followed. Instead they should be viewed as open-ended and offering the space for a creative re-interpretation.



We may come to have a different understanding, an understanding where our legal system and our laws are seen as guidelines for orientation and not as a solid block which is simply there and with which we have to try to get around or through. You have to live with them, view them as themselves living and have the desire to improve them. That would shift a lot of things in our heads, and help to deal with things differently and not to simply accept things as they were once written by someone else.

This desire for a level of flexibility within the institutional framework is reflected in what Steve finds positive in the German context: There is a great deal of *freedom to innovate* and experiment.

What I personally find unbelievably positive in Germany is that beside all the established and existing, there is an incredible amount of small and new which is emerging and that the space is there for that. We still have enough democracy that you are free to say what it is you think. I believe that is really precious, and means that this diversity can grow here. Good things, which are well thought-through have a possibility, a real chance to establish themselves.

Despite the freedom afforded him with respect to the spectrum of open possibilities, Steve is still concerned that his work and that of the movement towards a more socially-oriented economy will eventually be assimilated into the 'standard' economy. Social development would again no longer be viewed as a good in itself, but as a means of developing new markets. The failure of social entrepreneurship to remain socially-focussed would be a massive disappointment for Steve.

And that wouldn't be because it's not right or that it doesn't work, but because the existing system would use its influence to undermine it by using it in a superficial manner and not really implementing it. In other words, this rapid positive development which places society squarely in the centre-stage will ultimately be used to create new markets for big corporates. There are enough examples of this happening, look at Bangladesh. When you see the third world as a new market, then there would be conflicts between the social classes and society begins to drift apart. One should see this as an opportunity for them to start new for themselves, not a chance to live at the cost of others.

The concern about the fate of the social economy is secondary to concerns about the environment into the future. As noted by Erwin above, there is a strong awareness of the *ecological crisis* currently materialising. Steve views these issues with a degree of worry, but also sees the crisis as being a potential source of rapid social development. He also introduces the topic of differences between *generations* in their perception of events and how to move forward.

If you ask me, the biggest problem is going to be the environment. That's because we are now facing a challenge which we couldn't even have dreamt of! It's actually an area for education. We are growing up with a pressure to break from systematic creativity and diversity, instead trying to squeeze these things into existing schema because that's what the adults want due to their non-functioning society. That's why this field is so exciting, because I think we can make great leaps in a completely new direction.

Returning to the topic of his enterprise, Steve makes explicit his opinion on the amount of energy required to deal with bureaucratic processes in Germany. Steve interprets this as being a result of a lack of *corporate responsibility* and a resulting lack of trust in society towards the business sector.

I see the whole bureaucratic system as a major hurdle, which you have to overcome if you want to get anything done. In a phase where you should be looking to focus on the content and development, you end up dealing with a whole lot of stuff which stem purely from a societal mistrust of people who want to do things. Because he could use all of that for his own advantage. That becomes for everyone else a stumbling block.

Steve and his partners chose to found their company as a normal GmbH in order to illustrate that such an organisation can be used to generate social returns. The social returns are also recorded by the organisation and the *social reporting* is afforded as much energy as the financial reporting.

We want to show that a normal limited company can be a good business, in the sense of the common good. That is, perhaps, simply an ego trip. We want to be able to live from what we're doing and to be independent from donations. It is of course a real business, which should seek to generate profits, though these profits should flow back into the business. In this way, investors receive no share in the profits. We pay fair wages though. At the moment we make our social contribution available for others. We record, alongside our normal balance sheet, a balance sheet for our social contribution.

With many others in the area, Steve shares a systemic understanding of the social entrepreneurship phenomenon which he sees as being the first shoots of the 'fourth sector', situated between the economic sector and the *third sector*. Whether or not the fourth sector will establish itself fully remains to be seen, but a move towards a stronger social orientation in the broader economy is a real possibility.

I always have this sector model in mind. We currently find ourselves in the emergent fourth sector, somewhere between the private and the social sectors. What I mean is that I believe the private sector has to move more towards the social sector, in the sense of the fourth sector. Connecting the social with the economic. And private interests in business should be given a less central position constitutionally.

As they are taking the first steps on their professional paths, the seeker tends not to have high levels of social capital and limited amounts of cultural capital. The seeker is constantly looking for space to innovate and create, while maintaining high ethical standards and a strong awareness of the implications of their activities. The seeker has a plastic understanding of social institutions, viewing them – at least in principal – as being malleable and open to re-interpretation. The seeker may have tried different roles in different sectors, but feels at home in the field of social entrepreneurship because it offers the seeker a combination of socially meaningful work with space for experimentation and exploring new institutional configurations.

The mix of the four actor types in the field would be an interesting point to develop quantitatively. From observing the developments over the course of this project, I would postulate<sup>14</sup> the following trend: At the outset of field development in the mid-2000s, a small number of enablers began coming together with evergreens. While a limited number of further ever-greens continued to be identified, the number of enablers and maximisers grew quite rapidly at the end of the 2000s – due to growing public recognition and the financial and economic crises. The field continues to draw in business converts, but a wave of seekers have begun to be attracted, and they will prove to be the major source of growth over the coming decade.

### **5.2.3 Cultural context: Part two**

More recent developments within capitalism – around *innovation* and the *cult of the entrepreneur* – are playing a central role within social entrepreneurship, and are introduced below. These descriptions lead into a discussion of the

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<sup>14</sup> Please note: There is no hard empirical or statistical basis for this postulation.

*generational perspective* regularly used by actors in this sector and which has been pivotal to the differentiation between the ever-greens and the seekers. Of course, developments within capitalism only account for part of the cultural context from which social entrepreneurship is emerging. The other major source of inspiration and relevant models is the *third sector*, itself linked with a growing ecological awareness.

### ***5.2.3.i Appendage to the new spirit***

Before moving on to the topic of generations, there are two strong trends which require some attention at this point: the quest for innovation and the myth of the entrepreneur.

As we will see later, *social innovation* is a potential focal point around which actors in the social entrepreneurial space will be revolving over the coming years. Thus it is necessary to note that this is an off-shoot of the broad movement towards innovation within business and politics, or as Fagerberg and Verspagen (2009: 218) put it: “Innovation’ is one of those words that suddenly seem to be on everybody’s lips.” Fagerberg and Verspagen (2009) track the trend around innovation through the classic economic works of Schumpeter, showing how industrial innovation has now become a point of convergence for the scientific, political and business communities. Innovation is now identified as a key aspect of business strategy (Mitchell/Coles 2003), while ‘innovation policy’ is a well-established term on the political scene (Flanagan et al. 2011) and is often linked to the promotion of entrepreneurship (Audretsch 2004).

Innovation is not the only mantra emanating from the business world: Sørensen (2008) provocatively draws a direct link between religiosity and the depiction of the entrepreneur as a modern-day saviour. The less polemic work by Jones and Conway (2000) provides a structuration-based critique of the glorification of the individual entrepreneur by showing the social embeddedness necessary for success with a new business. Despite much evidence to the contrary, the idea of the heroic entrepreneur still persists (Dodd/Anderson 2007) and – as we have seen in the literature review above – it provides a powerful image promoted both in the ‘conventional’ economic

setting and within social entrepreneurship. It is an ideal-type which is strived towards by many young business people and seen as a means of realising one's 'true self' in an economic setting.<sup>15</sup>

### ***5.2.3.ii Generation gaps and overlaps***

Though certainly not a perfect science, efforts at tracking the differences in world views and attitudes between different generations have become more plentiful over the past decade. Their reception too has grown, with many discussions – particularly in the social entrepreneurial scene – now being based around the 'traditionalists', the 'baby-boomers', Generations X and Y, the Millennials, etc. There have even been some efforts made, albeit tentatively, at drawing connections between generation analyses and developments such as the moralising of the market and a new emphasis on 'values' in the business world.

Kertzer (1983) points out that the idea of the 'generation' has proved useful in everyday *lingua franca* for millennia; but the adoption of the generation as a social scientific concept has proved difficult and fraught with irregularities, particularly regarding definition and operationalisation. More recently Parment (2012) noted the confusion among sociologists when trying to distinguish between generations and age cohorts. Even once a definition has been decided upon, there are a host of technical difficulties with generational analysis (see, for example, Masche/van Dumen 2004; Dowd 1979). When one adds in the normatively explosive notion of intergenerational justice (Tremmel 2006), it becomes clear that high conceptual and methodological clarity are not to be expected.

Moving away from the [somewhat fastidious] world of social science and into the [at times not stringent enough] world of business literature, the use of a generational typology is widespread. While it is difficult to evaluate accurately,

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<sup>15</sup> This note should not be interpreted as saying that there is no such thing as an entrepreneur or an entrepreneurial spirit, but the glorification and over-fixation on the individual leaves many blind spots when it comes to analysing [social] entrepreneurship.

the most common terms used as a basis for comparison are the 'baby-boomers', Generation X, and Generation Y or the Millennials<sup>16</sup>. Perry et al. (2013) did a review of practitioner literature, in which they aggregated the most common themes and characteristics related to these terms. They posit that there are three strong stereotypes forming around these terms, with some of the most common characteristics (ibid: 422) being:

- Baby-boomers: born between 1943 and 1960; hardworking; resistant to change; optimistic; value monetary rewards of their job; prefers face-to-face communication.
- Generation X: born between 1961 and 1981; value work/life balance; lazy; independent; prefer work flexibility; cynical; distrust institutions; casual; pragmatic; value diversity.
- Generation Y or Millennials: born between 1982 and present; technology savvy; multi-tasker; need attention and praise; arrogant/confident; team oriented; want to make an impact at work; value meaningful work.

The facticity of the categorisations recorded by Perry et al. (2013) is not of as much significance as the perceived facticity, particularly among and in the marketing and management departments of businesses. There is a growing body of literature on generation-based market segmentation, sometimes referred to as "generational marketing" (White 2003: 84). This is based on the idea that specific generations will share certain traits, values and memories which can be utilised in product design or marketing messages in order to reach specific consumer groups (ibid).

The focus among general management and human resources-related literature is put on managing multi-generational teams (e.g. DelCampo et al. 2012; Zemke et al. 2013). There is also an increasing emphasis on the challenge for organisations of having to adjust to the expectations of Generation Y, as Tulgan and Martin put it:

"Gen Yers' career choices and behaviour are driven primarily by their quest for a chance to play meaningful roles in meaningful work that helps others. In

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<sup>16</sup> Of all the distinctions, that between Generation Y and the Millennials is probably the fuzziest. As a general rule, Generation Y (born late 70s to early 80s) is seen as a little older than the Millennials (born mid-80s and later). The two terms are used inter-changeably here.

essence, they want to be “paid volunteers” – to join an organisation not because they have to, but because they really want to, because there’s something significant happening there.” (Tulgan/Martin 2001: 13)

In a survey conducted by the consultancy Deloitte (2013), 73% of the German Generation Y surveyed stated their business’ activities benefit society in some way, while 36% of respondents viewed the primary purpose of a business as being to improve society.

While one could question various aspects of the above, the influence of management literature and business discourse is beyond doubt (see, for example, Boltanski/Chiapello 2005b). Thus, it is not surprising that trends such as a ‘moralising of the market’ and values-based business have been surfacing over the past decades and play a role in shaping the cultural context around social entrepreneurship.

### ***5.2.3.iii The moralising of the market and values-based business***

The moralising of the market is for some an objective towards which our efforts should be oriented (Arnsperger 2005), while for others moral behaviour is a natural occurrence in the economic world (Zak/Jensen 2010). Whichever starting point one takes, there have been developments around how economic activity is perceived and organised leading to an array of terms which deal with the topic of having [more] moral/ethical considerations incorporated into the business world. The most common of these would include *corporate social responsibility* [CSR] or *corporate citizenship* [CC], while there is a constant debate around the issues of *sustainability* and the adoption of *ESG metrics* [environmental, social and governance metrics]. These terms are among those which fit under the umbrella of ‘moralising the market’, which is manifesting itself concretely in a number of new organisational configurations and investment techniques.

Socially responsible investment [SRI] incorporates a broad range of financial investment products and companies. These may include varying degrees of stringency: for example, a venture capital firm may offer investors portfolio management options which focus on green energy; alternatively there may be a portfolio which has a negative screening policy that does not invest in weapons manufacturing. Both are included in the term ‘socially responsible investment’,

but differ greatly in how ‘moral’ they are. According to EuroSIF (2012), the German SRI market stood at €618bn in 2012 with the vast majority coming from funds using negative screening policies, primarily leaving out weapons production. One important trend, however, is the increasing integration of positive screening for best in class ESG performers, with the market expanding from almost nothing in 2009 to €11bn in 2012 (EuroSIF 2012).

Moving on to CSR<sup>17</sup>, it is increasingly rare for individual businesses to operate without a CSR programme, while it has become central for certain industrial branches (Kuhlen 2005: 2). At its worst, CSR is little more than a marketing tool for a company, used for improving public image and ‘green-washing’ (Banerjee 2008). At its best, strategically integrated CSR involves the inclusion of multiple stakeholders in decision-making processes within a business with formalised measures of social and ecological performance that influence company strategy (Barnett 2007).

One of the stronger manifestations of strategic CSR can be found in *values-based business*, a mode of doing business which is publicly championed by Cohen (2009) and Albion (2009). The idea is to develop business structures which represent the values of the founders and the employees involved. Strong stakeholder involvement is promoted (Albion 2009: 338), while ecological and social awareness play a central role (Cohen 2009). These and similar models of business organisation lie closest to the social entrepreneurial approach while remaining within the ‘conventional’ economic paradigm.

Empirically it is difficult to differentiate between values-based business – or strategic CSR generally – and the market-oriented end of social entrepreneurship, though there is a fine distinction: Strategic CSR maintains high levels of social and ecological awareness and responsibility so as to optimise long-term financial performance; social entrepreneurship maintains

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<sup>17</sup> As with the discussion on generations above, the difference between CSR and CC is not always clear. Here, CSR is used, though some of the referenced material may have spoken about CC.



high levels of financial awareness and responsibility so as to optimise long-term social and ecological performance.

Having set out a boundary for social business vis-à-vis ‘conventional’ business models, it is also necessary to take a look at developments within the third sector, and examine some of the elements from the *green movement* and the *third sector* which have had an influence on social entrepreneurship.

#### ***5.2.3.iv The Green movement, ecologism and post-growth economics***

McCormick (1991: vii) points out that environmental concerns are not a uniquely modern phenomenon, and that they had drawn attention from thinkers as early as Plato. The Green movement is primarily deemed to have stemmed from the industrialised West<sup>18</sup> and it is ironic that the movement places much blame on science for the current ecological crisis; Hawken (2007: 31-2) details the developments within science that broke the creationist monopoly on explaining the development of life, thereby generating the cognitive niche from which the Green movement sprouted. The schismatic thinking which spawned the Green movement is also noted by McCormick (1991: 3) who argues that it was in Victorian England that the idea of progress linked to a mastery of nature coincided with the dawn of an ecological reflexivity. While taking care to stress the later international character, in McCormick’s (1991) view the Green movement was born out of the conservation efforts of the mid to late nineteenth century, particularly in the U.S., the U.K., and Germany.

One of the landmark events in the formation of the Green movement was the 1962 publication of *Silent Spring* by Rachel Carson (Sutton 2013: 114). *Silent Spring* was a severe critique of the use of the pesticide DDT, and contributed to questioning the common perception that science would provide solutions to all

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<sup>18</sup> I am aware of the ‘West-centrism’ in this project, and that the term ‘society’ is used too loosely – as I refer more specifically to Western societies. I hope that readers will forgive my not dealing in greater detail with this problem.

problems (ibid). The publication of *Silent Spring* occurred in the context of a growing anti-nuclear movement, which had as its point of inception the bombings of Hiroshima and Nagasaki at the end of World War II; people became conscious of the fact that humanity now had the potential to destroy the Earth (McCormick 1991: 36-40). This realisation had a profound impact on how individuals came to view science, and led to a radical questioning of the idea of 'scientific progress' – particularly after nuclear accidents such as Three Mile Island and Chernobyl (ibid: 55).

Over the course of the 1960s the Green and anti-nuclear movements began to merge and develop a transnational character, leading to greater organisation and green political parties in most Western democracies from the 1970s (Pilat 1980). While Pilat (ibid: 10) notes that the early Green movement tended to draw most of its support from an anti-nuclear focus, the emphasis began to diverge during the 1970s – dubbed the 'Green Decade' by Sonneborn and McNesse (2008: 47). The U.S.-based *Earth Day* event first took place in 1970, and this was followed two years later by the publication of *Limits to Growth* (Meadows et al. 1972) and the first United Nations conference on the human environment in Stockholm (McCormick 2001).

McCormick (1991: Chapter 5) argues that the Stockholm conference was the event which saw the mainstreaming and institutionalisation of environmental politics, with calls for changes within the existing economic growth-based paradigm (UN, 1972). Simultaneously, however, the more radical green ideology – *ecologism* – began to crystallise. Dobson (2000: 33) singles out the publication of *Limits to Growth* as the defining moment in the evolution of ecologism as an ideology.

At the time he was writing, Pilat (1980: 15) posited that the Green movement had no independent ideology *per se* and that the opposition to unlimited economic growth was based on a co-option of radical leftist thought, rather than truly ecological grounds. Pilat also stated definitively that if the Green movement were to threaten living standards or economic growth, then support would subsequently diminish (ibid: 14). This view has been substantially played out, as the mainstream environmentalist movement has remained

largely uncritical of economic growth and has continued with a managerial or conservationist attitude toward nature (see, for example, Murray 2010).

On the other hand, ecologism has emerged as an ideological position in its own right, providing an ecologically-grounded critique of economic growth-led development (Dobson 2000; Baxter 1999). One of the defining characteristics of ecologism is an *ecocentrism*, which promotes a weak anthropocentric perspective displacing humans from a position of unquestioned centrality within the ecosystem, while acknowledging that humans have a place within this framework (Dobson 2000: 7).

The other defining characteristic is that it presupposes a natural limit to economic growth and calls for that to be respected (ibid: 27-34). This view has spawned a marginal but lively debate within economic thinking on *post-growth economics*. 'Post-growth' is used here as an umbrella term for a branch of economic thought which deals with paradigms presupposing non-growth of the economy or, in a limited number of cases, de-growth. There are number of theoretical positions, with two prominent examples being 'steady state economics' and 'ecological economics' (Daly 2007).

Central to work on post-growth economics is a redefinition of 'prosperity' or 'progress'. Authors such as Jackson (2009) are calling for a decoupling of the idea of prosperity from GDP growth. He posits that increased GDP is directly and unquestioningly correlated to increased social well-being or prosperity in the vast majority of economic theorising, which he argues does not have a strong empirical basis (ibid: 4). With reference to ecological issues, Jackson goes on to note that "[e]conomics – and particularly macroeconomics – is ecologically illiterate" (ibid: 123). Jackson states that the call for greater ecological reflexivity is "probably the single most important recommendation to emerge" (ibid) from his book.

Jackson is not alone in his views, with others such as Victor (2008) claiming to illustrate the failures of the economic growth-led development model and call for its abandonment. It is problematic that, as yet, the alternative economic model – a post-growth model – has not been developed to the degree that politicians would be confident in trying to advance policies based thereupon

(ibid). Victor notes that a shift to a non-growth model “would require an ambitious, some might say impossible, redirection of public policy, which will not happen without dramatic changes in individual mindsets and societal values” (ibid: 193).

Of course, when it comes to working on changing mindsets and disseminating new values, much of the activity is centred in the *third sector*. This has been a source of much inspiration for actors in social entrepreneurship, and social entrepreneurship is at times interpreted as a part of or outgrowth from the third sector.

### ***5.2.3.v The third sector and the ‘mission’***

In his book *Blessed Unrest*, author Paul Hawken (2007: 2) posits that there are up to two million organisations worldwide working to solve a range of problems related to social justice, the environment and indigenous peoples’ rights. He refers to this work as being part of what he enigmatically terms “the *movement*” (ibid, emphasis in original). Hawken highlights the vast scale of the ‘third sector’ to which all of these organisations belong; also telling are the words he uses to describe the movement, “coherent, organic, self-organized congregations involving tens of millions of people dedicated to change” (ibid). This succinctly captures why the third sector is often taken to be a hotbed of new thinking, free from political and economic pressures.

As with the discussion of social entrepreneurs, there is a lack of consensus over the use of the term ‘third sector’. At times the term is used interchangeably with other terms such as the ‘voluntary sector’, ‘non-profit sector’ or ‘civil society’. This in turn leads to discussion about the interpretation of contemporary developments. For example, authors such as Deakin (2001) view non-governmental organisations [NGOs] as being a reassertion of civil society, which connotes civic engagement and that can be traced back to Victorian England. Since that time, the range of organisational models and complexity has increased, and here the third sector is taken to include NGOs, socially active associations, and also some market-orientated but non-profit-maximising enterprises. Though some overlap exists between the market and the third sector – as in some instances of social enterprise – and between the

government and the third sector – as in publicly funded but operationally independent organisations<sup>19</sup> – the concept does offer the possibility of differentiating out those operations which are non-governmental and also non-profit-maximising (for a more detailed discussion see Gunn 2004).

One particular point of interest is the relationship between the third sector and social movements. The link between the two is vague and is often implied or presupposed, as in, for example, Dongre and Gopalan (2008). Others, such as Hasan (2008), are more explicit about the relationship, positing that the third sector in India has “emerged from or been nourished by social movements” (ibid: 44). Here the work of McCarthy and Zald (1977) is drawn on as a basis for understanding the relationship. In discussing the use of a resource mobilisation theory for assessing social movement activities, McCarthy and Zald use the terms “social movement organisation” (ibid: 1212), “social movement industry” (ibid) and “social movement sector” (ibid) to describe the various levels of engagement of actors within movements and between organisations and the overall movement. This implies a very direct link between movements and organisational forms which crop up as institutionalised manifestations of those movements.

Taking this understanding of the relationship to the extreme would imply that all third sector entities are direct manifestations of a given movement; here, however, the relationship should be understood to be strong but not all-determining: New movements lead to new organisations and to the modification of existing ones, but some third sector organisations also form independent of any broad social movement while many are long-established welfare-focussed entities. In the case of Germany, Birkhölzer (2011: 30-2) points out that the third sector has developed in several phases from the 19<sup>th</sup> century on, with the Wohlfahrtsverbände, co-operatives and foundations having played a role from the beginning.

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<sup>19</sup> The Wohlfahrtsverbände being a classic example in the German case.

Birkhölzer (2011: 31) also states that there has been a clear shift in the third sector in Germany since the 1960s and '70s, in line with the analysis laid out above. Pushing beyond the traditional range of welfare or self-help organisations, Birkhölzer (ibid) notes that environmental, women's and 'alternative' organisations began to evolve. These social movement organisations are now variously labelled, with the two most common being *non-governmental organisations* [NGOs] and the other being *non-profit organisations* [NPOs]. Irrespective of the label one puts on them, the point of significance here is that they are organised around a social mission, which is written into the constitution of the organisation (Abraham 2011). The social mission is the organising principle guiding and structuring the operations of the organisation. *The structuring of an organisation around a social objective* is a central development which has been adopted in social entrepreneurship, while several other developments relevant to social entrepreneurship can be seen in NGO performance and the financing mix.

#### ***5.2.3.vi Social reporting, NGO funding and the donor-driven dilemma***

The measuring of NGO performance and their funding possibilities have been intertwined issues since the number of NGOs began to expand rapidly during the 1980s and '90s (Edwards & Hulme 1995: 3). As in any sector, there have been major changes brought about by both internal and external factors and, despite the general desire to do 'good' ostensibly shared by all players, not all of these developments have been positive.

Performance measurement in the NGO sector is not a straightforward process. Writing in the 1990s, Edwards and Hulme (1995: 6) refer to "a difficult and messy business." Progress has been slow, with trends such as *social accounting* (Gray et al. 1997) and *NGO effectiveness* (Lecy et al. 2012) receiving limited attention. Efforts at developing standardised metrics and/or methodologies have faltered: Raynard (1998: 1471) wrote that "organisations are struggling with ways in which they can set standards of social performance for themselves, so that they have something against which they can be judged", while fourteen years later Lecy et al. (2012) found that there was still nothing nearing a consensus on operationalising a measurement for NGO effectiveness.

In combination with a series of high profile scandals around the use of funds (Gugerty 2010: 228), this situation left many in the NGO sector struggling to cope with changes in their funding environment.

Given the swelling number of NGOs operating worldwide, it would require increasing amounts of funds to pay for their operations. During the boom times of the 1980s and early '90s, this is exactly what happened in the international development sector (Edwards/Hulme 1995: 4-5), though state cutbacks were already taking place in the U.S. from the late '70s (Salamon 1995). As noted by Alter (2007: 6-7), even larger NGOs began to face resource scarcity later in the 1990s and the 2000s due to shifting donor priorities and a generally weaker economic environment. This resource scarcity compounded the problem of the donor-driven dilemma whereby donors, with their hopes of maximising the efficacy of their funds, become too influential in the process of operationalising the social objectives within NGOs (Jad 2007).

Financial independence thus became a key issue for NGOs and within the third sector generally, offering a means of minimising donor influence while simultaneously avoiding the challenges generated by fluctuations in charity-based funding streams. The end result was a trend towards what Eikenberry and Kluver (2004) refer to as the “marketization of the no-profit sector”. Despite the potential damage to the sector highlighted (ibid), the move towards a focus on new revenue streams continued unabated in the U.S., though it took a different form in Europe due to the size and development of existing socially-oriented commercial institutions – particularly co-operatives (Evers/Laville 2004).

The move towards *independent revenue streams* in the third sector and the idea of *financial sustainability* for NGOs provide the final points addressed here on the cultural context for social entrepreneurship. It must be emphasised that this description of the cultural context is not exhaustive, but offers a backdrop – albeit in broad strokes – for the emergence of social entrepreneurship. The categories used as a basis for describing this context were drawn from the process of identifying the operators in the economic habitus of our actors, as described in the next chapter. While there is a degree of novelty in the meaning ascribed to these categories, there is greater novelty

to be found in how these categories are being combined and operationalised from a structural perspective.



## 6. Socio-structural description

The categories examined in the previous chapter simultaneously influence and are influenced by actors through the constant (re)production of meaning taking place in everyday life. The same can be said for the social structures constraining and enabling actors in their choices and their actions. We will now take a deeper look at the empirical area under examination using a selection of Bourdieu's socio-structural concepts. Please note that the following descriptions represent the results of the analysis undertaken; there is some empirical material included in the text for illustrative purposes, with endnotes providing the references to empirical material.<sup>20</sup>

The description of the *economic habitus* is used as our starting point, with there being two features to be borne in mind: The first is that actors are taken to have a certain level of freedom in how they interpret and combine the categories in their cultural context. The second point is that habitus is an analytical construct used to describe an actor-level social structure; it is not a concrete, individual phenomenon. This differentiation is crucial as the description of the economic habitus active in social entrepreneurship is contextualised historically using descriptions of economic habitus from actors in other cultural circumstances. This procedure would be nonsensical if the latter understanding of habitus were used and not the former.

Drawing on the results of the habitus analyses, the *symbolic capital* sought after in the field is highlighted and introduced. Symbolic capital is an elusive topic and extremely difficult to describe empirically. Happily, the actors in this field have been developing and adopting a range of techniques in their efforts to capture and communicate the symbolic capital they generate, providing in the process a straightforward basis for understanding and description. Symbolic capital is an actor-level concept for establishing that form of capital most valued and respected by the actors in a field; at the level of the field, an

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<sup>20</sup> Material originally in German has been translated into English in this chapter for readability with the original text included in the endnotes where applicable.

understanding of the symbolic capital sheds light on the *illusio* – the stakes of the game – which in turn offers an analytical leverage point for discussing the *nomos* of the field.

The nomos represents the rules of the game and is a point over which actors come into competition, each vying to exert influence over the nomos in order to strengthen their position. In the literature review, we have seen that the core organisations – social enterprises themselves – have received almost all of the attention from the research community when compared with the organisations referred to as operating in the periphery, i.e. those organisations which are in the field of social entrepreneurship, but which act in an enabling or promotional role. Building on the factors introduced in the sections before, a discussion of the peripheral organisations helps us to map out the *boundaries of the field* and to look at the various elements of the nomos being promoted by these organisations. This tactic also provides the opportunity to assess whether the field is exerting any influence beyond its boundaries.

## **6.1 Shifts in the economic habitus**

The economic habitus relates to that set of dispositions which come into play when an actor engages in economic activity. These dispositions may vary between actors and across time, and here we will sketch out new developments in the economic habitus based on the research conducted on social entrepreneurship. Two factors underpin the potential significance of the following habitus descriptions: The first point is that the social entrepreneurship scene is growing rapidly as more people come into contact with the idea of using business acumen to address eco-social issues. The second, related point is that all of the formal interview partners and numerous informal interviews have exhibited a very similar pattern of dispositions regarding their economic undertakings. This invariability and the on-going spread of the pattern lend a definite significance to these developments.

Describing the entire economic habitus, with every operator and every relation between them was not feasible within the scope of this project; in order to provide an appropriate structure and comparative basis for our material, the analysis is organised around the changes in economic dispositions for two sets

of operators, those related to *occupation and purpose* and *calculation and returns*. The descriptions are follow the lines of the habitus analysis method which is used here to provide praxeological squares as a standardised and accessible visualisation of the operators in question and the structural relations between them.

### **6.1.1 Occupation and purpose**

The first set of dispositions we will look at in the economic habitus relate to those operators which come into play when actors are making decisions related to their occupation and the related sense of purpose associated with those decisions. The work from Bourdieu (2000) illustrates aspects from a *pre-capitalist*<sup>21</sup> economic habitus and what we will label here a *capitalist*<sup>22</sup> economic habitus. This is followed by a look at the developments implied in the work of Boltanski and Chiapello (2005b) and Honneth (2004) on the new spirit of capitalism and self-realisation respectively. The material has been selected to track temporally the changes that have occurred in economic dispositions: Bourdieu's analysis refers to the 1960s, which was also the first period taken by Boltanski and Chiapello in their comparative work. The second period taken by Boltanski and Chiapello was 1989 to 1994, while Honneth's work is based on developments from the late 1990s and early 2000s. Thus those economic dispositions which have remained constant can be highlighted while the shifts over this timeframe can also be made clear.

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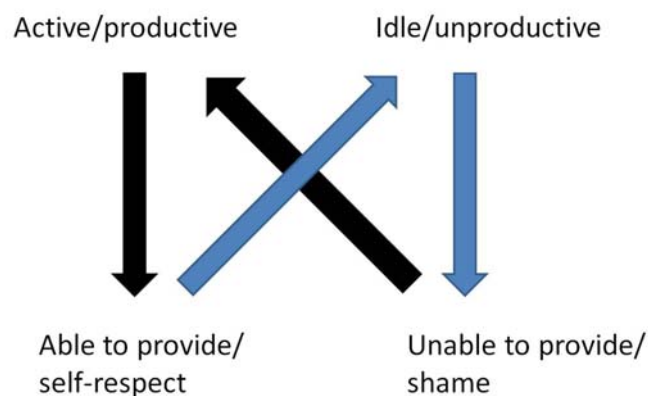
<sup>21</sup> The term 'pre-capitalist' here refers to those conditions – including the individual habitus – that were in place prior to the introduction of the capitalist system by the French during their colonial reign in Algeria. Bourdieu (2000) refers to the pre-capitalist social order as being honour- or kin-based and, while the descriptions may shed some light on the economic habitus prevalent in other pre-capitalist settings, the term should be understood to refer to pre-capitalist Algeria specifically.

<sup>22</sup> 'Capitalist' in this sense refers not to the individual capitalists, but to the economic system more generally, and to the specific set of economic structures associated with that system in a European context.

### 6.1.1.i Occupation in pre-capitalist Algeria

No society remains static and unchanging over time, but there are also phases where societal change occurs at an accelerated rate, laying bare and open for examination aspects which otherwise may not be so apparent. Bourdieu (2000) judges Algeria in the 1960s to have been a “veritable social experiment” where the imposition of the European capitalist system by the French had compressed two centuries of change into one decade. This led to a situation where the pre-capitalist economic habitus of the local population became more accessible as it clashed with and had to adapt to the imported economic structures. Bourdieu’s (2000) reflections on this period provide a basis for descriptions of some pre-capitalist economic dispositions as compared with European-capitalist ones.

In the pre-capitalist system, the idea of having a specific occupational title was not defined as in the capitalist system which followed it. Given the very low social mobility characteristic of the pre-capitalist system, people tended to fulfil the roles ascribed them through their background (Bourdieu 2000: 26). The agrarian basis of existence meant that ‘working’ usually referred to the cultivation of the land, which was seen as productive. Roles such as the blacksmith, butcher or trader – and economic activity in itself – were ascribed very low social esteem as they were deemed to be unproductive (ibid: 21-2). Those who were *productive and active* contributed to the agricultural yield and were thus able to provide for their families with an associated feeling of *worth and self-respect*. Those who were *idle or unproductive* struggled to provide for themselves and their families and suffered *shame* as a result. The relations in the pre-capitalist dispositions are portrayed as:



In this figure, the downward-pointing arrows refer to relations of implication, going from the level of interpretation above to the level of concrete experience at the bottom. What this signifies is that the positive experience – bottom left – of being able to provide for one’s family and the associated sense of self-respect are understood by the actor as implications of their having been active and productive. On the right hand side, the experience of being unable to provide for oneself or one’s family and the associated shame is an implication of a condition of idleness or non-productivity. The diagonal arrows refer to relations of contradiction. In this square, the blue arrow indicates a contrast between the positive experience and the condition that would threaten that experience, in this case being idle or unproductive. The black diagonal arrow also shows a contradiction, but instead of a possible threat, it indicates a possible solution to the negative experience: If one is active and productive, then one will no longer be unable to provide nor suffer shame.

#### ***6.1.1.ii Bourdieu on the shift to a capitalist habitus***

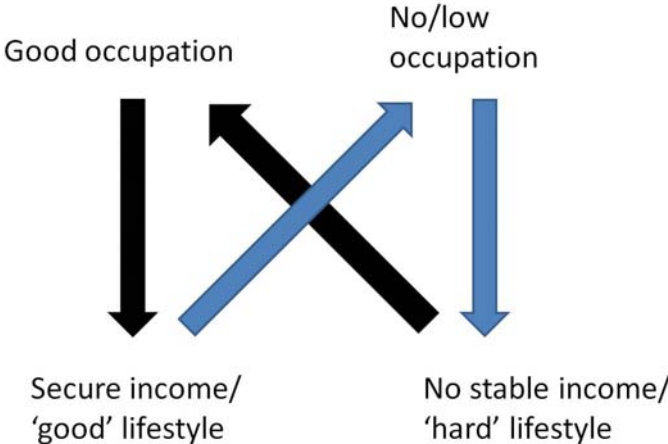
The move to a capitalist system had a profound influence on the perception of and esteem ascribed to the work of cultivating the land. The drop in significance of agrarian activity coincided with the rapid spread of occupational differentiation. The traditional honour-based relations between land-owners and workers began to be regulated by wages, with the workers now being referred to ‘cultivators’. The social status of the cultivator and labouring generally became so low that people left the land to seek out new occupations. Traditionally despised occupations such as butchering and trading gained in social status, while all men sought to establish an occupation for themselves.<sup>23</sup> Having *no occupation* or one with *low status* was directly associated with a *lack of stable income* and a *hard lifestyle* (ibid).

Economic security and a sense of self-respect were no longer established through being active or productive, but through a *good occupation* which one

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<sup>23</sup> In the text, it is only males that are referred to. That is the major drawback of the material presented by Bourdieu: It is primarily based on observations of and interviews with men.

practised. The quintessential example highlighted by Bourdieu’s (2000: 33) exposé is captured in the phrase “The civil servant is king”, whereby his informant is expressing the view that the *secure income and comfortable lifestyle* enjoyed by the civil servant are things to be envied. This is in stark contrast to the pre-capitalist context where a civil servant would have been thoroughly despised.



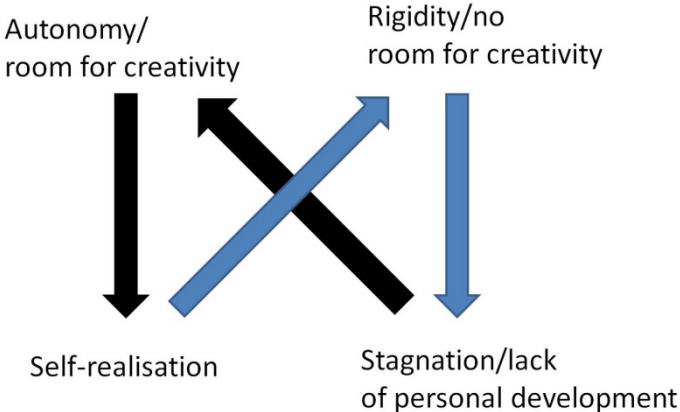
**6.1.1.iii The projective city and self-realisation**

The analysis in Boltanski and Chiapello’s (2005b) work on the new spirit of capitalism and Honneth’s (2004) work on self-realisation overlap to a certain degree. Given that they were writing about developments in capitalism which were geographically and temporally very close, we are going to take the liberty of collapsing their conclusions together into one praxeological square. Both of these works – and Boltanski and Chiapello’s in particular – are quite extensive, and here we will focus on elements introduced earlier, i.e. the *projective city* and *self-realisation*.

In the projective city, an ideal career is conceived of as a series of diverse projects undertaken with others from an ever-growing network of connections (Boltanski/Chiapello 2005b: 103-63). The projective city – with its working conditions seen as *flexible and offering space for creativity* – served as a response to what Boltanski and Chiapello (2005b: 346) refer to as the artistic critique of capitalism. The artistic critique called for a form of liberation and manifested itself primarily in demands for greater individual autonomy with respect to decision-making and self-management (ibid). In its original

manifestation in the 1960s, the artistic critique had stood against the constraints imposed on the individual by the capitalist drive for accumulation and the “associated pursuit of profit” (ibid: 419). Over the decades which followed, however, the artistic critique was internalised by the capitalist system. The result is that in the projective city the pursuit of profit is not seen as the source of negative experience, but instead a *rigidity or lack of space for creativity*.

While Boltanski and Chiapello (ibid) posit that self-fulfilment is the positive experience desired by economic actors, they do not expand on the idea in great detail. Honneth (2004) goes further in his argument stating that *self-realisation* is the ultimate aim, while it has also been assimilated by the capitalist system and mutated into a driver for capital accumulation (ibid). The responsibility for creating one’s own role in the economic sphere could potentially open up possibilities for attaining a state of self-realisation, but – in Honneth’s eyes – only leads to depression due to the pressure on people to continually re-invent themselves. Depression is not, however, the negative experience in the economic dispositions described, but an unwanted effect of the conditions established due to the efforts to enable self-realisation. Instead this is a *stagnation or lack of personal development*, with self-realisation taken here to represent the positive experience in the economic dispositions from the ‘new’ capitalism. The positive and negative conditions for these experiences are drawn from Boltanski and Chiapello’s projective city:



#### ***6.1.1.iv Social entrepreneurship and ‘meaning’***

The massive increase in depression noted by Honneth is labelled by Boltanski and Chiapello (2005: 420) as a social condition suffered due to capitalism’s “loss of meaning”. This is a form of “suffering that is diffuse” and persistent, but they also note “the persistence of an aspiration to put an end to it” (ibid). During his interview, Erwin points out that interest in social entrepreneurship has been growing particularly due to concerns about climate change, but there was a surge of interest after the financial crisis from 2007<sup>i</sup>. Capitalism is once again in crisis and the pattern from the interviews is clear: Actors in this field see social entrepreneurship as a way of ensuring *meaning* in their lives.

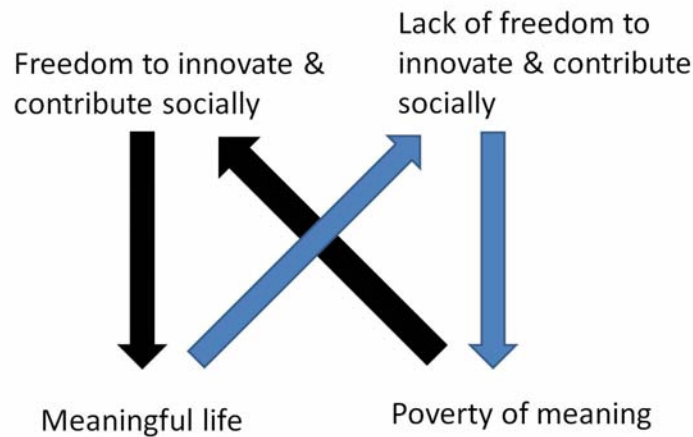
We have seen the narrative from the business converts: A ‘standard’ career path was followed until either a personal crisis or the threat of a crisis instigated a phase of reflection and change. Among the liminals, the question of meaning is a central reason for remaining detached from the standard economy. The members of Generation Y who were interviewed were not, despite the potential advantages, drawn to the standard economy<sup>ii iii</sup>. Overall, the actors seek to avoid a situation of having to live without a feeling that life makes sense or has meaning. We will refer to this negative experience as a *poverty of meaning*.

In order to avoid experiencing this poverty of meaning, the actors have moved into working in the social entrepreneurship sector. There are two primary reasons for this move, a perceived room for creativity and innovation – brought over from the artistic critique above –, and an explicit mission or *societal contribution*. Here there are differences between the interviewees who have founded and run social enterprises and the enablers: Those who have founded social enterprises can point to a concrete societal issue that they are attempting to deal with<sup>iv v vi</sup>, while the enablers see their purpose in helping others to complete their social missions<sup>vii viii ix</sup>. Irrespective of their approach, all respondents speak of wanting to do something ‘new’: Ben identifies the possibility to be creative with having fun<sup>x</sup>; David engages in order to build and do things<sup>xi</sup>; Stefanie notes that there must be people willing to try new things<sup>xii</sup>. Drawing these two points together leaves us with a positive source in a *freedom to innovate and contribute socially*.



At a higher level of abstraction it could be possible to take Honneth's self-realisation concept as an expression for the actors' positive experience, but the evidence in the interview material is too inconclusive to support such a claim. Reinhart does come close when stating that his current work "in principle brings together, in a wonderful form, everything that I have been doing my whole life" <sup>xiii</sup>. The only other utterance which could be interpreted as reflecting an experience of self-realisation is Martin's description of his pre- and post-social enterprise career: "It could have come to this point differently. I was never happy with these things that I did before. And now I am very happy" <sup>xiv</sup>. In contrast, and as noted above, 'meaning' and a life that 'makes sense' are central themes among the actors. To that end, the positive experience will be labelled here as a *meaningful life*.

The final corner of the occupation-related praxeological square represents the conditions which prevent the attainment of a meaningful life and lead to a poverty of meaning. There are two inter-related issues which are brought up by the interview partners: Firstly, the actors view the 'traditional' third sector in Germany, and particularly the Wohlfahrtsverbände, as lacking in room for creativity. These large "super-tankers" <sup>xv</sup> do offer the opportunity to contribute socially, but are deemed slow to adapt and innovate <sup>xvi</sup>. When talking about employers in the third sector Michael points out: "They were surprised every time at the levels of frustration in these traditional organisations ... [which] actually has to do with the organisation, how it's run" <sup>xvii</sup>. Thus those in social entrepreneurship attribute the traditional third sector with a *lack of freedom to innovate*. On the other hand, the 'traditional' economy offers this freedom to innovate to a much larger degree, but the profit-orientation takes precedence over efforts to explicitly include a focus on contributing socially. The clearest expression of this point is probably from Stephanie: "I am not building up my business primarily to become rich, though I want to earn and live well, but I also want to do something for society" <sup>xviii</sup>. Both Joe and Maria said they could not simply have stayed working in the traditional economy until retirement, as it would have been too unfulfilling <sup>xix xx</sup>. Bringing these points together we are left with a source of negative experience seen as a *lack of freedom to innovate and contribute socially*.



We have seen how the dispositions related to occupation and the sense of purpose derived from it have differed across contexts and shifted with time. The final praxeological square depicts how actors seek to achieve a meaningful life through a contribution to society. This contribution forms the basis of the ‘returns’ that are sought by these actors, itself a major point differentiating the economic habitus in this field from previous manifestations.

### **6.1.2 Calculation and returns**

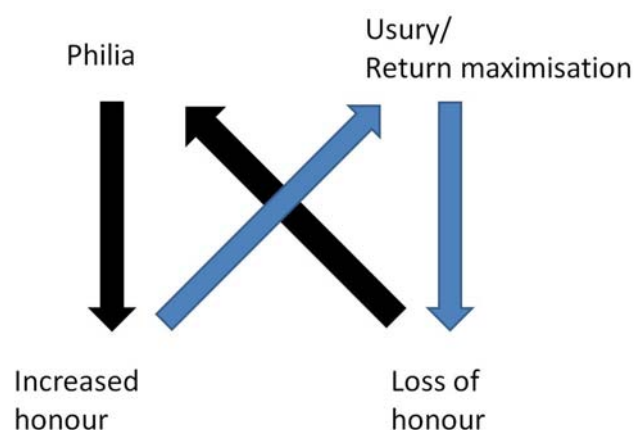
Central to any economic habitus are the dispositions related to *calculation* and *returns*. What is addressed under these terms is the way in which actors go about weighing up the various aspects of an economic decision and what it is the nature of the returns that they hope to obtain. As we shall see, the operators related to both are variable across time and cultural setting. We will first look at the major shift that occurred in these dispositions from the pre-capitalist to the capitalist phases – as tracked by Bourdieu over the course of his work on French-colonial Algeria. In the shift from the ‘capitalist’ to the social entrepreneurial economic habitus there has not been a major adjustment with respect to calculation, but as mentioned the dispositions around returns have undergone a fundamental change.

#### ***6.1.2.i Bourdieu on pre-capitalist calculation and returns***

Based on Bourdieu’s (2000) portrayal of the pre-capitalist system, economic activity took place primarily within the context of tightly-knit social relations. In this kin-oriented setting, the accumulation of wealth was afforded secondary importance to the gaining of honour, with the related maintenance or

improvement of the family's honour and standing. Thus, economic decision-making was not necessarily seen as an opportunity to increase material wealth, but as an opportunity to exhibit wisdom and 'fairness' in order to increase the honour of the family. The principle running behind this is referred to by Bourdieu (ibid: 25) as *philia*, which is an Aristotelian concept used to describe the governance of familial relations whereby a logic of self-serving calculation is repressed in favour of a logic of good faith and equity.

Efforts at maximising personal gain are frowned upon, with the result being that those who seek to maximise the return on their capital or who engage in usury are despised in the community. The members of the family who do possess material wealth are placed under immense pressure to share it, lessening again the drive to increase financial returns (ibid: 26). If we take an *increase in honour* or a *loss in honour* to be the positive and negative experiences possible through economic activity, then we can interpret *philia* as the source of this positive experience. *Usury or return maximisation* on the other hand are seen as the source of negative experience. This leads to the following praxeological square:

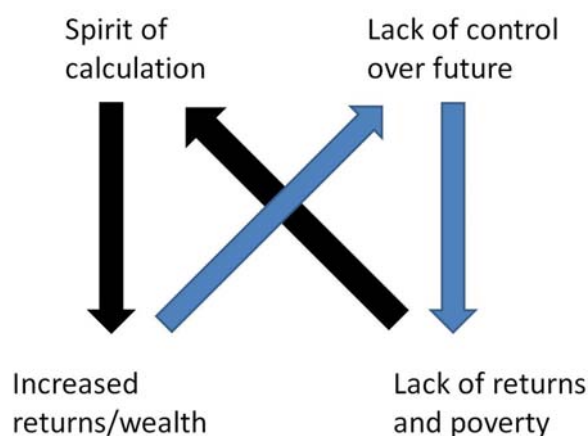


In this configuration, honour can be taken to be the symbolic capital most relevant for the actors with such a habitus. This was, in fact, the empirical basis from which Bourdieu drew inspiration in developing his understanding of symbolic capital in the first place, and that period of research played a pivotal role in the development of his social theoretical position (see, in particular, Bourdieu 1992).

### 6.1.2.ii Bourdieu on the shift to a capitalist habitus

In contrast to the honour-based system, Bourdieu (2000) posits that the capitalist system encourages economic dispositions oriented more to the accumulation of wealth than toward principles of *philia*. The maximisation of returns and the ability to calculate and collect interest are not ascribed negative meaning; in fact the opposite is true, with Bourdieu (ibid: 25) stating that the *spirit of calculation* is the defining characteristic of the capitalist economic habitus. In the term ‘spirit of calculation’, Bourdieu (ibid: 27) is trying to capture the view that all economic aspects of life – fertility, savings, work, housing, education – can be subjected to a calculating reason and can thus be controlled to an extent into the future.

Thus, personal discipline and ‘cold’ calculation are judged to lead to “upward mobility” (ibid: 28) through *increased income and wealth*, which in itself is experienced positively. On the other hand, *poverty* is seen as a result of an inability to master the spirit of calculation and thus exhibiting a *lack of control over one’s future* (Bourdieu 2000: 27). These facets combine to produce a set of calculation- and returns-related dispositions which can be illustrated in the following way:



That material wealth also holds a symbolic significance in the capitalist-organised economic field is nothing novel and was already discussed above. The interesting point to come out of constructing the praxeological square is the contrast between the spirit of calculation and the lack of control over the future as the respective sources of positive and negative experience. This

contrast comes into play once more in the economic habitus in social entrepreneurship, though with a field-specific flavour.

### **6.1.2.iii Social entrepreneurship: Something old, something new**

The spirit of calculation as described by Bourdieu is still in place within the economic dispositions of social entrepreneurs in Germany. When describing their efforts to get involved in social entrepreneurship, all of the interview partners made direct reference to aspects included by Bourdieu as future-oriented factors that can be influenced through the spirit of calculation. Through the sampling strategy – which only took people already working in social enterprise-related activities – and in the descriptions related their occupations, the dispositions towards work are clearly seen as something over which one can exert control through calculation. Furthermore, for many interviewees <sup>xxi xxii</sup> having children before moving into social entrepreneurship is a central theme in descriptions of calculations undertaken at specific life junctures, as was mentioned by Fred in his interview <sup>xxiii</sup>.

Finally, in that it offers an opportunity to attain institutionalised cultural capital, educational programmes designed for social entrepreneurship <sup>xxiv</sup> are another clear indication that actors involved or wishing to get involved in this sector utilise a *spirit of calculation* in economic decisions made, with success requiring a mastery of this spirit.

What is novel about the calculations made by these actors is not the ‘how’ but the ‘what’ they seek to calculate: Once economic security has been achieved, the actors seek to generate and maximise a *tangible social impact*. The actors wish to use their resources – including social and cultural capital – in order to realise their ambitions for impact. Having had a successful career, Joe describes the point where he chose to found his social enterprise: “...I now had more or less all the know-how that I need, I had the money, and the once-in-a-lifetime chance to turn my vision into practice myself.” <sup>xxv</sup> In the previous chapter, ‘social impact’ was the term used by Erwin, Steve used ‘social metrics’, Fred spoke of ‘social ecological profit’ or ‘societal profit’, while Michael simply spoke about the concrete effects of his work. Irrespective of the label put on it,

the major attraction of social entrepreneurship is the freedom to integrate within economic activity some conception of social impact.<sup>24</sup>

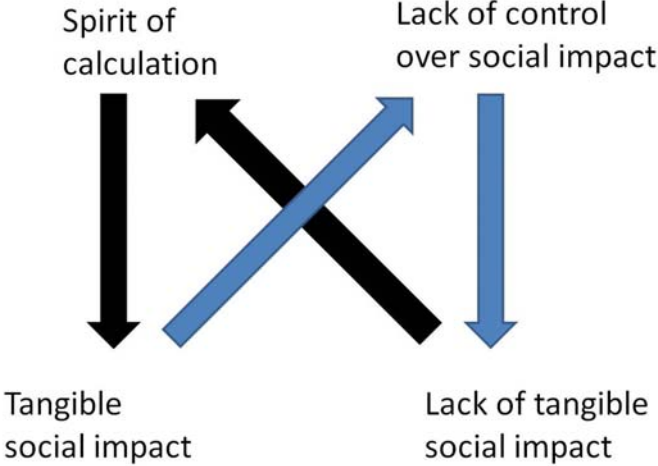
Unsurprisingly, the negative experience for the respondents is included as a *lack of tangible social impact*. As we saw above, actors in this sector seek to engage in an occupation which offers them the possibility to contribute socially. When this condition is not fulfilled, it leads to a poverty of meaning. In the case of the returns which the actors seek to achieve in their economic decisions, a lack of tangible social impact is experienced negatively<sup>xxvi</sup> and is a situation which the respondents have all sought to address through a successfully managed transition into or establishing of the social enterprise sector<sup>xxvii</sup>. Less obvious, however, is the perceived source behind this lack of impact.

It is perhaps not surprising that the lack of social orientation in the ‘traditional’ economy – with its strong logic of profit-maximisation – can be seen to be a common theme<sup>xxviii xxix xxx</sup>. This finding supports Boltanski and Chiapello’s (2005) argument that profit-maximisation as a principle hinders actors’ ability to express themselves fully, and in the process to exert control over their contribution to society. But why did the actors not take up roles within socially-oriented organisations? The answer lies in the perception of the social sector in Germany: It is viewed as being stymied, bureaucratic and not open to innovation and change. The accuracy of this perception is less important than its influence, whereby actors do not view that sector as being one where they have enough freedom to exert control over their social impact. Just as in the ‘traditional’ economy – where the drive to maximise profits usurps efforts at generating tangible social impact – the social sector also implies for these

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<sup>24</sup> That actors wish to generate a tangible social impact is nothing new, but that it is becoming an integral element of the *economic* habitus is a novel development. One point must be borne in mind when considering that this description relates to economic habitus and not general habitus: Prior to engaging in the social enterprise sector, only one respondent had experience in charity-based activities. Thus, the returns expected and experienced positively by actors in this sector can be labelled *tangible social impact* without qualifying the term in relation to other possible means of generating social impact – e.g. through religiously-motivated or charity-based activities.

actors a *lack of control over social impact*. That leaves the praxeological square for social entrepreneurial calculation and returns with the following shape:



Following the example of the previous squares, we see that the symbolic capital which emerges from the analysis can be labelled *social impact*. The resulting implications for the field-level *illusio* and *nomos* are dealt with in the upcoming sections, but first a word on the level of institutionalisation of the economic habitus.

As noted at the beginning of this section, there is little to no variability between the actors with respect to the basic parts of their economic habitus as described here. While noting again that reification of the analytically-focussed habitus is to be avoided, the conclusion is that the economic habitus is – from a structural perspective – getting close to full institutionalisation. The related process of sedimentation is underway, with diffusion occurring rapidly and low levels of opposition. Among the actors in this area, the elements outlined above are beginning to be self-reproducing without the need for clarification or further discussion.

**6.2 ‘Social impact’: Linking actor and field**

Having established that the symbolic capital active in this field is based on social impact, the challenge is now to describe how this phenomenon is manifesting itself beyond the level of the actor. In the reading introduced above, the actor-level symbolic capital is reflected through the field-level

phenomenon of *illusio*, referred to as the ‘stakes in the game’. Further, *illusio* is taken to be intertwined with the *nomos*, and is thus also a point of competition within the field. What this means is that actors try to influence the *illusio* in order to ensure that their stock of capital maintains or increases its value.

The problem with symbolic capital – from an analytical perspective – is that while it is possible to identify it at an abstract level, grasping and describing the phenomenon empirically can be extremely challenging. In the case of social entrepreneurship, however, the actors themselves are seeking to develop metrics for exactly this. Thus, in their efforts to capture the social impact of their organisations, we can gain insight into how it is understood by the actors themselves.

The assumption that we can draw such conclusions is based on three aspects of Emirbayer and Johnson’s (2008) re-working of Bourdieu and organisations: Firstly, organisations are interpreted as fields, meaning that their *illusio* will be influenced by the strongest actors; given that these organisations are small, this will mean that the goal-orientation of the founder will be the dominant influence. Relatedly, given the size of the organisations, the social impact ascribed to those organisations will provide returns in symbolic capital primarily for the founder. The final point is that fields are strongly influenced by the interactions of constituent organisations; social enterprises are competing for the resources available in and for this sector, and try to secure these resources in part by illustrating their effectiveness through tracking and communicating their social impact. The desire to generate symbolic capital is reflected in the organisational *illusio*; the interactions of organisations constituting the field generate the field-level *illusio*; the *illusio* plays a central role in the *nomos* of the field and thus influences strongly the development of the rules of the game, providing a framework that shapes the behaviour of new entrants.

In the field, there are a small but growing number of techniques that attempt to quantify, track or describe the social impact of organisations. This phenomenon has, somewhat surprisingly, gone unnoticed by the social scientific community. The *impact assessment frameworks* on the German landscape are thus described, highlighting those aspects characteristic to the



method and therefore of relevance to the *illusio*. Thereafter a new funding mechanism called the *social impact bond* is introduced. This new mechanism is being touted as a revolutionary means of funding social projects and is a point where the *nomos* of the field could have a strong external influence.

### **6.2.1 Impact assessment frameworks**

The social entrepreneurial scene is tightly networked internationally, leading to a rapid dissemination of ideas. Social enterprises have the possibility to assess and report on their social impact, though there is no legal obligation to do so. We will look at three frameworks available for assessing and reporting the social impact generated by an organisation, all of which have differing principles running behind them and varied understandings of social impact. Of the three frameworks, two have been developed abroad, while one is native to Germany. The approaches are also at differing levels of institutionalisation in Germany, and are probably on different trajectories.

#### ***6.2.1.i The B-Corp***

The term ‘B-Corp’ is an abbreviation for ‘Benefit Corporation’ and stems out of the U.S. At its inception, B-Corp was only a voluntary label which businesses could apply for, but it is now an established legal form in several US states <sup>xxxii</sup>. B-Corps see themselves as being “a new type of corporation which uses the power of business to solve social and environmental problems” <sup>xxxiii</sup>. The ‘B-Corp’ label is conferred by the ‘B-Lab’ which is a not-for-profit organisation funded originally by the Rockefeller Foundation <sup>xxxiv</sup>. The B-Lab performs a series of operational analyses and then confers the label to those businesses which meet the required performance standards according to a series of metrics.

In order to become a B-Corp, a business must have a social mission inscribed in its constitution, must submit voluntarily to an audit conducted by the B-Lab and may be audited randomly in any given year after its admittance <sup>xxxv</sup>. The audits are based on a survey of operational metrics divided into four sections:

1. *Governance*: Related to governance and transparency.

2. *Workers*: Compensation and benefits, ownership, and work environment are assessed.
3. *Community*: How does the business embed itself within the community through suppliers or charity work.
4. *Environment*: The environmental impact of facilities, energy usage, supply chain, and manufacturing are analysed. <sup>xxxvi</sup>

Once the survey has been completed, a score is generated which must be 80 or above [from a possible 200] for the business to attain B-Corp status. An annual fee, calculated in relation to total revenues, must be paid to the B-Lab. There is an international version of the B-Lab approach called GIIRS [Global Impact Investing Rating System] which has been developed in order to help standardise metrics and promote comparability between organisations <sup>xxxvii</sup>. Finally, the B-Lab also has strong connections with the IRIS [Impact Reporting and Investment Standards], which are a set of standardised metrics for describing an organisation's social, environmental and financial performance across various sectors <sup>xxxviii</sup>.

At the time of writing, there is only one registered B-Corp in Germany <sup>xxxix</sup>. The B-Lab Europe is now launched in Holland however <sup>xl</sup>, while the concept was also introduced at the Vision Summit 2014 <sup>xli</sup> and other promotional events in Germany <sup>xlii</sup>. The arrival of the B-Corp is being supported by some key players on the social entrepreneurship scene in Germany <sup>xliii</sup>, but is also generating scepticism <sup>xliv</sup>.

The major point of critique is the strong emphasis on a *standardisation of impact metrics*, which prompted one contact to refer to its global spread as a new form of “American imperialism” <sup>xliv</sup>. While the wording may be polemic, the point is that the focus on standardisation potentially generates problems: The first is that the B-Corp could impede innovation around the topic of social entrepreneurship in that new socially-oriented business models may be crowded out, unable to compete with the large amounts of economic capital being made available by the B-Lab's supporters <sup>xlvi</sup>. The second issue is that the focus on social key performance indicators [KPIs] may divert resources and efforts from other aspects of the organisation or may simply paint an incomplete picture of organisational performance <sup>xlvi</sup>.

The B-Corp movement is certainly at a pre-institutionalised stage, but looks set to broaden its influence in Germany over the coming years. A centralised standardising of the metrics deemed appropriate in assessing social impact can be interpreted as a strong effort to influence the *illusio* of the field. Despite the potential for a form of ‘imperialism’, there are also advantages, especially in providing bases for comparison and a methodology which is less open to subjective interpretation. This may help the idea to further institutionalise in Germany, where another social sector-based technique has faltered on a lack of objectivity.

### **6.2.1.ii SROI**

Social return on investment [SROI] is an approach to quantifying the social impact of an organisation that stemmed from the U.S. and is now practised around the world <sup>xlvi</sup>. The SROI involves using a set of principles in order to gather financial and social impact-related data, which are in turn used to report on the impact of the organisation. The social impact generated is not expressed in a standardised score – as with the B-Corp – but is *monetised*, i.e. it is expressed as a monetary value through the use of financial proxies <sup>xlix</sup>.

The contrast with the B-Corp is also stark in that the SROI is very much outward looking; while the B-Corp score is calculated largely on organisation-internal components, SROI is focussed primarily on the external impact of the operation. SROI is based on seven principles – which are essentially steps in the process –, with the first of these being “involve stakeholders” <sup>l</sup>. This is significant in that the consultation with stakeholders shapes *what* gets measured and *how* it gets measured during the rest of the process. Based on the framework set out at the beginning of the process, a monetary value is estimated for the impact deemed to have been generated by the operation <sup>li</sup>. The monetary value ascribed to the social impact is then used as a basis for a *social return ratio*, where the total present value of the impact is divided by the value of total inputs <sup>lii</sup>.

The final principle states that any SROI report should be assured by an external reviewer <sup>liii</sup>. This is to guard against the possibility that a reporting organisation may overstate aspects of their impact or over-value the monetised

value of their impact; in other words, it is to guard against excesses in *subjectivity* during the reporting process. While an external assessment may be able to address this problem to an extent, the issue remains a major drawback of the SROI approach<sup>liv</sup>, and the assurance process is an additional cost. Social investors in particular are drawn more to techniques which offer methodological objectivity, even if the potential pay-off is a lack of case-specific characteristics in the resulting report<sup>lv</sup>. While practitioners of SROI state that social value ratios alone should not be used as a basis for investment decision-making<sup>lvi</sup>, the reality is that the ratio is ascribed strong significance<sup>lvii</sup>.

Despite the SROI process being useful for conceptualising and tracking impact, it has not moved beyond a pre-institutionalised state in Germany. Objectification has not taken place, whereby a consensus as to the value of approach would form. Interest in SROI peaked in 2012 when an international conference was held in Potsdam<sup>lviii</sup>. Since then, however, support has waned due to the lack of methodological consistency and the resulting confusion around reported values<sup>lix</sup>, though SROI continues to be used on some projects<sup>lx</sup>. The other major problem that actors in the social entrepreneurship scene have with SROI is that they do not support the idea of monetising social impact<sup>lxi</sup>; the approach has no strong champion in Germany and the resulting influence on the *illusio* has been limited. In its stead, there has been a strong move towards a home-grown procedure in Germany, the social reporting standards.

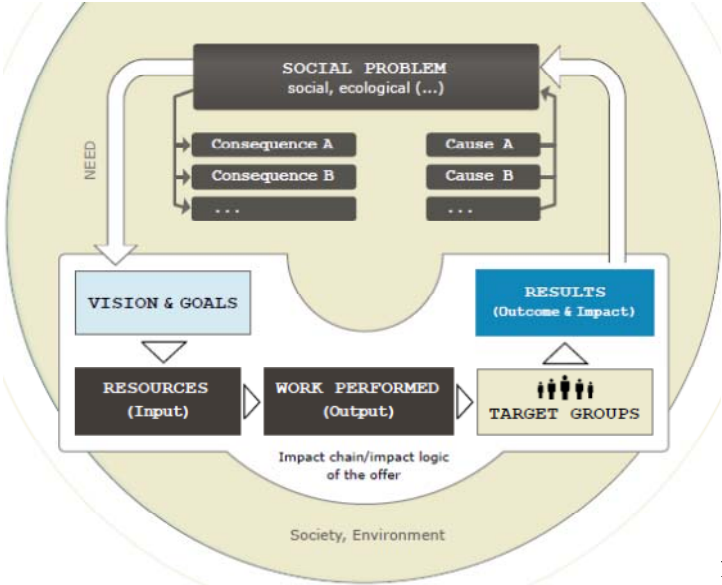
### ***6.2.1.iii The social reporting standards and the ‘theory of change’***

The social reporting standards [SRS] are technically not about measuring social impact per se. What they offer is a standardised means for socially-oriented organisations to report on their activities and impact<sup>lxii</sup>. The SRS have come out of research projects at the Technical University in Munich and the University of Hamburg, with backing from a number of the central players around social entrepreneurship in Germany. The SRS are freely available, with the rights held by a holding charity<sup>lxiii</sup>.

Like the B-Corp, the SRS also incorporates a focus on organisation-internal factors. The SRS does not offer a scoring system based on specific metrics,

however, and is about accurately describing the structure and functioning of the operation <sup>lxiv</sup>. In this case we can speak of a *standardisation of the reporting process*, in that it is the process and style of reporting which is standardised rather than the specific content or the metrics. Unlike the SROI, there is no effort to monetise social impact and there is less emphasis on the inclusion of stakeholders in the reporting process.

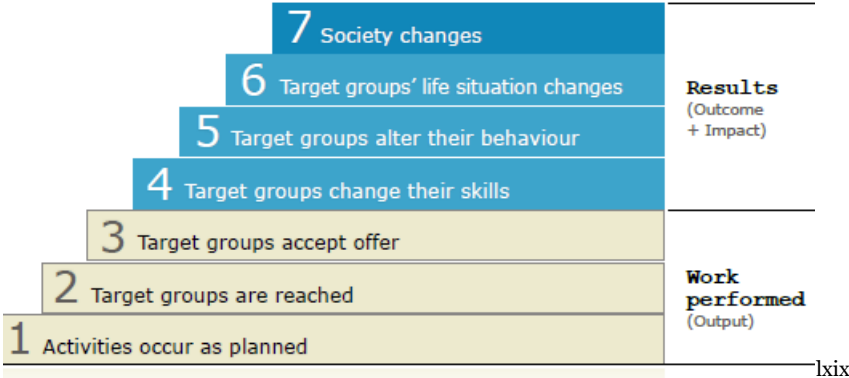
Impact is thus tracked from the perspective of the organisation itself. Following the SRS, the social issue being dealt with is identified and described, as are the consequences and causes of the problem <sup>lxv</sup>. Thus, the organisation is encouraged to make explicit the social objectives it wishes to achieve. The actual performance of the organisation is then tracked according to the resources used, the work performed and the results achieved. The social impact generated is judged by the organisation itself, though there is a strong emphasis on the fact that the reasoning behind the choice of evidence and metrics must be comprehensive and convincing. The SRS provide a basis for year-on-year performance assessment for the organisation and a standardised reporting format which improves the comparability of various organisations for social investors – albeit without a concrete reference ratio or score, as in the two approaches above.



lxvi

Many of the organisations involved in the development of the SRS are also members of the European Venture Philanthropy Association [EVPA], which

seeks to promote the use of venture capital principles in philanthropy <sup>lxvii</sup>. The EVPA have also developed guidelines on measuring social impact, which have been influenced by the SRS. One of the key differences, however, is that the EVPA approach uses the *theory of change*. A theory of change is essentially a means of articulating the elements included in the SRS, in that it expresses the problem to be dealt with and how the organisations operations is to deal with this problem <sup>lxviii</sup>. As in the SRS, organisations are encouraged to develop a systemic appreciation for the problem and to develop solutions which deal with the underlying causes of the problem, theorising from the level of the organisation through to the level of society.



The SRS, meanwhile, are being used more and more commonly in Germany, albeit almost exclusively in the social sector <sup>lxx</sup>. The most significant driver of this spread is Phineo, a Berlin-based agency which analyse social organisations and their activities to assess whether they are effective in achieving their goals <sup>lxxi</sup>. If an organisation is deemed effective, it receives a seal of approval from Phineo saying “It works” <sup>lxxii</sup>. This seal then provides the organisations with a degree of legitimacy in the eyes of foundations and other social investors <sup>lxxiii</sup>.

The SRS are heavily promoted within the social entrepreneurship scene <sup>lxxiv</sup> and have spread, for example, into reporting in the Wohlfahrtsverbände <sup>lxxv</sup>. The approach has several strong champions in Germany, but institutionalisation has been slow and could be described as having reached a semi-institutionalised state. There is a consensus among proponents as to its utility, but diffusion rates have been limited outside of the early adopters <sup>lxxvi</sup>.

Social impact assessment generally is nearing a semi-institutionalised state in Germany and looks set to continue – albeit slowly – on the path to full

institutionalisation <sup>lxxvii</sup>. There is a related international development which has had its first German occurrence, and which could mark a point where social entrepreneurial nomos generates major change outside of the field itself: the *social impact bond*.

### **6.2.2 The social impact bond**

A social impact bond is an agreement made by a governmental body to pay out an agreed-upon amount of money should a certain social impact be achieved. The original example is the Peterborough re-offenders project from 2010 where private investors paid for a programme aimed at lowering the re-offending rates among convicts; if the re-offending rates drop by a certain amount, the UK government will pay out and the investors make a profit <sup>lxxviii</sup> <sup>lxxix</sup>. Since this seminal project, the social impact bond has been adopted in areas such as education <sup>lxxx</sup> and youth employment <sup>lxxxii</sup> and has spread to other countries, particularly the U.S. <sup>lxxxii</sup>.

The idea is appealing because it potentially offers savings for the public sector, brings private investment into the social sector <sup>lxxxiii</sup>, and offers new sources of financing for social entrepreneurs <sup>lxxxiv</sup> <sup>lxxxv</sup>. Social impact bonds are not appropriate for all types of social project as there must be a concrete indicator – i.e. statistic – which can be used as the basis for assessing the social impact of the project, as in the case of re-offending rates. Social impact bonds have received some criticism <sup>lxxxvi</sup> <sup>lxxxvii</sup>, but the G8 recently established a task-force on impact investment which is investigating their potential <sup>lxxxviii</sup> and they have been receiving mainstream media attention in Germany <sup>lxxxix</sup>.

The first German impact bond pilot was launched in 2012 by the Benckiser Foundation <sup>xc</sup>. The project is focussed on reducing youth unemployment in Augsburg <sup>xcii</sup> <sup>xciii</sup> and aims to get teenagers from disadvantaged backgrounds into employment or training positions which they hold for a period of at least nine months <sup>xciii</sup>. Should the number of successful placements exceed the agreed-upon level, then the Bavarian State Ministry of Labor, Social and Family Affairs will pay back the original investment made with an additional interest payment <sup>xciv</sup>.

The continued pressure on government finances at all levels could contribute to the expanded use of social impact bonds over the coming years. From a theoretical perspective, impact bonds are an interesting specimen in that they very explicitly blur the line between financial returns and the desire to do ‘good’. The defining and measurement of this ‘good’ as social impact is a feature of the *illusio* emerging from the social entrepreneurial scene, illustrating how this field may come to have a broader influence into the future.

The social impact bond is a mix of social objectives with financial instruments from the economic field, and exemplifies the efforts to innovate and rethink at the boundaries of the social and the economic. While the symbolic capital and *illusio* are strong characteristics of the field, there are a large number of other factors to consider when looking at the *nomos* of the field of social entrepreneurship. In the final section, we turn our attention to some of the actors in the field’s periphery and the elements competing to shape its *nomos*.

### **6.3 Charting the boundaries and the ‘rules of the game’**

The *illusio* captures the stakes of the game or the ‘what’ which can be won. Here we turn our attention to the ‘how’. Defining the ‘rules of the game’ – or *nomos* – is a central activity undertaken by actors in Bourdieu’s field theory. In this process, actors attempt to exert influence on the logic underpinning the functioning of a specific field. The classical Bourdieuan interpretation would describe these efforts as being a form of power struggle on the part of the actors trying to attain a position of domination within the field and to ensure that the game operates in a way which is most advantageous for them.<sup>25</sup> Furthermore, the *nomos* provides the basis for delineating who can be legitimately considered an actor in a given field.

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<sup>25</sup> In line with the methodological position adopted here, the domination-based interpretation of efforts to define the rules of the game is supplemented by the view that actors may also collaboratively define rules in order to try to achieve altruistic or positive social objectives – at times, though not necessarily, irrespective of their position or the strategic repercussions. Of course, it could be possible to describe a field where positive social objectives are so inherent within the logic of that field that collaborative or altruistic efforts to achieve these objectives can again be interpreted through the conflict-based lens.



As introduced earlier, the 'core' is understood to be the social enterprises themselves which are engaged in achieving concrete social objectives. Roughly put, the periphery is composed of 'enabler' organisations which are part of the field, and seek to promote or enable the work of the social enterprises. The significance of the periphery lies in the fact that it takes on a 'gate-keeper' role, having a strong influence on the nomos of the field and thus on the perception of who can be legitimately considered to be part of the field. Additionally, the periphery often acts as a buffer zone between the core organisations and developments external to the field. This means that organisational components from sectors external to social entrepreneurship are brought into the field and both influence the nomos and are influenced by it. Assessing some of these developments provides a rudimentary means of charting the *boundaries of the field*, which can also be seen in the field's effect on its external environment.

A range of organisations and developments are described, with key characteristics identified which are influencing the emergent nomos. The descriptions are loosely grouped under a series of headings according to their institutional form, background or actual activity. Peripheral organisations are ascribed just one or two nomos-influencing characteristics, but this does not imply that the characteristics ascribed to that actor are not present in others; nor does it imply that the characteristic associated with that organisation is the sole defining feature. This is simply a means of introducing a large number of actors and relevant organisational characteristics in a succinct, coherent fashion.

As the focus is on the boundaries of the field, external organisations are also introduced at certain points, with their relation to social entrepreneurship offering a reflection of facets of the nomos. The field is limited in size, and so its external influence is as yet minimal. We have seen through the example of the social impact bond, however, that there is potential for an increase in this influence. It is therefore instructive to look in more detail at the boundaries and to identify potential points where the nomos may in time come to exert influence externally.

### 6.3.1 Yunus and the social business

In 2006 Prof. Yunus jointly won the Nobel Peace Prize with the Bangladeshi Grameen Bank which he had helped establish as a functioning model for micro-finance<sup>26</sup>. Drawing on his experience and abstracting from the micro-finance organisational model, Yunus (2007) went on to promote the use of commercial activity as a means of dealing with poverty and other social issues. While supporting the idea of globalisation in principle, Yunus is critical of the logic of economic development driving it: “Unfettered markets in their current form are not meant to solve social problems and instead may actually exacerbate poverty, disease, pollution, corruption, crime, and inequality” (ibid: 5). The contributions of governments, NPOs, the development banks, and corporate social responsibility are critiqued, leading to the conclusion that “capitalism is a half-developed structure” (ibid: 18).

His solution is encapsulated in an organisational form which he calls a *social business*. A social business must strive to achieve its social objectives *and* be financially self-sufficient (ibid: 22). Profit is important for the social business, but the pursuit of profit cannot interfere with the social orientation of the operation: “wherever possible, without compromising the social objective, social businesses should make profit... to pay back its investors... and to support the pursuit of long-term social goals” (ibid: 24). However, regarding any profit generated by a social business, dividends are not paid to investors, thus it can be defined as a non-loss, non-dividend business (ibid). Instead, the profits are used to help maximise the beneficial impact of the organisation through lower prices, improved service, and greater market penetration (ibid). Yunus is explicit in his understanding of what is *not* a social business: “[a] social-objective-driven project that charges a price or fee for its product or services but cannot recover its costs fully does not qualify as a social business” (ibid: 23).

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<sup>26</sup> The provision of basic banking services to under-served or poorer customers who do not normally have access to saving or lending offers.

The influence of Yunus' ideas on the discourse around social entrepreneurship in Germany has been strong. His charisma and magnetism are recurring topics in both informal discussions <sup>xcv xevi</sup> and formal interviews <sup>xevii xeviii xcix</sup>. In January 2009 Yunus co-founded the Grameen Creative Lab, an organisation aimed at spreading the concept of social business in Germany and internationally <sup>c</sup>. There quickly followed high-profile social business joint ventures between Yunus' Grameen brand and two German multinationals, BASF<sup>ci</sup> and Otto <sup>cii</sup>, as well as a memorandum of understanding signed with Adidas <sup>ciii</sup>. Officials from the cities of Wiesbaden and Monchengladbach both expressed the desire to incorporate the social business approach in efforts to improve living quality <sup>civ</sup>. Thus Yunus can be seen to have impacted on actors and institutions external to social entrepreneurship and has been acknowledged as an inspirational figure in introducing people to the idea of socially-oriented business models <sup>cv</sup>.

On a concrete, operational level, however, social business has less of an influence in Germany. Given that a social business cannot provide its investors with a return above what they put in – including no cover for inflation –, any investor must accept that, at best, they will get the initial sum back and only lose purchasing power due to inflation <sup>cvi</sup>. These restrictions rule out the involvement of institutional investors or professional angel investors, leaving investment requirements to be covered by socially-motivated individuals or organisations. On the other side, a social business should not seek charity status due to the financial self-sustainability requirement. Even if, for pragmatic reasons, charity status is sought, it can be difficult to convince regulators due to the high levels of commercial focus <sup>cvii</sup>. One social business case was founded as a charity in order to be able to accept donations; it would otherwise have not been able to cover the initial running costs and the normal start-up losses incurred <sup>cviii</sup>, while the possibility of finding investors is limited <sup>cix</sup>.

The social business form has a strong champion in Yunus – particularly given the high levels of symbolic and social capital afforded him through his work and the Nobel Prize –, but his version is of limited influence on the operational level in Germany. Apart from the practical considerations outlined above,

various actors have offered other explanations for the low levels of institutionalisation: a feeling that it is too prescriptive and dogmatic <sup>cx</sup>; concerns about there being a “cult of Yunus” <sup>cx</sup><sub>i</sub>; or questions as to the transferability of the concept to Germany <sup>cx</sup><sub>ii</sub>. Despite the lack of traction for social business in Germany, the symbolic significance of the form should not be underestimated <sup>cx</sup><sub>iii</sub> and has been an inspiration for many business converts. Yunus’ major contribution has been to expand greatly awareness that business models can be used as a *financially self-sustaining means of achieving a social objective*, and he has thus had a strong influence on the nomos.

### **6.3.2 Social investors<sup>27</sup>**

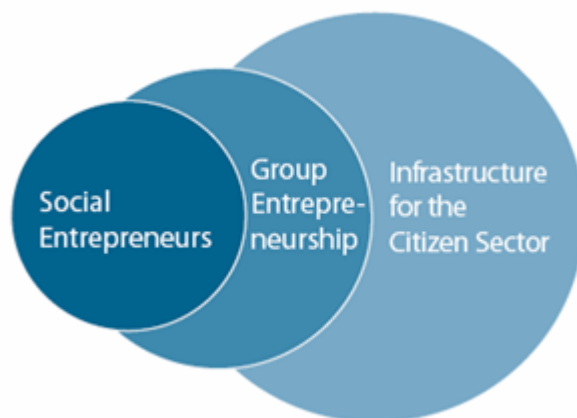
In exceptional cases, individuals such as Yunus can draw on their social capital to mobilise the resources necessary for getting an enterprise off the ground. In most cases, entrepreneurs – social or otherwise – rely on independent backers, particularly after the initial phases. The gate-keeper function of organisations offering economic capital to social entrepreneurs thus endows those organisations with influence vis-à-vis the functioning of the field and the defining of ‘legitimate’ potential investees. Interestingly, it is commonly said that there is more money available for social investment in Germany than investment opportunities <sup>cx</sup><sub>iv</sub> <sup>cx</sup><sub>v</sub>, which could theoretically mean that investors are in a weakened position. In reality, the old adage of “money talks” continues to hold true <sup>cx</sup><sub>vi</sub> <sup>cx</sup><sub>vii</sub>. The interrelated issues of accountability and reporting are often tied in with investment decisions and these are touched upon in this section.

The foremost supporter of social entrepreneurship globally is Ashoka, an American organisation which was founded in 1980. The initial and primary objective for Ashoka is based on individual entrepreneurs: “Ashoka identifies and invests in leading social entrepreneurs and helps them achieve maximum

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<sup>27</sup> Foundations and crowd-funding platforms could also be included under social investors, as could the KfW [Kreditanstalt für Wiederaufbau]. Each are dealt with separately below as they tie in with discussions on internet, business and state players, as opposed to the social-entrepreneurship-focussed organisations dealt with here.

social impact”<sup>cxviii</sup>. There has, however, been an expansion of their focus – mirroring developments in entrepreneurship research – to group- and infrastructure-level efforts:



cxix

No organisation in Germany is as active in the advancement of social entrepreneurship in Germany, including their involvement in youth initiatives<sup>cxx</sup>, a financing agency for social entrepreneurs<sup>cxxi</sup>, and a jobs’ agency<sup>cxxii</sup>. Success at the infrastructure-level has, however, been accompanied by difficulties in their primary work of identifying suitable individuals to support<sup>cxxiii</sup>. Ashoka itself is a registered charity, and while it recoups some of its expenses through consultancy work, it does not seek to achieve financial sustainability from commercial activity.

Individuals who become ‘Ashoka Fellows’ must be independently nominated and then go through a series of interviews and organisational checks before being granted the title and membership of the Ashoka network. Fellows receive a mix of support depending on their circumstances, including living stipends, coaching, access to the network, legal services, but above all the status of fellow is a major source of social capital and a boon for fund-raising<sup>cxxiv</sup>. In order to be eligible, their projects must already be in operation and the individuals must clearly exhibit a number of characteristics including integrity and creativity, while their solutions must be *innovative and entrepreneurial*<sup>cxxv</sup>. Entrepreneurial is understood in the Schumpeterian sense as a force of ‘creative destruction’, while the projects of supported individuals must fulfil the criteria of being *scalable*, i.e. has the potential to produce systemic change and is not bound to one geographic location<sup>cxxvi</sup>. While it is acknowledged that

financial sustainability will remain more of an ideal than a reality for most fellows <sup>cxxvii</sup>, the idea of being market-based and *financially self-sufficient* still tends to be promoted and fore-grounded <sup>cxxviii</sup>. This strongly individualised, Anglo-Saxon model has met with some success in Germany, but the limitations can be seen in the lack of projects being successfully scaled <sup>cxxix</sup> and the shortage of suitable candidates for fellowship <sup>cxxx cxxxi</sup>. The final point is that Ashoka was a co-developer of the Social Reporting Standards [SRS] and promote its use among their fellows. The SRS are seen as a means of maintaining a level of transparency and accountability among social entrepreneurs and social projects more generally <sup>cxxxii</sup>. Ashoka is a central player and their innovation and individual-entrepreneurial focus have a strong influence on the nomos of entrepreneurship in Germany.

The Social Venture Fund is a venture capital-type organisation – or impact investor – which focuses on investing in social enterprises while trying to provide their investors with a ‘reasonable’<sup>28</sup> return on investment <sup>cxxxiii</sup>. They only invest in an operation when there is a clear path to financial self-sustainability, with *scalability* and an explicit social mission built into the business model being two preconditions for investment <sup>cxxxiv</sup>. The investees must obey the rules of the market with the possibility of maximising social impact viewed as being directly linked to *financial sustainability* <sup>cxxxv</sup>. Social Venture Fund utilises practices from the standard venture capital sector: They only provide growth funding, which presumes that ‘proof of concept’ has been established <sup>cxxxvi</sup>. There is a heavy focus placed on the financial aspects in the investment selection decision, with the internal processes around due diligence reflecting the fact that the fund wishes to achieve financial self-sustainability itself and establish a track record for social investment as a feasible asset class on the investment landscape <sup>cxxxvii</sup>. Due to limited resources, there are no formal social due diligence processes in place as yet, and the presumption is that the social mission is explicit enough that it proves unnecessary <sup>cxxxviii</sup>.

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<sup>28</sup> Reasonable is understood by Social Venture Fund to be a stable, single-digit return on capital invested.

Social Venture Fund have invested in several high-profile social enterprises in Germany and viewed as a respected actor <sup>cxix</sup> cxl. Their strong focus on financial self-sustainability within their investee projects as well as their own operations is drawing further attention to the issue, and, should they manage to provide their investors with a financial return over the medium to long term, their influence within both German social entrepreneurship and the wider investment sector will only grow. The investment precondition of scalability is a factor which is filtering into the nomos of the field.

The final social investor to be dealt with is Bon Venture, which is also a social venture fund with an associated charitable foundation. They provide both early and growth finance, however, and they have higher risk-appetite than standard venture capitalists or the Social Venture Fund <sup>cxli</sup>. In contrast to Social Venture Fund, Bon Venture's financial aim is to at least maintain their capital stock <sup>cxlii</sup>. Any profits would not be distributed in the form of returns but reinvested, though it is not foreseen that the organisation will generate profits on its current portfolio <sup>cxliii</sup> cxliv. Bon Venture's significance does not centre on financial sustainability, but on two other points: Firstly, they pioneered the use of social venture philanthropy in Germany, thereby introducing venture capital practices in the social sector <sup>cxlv</sup> cxlvi – with their focus being explicitly on *maximising the social returns* as opposed to financial<sup>cxlvii</sup>. The second point is that Bon Venture also co-developed the Social Reporting Standards and are major champions of their use <sup>cxlviii</sup>, which has had a strong impact on the issue of reporting in social entrepreneurship and thus on the *illusio* in Germany <sup>cxlix</sup> cl.

It is clear that the social investors are introducing a number of influences which are modified imports from the economic field. The maximisation of social returns, scalability and a focus on financial sustainability reflect the fact that the social investment space is heavily populated by business converts, and particularly enablers. The modification of elements from standard business acumen is not necessarily negative, though they do contrast with those stemming from the incubator and internet-based organisations.

### 6.3.3 Incubators and the internet

The social entrepreneurship scene is generally characterised by a desire among actors for greater levels of democracy, flatter hierarchies and greater levels of collaboration <sup>cli clii</sup>. This is especially true for the seekers who are coming into the field <sup>cliii cliv</sup>. The internet has proved to be a hot-bed of new thinking and co-ordination and, in combination with the adoption and adaptation of the ‘incubator’ from the standard economy, we can see how the aforementioned traits are having an influence on and being interpreted by the *nomos* in Germany.

The use of *incubators* has been adopted from the economic field into the social entrepreneurship area in order to increase the potential for success among socially-oriented projects and thus generate more social impact <sup>clv</sup>. The prime examples of social incubators in Germany are the Social Impact Labs which are present in five cities across Germany <sup>clvi</sup>. The Impact Labs run a series of programmes based around collaboration in finding solutions to social problems. The supporters supply funding for a specific issue, with concept- to seed-stage entrepreneurs being awarded stipends and working spaces based on issue-relevant project pitches before a panel of judges <sup>clvii</sup>. The entrepreneurs are provided with additional coaching and networking possibilities in order to further develop or to get their projects to the point of being launch-ready <sup>clviii</sup>.

The Impact Labs run on a *social franchising* model, whereby each new lab is founded by a franchisee and not by the mother company <sup>clix</sup>; this model is much discussed in social entrepreneurship as a potential answer to the usual problem of scalability whereby social enterprise models are so tied to the individual founders that reproduction proves unsuccessful <sup>clx</sup>. Finally, the principle running behind the Impact Lab model is one of *collaboration* whereby the issue of for-profit or not-for-profit is of secondary importance behind a drive to reduce barriers to entry; in other words, social entrepreneurs should seek to make their solution available to as many others as possible – including both end users but also other providers – in order to maximise the social impact. While this may not be in direct contradiction to the possibility of a project achieving financial self-sufficiency from commercial activity, it certainly does not follow the orthodox rules of the market and poses challenges



for entrepreneurs seeking to convince venture capital-type investors that they will be able to provide a return <sup>clxi</sup>. The direct competition in influencing the nomos between collaborative and classic market approaches is being mitigated to an extent by new forms of crowd financing made possible by the internet.

The phenomena of *crowd funding* and *crowd investing* are receiving ever more attention on the social entrepreneurship scene <sup>clxii clxiii</sup> and are being interpreted and internalised by the field in a particular way. Crowd funding refers to a process whereby projects are funded by a large number of people and receive at most something symbolic in return, with many artists <sup>clxiv</sup> and charities <sup>clxv</sup> using this form of funding. Given that many social entrepreneurs found their organisations as charities, the option of raising money through crowdfunding is an appealing option as the money does not have to be repaid <sup>clxvi clxvii</sup>.

Crowdinvesting involves a large number of individuals investing smaller sums in a business model, typically one at an early stage, in exchange for equity in the company <sup>clxviii</sup>. The fact that it is individuals – and typically non-professional investors – who make the decision to invest, social projects which are formed as a business are not hindered by the investment criteria of institutional investors <sup>clxix</sup>. This has led to crowdinvesting being referred to as a “democratisation of venture capital” <sup>clxx</sup>. The desire for *democratic structures* has led a number of crowdinvested social enterprises to be formed as co-operatives <sup>clxxi clxxii</sup>. The association of co-operatives in Germany have thus become aware of social entrepreneurship and are interested in its potential contribution to increasing the number of new co-operatives <sup>clxxiii</sup>.

The desire for flat organisational hierarchies and collaborative attitudes have found ever more expression on the internet, with the movement around the *sharing economy* or *collaborative consumption* <sup>clxxiv</sup> making headlines in recent years <sup>clxxv</sup>. One organisation which exemplifies the collaborative approach to social entrepreneurship is MakeSense, an online community which originally stemmed out of France but which now has members – referred to as ‘Gangsters’ – across the globe <sup>clxxvi</sup>. MakeSense is partially funded through a set of consulting-type services for businesses <sup>clxxvii</sup> and universities <sup>clxxviii</sup>, while they also work in close co-operation with Yunus in promoting his

version of social business <sup>clxxix clxxx</sup>. The primary activity of the organisation is, however, to provide open source problem-solving for social entrepreneurs in the form of ‘hold-ups’, events which bring together a group of people with the express aim of solving a problem faced by a social entrepreneur <sup>clxxxii clxxxiii</sup>. Their grass-roots style is particularly popular among younger people – almost all ‘gangsters’ are under the age of 35 <sup>clxxxiii</sup>. Their use of technology exemplifies the efforts to promote and enable collaboration, a crucial point for younger members of the field.

### **6.3.4 Institutes and universities**

There are a number of research institutes and university centres which have been established on the basis of social entrepreneurship. Some of these may be considered internal to the field, while others remain external. In this section there are two examples of organisations in the field, with one external. The focus of the organisations varies, but the overall result of their efforts is that actors in this field maintain a high level of awareness of their position and role in the broader social landscape.

The Genesis Institute, a small Berlin-based operation, organises the annual Vision Summit and has close ties with the *enorm* magazine <sup>clxxxiv</sup>. As such, it can certainly be considered to be part of the field. The institute backs the concept of ‘social impact businesses’ which are not bound to the restrictions on dividend paying, as in the case of Yunus’ model <sup>clxxxv</sup> and has expanded its full title to the ‘Genesis Institute for Social Innovation and Impact Strategies’<sup>29</sup> reflecting the broad scope it attempts to incorporate <sup>clxxxvi</sup>. The Vision Summit is the institute’s flagship event and is in Fred’s words “a space for open, critical discussions and also detailed discussions about how this field must be developed or has developed, and which building blocks are still necessary” <sup>clxxxvii</sup>. The initial focus of the Visions Summits (2008-9) was on the topic of social business, and was followed by a broader discussion on new business models and CSR (2010/11); subsequently there was a two-year focus on

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<sup>29</sup> It had previously been the ‘Genesis Institute for Social Business and Impact Strategies’.

innovation in education (2012/13), while in 2014 the focus was explicitly on social innovation <sup>clxxxviii</sup>. The common principle running behind these events is the effort to increase a *systemic awareness* as well as the potential for people to affect changes within them.

The Centre for Social Innovation and Social Investment<sup>30</sup> is part of the University of Heidelberg and is a central research hub for the topic of social entrepreneurship in Germany, though it remains largely independent of the field itself.<sup>31</sup> They have been involved in a large number of publications around the topic, including what is often referred to in the sector as ‘the Mercator Report’ <sup>clxxxix exc</sup>. The Mercator Report is widely disseminated in the scene in Germany and is representative of the solutions-oriented research conducted to try to promote and enable social entrepreneurship in Germany. What is striking is that due to the perception that social entrepreneurship is emerging at the intersection of the market and the third sector, research around the topic constantly incorporates broad notions of social systems and structures; these concepts are reflected in – and are presumably reflective of – everyday discussions among and about social entrepreneurs <sup>excii exciii</sup>. As a rule, those engaged in the area of social entrepreneurship exhibit high levels of a Bourdieuan-type *reflexivity* with respect to their position in and their impact upon society.

Reflexivity is fundamental in underpinning the work conducted by the Social Entrepreneurship Akademie [SEA] in Munich. The SEA is a co-operative project between four universities in Munich and aims to promote the concept of and to provide training on social entrepreneurship <sup>exciii</sup>. The SEA’s flagship event each year is the ‘Act for Impact’ competition where start-up social entrepreneurs are invited to present their projects with funding and support

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<sup>30</sup> Which has also changed its name from being the ‘Centre for Social Investment’.

<sup>31</sup> The CSI is of course not the only research centre for social entrepreneurship with the Leuphana University’s Centre for Sustainability Management, the Zeppelin University’s Civil Society Centre and the Technical University Munich being among the others actively researching the topic and were involved in the Mercator Foundation’s research group on social entrepreneurship.

offered for those who impress the judges most <sup>cxciiv</sup>. The understanding of the entrepreneur adopted is individualised, while there is a heavy focus placed on the potential for financial self-sufficiency <sup>cxcev</sup>.

The main qualification provided by the SEA is a two-year certificate in ‘Societal Innovations’ which is comprised of two phases of each two semesters: In the first semester, the theoretical basis is established providing students with an overview of the actors around social entrepreneurship, tools for analysing societal challenges, and insights into how to launch a project and track the social impact of one’s work. The second semester is dedicated to the development of a ‘social start-up’ where the knowledge from the first semester is brought together in the form of a realisable project. The second phase is praxis-oriented, with the students either pressing ahead and launching the models they have developed themselves or they are paired up with already-operating projects and work with them over the year <sup>cxcevi cxcevi</sup>. The structure of this programme encapsulates the duality of *reflexivity and practice* which is characteristic of the social entrepreneurial sector.

The SEA is another example of a field-internal organisation that operates squarely in the periphery. The SEA provides training on the use of the SRS standards, and the perspective it promotes is reflective of a less-apparent but pertinent aspect of the nomos related to the need for *systemic understanding* and *high awareness* underpinning social entrepreneurial activity in order to achieve social impact.

### **6.3.5 The state and foundations**

While it may seem strange to have a pairing of the state and business-backed foundations, these external actors both have common themes around social entrepreneurship. The background and the motivation are somewhat disparate, but both look to social entrepreneurship as a means of providing value for money and a source of innovation in the social sector.

The social entrepreneurship sector in Germany would – quite possibly – be non-existent in its current form<sup>32</sup> were it not for the funding provided by business foundations.<sup>33</sup> Almost all of the organisations and events mentioned above are supported by one of a group of foundations, the most active of whom include the Vodafone Foundation, the BMW Foundation Herbert Quandt, the Mercator Foundation<sup>34</sup>, the Auridis Foundation<sup>35</sup>, the Deutsche Bank Foundation, while there are also businesses directly engaged such as SAP and Sparda-Bank <sup>excviii excix</sup>. There are a number of reasons put forward for the involvement of corporate actors in the social entrepreneurship scene including capacity building <sup>cc</sup>, employee engagement <sup>cci</sup> and, of course, ‘brand management’ <sup>ccii</sup>. There are certainly some grounds for scepticism about the ‘green-washing’ and PR-related motivation behind foundations supporting social entrepreneurship <sup>cciii cciv</sup>, but the extent to which engagement with social entrepreneurship is used for image management varies greatly <sup>ccv</sup>.

The major point is that the business-related community bring a focus on *organisational efficiency*; being inefficient on the open market cannot be sustained in the long-term<sup>36</sup> and this focus on the efficient use of resources is filtering into the nomos of social entrepreneurship <sup>ccvi</sup>. All of the major developments around impact assessment outlined above have been funded by foundations and business, with a strong results-orientation driving the focus on making explicit the social impact of social enterprises. Thus the foundations are the external actors which exert the greatest on the field, while social

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<sup>32</sup> By that I mean that there is a long tradition of progressive social approaches in Germany, but the explicit interest in and promotion of social entrepreneurship as a means of achieving social objectives is technically ‘new’.

<sup>33</sup> The other major category of foundations would be the political foundations, but they have shown very little interest in social entrepreneurship to date.

<sup>34</sup> Founded by the family behind the Metro retail group.

<sup>35</sup> Founded by the family behind the Aldi Süd retail group.

<sup>36</sup> At least from a financial perspective. The various arguments about how socially and ecological inefficient corporate actors really are is not a point we will address here.

entrepreneurship is also having a strong impact on the understanding of philanthropy in Germany.

While the business community have been highly active in promoting social entrepreneurship in Germany, there has been very little engagement from the political community around the concept. The Ministry for Family, the Elderly, Women & Youths (BMFSFJ <sup>ccvii</sup>) has supported a limited number of projects, but there is no programmatic support or policy around social entrepreneurship and actors view political interest as being low in Germany <sup>ccviii ccix</sup>. The only support mechanism put in place to date has been a KfW investment offer, whereby the KfW would match investment from private investors in social enterprises<sup>37 ccx</sup>; the idea is in principle sound, though the uptake of the offer has been limited due to a lack of suitable investment opportunities <sup>ccxi ccxii</sup>.

While interest in Germany has been muted, at the European and international levels there has been growing interest: The EU Commission has an ongoing expert group in place for developing social enterprise across Europe and organised a large pan-European summit in January 2014 <sup>ccxiii</sup>; the G8 group of industrialised nations have also established a task force on social impact investment to further explore possibilities for the use of private investment to deal with social issues <sup>ccxiv</sup>. The social impact bond is a central part of the discussion and proposed strategy. The thinking behind these moves – also in Germany – is to introduce more business principles into the social sector and to encourage social entrepreneurship as a *catalyst for innovation* in a sector seen as being in need of new stimuli <sup>ccxv ccxvi</sup>.

### **6.3.6 Social innovation**

There is a growing shift among those in the social entrepreneurship sector to focus on the topic of *social innovation*. The nomos of the field dictates that in order to be considered part of the field of social entrepreneurship, the solutions developed and promoted by actors must be innovative. At the same time, the

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<sup>37</sup> Sums between €50k and €200k. Due diligence to be undertaken by private investors.

giants of the social sector in Germany, the Wohlfahrtsverbände, are coming under increasing pressure to modernise their internal processes and increase their capacity to innovate <sup>ccxvii</sup> <sup>ccxviii</sup>. The point of interaction between the Wohlfahrtsverbände and social entrepreneurship is increasingly centred on social innovation, though what exactly is meant by the term is less clear.

While practitioners of social entrepreneurship regularly engage in discussions which mirror those in academia around definitions and ground-rules for their activity, the idea of social innovation is largely taken for granted or seen as self-explanatory. The 2014 Vision Summit was dedicated to the theme social innovation; in the programme foreword, the growing significance of social innovation was highlighted and it was identified as “a fundamental driver of change in society and the economy” <sup>ccxix</sup>. No further explanation was deemed necessary. Social innovation is described as being about generating more impact or better solutions <sup>ccxx</sup>. The Social Innovation Exchange, a global network for disseminating social innovations, provides the following definition: “Social innovation is the process of designing, developing and growing new ideas that work to meet pressing unmet needs” <sup>ccxxi</sup>. From the perspective of social entrepreneurs, social innovations are generally seen as being “all innovations for social good” <sup>ccxxii</sup>.

The attitude of the Wohlfahrtsverbände towards social entrepreneurship is ambiguous. On the one hand, there is anger at the perceived representation of the Wohlfahrtsverbände in the discourse around social entrepreneurship: In their view, social entrepreneurs are portrayed as innovative, focussed and efficient, while the Wohlfahrtsverbände are portrayed as monolithic, stymied and inefficient <sup>ccxxiii</sup> <sup>ccxxiv</sup> <sup>ccxxv</sup>. On an operational level, however, there have been examples of local co-operation between social entrepreneurs and all of the large Wohlfahrtsverbände, including Diakonie <sup>ccxxvi</sup>, Caritas <sup>ccxxvii</sup> and the Paritätische Wohlfahrtsverband <sup>ccxxviii</sup>.

Within the Wohlfahrtsverbände there have been a number of publications highlighting the move – particularly at the EU level – towards trying to attract more private investment into social service provision, with social entrepreneurship being touted as a means of achieving this <sup>ccxxix</sup>; elsewhere it is pointed out that according to the EU definition, the Wohlfahrtsverbände

technically *are* social enterprises <sup>ccxxx</sup>. This last point gives the whole discussion an interesting twist, exemplified in the foreword to a report commissioned by the umbrella body for the Wohlfahrtsverbände (BAGFW) where there is a clear call for co-operation between the Wohlfahrtsverbände and social entrepreneurs to drive the process of social innovation <sup>ccxxxi</sup>.

Social entrepreneurship has proved a hot-bed for discussion on social innovation, and its application as a guiding principle in organisations is beginning to spread beyond the field. Cities such as Rome <sup>ccxxxii</sup> and Vancouver <sup>ccxxxiii</sup> are looking to social innovation to help increase the living standard for their residents. Corporate entities such as HP <sup>ccxxxiv</sup> and Danone <sup>ccxxxv</sup> are promoting social innovation within their organisations as a means of addressing social challenges and building core business opportunities. In Germany, social innovation is appearing as an established practice, with the Dortmund-based academics Howaldt and Schwartz (2010) positing that there is a field of social innovation growing in significance within political, business and scientific circles. Of all the elements of the nomos, the focus on novelty and innovation is the one which is most accepted and unquestioned by actors. When combined with the *illutio* centred on social impact, the term *social innovation* seems to capture an essential characteristic.

### **6.3.7 A lot of rules, one nomos?**

In the descriptions provided, a large number of ingredients have been introduced which are competing to form the nomos of the field. While many of these are compatible, there are others which would seem to clash with two areas in particular providing potential conflicts in the longer term.

The first of these potential flash-points is where a market-based financial self-sustainability meets collaboration which seeks to reduce barriers to entry. On the one side, the rules of the market as they currently stand dictate that an organisation must try to carve out a market share and then erect some form of barrier in order to defend that share and maintain revenues. On the other hand, a removal of these barriers in a social setting promotes a more rapid diffusion of the concept and thus leads to a quicker resolution of the social



problem. If and how these two facets can combine in a cohesive field nomos in the long-term remains to be seen.

The other potential issue is around scalability and innovation. Scalability is a one-to-one transposition of the growth-principle from the economic field and seeks to promote the expansion and diffusion of social enterprises beyond the original setting of their development. Innovation, however, requires room and resources which would both be limited by efforts to expand and spread already established concepts. In the short term, the two can co-exist in the nomos of the field as there is an expanding resource base, but should growth level off, the question as to resource allocation in scaling or innovating may arise.

These two examples make clear that the nomos of the field is still in a state of flux. There are a range of actors and perspectives influencing its development, and the result is that there is little consensus as to the appropriate or optimal set of rules for the game. Reflecting the well-established symbolic capital at the actor-level, the *illusio* is not a point of contention. The generation of social impact does not come into debate, but the best means of achieving those ends remains contested – if not disputed.

The end result is that the field of social entrepreneurship is approaching a semi-institutionalised state of development. The pre-institutionalised process of habituation is more or less complete, but the process of objectification is not: The manifest forms of social entrepreneurship in Germany remain diverse, and the supportive evidence as to its effectiveness is not established enough to ensure high cognitive and normative legitimacy outside of the early adopters. Despite the *illusio* being clearly defined, the nomos is yet to adopt an established pattern which can lead to uncertainty and lower rates of adoption. The presence of a number of dedicated champions means that full institutionalisation may well occur, but remains some way off. It should be noted, however, that the development of a field is historically a slow process, and that the progress in Germany since the introduction of social entrepreneurship in the mid-2000s has thus been relatively rapid.

The descriptions in this chapter have covered the economic habitus, emphasised social impact's role as symbolic capital and in the *illusio*, and has

attempted to sketch out the boundaries of the field. In the process, the first two research objectives set out with respect to actor-level analysis and the edges of the sector have been addressed, while the cultural context was dealt with in the previous chapter.

## 7. Conclusion

The phenomenon of social entrepreneurship has been receiving more attention in recent years from the social scientific community, but the understanding is so far limited in scope and largely focussed on the characteristics of social entrepreneurs as individuals or social enterprises as organisations. The research objectives set for this project were chosen to address the deficit in analysis along three lines: Improving the actor-level understanding of social entrepreneurship; examining developments at the edges of the field, as opposed to at the core; and beginning the process of mapping the cultural context in which social entrepreneurship is emerging.

A terminological framework drawing primarily on Bourdieu's writings was laid out, with some refinements made around the topics of habitus and culture. In addition, institutionalisation as process was introduced from the institutionalist research paradigm. To address the research objectives, the focus was on three areas, economic habitus, *illusio* and the boundaries of the field. A qualitative research paradigm was adopted, centred on participant observation, document analysis and interviews. The fieldwork conducted was primarily passive in nature, with visits to organisations and social entrepreneurship events forming, in combination with the interviews, the basis for the data generated. The interpretation of the data centred on the habitus analysis technique as part of a critical hermeneutic approach.

The results gleaned from the research process were portrayed in five distinct parts. Two distinct actor types were identified, with two further sub-types and their distinguishing features illustrated through a series of interview excerpts. The first actor type is the business convert who will have had a long career in the standard economy before coming into contact with social entrepreneurship and switching across, often motivated by a sense of real or impending crisis of meaning in their life. The two sub-types are the *enabler* who will have switched across to social entrepreneurship from financial services or consulting and will be engaged in financing or capacity building; and the *maximiser* who will have had a career in an economic branch before choosing to utilise their expertise to address a social objective. The other actor type is the *liminal* who will not have been engaged in the standard economy for a prolonged period, and who will

not have had a feeling of crisis before encountering social entrepreneurship. The *ever-green* a liminal who was engaged in social entrepreneurship before the field began to establish, while the *seeker* is from the younger generation and just starting out on their career. The seeker will be attracted to social entrepreneurship by the sense of freedom to innovate and the opportunity to simultaneously contribute socially.

The descriptions of the actors incorporated a series of categories commonly used in the field of social entrepreneurship. These categories were then examined in more detail to assess their roots and thus to begin mapping out the cultural context from which they are being drawn. Many of the categories are drawn from the lingua franca of the standard economy and so classic works on the capitalist system were used to contextualise them. The main points addressed included the drive toward *profit maximisation*, drawing on Weber's (2012) classic work and the *projective city* as introduced by Boltanski and Chiapello (2005b). Further concepts such as the *mission orientation* from the third sector and *generational differences* were also dealt with.

Drawing primarily on the work of Bourdieu (2000) – but also on Boltanski and Chiapello (2005b) – a series of praxeological squares were constructed for previous manifestation of the economic habitus. These representations were then used as a reference point for comparing the developments documented in the field of social entrepreneurship. The results were structured around two sets of dispositions related to *occupation and purpose* and *calculation and returns*. The results showed that some operators have remained constant in the squares constructed for different actors, while some have been modified or replaced. In the case of occupation and meaning, the desire for *freedom to innovate* has been fused with a desire to *contribute socially* as a source of positive experience, while the positive experience itself is deemed to be a *meaningful life*. In the case of calculation and returns, the *spirit of calculation* which Bourdieu identified as a defining characteristic in the capitalist economic habitus is found to still be present in the economic habitus of actors in this area. While a mastery of the spirit of calculation is still ascribed significance as a source of positive experience, there has been a major shift in the returns sought and experienced as positive by the actors. The returns

sought are labelled as *tangible social impact*, which relates the point that the actors are no longer seeking to maximise their material returns, but the 'good' that their activities generates. Given its structural position in the set of dispositions, social impact is identified as the symbolic capital active in this field.

In the terminological framework set out, the actor-level phenomenon of symbolic capital is mirrored at the field-level by *illusio*. Thus the drive to achieve social impact is the aspect of the field which must be adhered to by new entrants into the field. These 'stakes in the game' are a source of recognition and primacy in the field, and means of tracking and reporting social impact are being developed. Three of these methods were highlighted, with a defining characteristic attached to each: The *B-Corp* promotes a *standardisation of metrics* used to track social impact, with a score generated for an organisation based on their performance against these metrics. The *Social Return on Investment* is a system whereby the social value generated by the organisation is *monetised* and used to produce a ratio expressing the value that the activities undertaken add to society. The final approach is the *Social Reporting Standards* which stresses the importance of a *standardisation of reporting processes*, thus helping to promote comparability and organisational learning. The *social impact bond* is being touted as a new means of funding social services: Governmental bodies agree to repay the funds invested by third parties into innovative solutions to social problems. If a pre-defined social objective is achieved, then the funders stand to not only get their initial investment repaid, but can potentially make a small return on that investment.

The social impact bond and its potential influence on the state funding of social projects is one example of how social entrepreneurship is having an influence at the *boundaries of the field*. These boundaries are examined by introducing a number of the key organisations operating in the periphery of the field. While introducing these organisations, some of the components competing for influence in the *nomos* of the field are also brought in. The *social investors*, for example, are organisations which providing funding for the activities of social entrepreneurs. In the process, they often lay an emphasis on topics such as *financial sustainability* or *scalability*. These ideas are deemed to be important

for generating social impact over a longer time-frame and are thus championed by the social investors in the field. Other organisations, such as the *incubators* and *internet-based organisations* often stress *collaboration* and a *removal of market barriers* as the best means of generating social impact. The competing and sometimes partially contradictory elements being brought together in the nomos lead to the conclusion that the nomos is still at a *semi-institutionalised stage*, which contrasts with the *fully institutionalised stage* reached by the habitus and illusio. The most clearly defined aspect of the nomos, and that which is having the strongest external effect is *social innovation*.

The cultural context in which social entrepreneurship is emerging is one of constant change. Actors must continuously engage in processes of reflection and innovation in order to succeed. This is in many ways a different world from the one in which Bourdieu conducted his research and developed his framework. The constant need for reflexive adjustment will lead to a shortening of the half-lives of social institutions and erode the utility of Bourdieu's original field theory. Human beings are nonetheless social animals and still require co-ordinating patterns for their life-worlds. As long as that is the case, fields will remain useful for researching patterned features of society, though how they are theorised and analysed needs to be constantly remodelled. The interpretation of habitus adopted in this text provides an example of how a re-reading of field theory may be brought to fruition, pushing as it does the boundaries of Bourdieu's original work and ensuring it remains valid and useful into the future.

It may well be accurate to posit that the 'winners' in Western society are now those who can best draw together and combine components from diverse contexts, and it may be that social entrepreneurs as individuals are attempting to do just that. But when taken as a group, this leads to patterns which – however short-lived – are still worthy of identification and description. In his interview, Fred posited that social entrepreneurship is not going to be able to address all the world's problems, but that it is a great way forward; Bourdieu's framework will never be able to fully describe the social world, but its constant evolution through application in rigorous empirical research should ensure that it remains a great source of insight and understanding.

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# Appendix

## Interview Draft 1

Introduction: Start with short auto-biographical narrative of the interviewee. (Hintergrund, Kindheit, Ausbildung, early career)

- Potential follow-up questions:
  1. Bitte fassen Sie kurz Ihren wichtigsten Ziele zusammen.
  2. Richten Sie sich mit dieser Arbeit an ein breites Publikum oder eine bestimmte Zielgruppe?
  3. Was hat Sie persönlich dazu bewogen, sich so zu engagieren?

Negative Experience (Doesn't necessarily have to be personal/individual, but also at a societal or organisational level)

- Was finden Sie in den gesellschaftlichen Verhältnissen in Deutschland als besonders problematisch?
- Wie betrifft das Sie persönlich?
- Was ist für Sie persönlich die bisher größte Enttäuschung bei Ihrer Arbeit gewesen?
- Fällt Ihnen spontan noch etwas ein, was Sie in Ihrem Alltag als besonders schlecht empfinden?

Interpretation of Negative Experience (Assessing the factors which lead to negative experiences outlined)

- Was sind die Ursachen für diese Probleme?
- Wo sehen Sie die größten gesellschaftliche Risiken bzw. Gefahren für die Zukunft?
- Was ist Ihre größte Sorge?
- Welche Rolle spielt die Wirtschaft?
- Was sind die größte Hindernisse bei der Umsetzung Ihrer Ziele?

Positive Experience

- Was finden Sie in den gesellschaftlichen Verhältnissen in Deutschland besonders gut?
- In wie weit betrifft Sie das persönlich?
- Was ist für Sie das Wichtigste in Ihrem professionellen Leben?
- Was ist für Sie persönlich der bisher größte Erfolg bei Ihrer Arbeit gewesen?

Positive Interpretation

- Was sind die Ursachen für das, was Sie gut finden?
- Welches ist Ihre wichtigste Hoffnung?
- Welche Rolle spielt die Wirtschaft?
- Welche Chancen sehen Sie für Ihre Arbeit?
- Was erhoffen Sie sich von der Zukunft?

## Interview Draft 2

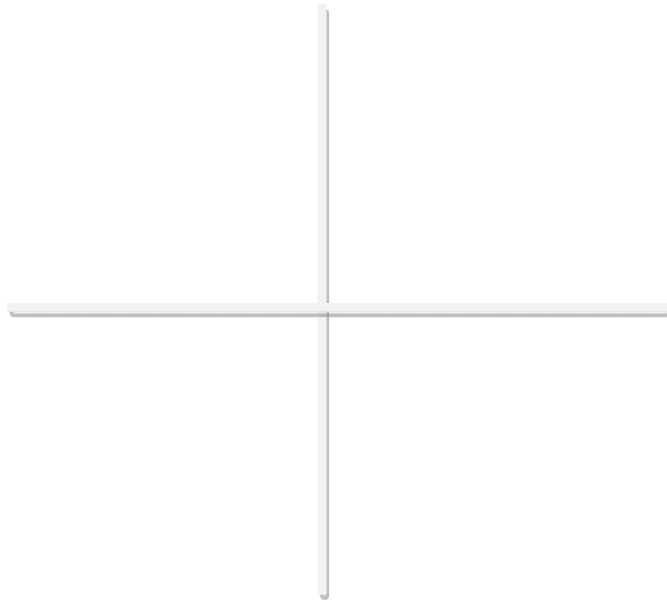
1. Narrative Anfang
  - a. Können Sie mir kurz etwas über ihren Familienhintergrund und ihren Bildungsweg erzählen?
  - b. Wie sind Sie an diesen Punkt in Ihrem Lebensweg gekommen?  
Übergangsfrage: Welche Gründe gab es dafür, sich für Ihre jetzige Arbeit zu entscheiden?
2. Lenkungsfragen
  - a. Mögliche Fragen zu negativen Erfahrungen
    - i. Was sind Ihrer Meinung nach aktuell die dringendsten sozialen Probleme in Deutschland?
    - ii. Sind Sie von diesen Problemen persönlich betroffen?
    - iii. Was war bezüglich Ihrer Arbeit bisher Ihr größter Tiefpunkt?
  - b. Mögliche Fragen bezüglich der Interpretation negativer Erfahrungen
    - i. Was sind die Ursachen dieser Probleme?
    - ii. Welche sozialen Probleme erwarten Sie in der Zukunft?
    - iii. Was ist Ihre größte Sorge?
    - iv. Was sind die schwierigsten Hürden für den Erfolg Ihrer Arbeit?
  - c. Mögliche Fragen zu positiven Erfahrungen
    - i. Was halten Sie für die besten sozialen Aspekte der deutschen Gesellschaft?
    - ii. Wie beeinflussen diese Ihr Leben?
    - iii. Was sehen Sie als den Höhepunkt Ihrer bisherigen Arbeit?
  - d. Mögliche Fragen bezüglich der Interpretation positiver Erfahrungen
    - i. Was sind die Ursachen und Gründe dieser positiven Aspekte?
    - ii. Gesellschaftlich gesehen, worauf hoffen Sie für die Zukunft?
    - iii. Welche Möglichkeiten sehen Sie für Ihre Arbeit in der Zukunft?
    - iv. Welche Faktoren könnten Ihre Arbeit erleichtern und zum Erfolg führen?
3. Ergänzende Punkte, falls diese nicht bereits besprochen wurden
  - a. Mögliche Fragen zu sozialem Engagement (bis zu 10 Minuten)
    - i. Was halten Sie vom Wohltätigkeits- und Ehrenamtlichen Sektor?
    - ii. Wie sehen Sie dessen Beziehung zu 'social business' (sozialen Unternehmen)?
    - iii. Langfristig, was für eine Wirkung wird Social Business (werden soziale Unternehmen) auf diesen Sektor haben?
  - b. Mögliche Fragen zum Staat (bis zu 10 Minuten)
    - i. Was gelingt dem Staat Ihrer Meinung nach momentan besonders gut?
    - ii. Was sollte sich ändern?
  - c. Mögliche Fragen zur Finanzierung (bis zu 10 Minuten)
    - i. Für Unternehmer
      1. Wie haben/werden Sie die Gründung/Wachstum finanziert/en?
      2. Wie versuchen Sie finanzielle Rentabilität mit der sozialen Dimension zu vereinbaren?
      3. Wie könnte es gelingen mehr Kapital in diesen Sektor zu bekommen?
    - ii. Für Investoren / Berater
      1. Was sind die wichtigste Investitions-/Bewertungskriterien?
      2. Wie versuchen Sie finanzielle Rentabilität mit der sozialen Dimension zu vereinbaren?
      3. Wie könnte man diesen Sektor Investoren-freundlicher machen?

Accompanying template:

Interview partner:

Pos Int

Neg Int



Pos Ex

Neg Ex

NOTES

Transition question time:

Material on the state?            Yes    No

Material on social engagement:    Yes    No

Material on finance?            Yes    No

Paperwork?                        Yes    No

# Projekt MusikAll

## Executive Summary

MusikAll is a hybrid organisation which integrates the achieving of a set of social objectives into a profitable business model based around the provision of music instruction. The three social objectives are: i) Establish regular and stable income opportunities, training possibilities, and access to high-quality facilities for local musicians; ii) Bring music instruction to children who would not normally benefit from such activities; and iii) Use group instruction, band practice and music events to actively promote integration between children from different socio-economic backgrounds. MusikAll will be legally formed as a social co-operative in Düsseldorf in the second half of 2012, and it is planned to develop the business model to begin rolling out Germany-wide as a social franchise within five years.

## Endnotes

### Key:

- IN refers to interview material, accompanied by the first three letters of the interview partner's name. The original names were changed and the following names used: Ben, David, Fred, Michael, Erwin, Maria, Martin, Stefanie, Reinhardt, Joe, Steve.
- FN refers to filed notes, with the date recorded.
- EM refers to an email, with date received.

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<sup>i</sup> INerw: „das hat was mit der Finanzkrise zu tun. Also danach hat's vielen Leuten die augen geöffnet, das Geld alleine nicht glücklich macht. Also als die Climate, die globale Klimakrise und halt eben auch die, ja die Finanzkrise haben ganz vielen Leuten einfach die Augen geöffnet.“

<sup>ii</sup> INdav

<sup>iii</sup> INste

<sup>iv</sup> INmar: „Nur das zählt.“

<sup>v</sup> INste: „Aber das ist nicht mein Kernziel reich zu werden, sondern Probleme zu beseitigen“

<sup>vi</sup> INjoe

<sup>vii</sup> INmic: „Das war eigentlich genau dieser Sinn, also was ich gerne möchte. Ich möchte ja das mehr Geld da in den sozialen Sektor fließen durch meine Tätigkeiten.“

<sup>viii</sup> INmar: „you're bringing products and services to an under-served section of the population in a sustainable way“

<sup>ix</sup> INerw: „Das ist das was hier stattfindet ... wo es darum geht Social Business Modelle zu entwickeln und zu transformieren.“

<sup>x</sup> INben: „Da habe ich gemerkt, dass es mir richtig Spaß macht. In diesem Bereich bin ich sehr kreativ und identifizier Marktlücken für Produkte. Die Idee für mein Produkt bzw. für mein P\*\*\*system kam schon aus dem Jahr 2002.“

<sup>xi</sup> INdav: „Das sind so Sachen, die sind formell auch freiberufliche Tätigkeit aber die sind ein bisschen anders, also da gehts eher um Aktivismus und darum Dinge zu bauen und zu machen.“

<sup>xii</sup> INste: „Es muss auch die Macher geben, die nach vorne preschen und sagen ich probiere das mal aus. No risk, no fun! Ich gehe einfach mal diese Richtung, vielleicht scheitere ich, aber ich will es ausprobieren haben.“

<sup>xiii</sup> INrei: „im Prinzip alles was ich mein ganz Leben lang gemacht habe, in einer wunderschönen Form zusammengefasst hat“

<sup>xiv</sup> INmar: „Es hätte auch anders kommen können. Ich war ja nie glücklich mit diesem Dings dass ich gemacht habe. Und jetzt bin ich sehr glücklich.“

<sup>xv</sup> FN260914

<sup>xvi</sup> INerw

<sup>xvii</sup> INmic: „die waren jedes Mal überrascht wie viel Frustration es gibt in den traditionellen Organisationen wo diese Menschen beschäftigt sind. Und ich habe meistens den Eindruck, dass es nicht an diesen Personen lag die vor mir saßen und

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der Frust kam mehr oder minder deutlich heraus in ihrer bisherigen Position, sondern dass es eigentlich an den Organisationen liegt, wie dort geführt wird.“

<sup>xviii</sup> INste: „Ich baue mein Unternehmen nicht in erster Linie auf um ein reicher Mann zu werden, sondern ich will gut verdienen und leben können, aber ich will auch etwas für die Gesellschaft selber tun“

<sup>xix</sup> INmar

<sup>xx</sup> INjoe

<sup>xxi</sup> INjoe: “Ich habe sogar das Gefühl gehabt erst mal viel bessere Worklife Balance als vorher. Ich habe jetzt eine Familie und kann mir Zeit nehmen wenn’s notwendig ist.“

<sup>xxii</sup> INste: “ Nach der Ausbildung zur \*fachfrau habe ich begonnen anderthalb Jahre dort zu arbeiten, habe aber letztendlich festgestellt, dass der Job nicht familienfreundlich ist, wie ich mir das erhofft hatte. Und vor allem finanziell nicht so honoriert wird, wie ich es mir vorgestellt hatte. Es stand nämlich zur Wahl Karriere oder Familie auf langfristiger Zeit.“

<sup>xxiii</sup> INfre

<sup>xxiv</sup> <http://www.seakademie.de/bildung/zertifikat2012/inhalte.aspx>

<sup>xxv</sup> INjoe: “hatte jetzt quasi das ganze Know How was ich dafür brauche, hatte das Geld und hatte jetzt die große einmalige Chance quasi meine Vision selbst in die Praxis umzusetzen.,”

<sup>xxvi</sup> INmar

<sup>xxvii</sup> INfre

<sup>xxviii</sup> INjoe

<sup>xxix</sup> INfre

<sup>xxx</sup> INmar

<sup>xxxi</sup> <http://www.flsenate.gov/Session/Bill/2014/685> Accessed 11/10/14.

<sup>xxxii</sup> <http://republic3-o.com/state-rep-tobias-read-oregons-new-benefit-company-law-lets-business-owners-bring-values-work/> Accessed 11/10/14

<sup>xxxiii</sup> <http://www.bcorporation.net/what-are-b-corps> Accessed 10/10/14

<sup>xxxiv</sup> <http://www.bcorporation.net/what-are-b-corps/the-non-profit-behind-b-corps/our-funders> Accessed 10/10/14

<sup>xxxv</sup> <http://www.bcorporation.net/become-a-b-corp/how-to-become-a-b-corp> Accessed 10/10/14

<sup>xxxvi</sup> <http://giirs.org/about-giirs/how-giirs-works/174> Accessed 12/10/14

<sup>xxxvii</sup> <http://giirs.org/about-giirs/about> Accessed 12/10/14

<sup>xxxviii</sup> <http://www.thegiin.org/cgi-bin/iowa/reporting/index.html> Accessed 12/10/14

<sup>xxxix</sup> <http://www.bcorporation.net/community/ecosia-gmbh> Accessed 10/10/14

<sup>xl</sup> FN030613

<sup>xli</sup> FN110914

<sup>xlii</sup> FN160714

<sup>xliii</sup> <http://gexsi.org/blog/b-corp/> Accessed 12/10/14

<sup>xliv</sup> FN160412

<sup>xlv</sup> FN121011

<sup>xlvi</sup> FN160412

<sup>xlvii</sup> FN231114

<sup>xlviii</sup> FN170914

<sup>xlix</sup> <http://www.thesroinetwork.org/about-us> Accessed 23/09/14

<sup>l</sup> [http://www.thesroinetwork.org/component/docman/doc\\_download/72-sroi-guide-the-seven-principles-of-sroi](http://www.thesroinetwork.org/component/docman/doc_download/72-sroi-guide-the-seven-principles-of-sroi) Accessed 23/09/14

<sup>li</sup> [http://www.thesroinetwork.org/component/docman/doc\\_download/69-sroi-guide-stage-4](http://www.thesroinetwork.org/component/docman/doc_download/69-sroi-guide-stage-4) Accessed 23/09/14

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- liii [http://www.thesroinetwork.org/component/docman/doc\\_download/71-sroi-guide-stage-6](http://www.thesroinetwork.org/component/docman/doc_download/71-sroi-guide-stage-6) Accessed 23/09/14
- liv FN050813
- lv FN110914
- lvi [http://www.thesroinetwork.org/component/docman/doc\\_download/76-social-return-on-investment-for-social-investing](http://www.thesroinetwork.org/component/docman/doc_download/76-social-return-on-investment-for-social-investing) Accessed 23/09/14
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- lviii FN160212
- lix FN050813
- lx EM241014
- lxi FN111213
- lxii <http://www.social-reporting-standard.de/> Accessed 03/03/14
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- lxvi [http://www.social-reporting-standard.de/wp-content/uploads/2014/08/SRS-guidelines\\_en.pdf](http://www.social-reporting-standard.de/wp-content/uploads/2014/08/SRS-guidelines_en.pdf) Accessed 03/03/14
- lxvii <http://evpa.eu.com/> Accessed 06/05/14
- lxviii [http://www.phitrustactiveinvestors.com/data/file/EVPA\\_A\\_Practical\\_Guide\\_to\\_Measuring\\_and\\_Managing\\_Impact\\_final\\_april\\_2013.pdf](http://www.phitrustactiveinvestors.com/data/file/EVPA_A_Practical_Guide_to_Measuring_and_Managing_Impact_final_april_2013.pdf) 06/05/14
- lxix [http://www.social-reporting-standard.de/wp-content/uploads/2014/08/SRS-guidelines\\_en.pdf](http://www.social-reporting-standard.de/wp-content/uploads/2014/08/SRS-guidelines_en.pdf) Accessed 04/03/14
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- lxxi <https://www.phineo.org/> Accessed 04/03/14
- lxxii FN090813
- lxxiii FN090813
- lxxiv FN110613
- lxxv FN140514
- lxxvi FN080415
- lxxvii FN050913
- lxxviii <http://www.theguardian.com/society/2010/mar/19/investors-pay-for-prisoner-rehabilitation> Accessed 23/03/14
- lxxix FN121011
- lxxx <http://www.goldmansachs.com/what-we-do/investing-and-lending/urban-investments/case-studies/salt-lake-social-impact-bond.html> Accessed 23/03/14
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- lxxxii <http://www.rockefellerfoundation.org/our-work/current-work/social-impact-bonds> Accessed 24/03/14
- lxxxiii FN110914
- lxxxiv FN121011
- lxxxv FN260914
- lxxxvi <http://socialfinance.ca/2012/11/22/social-impact-bonds-approach-with-caution-part-one/> Accessed 25/03/14
- lxxxvii FN260914



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- xcii <http://www.juvat.org/> Accessed 03/10/14
- xciii [http://www.juvat.org/juvat\\_augsburg\\_dt.pdf](http://www.juvat.org/juvat_augsburg_dt.pdf) Accessed 03/10/14
- xciv [http://www.juvat.org/juvat\\_augsburg\\_dt.pdf](http://www.juvat.org/juvat_augsburg_dt.pdf) Accessed 03/10/14
- xcv FN190313
- xcvi FNo81111
- xcvii INrei: „dass er im Prinzip alles was ich mein ganz Leben lang gemacht habe, in einer wunderschönen Form zusammengefasst hat“
- xcviii INrei: „einen unglaublichen tollen Menschen und Lehrer kennengelernt“
- xcix INFre: „habe dann Yunus zum ersten Mal erlebt. Und das ist ja schon auch ein Erlebnis das erste Mal ja, wie er dann da vorne steht und die Geschichte erzählt der Grameen Bank“
- c <http://www.grameencreativelab.com/our-company/vision-2015.html> Accessed 11/5/2014
- ci <http://www.basf.com/group/corporate/de/sustainability/society/social-business>
- cii <http://www.ottogroup.com/de/medien/meldungen/otto-group-und-grameen.php>
- ciiii Frankfurter Allgemeine Sonntagszeitung, 15.11.2009: 46
- civ Enorm magazine 2012/2: 30
- cv Enorm magazine 2011/1: 59
- cvi FN111111
- cvii INerw
- cviii FNo80312
- cix INFre: „Die waren total begeistert. Die meinen, das wäre total cool und es wäre richtiges Thema zum richtigen Zeitpunkt, bis wir dann über unser Businessmodell gesprochen haben... Haben wir gesagt, doch wir wollen verdienen aber das Geld was wir verdienen bleibt halt nach Abzug aller Kosten bleibt's im Unternehmen... Das haben die nicht kapiert bzw. sie haben es kapiert und haben gesagt, das finden sie Scheiße“
- cx EM261111
- cx1 FNo60613
- cxii INerw
- cxiii INrei: „werden diskutiert, reflektiert, angeschaut, gemacht, getan, sind lebendig, scheitern, sind gut, sind schlecht. Wie auch immer, sie sind da“
- cxiv FN140514
- cxv FN210314
- cxvi INmic
- cxvii FN200314
- cxviii <https://www.ashoka.org/approach> Accessed 13/11/13
- cxix <https://www.ashoka.org/approach> Accessed 13/11/13
- cxx <http://www.ashoka-jugendinitiative.de/> Accessed 13/11/13
- cxxi <http://www.fa-se.eu/> Accessed 02/10/14
- cxcii <http://www.talents4good.org/> Accessed 02/10/14
- cxxiii FNo71114
- cxxiv FNo71114

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cxxvii FN210314

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cxxix FN260914

cxxxi FN210314

xxxii FN260914

xxxiii FN050913

xxxiiii FN011212

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xxxvii EM081012

xxxviii FN070513

xxxix FN100914

xl INmar

xli FN070513

xlii <http://www.bonventure.de/bonventure/ziele.html> Accessed 23/10/14

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cliii INdav

cliv INste

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clviii FN050813

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clxi FN281014

clxii FN160114

clxiii FN100914

clxiv EM150914

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clxviii <https://www.seedmatch.de/startups> Accessed 05/11/14

clxix INmic

clxx Enorm magazine 2011/1: 91

clxxi FN140513

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clxxiii FN080312  
clxxiv <http://ouishare.net/en> Accessed 06/11/14  
clxxv Die Zeit 2014/43  
clxxvi [http://we.makesense.org/?page\\_id=8](http://we.makesense.org/?page_id=8) Accessed 04/05/12  
clxxvii <http://www.commonssense.cc/> Accessed 07/02/14  
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clxxxi FN140511  
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clxxxv FN050913  
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clxxxvii INfre: "Raum für offene kritische Diskussionen und auch detaillierte Diskussionen darüber wie dieses Feld entwickelt werden muss oder sich entwickelt hat und welche Bausteine noch nötig sind"  
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clxxxix FN291013  
exc FN170114  
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exciii <http://www.seakademie.de/> Accessed 11/03/12  
exciv FN110613  
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ccvii <http://www.bmfsfj.de/> Accessed 25/03/14  
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