



WG2 SE and multi-level

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Stakeholder Brief 10

Changing social enterprises in changing territories: a multi-level perspective

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Executive summary

This Stakeholder Brief summarises the discussions that took place during the fifth meeting of Working Group 2 “Exploring new industries”, held in Zagreb in June 2021 as part of the COST Action “Empowering the next generation of social enterprise scholars” (Empower-SE). Co-organised by the University of Zagreb (Faculty of Law and Faculty of Political Science) and the research centre LEST from CNRS and Aix-Marseille University, the meeting focused on “Changing social enterprises in changing territories: a multi-level perspective”.

The meeting was held in the WESPA Spaces venue, which is a large coworking space that hosts various types of organisations—including social enterprises, start-ups and more “traditional” companies—and offers a variety of digital and other innovative resources for sharing.

This full-day workshop was conceived as a high-profile academic event aimed at exchanging initial thoughts in an incipient field of research covered by the EMPOWER-SE COST Action thematic line: multi-level analysis, territory and social enterprise. It gathered scholars from ten different countries and different disciplines (sociology, economics, political sciences, management, etc.) and some practitioners from Croatia interested in the role of social enterprises in territorial development and governance in a multi-level perspective.

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1. Introduction

The workshop focused on the place and role of social enterprises (SE) in multi-level and complex governance systems (from the local territorial governance systems to the international ones) and on the ways in which these systems support the emergence, development and transformation of social enterprises. On the one hand, we are seeing an increase in the recognition of SE at the European level, with dedicated programmes and a growing interest in measurement, for example in the context of preparing a social economy satellite account. On the other hand, we are witnessing the development of local dynamics based on socio-economic and socio-political practices and experiments. In between these local and international dynamics, at the national level, a number of laws have been adopted that recognise and support the development of social enterprises.

Public policies to support SE are therefore adopted at different levels of governance. Multi-scalar dynamics are also found in the production and growth strategies of a number of social economy groups which were initially small and local social enterprises, and are now structured at the national, or even European, level. We also observe the growing importance of networks and meta-organisations at regional, national or international levels in the support and consolidation of SE.

The role of SE in territorial development is of growing interest for scholars. We consider the territory as a social construction, or "a gathering of players in a given spatial context that seeks to bring out, then attempts to resolve, under environmental constraint, a shared societal or production problem" (Pecqueur and Itçaina, 2012). The territory builds up through the activities of its players in a spatial context whose dimensions are not only geographical but also organisational and institutional. In the best case, the territory becomes a player itself, which can rely on a governance form that gives it the possibility to speak with one voice. From this angle, social enterprises, given their origins and characteristics, are not only part of the territory but also contribute to its building, in

particular in terms of interactions, governance and social aims that extend beyond the sole economic logic.

Territorial governance, in that sense, takes a transversal meaning, both socio-economic and political, as referring to a mechanism "of coordination of players, but also of appropriation of resources and construction of the territoriality" (Leloup, Moyart and Pecqueur, 2005) in which the public policy-makers are nodal but not monopolistic. The whole challenge then consists of enrolling the territorial actors, including the social enterprises, in this process, in order to encourage their adhesion, participation and involvement in the collective construction of a system of public action. A major question that arises in this context is: "How to connect issues of organisational governance and territorial governance?"

More broadly, integrating the territorial dimension into the analysis requires taking into account different dynamics, at the confluence of entrepreneurial models, public policies and socio-territorial mobilisations. In particular, the emergence and consolidation, in many countries, of multi-stakeholder models for the organisation of social enterprises at the local level are of particular interest.

At the same time, globalisation emphasises the need for social enterprises to go beyond local boundaries and change scale. It is then dialogue, articulation or tensions between the global and the local levels that are at stake for social enterprises.

The current global COVID-19 crisis puts an additional highlight on the importance of the role of the territory, multi-level analysis and complex governance systems for SE.

2. Relevance and challenges of adopting a multi-level analysis

To start the workshop, the relevance and challenges of adopting a multi-level analysis perspective to understand the role of social enterprises in territorial development, governance and transition

dynamics were presented during the opening session by Bernard Enjolras (Research Institute for Social Sciences, Norway) and then discussed by the participants.

From a historical perspective, the concept of multi-level governance (Marks, 1993) emerged with the aim to understand the processes that lead to the creation of supranational institutions such as the European Union. This concept highlights the reconfiguration of the interactions between states and the different levels of government but also the fact that there is a large diversity of (state and non-state) stakeholders who interact at these multiple levels of policymaking. The authority of the state is therefore shared among a variety of public and private actors at different levels. Multi-level governance raises important issues in terms of transforming the role of the state, increasing participation of non-state actors and preserving democratic accountability, which is undermined in such a complex system, with not only discrete territorial decision levels but also with overlapping networks.

Among the vast literature on this subject, two distinct (although not mutually exclusive) types of multi-level governance can be identified (Hooghe and Marks, 2001). The first type refers to a governance system based on a vertical hierarchy, involving only a limited number of decision-making authorities. By contrast, the second type, largely inspired by the work of Vincent and Elinor Ostrom (see for instance Ostrom, 2010), is referred to as "polycentric governance" and mobilises a diversity of stakeholders and networks in decision-making processes at different levels of governance.

From this short presentation of the multi-level governance approach, we can retain that it is an interesting framework to understand the complexity of the governance system but needs to be completed by other conceptual approaches. Many questions were raised and addressed by participants during the workshop: What is the role of social enterprises in these multiple levels of governance? Does this multi-level governance foster or impede the construction of social

enterprises as an autonomous policy field? How can social enterprises contribute to the development of their ecosystem and benefit from it? To what extent and how can social enterprises contribute to social transformation at different levels and take part in or influence public policies?

3. Social enterprises in their ecosystem

A first line of discussion concerned the role of social enterprises in their ecosystem and their driving forces in terms of social innovation. Different contributions demonstrated the importance of social enterprises in the emergence of innovative solutions. The analysis focused in particular on the role of social enterprises in developing social innovation on their territory, for example through creating or promoting innovative places (third places, innovative labs...) in peripheral or remote areas or through developing innovative solutions at the urban level (such as the use of greener energy or the implementation of upcycling solutions). Social enterprises are embedded in their ecosystems and develop different types of interactions with the stakeholders of the ecosystem in which they operate. A better understanding of the nature of these interactions and of the role of social enterprises in multi-level governance networks is needed to understand how social enterprises contribute to addressing wicked problems and to supporting the transition to a more sustainable development.

A second round of presentations concerned the role of social enterprises in social-innovation dynamics, but with a specific focus on learning and evaluation models. Innovative practices in terms of education (such as collaborative and participative practices) and communication were discussed. It appears that cooperation among a diversity of actors at different levels is one of the keys to successful social innovation.

4. Social enterprises and social policies in a multi-level perspective

Various contributions concerned the role of social enterprises in different fields of social policies,

including migration (reception services for asylum seekers), social health and housing in different member states. In the last decade, in a context marked by the rapid evolution of the institutional and economic environment (cutbacks in public subsidies and in public investments; increase in contracting-out processes and competition mechanisms) as well as by socio-demographic and political issues (such as ageing societies or the so-called “migration crisis”), the role of social enterprises has been emphasised even by public authorities, given their innovative role and capacity to empower communities and citizens in situations where institutional and for-profit responses have shown their limits (as illustrated by the limits of the social health system during the Covid crisis). Nevertheless, as public policies are defined at different levels of decision-making (from the European Union level to the local one), it is interesting to analyse the role of social enterprises within a multi-level governance system. For instance, in the case of migration, although European regulations are predominant, strategic responses to the “migration crisis” vary greatly from one country to another and even from one city to another in the same country.

Analysing the role of social enterprises within social policies also shows that interactions of social enterprises with private actors and/or public actors are not that easy and that partnerships, alliances or other forms of hybridisation and co-production between social enterprises and other public and private actors are key elements to deal with urgent and crucial social demands.

5. Meta-organisations and territorial cooperation to support transition

The last part of the day was dedicated to the role of meta-organisations (i.e. organisations made of other organisations) in territorial development and transition to a more sustainable model. Social enterprises are often part of meta-organisations at different territorial levels or are themselves multi-stakeholder meta-organisations aimed at social and environmental transformations. Meta-organisations, clusters, networks and other forms of partnerships

and alliances are playing an important role in supporting organisational change and in achieving viability and a greater impact on territorial transformation towards transition.

These diverse organisational forms of cooperation among multiple actors, as well as among ecosystems, demonstrate the importance of analysing the meso level of transition dynamics.

6. What should be kept in mind for further research avenues?

During the closing session, proposed by Slobodan Cvejić (University of Belgrade, Serbia), different key issues were raised to summarise discussions and indicate directions for further research.

The session dealt with complex topics and offered some great presentations. The key question that encompasses all the issues that were raised is: How did we come to the topic of “multi-level governance”?

The general framework for the topic was the global crisis, embodied in local manifestations. Grassroots organisations responded quickly to the challenge that this crisis represented, while the public administration responded in a confused—if not chaotic—way to the complexity of the arising problems. Social innovation emerged naturally, as a needed resource to build a sustainable response to the crisis.

When observing this issue at the systemic level, we see that financial resources usually flow in a top-down way, with the input of donations, while innovation flows from the bottom up. With a view to providing a definition of inclusive sustainable governance in the field of social economy, the key question is probably: Where do the financial resources and innovation meet? For the sake of cultivating social innovation, autonomy of grassroots initiatives and organisations is needed; such autonomy requires, in turn, the plurality of financial sources.

There is also a need to redefine social innovation with more structured contents. However, each

innovative initiative is locally contextualised, which puts an emphasis on culture as an important—but neglected—concept. Culture is an important field to look at to answer the question: How to integrate vivid social innovation into multi-level governance in a sustainable way? Social enterprises are particularly sensitive to cultural specificities, and they also have a more holistic approach than public administration; such characteristics have proven to be extremely important in solving burning issues. And social enterprises might be an even stronger actor if organised in clusters.

What can we learn for future research avenues?

- > The environment is ever-changing and consequently requires constant research.
- > The culture of the different actors and the possibility of harmonisation around common goals should be investigated.
- > The creation and implementation of social innovation at different levels should also be investigated.

At the end of this full-day workshop, we can conclude that the multi-level analysis is relevant to better understand the complex interactions in which social enterprises are embedded. However, it needs to be completed by additional theoretical frameworks. Among them, some have already been used by participants: resource dependency, individual motivations of social entrepreneurs, institutional work, transition studies and systemic approaches... These last two approaches are particularly important to mobilise today, as it is urgent to be able to address wicked problems.

The discussions also highlighted that, although all the participating scholars had made a contribution in the right direction, there is still a need for concept clarification, concerning for instance the notions of “governance”, “ecosystem” or “social innovation”.

In addition, the question of power needs to be addressed more clearly: What is the transformative power of social enterprises in multi-level

governance systems, dominated by neoliberal and new public management principles? Although there are many local or regional interesting initiatives at the local or regional level, we can wonder how they can really play a transformative role, given the unbalanced power among stakeholders. The role of cooperative dynamics at the meso level appears to be relevant in such a context and requires further analysis.

While the role of social enterprises in the transformation of societies toward a more sustainable development model was clearly demonstrated in all the presentations, future research is needed at both the conceptual and empirical levels. The Covid pandemic has shown in a particularly striking way how interdependent and interconnected communities and countries are all over the world. The multi-level governance perspective offers a promising avenue to better understand this pandemic and the diversity of responses by multiple actors at various levels.

7. Programme of the seminar

Opening session:

Multi-level analysis of social enterprise governance: relevance and challenges

Bernard Enjolras (Research Institute for Social Sciences, Norway)

Session 1: Social enterprises in their ecosystem

Chair: Danijel Baturina (Faculty of Law, University of Zagreb)

The support archetypes in Ecosystems for social entrepreneurs

Abel Diaz Gonzalez, Nikolay A. Dentchev (Vrije Universiteit Brussel, Belgium) and Xaver Neumeyer (University of North Carolina Wilmington, USA)

Institutional and entrepreneurial bricolage in peripheral third places: Multi-scale analysis of a French Fablab

Céline Bourbousson (University of Corsica Pasquale Paoli, France)

Embedding social enterprise in an urban greening solution ecosystem

Sharon Zivkovic (Australia)

A multi-channel interactive learning model of social innovation

Attila Havas and György Molnar (Institute of Economics, CERS, Hungary)

Using the Freeth/Kirkpatrick Evaluation Model in social and creative enterprise education post COVID-19: an evaluation of a North-South collaborative upcycling4change program in the Cape Fats, South Africa

Andres Morales and Sara Calvo (International University of La Rioja, Spain)

Innovative practices for improving the communication among members of remoted social cooperative enterprises

Panagiota Sergaki (Aristotle University of Thessaloniki, Greece), Theo Benos (Zuyd University of Applied Sciences, Maastricht, The Netherlands), A. Kontegeorgos and A. Avgeris (International Hellenic University, Greece)

Session 2: Multi-level analysis of social policies

Chair: Davorka Vidović (Faculty of Political Sciences, Zagreb, Croatia)

The multilevel governance of refugees' reception in Italy: private-public relationships under the stress test of rapidly changing policies

Giulia Galera and Leila Giannetto (EURICSE, Trento, Italy)

The complex multi-level governance of the reception for asylum seekers in Europe. Similarities and differences among two Mediterranean cities: Marseille and Naples

Giorgia Trasciani (Aix-Marseille University, France)

The role of social enterprises in building a community-based social-health system

Giulia Galera and Giacomo Pisani (EURICSE, Trento, Italy)

The role of social enterprises in provision of social and affordable housing in ageing societies

Eneja Drobez (Institute INRISK, Slovenia) and David Bogataj (University of Ljubljana, Slovenia)

Session 3: The role of meta-organizations in territorial development and transition

Chair: Dražen Šimleša (Institute of Social Sciences Ivo Pilar, Croatia)

Meta-organizing clusters as agents of transformative change: Developing "Responsible Actorhood"

Héloïse Berkowitz and Martine Gadille (LEST, Aix-Marseille University, France)

Negotiating multiple territories to achieve viability and impact: The case of Green Energy Co-operative Domagoj Račić (University of Osijek, Croatia)

How mixing meta-organization and social enterprise literatures can enhance the understanding of social territorialized clusters like PTCE?

Jennifer Saniossian (University of Lille, France), Laurent Fraisse, Francesca Petrella, Nadine Richez-Battesti (LEST, Aix-Marseille University, France)

Closing session by Slobodan Cvejic (University of Belgrade, Serbia) and conclusion by the organisers

8. Main references

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Leloup, F., Moyart, L. & Pecqueur, B. (2005). La gouvernance territoriale comme nouveau mode de coordination territoriale ?, *Géographie, économie, société*, 7, 321-332. <https://doi.org/10.3166/ges.7.321-331>

Marks, G. (1993). Structural Policy and Multilevel Governance in the EC. In A. Cafruny, & G. Rosenthal (Eds.), *The State of the European Community* (Volume 2). Harlow: Longman.

Ostrom, E. (2010). Beyond Markets and States: polycentric governance of complex economic systems, *American Economic Review*, vol. 100, n°3, 641-672.

Pecqueur B. & Itçaina X. (2012). Économie sociale et solidaire et territoire : un couple allant de soi ?, *Revue internationale de l'économie sociale - RECMA*, 2012/3, n°325, 48-64.

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