

# The transformative potential of plural social enterprise: A multi-actor perspective

Flor Avelino<sup>1</sup> and Julia M. Wittmayer<sup>2</sup>

\*

*This is an Accepted Manuscript of a book chapter published by Routledge/CRC Press in THEORY OF SOCIAL ENTERPRISE AND PLURALISM: Social Movements, Solidarity Economy, and Global South on May 2019, available online: <https://www.routledge.com/Theory-of-Social-Enterprise-and-Pluralism-Social-Movements-Solidarity/Eyraud-Laville-dos-Santos-Banerjee-Avelino-Hulgard/p/book/9780367260408>*

*To cite this paper:*

Avelino F., Wittmayer J.M., 2019, "The transformative potential of plural social enterprise: A multi-actor perspective", in Eyraud P., Laville J.L., Dos Santos L.L., Banerjee S., Hulgard H., Avelino F. (2019), *Theory of social enterprise and pluralism: Social Movements, Solidarity Economy, and Global South*, Routledge Publisher, Oxfordshire, June, pages 193-222.

## Introduction

What is the transformative potential of social enterprise to challenge, alter or replace existing power relations? This is the question that we ponder in this chapter, by taking a multi-actor perspective to unpack concepts and empirical manifestations of social enterprise.

First, we introduce the multi-actor perspective, which distinguishes between four 'institutional logics': state, market, community and the non-profit sector. These institutional logics are not fixed entities: rather, the boundaries are contested, hybridised, shifting and permeable, and they provide sites of struggle and/or cooperation between individual and collective actors. The multi-actor perspective includes an explicit conceptualisation of (shifting) power relations, not only between different institutional logics, but also zooming in within those logics on the micro-political interactions between collective and individual roles that actors play across those logics (as 'policy-makers', 'citizens', 'neighbours', 'activists', 'entrepreneurs', etc.). We conceptualise 'transformative potential' in terms of the capacity to challenge, alter and/or replace existing power relations within a given context.

---

<sup>1</sup> Assistant professor and Senior researcher at the Dutch Research Institute for Transitions (DRIFT, Erasmus University of Rotterdam)

<sup>2</sup> Senior researcher at DRIFT (Dutch Research Institute for Transitions), Erasmus University Rotterdam

Second, we employ the multi-actor perspective to discuss three different versions of social enterprise in relation to the Third Sector, Social Economy and Solidarity Economy (Laville and Eynaud, see chapter 2). We contribute to this debate by discussing the differences across these versions of social enterprise in terms of their transformative potential to shift power relations between different actors. Essentially, the three versions inherently differ in the ways and in the extents to which existing power relations can and should be challenged, altered or replaced. We do not only discuss this in terms of power relations *between* state, market, community and non-profit, but also in terms of power relations *within* those logics (between e.g. citizens and policy-makers, small and large entrepreneurs, consumers and producers, etc.). By specifying these more micro-political dimensions, we aim to develop a conceptual framework that contributes to a more precise and pluralistic discussion on how different versions of social enterprise are manifested in practice and what therein is being transformed to what extent and at what level.

Third, we take our multi-actor perspective on social enterprise to empirically explore three case-studies of networks that have explicit transformative ambitions: (1) the global Impact Hub network of ‘impact entrepreneurs’, (2) the global Ecovillage Movement, and (3) the international movement of Participatory Budgeting. Our case-studies include the transnational networks through which these cases seek to collaborate across local initiatives and contribute to institutional change, as well as how these manifest in local initiatives. For each case-study, we discuss how and to which extent the three versions of social enterprise are manifested over time and how power relations are being reproduced or challenged.

## **1. A Multi-Actor Perspective on Transformative Potential**

Social change and the human capacity for transformative change are sources of fascination for various fields of research. Here we focus on two in particular: transition research and social innovation studies. Transition research is a relatively new, interdisciplinary field of research that emerged out of a coalescence between various other ‘interdisciplines’, including innovation studies, science and technology studies, complexity theory and governance theory (Grin et al. 2010, Markard et al. 2012, Loorbach et al. 2017). Underlying these different backgrounds and perspectives, lies a shared focus on transitions: processes of long-term change in which the societal systems are structurally transformed. While the original focus of the field has been on socio-technical systems (e.g. transport, energy, agriculture, etc.), recent years have seen increasing attention for the more social and political aspects of transformative change. This includes explicit attention for topics of power and politics (Voß et al. 2009, Geels 2014, Avelino et al. 2016) and grassroots innovation (Seyfang & Smith 2007, Haxeltine & Seyfang 2012, Smith

& Stirling 2018), as well as interlinkages with another emerging field focused on social innovation (Franz et al. 2012, Moulaert et al. 2013, 2017). At the intersection of transition research and social innovation studies, efforts have been made to develop a transition perspective on social innovation, to question how, to what extent and under what conditions social innovations can contribute to transformative, systemic change. This has resulted in the concept of *transformative social innovation*, defined as changing social relations involving new ways of doing, thinking and organising, which challenge, alter and/or replace dominant institutions in the social context (Haxeltine et al. 2017, Avelino et al. 2017)

In the context of these overlapping fields of research, we developed the multi-actor perspective (Avelino & Wittmayer 2016), as a conceptual model to (1) specify the role of different actors and institutional logics within processes of change, and (2) analyse the (shifting) power relations between those actors and logics. In this section we will introduce the multi-actor perspective, and argue how and why it serves to study transformative potential and institutional change in terms of changing power relations.

### ***Different institutional logics and actor roles***

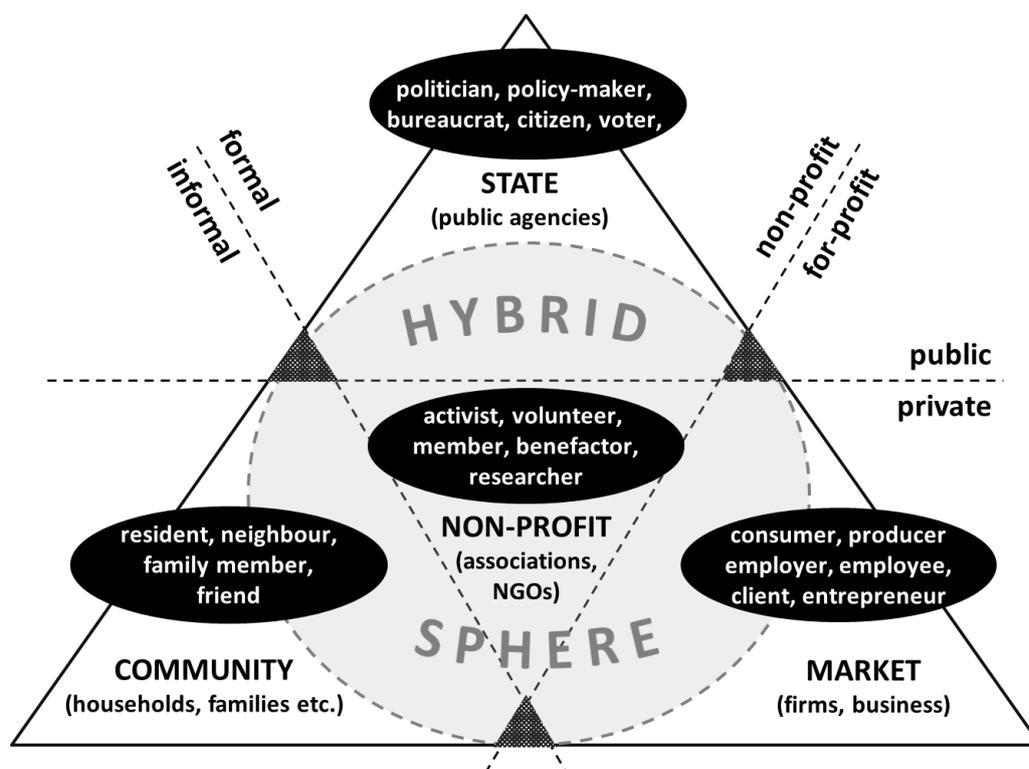
The multi-actor perspective (hereafter referred to as the MaP) (Avelino & Wittmayer 2016) builds on the ‘Welfare Mix’ model by Evers and Laville (2004:17) and Pestoff (1992:25). It distinguishes different institutional logics along the following three axes, namely 1) informal – formal, 2) for profit – non-profit and 3) public – private. The *state* is characterised as non-profit, formal and public; the *market* as also formal, but private and for-profit; and the *community* as private, informal and non-profit. Finally, the “hybrid sphere” is conceptualised as an intermediary sector *in between* the three others. It includes the ‘non-profit sector’ that is formalised in private, but also intermediary, organisations that cross the boundaries between profit and non-profit, private and public, formal and informal. As such, the hybrid sphere includes phenomena such as social enterprises and cooperative organisations (Birch & Whittam 2008) and lies “within a triangular ‘tension field’, the cornerstones of which are the state, the market, and the informal sector” (Fyfe 2005:538)<sup>3</sup>. While sectors in themselves can and often are framed as ‘actors’, we propose to approach them instead as ‘institutional logics’ as frames of references within which collective or individual actors operate and with which they interact (cf. Thornton et al. 2012). These logics are not fixed, rather the boundaries between them are contested, blurring, shifting and permeable.

---

<sup>3</sup> The hybrid sphere in the original Welfare Mix model is referred to as the “Third Sector”. We choose to call it the hybrid sphere to distinguish it from (mostly Anglo-Saxon) discourses in which the Third Sector is equated to the non-profit or voluntary sector (as is the case in this book).

In our MaP, we have adapted and extended the Welfare Mix model by unpacking different levels of actor aggregation within the broader institutional logics. Each institutional logic can also be viewed as site of struggle and/or cooperation between different individual actors (e.g. the state as interaction between politicians, civil servants and voters, the market as interaction between consumers and producers). In each institutional logic, individual actors tend to be constructed in a different manner following the specific logic, ranging from ‘resident’ or ‘neighbour’ to ‘citizen’ or ‘consumer’. This is what we refer to as *roles* of individual actors. One single individual can be referred to through different roles in different institutional logics, e.g. a policy-maker is also a citizen, neighbour, consumer and possibly a volunteer in his free time (see figure 1 below).

Figure 1. Multi-actor Perspective: level of individual actors (adapted from: Avelino & Wittmayer 2016)



One of the risks of such conceptual models is to reify its distinguished categories. This is problematic, as the division of social activity into separate categories, is an act of power and politics that can in itself be restraining or even oppressive. As formulated by Laville and Eynaud (See chapter 2), the cross-cutting nature of actions that were both political and economic was progressively lost over time in a general shift toward a distinction between different forms of social action. In this line of thinking, the MaP serves to *question and problematize* how these institutional logics are constructed, and then to explore the dynamic between and across different

institutional logics as well as how individuals, groups and organisations act and relate within and across these logics. In this context, it is particularly pertinent to clarify that institutional logics should not be conflated with certain societal dimensions: ‘the economy’ should not be conflated with ‘the market’, ‘politics’ is not confined to ‘the state’, nor is ‘culture’ something of ‘the community’. Rather, economic, political and cultural dynamics are part of all institutional logics. In fact, what role the market has in the economy and in society at large, and how large that role is, is in itself very much a political and ideological contestation. In that sense, capitalism or neo-liberalism are not inherent to market thinking, but instead, a particular ideological perspective on what the role of the market in society should be and how it should relate to the other institutional logics.

Obviously, and in contrast to the figure above, the dimensions of different institutional logics are not neat and equal, perfectly aligned and balanced triangles. Instead, there is a constant struggle and contestation on how these different institutional logics should be named, shaped and positioned towards each other. What makes the MaP a *power* perspective is that it specifically aims to analyse how power relations change both *between* different institutional logics, as well as *within* institutional logics between different organisational and individual roles.

### ***Shifting power relations between, within and across institutional logics***

Power is one of the most contested concepts in social and political theory. Definitions are manifold and very diverse, ranging from power as ‘actor-specific resources used in the pursuit of self-interests’ (Weber in: Fuchs 2005) to power as the capacity of a social system to mobilize resources to realize collective goals (Parsons 1963). We conceptualise power dialectically as the (in)capacity of actors to mobilise resources and institutions to achieve a goal (Avelino 2017)<sup>1</sup>. This comes with a complex set of dimensions, in which capacity by one actor at one level can imply incapacity elsewhere, and in which power is both enabling and constraining. In this chapter, we reflect on different types of power relations between and across various institutional logics.

One of the few things that most if not all power theorists would agree on, is that power concerns a relational phenomenon. Therein one can distinguish between three rough categories of power relations: (1) A has power *over* B, (2) A has *more/less* power than B, and 3) A and B have a *different* kind of power. These different relations of power may coincide, but one does not necessarily follow from the other. If A exercise ‘more power’ in comparison to B, it does not necessarily mean that A has power ‘over’ B. And vice versa: if A has power ‘over’ B, it does not automatically follow that A has ‘more’ power than B in absolute terms. Each of these types of power relations can have

various manifestations, ranging from mutual dependence, one-sided dependence and independence, to cooperation, competition and co-existence.

Using this typology of power to reflect on the changing power relations between different institutional logics and actor roles is primarily an empirical matter. What kind of power relations exist between the state and the market logic, or between citizens and politics, consumers and producers, differs per historical and geographical context. Some power relations might be argued to be inherent to an institutional logic, as for instance, competition being a power relation that is characteristic for the market logic, and mutual dependence one that is more characteristic for the community/ household logic. However, the extent to which and the way in which competition is manifested in the market, depends on actual time and place. Being aware of the limitations of such generalisations, we might still argue that in modern Western societies, particularly in Europe, there is an overall dominance of the state and market logic: “For much of our recent history, social and political discourse has been dominated by a ‘two-sector model’ that acknowledged the existence of only two social spheres outside of the family unit – the market and the state, or business and government” (Salomon 2010). In the past decades, western societies have been characterised by a welfare state that has increasingly out-sourced services to the market, resulting in a wide variety of ‘public private partnerships’ (PPP) and wide-spread neo-liberal discourses in which state bureaucratic logic and/or economic market logic is increasingly applied to all dimensions of life and society. Many societal systems (e.g. in energy, housing, education, health, food, transport etc.) seem to be dominated by a state-market logic.

### ***A Multi-actor Perspective on Transformative Potential***

In order to define transformative potential from a MaP-perspective, we refer back to transition research. Here the distinction between ‘innovation’ and ‘transition’ is an important one. Although innovation can contribute to transitions at the level of societal systems, it does not necessarily do so. On the contrary, innovation can in fact be used to adapt and optimize the structures in existing systems, as such even hampering a transition in that system. This same logic has been followed in the conceptualisation of transformative social innovation. Social innovations are defined as ideas, objects or activities that change social relations, involving new ways of doing, thinking and organising (Avelino et al. 2017). In line with transition theory, transformative change has been conceptualised as challenging, altering and/or replacing dominant institutions in the social context. We then argued that social innovation is transformative *to the extent that* it challenges, alters and/or replaces dominant institutions in the social context (Haxeltine et al. 2017).

As such the transformative dimension is a gradual *process* characteristic of social innovation; rather than aiming to evaluate whether social innovations are inherently transformative or not, it is about exploring the extent to which they (can) challenge, alter and/or replace dominant institutions, and possibly comparing how, in that sense, some social innovation may be more or less transformative than others. In this process approach to transformative change we have also taken an explicitly dialectic perspective to acknowledge that even when social innovations are challenging (some aspects of) dominant institutions, they can meanwhile also reproduce (other aspects of) these or other dominant institutions (Pel & Bauler 2014, Haxeltine et al. 2017). It has been argued that successful innovations are those that manage to navigate this paradoxical and dialectic confrontation with the existing system: on the one hand being able to translate innovative elements to the mainstream context, while at the same time holding on to the radical core of the innovation (Smith 2006, 2007).

This paradox lies at the heart of the very concept of transformative change, and at the core of transition theory. In order for an innovation to have transformative impact, some form of diffusion, mainstreaming or institutionalisation must occur, and in that process, the innovation – by definition – loses some of its original innovativeness. While ‘co-optation’ or ‘capture’ are generally framed as undesirable in the context of innovation and change, it is important to remember that if innovation is to have a lasting transformative impact on its environment, it is actually *meant to be captured* at least to a certain degree, in some aspects, and by some parts of the surrounding system (Pel 2016).

A MaP-perspective on this issue of transformative change invites us to look at it in explicit power terms. To begin with, there is the question of what is to be transformed and why. The objects of transformative change are the ‘dominant institutions in the social context’ (Haxeltine et al. 2017) or ‘the regime in the societal system’ as it is referred to in transition research. But why do these need to change and what do these broad categories consist of? From the perspective of our MaP, institutions or regimes turn problematic – and thus needing transformative change – to the extent that they represent undesirable power relations between actors, e.g. power relations that are unequal, oppressive or unproductive. The object of transformative change then becomes those problematic power relations: they are that which is to be challenged, altered and/or replaced. From this perspective, we propose to conceptualise *transformative potential of initiatives as the capacity to challenge, alter and/or replace problematic power relations within a given social context*. From this conceptualisation it follows that the very notion of transformative is normative and contested, and that it requires us to be very precise about which power relations in which social context are considered problematic up to a point of requiring transformative change.

Here the different levels of aggregation in the MaP-perspective also become particularly pertinent. Power relations can change at the macro level of institutional logics i.e. the relations between state, market, non-profit and community. At the same time, power relations can also change at the micro-level, between different actor roles within and across those institutional logics, e.g. between consumers and producers, between citizens and politicians, between men and women. This then raises the question to what extent power relations can be transformed at the micro-level, without them being transformed at the macro-level – or vice versa. Based on the MaP-perspective, we propose to explore transformative change both at the macro-level and the micro-level, both having transformative potential in their own right, and then make the interdependencies between these levels a matter for empirical analysis. We will demonstrate what this means in the next sections, first by reflecting generally on different forms of social enterprise from a MaP-perspective, and second by zooming in on three case-studies in which different forms of social enterprise are manifested.

## **2. A multi-actor perspective on social enterprise**

From a MaP-perspective, we can characterise the elaborate debates about what social enterprise is or should be, in terms of a search for an improved power balance between different institutional logics and various actors therein. While opinions matter on the extent to which social enterprises operate within formal and/or informal, public or private logics, there seems to be a general agreement that the social enterprise – in one way or another – blurs and challenges the boundaries between for-profit and non-profit logics. In that ‘act of blurring’ immediately lies an inherent risk that preoccupies many social enterprise debates. Seen from the perspective of power dynamics, the blurring of a boundary is by definition a tricky exercise, for the removal of a clear boundary also makes it easier for one entity to penetrate and possibly ‘take over’ another. In the case of the social enterprise, there is an obvious concern that the for-profit logic may dominate over a non-profit logic. This concern is particularly strong when it is believed that the for-profit logic already dominates too much, as expressed in diverse critique of capitalism and neo-liberalism. Such a situation, does not only question the transformative potential of social enterprise to alter the existing hegemony of market thinking across society, it also points to a risk of social enterprise in fact reproducing and possibly even expanding that hegemony.

However, rather than using this inherent risk of the very notion of social enterprise to discredit it altogether, much more interesting is to explore how different dimensions and practices of social enterprise can have transformative impact. For this, we build on the work of Laville and Eynaud

(See chapter 2) in which three versions of social enterprise are specified in terms of their underlying frameworks and activities:

1. **Social entrepreneurship and Third Sector**, focused on “solving the social problem through private initiative”
2. **Collective entrepreneurship and Social Economy**, focused on “organising collective ownership”
3. **Institutional entrepreneurship and Solidarity Economy**, focused on “developing autonomous and intermediary public spaces”.

We now turn to reflect, on a conceptual level, on the transformative potential of these three different versions of social enterprise from a MaP-perspective. Before we can do so, it is important to establish what exactly is to be transformed. While this is not stated as an explicit normative mission by Laville and Eynaud, it is implicitly clarified across their chapter. If we translate this in multi-actor power terms, our societies can be framed as having historically produced socio-economic, cultural as well as environmental inequalities both at the macro-level as well as at the micro-level. This inequality is currently manifested in an overall dominance of a formal market logic over both public and community logics, of managers, investors and shareholders over workers and citizens, of North over South, of male over female. As such, to explore the transformative potential of the three abovementioned versions of social enterprise, means to explore how and to what extent they hold the capacity to challenge, alter and/replace the existing power relations that give rise to these inequalities.

### ***Social Entrepreneurship & Third Sector from a MaP-Perspective***

The first version of social enterprise – **Social Entrepreneurship/Third Sector** – tackles social issues in the private sphere, through social business that can cover their own costs through market mechanisms. From a MaP-perspective, this version can be approached in the hybrid sphere at the right side of figure 1 at the intersection with the market more than the other logics. To a certain extent, it can be summarized as a mix of non-profit and for-profit. The main actors driving this social enterprise are entrepreneurs who set-up social businesses at the intersection between the market and the non-profit sector. This social enterprise primarily follows a market logic for mobilising resources and often disengages from explicit political deliberation and action in the public sphere. Its social goals are positioned in the intermediary sphere of the ‘Third Sector’, which – as the very name suggests – complements the state and market without challenging either of them, nor questioning the way in which all these different institutional logics

relate to one another. Laville and Eynaud historically position and critique this version of social enterprise in the context of managerialism, business philanthropy and a new capitalism with a social goal.

In terms of macro-level power relations, the critique can be reframed in terms of this type of social enterprise not being able to challenge existing inequalities and power asymmetries as resulting from the hegemony of market thinking and capitalistic structures. By giving these systems a social face through the 'social business', such version of the social enterprise may in fact be strengthening and expanding the power of market thinking, while also delegitimising the antagonism against it which has been re-emerging in the past decade.

In terms of micro-level power, the lack of transformative potential is more subtle. As social businesses can and often do aim to treat their workers right, pay 'fair' prices to e.g. farmers, or accommodate 'the poor' or otherwise marginalised people, it could be argued that this constitutes a potential to challenge, alter and replace the unequal power relations that these disadvantaged groups suffer from in existing systems. However, there is the problem of an inherent voluntarism: the worker, the farmer and the poor person remain dependent on a social business's willingness to accommodate them, and on the willingness of (other) consumers to choose that social business over other less willing businesses. No work is done on empowering the worker, the farmer or the poor person to structurally and publically demand that all businesses treat them well, or to hold businesses accountable for social or environmental damages and injustices. On the contrary, the (potential) power of the state to regulate and use the instrument of law can in fact be weakened by pointing to the examples of social businesses. While there is a certain level of mutual dependency in social business, as there always is some interdependency in any market relation (including even the slave-owner depending on his slave not to riot), the predominant power relation that is being reproduced is still one of one-sided dependency, where ultimately all actors involved are dependent on the voluntary willingness of entrepreneurs to create social businesses to do good, and on (other) consumers or members to support that social business for doing so.

### ***Collective Entrepreneurship & Social Economy from a MaP-perspective***

The second type of social enterprise – **collective entrepreneurship / Social Economy** – is characterised by a combination of association between people and economic/entrepreneurial activities, and emphasises collective ownership. The way in which this type of social enterprise has been defined by e.g. EMES (Laville & Eynaud, see chapter 2) formalises a number of economic, social and governance indicators that an organisation needs to fulfil in order to qualify as a social

enterprise. The main actors driving this social enterprise are the initiators and members of such organisations, as well as those that help to design, manage and standardise them.

From a MaP-perspective, this social enterprise is mostly situated in the hybrid sphere in the sense that it crosses the boundaries between profit and non-profit, public and private logics. In figure 1, it can be located in the centre of the hybrid sphere. However, with its focus on social enterprise as a formalised organisation, it firmly remains within the formal logic. As pointed out by Laville and Eynaud, the exclusion of the informal logic of household communities is problematic, as it thereby inherently also excludes 'epistemologies of the South', where the informal economy i.e. 'popular economy' plays an important role in people's livelihoods. In terms of power dynamics, this version of the social enterprise runs the risk of reproducing the hegemony of a Western, public-private logic of formalisation and standardisation, and further repressing the informal sphere as a possible space for collective action to solve societal challenges.

This social-enterprise-as-collectively-owned-organisation seems to mostly focus on equalising power relations at the micro-level amongst the members *within* an organisation, aiming for mutual dependency, cooperation and synergy. It seems less explicitly concerned with power dynamics outside the organisation and with its interaction with other collective entities and identities in the context of the informal sphere and public spaces. Through its focus on creating equal power relations *within* organisations it pays less attention to societal power relations. It co-exists with capitalistic structures, and is less concerned with challenging the dominance of capitalistic structures through e.g. top-down inter-state regulation and enforcement or through overt social movement resistance.

### ***Institutional Entrepreneurship & Solidarity Economy from a MaP-perspective***

The third version of social enterprise – **institutional entrepreneurship / Solidarity Economy** – is framed as being more focused on deliberation and on developing autonomous and intermediary public spaces (Laville and Eynaud, see chapter 2). From a MaP-perspective, this version of the social enterprise pays explicit attention to the role of entrepreneurialism in the public and informal spheres, thereby in and of itself already holding transformative potential for 'calibrating' the power dynamics between state, community and market. If we refer again to figure 1, this version tries to cultivate the community roots and the relations with public authorities in order to challenge a dominant market logic. We can say that this third version is adopting a subaltern counter public logic. Thus, it will be located at the left side of the hybrid sphere in figure 1. While the social-enterprise-as-collectively-owned-organisation already involves some of the

public logic in terms of formalising and institutionalising equal power relations within organisations, the solidarity economy embraces other dimensions of the public logic such as political deliberation on how to live together well on a planet with finite resources. Moreover, it recognises the informal sphere as an important source of economic and political activity.

The actors who drive this version of social enterprise are the so-called institutional entrepreneurs. These are collective or individual actors, not necessarily formalized, who not only engage in economic activities but also actively participate in public deliberation over (how to change and improve) institutional frameworks. The latter is not limited to formal bureaucratic appeals or parliamentary debate, but can also manifest as civil disobedience, social movement action, or 'pre-figurative' practices (Monticelli 2018) that shape alternative futures before they have been recognised or institutionalised.

This version of social enterprise is not tight to a formally recognized organisational form and therefore more inclusive to diverse groups of people: anybody who actively participates in entrepreneurial activity combined with public and collective deliberation can become 'an institutional entrepreneur'. This 'opening up' of the notion of social enterprise in and of itself has transformative potential in terms of emancipating marginalised categories of people and by doing so, challenging some of the unequal power relations between men and women, recognised citizens and immigrants, formal and informal entrepreneurs, monetary transactions versus reciprocal service exchange, and so on. Through this micro-level inclusivity, it also holds transformative potential to challenge, or to at least question and supplement, more macro-level power structures such as the hegemonic dominance of the market-state logic as manifested in existing legal structures and formal monetary transactions.

### **3. Empirical explorations: Impact Hub, Ecovillages and Participatory Budgeting**

In this section we apply the MaP-perspective to discuss how the different versions of social enterprise manifest over time in three case-studies that represent different institutional orientations:

- the Impact Hub network of social entrepreneurs (mostly market-oriented)
- the global ecovillage movement (mostly community-oriented)
- the international phenomena of participatory budgeting (mostly state-oriented).

These three initiatives were selected as in-depth case-studies in the research project "TRANSformative Social Innovation Theory" (TRANSIT) (Haxeltine et al. 2017, Avelino et al.

2017). They were selected in that project (as part of a broader set of 20 networks<sup>2</sup>), because they represent transnational networks (1) operating across Europe and Latin-America, (2) working on social innovations, and (3) having transformative ambitions, hence allowing for a cross-national and cross-regional empirical analysis of social innovation in relation to transformative change. For the empirical work, we followed an embedded case study approach (Yin 2003), which is a deliberate choice to analyse various units of analysis at various (nested) scales within one and the same case-study. We started with an analysis of the transnational networks as a whole, and then zoomed in on specifically identified sub-units of analysis in the form of local manifestations of these networks (i.e. projects and initiatives by specific groups of people in specific localised sites).

The in-depth case study work was based on elaborated conceptual and methodological guidelines, which relied on three main research methods for data-collection: interviews, participant observation and document reviews (Jørgensen et al. 2014, Wittmayer et al. 2015, Pel et al. 2017). Data-collection for the three cases under study in this chapter was done in the period from 2014-2016. For each embedded case, we performed 12-20 interviews, did participant observation of 50+ hours and reviewed primary and secondary literature as well as social media outlets and websites (Kunze and Avelino 2015, Wittmayer et al. 2015, Cipolla et al. 2016, TRANSIT CTP-database 2018).

This chapter is based on a *retrospective, secondary exploration* of the empirical case-study reports and databases, from a MaP-perspective and with a focus on social enterprise. Looking at these three embedded case-studies allows us to explore how social enterprise manifests across different initiatives and at different levels. Using our MaP-perspective on social enterprise, we ask the following empirical questions about the cases: how is which type of social enterprise manifested, what is the transformative potential and how are which power relations reproduced and/or challenged, altered or replaced?

### ***The Impact Hub Network***

The **Impact Hub** is a network of 'impact entrepreneurs' that combines elements from co-working spaces, innovation labs and business incubators. Impact Hubs across the world aim to create a "*vibrant community of passionate and entrepreneurial people*", a "*source of inspiration providing meaningful content*", and a "*physical space that offers a flexible and highly functional infrastructure*

to work, meet, learn, and connect”<sup>4</sup>. In 2005, the first Hub was opened in London, followed by Hubs in São Paulo, Rotterdam and Amsterdam, after which the concept spread over the world. In 2018, there are over 100 local Impact Hubs in 50 countries across 5 continents. Combined, the IHs have over 16.000 members, mostly entrepreneurs.

According to the founder of Impact Hub Amsterdam, the idea for the Impact Hub originated in a specific project in Johannesburg South Africa called *Soweto Mountain of Hope (SoMoHo)*, where “a number of local people came together to collaborate in clearing out a hill from its waste, reclaim it as a community space, to be able to support each other to create their own solutions” (interview as cited in Wittmayer et al. 2015). From there, “the big question arose: can this be done in the middle of London? Then a number of people started there again, collaborating, creating on their own terms a physical space that was very much representative of the values and learnings from Soweto. It was intended to be a space where we could invite people into a different type of experience.” (*ibid*). Another related background of the Impact Hub network lies in the *Pioneers of Change* network, a “global learning network”, founded in 1999, which supports “practitioners in their mid-20s to mid-30s” and “fosters understanding, capacities and relationships needed by younger practitioners committed to stepping forward and creating the change they want to see in the world” (*Pioneers of Change website 2015*). Yet another related background lies in AIESEC, a non-profit student organisation that was founded in 1948 “as an initiative to bridge cultural differences between different nations that failed catastrophically in World War II”, and which aims to develop the “the leadership potential” of young people (*AIESEC website 2015*). Several of the first *Impact Hub* founders also had been members of the *Pioneers of Change* and *AIESEC* networks.

With the original intention of bringing individual change-makers together, the initial focus of the Impact Hub became to provide a space for social entrepreneurs to meet, work and cooperate. Over time this has shifted towards the creation of ‘ecosystems’ as enabling environments for entrepreneurial action, including more systemic collaboration and collective impact. The name “*Impact Hub*” (previously just “*The Hub*”) points to an explicit aim to help create a different economy, i.e. a ‘social impact economy’, or in other words; an economy that has a positive impact on society and its environment. The interpretation and the language used to describe such positive impact, has changed over time and continues to differ across Impact Hubs in different local, national and regional contexts. Underlying such different interpretations, are the Impact Hub’s globally shared values: trusts, courage and collaboration. After years of considerable contestation regarding the network governance, the global governance structure now consists of

---

<sup>4</sup> <http://www.impacthub.net/inside-impact-hub/>

an Association of which all Impact Hubs are members (one Hub, one vote), and a Company that is owned by the Association and mandated to provide services to local Impact Hubs. The relatively new governance structure of the global Impact Hub network aims to be ‘decentralised’, ‘distributed’ and ‘bottom-up’, where every Impact Hub ‘is accountable for the whole’. There is an overall appreciation of the complexity and delicacy of finding a governance structure that works for over 16.000 local entrepreneurs across the globe. The local Impact Hubs are differently organised, have different legal structures, and different relations with external partners.

**Impact Hub Amsterdam** was founded in 2008 as one of the first Impact Hubs in the world. It first opened its doors in November 2008 at the Westerstraat, a popular location in the western part of central Amsterdam. Its relocations in 2013 and in 2016 illustrate a challenging relation with the local municipality and the politics of spatial planning and gentrification. Today, Impact Hub Amsterdam has a total of around 350 members, as well as a wider network of partners and followers that participate and/or cooperate in programmes (Wittmayer et al 2015).

Impact Hubs generally aim to empower their entrepreneurs by providing them with an infrastructure for collaborating and for increasing their impact, including various events such as gatherings on how to relate one’s enterprise to the sustainable development goals, courses on business models, meetings for attracting investors, or programmes for expanding one’s business internationally. All Impact Hubs facilitate a basic sharing of resources amongst entrepreneurs, including office space, coffee machines, printers and meeting rooms, as well as more intangible resources, such as knowledge, information, competences and experiences. Besides the curated programmes that are offered, the Impact Hub’s co-working spaces are explicitly designed to encourage and facilitate spontaneous and informal encounters, conversations and exchanges. All Impact Hub spaces are ‘hosted’ by ‘hosts’ who are present throughout opening hours, responsible for both physical and social maintenance, receiving and connecting members and guests. Like others, the Impact Hub Amsterdam works with innovative facilitation and governance concepts such as ‘Art of Hosting’ and ‘Holacracy’.

The individual social enterprises of Impact Hub members are very diverse. Examples range from innovative and sustainable products to publishing services, facilitation methods, online platforms and architectural designs. Concrete examples of enterprises at the Impact Hub Amsterdam include: *Konnektid*, a sharing economy platform for people to share skills and knowledge in their neighbourhoods across the world (<https://www.konnektid.com/>), *MUD Jeans*, a brand of jeans based on an advanced recycling system (<http://www.mudjeans.eu/>), and *Allive*, an (idea for an) information sharing tool for empowering people with food allergies (<http://allive.com/>). Besides

the different product, services and social goals, they also differ in their size, from individual entrepreneurs with an ambition to start-ups with small teams. One thing that they all seem to have in common is a general belief that in order to change society it is necessary to design business in such a way that it has a positive impact on society. The argument is that as long as business is not designed in that way, harmful business will continue to exist. As formulated by one entrepreneur:

*“I think we need to earn money by doing good things. Because as long as we keep earning our real money in Shell or other polluting companies and then do great products on the side, it fundamentally doesn't cause change. So I strongly believe in the notion that it's ok to do something good and earn money with it. This really needs to change, otherwise we keep spending money on unsustainable crap” (entrepreneur Impact Hub Amsterdam, Interviewee #27 in Wittmayer et al. 2015).*

Many Impact Hubs also operate as launching customers of sustainable products, using recycling bins, recycled furniture materials, sustainable catering, cans with water instead of bottled water for all events, and so on. By doing so, they support social enterprises (both members and non-members) that provide more sustainable services and products and strive for social change at a small scale by becoming in themselves (more) sustainable working environments.

The Impact Hub, both globally as well the one in Amsterdam, seems to be less explicitly involved in overt political activism. Nevertheless, they certainly engage in institutional work, both directly and indirectly. The Impact Hub network is involved in several projects related to facilitating entrepreneurs across different institutional frameworks in Europe<sup>3</sup>. At the local level, there have often been struggles and negotiations over zoning and planning regulations, which directly relate to issues of urban politics and gentrification<sup>4</sup>.

At first glance, **social entrepreneurship** is the most obvious type of social enterprise manifested in the Impact Hub network. Indeed, many of the entrepreneurs who are members focus on tackling societal problems through private initiative and through a market logic. However, there are many elements across the Impact Hub that also point to the second type of social enterprise i.e. **collective entrepreneurship and social economy**, especially regarding the focus on collaboration and the explicit search for democratic governance structures, both globally and locally. If we consider the origins of the Impact Hub network, as described above, the explicit motivation for founding the first Hub was to provide space for young change-makers to work together. Over time, the Impact Hub became increasingly formalized and focused on social

entrepreneurship and on what they call 'impact entrepreneurship'. In the discourse that Impact Hub members use on entrepreneurship, there tends to be a strong critique of philanthropy and any kind of green washing, and an explicit commitment to design businesses to be inherently bound to have a positive impact on society from the start. In that sense, the approach to entrepreneurship that the Impact Hub has developed over the years explicitly breaks with the benevolence and solicitude of social enterprise as philanthropy.

From a MaP-perspective, we clearly observe efforts to challenge existing power relations. Although the Impact Hub network has grown and changed considerably in its form since its origins, the red thread throughout its development has been the focus on creating spaces for collaboration. A culture of cooperation, between entrepreneurs and between different Impact Hubs, has been carefully nurtured over the years, a culture which in itself deviates from the current dominant market logic and challenges the predominance of competitive power relations. Although the work of the Impact hub mostly occurs within the professional sphere, there has also clearly been a move towards incorporating relational values from the informal community sphere into the work space. Rather than a formal organisation structure with employment contracts and formal business transactions, the work environment becomes a "community" of entrepreneurs ("members") who are supposed to be bound by "trust, courage and collaboration". One could, however, also critique this move as an extension of the market economy sphere in which informal relational values get embraced without actually challenging the dominant market logic in itself.

We would argue that the Impact Hub has not necessarily challenged all problematic power dynamics of the market economy logic as a whole, nor the meta-level power dynamics between state, market and community. However, it has demonstrated transformative potential in terms of challenging, altering and replacing *some* of the existing power relations *within* the market sphere, between entrepreneurs (as described above), within social enterprise organisations and networks (as manifested in their development of a hybrid global governance structure and in their experiments with e.g. Holacracy), and, more importantly, between incumbent businesses and impact entrepreneurs. The Impact Hub has empowered entrepreneurs that aim for positive impact, by providing them with an infrastructure for collaboration and growth, strengthening their legitimacy and enabling them to attract investment. By doing so, they have challenged the power of incumbent businesses that are having a negative impact on society, not only in terms of setting up enterprises that could compete with these existing businesses, but also in terms of attracting young talented individuals that choose social entrepreneurship over working for those incumbent businesses. By collaborating and uniting forces at both local and international levels, 'impact entrepreneurs' might make a better chance of competing with larger enterprises for

capital investment, thereby challenging the competitive advantage of these larger enterprises. Even if this empowerment of ‘impact entrepreneurs’ is not pursued through public regulation or explicit political debate, Impact Hubs do conduct institutional work to create space for collective entrepreneurship, as manifested in European projects or with local governments over finding appropriate locations for impact entrepreneurs to work and meet.

### ***The Ecovillage Movement***

The Ecovillage movement emerged in the 1980s/90s when thousands of local ecovillages emerged worldwide in response to ecological and social challenges. Starting in 1995, the **Global Ecovillage Network (GEN)** was developed into the formal international network of the ecovillage movement, connecting approximately 500 ecovillages worldwide<sup>5</sup>. Besides the international network, several regional networks on each continent were formed (GEN Europe, GEN Africa, etc.) (Kunze & Avelino 2015). Ecovillages can be described as a specific type of ‘intentional community’ (Meijering et al. 2007), characterised by (some degree of/ strive for) self-sufficiency, ecological life-styles and social-justice values. Today, GEN defines an ecovillage as an *“intentional, traditional or urban community that is consciously designed through locally owned, participatory processes in all four dimensions of sustainability (social, culture, ecology and economy) to regenerate its social and natural environments”* (Website GEN 2017).

The combination of wanting to be self-sufficient and deviate from mainstream society, while at the same time wanting to transform society through living ‘by example’, makes social enterprise an inherent part of the ecovillage endeavour. Organic agriculture, renewable energy, sustainable building techniques, handicrafts and natural landscape management are all typical examples of products and services that ecovillages have taken a pioneering and entrepreneurial role in, first and foremost to accommodate the needs of their own communities, but also to provide across visitors, surrounding regions and transnational networks. Ecovillage residents have been experimenting with low-tech alternatives since the 70s and continue to design, use and distribute alternative technologies and methods (e.g. handmade solar cookers or straw bale houses). Ecovillages empower communities of people to live alternative lifestyles according to their own values, despite of the many structural barriers in mainstream society. Not only does the ecovillage movement provide residents with increased access to existing resources, they also empower them to create and invent new resources, such as new technologies, new currencies (e.g. interest

---

<sup>5</sup> See on online web data base GEN sites: <http://gen-europe.org/ecovillages/find-ecovillages/index.htm>  
<http://sites.ecovillage.org/en>

free currency) and new natural resources. Rather than having to 'buy' or 'compete' over existing resources, ecovillage residents develop and create their own (Avelino & Kunze 2009). By doing so, they fundamentally change existing power relations in that the one-sided dependency on existing industries or governments for having access to such resources, is replaced by a situation of independence.

In many ecovillages we can clearly observe how social enterprise is developed in the form of **collective entrepreneurship and social economy**, focused on organising collective ownership of resources, and on developing and experimenting with egalitarian organisational structures. Besides technological and socio-ecological development, ecovillages have also experimented with and developed a wide range of innovative decision-making methods, community-building tools and educational approaches (Kunze 2009). Many of these technological, ecological and social innovations have been spread through educational programmes and/or through the set-up of social enterprises in the form of stores, workshops, farms, Bed & Breakfast accommodations, training centres, cultural facilities, and so on (Kunze & Avelino 2009).

As GEN networks developed over time, we can also observe an increased manifestation of **institutional entrepreneurship and solidarity economy**. Not only is the concept of an ecovillage in itself inherently focused on developing autonomous spaces for living in community and in harmony with each other and with nature, there is also an increasing effort to develop such spaces between, across and beyond individual ecovillages. The main transformative potential of the ecovillage movement lies in its emissary and institutional work at the level of national, regional and transnational networks. The Global Ecovillage Network does not only promote and lobby on behalf of ecovillages themselves, but also cooperates with other networks such as the Transition Towns network and the permaculture network to build a larger movement of community-led sustainability, as illustrated by the foundation of the meta-network ECOLISE<sup>5</sup> and the organisation of the European Day of Sustainable Communities which aims to inform and engage a wider audience in community-led sustainability.

From a MaP-perspective, we can clearly see an explicit transformative potential to empower community-led initiatives (in general, not just ecovillages), and to challenge the dominance of the formalised and centralised structures of both market and state-led organisations. While many ecovillage residents have been involved in antagonistic power dynamics manifested in contentious protest movements (regarding e.g. climate or social justice), the predominant approach of the Global Ecovillage Network is that of cooperation and synergy. This is illustrated by e.g. ECOLISE collaborating with the European Economic and Social Council to co-organise the

up-coming 'learning-conference' on *Citizens and municipalities – Building sustainability through collaboration*. The overall tone is that of communities and citizens being 'equal' partners for (local) governments, together challenging the power of multinational companies or (inter)national policies that are seen to be ecologically and socially harmful. At the same time, however, at the local level, the relation between ecovillages and municipalities is often a particularly challenging one, with considerably conflicts over land use planning, construction regulations or other issues.

**Ecodorp Bergen** is an ecovillage in the Netherlands. It covers a land of 15 hectares in the town Bergen, 50 km above Amsterdam and 6 km from the North Sea coast. The land concerns a former, unused military terrain. A group of 7 people purchased the land on the 16<sup>th</sup> of May 2013, and is now working towards creating an ecovillage for approximately 80 people. Currently, there is a process of cleaning the land and the military buildings from asbestos, as well as rebuilding and replanting for the ecovillage. One of the co-founders of Ecodorp Bergen is a social entrepreneur in his own right, having developed the "Wike" – a bicycle with a vail that runs on wind – and being an expert and trainer in Sociocracy. The Wike is sold by the organisation "Volemenaal", which sells 'special bikes' and is hosted in Ecodorp Bergen<sup>6</sup>. Sociocracy is an innovative method for decision-making that is being experimented within Ecodorp Bergen at the community-level, as well as communicated and shared outside of the ecovillage in various networks and events<sup>7</sup>.

Besides this innovation work, Ecodorp Bergen – like many (if not all) other ecovillages – also engages in emissary and institutional work. It hosts volunteer days on a weekly basis, which are open to a general public, and it has hosted several cultural and networking events including the first Dutch ecovillage festivals in 2013 and 2014. Moreover, Ecodorp Bergen is the first Dutch ecovillage initiative to become a full member of the GEN, and one of the founding members of the Dutch GEN network, which conducts important work to raise the legitimacy of and space for ecovillages with the Netherlands.

We would argue that the most transformative potential that Ecodorp Bergen has demonstrated in the past five years, lies in its contentious interactions with the local government regarding land use planning and construction regulations. This ranges from conflicts over asbestos and a dispute around the decree that dozens of old trees need to be cut down to conform with the official 'landscape profile' of the region (i.e. flat rural land), to the need to ask for separate permits for each and every artistic structure during an artistic festival. The main struggle that the ecovillage initiative has, are with the bureaucrats and in particular the rule enforcers<sup>8</sup>. Despite of these

struggles, it seems that the co-founders try to understand the position of the enforcers and to overcome the tensions through constructive dialogue:

*“The enforcement officers have the task to control whether everything is done according to the rules. And that’s a type of person who thinks very much according to the rules. While here, we are looking for renewal. The objective is not to keep everything according to the rules: the intention is to create new ways of construction, creativity and art that can arise here, rather than stopping the creation because it is not accordance with the building regulations. That tension continues. It is not an impossible tension. We talk to the enforcer and try to find solutions. It’s not quite as black and white. For politicians it is easy to talk because they do not have to enforce the rules. They say ‘just go ahead, how awfully nice’. But when you ask them whether they can arrange for it, they cannot”.*

This quote illustrates institutional change at work at a micro-political level. Even when there is political support amongst political parties in the council for an ecovillage or for a particular event, (which is the case for Ecodorp Bergen, to a large extent), there still is the tedious and slow adaptation of bureaucratic regulations to formally approve of innovative activities. Even if Ecovillage Bergen is – in formal terms – a private initiative, its contestation with the local bureaucracy as well as the outcome thereof occurs in public space, in the sense that it (1) feeds public attention and debate about the respective regulations and their logic, and (2) if and when it results in adapted regulations, it provides a precedent and thereby space for other community initiatives to undertake similar innovative activities.

### ***Participatory Budgeting in Amsterdam***

Participatory Budgeting (PB) initiatives aim to increase the involvement of citizens in local governments, specifically in decision making regarding public budgets. Participatory budgeting is part of a broader movement on “Participatory Democracy”, which is represented by the international network organisation **International Observatory for Participatory Democracy (OIDP)**. The OIPD is a networking organisation that provides space for exchanging learnings, impressions and experiences of participatory democracy to deepen the democratic character of municipal governments. Here we zoom in on the Indische Buurt, a neighbourhood in Amsterdam and their practice of budget monitoring as a form of participatory budgeting.

Budget monitoring is a Brazilian practice aimed at *“contribut[ing] to civic participation because it facilitates citizens to screen, assess, and actively participate in decisions on public policy-making*

*and government expenditure*" (CBB 2014: 2). In Brazil, budget monitoring is strongly framed in a human rights discourse focusing on governmental transparency, social justice, fighting corruption and gaining political influence (Cardoso et al. 2013, Gündüz and Delzenne 2013, Mertens 2011). In 2010, a group of active citizens, social entrepreneurs, and social workers of the Indische Buurt learned about budget monitoring in a collaboration with a Brazilian NGO. They founded the Centre for Budget Monitoring and Citizen Participation (CBB), the driving force behind the introduction and implementation of budget monitoring in the Netherlands. In the translation to the Dutch context, budget monitoring was reframed to focus on increasing social justice through ensuring the fair redistribution of resources and civic participation (Gündüz and Delzenne 2013, Mertens 2011).

Practically speaking, between 2012 and 2016, each year a new group of citizens received a training on the budget cycle, municipal annual report and budget, and on ways to influence politics. The focus of the yearly iterations varied – during the first iteration in 2012/13, a group of citizens was trained and compared the budgets of the previous and the coming year. Through a broad neighbourhood survey, they inquired into the priorities of inhabitants for spending public money. Based on the survey, the resulting Citizens' Perspective Paper mapped inhabitant's priorities for the spending of public money and was officially discussed in the District Council (CBB 2014). This first iteration illustrates the clear attempts for developing a public space in which everybody has a say and therefore seems to be a clear case of **institutional entrepreneurship and solidarity economy**. It focuses on creating an intermediary space for citizens and the local administration to deliberate. This deliberation together with the strong emphasis on training and education are to empower and emancipate people to take on a role in shaping social processes. Referring to the work of Paulo Freire on popular education, the CBB outlines the following:

*"The construction and development of participatory educational processes are important and necessary for the exchange of knowledge that promotes the evolution of our democracies. This can open up possibilities to the empowerment of discriminated groups and marginalized communities and make them active and mobilized citizens"* (CBB and INESC 2012: 5).

The budget is then a means only towards emancipation, as outlined by INESC, the Brazilian NGO that introduced budget monitoring: *"...the public budget as a strategic instrument for public policy analysis and social control"* (INESC 2009: 4).

In parallel, the municipality had been developing and introducing the *neighbourhood budget instrument*, which aims at breaking down municipal budgets according to certain geographical and thematic areas, and in doing so making the budgets more transparent both inside for the administration and outside to the public. With political backing, civil servants were investigating whether and how the municipal budget, which is organized according to policy areas, could be broken down to the neighbourhood level. The intention was to provide a budget breakdown that could serve as reference for activities and plans on neighbourhood level. The second iteration of budget monitoring (2013/2014) builds on these developments. The group of trainees took the Citizen's Perspective Paper as a starting point and translated the topics (e.g. healthcare, social cohesion, employment) into activities. Then, they identified the budgets relating to these activities on the basis of the neighbourhood budget instrument as provided by the District Amsterdam-Oost. In the last step, an alternative budget was drawn up with one central point: the redistribution of 25% of the district budget for the social domain. This alternative budget was presented to the neighbourhood and led to a Statement of Intent by institutional actors involved in the neighbourhood titled 'Together stronger for the Indische Buurt'. This second iteration thus can be understood as a growth of the public space including also more institutional actors and their commitment to inhabitant's priorities.

Throughout the years and the following iterations, the collaboration between the CBB, the groups of citizens engaging in the yearly budget monitoring cycle and the local administration, increased and evolved into the relatively recent development of experimentation with *district tenders*. While open tendering involves extensive specification, assessment, selection and monitoring, the process of district tendering differs in that it focuses on one party, an agreement, an agreed procedure and a permanent dialogue, "*in which the council and the neighbourhood are co-producers. In this way local residents are given the opportunity to develop an approach specifically tailored for the DNA of the neighbourhood, free from complicated procedures and competition from large external parties*"<sup>9</sup>. This in turn enables local communities to prioritise (local) social enterprises in providing necessary neighbourhood services. This district tendering shows elements of **collective entrepreneurship and social economy**, as it is an instrument that favours local social enterprises.

From a MaP-Perspective, participatory budgeting has the potential to challenge existing power relations between different citizens within a neighbourhood, but also between citizens and (local) government departments, by empowering citizens to not only hold the municipality accountable but also influence how their neighbourhood is being developed. In that way, participatory budgeting constitutes a new process of influencing decision making for municipal budget

allocation, it includes hitherto neglected actors (citizens) in this process and thereby relies on different kinds of knowledge and competences to draw up the budget. The discourses to which participatory budgeting is connected, such as participatory democracy, contribute to a blurring of the boundary between the formalized role of the citizen and the informal role of the inhabitant as resident and neighbour. As the political engagement by the citizen takes place in and revolves around issues in his/her own neighbourhood, in a deliberative process together with neighbours, participatory budgeting challenges the very separation between formal and informal, public and private.

The tool of district tendering adds another layer of transformative potential in terms of enabling citizens and local officials to prioritise local enterprises and to challenge the power of (multi)national chains and commercial interests to profit at the expense of the neighbourhood. In that way, participatory budgeting can be seen as having a transformative potential to regenerate synergetic power relations across the community, the state, non-profit associations and local enterprises, and together develop countervailing power vis-à-vis a predominant market logic.

## **Conclusion**

This chapter has set out to explore the transformative potential of social enterprise to challenge and alter existing power relations. It turns out that the transformative potential of social enterprise is as diverse and plural as social enterprise itself.

We started by introducing the multi-actor perspective and conceptualising transformative potential as the capacity to challenge, alter and replace existing power relations within a given context. We then moved on to discuss Laville & Eynaud's three different versions of social enterprise – (1) social entrepreneurship / Third Sector, (2) collective entrepreneurship / Social Economy and (3) institutional entrepreneurship / Solidarity Economy – from a multi-actor perspective. At a conceptual level, the third version of social enterprise focused on institutional entrepreneurship and solidarity economy seems to have – by definition – the most transformative potential to challenge existing power relations at both the micro- and macro level. On that basis, one conclusion could be that if the aim is to indeed transform existing economic structures, one should prioritise this third version of social enterprise.

However, as soon as we translate such conclusion to practice to select, evaluate or design social enterprise initiatives, the question raises how to categorise empirical examples across these three versions. This is easier said than done, as was demonstrated by our three case-studies of the

Impact Hub, the ecovillage movement and participatory budgeting. All three cases demonstrate elements of at least two different versions of social enterprise, all cases show how their manifestations of social enterprise shift over time, and all cases display diverse types of transformative potential in the sense of having the capacity to challenge different types of power relations in various ways at both micro- and macro-levels.

Although the case of the Impact Hub as it manifests today seems to fit most clearly in the first version of social enterprise as social entrepreneurship, it has on the other hand been initiated with a focus on collective entrepreneurship, and it aims to break with the elements of benevolence and voluntarism of philanthropy. Even though the Impact Hub in its current form is primarily focused on private initiative, social entrepreneurship and a market logic, and does not necessarily alter power dynamics at a meta-level between state, market and community, it has demonstrated its ambition and potential to challenge unequal power relations at a more micro-level within the market sphere, for instance between incumbent industries and impact entrepreneurs. While such changes may not be enough to challenge existing inequalities and injustices, it definitely may be one important part of transformative change.

Based on this and the other cases, we argue that the challenge for the different versions of social enterprise is not so much to ask which version has more or less transformative potential, but rather, how the transformative potential of each version can be increased, and – more importantly – which complementarities and synergies across the different version can be used to increase the overall transformative potential of social enterprise, in all its plurality, to challenge, alter and replace existing inequalities and injustices. How can social ‘impact’ entrepreneurs like the members of the Impact Hub, community initiatives such as ecovillages, and participatory democracy initiatives such as participatory budgeting, cooperate to develop enough countervailing power to significantly challenge the existing power of unsustainable and harmful public-private partnerships in e.g. energy, agriculture, transport, housing and health care?

To answer that question, we full heartedly support the call to bring together what has long been separated, namely enterprise and social movement (Laville and Eynaud, see chapter 2). A particular interesting empirical phenomenon in this regard is that of the ‘sharing economy’ or ‘platform economy’ (Frenken & Schor 2017), which has come to run right across our three case-studies as well as many other cases of social enterprise. As recently pointed out by leading sharing economy scholar Schor (2018): *“The ‘sharing’ or consumer-facing portion of the platform economy has proven to be an attractive option for consumers and many providers. To date, it has proven to be neither the earth-shattering innovation its proponents claim nor the absolute dystopia its*

detractors have asserted. However, negative impacts are already significant, and if it continues to grow, these harms will as well. To preserve the potential benefits, it will behove government at all levels to craft legislation and regulation that controls the impacts it is already having on labour, climate and public goods". An interesting development in this regard is that of the commons and platform cooperativism<sup>10</sup> as ways to challenge the negative impacts of the platform economy. As an avenue for further research we propose to study the synergies between social enterprise, social movement and platform economy from a multi-actor perspective with a particular focus on countervailing power to challenge existing structures of domination and inequality.

## References

- Alvord, S., Brown, D. and Letts, C. (2004) "Social Entrepreneurship and Societal Transformation: An Exploratory Study," *Journal of Applied Behavioural Science*, 40(3), pp. 260-282.
- Avelino, F. (2017) "Power in Sustainability Transitions. Analysing Power and (Dis)Empowerment in Transformative Change towards Environmental and Social Sustainability," *Journal of Environmental Policy & Governance*, 27(6), pp. 505-520.
- Avelino, F. (2018) "Theories of Power and Social Change. Power Contestations and their Implications for Social Change Research," submitted to: *Journal of Political Power*, May 2018 > under moderate revision.
- Avelino, F. and Wittmayer, J.M. (2016) "Shifting Power Relations in Sustainability Transitions: A Multi-actor Perspective," *Journal of Environmental Policy and Planning*, 18(5), pp. 628-649.
- Avelino, F., Grin, J., Jhagroe, S. and Pel, B., (2016) "The Politics of Sustainability Transitions," *Environmental Policy & Planning*, 18(5), pp. 557-567.
- Avelino, F., Wittmayer, J.M., Pel, B., Weaver, P., Dumitru, A., Haxeltine, A., Kemp, R., Jørgensen, M.S., Bauler, T., Ruijsink, S., O'Riordan T. (2017) "Transformative Social Innovation and (Dis)Empowerment," *Technological Forecasting and Social Change*, available online.
- Birch, K. and Whittam, G. (2008) "The Third Sector and the Regional Development of Social Capital," *Regional Studies*, 42(3), pp. 437-450.
- CBB (2014b) De Buurtbegroting van Stadsdeel Oost. Amsterdam: Stichting Centrum voor budgetmonitoring en burgerparticipatie. Online at: <http://www.budgetmonitoring.nl/downloads/de%20buurtbegroting%20van%20stadsdeel%20oost.pdf> (September 16, 2015).
- CBB and INESC (2012) Budgetmonitoring. Amsterdam: Stichting Centrum voor budgetmonitoring en burgerparticipatie and INESC.
- Cipolla, C., Afonso, R., Wittmayer, J., Bibiana, S. and Rach, S. (2016) "[WP 4 : case study report : participatory budgeting](#)," TRANSIT: EU SSH.2013.3.2-1. Grant agreement no: 613169.

- Cardoso, A., Ciconello, A., Manhas, C., Pietricovsky de Oliveira, I., Antonio Moroni, J. Bicalho, L., and N. Beghin. (2013) "Training Manual on Budget Monitoring and Rights. Using the public budget to promote human rights," Brasília: Institute for Socioeconomic Studies. Online at: <http://www.inesc.org.br/library/arquivs/training-manual-on-budget-monitoring-and-rights#page=3&zoom=auto,-101,312> (December 10, 2015).
- Evers, A., and Laville, J. L. (eds.) (2004) *The Third Sector in Europe*, Cheltenham, UK: Edward Elgar Publishing.
- Franz, H. W., Hochgerner, J., & Howaldt, J. (2012) *Challenge Social Innovation: Potentials for Business, Social Entrepreneurship, Welfare and Civil Society*, Berlin: Springer.
- Frenken, K. and Schor, J. (2017) "Putting the sharing economy into perspective," *Environmental Innovation and Societal Transitions* 23, pp. 3-10.
- Fuchs, D. (2005) "Commanding Heights? The Strength and Fragility of Business Power in Global Politics," *Millenium* 33(3), pp. 771-803.
- Fyfe, N. R. (2005) "Making space for "neo-communitarianism"? The third sector, state and civil society in the UK," *Antipode*, 37(3), pp. 536-557.
- Geels, F.W. (2014) "Regime Resistance against Low-Carbon Transitions: Introducing Politics and Power into the Multi-Level Perspective," *Theory, Culture & Society*, 28(5), pp. 21-40. DOI: 10.1177/0263276414531627.
- Grin, J., Rotmans, J. and Schot, J. (2010) *Transitions to Sustainable Development; New Directions in the Study of Long Term Transformative Change*, New York: Routledge.
- Gündüz, Z. and M. Delzenne (2013) "Budget Monitoring and Citizen Participation in The Netherlands," *Rozenberg Quarterly The Magazine*, Online at: <http://rozenbergquarterly.com/budget-monitoring-and-citizen-participation-in-the-netherlands/> (September 16, 2015).
- Haxeltine, A., Pel, B., Wittmayer, J.M., Dumitru, A., Kemp, R., and Avelino, F. (2017) "Building a middle-range theory of Transformative Social Innovation; theoretical pitfalls and methodological responses," *European Public & Social Innovation Review*, 2(1), pp. 59-77.
- INESC (2009) "Budget and rights: developing a budget analysis method from the perspective of Human Rights," Discussion paper 157. Online at: <http://www.inesc.org.br/headlines/banners2/inesc-online/library/technical-notes/NT.%20157%20-%20%20Budget%20and%20rights.pdf> (October 30, 2015).
- Jørgensen, M.J., Avelino, F., Dorland, J., Rach, S., Wittmayer, J., Pel, B., Ruijsink, S., Weaver, P., Kemp R. (2016) "Synthesis across social innovation case studies," TRANSIT Deliverable D4.4, TRANSIT: EU SSH.2013.3.2-1 Grant agreement no: 613169.
- Kunze, I. and Avelino, F. (2015) "Social Innovation and the Global Ecovillage Network," Research Report, TRANSIT: EU SSH.2013.3.2 -1 Grant agreement no: 613169.

- Loorbach, D., Frantzeskaki, N. and Avelino, F. (2017) "Sustainability Transitions Research: transforming science and practice for societal change," *Annual Review of Environment and Resources*, 42, pp. 599-626.
- Markard, J., Raven, R., Truffer, B. (2012) "Sustainability transitions: an emerging field of research and its prospects," *Research Policy*, 41(6), pp. 955-967.
- Mertens, H. (2011) "Braziliaanse methodiek voor budgetmonitoring naar Nederland: Omgekeerde ontwikkelingsamenwerking," *MO/Samenlevingsopbouw*, 30(230), pp. 52-55.
- Monticelli, L. (2018) "Embodying Alternatives to Capitalism in the 21st Century," *tripleC: Communication, Capitalism & Critique. Open Access Journal for a Global Sustainable Information Society*, 16(2), pp. 501-517.
- Moulaert, F. (ed.) (2013) *The international handbook on social innovation: collective action, social learning and transdisciplinary research*, Cheltenham: Edward Elgar Publishing.
- Moulaert, F. and Ailenei, O. (2005) "Social Economy, Third Sector and Solidarity Relations: A Conceptual Synthesis from History to Present," *Urban Studies*, 42(11), pp. 2037-2053.
- Moulaert, F., Mehmood, A., MacCallum, D. and Leubolt, B. (eds.) (2017) *Social innovation as a trigger for transformations - the role of research*, Luxembourg: Publications Office of the European Union. Available at: <https://ec.europa.eu/research/social-sciences/pdf/>.
- Parsons, T. ([1963]2002) "On the Concept of Political Power. Sociological Theory and Modern Society," in: Haugaard, M. (ed.) (2002) *Power: A Reader*, Manchester: Manchester University Press.
- Pel, B. (2016) "Trojan horses in transitions: A dialectical perspective on innovation 'capture'," *Journal of Environmental Policy & Planning*, 18(5), pp. 673-691.
- Pel, B., et al. (2017) "[The Critical Turning Points database; concept, methodology and dataset of an international Transformative Social Innovation comparison](#)," TRANSIT Working Paper # 10, TRANSIT: EU SSH.2013.3.3.2-1 Grant agreement no: 613169.
- Pestoff, V. (1992) "Third Sector and Co-Operative Services – An Alternative to Privatization", *Journal of Consumer Policy*, 15, pp. 21-45.
- Seyfang, G. and Smith, A. (2007) "Grassroots Innovations for Sustainable Development: towards a new research and policy agenda," *Environmental Politics*, 16(4), pp. 584-603.
- Seyfang, G., and Haxeltine, A. (2012) "Growing grassroots innovations: exploring the role of community-based initiatives in governing sustainable energy transitions." *Environment and Planning C: Government and Policy*, 30(3), pp. 381-400.
- Smith, A. (2006) "Green Niches in Sustainable Development: the case of organic food in United Kingdom," *Environment and Planning C: Government and Policy*, 24(3), pp. 439-458.
- Smith, A. (2007) "Translating Sustainabilities between Green Niches and Socio-technical Regimes," *Technology Analysis & Strategic Management*, 19(4), pp. 427-450.

- Smith, A. and Stirling, A. (2018) "Innovation, sustainability and democracy: an analysis of grassroots contributions," *Journal of Self-Governance and Management Economics*, 6(1), pp. 64-97.
- Thornton, P.H., Ocasio, W., Lounsbury, M. (2012) *The Institutional Logics Perspective. A new approach to Culture, Structure and Process*, Oxford: Oxford University Press.
- Voss, J-P., Smith, A., Grin, J. (2009) "Designing long-term policy: Rethinking transition management," *Policy Sciences*, 42(4), pp. 275–302.
- Wittmayer, J.M., Avelino, F., Afonso, R. (eds.) (2015) "WP4 CASE STUDY Report: Impact Hub," TRANSIT: EU SSH.2013.3.2-1 Grant agreement no: 613169.

---

<sup>1</sup> Reflecting on the many scholarly debates around power is beyond the scope of this chapter. For an extensive discussion of what different theories of power imply for social change research, see Avelino 2018. In earlier work, we have theorised the role of power in transformative social change (Avelino 2011, 2017, 2018, Avelino & Rotmans 2011, 2009), by integrating insights from transition research, critical policy analysis (Fischer et al. 2007, Hajer 1995), and multiple power and empowerment theories (e.g. Arendt 1958, Clegg 1989, Parsons 1967, Lukes 1974, Foucault 1977, 1980, 1982, Giddens 1984, Bourdieu 1989, Thomas & Velthouse 1990, Flyvbjerg 1998, 2004, Haugaard 2002).

<sup>2</sup> See: <http://www.transitsocialinnovation.eu/discover-our-cases-2>

<sup>3</sup> See for instance the Scaling Programme: <https://scaling.impacthub.net/>

<sup>4</sup> For a detailed account of the struggles and negotiations between the Impact Hub Amsterdam and the local Municipality over relocation, see: <http://www.transitsocialinnovation.eu/sii/impact-hub-amsterdam-ih-ams>

<sup>5</sup> <http://www.ecolise.eu/>

<sup>6</sup> <http://www.velomenaal.nl/Home/>

<sup>7</sup> For more about the background of Sociocracy and how it is applied in Ecodorp Bergen, see: <http://www.transitsocialinnovation.eu/sii/ecovillage-bergen>

<sup>8</sup> for an elaborate account of some of these developments, see our Ecodorp Bergen case-study: <http://www.transitsocialinnovation.eu/sii/ecovillage-bergen>

<sup>9</sup> <https://www.youtube.com/watch?v=kZ1VVpCwv8k>

<sup>10</sup> For more information on platform cooperativism, see: <https://www.shareable.net/blog/a-shareable-explainer-what-is-a-platform-co-op> and <https://www.shareable.net/blog/11-platform-cooperatives-creating-a-real-sharing-economy>