

Book Reviews

Social Enterprise at the Crossroads of Market, Public Policies and Civil Society

Edited by Marthe Nyssens

Routledge Studies in the Management of Voluntary and Non-Profit Organisations 2006, ISBN 10-0-414 37878-8 (hbk), ISBN 10-0-415 37879-6 (pbk). Price £26.99

Reviewed by Molly Scott Cato, Senior Lecturer in Social Economy, Cardiff School of Management and author of *The Pit and the Pendulum*.

The upsurge in political attention paid to social enterprise in recent years has not been matched by a similar level of detailed, academic analysis, which has left the sector subject to the vagaries of the policy arena, and those who work in it confused about what they are doing and why. For this reason we should welcome this new collection of writings from EMES, the European Research Network which has been edited by Marthe Nyssens from the Catholic University of Louvain in Belgium.

In nineteen densely argued chapters it presents the findings of the latest phase of the network's research work, which involved the analysis of 160 social enterprises across eleven EU countries all of which can be defined as WISE, or work integration social enterprises. Naturally, the book begins with a definition of social enterprise, which is more radical than that often used in a UK context, requiring that the initiatives begins from below, that decision-making power is not based on capital ownership, and that profit distribution is limited. EMES's shorthand definition of social enterprises is "organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits". This is a definition that shifts the centre of gravity of the research towards the European end of the spectrum and away from a UK conception of social enterprise. Readers of the *Journal of Co-operative Studies* will be interested to find that Nyssens locates social enterprises "at the crossroads of the co-operative and the non-profit sectors".

The research project reported in the book had three central hypotheses: that social enterprises balance social, economic and socio-political goals; that they mobilise different kinds of market and non-market resources to sustain their public-benefit mission; and that they must respond to a political context and a dynamic of institutionalisation. These hypotheses are explored in individual country case studies

reported in the remainder of the book. The book falls into four parts, each of which includes detailed country analyses together with a first chapter dedicated to a transversal European analysis. Part I includes chapters on Denmark, France, Italy and offers an analysis of the governance of social enterprise based around the 'multiple goals – multiple stakeholders' hypothesis. Part II explores the second hypothesis concerning the combination of different resources and includes chapters on Ireland, Spain and Finland. Part III offers a more detailed analysis of the work experience of nearly 1,000 disadvantaged workers who became involved with work integration social enterprises in the eleven countries analysed in 2001, with particularly detailed analysis from Portugal, Sweden and Belgium. Finally, Part IV explores the institutional context and the suggested trend towards isomorphism.

Space is insufficient to cover all the chapters in detail, so I will offer some more detail on the one that caught my attention with its exploration of 'social entrepreneurship'. Chapter 6 by Lars Hulgard and Roger Spear is entitled "Social entrepreneurship and the mobilisation of social capital in European social enterprises"; It addresses an issue that I have found of particular importance in terms of the social economy of a local economy with a strong tradition – the South Wales coalfield – that of the nature of entrepreneurship and the motivation towards economic activity in general. Hulgard and Spear argue, convincingly in my view, that the concept of social entrepreneurship offers an opportunity to explore how social capital can be mobilised, substituting for other resources that may be unavailable in depressed local economies. Such an argument is "interesting since it represents a challenge to conventional thinking about entrepreneurship, which tends to emphasise the individual, whereas in social entrepreneurship there often seems to be a more collective dimension". As they argue, the media stereotype of the

entrepreneur as “heroic individual” can be unhelpful to economic regeneration in such areas.

The fact that the EMES project focused exclusively on WISE’S (Work Integration Social Enterprises) is both a strength and a weakness. It has led to the fact that the findings grow out of a particular segment of social enterprise activity, and may be influenced by the political conventions of that sector, such as the social value of conventional employment and the benefit to the individual and society as a whole of a move from marginal to establishment employment status, almost regardless of the quality of that employment.

The authors accept this limitation – “we have had to focus on a rather limited field of activity that has allowed meaningful international comparison and statistical analysis” – which is of particular concern to proponents of co-operatives, whose *raison d’être* is to question conventional employment relationships.

In her conclusion Nyssens accepts the inevitable truth that the field of social enterprise is still in flux and that it is still too early to give a definite judgment about the value of its role in tackling the problems of unemployment in the EU. The Work Integration Social Enterprises certainly had some impressive achievements to demonstrate: “Seventy-six per cent of the

individuals who had entered the social enterprise two years before the survey was conducted were still at work, either in the social enterprise or in another enterprise, at the time of the survey”, which is, as noted, “an impressive result in comparison with other active employment policies”.

The strength of the book is its breadth; its wide European perspective allows the authors to draw influential policy conclusions about social enterprise activity in an era of labour-market pressure caused by globalisation. There is a wealth of data presented within a strong theoretical framework. Its limitation is the exclusive focus on the one type of social enterprise, leaving one with questions about how typical this type of organisation is of social enterprise in Europe in general, or in any of the countries analysed. For myself, my concern that social enterprise may represent individual idealism being harnessed to achieve political objectives on the cheap was left unanswered, as was Nyssen’s own question, “Is the development of social enterprise in this field a sign of retrenchment of the welfare state or, on the contrary, a way to enhance the collective benefits that may be associated with these services?”

It was a Great Privilege: the Co-operative Memoirs of B N Arnason

By B N Arnason

Published by British Columbia Institute of Co-operative Studies. ISBN: 14 1203 951 7. For further details, see <http://web.uvic.ca/bcics>

Reviewed by Rita Rhodes, Visiting Research Fellow, Co-operatives Research Unit, Open University.

B N Arnason obviously intended the phrase “It was a Great Privilege” to sum up his working life among Canadian co-operatives or, to be more precise, among those in Saskatchewan. Sadly co-operative autobiographies are rare and this is therefore one reason to welcome this book. Another is that it takes British readers into a co-operative world very different from their own. Do not be daunted, though, for another eminent Canadian co-operator, the late Prof Alex Laidlaw, observed:

The concept of Co-operation is so versatile and universal that co-operators from a certain type of co-operative in one part of the world quickly feel and understand a completely different kind of co-operative in another culture and country when they visit it.

A third reason for recommending the book is that it is clearly written while a fourth is that it provides an authoritative overview of co-operative developments in Saskatchewan from the early twentieth century through to the 1960s. Arnason was well-positioned to observe these. Born in 1901, and after a university education punctuated by ill-health, he joined the Co-operatives and Markets Branch of the Saskatchewan government. Three years later he became its Registrar and Commissioner. In 1944 the Saskatchewan government became the first Canadian province to set up a specialist Department of Co-operatives. Arnason became its deputy minister and held this position until he retired in 1967. Given this background it is perhaps not surprising that his view of developments is rather more legalistic and governmental than might have been those of a British author writing about co-operatives in this country over the same period. Arnason’s account does however prompt memories of the late Keith Brading, who was for many years this the British Chief Registrar of Friendly Societies. In retirement he became one of the Presidents of the UK Society for Co-operative Studies and led the founding and the early years of the Co-operative Forum. He and Arnason were both

government officials but in different settings. Each had a love of co-operatives. Their respective positions coloured their perspectives and insights which meant that they had interesting things to say. Sadly, only Arnason has put pen to paper and this book is the result.

Besides different governmental set ups, Brading and Arnason worked in quite different economic and social environments. Saskatchewan is larger than the United Kingdom and in this Prairie region the main economic activity is agriculture. A main concern of its government for well over a century has been how to make agricultural production competitive in both the home and export markets. In the early years of the twentieth century it made long-term loans and grants available to encourage the development of supply and marketing co-operatives and producer co-operatives such as rural creameries. Eventually central co-operative lending agencies were set up and later the Co-operation and Markets Branch. In 1944 the Saskatchewan government established a specialist Department of Co-operatives. The legislative framework it created and its wide range of advisory services led to Saskatchewan becoming known as Canada’s “Banner Co-operative Province”. Arnason describes all this together with some initiatives that were less successful such as attempts to introduce flexible forms of co-operative among low income groups.

A particularly interesting aspect of his book is his lengthy account of the Canadian wheat pools. Their development underlined the importance of collection and marketing for Canadian agriculture but how far they were “co-operative” has long been debatable. For a time during the inter-war years they joined the International Co-operative Alliance but in more recent years they could not be called co-operatives. Arnason’s account of how they grew and changed is therefore interesting.

His book naturally focuses on agricultural co-operatives and their ancillary services but it also covers a wide range of other co-operative

activities including consumer, health, housing co-operatives and credit unions and even horse-marketing societies. Supporting activities such as women's guilds, a co-operative newspaper, a University Co-operative School and co-operative education in general, are also mentioned.

A thread running through the book is the influence of immigrant settlers on Saskatchewan's life and economy. Arnason's family came from Iceland and his description of how they settled in Saskatchewan makes vivid reading. They were pioneers in every sense of the word. Like other European immigrants, they tended to settle in their national groups and Arnason's family first joined one of the Icelandic communities in Manitoba. They nearly lost their lives there in a grass fire. When the Canadian Northern and Canadian Pacific Railways advertised land for homesteading they moved to Saskatchewan and arrived in the middle of the night. Leaving their livestock at the rail station they sought shelter. No hotel accommodation was available. They roused a kind local woman who let them spend the remainder of the night on the floor of her house behind a small shop. The land they had been allocated was 20 miles away. After arriving there with their livestock they had to spend the first few weeks in a tent until a shack could be built. Of all this Arnason merely observed that "Establishing a way of life there was difficult and survival was of community affair".

Survive they did. At home they spoke Icelandic and read Icelandic books borrowed from a small circulating library sponsored and supported by some of the early Icelandic settlers. It may well be that the Icelandic sagas and oral tradition helped to shape Arnason's skill as a writer. He tells a good story clearly.

However, his book is more than a good read. It also prompts questions. One of these arises from a comment Prof Ian MacPherson makes in his Foreword when he observes that "The

relationship between co-operatives and governments are fundamentally important, though rarely the subject of enquiry in studies of the Canadian co-operative movement". He welcomes the book for the contribution it makes to that "sadly sparse literature". Such a literature is also sparse in this country although there were early contributions including R J Youngjohns's *Co-operation and the State 1814-1914* Co-operative College Paper No 1, 1954, Geoffrey Rhodes's *Co-operative-Labour Relations 1900-1962*, Co-operative College Paper No 8, 1962, and Prof. Tom Carbery's book *Consumers in Politics – A history and general review of the Co-operative Party*, 1969. More recently there was my own book *An Arsenal for Labour* which was published by Holyoake Books in 1998. Some updating is desirable perhaps through another Co-operative College paper or a PhD thesis. Whatever form it takes it should include a description of the campaign to establish the national Co-operative Development Agency together with a study of its short life and a study of the Joint Parliamentary Committee of the Co-operative Union and Wholesale Societies. For nigh on one hundred years this was the British co-operative movement's main interface with the British state. As far as I know, no academic enquiry into it has ever been undertaken despite what I am sure would be our ready agreement with Prof MacPherson that "The relationship between co-operatives and governments are fundamentally important ...". An account of the more recent campaign to secure a Co-operative Act would also deserve inclusion in any update of the study of British co-operative/state relations.

To conclude, Arnason's book will be of interest to readers of the *UK Journal of Co-operative Studies* because of its readability, the opportunities it provides to look into another co-operative tradition and for the questions it prompts about the UK's co-operative history.

Co-operation, Social Responsibility and Fair Trade in Europe

Edited by Linda Shaw

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Reviewed by Katarina Friberg, Lecturer at Vaxjo University, Sweden and author of *The Workings of Co-operation*.

Co-operation, Social Responsibility and Fair Trade in Europe is the first and much needed report on the relationship between the consumer co-operative movement and the Fair Trade movement in Europe. The report includes four separately authored case studies – Britain, Sweden, Italy and Belgium – with additional brief references to experiences of a few other European countries. On the whole it is a very informative publication, and it raises important questions about how the relationship between the ‘old’ co-operative movement and the more recent Fair Trade movement can develop. The contrasting cases demonstrate the importance of making comparisons in order to identify obstacles and study how these might be overcome. For while, the comparative effort remains largely implicit in individual case studies, the statistics and the conclusions they yield are brought together and lucidly presented in the introduction to the report. Here the editor sets out clearly the common challenges for successful inter-movement co-operation, while at the same time keeping an eye on national particularities.

All four case studies have a similar design: the researchers have tried to find equivalent statistical information and asked their interviewees the same questions. Readers who are interested in a particular theme or question are thereby given the possibility of making their own comparisons. The point-by-point comparison also invites further enquiries, such as whether variables and questions retain the same meaning across cases. Issues of comparability are indeed addressed in the report. For instance it is claimed that the Belgian case is the odd case, because the broad co-operative movement that started there in the end of the nineteenth century has not survived to the present day. However, a co-operative partner remains to some extent today because the rural co-operative bank has taken an interest in the Fair Trade movement.

Apart from such explicit reflections, however, comparability issues emerge as the case

studies interact on each other. The reader will find it easy to compare the British and the Belgian case studies; they are also the most clear and well-structured presentations in the report. In the Swedish case, on the other hand, there have obviously been difficulties in finding all the appropriate statistics. The figures presented in the text are sparser than in some of the other case studies, and sometimes appear contradictory. The question arises as to whether we should write this off as being idiosyncratic of the author, or whether it is a reflection of case characteristics? A similar question arises with regard to the Italian text which is cluttered with a wealth of facts and figures which tend to get in the way of an overview. This could be attributed to the author, but it may also reflect that there is much else going on in the Italian case, and that omissions might skew the picture.

The case studies show that co-operatives are trying to handle many different demands. If one wants to stay in the market it is certainly imperative to be a competitive business. One way of doing that is obviously to lower prices. Involvement in Fair Trade, conceived as a niche market with high symbolic value, is an alternative or supplementary route. But it is not only a business decision. The authors of the report tend to see an elective affinity between Fair Trade and co-operative values and principles. Co-operatives, then, are subject to a dual demand structure, with business viability at one end and the articulation of the value driven demands at the other.

Co-operatives in the UK and Italy opted for the Fair Trade market and for mainstreaming Fair Trade products. In the UK, the mainstreaming of Fair Trade products in non-co-operative supermarkets chains has generated a debate about the risks of diluting the idea and practice of Fair Trade. In this case, business and value issues reinforce each other. From a business perspective, part of the symbolic value of dealing in Fair Trade is lost if other market actors adopt the same strategy: in

value terms, there is a real danger of customer confusion if alternative standards and symbols of Fair Trade enter the market. But there are also obstacles and possible clashes between the co-operative businesses and the Fair Trade sector. Take for instance the connection between Fair Trade and more or less radical policies in Italy. This connection can thwart the possibility of mainstreaming Fair Trade products. Mainstreaming is likely to be perceived as sell-outs by radicals, and the association with radical politics can deter segments of co-operative customers.

Over all, the information, the information about the development of the co-operative movement is rather thin in comparison with that on the Fair Trade movement. I am certainly aware of the difficulties of including long descriptions of history of the 'old' movement in each country. This is, after all, a first attempt to grasp the relationship between the two movements. But the report is nevertheless concerned with investigating a relationship. Unless we get a picture, for example, of the development of business practices and trade agreements, the image of one of the parties in that relationship is liable to be derived from sources that are not always empirical. The claim that co-operative businesses have some intrinsic values and principles that match those of the Fair Trade movement becomes somewhat shallow. One is curious to learn how these values of have affected business practice.

The British case study in fact offers a contemporary example that illustrates the importance of trade agreements and of the

expectations on each party to an agreement. It concerns the relationship between UK co-operatives and Agrofair UK in a time of crisis. When a storm wiped out 80 per cent of the banana crop in Ghana, the co-operative buyers in the UK decided to stay with Agrofair UK even though it interrupted the supply chain severely. Thus, the co-operative buyers in the UK had implemented the co-operative values and principles in their business practice. As a contrasting example we can cite the case of lack of communication between Co-op Nordic and Rattvisemarkt (the Swedish Fair Trade Organisation). Co-op Nordic as buyers has formulated a list of demands – including being granted a place on the Board of Rattvisemarkt and receiving a list of the Fair Trade products in good time so that it fits their planning for campaigns and product promotion. Probably this would not have been a problem if Co-op Nordic had also been prepared to invest resources in the Fair Trade sector and if the co-operative value of mutuality had influenced their business practice.

These present day examples indicate that the accumulated history of business practices could be a good subject for future research into the relationship between co-operation and Fair Trade. The fact that they are not covered in this report does not detract from its value. An attempt to charter new territory should be judged both with regard to the questions it makes possible and to the patterns it allows us to see. *Co-operation, Social Responsibility and Fair Trade in Europe* is a valuable contribution in both these respects.