**Introduction to the Symposium on Third Sector, Social Enterprises and Public Service Delivery**

The growth of research studies on social enterprise over the past ten years has been on a steep positive trend. Social enterprise is commonly defined as the organizational pursuit of blending social mission and market-oriented income generation (Kerlin, 2009, 2017; Peattie & Morley, 2008). Social enterprise is a hybrid organizational structure that generally uses cross-sectional collaboration since social enterprises embrace government, market, and civil society (Defourny and Nyssens 2016; Hulgård 2014; Nyssens 2007; Pestoff 2014). Indeed, social enterprises have been employed for multiple social purposes, and part of their appeal, seemingly, is that they are flexible, entrepreneurial organizations that can adapt to the political and social environments in which they exist (Defourny and Nyssens 2010).

While social enterprise research is a relatively new discourse, studies on nonprofit organizations are abound, covering topics such as resource dependency, the impact of governing board structure and membership on performance. There is also increasing practice in some countries (notably the U.S.), which have a well-developed nonprofit sector, to be partners with government in delivering services across a wide spectrum of program areas, including health, social services, domestic violence, education and emergency response. This special *Public Management Review* Symposium was designed to contain articles that both challenge and support diverse views on how government, social enterprises and nonprofits work together, deliver services, and fill different roles in society. The seven articles in the symposium focus on international and comparative experiences within the nonprofit sector and social enterprises in relation to government.

This introduction serves four purposes: First, we provide a brief overview of social enterprise definitions and development across countries internationally. Second, we provide brief summaries of the seven papers and the themes, history and theory they develop. Third, we develop some analysis of the findings and key results in the papers, and fourth, conclude this short intro to the full Symposium.

**Background on Purposes and Definitions of Social Enterprises**

Social Enterprises have distinct global differences (Kerlin, 2010; Defourney and Nyssens, 2017) which present challenges in being able to adequately define what a social enterprise is. For example, the landscape in the USA started with its roots in non-profit venturing and emphasized market-based approaches which focused on revenue generation (Kerlin, 2010; Cooney, 2015). US discourse has now evolved to acknowledge a wider range of organizations operating in the for-profit sector but which act independent of existing non-profit social enterprise activity (Cooney, 2015; Thiru, 2016). In Europe, the landscape of social enterprise is conceptualized as a single organizational form located between traditional non-profits and co-operatives (Austin, Stevenson, and Wei-Skillern, 2006; Defourney, 2001; Defourney and Nyssens, 2010). United Kingdom (UK) thinking borrows from both these traditions and defines social enterprises as “businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than bring driven by the need to maximise profit for all shareholders and owners’ (DTI, 2002, 13). Whilst the Social Enterprise Alliance in the United States defines social enterprises as ‘organizations that address a basic unmet need or solve a social problem through a market-driven approach’ (The Social Enterprise Alliance, 2020).

Social enterprises can fulfil demands for public goods left unsatisfied by government and, thus, contribute to creating public value (Chandra and Paras, 2020). For example, by engaging delinquent youths in sports clubs could create public value in the form of reductions in anti-sociable behavior. Social enterprises have been used for expanding citizen participation, including promoting co-production of services and local community needs (Nabatchi & Sancino, 2017; Choi, Berry and Ghadimi, 2020), or co-creation of public value based on multiple sectors (Bryson, Sancino, Benington, & Sørensen, 2017). This is possible because social enterprises often promote both the engagement of diverse stakeholders, such as social entrepreneurs, managers, employees, volunteers, social impact investors, customers, and beneficiaries of social enterprise as well as their friends and family. Through sectoral collaboration, they may create public value in services that government alone cannot achieve.

Social enterprises have been used to promote employment in rural areas or of specific target populations, such as disabled people or convicted felons. They have been found to address social exclusion, develop local community services, such as bakeries or small production plants, and enhance employee decision making and participation in program development and delivery of services. Examples include the Greyston Bakery in New York which claims: “We don’t hire people to bake brownies, we bake brownies to hire people,” and uses their profits to provide self-sufficiency programs to the disadvantaged (Greyston Benefit Corporation Report, 2012). Also, Clarity in London, one of the UK’s oldest social enterprises, provides meaningful employment for people with disabilities and serious health conditions and claims “At CLARITY & Co., we craft multi award-winning, luxury bath and beauty products alongside quality, everyday cleaning and toiletry products. We also offer a full range of ‘private-label’ manufacturing services. As a result, a workforce that is predominantly blind or otherwise disabled abled is able to work and demonstrate its true worth.” (Clarity & Co., 2020).

Social enterprise, as an emerging practice, has demonstrated its positive social and economic impacts throughout the last two decades, as one answer to a wide range of social challenges across different contexts at the local, national, and international levels (Alter 2006, 2007; Cooney 2015; Kerlin 2009, 2010, 2013, 2017; Terjesen et al*.* 2011; Noya and Clarence, 2007). Social enterprises are one method of collaborative governance, usually on a small scale, to address highly contextualized needs for employment and service delivery. Social enterprises and governments have usually engaged in partnerships and contractual relationships, in which governments finance public services and social enterprises deliver them. While in the U.S., social enterprises are more likely to depend on social entrepreneurship in the market rather than direct contracts with government that finance the development of social enterprises. In a number of countries, such as the UK and Korea (Choi, Berry and Ghadimi, 2020), governments seem to support social enterprises in part with the belief that they might help take some of the social welfare responsibilities off the government. In all cases, social enterprises use their sector hybridity to blend social purpose and market-oriented income generation, in whatever co-production model they use (Choi, Berry and Ghadimi, 2018; Choi and Berry, 2018).

However, there are criticisms that social enterprises do not have the necessary skills and experience to deliver quality public services effectively putting public services in danger of not meeting the needs of their multiple stakeholder groups (e.g., Powell and Osborne, 2015, Powell and Osborne, 2018, Powell, Gillet and Doherty, 2018). As has their over-reliance on grant funding which can stifle their ability to innovate and develop a sustainable business model. Within the healthcare setting social enterprises have been found to achieve demonstrable positive outcomes in terms of well-being and mental health but struggle to achieve more clinical outcomes (Calo et al., 2017). This raises the questions of whether social enterprises are any more effective at delivering public services than non-profit organizations, and is there scope to work more collaboratively to avoid failure? Thus, social enterprises can present both a complement and a competitor to non-profit organizations, and this paradox has not been addressed directly in much research or theory development.

**Brief Summaries of Paper themes**

Several papers in this symposium examine the relationships between nonprofits and social enterprises in international contexts including the countries of China, India, Korea, Slavic Republic and the Czech Republic as well as the more heavily studied countries of the United States and UK. In both China and India, intermediary organizations, which are linked to international organizations, are both influential and active in promoting social enterprises and providing legitimation for these new institutions. These studies indirectly also present some comparative information on how social enterprises interact with or are viewed by citizens in comparison to nonprofit agencies. In Korea, the role that Government plays in social entrepreneurship is explored and the impact locally generated income has on the level of support government provides. The more support provided by government, the more likely it is that there will be social enterprises in communities. Within the US context, social enterprise is found to both be an additive and duplicative of existing non-profit efforts in responding to market failure. One study presents background on the development of social enterprises in two post-communist countries, including drawing attention to how citizens in those countries often have a more negative view of SEs vis-à-vis government provided services, due to their familiarity with the “nanny” state providing a broad range of services. Finally, from the UK perspective, the likelihood of social enterprises measuring their impact is explored. Four isomorphic pressures are identified which are good predictors in understanding why social enterprises measure (or not) their social impact. The papers in this symposium address a range of critical issues, and advance our understanding and study of social enterprises. The theoretical frameworks include public value and integrative publicness theory, isomorphism, performance management, institutionalization and legitimacy, and resource dependency.

Going through the individual papers, and summarizing key findings, we conclude this introduction by whetting your appetite for the papers that follow. In the opening article, Beaton and Kennedy (2021) in “Social Enterprises as market menders and reallocators” contribute to theoretical work distinguishing social enterprises from nonprofits. Their premise is that market failure is the primary theory explaining the roles of both social enterprises and nonprofits in civil society. Yet if that is the case, how are the two types of institutions different? This is a question asked by many writers studying social enterprises (Austin, Stevenson and Wei-Skillern, 2012; Tan and Yoo, 2014; Calò, et al., 2018; Young et al. 2019). They develop a theoretically insightful and empirically useful distinction—that two types of responses to market failure can be identified: market mending and market reallocation, and provide short case studies to illustrate the distinctions. They write: “*Market reallocation* involves reallocating financial resources from healthy, properly functioning markets to address markets that have failed. *Market mending* involves rectifying frail, poorly functioning markets to ensure that a broader segment of the population can participate in the market. Social enterprises generally fill the roles of market menders, using the integration of market and social purpose to tackle community collective action”.

Next, Park and Choi (2021) take up the little studied relationship of Korean local governments and the variety of ways they support social enterprises in their communities. Applying resource dependency theory, the authors test whether governmental fiscal munificence or constraints are more associated with financial and management support of social enterprises, and they find mixed results. Decreases in local revenue and taxes are associated with a higher likelihood of enacting pro social enterprise ordinances while higher national transfers into local revenue streams was associated with a lower likelihood of enacting an ordinance. They conclude that cities that rely more on local generated revenue are more likely to be motivated to institutionally support social enterprises. They also find support for their hypothesis that local governments’ efforts to promote social enterprises are positively associated with the number of social enterprises in their local communities.

Listen-Hayes and Liu (2021) ask the bottom line question: What type of impact have social enterprises had on their local communities and achieving their intended goals? They answer this question with data from the UK and use the frame of institutional isomorphism to propose four isomorphic pressures that are likely to influence a social enterprises decision to measure (or not) their social impact. Proximity to cities and other social enterprises, types of services delivered and goals outlined, stakeholder involvement and whether social enterprises receive the bulk of their revenue from government or the private sector are all considered in their multivariate model. They find that context matters and proximity to London as well as being a franchise social enterprise are good predictors of the likelihood that social enterprises will measure impact. Funding stakeholders matter while involvement of service clients is not associated with performance measurement. Of the SEs’ impacts, the authors state: “Social impact measures have become important determinants of social enterprise legitimacy and government funding in the UK and elsewhere. Yet not all social enterprises are opting to measure their social impact despite strong institutional pressures to do so. Some are isolated from these pressures while others believe that conformance is either too costly or damaging to the social enterprise mission.” (p. 23 of proof)

Choi, Lee and Hur’s (2021) paper contributes by addressing what impacts social enterprises are having on society. More specifically, they ask: What are the effects of governments’ policies on social enterprises to create social or public value? The authors answer this question by integrated publicness framework and focus on ownership, funding and control between the government and the market. Their expectation is that increased government control will be associated with job creation and or positive impacts from the social enterprises. Whilst the results are mixed, they do demonstrate that enhanced publicness is associated with positive outcomes.

Kerlin, Lall, Peng & Cui (2021) approach their study of social enterprises in China and India from a different perspective than other authors, by assessing to what degree and how intermediary organizations both help support and develop social enterprises in the two countries. They find the political and historical contexts in both countries to be quite different for both nonprofit and social enterprises. The institutional pressures that social enterprises face do differ but are reflected in the political and economic contexts in which they exist. However, what was found is that both countries intermediary organizations “assist with the growth and performance of social enterprises where social enterprises have at times been overlooked, underdeveloped, or viewed with skepticism” (page 1) and they use different strategies to comply with the country context.

Guan, Tian and Deng, (2021) explore the under-researched area of revenue diversification in China by examining the relationship between revenue diversification and financial health in social enterprises. Whilst the findings demonstrated the importance of appropriately balancing their different sources of income, the findings also indicated that earned income was still the most prominent feature in how social enterprises in China are structured in terms of their revenue. Perhaps more importantly, unlike what is known in previous studies, the authors find that revenue diversification actually had a significant negative impact on the financial health of social enterprises operating within China. They found having a smaller number of concentrated revenue sources to be much more beneficial to the financial health of enterprises as it reduces the risk of damage to their legitimacy. The authors conclude the paper with implications for social entrepreneurs and highlight both the opportunities and risks of resource concentration.

Finally, Placek, et al. (2021) present a unique perspective on the evolution of social enterprise in two post-communist countries: Czech Republic and Slovakia. Using historical institutionalism and path dependency theory, the authors map out the historical evolutionary trajectories of social enterprise in the two countries. The authors find that despite both countries sharing paths during communist rule, their paths diverged post-communist rule (notably in the legislation of social enterprise), which influenced the evolutionary trajectory of social enterprises in both countries. Whilst some convergences were noted, they conclude that “external shocks affected the behavior of social enterprise actors and their adaption strategies as well as the responses to emerging and unexpected exogenous events in both countries” (page 25 proof).

**Conclusion**

To conclude, this special issue has presented a diverse range of perspectives on the relationship between social enterprises, non-profits and government agencies across a number of international contexts. The papers cover a number of important issues such as revenue diversification, the creation and measurement of social and public value, the role of government in supporting social enterprise, responses to market failure and the evolution of social enterprise in post-communist rule. This collective set of papers provides further evidence of the important role social enterprise can play in the delivery of public services across a number of international contexts. Whilst the papers do not provide clear evidence that social enterprises are necessarily more effective at delivering public services than non-profits, the papers do demonstrate the important role social enterprise plays in addressing government and market failure and the importance of working collectively with both government agencies and non-profits to help avoid failure in the future.

The special issue represents experiences from a wide variety of international contexts and whilst it has presented evidence from some of the more heavily researched countries such as the UK and US, we are delighted to present evidence on the evolution of social enterprise in two post-communist countries, namely the Czech Republic and Slovakia, which are particularly underrepresented in the literature. We feel this special issue presents complementary yet diverse set of papers that further contributes to our understanding of the important relationship between social enterprise and the non-profit sector in relation to government.

**References**

Alter, S. K. (2006) Social enterprise models and their mission and money relationships, in Nicholls, A. (ed.) *Social Entrepreneurship: New Models of Sustainable Change*, New York: Oxford University Press, pp. 205-32.

Alter, K. (2007). Social enterprise typology. *Virtue Ventures LLC*, *12*, 1-124.

Austin, J., Stevenson, H. and Wei–Skillern, J. (2006) ‘Social and Commercial Entrepreneurship: Same, Different, or Both?’, *Entrepreneurship Theory and Practice*, 30(1), 1–22.

Beaton, E., and Kennedy, E. D. (2021). Social Enterprise as Market Menders and Re-Allocators. *Public Management Review.*

Bryson, J., Sancino, A., Benington, J., and [Sørensen](https://www.researchgate.net/profile/Eva_Sorensen2?_sg%5B0%5D=NRF_-dYaSqyHkrMwYG0fEcxHeMEz9UiLcIZLoclHqVNp6SwtaE7xrP7q-Yq5eZf5F1g_zG8.o3mNTMIqybuYw98Bo9HP97mKfwqghF65jJ7gJOg0Dm4n_8tggfl_VMnfPXwVftfDcEZXgYsWe-yRZagXQVTz4Q&_sg%5B1%5D=f7cBkR3JT6-vF4miCdO4_OlByqa2WWq9rvX91wRwla9LYaHSulLmX5C2JXhrrYGT9FsNJKc.i6KVjnGHvwFSbvnQStKkP_lo1iaYXRrt1ix4JHEeADPRdBtDZtv-ypZxrn_T0g299-JqJPnJ6mKjQUh7ov-VMg), E. (2016). Towards a multi-actor theory of public value co-creation. *Public Management Review,* 19(5), 640-654.

Calo, F., Teasdale, S., Donaldson, C., Roy, M.J., and Baglioni, S. (2017). Collaborator or competitor: assessing the evidence supporting the role of social enterprise in health and social care. *Public Management Review,* 20(12), 1790-1814.

Chandra, Y., and Paras, A. (2020). Social entrepreneurship in the context of disaster recovery: Organizing for public value creation. *Public Management Review*, DOI: [10.1080/14719037.2020.1775282](https://doi.org/10.1080/14719037.2020.1775282)

Choi, D., Berry, F.S., and Ghadimi, A. (2020). Policy design and achieving social outcomes@ a comparative analysis of social enterprise policy. *Public Administration Review,* 80(3), 494-505.

Choi, D., and Berry, F. (2018). Can Infused Publicness Contribute to Enhancing Public Value? Examining the Impact of Government Funding on the Performance of Social Enterprises in South Korea, under review, April 2018.

Choi, D., Lee, K.H., and Hur, H. (2021). Examining the Impact of Control and Ownership on Social Enterprises' Public Value Creation Using Integrative Publicness Theory. *Public Management Review.*

Clarity & Co. 2020. Downloaded from the company’s website under About Us. https://clarity.org.uk/about-us

Coonery, K. (2015). Social Enterprise in the United States: WISEs and other worker-focused models. *ICSEM Working Papers, No. 09.* Liege: The International Comparative Social Enterprise Models (ICSEM) project.

Defourny, J., & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: Convergences and divergences. *Journal of social entrepreneurship*, *1*(1), 32-53.

Defourney, J. and Nyssens, M. (2016). Fundementals for an international typology of social enterprise models. *ICSEM Working Papers,* 33. Liege: The International Comparative Social Enterprise Models (ICSEM) Project.

[Defourny, J.](https://www.emerald.com/insight/search?q=Jacques%20Defourny) and [Nyssens, M.](https://www.emerald.com/insight/search?q=Marthe%20Nyssens) (2017) Mapping social enterprise models: some evidence from the “ICSEM” project. [*Social Enterprise Journal*](https://www.emerald.com/insight/publication/issn/1750-8614), 13 (4), 318-328.

Department for Trade and Industry (DTI). 2002. *Social Enterprise: A strategy for success.* London: DTI.

Hulgård, L. (2014). Social Enterprise and the third sector – innovative service delivery or a non-capitalist economy? In J. Defourney, L, Hulgård, and V, Pestoff, (Eds.). *Social Enterprise and the third sector: changing European lanscapes in a comparative perspective.* Oxon: Routledge, pp.66-85.

Guan, S., Deng, G., Tian, S. (2021). Revenue diversification or revenue concentration? Impact on the financial health of social enterprises. *Public Management Review.*

Greyston Benefit Corporation Report (2012). *Bakers on a Mission: Benefit corporation Report.* Greyston Bakery. [Online]. Available at: <https://sustainablefuture.osbar.org/files/2013/06/greyston_annual_2012.pdf> [Accessed on 24 August 2020].

Kerlin, J. A. (Ed.). (2009). *Social enterprise: A global comparison*. UPNE.

Kerlin, J. A. (2010). A comparative analysis of the global emergence of social enterprise. *VOLUNTAS: international journal of voluntary and nonprofit organizations*, *21*(2), 162-179.

Kerlin, J. A. (2013). Defining Social Enterprise Across Different Contexts: A Conceptual Framework Based on Institutional Factors. *Nonprofit and Voluntary Sector Quarterly*, *42*(1), 84–108.

Kerlin, J. A. (Ed.). (2017). Shaping social enterprise: Understanding institutional context and influence.

Kerlin, J. A, Lall, S.A., Peng, S., and Cui, S.T. (2021). Institutional Intermediaries as Legitimzing Agents for Social Enterprise in China and India. *Public Management Review.*

Liston-Heyes, C., and Liu, G.C (2021). To measure or not to measure? An empirical investigation of socal impact measurement in UK social enterprises. *Public Management Review.*

Nabatchi, T., A. Sancino, and M. Sicilia. 2017. Varieties of Participation in Public Services: The Who, When, and What of Coproduction. *Public Administration Review*. DOI: 10.1111/puar.12765.

Noya, A., & Clarence, E. (2007). *The social economy: building inclusive economies*. Publications de l'OCDE.

Park, J., and Choi, D. (2021). Local Government as a Catylst for Promoting Social Enterprise. *Public Management Review.*

Peattie, K. and Morley, A. (2008). Eight paradoxes of the social enterprise agenda. *Social Enterprise Journal,* 4(2), 91-107.

Pestoff, V. (2014). Hybridity, innovation and the third sector: the co-production of public services. In J. Defourney, L, Hulgård, and V, Pestoff, (Eds.). *Social Enterprise and the third sector: changing European lanscapes in a comparative perspective.* Oxon: Routledge, pp.250-271.

Placek, M., Vacekova, G., Svidronova, M.M., Nemec, J, and Korimova, G. (2021). The Evolutionary Trajectory of Social Enterprises in the Czech Republic and Slovakia. *Public Management Review.*

Powell, M and Osborne, S. (2015). Can Marketing Contribute to Sustainable Social Enterprise? *Social Enterprise Journal,* 11(1), 24-46.

Powell, M and Osborne, S. (2018). Social Enterprise, Marketing and Sustainable Service Provision. *International Review of Administrative Sciences,* 1-18.

Powell, M, Gillett, A and Doherty, B. (2018). Sustainability in Social Enterprise: Hybrid Organizing in Public Services. *Public Management Review.*

Social Enterprise Alliance. (n.d). *What is a social Enterprise?* [Online]. Social Enterprise Alliance. Available at: <https://socialenterprise.us/about/social-enterprise/> [Accessed 24 August 2020].

Tan, W.L., and Yoo, S.J. (2014). Social Entrpreneurship intentions of non-profit organisations. *Journal of social entrepreneurship,* 6(1), 103-125.

Terjesen, S., Lepoutre, J., Justo, R., & Bosma, N. (2011). Global Entrepreneurship Monitor report on social entrepreneurship. *Global Entrepreneurship Research Association (GERA). Babson College, Babson Park, MA, United States*.

Thiru, Y. (2016). Social Enterprise in the USA: Socio-economic roles of certain types of social enterprise. *ICSEM Working Papers, No. 16.* Liege: The International Comparative Social Enterprise Models (ICSEM) project.

Young, D.R., Steinberg, R., Emanuele, R., and Simmons, W.O. (2019). *Economics for non-profit managers and social entrepreneurs.* Cheltenham: Edward Elgar Publishing.