This paper considers how the theory of historical institutionalism may be used as a tool to develop a conceptual framework for social enterprise that spans regional differences in the term. Recent research has shown that social enterprise varies across localities around the world in part due to its connection with the specific socioeconomic conditions of its context (Kerlin, 2009). Such research therefore suggests that a narrow definition of social enterprise may not only limit the kinds of problems and issues social enterprise could address, but also the kinds of environments where it would be appropriate or feasible. Rejection of a narrow definition, however, does not necessarily preclude the development of a broad conceptual framework by which social enterprise can be understood internationally. This paper utilizes historical institutionalism to analyze recent comparative social enterprise research in seven countries and regions (Kerlin, 2009) to move towards such a conceptual framework.

Historical institutionalism is based on the premise that existing socio-economic processes and patterns constrain the options available to actors in the innovation of institutions across time (Thelen, 1999). Researchers using this approach focus on the qualitative analysis of case studies of nations and regions to compare the interaction of large-scale, societal institutions over time to better understand institutional outcomes. This study draws on the concepts of “critical junctures,” (a disruption in ongoing processes that opens a window for institutional innovation), “losers,” (actors marginalized by the status quo), “institutional entrepreneurs,” and the mechanisms of “layering,” “conversion,” and “diffusion” that typify the processes by which institutions are formed and evolve over time (Pierson, 2004).

Thus far, social enterprise researchers have put forward four factors or institutions as essential in characterizing social enterprise: civil society, market, government, and international aid. Nyssens (2006) and Nicholls (2006) include the first three institutions in their description of social enterprise/entrepreneurship and allude to differences in their relevance for social enterprise in different societies. Kerlin (2009) identifies international aid as a possible fourth institution. Based on her seven national/regional case studies, Kerlin (2009) shows that the underlying basis for differences among models of social enterprise appears to be the strength or weakness of the four institutions in actual social enterprise activity in a given locale. She demonstrates in turn that these appear to be correlated with the strength or weakness of these institutions in the broader environment.

This paper uses the theory of historical institutionalism to further examine how the four institutions are differently shaping the formation of social enterprise around the world and to consolidate like processes. Thus, the paper builds on the models presented in Kerlin (2009) by using historical institutionalism to identify and group like institutional processes into a broad conceptual framework for social enterprise. Preliminary analysis finds four main types of social enterprise processes: exploration, reaction, diffusion, and consolidation. These types focus on the interaction (whether positive or negative) between civil society and its innovating actors, and state capacity, market functioning, and international aid as supporting (or nonsupporting) institutions. Differences in the strength of the institutions and their juxtaposition to one another help to further inform possible distinct models of social enterprise for the countries and regions under consideration.

References:


