

## 1. Introduction

This paper discusses how we may understand the relation between social entrepreneurship and capitalism. In 'classic' Schumpeterian innovation theory entrepreneurship is a pivotal driving force in capitalist economies. Yet, social entrepreneurship presents itself as an alternative type of entrepreneurship emphasizing social change that creates *social* rather than economic value. In this sense, it seems to provide an alternative to classic entrepreneurship and its focus on the economic development of society. The question is how we are to understand the relation between *social* entrepreneurship and capitalism, and how we can understand the increasing interest in social entrepreneurship from academic as well as political quarters in light of the current crisis, erupted in 2008-9. A crisis that many have described as a capitalist crisis. Du Gay and Morgan (2013) describe the crisis as the tipping point for a set of ideas, which have gained significant influence and which go by different names, such as "neo-liberalism", "the new spirit of capitalism", "advanced liberalism", or "turbo capitalism" (Du Gay and Morgan, 2013: 2).

The paper approaches this question on the basis of social entrepreneurship research literature and theory on contemporary capitalism, mainly Boltanski and Chiapello's *The New Spirit of Capitalism* ([1999] 2006). Parts of social entrepreneurship literature distinguish between different trends in social entrepreneurship, which relate to capitalism in very different ways. I shall specify how by relating these trends to capitalism and market economic rationales, and also demonstrate how classic entrepreneurship is linked to the different *époques* of capitalism described by Boltanski and Chiapello. Lastly, I discuss how social entrepreneurship may be understood in relation to the current form of capitalism often denominated in terms of neo-liberalism.

The idea of social entrepreneurship is relatively new and has gained increasing attention from academia since the turn of the millennium (Hulgård and Andersen, 2009; Steyaert and Hjort, 2006). As a new field of science it is characterized by diversity, vitality and competing agendas, which sometimes overlap and which sometimes pull the concept in very different directions (Andersen and Hulgård, 2008). Thus, social entrepreneurship is a contested concept, about which different actors compete for dominant definitions and strategies (Hulgård and Andersen, 2012). This also makes it a rather difficult phenomenon or concept to

discuss and define in the singular, as there is a risk of oversimplifying it.

The reason for taking up the question about the relation between capitalism and social entrepreneurship is that understandings of social entrepreneurship and social enterprise have different implications for the relationship between politics and economy. These conceptions touch upon the role of social enterprise within the overall economy and its interaction with market, civil society and the public sector (cf. Defourny and Nyssens, 2010: 33). These implications are important to discuss as social entrepreneurship has gained increased interest from policymakers in the wake of the current crisis and has become a central concept in social policies in European countries. The paper may be seen as a supplement or elaboration to trends in social entrepreneurship discussed by Hulgård (2010) and Hulgård and Andersen (2012), namely as privatization of welfare or as mobilization of democracy through civil society, and as linked to a non-capitalist social economy (Hulgård, 2011).

### **Social entrepreneurship and the current crisis**

It seems that the current crisis has spurred the interest in social entrepreneurship and its sister concept of social innovation, even though these concepts or phenomena have not emerged with the crisis as such. However, as societal problems have aggravated in the wake of the crisis, the political interest in social entrepreneurship has grown. In a report on social innovation in Europe, written by the European Bureau of Policy Advisors in 2011, it is stated that societal problems have been exacerbated by the crisis and that the crisis has made the social dimension of the challenges more obvious. Social innovation is then presented as a possible solution to a number of societal challenges such as climate change, ageing populations and associated health costs, rising unemployment and the many people outside of the labor market (BEPA, 2011: 7-8). Another reason for the growing attention to social entrepreneurship is the pressure and the fiscal constraints that public sectors all over Europe are affected by (BEPA, 2011: 9; Udvalget for Socialøkonomiske Virksomheder, 2013: 5). The argument is that all this calls for new solutions. In a report about social enterprises (enterprises with a social purpose) written for the Danish Government in 2013, for example, the aim is that even more societal challenges are dealt with effectively and considerately by social enterprises (Udvalget for Socialøkonomiske virksomheder, 2013: 9). I shall define social entrepreneurship further below.

That social entrepreneurship becomes the answer to these problems may have to do with a weakened confidence in the state and public sector as the institutional setting to deal with such issues. Public sectors are also often said to have problems with the “inertia of large bureaucracies, the inefficient use of staff and associated waste and low productivity” (BEPA, 2011: 25). This view on the public sector is widespread and has also had an immense influence as legitimizing certain kinds of public sector reforms, which introduce economic rationales into the public sector emphasizing efficiency, flexibility and innovativeness (Langergaard, 2011). By portraying the public sector as inefficient, bureaucratic and undemocratic, welfare state skeptics give legitimacy to other sectors of society to deal with societal problems. And these critiques have historically come from both the left and the right sides of the political spectrum. In this sense, social entrepreneurship sometimes also reflects a critical reaction to certain ideas about the state and a correspondingly larger confidence in private initiatives to deal with social problems. However, I shall argue that social entrepreneurship can also be seen as a critical reaction to capitalist rationales and thus as part of an anti-capitalist movement. And this is interesting in relation to the crisis. The problems arising from the crisis may be seen as results of an unrestrained capitalism and a neo-liberal rationality (Fraser, 2012: Du Gay and Morgan, 2013: 2) – the result of a neo-liberal experiment which let markets and money to find their own way around the world without much political interference (Hart, Laville and Gattani, 2010). The increased interest in social entrepreneurship is a reaction to the crisis, which leaves policy-makers and researchers without any well-known answers or solutions. Social entrepreneurship points toward new and innovative solutions that we may not be able to imagine or know beforehand. Solutions that involve ideas transcending our current ways of thinking and dealing with societal, economic and ecological issues.

## **2. Defining social entrepreneurship**

Social entrepreneurship is a multifaceted concept and phenomenon. Thus, it is difficult to discuss its relation to capitalism as if this relation was an unambiguous one. There are a number of different ways to define social entrepreneurship and it is impossible to embrace all aspects of the broad concept here. Furthermore, the concept is closely related to concepts of social enterprise, social economy and not least social innovation (see for example Hulgård and Andersen, 2012).

In addition to this, there are geographical differences in the understandings of the concept, in particular between continental European and North American approaches to the concept (see Defourny and Nyssens, 2010 for comparisons between US and Europe). According to Hulgård (2007), Anglo-Saxon approaches define the social entrepreneur as a person who is driven by a motive to do good for poor and marginalized groups of people. An innovative dimension is connected to this: the entrepreneur works with innovative, new solutions to societal problems and in this sense also helps society in areas that may be stuck (Hulgård, 2007: 18). These versions of social entrepreneurship stress the role of the individual entrepreneur as a change agent and ascribe the private sector a central role (Hulgård and Andersen, 2012: 17). Continental European definitions on the other hand often link social entrepreneurship to social economy and social enterprise. From these perspectives social entrepreneurship is not primarily an individual, but rather a collective activity (Hulgård, 2007: 20-21), which includes cooperatives, volunteer initiatives and other collective efforts (Andersen and Hulgård, 2012). In the European version, social entrepreneurship according to Hulgård, is an activity with organizational and structural preconditions as well as consequences. Social entrepreneurship refers to activities in the third sector, side by side with activities in the public and private commercial sector. These activities are united by their aim to work for the common good and not merely private interests (Hulgård, 2007: 20-21). It seems, however, that individualist and private-sector-oriented understandings of social entrepreneurship are also gaining ground in Denmark and other European contexts. This implies that social innovation becomes interpreted in narrow market economic terms (Jessop et al, 2013: 110). This is all the more reason to be clear about the different implications of different conceptions.

I wish to discuss the different facets of the concept in relation to capitalism. I begin with a rather broad definition of social entrepreneurship, which encompasses central elements of the concept:

*“The creation of social value that is produced in collaboration with people and organizations from the civil society who are engaged in social innovations that usually imply an economic activity”* (Hulgård, 2010: 4).

This definition is based on four criteria: Social value, civil society, innovation and economic activity. Social value is common to all definitions, while the other elements are more

contested across different definitions. The aim of creating social value is what distinguishes social from commercial entrepreneurship and it is in this sense entrepreneurial activity with an embedded social purpose or with a social mission (Hulgård, 2010; Andersen and Hulgård, 2008; Austin et al, 2006; Dees, 1998). This is the core of the concept, which differentiates it from classic entrepreneurship. There is no consensus on how we are to understand social value more precisely, but it is often defined in terms such as: fight against poverty, strengthening of the capacity of local neighborhoods (Andersen and Hulgård, 2008), social justice, wellbeing, fighting exclusion, quality of life, solidarity (BEPA, 2011).

Civil society as criterion for social entrepreneurship is one of the elements that clearly indicate that the role of state, economy and civil society is at stake in definitions of social entrepreneurship - which then also becomes a concept with very clear political implications. Civil society is a different type of criterion than social, innovation and economic activity, because social entrepreneurship can also take place in other sectors of society. Still, civil society has historically as well as currently been an attractive partner for social entrepreneurs (Andersen and Hulgård, 2009: 8). The role of civil society is an important criterion for distinguishing social entrepreneurship from social activities in the private and commercial sector, such as CSR activities (Hulgård, 2010: 5).

Innovation is the third element of the concept, which means that social entrepreneurship implies that the approaches found to social problems are *new*. Social entrepreneurship is also closely related to social innovation even if the two concepts may sometimes be used differently. Nonetheless, there are many overlapping elements between the two concepts, such as the focus on social value, bottom-up drivers for innovation, the role of civil society and the attempt to deal with societal problems (see BEPA, 2011). Due to the close familiarity to other concepts, my discussion is not restricted only to social entrepreneurship, but sometimes also includes social innovation and other related concepts such as the social economy.

That social entrepreneurship has an economic element basically means that some kind of economic activity is at stake - i.e. that products or services are being produced, and that the activities are not carried through with voluntary work alone. Social innovation may sometimes have an economic impact, however not always (Hulgård, 2010). This also distinguishes it from economic innovation and entrepreneurship, which are defined by

having primarily an economic impact (Drejer, 2004).

### **3. Three spirits of capitalism and entrepreneurship**

As Eve Chiapello (2013) states, the history of capitalism cannot be separated from the history of its critiques. These critiques are important for understanding the specific ways that capitalism develops and the ways that capitalist societies are organized. Critiques and critical ideas have been particularly strong in times of crisis, where the need for alternatives intensifies and these critiques contribute to transformations in the economic system (Chiapello, 2013: 60). In Boltanski and Chiapello's *The New Spirit of Capitalism* (1999/2005) they analyze the role of critique in the dynamic of capitalism (Du Gay and Morgan, 2013: 23). The 'spirit of capitalism', a term alluding to Weber's *Protestant Ethics and the Spirit of Capitalism* from 1905, is the ideology that justifies people's commitment to capitalism and which renders this commitment attractive. Their starting point is that capitalism is an absurd system, which only very few seem to benefit from, but which nevertheless enjoys the commitment of almost everybody. Capitalist accumulation and the maintenance of the capitalist system requires commitment from many people "although few have any real chances of making a substantial profit" (Boltanski and Chiapello (2005: 163). As capitalism is amoral the spirit cannot be predicated alone on what capitalism has to offer. Capitalism needs its enemies and critics, who want to wage war against it. These are the people who provide it with the moral foundation that it lacks and who enable it to incorporate justice-enhancing mechanisms whose relevancy it would not otherwise be able to acknowledge. A main point of Boltanski and Chiapello is that capitalism has an amazing ability to survive by endogenising some of the criticisms it faces. In recent times, this has helped it disarming some of the forces of anti-capitalism and given way to a more triumphant version of capitalism (Boltanski and Chiapello, 2005: 163). The spirit is what makes people commit to capitalism and at the same time a catalyst for changes of the spirit itself. It is central here that criticism not only questions the dominant capitalist spirit, but also lays the basis for a new spirit (Carleheden, 2011).

#### **3a. The first spirit of capitalism**

Boltanski and Chiapello present a development of capitalism through three different stages

of capitalist spirit. The spirit has changed and been subject to transformations in definitions of what comprises a fair work situation and a fair treatment of some employees as compared to others. The first spirit is dated to the end of the nineteenth century (Boltanski and Chiapello, 2005). It is present in a classical liberalist époque, characterized by competitive capitalism with small producers organized in patriarchal family units on the basis of a pre-Fordist mode of production. The big man of this époque is the entrepreneur. It is a kind of laissez-faire capitalism with the state confined to protect the negative rights of citizens (Carleheden, 2011). Thus, we may see this as a certain type of entrepreneurial capitalism, with the 'classic' Schumpeterian entrepreneur as the heroic figure.

The relation between capitalism and entrepreneurship is explicit in economic theories of innovation and entrepreneurship and is a central point in Schumpeter's theories. The early Schumpeter introduced the entrepreneur as a driving force of economic development as entrepreneurs produce innovations. And in economic innovation theory (which is the dominant branch of innovation theory), innovation is the driving force of economic development and growth (Sundbo, 1995). To Schumpeter, innovation was a central feature of capitalist development, and innovation was a term describing both discontinuous and revolutionary changes. To Schumpeter, renewal and innovation were the core of capitalism and its functional capacity (Foucault, 2009).

### **3b. The second spirit of capitalism**

The second spirit of capitalism, dated around the decades from the 1940s to the 1970s, is the époque of the workers rather than the bourgeois. The welfare state, rather than the market, is here the guarantor of autonomy and security. It is no longer the entrepreneur who is the great man in this époque, but rather the 'organization man'. Habermas and Polanyi have both described and discussed this capitalist époque. Family capitalism had transformed into monopoly capitalism (Carleheden, 2011) characterized by big companies with mass production. The firms were organized hierarchically as bureaucracies and were geared towards the realization of activities and efficiency (Boltanski and Chiapello, 2005:165-6). Schumpeter's later works reflects this change in capitalism and connected innovation to large corporations and their R&D departments, rather than to individual entrepreneurial enterprises and initiatives as in his early works. However, the link to capitalism remains clear. In *Capitalism, Socialism and Democracy* (1942), Schumpeter

identified the essential fact of capitalism as 'the process of creative destruction':

*"The opening up of new markets, foreign or domestic, and the organisational development from the craft shop and factory to such concerns as U.S. Steel illustrate the same process of industrial mutation - if I may use that biological term - that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one"* (Schumpeter, 2008: 83).

Looking toward innovation theory we see a shift from the entrepreneurial paradigm to a technology-based economic paradigm where the large corporations act as driving forces of innovation and of economic development (Sundbo, 1995). The quote also illustrates the dynamic understanding of capitalism central to innovation theory in contrast to neo-classical economic theory.

Social innovation in this époque took shape as the uprising of initiatives turned against commodification. We can here turn to Polanyi's presentation in *The Great Transformation* from 1944, who presents the movement of capitalism as a double movement, in which markets were tamed by institutions that critically set the limits on their extension and application (Du Gay and Morgan, 2013: 5). The movement was characterized by forces seeking to commodify important areas of human life on the one hand, and forces seeking to decommodify and ensure social protection on the other (Fraser, 2012). We can place social innovation and social entrepreneurship as part of this critical movement. These struggles against commodification of land, labor and money involved a rise in cooperatives, trade unions, friendly societies, workers reading circles, working class building societies and so on. In line with Jessop et al (2013), we could see these initiatives as reactions to changes in functional systems that fetishize reified social logics such as competitive market exchange at the expense of human interaction and sociability. This social movement and public sphere could be seen as socially innovative initiatives aiming at human emancipation (Jessop et al,



2013:116).

Moulaert et al (2013b) also refer to social innovation as a common denominator for different types of collective actions and social transformations that fought for a transition from a top-down economy into a more bottom-up, creative and participatory society that would recognize the different individual rights of people in all segments of society (Moulaert et al, 2013b: 15). In this époque we may associate these socially innovative initiatives and movements with the artistic critique and perhaps also the social critique described by Boltanski and Chiapello (2005). They identify two types of critiques, which by being either dismantled or endogenised have had a major impact on the way capitalism transformed into its third spirit: Social critique and artistic critique. Both of these types of criticisms were important in the 1968 critique of capitalism.

Social criticism had its emphasis on inequalities, misery, exploitation and the selfishness of a world that stimulates individualism rather than solidarity. The labour movement was the most important in carrying this type of criticism forward. Artistic critique emerged first in small artistic and intellectual circles and stressed other characteristics of capitalism than did the social critique. It criticized oppression in the forms of market domination and factory discipline, the massification of society, standardization, and pervasive commodification. It vindicated an ideal of liberation and individual autonomy, singularity and authenticity (Boltanski and Chiapello, 2005:176). The artistic critique manifested itself through demands of self-management, for employees' control of the firms, for enhanced personal autonomy and creativity, and it played a prominent role in giving legitimacy to the third époque of capitalism (Carleheden, 2011: 72). Elements of the artistic critique were incorporated into capitalism in the form of flexible workplaces, an emphasis of the autonomy of workers, a praise of creativity and horizontal organizational structures.

### **3c. The third spirit of capitalism**

The analysis conducted by Boltanski and Chiapello is particularly concerned with the transformation from the second to the third spirit of capitalism. The third spirit is characterized by network firms, which contrasted the earlier époque's bureaucracies. Innovation and creativity are the excitement of the époque (Boltanski and Chiapello, 2005). Not restricted to corporate innovation or small business entrepreneurs, but turning the

entrepreneurial spirit or attitude into a norm for all areas of human life. Foucault describes the *homo oeconomicus* of neo-liberalism as an entrepreneur, an entrepreneur of the self. He is a producer himself, his own source of revenue and producer of his own pleasure, rather than someone engaged in exchange. This is a displacement of features of the classic *homo oeconomicus* (Foucault, 2009: 259). In this sense entrepreneurialism imbues subjectivity more fundamentally and innovation becomes ubiquitous in management, policy, education and subjectivity. The new managerial order frames work relations in terms of horizontal networks and a certain form of freedom in terms of self-organization and self-actualization. The ideal-typical figure is a nomadic network-extender who is flexible, mobile and tolerant. The rejection of bureaucracy becomes the epitome of personally uncreative and socially harmful organization, which is inefficient and uncompetitive (Du Gay and Morgan, 2013:24).

#### **4. Innovation in the third spirit of capitalism**

Mainstream innovation theory has answered to the focus on networked society and flexible organizations with concepts such as open innovation (Chesbrough, 2003), democratizing innovation (von Hippel, 2005), and service innovation research has changed towards a co-production paradigm (Howells, 2007; Gustafsson & Johnson, 2003; see Langergaard, 2011). These approaches recognize that innovation takes place in collaboration between different actors and follow the move from the organization to inter-organizational networks as the locus of innovation, which is central to the third spirit. However, this is the answer from mainstream innovation theory in which the commercial and economic aspects of innovation are central. With regards to understandings of innovation, the break with the techno-economic paradigm has meant a growing belief in innovation as embedded in society, rather than in technological processes (BEPA, 2011: 15). This together with a rise in networked forms of governance (Jessop, 2003: 8) has also opened for the idea of social entrepreneurship and civil society as a major driving force of societal changes.

In relation to capitalism, entrepreneurship in some form or the other seems to have been central in the first spirit with the liberal, entrepreneurial form of capitalism, and again in the neo-liberal connectionist form of capitalism. Representations of neo-liberalism also point to entrepreneurship as integral to this 'new spirit of capitalism'. Du Gay and Morgan (2013) describes how neo-liberalism came to provide a certain kind of rationality that ties the

different brands of neo-liberalism together and link diverse developments. Terms like entrepreneurship, empowerment, market, and choice were incorporated in the rationalities which embodied a range of practices for governing economic life, public management, medical care, welfare policy and so on (Du Gay and Morgan, 2013:2). From this perspective it seems that social entrepreneurship shares some of the rationalities of the neo-liberal capitalism. Social entrepreneurship and social innovation in some variants have empowerment as a declared goal, share the presumption and sometimes the normative idea of blurring the boundaries between market, state and civil society (BEPA, 2011) and sometimes share the state-criticizing and anti-bureaucratic ideas which also characterize the neo-liberal critiques of the state and public sector (see Hulgård, 2010). There are strands of social entrepreneurship linked to privatization of the public sector, which focus on work-oriented policies and the privatization of the responsibility of welfare – what Gilbert calls a ‘triumph of capitalism’. In this sense social entrepreneurship may be seen as an element in a movement towards dismantling the welfare state and introducing more privatized and individualized solutions to social issues (Hulgård, 2010: 7; Hulgård and Andersen, 2012: 22; Hulgård, 2011: 202).

I, however, wish to draw attention to a perspective on the relation between social entrepreneurship and capitalism from which social entrepreneurship is not merely inscribed in and affirming a neo-liberal capitalist logic. I wish to present perspectives, which represent a critique of capitalism and mainstream economic thinking. In the wake of the current crisis critiques of an economistic view on society and human existence have gained ground. The blind belief in the market has been challenged and there is a call for other understandings of value and societal development than just the economic and neo-liberal ones (see also Baruchello, 2009). In this sense, the time seems ripe for finding new ways ahead. Social value is in relation to social entrepreneurship defined as non-economic value and specified in terms like inclusion and wellbeing through collective, social and political empowerment processes and universal rights (Moulaert et al, 2013a:14). This may be seen as an approach to overcome the overly economistic criteria for understanding societal wealth and progress usually attached to innovation. Social innovation explicitly challenges the concept of technological innovation and its hegemonic status in economic, social and political discourse (Jessop et al, 2013:112). However, in the rather new theoretical field of social entrepreneurship there is room for a much more thorough and systematic discussion of the normative, ethical and political aspects of a concept of social value. But giving priority

to other values of human life over economic value, like emancipation, political and social empowerment, human rights and improvements in the human condition (Moulaert et al, 2013b) is a starting point.

Social entrepreneurs can either work within the mainstream market economy or in a non-capitalist social economy consisting of organizations in the third sector that are benefiting from the participatory capacities of citizens (Hulgård, 2011:202). According to Hulgård (2011), social economy is a certain type of social entrepreneurship, which aims to transform and innovate the mainstream economy. It is part of an emerging counter-discourse in the sense of a non-capitalist participatory economy in the areas of social service and social innovation (Hulgård, 2011:202). Social economy, or solidarity economy, organizations give priority to a shared patrimony and can be contrasted with capitalist organizations. A normative definition of social economy sees it as economic activities carried out by enterprises, primarily cooperatives, associations and mutual benefit societies, who prioritize service to its members over profits, and sets people and work over capital (Laville, 2010: 228-9). In particular, the European strand of social economy includes cooperatives and social enterprises and non-capitalist economic initiatives in the third sector (Hulgård, 2011:202). Thus, there is another side to social entrepreneurship than the privatization of welfare, and this is, according to Hulgård (2011), marked with a new type of collective responsibility, where social partners address problems and challenges such as poverty, exclusion, urban disintegration in shared arenas and networks. The social economy, which these entrepreneurs work in, is seen as an alternative to mainstream market economy (Hulgård, 2011), but it stays within the organizational model of networks dominant in the third spirit. Cooperatives, associations and mutual organizations, which are types of organizations of the social economy, are not new and do not say much about the current crisis or new reactions to the current capitalist spirit. As mentioned, these were also central initiatives of social entrepreneurship in the 1960s and 1970s and thus the second spirit of capitalism. We may, however, distinguish between an old and a new social economy. "The new social economy is a multitude of organizations including 'new social service cooperatives, voluntary organizations and social enterprises filling new social needs'" (Hulgård, 2011:204). The new social economy is partly related to the cooperative tradition and partly to the current changes in welfare policy towards participatory and entrepreneurial approaches. Social enterprise and social entrepreneurship are cornerstones in the new social economy. Social entrepreneurship is definitely part of an alternative view

on economy to the capitalist, and with emphasis on social aims, mutuality, participation, citizenship, and limited profit distribution. Social entrepreneurs can work within or on the boundaries of the social economy, and their achievements cannot a priori be said to be part of the social economy in the sense that they are always part of a non-capitalist economy (Hulgård, 2011:208). Whether social entrepreneurship can be understood as part of a capitalist critical movement depends on whether we see it as linked to this social economy, or if we merely see it as attempts to create social value through innovative efforts irrespective of its place in a capitalist economy. Social entrepreneurs in this view become change agents of the social economy (Hulgård 2011:211).

If the social economy is to be perceived as a non-capitalist form of economy and third sector, rooted in local communities and cross-sectoral partnership, how should we then understand the role of the state and citizenship rights? Social entrepreneurship is also part of the transition of the welfare state into more blended forms of social service provision, and the means of community building, citizen engagement and participatory governance. This raises important questions regarding the understanding of democracy related to this view on social entrepreneurship. Traditionally, the state and its public sector have been seen as the democratic alternative to the market - as the societal institutions through which the citizenry has been able to carry out collective decisions and solving collective concerns. The welfare state, in some interpretations, has, for example, emerged to compensate for the downsides of capitalism in terms of unequal distribution of resources and possibilities. When civil society is now granted this role as arena for democratic decision-making, it may have to do with the view of the state as a basically inhumane, bureaucratic representation of a system logic, which alienates and overlooks the real needs of the citizens (see Langergaard. 2011).

Social entrepreneurship is linked to a view of civil society as a new arena for solidarity. It is basically a bottom-up approach to democracy with a belief in the emancipatory potentials of participation from below. The re-orientation of welfare states are also generating a new role for civil society and opening a room for collective and solidary movements. It has opened a platform for new forms of social movements, collective responsibility and solidarity (Hulgård, 2010; Andersen and Hulgård, 2012). Some see this new orientation as a potential for participatory practices and social initiatives for a more inclusive and sustainable society (Hulgård and Andersen, 2012). Some researchers in the field of social innovation still

stresses the importance of the public sector and the state as guarantors of rights (Moulaert, 2010), and often social entrepreneurship and civil society are presented as a supplement to and a collaboration with, rather than a replacement of, the public sector. In this sense socially creative strategies are not restricted to certain sectors of society and may also operate at the governmental level (Moulaert et al, 2013b:20).

## **5. Concluding remarks**

Whereas classic entrepreneurship is theoretically closely connected to capitalism and seen by innovation theory as the major driving force of economic development, social entrepreneurship may be seen as linked to non-capitalist understandings of the economy and as part of a capitalist-critical movement. The ideas about classic innovation and entrepreneurship differ throughout the development of the three spirits of capitalism presented by Boltanski and Chiapello - from an emphasis on the individual entrepreneur, over large corporations' R&D activities, to networks and horizontal organisational forms with creativity and innovation as normative ideals.

Social entrepreneurship also takes different forms. I have argued for the potentials of defining and understanding social entrepreneurship in the current form of capitalism in a way, which is not underpinned by a neo-liberal understanding of human rationality, and of the roles of the state and market. We may understand social entrepreneurship in different ways, as it is a multifaceted phenomenon. Some interpretations and uses of the term clearly stay within a capitalist framework and a basic neo-liberal logic and seem to adopt the excitement of the third spirit of capitalism. The critical strand of social entrepreneurship relates to the social economy and third-sector organisations, such as cooperatives, mutual interest organizations, as well as collective and solidary movements, in the second and in the third spirit too. The current capitalist crisis has given nourishment to both strands of social entrepreneurship - the former by having exacerbated problems, which result from the contradictions of capitalism, but without looking for solutions outside of the capitalist and neo-liberal logic. Here the need for privatization of solutions to social problems is just seen as even more evident as they seem the cheaper and more efficient ones. The latter by

elucidating the limits of the free market and thus the need for solutions, which rely on something else than market solutions and an economic logic that has lost some of its legitimacy. Experts claim that the crisis has paved the way for a further elaboration of the solidarity economy as an alternative to mainstream market economy (Hulgård, 2010:9).

This division between different strands of social entrepreneurship may not seem surprising, as it is well known that social innovation is a concept and phenomenon standing between a managerial, markets-based entrepreneurial logic and a more democratic, emancipatory, civil-society based idea of social progress (Hulgård, and Andersen, 2012). It is important to distinguish between different branches or strands of social entrepreneurship and social innovation. When the EU commission and the Danish government promote social innovation, social entrepreneurship and social enterprises as solutions to societal problem, it is fair to assert that it cannot be understood as a concept with any capitalist critical implications. As Jessop et al (2013) point out, various mainstream strategies for social innovation and social entrepreneurship often interpret it in narrowly market-economic and micro-economic terms (Jessop et al, 2013:110). The next move of social entrepreneurship research may be to specify the critical potential and the specificities of the critical edge and aim of social entrepreneurship in the new social economy - should it rely mainly in a de-commodifying logic, for instance, or should it rather aim at emancipation in other terms (cf. Fraser, 2012)?

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