

# **OPBPL Electronic Papers**

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## **Objectives**

The Electronic Papers published by the Portuguese Observatory for Good Labour Practices (OPBPL) main goals are to confer the accessibility and high-speed readability of essential information and good practices in regards to work organisation, collective bargaining, human resources management, labour relations, inclusion and sustainability, corporate social responsibility, and labour market statistics.

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## **OPBPL Electronic Paper | 2011/09**

# Social Entrepreneurship and Self-Employment

**Author:** A3S - Associação para o Empreendedorismo Social e a Sustentabilidade do Terceiro Sector

## **Abstract**

Nowadays, the topics of social entrepreneurship and self-employment occupy a central position in political discourses and attitudes and scientific studies, though their emergence goes back to earlier historical periods. The case of Portugal is illustrative of this type of approach and agenda in recent years. This article in the OPBPL electronic dossier seeks to present A3S's position on the basis of the activity that it has carried out over the four years of its existence at the heart of the tertiary sector. It addresses the trends in social entrepreneurship currently being debated and problematizes the solutions of self-employment as responses to the problems of structural unemployment, more precarious labour relations, and the intensification of social exclusion in the last 30 years.

# 1| Social Entrepreneurship and Self-Employment

The act of writing about social entrepreneurship and self-employment is an opportunity to reassert the mission of A3S and share certain reflections that have been maturing over four years. The mission I mention is to promote the tertiary sector, its principles and its identity and help to assert it as an influential actor of social regulation in the realisation of sustainable development models.

After the tertiary sector emerged in the 19th century, with the development of other forms of economic and social organisation than the hegemony of liberal ideas and the market economy, it suffered a long period of invisibility, before re-appearing in the final decades of the 20th century. This reappearance is associated, among other phenomena, with those that have been termed social entrepreneurship or the solidarity economy, which new generations of organisations and new readings of the principles of the tertiary sector constitute. The current recognition of this sector in Portuguese and international political agendas represents an opportunity to put democracy, autonomy, cooperative and associative work and the precedence of people over profit into the decision-making on global regulation. We see it as an opportunity to strengthen the role of the tertiary sector, alongside the state and the market.

The roots of the call for entrepreneurship and self-employment, in the context of the current international crisis, may be found in the slow and unstable economic growth that ravaged the different Western economies from 1979. At the time, just like today, the awareness of the trends in structural unemployment, more precarious employment relations and greater poverty and social exclusion took centre stage. The two topics under analysis reflect two ways of responding to this problem.

Self-employment refers fundamentally to a public policy response that creates programmes and measures to develop the creation of self-employment, again under the aegis of neoliberalism after the 30 glorious years. States implement mechanisms for regulating the labour markets – partly enabling the more flexible labour relations claimed by businesses – and suggest alternatives that emphasise the individualisation of the responsibility for the transition and reintegration of the individual within and into

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the labour market. At the same time, the state retreats in the systems of social protection, in particular in situations of unemployment.

The issue of social entrepreneurship also emerges in this context. From the Anglo-Saxon schools, emphasis is placed on the adaptation of the concept of "classical" entrepreneurship, originating in the disciplines of economics and management, to the opportunity to solve social problems. They stress the individual dimension of the entrepreneur and his or her profile as a business leader, whose distinctive feature is having a social mission. Thus, certain theorists and practitioners see the social responsibility of enterprises as a social entrepreneurship practice. Not unrelated to this idea is the need for enterprises to assert themselves, no longer as mere economic actors with profit targets but as social actors promoting a model of sustainable development.

People in Latin America, particularly Brazil, speak of enterprises based on solidarity economics with origins in popular movements of a community and cooperative nature. Rejecting the Anglo-Saxon point of view, they argue for a different project for society than the prevailing capitalist model.

In the European situation, we are dealing with solutions initiated by collectively organised civil society, which have resulted in 'social enterprises' in various countries. The enterprises were born, in particular, of the initiative of people excluded from the labour market: graduates (teachers, social assistants etc.), workers made redundant through restructuring and industrial relocation, and young people who are unskilled and at risk of marginalisation. These initiatives often have labour market integration as an objective and adopt other social or environmental goals, along with economically sustainable objectives, reinterpreting the principles of the tertiary sector. In effect, at first, they were also set up as voices to criticise the traditional tertiary sector itself, the target of instrumentalisation and, sometimes, of a great isomorphism of both the state and the market. This is reflected in the loss of its original matrix of values.

Thus, at the time when Western states put forward atomised responses of selfemployment solutions, the expansion of the skilled middle class, with a lack of political and economic entities, found a space, in the tertiary sector, of collective selforganisation and of response to unemployment and social exclusion.

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In Portugal, the expression "social entrepreneurship" is more recent. In 2001, a study indicated a lack of awareness of the concept of social enterprises<sup>1</sup> and, in 2007, the first congress devoted to social entrepreneurship was held <sup>2</sup>. Today, however, it is used in political, business, academic and media discourses. It is important therefore to ask: what does this expression refer to?

The first results of an investigation carried out by a partnership consisting of A3S, ISFLUP - Instituto de Sociologia da Faculdade de Letras da Universidade do Porto and CIES — Centro de Investigação e Estudos de Sociologia do Instituto Universitário de Lisboa³ are beginning to reveal that the representative and sectoral umbrella organisations of the tertiary sector and other organisations that have promoted it and placed it on the agenda of public discussion present ambiguous and ambivalent representations of social entrepreneurship. If, among the first, the European collectivist trend is more marked, the second group draws closer to the more individualistic profile of the Anglo-Saxon school. However, it is early days for scientifically tested affirmations, which will only be available at the end of 2011.

Without rejecting a place for individual solutions, such as self-employment or micro-entrepreneurship, or for other visions of social entrepreneurship, A3S clearly argues in favour of a perspective aligned with the European proposal, crossed with a Latin-American approach of associative labour. It is a question of resisting the hegemony of liberal, atomising ideas and defending not only the preservation but also the incorporation of the tertiary sector's matrix of values at the centre of global regulation, namely: democracy, trust, transparency, autonomy, social justice and cooperation.

For some of its associates, A3S represents a commitment to the creation of work under decent conditions, both with regard to the models of organisational management and labour relations. For others, it represents a form of voluntary service.

<sup>&</sup>lt;sup>3</sup> Project entitled *Empreendedorismo Social em Portugal: as políticas, as organizações e as práticas de educação/formação*, co-financiado pela Fundação de Ciência e Tecnologia via COMPETE (PTDC/CS-SOC/100186/2008.



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<sup>&</sup>lt;sup>1</sup> Source: <a href="http://www.emes.net/fileadmin/emes/PDF">http://www.emes.net/fileadmin/emes/PDF</a> files/ELEXIES/ELEXIES WP 02-09 P.pdf. Accessed in 14.04.2011.

<sup>&</sup>lt;sup>2</sup> Source: <a href="http://www.congressodoes.com/ies.html">http://www.congressodoes.com/ies.html</a>. Acedido em 14.04.2011.

For all associates, it is a space for the exercise of good citizenship and responsible action, a space that is recognised and provides recognition.

## 2 | Further reading

SITE: <a href="http://opbpl.cies.iscte.pt">http://opbpl.cies.iscte.pt</a>; <a href="www.a-3s.org">www.a-3s.org</a>

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## **Environmental Policy**

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