The Phenomenon of Social Enterprise in Austria: A Triangulated Descriptive Study

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ABSTRACT There is little to no existing research on the phenomenon of social enterprises (SEs) in Austria. To enable subsequent comparative studies, the author first traces social enterprises’ conceptual underpinnings from most current research found in leading journals and subsequently creates a framework based upon social origins theory for use on Austria’s social enterprises. In order to validate the findings, the author employs a triangulated research approach, including an online-based survey, semi-structured interviews and two panel discussions. Social enterprises in Austria are characterized through social activities, organizational types, legal forms, the society sector, the outcome emphasis, and the strategic development base. The social entrepreneur him/herself was included as a source for a qualitative triangulation as well as a distinctive item. Austria’s SEs are found to work in a multitude of fields, are independent, use market-based approaches, employ improvisation and innovation for the creation of social good and incorporate a strong entrepreneurial spirit.

KEY WORDS: Social entrepreneurship, Austria, social enterprise, triangulation, social innovation

Introduction

This paper aims to contribute to a global comparative perspective of social enterprises (SEs) by first gathering triangulated data on Austria’s social enterprises and subsequently clustering it into the appropriate dimensions for comparison based upon social origins theory.

The concept of a social enterprise broadly denotes a business model of non-governmental entities fulfilling social issues and needs by using market-based approaches and income generation. While the term Social Enterprise appears sometimes structurally overloaded, and players from different schools of
thought try to collect the concept for their political agenda, its practical importance has immensely grown throughout the last three decades. Scholars around the globe have become interested in the concept and provided fascinating case studies and more recently also solid conceptual approaches. However from a comparative point of view, only a few theories and frameworks have been proposed and much less tested.

Over the last few years, the European Research Network (EMES) has come up with new findings on convergences and divergences of social enterprises within Europe and the US and developed a multidisciplinary framework for further exploration (Nyssens 2006, Defourny and Nyssens 2009). Also Kerlin (2009, 2010) has created and subsequently tested a framework of variables to enable a comparative approach based upon a socioeconomic context. Both frameworks build and extend upon research by Salamon et al. (2000), who in turn draw upon the John Hopkins comparative non-profit sector project, which was conducted in 22 countries during the 1990s. In their papers, Salomon and Sokolowsky (2004) develop social origins theory further, based on works by Moore and Müller (1969). Social origins theory at its very basic level, explains how the development of new institutions is limited by existing social institutions and patterns. In addition, studies by Esping-Andersen (1990), distinguishing three worlds of welfare capitalism, have also provided a foundation for these frameworks.

Comparative approaches by the EMES and Kerlin however are based upon certain ontological and epistemological perspectives, namely that there exists such a thing as a distinctive non-profit sector and that a framework of variables is suitable to describe and later explain differences. Kerlin also assumes that social enterprises are closely related to the non-profit sector, based upon earlier findings that the vast majority of social enterprises have civil society organizations as their base, and thus social origins theory can be used.

Accepting these principles and foundations, this paper applies Kerlin’s dimensional framework to examine social enterprises in Austria through a multi-method approach. A prior literature review on existing research on social enterprises in Austria revealed very little insight. Almost no empirical data on the emergence and prevalence, structure or impact of social enterprises in Austria has been found. In major comparative studies, such as in the latest Global Entrepreneurship Monitor (GEM) report (Bosma et al. 2009), Austria has not been included at all in the social entrepreneurship section.

**Research Approach**

To gain a thorough understanding of its facets, and to build up a solid and tested framework for the empirical part, the concept of Social Enterprise was first explored through a literature review of current research from leading journals on this topic. As a result, meanings, categories and derived codes that can be used to identify, characterize and differentiate social enterprises in a certain region were postulated, partly drawn from the application of social origins theory (Salamon et al. 2000) on the concept of social enterprise (Kerlin, 2010).
In a second step, the setting in which potential social enterprises work in Austria, was closely reviewed, based upon important ground work from the Vienna University of Economics and Business on the non-profit sector, as well as through including data from Statistics Austria and the EMES research center. This step was particularly important to watch out for ambiguities and possible overlapping of concepts of SEs with the traditional non-profit sector.

For the empirical part, a survey was set up, consisting of an online questionnaire with qualitative as well as quantitative questions and subsequent interviews with practitioners and experts from the field. In addition, the author observed two moderated panel discussions on social entrepreneurship in Austria. As a framework for the combined results, the author used the categories and codes found in the literature review, as well as inductively derived codes from the material, based on established procedures for inductive theory building (Denzin and Lincoln 2005).

The online questionnaire was sent out via various email-newsletters, posted on Facebook in relevant groups and appeared in the online edition of the newspaper Der Standard. This random search for participants was necessary, because so far, there does not exist any catalog or directory of social enterprises in Austria. One downside of this approach of course is that the study cannot answer questions about the total numbers of social enterprises or their respective shares in the market. Another limit of this study will be that the online survey includes only people and companies who either regard themselves as being social enterprises or are otherwise interested in this topic. Existing non-profit organizations (NPOs) that might qualify as a social enterprise due to the use of similar methods, but without managerial awareness of this notion, may therefore not be included. The questionnaire for this survey included quantitative as well as qualitative questions. Based upon the results, and as a fourth step, 14 semi-structured interviews were then held with experts and practitioners to further explore the meaning and possible under-specification, ambivalence and ambiguity of the categories and codes. Most of the interviews took place face-to-face, and one via Skype and one via email. The transcripts were coded using Atlas.ti software, based on the technique of thematic analysis, using the previously postulated codes as well as inductively created codes from the interviews. The coding process itself was performed using established procedures for inductive theory building as described before.

For a further triangulation, the findings of two moderated panel-discussions on social entrepreneurship, with experts from the field, were also included and coded using the same approach. In a final step, the author brought together and combined all the gathered data, and described Austrian social enterprises within the newly introduced framework.

The Concept of Social Enterprise in Literature

The understanding of the meaning of the term Social Enterprise is still diverse and even disputed within scholars and practitioners (Pearce and Kay 2003, Mair and Marti 2006, Nicholls 2006, Nicholls and Cho 2006, Hill et al. 2010).
One interesting opposition, for example, can be found in the term itself, consisting of the words social and enterprise. Mair and Marti (2006) argue that these are two ambiguous words, connoting different things to different people and are often even regarded as mutually exclusive. This and other ambiguities in the field of social entrepreneurship would call for a post-structuralist approach, in which the contextual meaning is examined. In an upcoming paper, critical discourse analysis (Meyer and Wodak 2009) is applied upon an expert discussion on this topic, with participants from a broad field of backgrounds in Austria.

**Change or Tradition**

Social enterprises have been described in literature as for-profit social ventures (Dees and Anderson 2006), and social entrepreneurship as a means to alleviate social problems and catalyze social transformation. Some even go further in an almost revolutionary approach and state: social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps (Drayton 2006). Other scholars argue that: these new institutions increasingly appear as support tools for welfare policies that can help to sustain the European Social Model (Hemerijck 2002). A few scholars, such as Meyer (2007, 2009), argue critically about the concept, claiming that the distribution of social welfare needs to be democratically controlled and that too much of a market-based approach, with its inherent concept of competition, may have unforeseen adverse effects. In the UK, where the concept of social enterprise has been on the agenda for some time now, we find, amongst a plethora of others, the following definitions: according to Social Enterprise London (SEL 2001), a social enterprise:

... is a business with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders or owners. (SEL 2001, p. 13)

Pearce and Kay (2003) further demand that a social enterprise needs to:

- have a social purpose (or purposes);
- achieve these purposes by, at least in part, engaging in trade in the marketplace;
- not distribute profits to individuals (prohibition of dividend payouts);
- hold assets and wealth in trust for community benefit;
- involve its members in the governance of the organization;
- be an independent organization.

In their paper ‘Conception of social enterprise and social entrepreneurship in Europe and the United States’, Defourny and Nyssens (2009) explain that the specific context of social enterprises in the UK, with its liberal approach to
markets and welfare, must not be overlooked. Under the community interest company (CIC) law for example, a significant part of the total income must be market based, for the enterprise to qualify as a social enterprise. This focus on income generation however is not common for all definitions of a social enterprise. Nicholls (2006) sees the combination of an overarching social mission and entrepreneurial creativity as marking social entrepreneurship as distinct from other public, private or civil sector activity. According to a recent definition by the European Research Network on Social Economy and Social Entrepreneurship (EMES):

\[...\text{the field of social enterprises includes both, traditional organizations refashioned by a new dynamic, and newly established entities that manage to combine a social and economic dimension. (Galera and Borzaga 2009, p. 9).}\]

This definition again leaves room for interpretation. On a recent panel discussion on the topic of social enterprise and social entrepreneurship, a manager of the Red Cross asked whether his organization would not fit into this definition. Some expert scholars on the panel agreed, and it was a very puzzling question for the audience.

To include many different types and forms of social enterprises, the author uses the broad definition of the Social Enterprise London support agency (SEL 2001), as a selection criteria.

*The Social Entrepreneur*

Recent research has shown that the conceptions of a social enterprise are closely linked to the phenomenon of social entrepreneurs. However, social entrepreneurship is nothing new. In most definitions, Henry Dunant or Florence Nightingale would count as social entrepreneurs. Current entrepreneurship research (Grichnik 2006) claims that the elements of opportunity recognition and exploitation (Frank and Mitterer 2009), a strong entrepreneurial spirit and effectuation (Sarasvathy 2008) are essential in entrepreneurship. Consequently, Di Domenico et al. (2010) give an excellent introduction to the social entrepreneur as Bricolateur, focusing on resourcefulness, improvisation and the overcoming of limitations. Zahra et al. (2009) find a typology of social entrepreneurs building upon the legacy of Schumpeter, Hayek and Kirzner, all of which were great Austrian School economists. In their paper, Zahra et al. (2009) also provide an excellent condensed overview of other definitions and descriptions of social entrepreneurship. At the same panel discussion as mentioned before, a regional manager of the Vienna Hilfswerk, a traditional non-profit association fulfilling many social tasks, called herself a social entrepreneur, because she was constantly innovating social services, utilizing methods of Bricolage, while asking for contributing fees for these services from clients. This idea should be explored further, as we could see the beginning of a social intrapreneurship (Bosma et al. 2010) in traditional non-profit organizations in Austria, something that would allow for change from within.
The Non-profit Sector in Austria

Resistance to Change

In countries with a Bismarckian tradition, including, amongst others, Germany, Belgium, France and Austria, intermediate bodies play an important role in the management of social insurance and the provision of social services (Esping-Andersen 1999). This shaping commonality and the grown institutional characteristics may play an important role in the resistance of the Austrian non-profit sector to implement fundamental change, be it induced from within or through external influences, like social entrepreneurs. As Palier (2010) puts it:

\[ \ldots \text{contributory benefits enjoy a particularly high level of legitimacy and are therefore difficult to be cut back radically. Transfers are ‘paid’ by social contributions, so workers assume that they have ‘bought’ social rights. Benefits are usually generous, so their loss would be more significant than the reduction of a benefit that is already at a low level. People prefer to pay more (contributions) than seeing their benefits (bought by their own work) diminished. Finally, insurance-based transfers are well defended by organized interests and in particular by trade unions of the different branches corresponding to the different professional schemes.} \]

Market-based Approaches

The concept of non-profit organizations using, at least partly, market based approaches is not new (Neumayr et al. 2007, Statistics Austria 2007). In addition, many non-profit organizations in Austria recently had to face demanding change processes due to the government’s decision to reduce lump-sum subsidies in favor of performance-based service contracts (Zauner et al. 2006). As Neumayr et al. (2007) examine, based on data from Statistics Austria (2007), service fees, sales and membership fees from the private sector can already make up for almost 37% of the revenues for non-profit organizations.

Specifics of the Austrian Non-profit Sector

Austria has a very distinctive volunteer force, often organized in associations (Badelt and Hollerweger 2007) or carrying a heavy workload of one-to-one help. However this is certainly not only true for Austria, Williams (2002) for example shows that one-to-one help is the principal type of voluntary work used by lower income populations in the UK to improve their material circumstances. He even explores the possibility of defining volunteer work as a distinguished fourth sector with its own policy in the UK. One Austrian peculiarity however is the significant role of professional associations, among them the chambers of labor and commerce, with strong links to political parties (Neumayr et al. 2007). Political parties have long sought to improve their influence and power in Austria through front-end social organizations,
working in the fields of sports, culture and the provision of social welfare. These organizations can be found even in the smallest towns and villages. Due to this peculiarity, newly founded non-profit organizations often find it hard to gain funding and become established if they do not work closely with one or the other political party (Neumayr et al. 2007). In addition the church is a key player in the field of providing social welfare through various organizations, such as Caritas and others. Very little statistical data exist on the non-profit sector in Austria compared with other European countries. Only due to an increased pressure on budget cutting, strong regulatory input from the European Union and a change in the political landscape towards a more liberal approach during the years 2000–2007 has Austria become more aware of the non-profit sector (Neumayr et al. 2009). One influential lasting cooperation of the state with non-profit organizations over the last two decades was the implementation of a second labor market program, promoting the integration of unemployed persons through productive activity. These dynamics are often branded as ‘social economy’ although this notion comprises much more (Borzaga et al. 2009).

Public Awareness

While in Anglo-Saxon countries such as the US or the UK, or – even closer to Austria – in Italy (Galera and Borzaga, 2009), social enterprises are already a widely recognized and even publicly endorsed concept, it has only been brought to public awareness in Austria within the last two to three years, through a sudden multitude of events and newspaper series. The distinction between traditional non-profit organizations and social enterprises however remains unclear for most Austrians so far. A media search comprising Austria’s leading newspapers for the years 2009 and 2010 came up with the following events and series on the concept of social enterprise (see Table 1).

<table>
<thead>
<tr>
<th>Event name</th>
<th>Media/Host</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Business Tour</td>
<td>Erste Bank Foundation</td>
<td>2010</td>
</tr>
<tr>
<td>Ashoka Globalizers Meeting</td>
<td>Ashoka</td>
<td>2010</td>
</tr>
<tr>
<td>Ideen gegen Armut</td>
<td>WU NPO, Coca-Cola, Der Standard</td>
<td>2010</td>
</tr>
<tr>
<td>Series on Good Capitalism</td>
<td>Der Standard news</td>
<td>2010</td>
</tr>
<tr>
<td>Social Impact Award</td>
<td>WU EC, Emersense</td>
<td>2010</td>
</tr>
<tr>
<td>Sozial Marie Preis</td>
<td>Unruhe Foundation</td>
<td>2009/2010</td>
</tr>
<tr>
<td>Architects of the Future</td>
<td>Waldzell Institute</td>
<td>2009/2010</td>
</tr>
</tbody>
</table>

Research Methodology – Creating a Framework for the Characterization of Social Enterprises

Kerlin (2010) examines the different factors shaping social enterprises in seven regions and countries. She draws on social origins theory (Moore and Müller 1969, Salamon and Sokolowsky 2004), recent comparative research as
found in Kerlin (2006) and Defourny and Pestoff (2008) and global socioeconomic data from the World Bank. Kerlin identifies six variables for the shape of social enterprises in the different regions and countries. In order to enable subsequent comparative studies including Austria, the author is going to use these variables as dimensions for the characterization of the social enterprises. In addition to the categories above as found by Kerlin, the author also included another dimension, concerning the entrepreneur him/herself. While these dimensions and related sub-codes were defined a priori and used in the online questionnaire, additional codes were later added inductively while emerging either in the online questionnaire or in the interviews. Data collected from all sources were combined for the findings in order to enable proper triangulation. For this, the author used the proven approach as found in Tashakkori and Teddlie (2003) and Edmondson and Mcmanus (2007). The quantitative parts of the online survey were evaluated using Xlstat software from Addinsoft while the qualitative parts, coming from both surveys, as well as from the panel discussion, were analyzed and coded using Atlas.ti software. Qualitative and quantitative findings together were then used to categorize and cluster Austria’s SEs, using the framework of dimensions as described earlier (see Figure 1).

The Dimensions of the Framework

The Types of Social Activities

In some European countries, public-private partnerships furthering the integration of unemployed persons through productive activities may be seen as more prevalent, in others, such as in the Scandinavian countries, with their high level of state welfare expenditures, associations with vast membership numbers are traditionally more involved in culture and leisure activities. In the US or the UK, where the field is much bigger and diverse, almost all types of social activities can be found (Defourny and Nyssens 2009). To explore and describe the fields of Austria’s social enterprises, the author included a multiple response question providing several preselected items like workplace-integration or education, while at the same time leaving room and encouraging participants for own additions (see Table 2, Dimension I).

![Figure 1. The dimensions of the framework](attachment:image.png)
Organizational Types

Defourny and Nyssens (2009) argue that in countries with a Bismarckian tradition (Esping-Andersen 1989, 1999, 2006, Hemerijck 2002), amongst them Austria, intermediate bodies between the state and public play an important role in the management of social insurance and the provision of social services. The civil society regime in these countries is identified as corporate-statist in Esping-Andersen’s influential paper (Esping-Andersen 1989).

Defourny and Nyssens (2008) further examine that these countries are characterized by large non-profit private organizations, which are mainly financed and often regulated by public bodies. In Anglo-Saxon countries on the other hand, with their liberal civil society regime, the sole social entrepreneur and his small business plays a major role in delivering social services (Light 2006, Harding and Harding 2010). Only recently, with the spreading of international organizations and the active shaping and endorsement of social enterprises through them, is the mixture of organization types providing social welfare within the European countries increasing (Galera and Borzaga 2009). Codes for this dimension include, among others, intermediate/public bodies, affiliates and sole-proprietorships (see Table 2, Dimension II).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description and a-priori codes</th>
<th>Inductively found codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Social Activities</td>
<td>Leisure, Culture, Welfare, Work Emplacement, Education, Mixture</td>
<td></td>
</tr>
<tr>
<td>II. Organizational Types</td>
<td>Intermediate bodies, Public bodies, Sole-proprietor entrepreneur, Location</td>
<td>Affiliates, Team effort</td>
</tr>
<tr>
<td>III. Legal Framework</td>
<td>Legal form, Public-benefit, Tax-exempt</td>
<td>Means of income generation, Reaching the target customer base, Importance of governmental service contracts, Volunteer workforce</td>
</tr>
<tr>
<td>IV. Societal Sector</td>
<td>Social economy, Market economy</td>
<td></td>
</tr>
<tr>
<td>V. Strategic Development Base</td>
<td>Sources of funding education, Infrastructure</td>
<td>Human resources, Role of state, Role of society, Factors of impact, Networks, Banks, Means of expansion</td>
</tr>
<tr>
<td>VI. The Entrepreneur</td>
<td>Education, Motivation</td>
<td>Research &amp; development, Improvisation, Innovation, Perceived threats</td>
</tr>
<tr>
<td>VII. Outcome Emphasis</td>
<td>Immediate social benefit, Focus on self-sustainability</td>
<td>Altruism, Income generation focus, Creating social value, Balanced</td>
</tr>
</tbody>
</table>
The Legal Framework

So far, only a few countries have adopted a special legal form for social enterprises. This includes the CIC, the Community Interest Company in the UK (SEC 2006), and in Italy, which was among the first to adapt and further the concept of social enterprises, we find the cooperative sociali. The US has its low-profit limited liability company, the L3C tailored for social enterprises. The legal framework is very important when it comes to issues such as tax-deduction and exemption, participation of employees and stakeholders, access to equity capital, dividend payouts and the ability to receive grants. In Austria, there exists the so called gemeinnützige GmbH with some tax alleviations, but so far, this form does not closely relate to the concept of a social enterprise and is very much focused on traditional non-profit organizations. However, recent trends in tax-legislation seem to broaden several aspects of the gGmbH, and it seems that this form may once become a viable legal form for SEs in Austria. The author included the legal framework as dimension III, as seen in Table 2.

The Societal Sector

In Bismarckian countries, as specified before, most of the social enterprises can be placed in the so-called social economy (Defourny and Nyssens 2008) or the third sector, whereas in many regions of the world, social enterprises compete in the market economy. To find out about social enterprises in Austria, the author started with coding for social/market economy and added the following codes then inductively: volunteer workforce, means of income generation, reaching the target customer base and the importance of governmental service contracts (see Table 2, Dimension IV).

Strategic Development Base

What sources of funding and development initiatives for social enterprises are available? This may include international aid programs, as in many parts of Africa, private foundations and organizations, the business world itself and state-run programs. As with the for-profit sector, the strategic development base also includes human resources and infrastructure, including for example business incubators. Codes used for this dimension were: Sources of Funding, Education, Infrastructure, Human Resources, Role of State, Role of Society, Factors of Impact, Networks, Banks and Means of Expansion (see Table 2, Dimension V).

The Entrepreneur

The entrepreneur as the driving force behind the enterprise was included as a separate dimension although qualitative findings on the entrepreneur reflected on the other dimensions as well. ‘Education’ and ‘motivation’ were included as a-priori codes and several others, such as ‘improvisation’ or ‘risk-taking’, were later added while working with the data (see Table 2, Dimension VI).
The Outcome Emphasis

Is the focus of the social enterprise on an immediate social benefit as in many Western Europe countries or rather on self-sustainability, as is prevalent in many regions in Africa, Asia or South-America (Kerlin 2009). This dimension was carved out from inductively found codes of altruism, income generation focus, creating social value and balanced view (see Table 2, Dimension VII).

Presentation of the Findings

Thirty-four complete questionnaires were submitted. Amongst them, 32 agreed to the selection criteria (translated from German): A social enterprise is characterized by pursuing a social purpose, while trading its services (at least partially) on the market, and is (at least partially) actively seeking for profit. Any surplus is reinvested for the social purpose and not paid out as dividends. – Is your company a Social Enterprise within this definition?, and only two disagreed. Both in disagreement were managers and not entrepreneurs, and both work in traditional NPOs, one from Caritas and another from a housing association in Linz. These two were not included in quantitative evaluations, but their answers certainly provided additional insight, being used as a comparison in the qualitative findings. One case of the remaining 32 turned out to be a double entry and was later deleted. Fifteen participants of the 33 stated their willingness to be contacted for further questions, and almost all expressed their high interest in the outcome. For the interviews, the author chose 14 practitioners in the field. The cases were selected to represent different sizes and fields of operation within Austria’s social enterprises (see Table 3).

As mentioned before, the collected data from two moderated panel discussions were also included for further triangulation of the findings. Participants of these panels were experts and practitioners from the field of social entrepreneurship, including:

- Sonja Mitsche from 4everyoung;
- Philipp Bodzenta from Coca-Cola;
- Felix Oldenburg from Ashoka Germany;
- Alan M. Webber from Harvard business magazine and FastCompany magazine;
- Johanna Mair, from IESE Business School, University of Navarra;
- Michael Meyer from Vienna University of Economics and Business;
- Georg Starhemberg, Siemens foundation;
- Martin Essl, baumax AG, Essl foundation.

Dimension I. Organizational Types

The federal states Vienna (29%) and Upper-Austria (29%) lead in numbers of participants in the online survey, followed by Lower-Austria, Styria and Carinthia. This does not come as a surprise, as these states display a high
entrepreneurial activity and lead in regional gross domestic product (Statistics Austria 2009). Among all participating enterprises, 74% are located in cities and 19% in the countryside. The rest are spread over several locations, including other countries. As can be seen in Table 4, Austria’s social enterprises are relatively young.

Contrary to expectations that Austria’s social enterprises would be found connected to large non-profit organizations, either as subsidiaries or through

Table 3. Cases of social entrepreneurs

<table>
<thead>
<tr>
<th>Case no.</th>
<th>Interviewees</th>
<th>Principal activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Marie R.</td>
<td>Ashoka is an international organization supporting social entrepreneurs through various activities, among them training and seed financing. They are also advocates for social entrepreneurship, constantly looking for Changemakers. Country directorate in Austria since 2010.</td>
</tr>
<tr>
<td>2</td>
<td>Georg K. Andreas I.</td>
<td>Cropster furthers fair-trade of coffee in South America through the implementation of a web-based tracking system of high quality crops.</td>
</tr>
<tr>
<td>3</td>
<td>Gundula S.</td>
<td>Waldzell is an Austrian organization furthering international social entrepreneurship through creating Architects of the Future. Promoting a combination of entrepreneurship and spirituality.</td>
</tr>
<tr>
<td>4</td>
<td>Evelina L. Gaythri R.</td>
<td>The good tribe hosts conferences, events and provides education for social entrepreneurs, for example on fair trade of textiles.</td>
</tr>
<tr>
<td>5</td>
<td>Sonja M.</td>
<td>4everyoung operates in the field of work-emplacement, education and empowerment. The workforce from the social target group repairs scraped computers, teaches their use and sells them to those in need.</td>
</tr>
<tr>
<td>6</td>
<td>Christian S. Stefan P.</td>
<td>books4life collects used books and sells them for a small amount. Earnings are then donated to social organizations.</td>
</tr>
<tr>
<td>7</td>
<td>Rüdiger W.</td>
<td>compuritas collects scraped computers, repairs them and sells them to non-governmental organizations (NGOs) in developing countries. In addition they advise on green IT.</td>
</tr>
<tr>
<td>8</td>
<td>Egon S.</td>
<td>WineAid collects wine donations from wineries and sells them with their own logo and in nice packages, suitable as companies’ giveaways.</td>
</tr>
<tr>
<td>9</td>
<td>Dorothea E.</td>
<td>Zimd works in gender sensitive education and runs several empowerment and self-awareness programs.</td>
</tr>
<tr>
<td>10</td>
<td>Theresia B.</td>
<td>Hermes is a social bank, allowing people to invest money for green or social purposes. Hermes gives then loans to social entrepreneurs (micro-finance)</td>
</tr>
<tr>
<td>11</td>
<td>Gabriele B.</td>
<td>Caritas is a traditional non-profit organization operating in a multitude of social welfare fields.</td>
</tr>
<tr>
<td>12</td>
<td>Heidemarie P.</td>
<td>Der glücklichste Augenblick builds awareness on how to stop smoking through low-threshold sympathetic temporary outlets.</td>
</tr>
<tr>
<td>13</td>
<td>Franz E.</td>
<td>GBL is a work-emplacement organization working for a specific region with high unemployment.</td>
</tr>
<tr>
<td>14</td>
<td>Mathias R.</td>
<td>The Hub Vienna provides a workplace and a network for social entrepreneurs.</td>
</tr>
</tbody>
</table>
a redefinition of these as a social enterprises, the study came up with different results, as seen in Table 5.

Only two of the 31 enterprises had more than 50 employees, with a maximum of 100. Both were relatively old organizations, founded in 1996 and 1998, respectively. On average, a social enterprise in this study has 14.5 employees, as can be seen in Table 6. This is very much in line with the average workforce of Austria’s for-profit enterprises, considering the Chamber of Commerce and Statistics Austria reports (Statistics Austria 2009).

An overwhelming majority of the enterprises is independently owned and not affiliated with any private or public body. In line with findings from the EMES (Borzaga et al. 2009), only 52% have a multiple stakeholder structure while 39% are single-owned companies. Austria’s social enterprises are, on average, very young and thus the maturity grade can be assumed to be rather low. Subsequent longitudinal studies will certainly provide additional insights.

**Dimension II. Types of Social Activity**

The findings are based on a multiple response question, where people could select more than one item. The author provided several items upfront, but also left room for additional types of activity. The results showed the huge variety of fields in which social enterprises in Austria are working. In addition, 68% also work, simultaneously, in multiple fields. The pre-selection of the items, based upon preliminary talks with experts, also proved to be quite sufficient as only three had to manually add their fields, including

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**Table 4. Foundation date of Austrian social enterprises**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Median</th>
<th>Std. deviation</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation year</td>
<td>2004.64</td>
<td>2007.00</td>
<td>6.27</td>
<td>28</td>
</tr>
</tbody>
</table>

**Table 5. Ownership**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Independent-single owner</th>
<th>Independent-multiple owners</th>
<th>Subsidiary of non-profit</th>
<th>Public-private-partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>39%</td>
<td>52%</td>
<td>3%</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Table 6. Number of employees**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Median</th>
<th>Std. deviation</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of employees</td>
<td>14.5</td>
<td>8</td>
<td>21</td>
<td>100</td>
</tr>
</tbody>
</table>
supporting less-privileged kids and helping kids with cancer. Among the more prevalent fields (multiple selections) were:

- education 47%;
- corporate social responsibility 36%;
- consulting other SE/NPO 33%;
- environment 30%;
- tolerance, working against discrimination 22%;
- international Cooperation, working for peace 22%;
- development in Third World countries 22%;
- health issues, prevention 19%;
- space for creativity 19%;
- research in the field 19%;
- reusing second-hand items 16%;
- work emplacement 16%.

Another interesting aspect that came up in discussions is that the Caritas (no. 11) as a traditional non-profit organization is already operating in almost all the fields, thus being a competitor – however, with a completely different financing and marketing approach, as will be displayed later in the study.

The findings from the interviews were quite similar. The interviewees work, amongst others, in the fields of networking, education, workplace integration, international rural development, fair trade and housing (nos. 1–14). Austria’s social enterprises operate in a variety of fields, often as competitors to traditional non-profit organizations. This corresponds with current research findings from the EMES (Borzaga et al. 2009, Travaglini 2009).

**Dimension III. Legal Framework**

While the literature review showed that in some countries, such as the US, the UK, Italy or Japan, there are already special legal forms for social enterprises, there were no such constructs in Austria by 2010. Social enterprises in Austria therefore come in all different legal forms (see Table 7) and have to deal with all the advantages and disadvantages that the various legal forms bring with them. There is one construct for non-profits that allows for some tax alleviations, and can be used for social entrepreneurship as well – the gemeinnützige GmbH., a form of a public benefit, limited company. Inherent regulations and demands to maintain this status however are highly complex and sometimes even ambiguous, thus greatly diminishing the value for social entrepreneurs. Forty-seven percent of all social enterprises state that they have applied for tax-exemptions within the various legal forms.

**Table 7. Legal forms**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sole-proprietor</th>
<th>Gmbh. + gGmbh.</th>
<th>Association</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>legal form</td>
<td>28%</td>
<td>32%</td>
<td>31%</td>
<td>9%</td>
</tr>
</tbody>
</table>
they are working in. There are no publicly listed social enterprises in the form of an AG (Aktiengesellschaft, an Austrian legal form for a company limited by shares) so far.

**Dimension IV. Society Sector**

In which society sector can Austria’s social enterprises be located, public, private or civil society? Two indications were examined. First, is the enterprise based upon voluntary work, as in civil society (see Table 8), or is there a considerable paid workforce, operating in the market? Second, how do these enterprises reach their customer base, what marketing tools do they use?

Roughly half of the workforce in the participating organizations consists of volunteers and 20% come from the social target group. The interviews found further evidence in displaying that most of the unpaid volunteers were entrepreneurs themselves or experienced managers doing something meaningful by helping the entrepreneur, while day-to-day operations were in the hands of paid employees.

*Further evidence on the workforce was found in the Interviews:*

- (No. 5): Employing people from a wide range for a transitory year. Among them are socially disadvantaged teenagers, older laid off people and people with all kinds of disabilities.
- (No. 5): They all work together for a year, learning from each other, with the aim of subsequent inclusion in the first labor market.
- (No. 10): Directorate works on a volunteer basis to ensure growth.
- (No. 2): Experienced manager wants to do something meaningful and works on a volunteer basis.

A majority of all participant SEs in Austria, over 84%, reach their target group through acquisition and active participation in the market, using classic marketing tools such as promotion and public relations. Thirty-one percent of them are still relying on a multiple approach, a mixture of market and cooperation with other NPOs and public bodies. The customer scope ranges from 30% local and regional, 30% nationwide and 40% international.

In a multiple response question, concerning income generation, the results showed a mixture, with income from selling on the market as one option,

<table>
<thead>
<tr>
<th>Table 8. Findings on employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>Enterprises with volunteer workers</td>
</tr>
<tr>
<td>% of volunteers in overall SE-workforce</td>
</tr>
<tr>
<td>Enterprises with employees from social target group</td>
</tr>
<tr>
<td>% of overall SE-workforce coming from social target group</td>
</tr>
</tbody>
</table>
leading with 68%. Among other important sources of income are 32% donations, 26% public grants, 23% service contracts and 16% from membership fees. However, 88% focus on creating their primary sustainable income from their own market-based activities. A supportive qualitative finding for this may be that in talks with social entrepreneurs and at the panel-discussions, one theme occurred quite often: the unpredictability of government funding over the years. In times of intense public budget debates and constant reduction of governmental expenditures, it is seen as extremely hard to keep up a sustainable income source from the government, especially for smaller companies, that are not in political or societal focus. Thus, a sustainable income from market-based activities is seen as a viable and desirable option. Another interesting finding was that managers coming from traditional non-profit organizations had some concerns with this approach, although they were quite open. Entrepreneurs did not display any resentment but saw this option as a natural way to go in order to fulfill their social purpose and to live from their activities at the same time. In addition, several participants claimed that their social activities would not be funded through government service contracts in the first place, because their social target group is so small and not in political focus and thus they do not have any other choice than to employ on market based activities. To conclude with a comparison with the comparative findings presented by Kerlin (2010), Austria’s social enterprises are somewhere in between the civil society and the market. While the origins of many can be traced back to voluntarism, working within the social sector, a majority now utilizes market tools and fiercely strives for sustainable market-based income (Zahra et al. 2009).

Dimension V. Strategic Development Base

What resources can be found, fostering the development of social entrepreneurship in Austria? A priori codes included state and society, networks and financiers. The combined findings on the role of the state and society (multiple response) showed that participants:

- regard society as being supportive of their venture 55%;
- think that bureaucracy and legislation hinder their efforts 39%;
- enjoy a good cooperation with other NPOs or SEs 39%;
- think that legislation provides a good framework for their work 10% (!).

Case evidence on the role of state and society from the interviews:

- (No. 5): Cannot employ their cases from the target group longer than one year due to legislation on work-emplacement (transitory jobs).
- (No. 5): People cannot find a job in the first job market afterwards, due to the overly high minimum wages for older people in the collective contracts that are legally binding. So many older people would like to
work in the new field and be happy with reasonable wages, but they simply cannot, due to legislation.

- (Nos. 6, 5, 7): People donate books and computers for the social purpose.
- (Nos. 2, 8): Society is very open to social ideas and assists in selling and promoting.
- (No. 9): Schools endorse the idea and send pupils, as the state does not offer such a service.

A combined effort of experts in the field, using brainstorming techniques, produced the factors in Table 9 with a perceived impact on social enterprises in Austria.

<table>
<thead>
<tr>
<th>Beneficial</th>
<th>Detrimental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible tertiary educational system (people can choose and are able to change over time)</td>
<td>Nepotism (need for necessary membership to the right parties for access to resources)</td>
</tr>
<tr>
<td>High income (room for finding meaningful occupations after building up a bolster pillow)</td>
<td>Little equity capital and rigid capital markets (hard to start a social activity with debt capital)</td>
</tr>
<tr>
<td>High social security (allowing for experiments)</td>
<td>Social security (rigid system, too much trust upon, no need for self-responsibility)</td>
</tr>
<tr>
<td>Networks (with the negative extreme of nepotism as being detrimental)</td>
<td>Provincialism</td>
</tr>
<tr>
<td>Laws and taxation (safety, little corruption and legal certainty)</td>
<td>Xenophobia</td>
</tr>
<tr>
<td>Geographic location (excellent hub for central and eastern Europe)</td>
<td>Religion (as in the church being an overly-powerful competitor)</td>
</tr>
<tr>
<td>Spread of media (mobilization)</td>
<td>Little entrepreneurial spirit</td>
</tr>
<tr>
<td>Human resources (very well educated and qualified workforce for almost all fields)</td>
<td>Risk aversion</td>
</tr>
<tr>
<td>Strong economy (creating opportunities)</td>
<td></td>
</tr>
<tr>
<td>Strong associations (people are willing to do voluntary work)</td>
<td></td>
</tr>
<tr>
<td>Religion (as Christian believes)</td>
<td></td>
</tr>
</tbody>
</table>

**Supporting Organizations and Networks**

Thirty-five percent of the social entrepreneurs have never heard about any of the preselected support organizations, nor did they suggest any other candidates. Sixty-five percent however do know at least one of the given selections, with Ashoka and The Hub leading the field. This correlates well to the media search from the beginning, where the Hub Vienna, Ashoka, Ideen gegen Armut and Waldzell were found to be very prominent in the media reportages.

- The Hub 45%
- Ashoka 42%
Ideen gegen Armut 32%
Waldzell 29%
Skoll 19%
Social Enterprise Alliance 13%
Social Enterprise Coalition 6%

Among the organizations added by the participants were: Vielfalter, Sozial Marie, Caritas Ausbildungszentrum, Echoing Green, Unlimited UK/India, Projekt500, Soziales Innovations Forum, Schwab Foundation and Brandstiftung.

Interestingly, there was no obvious correlation between the knowledge of any of these organizations and either, internationalization or sustainability. In the interviews, most participants however have already had contact with one or the other organization. The two top reasons for collaborating and seeking contact were the inspirational input from networking with peers in the sector and access to grants through the various competitions by the organizations. Marie R. from Ashoka (No. 1) explains that, while she is convinced that many social tasks are duties of the state and the public welfare system, when it comes to finding and fostering innovation within, the rigid system is simply not supportive enough. Therefore an organization like Ashoka can work as a catalyzer, assisting social entrepreneurs in Austria in many ways, from inducing ideas and concepts to providing seed finance. The ideas and concepts of the social entrepreneurs can then subsequently have an impact on change through being a working role-model for governmental action.

Access to Finance

Banks are neither seen as being overly supportive nor too restrictive by the social entrepreneurs. Only 10% however claim that they have sufficient financial means for expansion, but 42% state that means are scarce but will do. There are some banks, for example the Erste Bank Stiftung affiliate GoodBee, working in Central and East Europe, that are specifically addressing many needs of social entrepreneurs and can thus be seen as business incubators as well.

For example, the activities of GoodBee, as stated on its webpages, include:

- producing honey = offering simple, safe, affordable and accessible microfinance products;
- building hives = developing microfinance ventures in Central and Southeast Europe;
- cross-pollinating = joining forces and sharing resources with complementary partners for a greater impact;
- creating buzz = building awareness for inclusive financial services and social entrepreneurship;
- becoming a platform and enabler of social entrepreneurship in the region.
Theresia B. from Hermes Austria (No. 10), a social enterprise (micro-financing) bank, that was founded to bring affordable banking and support to people involved in ventures for environmental or societal benefit, sees a great interest and endorsement from people who want to invest their money to further these initiatives. Another aspect that must not be overlooked in Austria is the emergence of venture philanthropists and foundations, providing seed and venture capital to social entrepreneurs. Amongst them are Martin Essl, founder of baumax AG, Georg Starhemberg and the Turnauer family. They advocate social responsibility among for-profit enterprises and try to establish the role of foundations for social benefit in Austria just as the Bill and Melinda Gates foundation does worldwide. Millner, a scholar from the Vienna University of Economics and Business, sees a huge potential within Austria’s foundations that has not been put to use for social purposes so far. To conclude and reflect on the findings, Austria’s social ventures are very welcomed by the society. There are many supporting organizations and even relatively easy access to finance. The role of the state and its legislation is seen as highly ambivalent. In addition, the good provision of social welfare through state programs allows for experiments in social ventures, but it is also seen as rigid and often hindering through having adverse effects on motivation for social ventures (Palier 2010).

**Dimension VI. The Entrepreneur/Entrepreneurial Manager**

Austria’s social entrepreneurs are very well educated. Almost all participants have at least a *Matura*, a UK A-levels equivalent, allowing for direct access to universities, while 68% are university graduates. When asked about their field of study (multiple answers possible), a majority of 56% have a business studies background, while 25% come from technical fields and 16% from social-studies. Of those who submitted their name, 44% were male and 56% female.

To find out more about the reasons (multiple answers), why the particular service had not been established in that way before, see Table 10.

In addition, participants provided the statements given in Table 11 on their services.

Again, qualitative findings provide additional insights.

**Table 10. Why has this service not been established before?**

<table>
<thead>
<tr>
<th>Reason/Code</th>
<th>Percentage of consent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>the service idea had not been found before</td>
<td>50</td>
</tr>
<tr>
<td>the service/need is not in political/societal focus</td>
<td>39</td>
</tr>
<tr>
<td>no governmental financing</td>
<td>25</td>
</tr>
<tr>
<td>there were different ways before</td>
<td>18</td>
</tr>
<tr>
<td>the need was not existent before</td>
<td>11</td>
</tr>
</tbody>
</table>
Case evidence for new service/new market:

- (No.2): A global tracking system for high quality crops for small farmers.
- (No. 4): Hosting conferences and events on fair trade clothing.
- (Nos. 5, 7): Collecting scrapped computers, repairing them and selling them to those in need.
- (No. 10): Providing micro-financing for social and environmental entrepreneurs.
- (No. 9): Gender sensitive education through programs like Roberta, teaching robotics for girls, or Burschentraining, a role-finding program for male youngsters.

Concurring with the literature, innovation and improvisation are prevalent themes for social entrepreneurs.

Case evidence for improvisation and innovation:

- (No. 5): Necessity to improvise because of the lack of money for expansion.
- (No. 5): Making do with what is at hand while fulfilling social purpose.
- (No. 14): Renovating a loft in Vienna with little financial means, reusing objects and turning to the community for help.
- (No. 8): Seizing opportunities as presented in the media for own case.
- (No. 12): Asking befriended artists to help gain attention for free.

As Mathias from (No. 14) stated:

"Improvisation is always a big topic, for example if you want to renovate a loft in Vienna’s 7th district, that is going to look like The Hub, you need improvisation. It is not possible otherwise, you would need a relatively high budget to realize it with contractors. So you need to make ends need, find smart solutions, reuse existing items, include the community . . ."

When asked about the biggest threats for their enterprise (multiple answers possible), the coded findings are given in Table 12.

---

Table 11. Statements about offered services

<table>
<thead>
<tr>
<th>Statements – With my service, I . . . :</th>
<th>Percentage of consent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>create a new offer</td>
<td>68</td>
</tr>
<tr>
<td>supplement services found on the free market</td>
<td>45</td>
</tr>
<tr>
<td>supplement services from the state</td>
<td>19</td>
</tr>
<tr>
<td>can offer existing services in a new, more efficient way</td>
<td>32</td>
</tr>
<tr>
<td>create a completely new market</td>
<td>35</td>
</tr>
<tr>
<td>competing with other providers</td>
<td>26</td>
</tr>
</tbody>
</table>

---

O.M. Lehner
Many social entrepreneurs in the interviews explained that they have to struggle to generate the necessary income; only 64% see their business as yet financially sustainable. Austria’s social entrepreneurs are well educated and utilize proven methods of entrepreneurship, such as improvisation. They create social value through innovation (Archer et al. 2009, Di Domenico et al. 2010, Fuglsang 2010). Unlike many of the more traditional non-profit forms, these social entrepreneurs take up a considerable amount of entrepreneurial risk and are willing to include their own stakes, enduring personal hardships.

**Dimension VII. Outcome Emphasis**

As the concept behind the dimension of outcome emphasis proved to be rather complex in the preliminary tests, the author decided not to define a priori codes but rather derive a description from the combined gathered data through induction and reflection. While working with the data, the author found the following codes within the material: creating social value, altruism, focus on income generation and balanced view.

Social value creation was a prominent and often the trigger motive for many of the interviewed social entrepreneurs. This is in-line with findings from Di Domenico et al. (2010), who examine the social entrepreneur as a Bricolateur with a focus on social value creation.

*Case evidence of creating social value:*

- (No. 12): Bringing a highly disputed health topic into public light
- (No. 8): Helping children in need.
- (Nos. 13, 5): Assisting unemployed people.
- (No. 9): Helping children find a gender aware role.
- (No. 2): Improving the income of crop farmers in South America.
- (No. 14): Providing room for social entrepreneurs to work in and exchange ideas
- (No. 8): Earning money through the selling of collected wine donations to subsequently donate to children’s associations
- (No. 16): Earning money from the books they sell to donate to charitable organizations.

<table>
<thead>
<tr>
<th>Threats</th>
<th>Percentage of consent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable access to finance</td>
<td>52</td>
</tr>
<tr>
<td>Economic needs</td>
<td>45</td>
</tr>
<tr>
<td>Political changes</td>
<td>35</td>
</tr>
<tr>
<td>Legal issues and uncertainties</td>
<td>16</td>
</tr>
<tr>
<td>Increased competition</td>
<td>16</td>
</tr>
</tbody>
</table>

Table 12. Biggest threats
Case evidence for altruism while creating social value:
(Nos. 1, 2, 6, 8, 10): Working for the social purpose even if it means very little to no income.

Case evidence of focus on income generation while creating social value:

- (No. 9): Want to live from fulfilling the social purpose, therefore want to earn enough money for their lifestyle.
- (No. 2): Want to earn decent salaries for managers and employees while working only with the social target group.
- (No. 14): Want to live from the income while fulfilling their social purpose.

Case evidence for balanced view while creating social value:

- (No. 9): A family couple running a social venture together, she has a tendency towards entrepreneurial (income) thinking while he acts more altruistically.
- (No. 2): Taking decisions for either increasing social value or for income generation to enable sustainable provision of social value, according to the situation.
- (No. 13): Knowledge that under-financing can jeopardize the success of the whole social project in the long term.

The outcome emphasis of Austria’s social enterprises clearly lies within the creation of social value through actively working in the field. Income generation is seen as necessary and valuable, but it is not the primary aim for the creation of the venture and it certainly is not the primary focus (Tan et al. 2005, Zahra et al. 2009).

Conclusion

Two aspects became prevalent during the study. First, there is a difference between social enterprises and traditional non-profit organizations in Austria, and second, not all results for the Western European region as found in Kerlin (2009, 2010) can be applied to Austria.

Differentiation between Traditional Non-profit Organizations

The study clearly showed that a social enterprise as a business concept in Austria differs from traditional non-profit organizations in this country. Single characteristics or traits, such as, for example, a focus on income generation from market-based activities, voluntarism or a prominent motivation of doing social good were seen to overlap, and are thus not useful to employ for a sharp distinction. As Gabriele from Caritas stated:
... every non-profit organization would want to create a financial surplus through their services, where this is possible, and they will want to invest this surplus for the creation of new offers and advancement of existing services within their own vision and aims. So, when the notion of Social Enterprise is broadly defined, there is no sufficient differentiation to the notion of a non-profit.

However, what was found to be useful for a differentiation between traditional non-profits and social enterprises was a combination of the characteristics, which was deliberately created by the social entrepreneur himself. This combination included a high level of autonomy, a significant amount of risk taking, a focus on income generation for the venture and the entrepreneur himself, and the strong motivation to constantly innovate and improvise for the purpose of creating social value. The study showed that, corresponding with Haugh’s (2005) theoretical base, a combination of a social purpose, together with an entrepreneurial spirit, as opposed to either the prevalent managerialism in many traditional non-profits or the philanthropist non-profit spirit, can be seen as a constitutive factor of Austria’s social enterprises. However, as being spirited is a personal trait, and managerialism on the other hand is often a mere consequence of the needs for scaling or competition, longitudinal research on social enterprises may provide additional insights, especially as many Austrian social enterprises are still at a very early maturity stage. Such studies can aim to find out for example, whether this uniqueness in entrepreneurial spirit will change through maturing and scaling, and thus blur the boundaries once more.

Comparative Analysis

In order to enable subsequent comparative analysis, the empirical findings have been explored, triangulated and clustered in the previous sections. This paper provides an anchor for further studies of similarities or dissimilarities, possible convergences and divergences of the development of social enterprises including Austria, and interdisciplinary research from a political, cultural or historical context.

In her paper, Kerlin (2010) presents a comparative overview between seven regions in a table format. In order to be compatible, the author will therefore draw upon the structure of this very table to present the quintessential findings of this study and thus allow for direct comparison (see Table 13).

As can be seen in Table 13, the findings for Austria came up with some different results than Kerlin presented for Western Europe. This once more displays the need for a cautious, granular approach in researching social enterprises from a comparative point of view and that the available data may not be sufficient for any generalizations on a global scale.

Austria’s social enterprises are relatively young, independently owned and mostly not affiliated to large, traditional non-profit organizations. While in some countries and regions, such as for example in the United States, these organizations often embrace the concept of a social enterprise
to generate an additional income; this is certainly not true for Austria. There almost seems to be a rivalry about legitimization on the delivery of social welfare.

Another good example of a difference is a focus on ecological issues within the types of social activities and a great variation within the fields, in contrast to a prevalent opinion that the focus would be on the delivery of social welfare and employment services. Western Europe as a region also differs in the creation of special legal forms for social enterprises. While Italy or the UK already have advanced concepts, Austria still struggles to adapt the non-profit form of a gGmbH for this purpose.

In addition, the society sector is unique in Austria. Due to the development of the ‘Ökosoziale Marktwirtschaft’ (eco-social market economy) as Austria’s economic system over the last few decades, rules, regulations and the meanings of public/private and civil society are somewhat different from those concepts in other countries. Market-based ventures often automatically include a stakeholder participation. Austria’s social enterprises are therefore found to be somewhere in between the civil society and the market. As a strategic development base, the study found several new forms of crowd-sourcing while the government and the EU still have a very large impact.

References


