Social Entrepreneurship in Times of Precarity and the Neoliberal State: The Catalan Case Under Anthropological Scrutiny

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As in many other developed countries, social entrepreneurship in Catalonia (Spain) is booming. It represents an alternative, revolutionary way of doing business that intends to make economic and social aims compatible – thus, profit is not the only goal. As such, it is a desirable and advantageous option for (neoliberal) states, since it targets and solves both social and environmental problems and contributes to job creation and tax revenues, while at the same time enriching and diversifying the local economic fabric. During the last two financial crises (2008 and post-pandemic), this line of business has attracted an increasing number of post-materialist entrepreneurs in Catalonia, i.e., those whose objectives, beyond earning an income, focus on self-realization, social transformation, and ecological impact reduction. These initiatives have proved to be initially resilient to the economic crisis. Over time, however, many social enterprises are being pushed by the logic of the market and forced to reconvert themselves into commercial companies to survive, so that social or environmental objectives take a back seat. Based on far-reaching empirical research, this paper describes the emergence of this form of entrepreneurship and its principal traits, raising some critical issues.

Keywords: social entrepreneurship, precarity, Catalonia, neoliberal state

INTRODUCTION

Spain is among the EU countries where the differences between the highest and lowest incomes have increased the most during the last two decades. In Catalonia, after the 2008 financial crisis, the concatenation of several macroeconomic processes, such as high rates of unemployment, implementation of austerity policies, drastic cuts in public investment and a very active pro-entrepreneurship policy, produced a remarkable flourishing of social enterprises. Of such enterprises, 62% emerged right after 2008, when unemployment peaked at 25% of the active Spanish population, while since the pandemic period between January 2019 and June 2022, a further 6.06% have registered.

Faced with unprecedented unemployment, many professionals who previously worked as salaried workers in the private or public sectors, as well as many freshly graduated young people and other highly skilled workers, have embraced social entrepreneurship en masse. Since neither a large workforce nor significant capital were requirements for launching these initiatives (particularly those dedicated to services), and the government substantially eased the administrative procedures, their expansion and implementation were relatively quick. Besides, compared to ordinary Spanish commercial companies – which show a high corporate failure rate of 61.5% within the first five years compared to 46.7% in Holland, 45.9% in Germany or 45.8% in France (Bello, 2022) – these initiatives not only proved to be
more resilient than ordinary commercial enterprises in times of crisis (Roelants, et al., 2012), they were also able to employ almost 7% of the total Catalan workforce (Monzón Campos, et al., 2012). In addition, social entrepreneurship is being supported and proudly proclaimed by the local government as the new standard-bearer of the Catalan business community.

Any economic alternative prioritizing the social (i.e., the ‘common good’ in its social or ecological form) over the economic (i.e., the pursuit of profit alone) will always be welcome, especially in a world threatened by growing inequality and ecological over-exploitation. However, the birth, promotion, expansion and evolution of social enterprises in Catalonia are fraught with contradictions. In this context, social entrepreneurship should be understood as an institutional field of business activity and self-employment promoted, but also disputed, by public institutions, leading banks, business schools and consultancies in the contexts of economic uncertainty and the withdrawal of the welfare state (Molina, et al., 2018). Thus, although social entrepreneurship may be considered an innovative response in coping with the old tension between self-profit and the common good (a paradox that goes back at least to Aristotle), it runs the risk of commodifying the social and imposing a market logic on problems that actually arise from the market’s excesses.

This paper will describe the emergence and main traits of Catalan social entrepreneurship. It will detail the standard profile of the social entrepreneur, the principal sectors of economic activity, and the main challenges and problems they confront. Next, it will briefly explain the methodology adopted before the discussion, where we will highlight some key critical issues. In the conclusions, we will make a number of critical and provocative reflections.

**METHODOLOGY**

During the last decade, we have collected and stored extensive data from Catalan social entrepreneurship. We first identified the leading public and private actors in the field and, in 2015, we conducted exploratory interviews and elaborated a list of leading social entrepreneurs. We designed a mixed-methods approach, including (1) prospective multi-sited fieldwork (see Marcus, 1995), which gave us access to workshops, entrepreneurship fairs, companies, offices and co-working spaces, farms and associations; (2) web surveys that collected 92 valid responses from the managers, founding members and co-workers of social entrepreneurship; and (3) 43 in-depth interviews that provided us with information about the date of creation, the field of activity, amount of subventions granted, sector specifics, volume of revenues and extended qualitative information about the motives, difficulties and personal reasons behind the creation of the enterprise. These interviews lasted from one and a half to two hours and were recorded and later fully transcribed with the interviewee’s permission. Finally, we built a database with complete information on over 700 social ventures ascribed to leading private and public Catalan networks of social economy and entrepreneurship. This database has been regularly updated over the last seven years.

**Ethics**

The researchers followed ethical standards in collecting and using anonymized data, and participants were suitably informed about the aims and procedures of the study. Before making recordings with informants, we requested their informed consent. We also replaced real names with pseudonyms.

**RESULTS**

**The Rise of Social Entrepreneurship**

Like other regions of Spain, Catalonia has a long history of cooperatives, collective working-class associationism and oath-based organizations akin to 19th-century England Luddites in the textile sector (see Clancy, 2017). By the end of the 19th century, Catalonia already had mutual societies and trade-union organizations, savings banks, agricultural cooperatives and federations that fought against market abuses and engaged in collective bargaining. In 1920 Catalonia created a Federation of Cooperatives with more than 30,000 associations backed by relevant social support. However, these advances in labor rights were
cut short during the Civil War (1936-1939) and the Franco regime (1939-1975) and did not remerge until the 2000s (see Beltrán Tapia, 2012; Garner, 2022).

Among all these collective initiatives, saving banks played a fundamental role. These non-profit credit institutions arose during the 17th and 18th centuries. They were linked to charities and fostered the ethics and values of savings, work and effort among the lower classes: their short-term deposits accrued high-interest rates, and guaranteed a minimum of social security. However, in the 20th century, and culminating in the 21st century, mergers and concentrations of saving banks led to their almost complete disappearance in 2008, just after the crisis and when social entrepreneurship started to flourish (Martínez 2003; Comín, 2005).

The global financial crash of 2008 had a devastating impact on Spain’s socioeconomic realities: the unemployment rate reached 25% of the active population, and Spain scored the highest position in the ranking of inequality in Europe, only surpassed by Cyprus (Hardoon, et al., 2016). The crisis exposed the Spanish real-estate bubble, a house of cards fueled by wild speculation and a reckless credit banking system. Thus, one of the main sectors of occupation and wealth collapsed, it dragged the rest down with it. It is not surprising that, in the Spanish case, bank bankruptcies and the collapse of the construction sector were intimately connected. However, the Spanish financial system received an EU bailout of 122 billion euros (Segovia, 2017). At that moment, seven leading Spanish banks had a surplus of capital, while another seven banks suffered from capital shortfalls, including four that had previously been nationalized. Some suffered serious losses due to corruption or mismanagement and had to be saved with public money, as in the case of Bankia. In Spain, the European rescue was made conditional on a strict and almost punitive austerity policy that implied radical cuts to public funding affecting health, education and social services. This fact was crucial because saving banks always had a paramount role in financing social programs (just in 2008, their social expenditure reached 2 billion euros). However, by 2014 the financial sector had been completely restructured, most savings banks had been transformed into or absorbed by the leading retail banks, and their private foundations had taken control of their social programs.

The notion of social entrepreneurship was launched worldwide in the 1980s thanks to pioneering initiatives like Ashoka. In Catalonia, the term ‘social entrepreneurship’ was uncommon before 2010 (Molina, et al., 2018), but right after the crisis, it was suddenly and strongly fostered by some key players, namely financial actors (banks, foundations, economic actors), public agencies (regional governments) and private business schools. In 2010 the BBVA bank and ESADE Business School launched the Momentum Program, and La Caixa Bank started its social entrepreneurship program with the support of the IESE Business School. A year later, in 2011, the Catalan local government started @EmprenSocial, a program to support new social entrepreneurship initiatives through an active media campaign that included social events (meetings, conferences, etc.), advice, information resources and training. At the European level, several social business initiatives were introduced, and new financing and funding strategies were adopted to support social entrepreneurship. In the 2000s, several networks of social entrepreneurs were created, such as the Solidarity Economy Network of Catalonia and the Social Economy Association, and in 2020 the government of Catalonia publicly presented the bases of the Law of the Social and Solidarity Economy of Catalonia to regulate the booming new movement.

Hence, in Catalonia, despite the difficulties of the labor market, both European and local policies have favored a legal and juridical context for launching social entrepreneurship in advantageous conditions, with public programs, access to free services and infrastructure, access to commercial and professional infrastructure, financing, R+D transfer, and even entrepreneurial training as early as school age.

**Catalonia’s Social Enterprise Profile**

When analyzing the data gathered on Catalan social entrepreneurship, we observe striking similarities with the Global Entrepreneurship Monitor and other related surveys (GEM, 2022; see Hoogendoorn, 2011). In general, the stereotypical social entrepreneur is a middle-aged male (41 years old on average)
with a tertiary-level academic background (34.1% pursued a bachelor’s, 31.9% a master’s degree, and 11% advanced technical degree), an urbanite with a solid social and/or environmental commitment.

When we conducted the interviews, 50% of the new social entrepreneurs were previously unemployed, self-employed, or had precarious jobs, while the rest were salaried (18%) or in some other situation (students, etc.). During the first period of the start-up, 30% were forced to combine this economic activity with other sources of income, and 16% worked for third parties on a part-time or full-time basis. Most of the new entrepreneurs did not have previous management experience. In over 50% of the cases, the start-ups used entrepreneurial advisory services, and 38.6% of these entrepreneurs thought this assistance was crucial.

Among the economic activities, the service sector stands out (70%), namely trade, tourism and restoration, education and training, cultural services, communications, and services to companies and individuals. The secondary sector (textile industry, ecological production and distribution, crafts) exceeded 15.57%. The primary sector took up 13.57% of the census, namely companies active in agriculture and organic livestock, as well as wineries. However, the construction sector was virtually unrepresented, accounting for only 0.29% of the initiatives of the ESS we studied. Thus, initiatives usually fall into two sectors: the production and distribution of ecological products on the one hand (20%), and services (80%) on the other, particularly in sociosanitary-oriented sectors such as health and therapeutic services, caring, and educational and recreational activities. However, services were also noticeable in consultancies aimed at creating social entrepreneurship.

Cooperatives are the most recurrent legal form among social enterprises (42%). Often driven by democratic and social values, cooperatives play a significant role as special employment centers. Aside from cooperatives, we also found limited societies (27%), foundations (13%), labor-insertion companies (10%), associations (7%) and anonymous societies (2%).

Social enterprises are small (55% have fewer than 10 workers) and are usually managed by more than one partner (the average is six partners). Leaving aside a few highly reputed enterprises that earned profits of over 500,000, annual revenues were relatively modest (at between €150,000 and €200,000 on average), and most income came from regular commercial activities (selling products and services). Another definitory trait of these ventures is that they are highly subsidized and depend greatly on public and other kinds of subsidies (48%), donations (20%), sponsorship, prizes and external investments (17.4%) and crowdfunding (10.5%). It is also noteworthy that, in terms of manpower, the role of volunteers and the incorporation of employees at risk of exclusion are fundamental traits of these small-sized companies.

In its beginning, 55.43% of the initiatives were self-financed (through personal savings), and almost 10% resorted to bank credits and, to a lesser extent, to other sources such as the capitalization of unemployment (6%), contributions of social capital, small loans from family and friends, donations and grants. Most ventures were embedded in broader networks of mutual cooperation, which suggests high levels of economic reciprocity and informational support. The interviewed entrepreneurs were able to mention, on average, 24 local Catalan social enterprises and cooperative networks as examples.

Finally, even though social entrepreneurship shows an expansive geographical pattern, initiatives are concentrated in the southeast coastal belt. Barcelona locates 68.71% of such enterprises, followed by Girona (17.14%), Lleida (7.29%) and Tarragona (6.86%).

Case Studies: Sectors and Contradictions

Catalan social enterprises subsume several different sectors, legal formalities, objectives and organizations. In this section, we try to bring some order to the broad taxonomy, summarizing the main forms and highlighting their common factors.

Typologies of Social Enterprises

The most common social enterprises offer a service (healthcare, training, communications, etc.) or a product with social content or purpose. Among inheritors of the classic third sector, we find, on the one hand, cooperatives that act as labor-insertion companies (for the disabled or handicapped) and producers of a specific product with significant added value (local, ecological, health). To some extent, these
cooperatives cover some of the ground left by the old savings banks, and their visions and missions are strongly influenced by personal motives – e.g., the case of a nursing mother with a son who suffered from a severe rare disease and created a subsidized foundation to care for children with similar pathology.

On the other hand, we find social enterprises such as *Flowerwomen*, a business initiative that markets affordable women’s everyday utensils made from ecological and sustainable materials. It is a Ltd—that operates online and is led by a woman, her sister-in-law (who operates from Rotterdam) and a friend based in Equatorial Guinea. The founder is an architect by training and also studied anthropology. She used to work in an architectural firm with a broad portfolio of public projects. However, demand for the firm’s products drastically fell after the crisis, and the company had to make some layoffs. Although offered a part-time contract, this did not provide her with enough income, so she decided to embark on this initiative, which also fits her ideological views on feminism, sustainability and egalitarianism, etc.

**Agroecological Initiatives**

The eco-initiatives are the most homogeneous type of company within social entrepreneurship, and they have a long and deeply rooted tradition in Catalonia (Pérez-Baró, 1972). They are usually cooperatives formed by friends (generally between 30 and 40 years old) for whom returning to a farmer’s life fits their labor demands and values. The founders usually have technical training as engineers, biologists, or ecologists and self-finance the company or resort to small loans to acquire the means of production. Usually, they produce or sell vegetables, fruits, honey, jams, traditional beer or wine, eggs, etc.

**Cooperative Networks**

Uncertainty and administrative barriers have forced the creation of cooperative networks to assist these new entrepreneurs. This is the case for COC (fictitious name), a Catalan network of cooperatives that helps entrepreneurs who cannot pay taxes on self-employment. This example consists of a network of individuals with anarchist tendencies (self-defined as anti-capitalist) avoiding the registration of money transfers, using social currency, and treating its partners as volunteers to protect them against administrative sanctions. The leading members of this network select projects according to production and values (local and ecological products, without intermediaries, etc.), contributing to a vast network of reciprocally embedded producers and consumers that help each other.

**Energy and Technological Enterprises**

In third place, we find capital-intensive technical companies typically dedicated to high-tech or renewable energy. They are often made up of friends from the engineering sector who want to change the ordinary, commercial, high-profit energy models. They usually receive business training from consultants and are dedicated to creating, designing or installing the technology. Leading banks’ business programs often back them, since successful initiatives promise substantial profits.

**Consultancies and Social Banks**

Social consultancy is a growing sector led by young workers in big consultancy firms who, after the crisis, suffered layoffs or drastic reductions to their working hours. Taking advantage of their portfolios and networks of clients, they decide to embark on social entrepreneurship. They provide advice, request and manage projects in public and private entities, offer training courses, or evaluate social enterprises by applying the strategies and methods of commercial consultancies. Sometimes they establish an international franchise that acts as a coworking space, incubator and accelerator for social enterprises. Although, according to one social consultant (sic), ‘profit is not the only aim’, he added:

> Consultancies aim at a more international objective because that is the market niche. The money is in Europe, and many solidarity economy projects neither know nor have the time to submit European projects. A European panorama of solidarity economy is taking shape, and we want to be in it!
Although they are not necessarily connected with consultancies, we also find the so-called ‘social banks’, namely entities that have occupied the space left by savings banks and large banks and offer low-interest loans alongside services and financial strategies that are committed to ethical or social causes.

**Granted vs Ungranted, Politicized vs Pragmatic Social Enterprises**

Among social enterprises, we can distinguish between *granted* and *ungranted* social enterprises, on the one hand, and *politicized*, *non-politicized* and *pragmatic* social enterprises, on the other.

By *granted* social enterprises, we understand those new and cutting-edge initiatives chosen through entrepreneurial bank programs and contests. As such, they receive substantial backing in loans, coaching, marketing, and promotion through award-giving events, gaining high visibility on networks and public prestige. They are openly presented as *social enterprises*, a benchmark for other initiatives, although most of them end up as regular businesses. The CEOs of these companies proudly exhibit the ‘social business’ label and become pioneers and champions of a new economy.

*Non-granted* enterprises can be regarded as those which have not received any institutional or financial support. These entrepreneurs, who may or may not identify with the social entrepreneur category, having mostly been displaced by the crisis (i.e., laid off), usually enter this sector as a self-employment strategy.

Likewise, regarding the ideological principles behind launching a social venture, we may distinguish between *politicized* and *non-politicized* social entrepreneurs. The former refers to those entrepreneurs who position themselves politically in relation to the notion of social entrepreneurship, in both directions, either because they share the principles behind social entrepreneurship or, on the contrary, because they are critical of anything that suggests ‘entrepreneurship’, ‘market’, or ‘capitalism’. On the other hand, we find those *pragmatists* who echo the social entrepreneurship category because it provides greater prestige: in other words, they embrace the category for the sake of marketing. As one CEO stated:

> It is vital to know the consumers’ needs (...); if they do not exist, we must create them. We are not hippies, nor have we come to save the world. We share a passion for the ecological, but my goal is to grow and get more and more benefits. For this reason, I don’t mind [contrary to what other social entrepreneurs claimed] using the social label as a claim to sell more, as another marketing strategy.

**Challenges and Problems**

Most social enterprises (particularly the *non-granted*) suffer similar problems and challenges. Concerning working conditions, we observe dramatic levels of self-exploitation and precariousness in the first stages of the start-up, particularly in the case of agricultural initiatives. As one farmer explained:

> This is not a fairy tale: you must work hard, dedicate yourself body and soul, and while the company is not profitable, many years of misery can pass (...) Over time, you realize that we were naive: we thought of social good, but without benefits it is impossible to get the company afloat. Ultimately, you must resign and assume that you are also selling something.

Competition in the market is another problem for these companies. According to Amalia, an agroecological producer, ‘I see that the price of organic vegetables drops more every day while organic supermarkets sell at a price with which we cannot compete’. Further, she adds:

> I must pay the workers, rent machinery, and turn to friends and acquaintances to do the work: they don’t get paid, they do the work voluntarily, or I must pay them informally to make ends meet.
In this respect, the relationship between ideology and praxis raises some controversy. Most consider that there are other ways to do business beyond capitalism, which are more sustainable, environmentally-friendly and egalitarian. Many ecological farmers organize workshops and talks to disseminate this message. However, since social and ecological products are generally more expensive than commercial ones, they are forced to sacrifice these principles in favor of more profitable strategies to make their businesses sustainable: e.g., selling to commercial supermarkets, selling at a higher price, increasing productivity, or investing in marketing so that the business is sustainable. As one of these entrepreneurs stated, ‘You can buy chickpeas in a supermarket, or you can buy them in an ecological cooperative. But in the second case, the price doubles.’ And he added:

We already know that the capitalist approach is not the solution, but sometimes you must follow the market. It is challenging to be consistent: sometimes we are environmentalists, and at other times we are not. We are full of incoherence.

Something similar occurs with the legal form: in some cases, these start-ups are constituted as associations whose partners collaborate in work and quotas, others as cooperatives, and yet others, advised by the banks, as corporations. When the initiative grows, entrepreneurs are not infrequently forced to change their legal status, going from assembly and horizontal management to more classic and centralized forms of management.

DISCUSSION

The results summarized above allow us to raise several interconnected critical points about Catalan social entrepreneurship.

A Tricky Definition

As we have seen, although Catalonia has a long and deep-rooted tradition of cooperative movements and a traditional third sector, it was not until 2008 that social entrepreneurship boomed in the region, accounting for more than 60% of social enterprises currently. Even more importantly, the sector has proved remarkably resilient in the two past socioeconomic crises and increased the creation of new jobs by 6.74% in Catalonia.

Catalan entrepreneurship is positioned equally between the traditional social enterprises (cooperatives, mutuals, saving banks), the modern third sector (NGOs, associations, non-profit entities) and the business world (with corporate social responsibility programs). In other words, it is a hodgepodge of initiatives led by key actors: banks, business schools and liberal governments endorsing a prescriptive and widely accepted definition of social enterprises as ‘those organizations or ventures that achieve their social/environmental mission by market-oriented means, using innovative solutions, and reaching high impact’ (Dacin, et al., 2010; Dees, 1998, 2007; Mair, 2010; Seelos and Mair, 2005; Zahra et al., 2009).

However, as we have pointed out elsewhere (Molina, et al., 2018), this definition may be tautological (Santos, 2012) or redundant (Young and Lecy, 2014). On the one hand, legal ambiguity surrounds what a social economy is in terms of aims, profitability, impact, or investment. In particular, measuring social impacts remains an unclear process (Manetti, 2012; Pol and Ville, 2009; Young and Lecy, 2014) without a thorough contextual analysis involving all actors and causal relationships. As some other authors have noted, in this field theoretical approaches widely outnumber empirical ones (Short, et al., 2009), that is, theoretical approaches that have primarily been led by business schools, consultants and bank programs (see also Hervieux, et al., 2010).

The concept of social entrepreneurship functions as an umbrella that merges a wide variety of initiatives, missions, objectives, and legal forms: traditional non-profit initiatives, NGOs, new social/environmental initiatives, or simply self-employment strategies with or without some social objective (in many cases broadly or poorly defined). According to the CEO of a well-connected social enterprise, ‘all the people I know in the social entrepreneurship world come from cooperatives’, a sector
that suffered particularly from the crisis in terms of unemployment and public contracts, given that public subsidies could sometimes account for 50% of a company’s annual turnover.

As we have argued elsewhere (Molina, et al., 2018), Catalan social entrepreneurship must be acknowledged as an institutional field of entrepreneurship and self-employment that is both encouraged and disputed by key actors (banks, public institutions, business schools, etc.) and has both objective and specific interests (see also Andersson & Self, 2015). In other words, those actors that promote social entrepreneurship do use the same resource networks (methodology, strategies, branding, training, business incubators, credit opportunities, awards, etc.) that apply to commercial entrepreneurship (Austin, et al., 2006; Meyskens, et al., 2010).

**DIY and the Neoliberal State**

Social entrepreneurship was strongly welcomed by public opinion for its claim that it is possible to do business by other means, thus giving entrepreneurship (in general) a facelift. It has also been strongly welcomed by banks, private initiatives and business schools, because it reactivates credit and training and gives meaning to the banking foundations that occupy the space left by the savings banks, reinforcing pro-market claims that, if there are social and ecological problems, the market is the solution. And finally, it has been strongly welcomed by the (neoliberal) state, defined by outsourcing and precariousness (Cingolani, 2019). By introducing the neoliberal state, we are referring to post-1970s policies involving a retrenchment of the welfare state and the adoption of ultraliberal market-oriented policies (i.e., deregulation of labor and financial markets, elimination of price controls and trade barriers) and using privatization and austerity to reduce state influence over the economy (see Morningstar, 2020). Indeed, the state externalizes major problems for which it is ultimately responsible (social, energy and ecological problems) and, by employing a DIY strategy, it optimizes various results: it creates jobs, enhances the business fabric, solves its own problems and charges for all these through fees, taxes and rents.

For these reasons, social entrepreneurship is heavily subsidized and fostered by the state, the leading banks and the major business schools. These agents have taken advantage of the capitalist tendency by which a new type of autonomous worker meets growing industrial needs in terms of development of personal images (fashion, health, diet, or cosmetics) and personal development (coaching, therapies, etc.) (Boltanski and Chiapello, 2002: 235).

Finally, while market generates unequal situations that have social and ecological repercussions, pushing social entrepreneurship towards market logic means that the solution to market problems can be found in the market itself - a phrase that very possibly Milton Friedman would proudly attribute to himself. Social entrepreneurship opens the door to the increasing commodification of social life.

**Homophilic Entrepreneurship**

On more than one occasion during the investigation, we faced what we thought was a contradiction. Lina decided to leave the city and her previous job and start a new social venture as an ecological farmer. She was very committed, reflexive, and shared a strong ideological standpoint. She rightly pointed out a main contradiction: ‘I dislike the fact that my product can only reach a sector of the population with high purchasing power’, although paradigmatically, in a more informal context after the interview, she stated that she would not like that kind of life (a hard life) for her children. She wanted her children to go abroad, to travel and to search for better job opportunities. And Laura, another entrepreneur who created and sold clothes made from natural materials in a sustainable way, exposed a similar contradiction: ‘we want to propose affordable prices for normal middle-class people [my emphasis]. I would like to sell to people like me…’.

Thus, although social entrepreneurship is aimed at more vulnerable social sectors (i.e., basically those excluded from the market), there is a way in which projects of social entrepreneurship reproduce the expectations and desires of a middle-class sector that has suffered downward social mobility.

As we have shown, out of the 2008 financial crisis emerged a whole economic sector led by a particular individual profile (young, predominantly male, urbanite and highly qualified) led by social and/or environmental motivations (48.9%) or by desires for personal fulfilment and self-expression
(31.1%), while just 12.2% considered they had an economic motivation. This profile closely resembles both the ‘creative class’ (Florida, 2002) and the ‘post-materialist entrepreneur’ (Inglehart, 1977), and denotes a type of individual who shuns the materialist vision to embrace the values of autonomy and self-expression instead. However, beyond this poetics of the social entrepreneur, the truth is that the latter must take high risks, make great sacrifices, and suffer periods of great uncertainty.

CONCLUSIONS

Towards a Moral Economy of Social Entrepreneurship

In this paper, we have shown how and in what contexts, the category of social entrepreneurship has emerged in Catalonia as an ‘alternative’ to the market economy that promises to reestablish and rebalance the objectives, antagonistic in a market society, between individual benefit and the ‘common good’.

However, our analysis also shows that Catalan social entrepreneurship is the product of a perfect storm, of an alignment of the socioeconomic circumstances that favor its emergence and proliferation. Indeed, the sector has become an institutional field disputed by different actors (banks, business schools, local governments, etc.) that may struggle and cooperate over its control in an apparent win-win situation, since the neoliberal state may externalize costs (in terms of job creation and the resolution of social problems) and maximize incomes (taxes, self-employment rates, the creation of business networks, local prestige, etc.); leading banks to present themselves as champions of the New Economy and leading business schools legitimize their prestige, while neoliberal principles are reinforced and transform social and environmental problems into market commodities. While social entrepreneurs may indeed see their efforts rewarded, those who do not blame themselves thanks to the Foucauldian notion of entrepreneurship of oneself in which the neoliberal subject becomes a utility-maximizing agent who manages his or her human capital according to the strict laws of cost-benefit analysis (McNay, 2009; Cooper, 2015; and see Christiaens, 2020 for a discussion).

Although the current of social entrepreneurship may be solidly anchored in the values and principles of change and equity, and although this type of entrepreneurship presents a higher level of resilience than in the case of commercial entrepreneurship, social entrepreneurship faces great paradoxes. First, sustainability implies high levels of effort and uncertainty and harsh market competition in a context where labor regulations are obscure. On the other hand, social entrepreneurship runs the risk of class-circularity or homophily – i.e., the risk of producing middle-class commodities for middle-class consumption – or, even worse, of commodifying social and ecological problems.

We have also noticed that the level of subsidies for these initiatives is very high and that, contrary to their principles, social entrepreneurs often have to resort to marketing strategies that are more typical of ordinary commercial entrepreneurship. The tentative conclusion that mainstream economists draw may therefore seem somewhat disappointing and provocative: to make social entrepreneurship a reality, it must become commercial entrepreneurship. But, we wonder, is this really so? Is there no other entrepreneurial logic than that of the market?

Tensions between self-profit and the common good are probably as old as humanity itself, and it is a recurrent topic that goes back at least to Aristotle. Simply put, this tension is one between private interest and public interest. As such, the capitalist system prioritizes the first and, under neoliberalism, propels it as much as possible into the market: the invisible hand of Adam Smith is neither so invisible nor so disinterested. This issue has been addressed from different perspectives and authors in modern (20th and 21st centuries) economic anthropology, pointing out the risk that the economic category engulfs the social relationship: that is exactly the crux of the matter in social entrepreneurship.

In this vein, Hart (2017) proposed the notion of ‘human economy’ to refer to the satisfaction of all human needs – not just those that can be achieved through private commercial transactions, but also the need for public goods such as education, health and safety, and intangible qualities such as dignity, which cannot be reduced to dollars per capita. Human economy recalls an old statement that goes back to the same Aristotelian notion of ‘economy’ (Booth, 1993: 949, 1994: 653; Molina and Valenzuela, 2006) and that also has much in common with the widespread concept of the ‘moral economy’, coined by the British
historian E.P. Thompson (1970, 1991) in the context of the 18th-century food riots in the English countryside: ‘the moral economy is summoned into being in resistance to the economy of the “free market”’ (Thompson 1991: 271). Later on, the concept was further popularized by the political scientist James C. Scott (1976), who synthesized Thompson’s ideas with those of Eric Wolf’s corporate community and Karl Polanyi’s The Great Transformation. In a nutshell, the term highlights the risks and excesses of market relationships versus non-market principles (see Smith, 2011).

This brief but deep digression into the essentials of economic anthropology returns us to the subject of this paper: social entrepreneurship. Our argument is that, although social entrepreneurship promises a virtuous economic cycle in times of precarity, externalizing and privatizing social and environmental problems are contradictory and harmful: in other words, to search for market solutions like social entrepreneurship to social and environmental problems created by the market incurs the great risk of commodifying such problems. These issues fall into a category, that of the common good that concerns everybody (i.e. it is a public issue that should be set aside from the logic of the market. One wonders whether, if these postmaterialist actors (mostly highly skilled university graduates) had decent and motivating job opportunities, they would dedicate themselves to self-employment and expose themselves to such risks and uncertainties.

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