Social Enterprise in Austria:
A Contextual Approach to Understand an Ambiguous Concept

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First and foremost, the production of these Working Papers relies on the efforts and commitment of Local ICSEM Research Partners. They are also enriched through discussion in the framework of Local ICSEM Talks in various countries, Regional ICSEM Symposiums and Global Meetings held alongside EMES International Conferences on Social Enterprise. We are grateful to all those who contribute in a way or another to these various events and achievements of the Project.

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1. INTRODUCTION

This paper deals with contextual and conceptual issues about the emergence and development of social enterprises in Austria. Social enterprises are understood here as private non-profit-maximising organisations, which reinvest any profit they make in the organisation or distribute it to members (collective appropriation in the case of cooperatives) and/or to society at large. They are further defined as “providing goods or services directly related to their explicit aim to benefit the community. They rely on a collective dynamics involving various types of stakeholders in their governing bodies, they place a high value on their autonomy and they bear economic risks linked to their activity” (Defourny and Nyssens 2008: 5).

It first has to be underlined that the term “social enterprises” (SE) is not very frequently used in the Austrian context—neither in research nor in public and professional discourses. The German terms that are most commonly used are those of Sozialwirtschaft (social economy), Sozialintegrationsunternehmen (social integration enterprises), gemeinnützige Organisationen (public benefit organisations) and Genossenschaften (cooperatives). As for research discourses, they are dominated by a variety of mostly international terms and concepts which are somehow related to the SE concept, like non-profit-organisations (NPOs), third sector, voluntary sector or social entrepreneurs; these notions are often used synonymously and in many cases, they are not linked to a specific conceptual framing.

Secondly, literature on the phenomenon of SE in Austria remains scarce, and almost no comprehensive empirical data on this subject is available (Lehner 2011; Neumayr et al. 2007). But although a directory of social enterprises does not exist for Austria, some data on the sector is available from Statistik Austria and the EMES International Research Network (Lehner 2011b), and some groundwork on social entrepreneurs in Austria has been carried out by a group of researchers at the Institute for Nonprofit Management at WU Vienna (e.g. Millner et al. 2013; Schneider and Maier 2013). This Institute and the Institute for Social Policy at the same University are also responsible for mapping the non-profit sector in Austria (Neumayr et al. 2007; Pennersdorfer et al. 2013).

Research activities on SE in Austria tend to focus on specific fields, like child care (Leichsenring 2001) or work integration (BDV 2008; Gruber 2006; Gschöpf 2010), and previous attempts to map the SE sector in Austria remained fragmented (European Commission 2014); this, combined with the lack of general data, could be a reason why research on Austrian SE is little noticed in the international scientific community.

Against this backdrop, the present paper delivers an overview of existing SE models in Austria by answering the following research question: “In which contexts do SE models appear in Austria?”. Section 2 outlines the method of a systematic literature review which was applied for the study. Based on this explorative literature analysis, section 3 analyses the institutional context of the SE debate in Austria from a historical perspective. This leads to a delineation of different SE-related concepts which currently exist in Austria (section 4). Section 5 then focuses on two specific fields of SE-activity and analyses their historical trajectories and institutionalisation processes: part 5.1. features the SE model of ECO-WISE (ecologically oriented work integration social enterprise), which emerged in the 1980s and represents prototypical SE in line with the EMES concept (EMES 2004), while part 5.2. looks at the field of housing, where different SE models have been concerned with the same social objective of providing affordable homes. The paper finishes with key conclusions and an outlook to the future research agenda.
2. METHOD

To reach the aim of sections 3 and 4 and identify traditions and concepts of SE in Austria, a three-tiered systematic literature review was undertaken. The search for relevant literature focused on international databases on social and economic science literature (e.g. EBSCO Business Source Premier), Austrian university library databases (e.g. WU Wien-Gesamtkatalog, WU Wien ePUB, Suchportal Universitätsbibliothek Graz), department- and institute-specific databases (e.g. Institute for Nonprofit Management at WU Wien), and general scientific literature databases (e.g. Google Scholar). Moreover, the snowball technique was applied, based on the reference lists of articles found.

A set of relevant German and English keywords were identified for the research. In a first round, the search focused on the key terms of “social enterprise”, “social entrepreneurship” and “Austria”. In a second round, keywords referring to related concepts, which can be considered as synonyms of “social enterprise” in the Austrian context, were selected, such as “Sozialunternehmen”, “Sozialökonomischer Betrieb” or “Genossenschaft”. Finally, in a last round, we used even wider related concepts as keywords, such as “Sozialwirtschaft”, “third sector”, “Verbände”, “Stiftungen” or “non-profit sector”. After collecting the literature, all sources were categorised alongside the key terms of “social enterprises”, “social entrepreneurship”, “social economy”, “social services”, “third sector”, “non-profit-organisations”, “foundations”, and “cooperatives”.

Preference was given to literature published after 1990, as this was the time when civil society concepts became more in vogue in the Austrian context; this evolution went hand in hand with the tendency of privatising and outsourcing of public services (Meyer 2009). Moreover, Austria joined the EU in the mid-1990s, and this can be seen as a trigger for mainstreaming national SE practices, in line with internationally used terms and concepts.

The literature search itself was carried out with “citavi 4”—a literature-organising tool—and it was limited to the fields of “Title” and “Abstract”. If this search strategy did not deliver a clear result, the full text was screened to decide on the selection or rejection of the article. The body of literature collected for this first explorative analysis covers a range of 140 sources. Given the novelty of the research topic in the Austrian context, the search could not be limited to (peer-reviewed) academic journals but also targeted grey literature, such as working papers or research reports. The authors of the publications come from highly varied research fields, such as economics and political and social sciences, which underlines the interdisciplinary character of this research topic in Austria.

The characterisation and the analysis of institutionalisation processes of typical SE models in Austria (section 5) were carried out with a mixed-method approach including qualitative interviews and quantitative analyses. Details on the data generation and analyses are described in the concerned section.
3. THE CONTEXT OF SOCIAL ENTERPRISES IN AUSTRIA

This section explores the social, economic and political context of the social enterprise debate in Austria from a historical perspective. It draws on specificities of the Austrian welfare regime, both in different historical periods and in its current form. Furthermore, it highlights the links to the emergence and development of different forms of third sector organisations in general and of SE practices and models in particular. Indeed, although the notions of “social enterprise” and “social entrepreneurship” only entered the public discourse in the late 1990s, the SE phenomenon itself has a much longer history in Austria. Considering these historical trajectories is crucial to understand the current context of the SE debate which, in many ways, differs from the debate in other European countries, as we will outline more specifically in section 4.

3.1. Social enterprise practices and the Austrian welfare regime in a historical perspective

Austria is considered as one of the most clear-cut examples of conservativism in welfare provision in the typology of Esping-Andersen (Borchert 1998; Tálos 2005; Anastasiadis 2006a). The Austrian welfare system goes back to the early 1880s, when health and pension schemes were introduced for privileged professional groups (such as civil servants). Although the system was extended to cover all citizens during the 20th century, the Austrian social security still remains a fragmented system, maintaining status differences and relying on networks of relatives and friends in the provision of care services (Tálos 1981; Obinger and Tálos 2006; Tálos 2005).

As far as the development of the third sector in Austria is concerned, in the late 19th and early 20th centuries, the organisations that emerged out of the needs of society and developed as self-organised groups of citizens were mostly religion-motivated philanthropy organisations, charity organisations, cooperatives, trade unions and interest groups. They served the needs of “blind market spots” and ended up having an important political influence, especially on the emergence and development of the social security and welfare systems. Two main types of organisations—which were not referred to as social enterprises at that time—dominated the third sector then: bottom-up, self-help organisations (such as cooperatives, charitable societies and saving clubs), on the one hand, and top-down initiated “self-help” welfare associations (organisations reflecting the expanding social and labour market policy), on the other hand. Both benefitted from early welfare legislation in Austria (Melinz 2004; Anastasiadis 2006b).

Already in the early years of welfare legislation, third sector organisations and public bodies were closely interlinked in Austria, preparing the ground for a corporatist system. Furthermore, the state-led welfare model in Austria always had a tendency to incorporate bottom-up social movements. A well-known example in this early period of welfare was the incorporation of the cooperative settlers’ movement into the successful local welfare state “Red Vienna” during the 1920s (Lang and Novy 2014).

Continuing the tradition of the First Austrian Republic (1918-1934), “corporatist bargaining” in social policy was institutionalised at the national level after World War II. It was characterised by a highly centralised system of wage-bargaining and a strong involvement of intermediate bodies—large non-profit associations as well as cooperatives—in social policy formulation and implementation (Simsa et al. 2006; Melinz 2004; Anastasiadis 2006b). In contrast to Germany, the powers of the Austrian provinces (Bundesländer) were more restricted in social policy formulation and implementation. Thus, given the resistance of the
main political parties, large NPOs, trade unions, chambers of commerce and labour and other intermediate bodies to bottom-up-induced social innovations, a pronounced state-led innovation model emerged in Austria (Lehner 2011b; Novy et al. 2001).

Since World War II, large NPOs and large cooperatives have dominated the third sector, acting as intermediaries between the state and citizens in the welfare system (Lang and Novy 2014). With the rise of the Keynesian concept of “social market economy”, the welfare state expanded significantly. In this process, many third sector organisations (TSOs) gradually transformed into either purely commercial enterprises (e.g. Konsum, Raiffeisen) or were integrated into the state-financed social and welfare sector (Melinz 2004; Anastasiadis 2006b); TSOs indeed have a pronounced openness to state influence and public support, which contradicts with the EMES approach of SE as independent organisations (Defourny and Nyssens 2012) and led to organisational isomorphism and standardisation tendencies in the third sector. Another characteristic of Austrian TSOs was their party-related fragmentation, especially for certain sub-sectors such as care services or housing (Simsa et al. 2006; Anastasiadis 2006b; Lang and Novy 2014): many organisations were supported either by the Social Democratic Party (SPO) or by the conservative Austrian People’s Party (ÖVP). Strong voluntary one-to-one help, covering services usually supplied by TSOs, can also be observed in the country (More-Hollerweger and Heimgartner 2009). The church played an important role in running a group of NPOs (e.g. in care services), which are often affiliated with the ÖVP (Neumayr et al. 2007). Finally, the legal status of Gemeinnützigkeit (best translated as “public benefit” or “public interest”) still plays a significant role for organisations with social aims in Austria, providing them with tax incentives.

In the 1970s, though, this welfare system of state-driven corporatism started to change. The so-called “New Social Movement” raised ecological, cultural, social and political awareness among Austrian citizens, which led to the founding of a huge number of associations experimenting with alternative forms of socio-economic practices (Anastasiadis 2006b; Simsa et al. 2006). These new organisational forms tied up to the “self-help” culture of the traditional cooperative movement (Pennerstorfer et al. 2013), but they had to choose a different legal form due to restrictions in the cooperative law (Gubitzer 1989). In terms of welfare provision, this community-led movement can be read as an expression of dissatisfaction with the mostly state-driven system. The new organisations began to take over more responsibility from the state with the aim of complementing state provision and forcing the state to improve its own policies. Evers and Olk (1996) packed this change into the notion of “Wohlfahrtspluralismus”, which could be translated as “welfare pluralism”. A main feature of this evolution was a partnership-based cooperation between the state and TSOs: the state provided funding, but the third sector “invented” and delivered the services needed. The 1970s and 1980s are described by experts and actors in Austria as a highly innovative time, where political decision makers developed services and measures in cooperation with social workers (Melinz 2004). The experimental labour market policy strategy can be mentioned as an example hereof (Zauner 2004).

In the 1990s, the welfare-market concept found its way into the Austrian context. Since then, there has been a clear tendency toward the privatisation and outsourcing of public services (Meyer 2009; Anastasiadis 2006b). Austria joined the EU in 1995, which can be seen as a trigger for mainstreaming national SE practices, in line with internationally promoted terms and concepts related to civil society (Giddens 1998; Beck 1993). Between 2000 and 2006, a right-wing conservative-populist government undertook some liberal social policy reforms which aimed at tighter controls and sanctions for beneficiaries in the social security system (Tálos 2005). Moreover, in order to increase the transparency and efficiency of subsidies to
TSOs, performance-related contracts replaced lump-sum subsidies to a large extent (Anastasiadis 2006b; Neumayr et al 2007). Organisations faced a demand for change, at a time when the keyword of “downsized state” shaped public discourse. An orientation towards the logic of free market economy has been observable since then in the third sector. Professionalism, competition, effectiveness and efficiency are the corresponding catchwords (Anastasiadis 2006a; Lehner 2011b; Meyer 2007).

As a consequence, traditional NPOs started adopting more market-based approaches (charging fees for services, passing performance-based contracts, etc.) and thus moved into the direction of a more SE-like approach (Neumayr et al. 2007). They started to develop trading arms to generate earned income, whether from government contracts or from the sale of goods and services (Anastasiadis 2006b). Similarly, traditional cooperative sectors in Austria began to be dominated by larger organisations, with professional management practices oriented towards corporate principles, such as economic efficiency (Lang and Novy 2014). This evolution of cooperatives in Austria has significantly reduced the influence of members and the community in daily organisational life (Melinz 2004).

As these briefly sketched historical trajectories of third sector development in Austria show, different versions of TSOs emerged over time. We find a wide range of organisations with different structures and aims, ranging from grassroots to market-oriented forms. The third sector developed more or less as an independent field, alongside the market and the state (Anastasiadis 2006a). Organisational development in the sector has been influenced by political and economic development but in turn, it is also shaping the societal level, as we will show more clearly in section 5 of this paper.

At this point, however, in the second part of section 3, we investigate the issue of current contextual barriers to and drivers of SE development in Austria, particularly in crisis-ridden times.

3.2. Current contextual barriers and drivers for SE development in Austria

According to the explored literature, reasons for the absence or weakness of the SE topic in the Austrian context cluster around the welfare state impact, the “priority” of NPOs, voluntary work and some other barriers.

3.2.1. Welfare state context

Austria is a typical corporatist state, with a strong role of intermediate bodies in social service provision (Neumayr et al. 2007). This leads—as shown above—to organisational isomorphism and standardisation tendencies, and also to resistance to bottom-up social innovations induced by actors who are “external” to the state, such as social entrepreneurs or community organisations (Lehner 2011b; Esping-Andersen 1999).

The welfare and social security systems in Austria work comparatively well, with generous benefits and good quality services. Thus, it can be assumed that Austrian residents tend not to actively request social change and see no need for increased self-responsibility in social service provision. The existing system is also defended by strong interest groups such as trade unions or the chambers of commerce and labour, as is typical for a corporatist system (Lehner 2011b; Palier 2010).
3.2.2. NPO “priority”

Austria falls into a group of countries with universal healthcare and where the state subsidises social service support provided by families, communities and large traditional NPOs. Therefore the development of SE “has been more complex and uneven” than in other countries (Borzaga and Defourny 2001: 355). Against this background, barriers to the emergence of SEs are the omnipresence of traditional NPOs and well-established rules for financing. As a result, there is no pressing need to establish SEs or to change existing organisational structures into SEs. Some established NPOs are even resisting SE emergence within the third sector. Thus, SEs are likely to emerge in the niches left open by traditional NPOs and they use resources which are not specifically earmarked for social service provision (Borzaga and Defourny 2001). This is for instance the case of ECO-WSEs, as we will show in section 5.

Large professional associations have a significant role within the non-profit sector in Austria. They also have strong (personal) links to the major political parties and governments at different levels. As a consequence, the non-profit sector cannot be characterised as fully independent from the state—thus contradicting the EMES approach of SEs (Lang and Novy 2014; Lehner 2011b; Neumayr et al. 2007).

3.2.3. Other barriers

Several authors identified the following aspects as other barriers to SE development:

- Voluntary one-to-one help, covering services usually supplied by TSOs, have a strong presence in the country (Lehner 2011b; More-Hollerweger and Heimgartner 2009).
- Austrian civil society is characterised by a certain degree of corporatist cronyism and nepotism, which makes it crucial to be a member of the right political party in order to access necessary resources for SEs (Lang and Novy 2014; Lehner 2011b).
- Access to equity capital and capital markets in general is rather rigid and particularly difficult for businesses with social purposes (Lehner 2011b).
- Other detrimental factors for SE development in Austria mentioned by Lehner (2011b) include provincialism, xenophobia, a strong role of the church, little entrepreneurial spirit and a tendency towards risk aversion.

With a view to contextual drivers for SE development in Austria, the following aspects could be derived from current literature:

3.2.4. Downsizing of the welfare state and restriction of funding

To a certain extent, NPOs in Austria already pursue market-based approaches (charging fees for services, passing performance-based contracts etc.). This has also been triggered by liberal social policy reforms (2001-2007) which have fostered a market-based environment in the sector, focusing on contracts and competition instead of lump-sum subsidies. Therefore, traditional NPOs have evolved toward a more SE-like approach (Neumayr et al. 2007) and thus also stimulated SE development.
3.2.5. Social exclusion

Unemployment and social exclusion have become severe issues in Austria and attracted political attention during the last decades. Experimental labour-market policies in the 1980s marked the start of the “second labour market programme”, which facilitated the subsequent creation of SEs in the field of work integration in Austria (Leichsenring 2001; Anastasiadis 2013a; Lehner 2011b). After a growth of this field in the 1990s, the recent liberal phase of national government in Austria has led to the implementation of a new phase—a so-called “activating labour market programme”—whereby the state influences the conditions of these organisations at large. Details on this development are provided in section 5.

3.2.6. Other drivers

Lehner (2011b) highlights the following other contextual factors as beneficial for SE development in Austria:

- Room for experimenting with SE careers, provided by the flexible tertiary educational system, relatively high incomes, and high social security;
- Institutionalised networks between civil society and politics;
- Legal certainty;
- Central geographic location of the country;
- Very well educated and qualified workforce in many fields;
- Stable economic development (creating opportunities);
- Willingness, among Austrian people, to do voluntary work and join associations;
- Christian beliefs and values.

Before we move on to analyse these current drivers and barriers for two particular SE models in more detail, the next section analyses the usage of SE-related terms and concepts in Austria.

4. SCOPE OF USE AND OVERLAPPING OF SE-RELATED TERMS

As mentioned in the introduction, the terms social enterprise, social entrepreneurs and NPOs are in many cases not discussed separately in the Austrian literature. In fact there is a tendency to use them as synonyms (see for instance Lehner 2011a, 2011b; Millner et al. 2013). The academic use of these terms is also affected by the particular scope of research. This was confirmed by the literature review carried out for this paper (see e.g. Heitzmann 2004; Leeb 2003). More-Hollerweger and Heimgartner (2009) underline in this context that the use of SE-related concepts is not consistent and often not clear. Against this background, section 4 provides an overview and a delineation of different SE-related concepts in the Austrian context.

4.1. Sectoral debates: Social economy, third sector, non-profit sector

In a first step, we need to define the notions of social economy, third sector and non-profit sector and explore their usage in the Austrian context.

In general, social economy enterprises operate for profit, but reinvest their earnings back into the organisation to create e.g. new projects or jobs. The social economy is characterised by a
high degree of heterogeneity and complexity in terms of organisational and legal forms (Ketsetzopoulou and Chiaf 2012; CIRIEC 2007).

According to a CIRIEC report published in 2007, the concept of social economy (Sozialwirtschaft) has little or no recognition in Austria. Nevertheless, the term is used in Austria. Leeb (2003) points out that this term represents an academic concept, which is predominantly used in the academic sphere and the EU context. The ESF-co-funded programme lines EQUAL I and EQUAL II played a central role in the implementation of this notion. Authors who tend to utilize this concept in Austria define the social economy as the group made up of all social economy enterprises that offer social services in a professional way (Dimmel et al. 2004; Gruber 2014). Thus these organisations act both in an economic and social way and they are, according to these authors, active in all sectors, including the market and the public sectors.

By contrast, according to European definitions (Evers 1995; Laville et al. 1999), the term third sector represents an organisational field including various forms of hybrid organisations, not clearly demarcated from the market, the state and the community spheres. It includes NPOs and social economy organisations, as well as organisations that reinvest their earnings back into the organisation, but also organisations that distribute their profits to members or owners to a limited extend (Anastasiadis, n.d.; Anastasiadis et al. 2003; Auer et al. 2005).

The Austrian understanding of the third sector is very close to the European definition (Birkholzer et al. 2004). It involves classical NPOs as well as cooperatives, foundations and associations. Delivering services to the community and working together with the community are central characteristics of TSOs in Austria. Their methods of production and the quality of their services are also of major importance (Riesenfelder and Wetzel 2005).

Comparing the third sector approach and the non-profit approach in Austria, it can be stated that the non-profit approach is more widely disseminated and has the strongest tradition. One reason that can account for this lies in the existence of the Institute for Nonprofit Management (WU Vienna), which published a broad spectrum of publications on the non-profit sector and took part in the international Johns Hopkins Comparative Nonprofit Sector Project. 1 Another reason could be linked to the internationally widespread usage of the term NPO, which emerged as the “mainstream” term also in the Austrian context. Moreover, the Austrian non-profit approach is often understood in a way that is very similar to the third sector approach, and, for instance, does not explicitly exclude organisations which distribute profits to members (Gschöpf 2010; Meyer and Simsa 2013). In contrast, More-Hollerweger and Heimgartner (2009) consider that the non-profit approach and the third sector approach are located on different levels: they argue that the third sector approach tends to focus on the macro level, and that it refers to all organisational activities and organisations between the market and the state, while the non-profit sector approach, by contrast, refers generally rather to the meso level, i.e. the level of the organisations themselves.

In studies about the Austrian non-profit sector, the definition of NPOs by Salamon and Anheier (1996) is often used (Badelt 2002, Heitzmann 2001, Bachstein 2000). According to this definition, an NPO has to fulfil the following five criteria (Schober and Schober 2004: 17):

1 http://www.wu.ac.at/hpocompetence/research/abgeschlforsch/johns-hopkins/
• it must be organised, i.e. institutionalised to some extent,
• it must be private, i.e. institutionally separate from government,
• it must be self-governing,
• it must be non-profit-distributing, and
• it must be voluntary, i.e. involving some meaningful degree of voluntary participation.

The non-profit sector is heterogeneous in many ways: organisations making it up vary in terms of image, assignment, size, degree of organisation, legal form, political orientation, etc. The only common feature they all share is the criterion of non-profit-distribution (Meyer and Simsa 2013); and even this non-profit-distribution criterion can be qualified: Gschöpf (2010: 7) points out that “in the meantime representatives of the NPO sector also admit that distributing profits to members or owners by social economic organisations is compatible with the NPO approach, provided that distributions are limited in scope”. In summary, the Austrian non-profit approach covers a wide-ranging field of organisations, from classical NPOs to social economy initiatives, and from the legal form of association to those of cooperative and foundation.

4.2. Organisational debates: Foundations, cooperatives, social enterprises and social entrepreneurs

4.2.1. Foundations

The literature review reveals that foundations do not appear to be a relevant type of SE in Austria. Nevertheless, they are mentioned here as belonging to a separate organisational tradition that, especially in recent years, has shown some relations to social entrepreneurship.

From an SE perspective, only public benefit foundations (gemeinnützige Stiftungen) or foundations demonstrating some form of civic engagement are relevant to this discussion. In Austria, only about 200 private foundations (out of a total of more than 3,000) can be considered to act for the public benefit. From this point of view, Austria thus constitutes a special case in the European landscape; in Germany, for instance, about 95% of all foundations have the public benefit status. One of the reasons for this high percentage seems to be linked to the tax advantages which are applied to public benefit foundations in Germany; such advantages do not exist in Austria. Another reason might be linked to the fact that in Austria, public provision covers a wide range of social services which are provided by foundations and charities in other countries.

The civic engagement of foundations mainly refers, in the Austrian context, to the fields of education, social services and culture. Private foundations are particularly engaged in the field of culture, whereas public foundations (both at the national and provincial levels) rather focus on the provision of education and social services (Schneider et al. 2010). Some foundations provide social venture capital and thus also foster social entrepreneurship; this is for example the case of the Austrian Erste Bank Stiftung (Lehner 2011b).
4.2.2. Cooperatives

In principle, cooperatives in Austria are close to the EMES ideal-type of SE, as they display many of the EMES indicators (Defourny and Nyssens 2012). In socio-economic practice and in public and academic discourse, however, the concepts of social enterprise and cooperative are hardly ever linked. The field of work integration social enterprises, where cooperatives are explicitly mentioned as an example, might be considered as an exception, though (see for instance Leichsenring 2001).

One of the reasons accounting for this lack of “connection” between the two concepts might be linked to the fact that cooperatives have a longstanding tradition in Austria as a sector of its own, which has been institutionalised in various fields of the market and the social economy, such as in housing (Lang and Novy 2014), but also in agriculture and banking (Kemmetmüller and Schmidt 1998; Melinz 2004; Roessl and Hatak 2014) and, to a much lesser extent, in the field of producer cooperatives (Reiner 2014).

Moreover, large cooperatives are traditionally affiliated either to the social-democratic (SPÖ) or to the conservative party (ÖVP), which represent the main political movements and long-term ruling parties in Austria. Cooperative sectors, with their powerful umbrella bodies, have traditionally been—and are still—an integral part of the corporatist system of the Austrian state (Sozialpartnerschaft) (Golubovic 2012). This pronounced openness to state influence and support of course conflicts with the conception of SEs as independent organisations.

In practice and discourse, the different cooperative sectors are primarily determined by the legal form of their organisations and not so much by the relevance of cooperative principles for governance in everyday organisational life (Kemmetmüller and Schmidt 1998)—with the exception, to some extent, of the cooperative housing sector (Ludl 1999). Again, this contrasts with the EMES conception of SE, according to which actual operation principles are more important than the legal form itself (Defourny and Nyssens 2008).

As a legal form, cooperatives currently do not play a significant role in the field of SE/social entrepreneurs in Austria (Schneider and Maier 2013). There is even little interest in establishing new cooperatives in the country, although recent legal reforms would explicitly allow these organisations to pursue social aims as well (Reiner and Roessl 2010). Indeed, and although this occurred later than in other countries, such as Italy (Defourny and Nyssens 2008), the regulatory environment of cooperatives in Austria now takes into account—at least to some extent—the new role of cooperatives in society (Groß 2015). Since 2008, they have been allowed to extend their advantages to the benefit of third parties and pursue social aims; this evolution makes the cooperative form even more suitable to serve as a legal form for social enterprises.

From a legal perspective, until 2008, cooperatives were solely dedicated to pursuing a benefit for their members, which meant that this organisational form was not particularly suitable for social service provision and non-profit initiatives in Austria; but housing cooperatives have always been an exception, as social housing providers can obtain the legal status of gemeinnützige Genossenschaft ("public benefit cooperative"), which entitles them to public funding and tax exemptions.
Although the present cooperative sectors in Austria are historically rooted in community-based, self-help movements, they are mostly dominated by large organisations with professional management, often oriented towards corporate principles, such as economic efficiency. This trend toward market orientation among Austrian cooperatives has significantly reduced member and community influence in organisational life, as already mentioned in the historical section of this paper (Brazda 1986; Melinz 2004). However, in recent years, mirroring developments in Germany, smaller community cooperatives have emerged in fields related to bottom-up social innovation, such as in renewable energy, local food supply, or open innovation (Lang and Roessl 2011a; Reiner et al. 2012; Reiner et al. 2014).

The “double nature” of cooperatives as social and economic organisations has also led to a renewed interest in cooperative organisations as alternative providers of public and social services in Austria in recent years. There are expectations from academics, practitioners as well as policy makers that cooperative initiatives could fill the gap left by the withdrawal of the state. Deregulation and liberalisation tendencies create new opportunities for cooperatives but also redefine their traditional organisational identity as member-focused organisations (Lang and Roessl 2011a). Although their dependence on social capital is associated with positive effects for local development, community cooperatives are not always able to grow through self-help and mobilisation of social network resources alone. Thus, these organisations also tend to require some form of external support and facilitation in order to access sustainable funding and financing, technical expertise, political legitimacy, or management and governance competence among members and local community members who run the enterprises. This can result in strategic partnerships with municipalities or other public bodies that can threaten organisational autonomy and the participatory nature of the cooperative initiative, e.g. when the cooperative is used as a top-down organisation to channel citizens’ initiatives (Lang and Roessl 2011b; Lang et al. 2013).

4.2.3. Social enterprises (SEs) and social entrepreneurs

As it is also the case in international literature, the terms “SEs” and “social entrepreneurs” are very often used as synonyms in the Austrian context.

It was actually around the turn of the century that the SE terminology first emerged in the Austrian public discourse and was translated as Soziale Unternehmen or Sozialunternehmen. The adoption of international terminology and global concepts has supported Austrian SEs in their identity and sector building. In broader national discussions, however, both the German and English terminologies still have little recognition. Compared to the US or the UK, public awareness of the SE concept in Austria has started rising only recently (since about 2009), thanks to dedicated events and newspaper series such as the “Social Business Tour”, “Ideen gegen Armut”, “Sozial Marie” or “Series on Good Capitalism”. Organisations and institutions involved in this awareness raising were among others Erste Bank Foundation, Ashoka, WU Vienna, Der Standard and Waldzell Institute (Lehner 2011b).

Another group that started using the notion of SE consists 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 (Lehner 2011b); and the foundation “GoodBee”, of the Austrian Erste Bank Foundation, which tries to address the needs of social entrepreneurs in Central and Eastern Europe and thus acts as an incubator (Lehner 2011b).
Nevertheless, so far, only a small group of entrepreneurs and organisations in Austria identify themselves with the terms social entrepreneurship and/or SE, as the following numbers, derived from empirical studies, show:

- BDV (2008) identified 248 work integration social enterprises (WISEs) in Austria.
- Schneider and Maier (2013) mention a total number of 273 social entrepreneurs (organisations and individuals).
- Anastasiadis and Mayr (2010) identified 210 ecologically oriented work integration SEs (organisations and projects of organisations) in Austria.

All these actors are characterised as rather independent, pursuing market-based approaches, employing improvisation and innovation for the creation of social good and incorporating an entrepreneurial spirit (Lehner 2011b; Schneider and Maier 2013).

Concerning the legal format, the SE as a particular legal form does not exist in Austria and the term is not even explicitly used in corporate law. Thus, SEs and social entrepreneurs in Austria are incorporated under one of the following available legal forms (Schneider and Maier 2013):

- Among existing capitalist legal forms, the public benefit limited company (gemeinnützige GmbH), which entitles the company to tax alleviation, comes closest to the concept of SE (Lehner 2011b).
- An important legal form is that of association (Verein). It is less economically oriented than the gGmbH but has a strong focus on democratic decision-making. It is typical for all kinds of initiatives which are established in a bottom-up tradition, which is an important criterion also for many SEs in Austria (Anastasiadis 2013b).
- Another possible legal form is the cooperative (Genossenschaft), which has a long tradition in the country in various fields of the market but also in the social economy, such as in housing (Lang and Novy 2014: 4f). An ideal-typical cooperative organisation displays elements of both a member-based organisation and a business firm, which is the source for an inherent conflict in real-life cooperatives between the opposing concepts of Gemeinschaft (“community”) and Gesellschaft (“society”) (Nilsson and Hendrikse 2011).

According to Lehner (2011b), SEs and/or social entrepreneurs in Austria chose the legal forms of sole proprietorships (Einzelunternehmer); limited company (GmbH) and public benefit limited company (gemeinnützige GmbH); and associations in equal proportions, with around 30% each. A similar proportion was identified by Schneider and Maier (2013) in their study of Austrian social entrepreneurs. In the case of ecologically oriented work integration SEs (Anastasiadis 2013b), the association form dominates (64% of enterprises); it is followed by the public benefit limited company (gemeinnützige GmbH) (33%) and the catholic corporations (Körperschaften kirchlichen Rechts) (3%).

SEs and/or social entrepreneurs in Austria can mostly be found in the provinces of Vienna and Upper-Austria, which might be explained by the generally high entrepreneurial activity and high gross domestic product in these areas (Lehner 2011b). Lehner (2011b) also found that SEs and/or social entrepreneurs are rather located in cities than in the countryside. This tendency needs to be confirmed by further analyses, though, as the sample of the study was very small (32 organisations) and the number of organisations reached by the author with the
questionnaire is not obvious. Schneider and Maier (2013) found out that 41% of social entrepreneurs in Austria have a very regional focus in their business activities and only 9% are active all over Austria.

From the literature review, we would assume that SEs and/or social entrepreneurs in Austria are to be found mostly in the social economy sector, as in other Bismarckian countries, such as Germany or France, and much less often in the “pure” market economy sector (Lehner 2011b; Defourny and Nyssens 2008). This is supported by empirical evidence that Austria’s SEs and/or social entrepreneurs focus on the creation of social value. They see income generation as necessary and valuable (Schneider and Maier 2013), but it is not their primary aim (Lehner 2011b; Anastasiadis 2013b).

However, when asked, in an empirical study, about their major income sources, the majority of social entrepreneurs report “selling goods on the market” in the first place, followed by donations and public grants. Market income is also seen as more sustainable than public subsidies. In terms of resources, most SEs and/or social entrepreneurs in Austria could thus be placed closer to the market economy sector (Lehner 2011b). In contrast to this, the empirical data on ecologically oriented work integration SEs show that their financing structure is divided in thirds: one third comes from activities on the private market, one third from public contracts and one third from public subsidies (Anastasiadis 2013b).

Lehner’s empirical study shows that volunteer workforce makes up almost 50% of the workforce in the considered 32 SEs; entrepreneurs and managers themselves are often volunteering in their positions. This would suggest that SEs in Austria share more similarities with the civil society than with the social economy sector (Lehner 2011b). In contrast to this, in ecologically oriented work integration SEs, voluntary work only plays a marginal role (Anastasiadis 2013b). Voluntary engagement in SEs thus varies to a high degree in Austria. It seems to depend as well on the main social goal of the organisations: volunteer workforce plays a marginal role when the core goal is work integration. The same empirical studies (Lehner 2011b; Anastasiadis 2013b) as well as empirical data from Schneider and Maier (2013) also suggest that SEs and/or social entrepreneurs have an explicit focus on ecological issues. As for their fields of activities, these are highly varied.

Furthermore, the term SE—and even more so that of “social entrepreneur”—focuses on a social innovation aspect, in the sense that these entrepreneurs try to meet social needs not met by the market or public sector and do it either in a creative, market-oriented way or by transforming or enriching existing organisational processes with a stronger entrepreneurial risk-taking approach (Lehner 2011a; Millner et al. 2013). With a view to “traditional” SEs, such as work integration SEs, the social innovation element also plays a significant role. According to data on ecologically oriented WISEs, one third were established by a group of citizens to meet needs they had identified in the community, in order to overcome market and state failure (Anastasiadis 2013b).

Based on the above presented evidence, which is somehow contradictory, and in line with Lehner (2011b), we would thus assume that SEs in Austria are true hybrid organisations, occupying a middle position between the civil society and the for-profit, market sector and with relations to the public sector.

Finally, the literature review highlights two major conceptions of SE in Austria. The first one is an individualist perspective on the SE phenomenon, which focuses on the social entrepreneur rather than on the SE as an organisation (e.g. Mair et al. 2010; Millner et al. 2013; Schneider
and Maier 2013). Interestingly, the term SE is used in most publications of the abovementioned authors, although they rather deal with the topic of social entrepreneurship. The second one is a collective approach, and it is mainly represented by scholars from the fields of the social economy, social work, social policy, sociology, and social pedagogy, who conceptualise the SE as an organisation and deal with collective issues. These two major conceptions correspond to current international debates on social entrepreneurship (Nicholls 2008; Balgar 2011).

4.3. Concluding tendencies

As far as the SE discourse in the Austrian context is concerned, the following tendencies clearly emerged from the explorative literature analysis.

4.3.1. Differences between SE/social entrepreneurs and NPOs

As shown above, the concept of SE, and to a lesser extent those of social economy and cooperative, have little recognition in Austrian discourses. The term NPO is more frequently used and is dominant in the academic debate on the third sector. Even though there seems to be a clear difference at the conceptual level between SEs and/or social entrepreneurs, on the one hand, and traditional NPOs, on the other hand, especially as far as the non-profit-distribution criterion is concerned, the literature analysis shows that various elements (such as the focus on income generation from market-based activities, volunteering or a prominent motivation for pursuing activities with positive social effects) can be seen as overlapping areas between NPOs, SEs and social entrepreneurs. Empirical work carried out by Lehner (2011b), for instance, suggests that traditional NPOs in Austria are covering similar fields of activity as SEs and social entrepreneurs and thus sometimes appear to be competitors.

Despite these similarities, the following factors are likely to differentiate SEs and social entrepreneurs from traditional NPOs in Austria, according to the results of our explorative literature analysis:

- a higher level of autonomy;
- a significant amount of risk taking;
- a focus on income generation for the venture and the entrepreneur himself/herself;
- a strong motivation to constantly innovate and improvise for the purpose of creating social value.

Furthermore, the SE phenomenon in Austria contrasts managerialism in traditional NPOs, i.e. the dominance of professional and also hierarchical management approaches, or philanthropist non-profit spirit (Lehner 2011b). Empirical data on the financial structure of TSOs in Vienna for instance reveals that 13% of their income comes from donation and sponsoring (Anastasiadis 2006a). In Austrian ecologically oriented WISEs, this category of resources represents only 0.3%. Additionally, SEs and social entrepreneurs in Austria are hardly ever affiliated to large, traditional NPOs (Lehner 2011b). With a view to ecologically oriented WISEs, only 4 of 61 surveyed organisations are linked to a larger TSO (Anastasiadis and Mayer 2010).
4.3.2. Dynamics

Our literature analysis about the Austrian third sector suggests differences in practice between the models of SEs and NPOs, even though the terms are often used synonymously in the literature, which results from the mentioned Austrian NPO-understanding, that intends to cover a wide range of the third sector. In contrast to larger, traditional NPOs, but also to cooperatives, SEs tend to represent the more economically and entrepreneurially oriented section of the broad field of TSOs. Nevertheless, due to restrictions in funding, in line with the recent liberal orientation of the national government in Austria, traditional NPOs have also begun to act in a more economic-oriented way; this evolution has made the boundaries between SEs and NPOs blurry. Even though many of these NPOs act in line with the SE concept, they are still categorised by researchers and experts as NPOs and tend to see themselves as NPOs as well; this is quite indicative of the lack of recognition of the term “SE” in Austria.

In some fields, the terms “social integration enterprises” (Soziale Integrationsunternehmen) and “socio-economic enterprises” (Sozialökonomische Betriebe) are used instead of that of SE. Both these types of organisation are connected with the field of work integration. They are prototypical of the social economy sector—or, in other words, of the economically oriented part of the third sector—in particular because they all act in a business field while fulfilling social aims (see section 5). In contrast, traditional NPOs in Austria still find it difficult to compete in a market-like environment as most of them were used to rely to a high degree on public funding before the era of funding restrictions. From then on, they started to launch business activities and to gain income from service fees. Typical activities in this regard include care activities, child care and care for elderly people, which are financed partly by public funding and partly by private fees. What they all seem to have in common is a strong orientation towards reaching their social goals. They are “socially committed and economically motivated” (Anastasiadis 2013b: 73 and 76).

4.3.3. Respective key characteristics and habitus of social entrepreneurs and SEs

In contrast to WSEs (which, as we have just seen, tend to originate in the social economy sector), social entrepreneurs tend to come from a for-profit tradition. Most of their initiatives are small-sized businesses (on average, they have a low double-digit number of employees), relatively young ventures, and independently owned. However, more than 50% also have a multiple ownership structure (Lehner 2011b). They have a social mission that is more prominent than CSR activities in corporate businesses, which, in the Austrian context, are to a large extent reduced to philanthropic activities (Deuerlein et al. 2003).

The following aspects are key characteristics of typical social entrepreneurs in Austria, which tend to distinguish them from SEs (such as WSEs):

- They are individual entrepreneurs and microenterprises pursuing a social goal through entrepreneurial, market-based approaches.
- These social entrepreneurs tend to come from a traditional commercial entrepreneurship background (e.g. through practice or business school education).
• Volunteer workforce makes up almost 50% of the workforce in organisations set up by social entrepreneurs; entrepreneurs and managers themselves are often volunteering in their positions (Lehner 2011b).
• Market income generation is seen as necessary and valuable and as more sustainable than public subsidies, but the primary aim for founding the organisation is a social goal (Schneider and Maier 2013).
• A great variety of activities can be observed, but social entrepreneurs are active in fields similar to those of traditional NPOs (Schneider and Maier 2013).
• The sole proprietorship (Einzelunternehmer), the limited company (GmbH) and the public benefit limited company (gemeinnützige GmbH) are the dominant legal forms among initiatives launched by social entrepreneurs.
• Some venture philanthropists and foundations provide seed and venture capital to social entrepreneurs (Lehner 2011b).

Against this background we would hypothesise that, in the Austrian context, SEs and social entrepreneurs have a different “habitus” in the Bourdieu sense: they have different business styles, values, dispositions and expectations, acquired through the activities and experiences of everyday life.

Thus, social entrepreneurs tend to be individuals—or initiatives founded by individuals—while SEs rely in most cases on a collective basis, which underlines the EMES social enterprise indicators. The habitus in SEs seems to be more participatory and democratic than what is expected in the case of social entrepreneurs.

Another difference between SEs and social entrepreneurs, which stands in line with the concept of the different habitus, turned out to be important: Whilst SEs are linked to the social economy tradition, social entrepreneurs are influenced by traditional commercial entrepreneurship traditions in their practices.

And finally, our preliminary explorative literature analysis leads to the thesis that SEs are acting in more socially-oriented fields, such as care services and work integration, fighting social exclusion. By contrast, social entrepreneurs seem to be located in more business-oriented fields, like media and design, consulting services, regional development, sustainable business and education.

4.4. Towards a typology of SE models in Austria

Continuing the discussion from section 3 on SE-related concepts within their institutional context, this section now proposes a typology of the main SE models to be found in the Austrian third sector at present (see Table 1). The categorisation that we put forward is based on the different historical trajectories and traditions of the respective organisational fields. Nevertheless, there are overlaps between the different types, inter alia in terms of legal structures.
Table 1: Typology of SE models in Austria

<table>
<thead>
<tr>
<th>SE models</th>
<th>Traditional SE models</th>
<th>New SE models</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cooperatives</td>
<td>NPOs</td>
</tr>
<tr>
<td>Examples</td>
<td>Community-led cooperatives with a focus on self-help activities and a strong member influence</td>
<td>Large cooperatives(^2) with a market orientation and reduced member and community influence</td>
</tr>
</tbody>
</table>

Source: Authors

In the sectoral debates between the social economy, the third sector and the non-profit sector, four main SE models have emerged and developed since the 19th century in Austria. The models with the longest tradition are those of cooperatives— with two major streams, namely community-led cooperatives and large cooperatives—as well as those of non-profit organisations—including the broad spectrum of self-help as well as public benefit initiatives in several fields, reaching from traditional welfare organisations to locally-based self-help associations, and public benefit (gemeinnützige) foundations.

Among “younger” SE models, we find collective SEs—such as WISEs or other income generating non-profit-maximising organisations in several action fields—and individual-driven social entrepreneurs in the form of young start-ups with an explicit social aim. Cooperatives and the collective type of SE come close to the ideal type of a SE, as they display many of the EMES indicators for SEs (Defourny and Nyssens 2012); this is not the case for the “youngest” SE model—namely the more individualistic social entrepreneurship approach. Traditional NPOs cannot be considered either as prototypical SEs on a conceptual level, given their strong dependence on public funding and their non-profit-distribution constraint (although the latter does not necessarily prevent entrepreneurial NPOs from being considered as social enterprises according to the EMES indicators).

The research on NPOs is embedded in third sector research, which has expanded in Austria since the mid-1990s. As already mentioned, the Institute for Non-Profit Management at WU Vienna was involved in the Johns Hopkins Comparative Nonprofit Sector Project. The group of researchers of this Institute is also responsible for the handbook on NPOs (Handbuch der Nonprofit-Organisationen), which has been published in 2013 in its 5th edition (Simsa et al. 2013). The focus of the research carried out is set on traditions and origins, structures and management approaches within the NPO sector. In the 2000s, additional studies were carried

\(^2\) Including public benefit (gemeinnützige) cooperatives, which only exist in the social housing sector.
out focusing on the term "third sector", with the intention to make the variety and different traditions of TSOs in Austria visible (Anastasiadis et al. 2003).

Within the field of business and economics, cooperative studies have a long tradition as a distinct research tradition in Austria, going back to the year 1912 at WU Vienna (Rößl 2013). Presently, the field of cooperatives in Austria is studied from the point of view of a variety of disciplines, including the management of cooperatives in traditional sectors (e.g. Rößl 2002; Roessl and Hatak 2014), such as in credit cooperatives; legal issues on cooperatives (Miribung and Reiner 2013); or the social and regional embeddedness of cooperative organisations, such as the phenomenon of community cooperatives (Lang and Roessl 2011a; 2011b). As mentioned earlier in section 4.2.2, not all cooperative enterprise sectors in Austria can be considered as SE-related (according to the EMES approach), due to their rather strict member orientation or to the primacy of corporate principles and economic goals in their organisation. One of the Austrian cooperative sectors clearly displaying the characteristics of SEs such as they are envisaged in the EMES approach—pursuit of a social goal, limited-profit character, hybrid governance, explicit social orientation (Gemeinnützigkeit)—is that of housing cooperatives (Lang and Novy 2014), which will be covered in more detail in section 5.2.

The collective perspective on SE is mainly studied by scholars from the fields of social economy, social work, social politics, sociology, and social pedagogy. The following topics (and the respective authors linked hereto) can be considered as belonging to this "research cluster": characteristics and effects of work integration social enterprises (WISEs or ECO-WSEs) (Anastasiadis and Mayr 2010; Anastasiadis 2013a, 2013b; Gruber 2006; Mayr 2012); social services and social return on investment (SROI) (Loidl-Keil 2008); evaluation of socio-economic enterprises (Lechner et al. 2000); and SEs in childcare (Leichsenring 2001). As mentioned earlier, these SEs are positioned in the social economy tradition. They emerged in the 1980s, in line with the welfare pluralism that prevailed then in Austria; in the beginning, they focused mostly on work integration (WISEs) (Anastasiadis and Mayr 2010; Anastasiadis 2013a, 2013b; Gruber 2006; Mayr 2012; BDV 2008). The main characteristics of this SE model will be outlined in detail in section 5.1.

The individualist perspective in research on the SE phenomenon in Austria is covered by researchers from the Institute for Non-Profit Management at WU Vienna (e.g. Mair et al. 2010; Millner et al. 2013; Schneider and Maier 2013). Another author who can be considered to belong to this research cluster is Lehner (2011b). This individualist perspective mainly draws on business and management studies and in particular, on entrepreneurship and non-profit management concepts. The study focus is on the social entrepreneur rather than on the SE as an organisation. Topics covered by these authors include characteristics of social entrepreneurs in Austria, including the personality of the entrepreneurs and support structures for them (Lehner 2011a, 2011b; Schneider and Maier 2013), or the interrelation of social entrepreneurship and social innovation (Millner et al. 2013).

In conclusion, this typology represents a first delineation of the different and often interlaced discourses on social enterprises in Austria and their development since the 19th century, which is not empirically proven. It should thus not be seen as a completed typology of SE, but rather as a trigger for further discussions on national SE models. It could also serve as a model to generate more accurate data in the future, which would support the visibility of Austrian SEs in the international context.
5. INSTITUTIONALISATION AND PERFORMANCE OF SE MODELS IN AUSTRIA

In this section we will explore in more detail the institutionalisation process and the performance of SEs in two major fields of activities of Austrian SEs. Section 5.1 will focus on ecologically-oriented work integration social enterprises (ECO-WISEs), while section 5.2 will focus on SE in housing. These SE fields have been selected because of the truly hybrid nature of the organisations that make them up, which involve the community, the market and the state (Moreau and Pittini 2012; Vickers 2013; Johanisová and Franková 2013), and thus come close to the ideal-typical definition of the collective social enterprise type (Defourny and Nyssens 2012). The selected fields—especially the housing field—also consist of different types and examples of organisations outlined in Table 1. This offers fruitful insights into a better understanding of the phenomenon of SE in Austria by going beyond the traditional NPOs and the new social entrepreneurs.

5.1. ECO-WISEs

Specific types of social enterprises have emerged in the field of work integration in Europe. These so-called “work-integration social enterprises” (WISEs) were identified by the EMES Network’s researchers as aiming “to help poorly qualified unemployed people who are at risk of permanent exclusion from the labour market. These enterprises integrate them back into work and society in general through productive activity” (EMES 2004: 1). Among WISEs, a special sub-group has an environmental focus and is referred to as “ecologically-oriented work integration social enterprises”, or ECO-WISEs. The first ECO-WISEs appeared in Europe during the 1980s. Their development can be seen as a reaction to the demands of the labour market policies of that period and the nascent environmental movement. The core goal of ECO-WISEs was, and still is, to improve the inclusion of marginalised persons (e.g. the long-term unemployed or the disabled) into society by providing jobs in businesses that are either ecologically focused or that sell their services and produce goods in an ecologically sustainable way. In addition, these organisations launch and develop new markets in a typical socio-economic way (e.g. trash design, or up-cycling, which has emerged as an important business field in the last decade).

Over the last few years, ECO-WISEs have been discovered as a strategic reserve for strengthening the environmental, social and economic pillars of society. These organisations exhibit best practices in accomplishing general objectives set by the European Commission (EC), as well as, more specifically, in combining social, economic and ecological approaches consistent with the concept of sustainable development (SEC 2005). However, ECO-WISEs have only received marginal attention so far and therefore their potential and abilities to meet the required balance between social, economic and ecological goals have largely remained unnoticed.

A research project analysing ECO-WISEs in Austria was carried out between 2008 and 2010. The main objective of the research was to make visible the contribution of ECO-WISEs to

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3 This section is based on former publications, especially on Anastasiadis (2013a and b).
4 The project “ECO-WISE” was conducted from 2008 to 2010 at the University of Graz by the author Maria Anastasiadis, with relevant contribution by Andrea Mayr. The results were published in the research report: “ECO-WISE: Bestandsaufnahme von Organisationen, in Österreich, die sozial, ökonomisch und ökologisch nachhaltig handeln”, available at: http://www.maria-anastasiadis.com/images/Forschungsdafs/Forschungsbericht_ECOWISE_Austria.pdf.
sustainable development. In approaching this largely untapped field, the project began with a detailed review of the theoretical and empirical literature on this topic. In order to gain a deeper insight into the ECO-WSE phenomenon in Austria, interviews were conducted with a pool of experts consisting of researchers, political decision-makers and practitioners in this field; they aimed to identify the main characteristics of these organisations within the socio-economic context of Austria and to come to a heuristic definition. More specifically, in the first phase of research, the interviewees were seven CEOs from ECO-WSEs, four researchers in the fields of social science, political science and environmental science, two experts from umbrella organisations and two representatives of public funding authorities. This phase included research into the following aspects of ECO-WSE:

- Development of ECO-WSEs in Austria;
- Goals of ECO-WSEs;
- Fields of activity;
- Organisational format and specific regulations;
- Role in the context of sustainable development;
- Perspectives on the future of ECO-WSEs.

The second phase consisted of an in-depth, Austria-wide survey intending to quantitatively map the landscape of ECO-WSEs in Austria. In order to achieve this goal, a database had to be generated. The contact data of 420 WISEs were first collected; most data came from the regional offices of the Labour Market Service (Arbeitsmarktservice, or AMS), which also turned out to be the main funding partners of these organisations in Austria (Anastasiadis and Mayr 2010). The organisations were then asked, through a small questionnaire, if they defined themselves as ECO-WSEs according to the set of criteria presented in the next section (5.1.1) of this paper. Fifty percent of the 420 organisations responded, and among those 210 organisations, 151 turned out to be ECO-WSEs. A detailed questionnaire was then prepared with the aim to capture the social, economic and ecological performance of ECO-WSEs in Austria. The questions were divided into four sections:

- Organisational aspects: founding year; reasons for their existence; positioning in the triangle between the market, state and community; service delivery; cooperation structure; network activities; details concerning ownership.
- Goals consistent with sustainable development: definition of social, economic and ecological activities; priority of goals.
- Economic aspects: annual budget (2007); financial structure or composition of funding; current and expected future budget development.
- Human resources aspects: human resources structure in general; share of transitional and permanent staff; additional attributes of the staff (age, level of qualification, etc.); current and expected future development of human resources; employee participation; wages and other reward opportunities.

This questionnaire was sent to the 151 ECO-WSEs identified in the database. Of these, 61 organisations (40%) answered and took part in the detailed survey.

In the following, an insight will be given into the conceptual framing of these organisations, their institutionalisation process in Austria and their performance in terms of economic, ecological, social and participatory factors.
5.1.1. Conceptual framing

ECO-WSEs are typical TSOs focussing on work integration while also being ecologically sustainable. The concepts of social enterprises and sustainable development, both of which have reached a certain stage of maturity, form the basis for developing the conceptual framing of ECO-WSEs. In the present section, the main criteria of these two concepts are reviewed and complemented by additional criteria in order to characterise ECO-WSEs in detail.

Researchers from the EMES network have dedicated their research activities to in-depth analyses of social enterprises throughout Europe. Borzaga and Defourny (2001) established a set of indicators defining an ideal-typical social enterprise, which formed the basis for the research project on ECO-WSEs in Austria. These authors distinguished between criteria that were more economic and indicators that were predominantly social. In 2012, a new classification of these indicators was put forward (Defourny and Nyssens 2012); the nine indicators did not change, but they were reorganised into three groups: economic indicators, social indicators, and governance-related indicators (see table 2).

Table 2: The EMES ideal-type of social enterprise

<table>
<thead>
<tr>
<th>Indicators of the economic and entrepreneurial dimension</th>
<th>Indicators of the social dimension</th>
<th>Indicators of the participatory governance dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>A continuous activity producing goods and/or selling services</td>
<td>An initiative launched by a group of citizens or a third sector organisation</td>
<td>A high degree of autonomy</td>
</tr>
<tr>
<td>A significant level of economic risk</td>
<td>An explicit aim to benefit the community</td>
<td>A decision-making power not based on capital ownership</td>
</tr>
<tr>
<td>A minimum amount of paid work</td>
<td>Limited profit distribution reflecting the primacy of the social aim</td>
<td>A participatory nature, which involves various parties affected by the activity</td>
</tr>
</tbody>
</table>

Source: Adapted from Defourny and Nyssens (2012: 77).

In a nutshell, social enterprises represent an economic project with a social mission and a participatory governance strategy. ECO-WSEs in Austria display the social, economic and governance-related dimensions of social enterprises such as they are outlined in the EMES approach, and they pursue a specific social mission of work integration. Additionally, ECO-WSEs are also characterised by an environmental dimension. According to interviews with various experts working inside and outside the field of ECO-WSEs in Austria, this environmental dimension expresses through two major indicators:

- **ECO-WSEs produce goods and/or sell their services in ecological business fields:** typically, ECO-WSEs’ business activities cluster around certain ecological business fields, many of which are little or not “know-how-intensive”. The list of activities presented in figure 1 is based on the first qualitative research phase. It is not a complete list, but rather a collection of fields mentioned by the interviewed experts, as well as additional fields that were identified while generating the database for the quantitative survey carried out in the second research phase. Reuse activities—such as recycling, dismantling, restoring and repairing things that are broken or already declared waste (textiles, electric and electronic devices, metal, furniture, bicycles, etc.)—represent the traditional core field of activity of Austrian ECO-WSEs. The reuse field also includes waste management, which encompasses the public waste
management system, and pick-up services for broken goods or items as well as clearance services. Trash design and reuse shops have also more recently emerged in this field. House and household-related services constitute another important area that is often linked to activities in the reuse field (e.g. renovation, various handicrafts like tailoring) and nature field (e.g. gardening). The fields of food and consultancy focusing on environmental concerns turned out to be quite young, with good prospects for developing new and innovative activities, like organic farming, urban gardening, etc.

- **ECO-WSEs produce goods and sell their services in an ecologically sustainable way:** while the first indicator focuses on what is produced or sold, the second one concentrates on how things are produced or how services are provided, e.g. using ecologically valuable material, efficiently using several materials, conserving energy and water, reducing emissions, reducing sources of waste, adopting adequate waste disposal methods, promoting renewable energy sources, using raw materials and inputs and reducing noise.

**Figure 1: Business fields of ECO-WSEs**

![Business fields of ECO-WSEs](image)

*Source: Based on the list in Anastasiadis and Mayr (2010)*

Adding this two-part heuristic set of ecological indicators to the EMES set of indicators for social enterprises, ECO-WSEs can be defined as enterprises that a) are non-profit-maximising and have an explicit aim to benefit the community; b) help to re-integrate the long-term unemployed into work and society through productive activity; c) have a participatory governance strategy; and d) have dedicated their portfolio to an ecological field of activity and/or are selling services and/or producing goods in an ecologically sustainable way. All in all, they act in a sustainable way or encourage others to act sustainably, which falls in line with the strategy of sustainable development.

Sustainable development is defined, according to the Brundtland Commission, as “development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs” (WCED 1987). This strategy stems from a reaction to the aftermath of global capitalistic behaviours. The definition implies an inter-and intra-generational equalisation that should not be reduced to merely the ecological factor, as often perceived; in order to realise sustainable development, it is imperative to focus on all three dimensions equally. These can be briefly summarised as: the social dimension, which goes hand in hand with equal participation in society; the economic dimension, which means
to generally balance economic dissimilarities between people and regions; and the ecological
dimension, which can be described as conserving nature (WCED 1987).

The goals of ECO-WSEs clearly meet these three dimensions:

- The social goal is to improve the inclusion of poorly qualified people or persons with
  special needs and other social problems into society by providing temporary jobs with
  on-the-job training and social support. These jobs are partly funded by public
  authorities, especially by the Labour Market Service. After approximately one year, the
  trained persons should gain ground in the mainstream labour market.
- The economic goal is to strengthen the regional economy by providing job
  opportunities as well as specific services and goods that are regionally needed on a
  typical socio-economic basis.
- The ecological goal is to be active in an ecological field of activity and/or to sell
  services and/or produce goods in an ecologically sustainable way. They are, for
  example, extending the life of certain goods and thus enhancing environmental
  awareness.

ECO-WSEs can be seen as a good example of best practices in turning the global sustainable
development strategy into local action. In order to give this heuristic and theoretically based
conceptual framing a face, the following sections examine the institutionalisation process of
ECO-WSEs in the socio-economic context of Austria and their performance as typical
sustainable social enterprises.

5.1.2. Institutionalisation of ECO-WSEs in Austria

ECO-WSEs emerged in Austria in the 1980s and had a dynamic evolution that went hand in
hand with the dynamics in other sectors—the private market sector, the public sector and the
informal community sector. On the basis of experts’ interviews, three developmental phases of
ECO-WSEs were identified, as shown in table 3.

<table>
<thead>
<tr>
<th>Table 3: Phases of ECO-WSE development in Austria</th>
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<tbody>
<tr>
<td><strong>Phase</strong></td>
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<tr>
<td>Labour market policy</td>
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<tr>
<td>Funding directives</td>
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<tr>
<td>Environmental policy</td>
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</tbody>
</table>

Source: Based on Anastasiadis and Mayr (2010: 27).
Development of ECO-WISEs in the 1980s

The emergence of ECO-WISEs in the 1980s went hand in hand with the creation of the so-called “active labour market policy”. This occurred as unemployment in Austria started to rise slightly. The three main pillars of this policy are: a) job qualification, b) consulting services; and c) integration through employment. These three pillars, in particular the last one, led to the creation of the so-called “second labour market”, which provided subsidised transitional employment, especially for the long-term unemployed. An expert describes this period as “a self-acting and self-organised era, when a lot of experiments were carried out” (Interview 2:36). Such experiments became necessary in light of growing unemployment. The Austrian welfare system, which is a typical Keynesian one, was unable to tackle the new problems through classical transfer payments, such as early retirement, unemployment pay, etc.; the situation required measures to enhance the re-integration process of the unemployed. This was the source of a congenial partnership between policy makers and private social initiatives.

“Aktion 8000”, a programme that aimed to create 8,000 new jobs in a wide range of fields within the third sector, framed the founding of several new social enterprises in various areas, e.g. mobile social services, alternative childcare initiatives, recycling projects, soft tourism projects, regional development projects, cultural activities, etc. (Zauner 2004). Each organisation had the mission to create jobs in regional fields, to offer on-the-job training opportunities and to continuously increase the share of its income generated by the sale of goods and/or services in order to achieve a certain level of independence from public start-up financing. The “Aktion 8000” programme offered an opportunity for many regional initiatives to become important partners in social change, which is typical for the welfare-pluralism phase, as already outlined in section 3.1, and as emphasised by Evers and Olk (1996). A lot of WISEs were created in cooperation between TSOs and the state to complement state welfare provision during this time. The establishment of a good network culture can be seen as a driver for their development (see also 3.2.6) as WISEs could present their ideas directly to the Ministry of Social Affairs. The Ministry also created several expert-led work groups throughout various branches, including a work group for environment and employment, which was the main contact point for all the ECO-WISEs that emerged in this period. In addition, several regional centres for labour market consultancy were established, with the main task of identifying potential project ideas and helping the involved groups to realise them. We can summarise this as a classic top-down structure of policy-making with a strong grassroots-orientated focus. The result was a respectful and innovative climate, where many ECO-WISEs had their starting point, as experts highlighted.

The legal organisational form of WISEs and ECO-WISEs at that time was usually that of not-for-profit associations. In cooperation with the Labour Market Administration (Arbeitsmarktverwaltung, or AMV), which funded the activities, specific regulatory guidelines—the so-called “funding directive for WISEs” (SÖB-Richtlinie)—were defined. The directive notes that a funding contract is only valid for a one-year period. The contract should also specify the number of people to be “transferred” from the second to the mainstream labour market. Success is measured with regard to this benchmark after the one-year funding period (AMS 2008). The directive also indicates that the profits generated by the organisation through its activities must represent at least 20% of its total annual revenue. The remaining 80% should be covered by Labour Market Administration funding (two thirds of the remaining 80%) and the provincial government and local authorities (one third). The directive further states that if the organisation makes a profit that represents more than 20% of its total revenue, the “excess” profit will be subtracted from the funding provided by the Labour Market Administration (two thirds of the remaining 80%).

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Administration (ibid). Moreover, as one expert indicated, the directive says that WISEs are not allowed to act in fields where the market economy is operating (Interview 8:51). Indeed, WISEs are regarded by commercial enterprises as having a competitive advantage due to their funding; in order to avoid business competition, the activities of WISEs are thus restricted, and they have to act in economic niches. Another expert highlighted the fact that the criteria defined in the directive—in particular the criterion about the “excess” profit that we have just mentioned and the criterion restricting the possible fields of activities—are a huge handicap for social enterprises to act economically and autonomously (Interview 6:105-110). This stands in line with the barriers identified in section 3.2.3: even though they have to generate some resources of their own, WISEs are compelled to rely on regulated funding schemes, which has an impact on the development of their entrepreneurial spirit.

Occurring simultaneously with the emergence of ECO-WISEs, the environmental movement—as a different thread of the “New Social Movement”—also had its starting point in the 1980s. In Austria, it was the time when alternative citizen groups dedicated themselves to saving the environment; NGOs emerged and initiated protests against nuclear power and for the preservation of wildlife and the maintenance of protected natural areas. This was also when the “Green Party” was founded in Austria. Within this context, the topic of waste management arose and became an area where ECO-WISEs created their niche. For-profit enterprises had not yet discovered the profitability of the field of waste management. This meant that ECO-WISEs avoided direct business competition with the private market sector, as stipulated in the funding directive. Needless to say, this opportunity made the field of waste management the traditional action field of ECO-WISEs (Interview 8:51).

Growth of ECO-WISEs in the 1990s

In the 1990s, the growth of ECO-WISEs complemented the demands of labour market policy. Indeed, WISEs, and especially ECO-WISEs, were seen as successful partners in the re-integration process of long-term jobseekers. An expert characterised this period as “years where this sector has experienced a comparatively strong growth” (Interview 2:36). The demand for such initiatives grew as the number of unemployed persons increased. A long-term overview shows that the share of unemployed persons was very low in the beginning of the 1980s (1.9% of the active population); this period marked the beginning of a steady and constant rise of unemployment, which peaked in the mid-1990s (7%). This was a direct result of the global economic market change: many companies reduced their workforce in order to improve their efficiency and/or started to move operations to countries where the production process was less expensive (Sennett 2005). Therefore, more public money in this decade was spent on improving placement options. This indicates that, as already outlined in section 3.2.5, the problem of social exclusion can be seen as a driver for social enterprise development in Austria.

Concerning funding, it is necessary to mention that Austria joined the European Union in 1995. This provided new, longer-term funding opportunities for WISEs, and especially for ECO-WISEs, which were mostly co-financed by the Austrian Labour Market Service (AMS) and the European Social Fund (ESF). This also led to the implementation of the notion of “social enterprise” in Austria. Another change was the restructuring of the Austrian labour market authority system, which led to the regional offices of the centralised Labour Market Administration (AMV) becoming more autonomous; it was no longer the Ministry alone that formulated goals and developed strategies and instruments. Regional and local agencies

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5 The presented data are based on the national definition of unemployment.
gained more decision-making power on how they were to meet the goals that were still set by a directive of the Ministry and now also by the European Union. The Labour Market Administration was also renamed; the entire system is now called the Labour Market Service (AMS). This restructuring and renaming met the strategic goals of the European Union to improve the regions. Initiatives by the EU, like the Territorial Employment Pacts (TEP), underline that regional development strategy. The expectation was that experts in the regional offices of the Labour Market Services would know more about the needs within each region served and would therefore be able to create and formulate measurable benchmarks for private initiatives in order to react in a better and more timely manner. The former “top-down” approach thus gave way to a “bottom-up” one (Zauner 2004).

In the meantime, environmental awareness in society also grew. The Rio Declaration on Environment and Development (1992) and the Agenda 21 programme, for example, are revealing examples of the upcoming role of topics related to ecological sustainability. As a result, the private market sector discovered environmental fields as future business opportunities; it became increasingly attractive for the private sector to enter not only technological branches, like environmental engineering, but also branches such as recycling and waste management. These areas grew under the banner of “Green Jobs”. Environmental fields gaining the attention of the private sector can be seen as a reason why ECO-WISEs needed new niches; they discovered new economic fields. Experts underline that recycling and waste management remained important for ECO-WISEs, but with time, new opportunities also emerged, such as organic farming, restaurants using more organic products, cleaning services, gardening services, rental services, repairing services, etc.

**Downsizing and rekindling of ECO-WISEs in the 2000s**

With the end of the 1990s came tough times for ECO-WISEs. An interviewed expert described ECO-WISEs as “a dying breed. We are on the so-called red list. That’s obvious” (Interview 6:46). Experts say that during the 2000s, funding from the Labour Market Services (AMS) became more restricted, while pressure to re-integrate more people into the regular, “first labour market” grew. This occurred in a context of continuous fragile employment (the unemployment rate still ranged around 7%) and crisis of the welfare state. Experts consider that the change in labour market policy—which focused more on a major qualification strategy—was one of the reasons for restricting the funding of WISEs. Qualification is, as already mentioned, another relevant pillar of the “active labour market policy”. The Austrian government decided, in unison with the European Action Plan, to include more jobseekers into qualification programmes. The goals of this “qualification offensive” (in addition to qualification, which is without a doubt an important aspect) were both social and political. The social objective was to keep jobseekers active in the system; during a course, they have for example a regulated daily routine. The political goal was, as experts say, to “clean the statistics”; indeed, individuals who are registered in courses are not counted up as jobless. Moreover, more people can be supported through qualification programmes than, for example, in WISEs, a key aspect being that courses are cheaper than long-term work integration processes (Interview 13:47).

Another reason why ECO-WISEs are viewed as a “dying breed” can be found at the roots of policy making. The aim of the restructuring of the labour market authority system in the 1990s was to give regional services more decision-making power, but, in reality, this approach, which was meant to be a “bottom-up” approach, actually appeared to be more “top-down” than the former centralised system. As an expert stated, “the regional Labour Market Service centres are highly interested in regional initiatives to solve regional problems, and they are
focused on gaining know-how and resources, but it seems that the regional service centres are currently not really and truly integrated in the decision-making process. The decision comes more or less, once again, directly from above. The goals are defined by the national government, by the Ministry, which is strongly politically influenced” (Interview 3:75).

According to experts, during the 1980s, social innovations could flourish. Resources were made available, fostering motivation and innovative ideas. Today, the labour market policy defines its goals in accordance with the European Action Plan and adjusts its budget accordingly. The task of the regional service centres is to achieve those objectives, which are measured with strict indicators. This leaves little room for creative innovations (Zauner 2004). This indicates the return of a state-driven welfare provision (typical of the traditional Austrian welfare state structure and culture), which determines social enterprise development (see also section 3.2.1). Overall, it seems that a more neo-liberal approach, with less participation opportunities, arose when the welfare-market concept, originated in the UK, reached Austria in the 2000s. Downsizing the welfare state via privatisation became a key factor. As a result, TSOs in general and ECO-WSEs in particular have since been confronted with new circumstances, to be in terms of contracting, competition or controlling. The space for participation and innovation took on a different character. Since the shift from “welfare pluralism” to “welfare market”, many social enterprises have been reduced to a role of service providers (see chapter 3.1).

Continually facing these circumstances, ECO-WSEs tried to become more independent from the influence of the Labour Market Service. New deals with the local government, along with a new additional funding directive in Austria, gave them a chance to do so. The new funding directive, the so-called “funding directive for public benefit limited employment projects or companies” (GBP Richtlinie) fosters ECO-WSEs to broaden their resource mix, as at least one third of their expenses has to be made available by different public bodies in form of subsidies or service contracts as well as from earnings through selling products and services on the private market. In line with this new directive, projects were created in partnership with the local government, which also bears testimony to the supportive network culture in Austria. Local municipalities are often involved as stakeholders when public benefit limited liability companies (Ltd.) are founded. This new organisational format allows ECO-WSEs to act economically and more autonomously from the Labour Market Service than under the funding directive for WSEs (SÖB Richtlinie). The local government has become a relevant partner, which is important for developing regional structures in general as well as for preparing new alliances with regional business partners. This joint activity became more important in the middle of the 2010s. Additionally, cooperation between ECO-WSEs and environmental policy have recently been on the rise. This development clearly shows that social enterprises are flexible in generating resources from different sources, unlike traditional NPOs, as outlined in section 3.2.2.

On the other hand, the evolution also meant that ECO-WSEs had to face a greater economic risk, which made following a more private sector business model necessary. Work culture changed, from a grassroots-type business approach to a structured environment with hierarchies, defined roles and a focus on improving efficiency through business administration tools. Many ECO-WSEs also intend to change their image, as their services are often perceived as being of low quality, which is mainly due to their working with less skilled workers. As an expert noted: “Yes, we have social goals, but when we face customer demands, we are a serious and competitive service provider. We do not say that we come a little later or that our work is of lesser quality because we have this social goal, and please pay us regardless thereof, no—we would never appear like that” (Interview 5:18-19).
Another aspect of this evolution towards greater professionalism is, as some experts stated (e.g. Interview 5:39), based on the necessity for ECO-VMSEs to get out of niches. Niches are important for developing services and a portfolio, but once developed and ready for a broader range of customers, ECO-VMSEs should face the challenge of private market competition, breaking away from niches. However, competition could also go along with cooperation and innovation; the questions today seem to be to what extent ECO-VMSEs can be “social entrepreneurial” and how they can improve cooperation with the private sector and different policy areas in the public. These topics are sensitive issues that are debated in the contemporary scene.

This brief description of the institutionalisation process of ECO-VMSEs in Austria shows clearly the shift from welfare-state to welfare-pluralism and to the welfare-market, as outlined in section 3 of this paper. It also provides empirical evidence for the conceptual framing such as it will be discussed in the concluding section about ECO-VMSEs (section 5.1.4).

5.1.3. Performance of ECO-WISEs in Austria

The results presented here are organised on the basis of the set of criteria defining the ideal-typical model of ECO-VME such as we have outlined it above (see section 5.1.1). Even though the classification of the data as economic, social, ecological and governance-linked factors is sometimes ambiguous, the model provides a sufficient matrix to confirm the role of ECO-VMSEs as actors of sustainable development.

Socially committed enterprises

Regarding the social dimension, a major characteristic of social enterprises in general and of ECO-VMSEs in particular is the fact that they are initiatives often launched by a group of citizens or a third sector organisation (Defourny and Nyssens 2012). Evidence for this can be found in the answers given by the 61 surveyed ECO-VMSEs regarding the reasons for their existence. According to the results, a significant share of the 61 surveyed organisations (37%; n= 22) were established by a group of citizens due to needs they identified in the community, in order to address a market and state failure. Another third of the respondents (29%; n= 17) indicated that the reason for their existence was linked to community and public authority requirements. In these cases, the initiatives were set up in cooperation with public authorities. These results mirror the answers given by the experts interviewed prior to the survey when asked to explain the evolution and institutionalisation process of ECO-VMSEs in Austria.

The results could also be interpreted as an indicator of ECO-VMSEs pursuing an explicit aim to benefit the community, which is another major characteristic of social enterprises in general (Defourny and Nyssens 2012). This appears even more clearly in the answers relating to how ECO-VMSEs classify their services. Among the surveyed organisations, 19.7% (n= 12) regard themselves as service pioneers, providing services that are not offered by other sectors and therefore bridging a “gap” in services needed by specific target groups. Eighteen percent (n= 11) regard themselves as being “additional” service providers, i.e. they consider that their services are also provided by other sectors, but not in the same way, socially and economically speaking. More than half of the surveyed organisations (55.7%; n= 34) see themselves as both

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6 Only four ECO-VMSEs (6.8%) were established as politically motivated initiatives; 13 (22%) had other reasons; and three chose not to answer this question.
additional service providers and service pioneers. All in all, the results highlight the position of ECO-WSEs in the triangle between the private market sector, the public sector and the informal community sector. It clearly appears that ECO-WSEs develop and deliver important services for society in their typical socio-economic way, which highlights their capacity for social innovation.

As already outlined, the main social goal of ECO-WSEs is the re-integration into society of poorly qualified people or persons with special needs and other social problems; they do so by providing these persons with temporary jobs, on-the-job training and social support. The importance of work integration becomes obvious when analysing the human resource structure of the surveyed organisations. More than 3,000 workers were employed in the 61 surveyed ECO-WSEs in 2007. Two-thirds (64%; n=1,960) of the staff consisted of “transitional employees”, for whom the organisation received public funding and who should ultimately be integrated into the mainstream labour market. The second largest group (20.5%; n= 631) consisted of skilled social workers and manufacturers who were responsible for on-the-job training and the integration process. Only 8.3% of workers (n= 254) were employed at executive level—some of them paid (n= 172) and some of them working on a voluntary basis (n= 82). Other volunteers (3.6%; n= 112) as well as civil servants (0.6%; n= 18) and paid trainees (3.4%; n= 106) only played a marginal role in the surveyed organisations (see figure 2).

A detailed analysis of the “transitional employees” shows that almost two-thirds (73%; n=1,269) only had compulsory schooling-level certificate (Pflichtschulabschluss); 22% (n= 379) had completed a secondary-level schooling with vocational training (Mittlerer Abschluss mit Berufsausbildung). Only 3% (n= 51) had a high school-level diploma and 2% (n= 33) a university degree. These data indicate that ECO-WSEs clearly focus on offering qualification and training opportunities for low qualified persons.

The organisations were also asked about their main social, economic and ecological interests. Drawing on the experts’ interviews, we prepared possible answers and integrated them into the questionnaire, asking the organisations to highlight the five most important ones. Regarding the social goals, the most frequently chosen answers were “the integration of long-term jobless persons into the mainstream labour market” (n=54) and “qualifying them in order to foster the integration process” (n=54). The third and fourth most frequently chosen answers were respectively “helping the target group cope with everyday life challenges” (n=51) and “supporting them in changing their lives for the better” (n=45). The high degree of attention paid by ECO-WSEs to their target group clearly shows through these answers.

Another indicator of the social dimension, which is defined as “limited profit distribution, reflecting the primacy of the social aim” (Defourny and Nyssens 2012), was the basis of a question that sought to shed light on how the organisations use their revenue, if there is any. All the surveyed organisations that answered this question (n= 53) said they invested any surplus or would invest it in the pursuit of the objective of the enterprise. None of the organisations distributed the revenue to its members, to owners or to CEOs, which clearly reflects the primacy of the social goal for ECO-WSEs.

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7 Of these, three (5%) chose not to answer this question and only one (1.6%) answered with neither/nor.
Economically motivated enterprises

The economic goal of ECO-WMSEs can be defined as strengthening the regional economy by providing, in their typical socio-economic way, specific services and goods that are needed. The entrepreneurial dimension is characterised by EMES researchers as involving a significant level of economic risk, a minimum amount of paid work and a continuous production of goods or services (Defourny and Nyssens 2012).

The existence of a minimum amount of paid work within ECO-WMSEs is self-evident when considering the main goal of these organisations: work integration. Moreover, ECO-WMSEs are acting in ecological businesses, where they are continuously producing goods or providing services; their fields of activity will be specified in the next section, which concentrates on the ecological dimension. The focus here is set on the third indicator, which concerns the existence of a significant level of economic risk.

Regarding the financial situation of ECO-WMSEs in 2007, the total annual budget of the 61 surveyed organisations added up to € 53,798,373. However, budgets varied greatly from one organisation to the other: the lowest annual budget in our sample was € 110,000, while the highest reached € 4,600,000. The results show that the average resource mix of ECO-WMSEs is almost divided in thirds: sales to private customers represented 34.96% of ECO-WMSEs’ total income, sales to public customers amounted to 34.97% and funding from public authorities (subsidies) accounted for 29.38%. Donations (0.4%) and membership fees (0.3%) did not seem very important for ECO-WMSEs in Austria (see figure 3). The resource mix, which is typical for third sector organisations in general, is thus also an important characteristic of
ECO-WSEs. The importance of public authorities in this financial mix is beyond dispute, but
the relatively high level of sales, be they to public or private customers, indicates that ECO-
WSEs do face an economic risk.

This is confirmed by the fact that, when asked about their economic goal, the answer most
frequently cited by the surveyed enterprises was “survival” (n= 50); only seven organisations
cited the “expansion of the organisation”. Other frequently chosen answers were, respectively,
“to increase the income from sales” (n= 40) and “to widen the customer base” (n= 36). Both
these answers indicate the importance of becoming more independent from public authority
funding. The “use of management instruments” (n= 38) and the “ambition to react to needs in
the region” (n= 38) signal that professionalism is an important topic for ECO-WSEs, and so is
the creation of services and products needed in the region.

Figure 3: Financing structure of ECO-WSEs (n= 61)

![Financing structure of ECO-WSEs](image)

Source: Based on the data collected during the ECO-WSE project.

The tendency to become more autonomous from funding from the Labour Market Service is a
result of funding restrictions during the last decade. This turned out to have an important
impact on the development process of ECO-WSEs, as outlined in section 5.1.2. In order to
compensate for the loss of resources they incurred, ECO-WSEs tried to become more market-
oriented in raising their income. New deals with the local government, along with a new
additional funding directive, offered new opportunities for these organisations; however,
several organisations still acted under the classic funding directive for WSEs (SÖB Richtlinie)
(n= 17; 28%). Of the surveyed ECO-WSEs, 29.5% (n= 18) worked under the new funding
scheme. In line with this new directive, projects are created in partnership with the local
government. Therefore, in some cases, public benefit limited liability companies (Ltd.) are
founded with local municipalities as a stakeholder. This was the case of 16.4% (n= 10) of the surveyed ECO-VMSEs.8

The new organisational format allows ECO-WSEs to have business activities and to act more autonomously from the Labour Market Service. The collected data reveal that change is underway: as shown in figure 3, the sale of services and products on the private market represented on average one third of the income of the surveyed ECO-VMSEs, which is more than the 20% requested in the funding directive for VMSEs.

Enterprises with a participatory character

The evidence generated by the collected data shows that ECO-WSEs meet all three indicators of participatory governance—namely a high degree of autonomy, a decision-making power not based on capital ownership, and involvement of various parties affected by the activity (Defourny and Nyssens 2012). The high degree of autonomy of ECO-WSEs and the fact that, in these organisations, the decision-making power is not based on capital ownership are reflected in their legal format and ownership structure.

In Austria, there is no specific legislative framework for social enterprises in general, but there are several types of organisational forms that social enterprises can adopt. Two thirds of the 61 surveyed organisations (64%; n= 39) were legally registered as associations, which is a typical legal form for democratic decision-making initiatives mostly established in a bottom-up tradition. About one third (33%; n= 20) were registered as public benefit limited liability companies (Ltd.), with local municipalities often holding a stake. The remaining two organisations (3%) had the legal form of “religious bodies” (see figure 4).

The organisations were also asked about their ownership structure. The results show that the landscape of ECO-WMSEs in Austria is quite complex; 31 organisations (49.2%), among the 61 ECO-WMSEs surveyed, were self-contained parent companies, while 21 (33.3%) were subsidiaries and 11 (17.5%) were projects of subsidiaries.9 A more detailed analysis of the data reveals the presence of some traditional NPOs among the parent companies, which indicates that some traditional NPOs have developed social enterprise branches, as is typical for NPO development, as outlined in section 4.3.2.

The participatory nature of ECO-WMSEs becomes obvious when analysing their stakeholder structure, which shows that they co-operate with various parties affected by their activity. Due to their intermediate position between market, state and community, the stakeholder structure of ECO-WMSEs is very complex. In general, stakeholders are defined as “groups or individuals who can affect or are affected by the accomplishment of organisational purpose” (Freeman 1984: vi). Market (or primary) stakeholders—usually internal stakeholders—are those who engage in economic transactions with the enterprise (e.g. stockholders, customers, suppliers, creditors and employees). Non-market (or secondary) stakeholders—usually external stakeholders—are those who, although they do not engage in direct economic exchange with the enterprise, are affected by or can affect its actions (e.g. the general public, communities, activist groups, business support groups, and the media).

8 Four ECO-WMSEs in our sample (6.5%) operated under the funding directive for sheltered workshops, and 11 ECO-WMSEs (about 18%) operated under another funding directive, e.g. the directives for inclusive companies, training workshops, low threshold employment projects and qualification schemes.

9 Three organisations chose multiple answers.
In the case of ECO-WSEs, the following internal stakeholders could be identified:

- **Employees of different levels:** (1) Skilled and not subsidised employees; (2) Subsidised transitional employees to be integrated into the mainstream labour market; (3) Executive-level employees (e.g. CEOs).
- **Board members:** (1) Individuals having a function in an association; (2) Social enterprises who are joint owners of public benefit limited liability companies (Ltd.) (which often include the local municipalities or regional business partners as stakeholders). This legal form has existed since the mid-1990s and it supports the idea of a co-operative labour market policy wherein other entities, beside the Labour Market Service, demonstrate labour market concerns.
- **Public funders, investors or contracting entities:** These stakeholders cooperate in formalized and not formalized ways: (1) Formalised co-operation set up within specific funding schemes, often created through partnerships between ECO-WSEs and public authorities (especially the Labour Market Service); (2) Formalised international programmes (e.g. funding schemes from the European Union); (3) Informal and selective co-operation between ECO-WSEs and actors of the regional economic and environmental policy (e.g. waste management department).
- **Customers:** (1) Local businesses; (2) Individuals.
Secondary stakeholders, like social partners (e.g. chambers), interest groups (e.g. of the unemployed), other public entities (e.g. social security office, tax office), regional, national and international networks (BBS, BDV, RREUSE) have indirect effects on the performance of ECO-WSEs and vice versa.

Concerning their co-operation culture, the surveyed ECO-WSEs were asked how they evaluated their collaboration with other public and private business institutions. The results show that their collaboration with public authorities as well as with the market sector is based on cooperativeness and, in some cases, includes some level of confrontation. Regarding liaising with the public sector, 38 organisations defined their style of collaboration as cooperative and 20 defined it as cooperative as well as confrontational. None of them chose only “confrontational” as an answer. A similar picture emerges regarding the collaboration with the market sector: 26 enterprises emphasise cooperativeness, one underlines confrontation and 22 consider that their collaboration is both cooperative and confrontational.

Based on these empirical results, it can be stated that ECO-WSEs have a participatory nature. Nevertheless, additional qualitative information on their internal governance and external co-operation culture is needed to confirm the involvement of different stakeholders in decision-making contexts, which has to be examined further.

Ecologically inspired enterprises

In addition to their social, economic and participatory interests, ECO-WSEs have an ecological focus. They are active in ecological fields of activity and/or are selling services and/or producing goods in an ecologically sustainable way. They are, for example, extending the life of certain assets and enhancing environmental awareness among their customers (Anastasiadis and Mayr 2010).

Evidence about ECO-WSEs’ work in ecological fields is found in their answers to the question regarding their fields of activity. In this context, multiple answers were possible. The main areas of activity selected were handicrafts (chosen by 35 enterprises), support services (22) and gardening services (19), which are traditional fields of activity of work-integration enterprises. Waste management (10), recycling (16), repair services (17) and pick-up services (15)—typical ecological activities—were among the “middle-range” answers. Design/production of goods from recycled materials and the production of organic food were each pointed out nine times, which might be an indication that these are quite new fields of activity in this context, as it was outlined in experts’ interviews. This may also be the case for consultancy in ecological areas; only one organisation/project indicated this as its field of activity. Other activities pointed out were archaeology, the rental of dishes, trading, second-hand shops and social markets.

The surveyed organisations were also asked to describe their ecological goals in detail. The results obtained mirror both the “what” and the “how” of their activity: reducing waste (n= 43), enhancing the lifetime of products (n= 38), using ecologically valuable materials (n= 36) and raising ecological awareness (n= 36).
Sustainable enterprises?

Concerning the need for sustainable development (WCED 1987), ECO-WMSEs can indeed play a decisive role. According to the findings presented here, ECO-WMSEs can be seen as experienced in acting sustainably in the sense of the three-pillar model of sustainable development. They can also be identified as local actors of this global idea of sustainability. Nevertheless, the results indicate that, to a certain extent, the surveyed organisations do not tend to perceive themselves as typical sustainable actors. Even though they try to meet all three dimensions of sustainable development, the idea of acting in a sustainable way does not seem to be the main motivation for their existence and actions.

The answers to the question about how the surveyed organisations balance their goals indicate that only every fifth organisation (18.03%; n= 11) tries to fulfil social, economic and ecological goals to an equal extent. The majority of the remaining 50 organisations declared having primarily social goals (79%; n= 48) (see figure 5). Only one organisation aimed primarily at ecological goals and only four stated that economic goals took priority. Concerning the second most important goals, 31 organisations chose economic goals, 15 chose ecological goals and two chose social goals. For 28 organisations, the ecological goal was cited as the third most important goal.

These results indicate that ECO-WMSEs have primarily a social aim. Economic and ecological focuses are either on the same level, or come second or third in the order of priority; the data also reveal a tendency among ECO-WMSEs to set the focus on economic goals before fostering ecological goals (i.e. economic goals are more often cited as the second most important goals than ecological goals).

Figure 5: Priority of ECO-WMSEs’ goals (n= 61)

![Figure 5: Priority of ECO-WMSEs’ goals (n= 61)](chart)

Source: Based on the data collected during the ECO-WISE project.
Note: Only 44 of the remaining 50 ECO-WMSEs rated the economic and ecological priority.
5.1.4. Conclusions about ECO-WISEs

Regarding the set of criteria developed on the basis of the EMES ideal-typical model of social enterprises and extended in relation to the ecological dimension, the empirical data from the Austria-wide survey about ECO-WISEs delivers a clear picture: these organisations meet these criteria to a high degree. This underlines the importance of ECO-WISEs as sustainable actors in the field of social enterprise. Indeed, even though they see themselves mainly as social organisations, they pursue economic and ecological sustainability interests that also include a participatory nature.

Revisiting the EMES ideal-typical social enterprise model, which can be described as an organisational performance-oriented model, the results show that Austrian ECO-WISEs generally meet the indicators of all three dimensions of this model. Slight variations can be identified as resulting from the specific national context, especially concerning the funding directives and mixed ownership structure in the new Ltd., wherein local municipalities in some cases have a stake. Economically these social enterprises are continuously producing goods or selling services, they rely on paid work, and they face an economic risk. Regarding social concerns, ECO-WISEs are private initiatives that are launched by groups of engaged persons, often in cooperation with the public sector; they aim to reduce joblessness and economic exclusion of marginalised persons at the regional level. Moreover, ECO-WISEs have a clear participatory nature, both internally and externally. They are typically legally registered as associations—i.e. under a legal form that is typical of democratic decision-making initiatives with a “bottom-up” approach. Moreover, the results show that ECO-WISEs act in a multiple stakeholder field, which proves to be essential to their social, economic and ecological performance.

Regarding the ecological criteria identified, the interviewed experts, when discussing ECO-WISEs’ institutionalisation process, all focused on ECO-WISEs that are acting in typical ecological business fields. This can be seen as an indicator that the typical ECO-WISE is defined more strongly via the “what” factor (fields of activity) than through the “how” aspect (production processes). The findings from the quantitative survey showed that, concerning the “what”, reuse turns out to be the core field for many ECO-WISEs. Additionally, there is a clear respect for the “how”.

With a view to the goal-oriented concept of sustainable development, ECO-WISEs turned out to be not only examples of best practices, but also pioneers from a theoretical point of view. Indeed, ECO-WISEs started to act sustainably—focusing on the social, economic and ecological dimensions—in the 1980s already, at a time when sustainable development was still only an idea, not yet formulated on paper. Still, the results of the quantitative survey from the second research phase of the ECO-WISE project indicate that, to a certain extent, in practice, the surveyed ECO-WISEs did not perceive themselves as typical examples of organisations acting sustainably. Even though ECO-WISEs try to address all three dimensions, they do not seem to consciously pursue a sustainable development “strategy”, and such strategy does not seem to be the main motivator for their sustainable performance.

Looking at the overall performance of ECO-WISEs, they could with good reason see and promote themselves as sustainable actors with a triple bottom line. So why do they not see themselves this way? During follow-up discussions with CEOs who participated in the survey, it turned out that many ECO-WISEs were not familiar with the concept of sustainable

ICSEM Project c/o Centre d’Economie Sociale HEC Management School, University of Liege Sart-Tilman, building B33, box 4 B-4000 Liege BELGIUM Website: http://www.iap-socent.be/icsem-project e-mail: icsem-socent@emes.net
development, but they recognised that this concept could have positive effects on their development, especially in crisis-ridden times. Indeed, public funding in the labour market and social policy areas has become highly competitive, and ECO-WMSEs realise the need to address other entities than their typical stakeholders; in such context, they could strengthen their stakeholder relationships by making their sustainability performance visible (Clarkson 1995; Post et al. 2002). They could improve the way in which they are perceived, both internally and externally, and subsequently improve their chances of gaining an advantage from it (e.g. public funding, new customer groups, etc.).

The empirical findings underline the position of ECO-WMSEs in the triangle between market, state and community. With a view to their development, it can be stated that ECO-WMSEs are influenced by the dynamics of the other sectors. In particular, the change from the welfare state to welfare pluralism and to the welfare market is reflected in the generated data about ECO-WMSEs. The other identified barriers and drivers for social enterprise development in Austria play a decisive role during their institutionalisation process. Social enterprises, as already said, emerged in niches, in the shadow of traditional NPOs, but in strong cooperation with the public sector. Such cooperation became evident in the partnership-based welfare-pluralism phase and in the funding structures that were created then. ECO-WMSEs are also experienced in raising income from different sources—which turned out to be a major challenge in times of downsizing of the welfare state. Income generation, although less important for ECO-WMSEs than social value creation, is nevertheless important (and has been so from the outset) for these enterprises. Triggers for the development of ECO-WMSEs include funding restrictions (which also led traditional NPOs to develop ECO-WSE branches and adopt more “enterprise-like” modes of operation), the problem of increasing social exclusion, and the established supportive network structure and culture in the Austrian scene, which leads to innovative solutions in a cooperative way.

5.2. Social enterprises in the housing sector

5.2.1. Introduction

The objective of this part is to identify and characterise social enterprises in the housing sector in Austria. The chapter proposes a typology of traditional SE models in housing on the basis of an explorative literature analysis and a subsequent empirical study. With a view to the existing body of literature, it can be stated that the term SE, and its German translation as Sozialunternehmen, are hardly ever used in connection with housing, neither in academic nor in practitioner discourses in Austria. By contrast, the notions of non-profit and limited-profit housing (gemeinnütziger Wohnbau) as well as that of cooperative housing (genossenschaftlicher Wohnbau) are widely used and, based on the EMES approach of social enterprise, clearly related to the SE concept.

Cooperative and collaborative housing initiatives are increasingly considered as important for urban and regional development in Europe (Moreau and Pittini 2012; Wohnbund 2015). What is striking, however, is the fact that the debates on the concept of SE and its wider role for socioeconomic development took place in parallel trajectories in Europe and the US (Defourny and Nyssens 2012), with few links between them; to some extent, this was also the case between some European regions. This is even truer in the field of housing, where studies

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10 This section is based on earlier publications by the author, especially Lang and Novy (2014) and Lang (2013).
on the changing role of SE are rare (Heino et al. 2007; Lang and Mullins 2015). Furthermore, the literature, so far, has only offered limited typologies of cooperative governance models in regional housing contexts (e.g. Rowlands 2009).

Against this background, this section contributes to the debate on SE in housing by drawing on empirical evidence from Austria, and particularly from the Vienna city region, with its well-established limited-profit housing\textsuperscript{11} sector, which plays a strategic role for social housing provision and urban development in general (Förster 2002). In Vienna, limited-profit housing associations have emerged as the main providers of new social housing in recent years. About 60\% of inhabitants live in subsidised apartments, of which about 136,000 are owned and managed by third sector providers and 220,000 by the municipality (Förster 2002). It is argued here that the case of Vienna, as a pronounced top-down social innovation model, can serve as an important comparative case study on SE development in housing in other territorial contexts (Lang and Mullins 2015).

In this respect, the Austrian case shows more specifically how public promotion and institutional support, beyond local governance, have enabled over time large housing cooperatives to leverage community ideas and practices, thus contributing to the establishment of a solidarity-based housing policy. However, it also highlights the risk of hierarchical and bureaucratic governance cultures of public promotion endangering bottom-up resident action in cooperatives and other types of SEs, so that community-led social innovations lose their dynamic (Novy and Lang 2014).

5.2.2. The institutionalisation of SE models in the field of housing in Vienna

In this section, the contextual analysis of SE models in the field of housing focuses on the governance dimension such as it is outlined in the EMES approach to SE (Defourny and Nyssens 2012). The reality of SE in housing in a given place does not only refer to a single governance model but to a wider range of organisations with the social mission of providing affordable housing and combining characteristics of private, state and community-based governance.

Within the framework of a two-level analysis, SE housing sector in Vienna will first be embedded within its institutional and historical context to enhance our understanding of the emergence and development of different organisational fields and respective governance models (DiMaggio and Powell 1983; Lang and Novy 2014). Housing organisations evolve in a historically and geographically situated way; in return, they also shape the institutional framework through their governance practices. Furthermore, the intermediary level of organisational practices connects the micro-practices of residents to the institutional context of social housing (Giddens 1984; DiMaggio and Powell 1991; Healey 2004; Moulaert and Mehmood 2009).

In a second step, zooming into the organisational level, the identified SE models are analysed in a comparative way, according to the extent of participatory governance implemented, which

\textsuperscript{11} This term refers to both public benefit (gemeinnützige) cooperatives and corporations and is used by the sector’s umbrella body, the Austrian Federation of Limited-Profit Housing Associations (Österreichischer Verband Gemeinnütziger Bauvereinigungen - GBV). (see http://www.gbv.at/Page/View/4103)
is highlighted as a characteristic of the ideal-typical SE in the EMES approach (Defourny and Nyssens 2012). Therefore, both formal and informal patterns of resident participation will be examined (Lang and Novy 2014).

Table 4 shows a periodisation of the SE sector in housing in Vienna and identifies important milestones (both at the urban and national levels) of social housing policy, which resulted in decisive and lasting shifts in the power relations between the government and SE movements in housing (Jessop 2008). At the organisational level, these milestones have shaped the governance culture within the SE sector in Vienna; certain institutional elements implemented about 100 years ago are still persisting today (Bauer 2006).

Table 4. Periodisation of the housing SE sector in Vienna

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<tr>
<td>Milestones of housing policy at the urban and national level</td>
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<tr>
<td>Grassroots housing reform</td>
<td>National regulation of third sector housing</td>
<td>Liberalisation of national housing legislation</td>
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<tr>
<td>Municipalisation of the settlers’ movement</td>
<td>Federalisation of public promotion and subsidisation for housing</td>
<td>Implementation of a socially-oriented approach to urban planning in Vienna</td>
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<td>Governance culture within the SE sector</td>
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<tr>
<td>Social/community rationale of governance: reciprocity and participation</td>
<td>Bureaucratic rationale of governance: professionalism and hierarchical authority</td>
<td>Market rationale of governance: efficiency and customer management</td>
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<tr>
<td>Homogeneous and value-based membership</td>
<td>Larger and more diversified membership base</td>
<td>Heterogeneous and instrumental membership</td>
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<tr>
<td>Dominant SE model</td>
<td>Community cooperatives</td>
<td>Large cooperatives</td>
<td>Limited-profit corporations</td>
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Source: Adapted from Lang and Novy (2014: 1747)

The historical-institutional analysis identifies three key periods for SE practice in housing in Vienna. Each of these periods can be associated with a dominant organisational field (DiMaggio and Powell 1983) and a respective SE governance culture.

The community cooperatives of “Red Vienna”

The first non-profit housing organisations in Vienna were founded around 1870. Benefitting from early welfare legislation, there was a first wave of cooperative housing activity between 1908 and 1912. Nevertheless, their impact was marginal as they could not substantially change the devastating housing conditions of poor and working class people (Ludl 1999). It was only after World War I and under a widespread revolutionary mood that cooperative housing, based on the principles of self-help and collective ownership, became a powerful
social force. It has its roots in the settlers’ movement,\textsuperscript{12} which was tackling the urgent housing problem after the dissolution of the Austro-Hungarian Empire in 1918 and the following deep economic crisis. Under the pressure of mass demonstrations organised by the settlers, the local government in Vienna offered the purchase and development of land for cooperative housing settlements (Förster 2002). From 1918 to 1923 a considerable number of cooperative settlements were built in this way, with settlers’ building activity contributing to 55 per cent of new public housing in 1921 (Novy 1993). These early cooperative housing estates were not just settlements of individual single family houses but represented a unique space for developing and strengthening a socio-cultural “community” (\textit{Gemeinschaft}) of settlers. Originally conceptualised as an architectural antithesis to the working class “palaces” of “Red Vienna” (a bureaucratic model of state-led reformism and top-down housing provision), the housing estates reflected the spirit of the cooperative garden city movement,\textsuperscript{13} which emerged at the turn of the 19\textsuperscript{th} century in the UK and Germany (Ludl 1999). Social and architectural innovations were combined to build “small villages” with numerous communal facilities. However, from the mid-1920s onwards, step by step, the cooperative settlement movement lost its dynamic. It was finally incorporated into the successful “Red Vienna” model (Novy 1993; Novy et al. 2001). According to Novy (1983), the early cooperative housing movement would not have been able to grow and expand significantly on its own, through self-help, given its inherent scarcity of economic capital, compared to other cooperative sectors.

Although some of the traditional community cooperatives in Vienna have since grown in size and become more business-like, there is still a small group of these member-based organizations active in Vienna. Not least because of their typical terrace house dwellings, their initial settlements have ensured a distinct community character and identity. The average length of tenancies is relatively long, with houses often handed on to the next generation within the family. The special right to inheritance that the cooperatives grant the members of these settlements clearly leaves the door open for a traditional form of cronyism, which might be described as “community-based cronyism”. It also allows for the preservation of bonding social capital in the neighbourhood. However, in principle, the possibility to inherit housing can also be interpreted simply as an extension of the right to permanent tenancy for cooperative members, which basically reflects the key cooperative principle of member promotion (Ludl 1999). Even large cooperatives might, under certain circumstances, grant such transfer rights to their members, thus balancing the growing preferences for individual ownership among residents in today’s housing markets.

\textit{State-centred corporatism and large housing cooperatives}

The way in which the governance culture of housing cooperatives develops is partly determined by the way in which supervision and control of the third sector is organized (Boelhouwer 1999). With the establishment of an authoritarian (“Austro-fascist”) regime in 1933 and during the Nazi regime (1938-1945), all democratic participation structures were gradually removed from housing cooperatives; at the same time, the public promotion mechanism of cooperative housing in Vienna was reinforced (Bauer 2006). After 1945, cooperative housing became less ideological and more professional; it was primarily regulated at the national level. The newly established Austrian Federation of Limited-Profit Housing Associations (\textit{Österreichischer Verband Gemeinnütziger Bauvereinigungen}, or GBV) became the umbrella organization and main regulatory body for both cooperative housing organizations and limited-profit housing companies. At the same time, the local government

\textsuperscript{12} See \url{http://www.werbundseidlung-wien.at/en/background/the-vienna-settlement-movement/}.

\textsuperscript{13} See \url{https://en.wikipedia.org/wiki/Garden_city_movement}.
gradually reduced its activity as the main provider of social housing in Vienna and moved into a steering role, focusing on allocating central government funding (Ludl 1999; Förster 2002). Large cooperatives subsequently emerged as the major providers of new social housing in Vienna. Both the ruling Social Democrats and the Conservative Party—coalition partners in the central government—controlled broad sectors of civil society and were associated with a range of large housing cooperatives. As a consequence, public subsidies were also traded for political support and large parts of the cooperative housing sector were embedded into a corporatist form of cronyism (Novy 1993; Novy et al. 2001; Matznetter 2002). Linkages between those “at the top” and those “at the bottom” have been strongly based on historically built political relations. In Vienna, the hegemony of the Social Democrats, which have always governed the city in democratic regimes, has led to a problematic mixing of party and public domains. This has resulted in ongoing scepticism with respect to real political participation in the city.

Cooperative housing as a vehicle for state-led, top-down housing provision fundamentally transformed the governance culture of the SE sector. As a consequence, cooperatives became more “business-like”, while cooperative norms were slowly squeezed out. With an expanding membership base, the organisations became more heterogeneous but also grew larger and thus took on bureaucratic attributes, with hierarchical decision-making and administrative authority replacing collective self-help. Over the decades, large cooperatives have also broadened their scope of activities and now manage different types of housing estates and tenures. The increasing introduction of options allowing tenants to buy subsidized rental apartments has weakened the cooperative principle of collective ownership and democratic member participation. Furthermore, large cooperatives have also engaged in non-member-focused activities, such as developing and managing public infrastructure.

Neoliberal governance and limited-profit housing corporations

The bureaucratic rationale of governance, which dominated after 1945, was consolidated from the 1990s onwards, leading to the formation of affiliated groups and strategic alliances. In Vienna, direct production of housing by the municipality finally lost importance compared to cooperative and limited-profit housing (Novy et al. 2001). However, the national corporatist housing regime was basically maintained until the right-wing conservative central government launched a major neoliberal revision of housing regulation after 2000. The incoming government created better access to private capital markets for SEs in the field of housing (Novy et al. 2001; Eckhardt 2006) and drastically reduced public subsidies for housing (Matznetter 2002). These deregulation efforts made it more profitable for private investors to enter the Viennese housing market, thus changing the competitive environment for SEs (Eckhardt 2006; Reinprecht 2007). However, some room for action remained for the provincial government of Vienna (Förster 2002): with the introduction of a socially-oriented urban planning approach, subsidies to cooperatives and limited-profit housing corporations were linked to criteria of social sustainability, such as social capital building in housing neighbourhoods (Förster 2002; Wohnfonds Wien 2015). While the central government failed to implement a complete neoliberal overhaul of third sector housing, some providers lost their limited-profit status and a market rationale of governance slowly gained ground, reflecting a wider European trend in social housing (Czischke 2009). Thus, the total number of SEs, and especially that of cooperatives, was reduced, while at the same time, the group of limited-profit corporations became more dominant within the SE sector. Limited-profit corporations are usually larger organisations, with a number of subsidiaries registered under different legal forms, and which increasingly engage in commercial housing activities beside subsidized housing (Förster 2002; Eckhardt 2006). There is thus an ongoing process of marketization,
associated not only with stronger hierarchical governance but also with an increasing corporate management orientation, scaling back the importance of members’ interests so that cooperatives gradually come to resemble typical corporate organizations.

**The relevance of residents’ participation for the governance of different SE models**

Summarising the results from the historical institutional analysis, we could say that the incorporation of housing cooperatives into the public housing system in Vienna has first led to an emphasis on hierarchical governance elements. In a second step, the liberalisation of national housing legislation and an increasingly competitive environment caused a further marketization of cooperative governance. Social capital lost its importance as the main resource in large cooperatives and was replaced by public funding and market revenues. As cooperative housing providers became more similar to public and for-profit housing organisations, bottom-up collective action was replaced by state-centred redistribution and market-based transactions.

Nevertheless, the analysis of the institutional context shows that residents’ participation remains important for the governance of housing SEs in Vienna: First, in recent years, large housing cooperatives have been recognized by authorities as the main channel for providing social housing in Vienna, which (in comparison to community cooperatives) has strengthened their capacity to act as intermediaries between residents and governments. Secondly, public promotion requires both cooperatives and limited-profit corporations to actively contribute to wider housing policy goals, such as the social sustainability of neighbourhoods, and thus also to foster residents’ participation. Thirdly, the increasing corporate governance culture and the application of customer relationship management leads to non-institutionalised social capital building, by establishing a direct link between residents and housing managements.

The next section will contrast the findings from the historical institutional context analysis on participatory governance patterns in SEs with empirical evidence from a social capital study at the organisational level.

**5.2.3. Participatory governance and linking social capital**

The concept of “linking social capital” has its roots in the development literature, where it emerged as a rather descriptive approach to study vertical ties between community members and people in positions of influence and power in public governance, such as resource holders in regional and national infrastructure bodies or social investors (Woolcock 2001). Thus, it can be distinguished from bridging and bonding social capital, which both refer to horizontal linkages within a community.

Building on the work of Middleton and colleagues (2005), the present study suggests a conceptualisation of linking social capital as the capacity of residents in a housing organisation to influence the governance of neighbourhood-related issues. In an empirical study (Lang and Novy 2014: 1753), the following dimensions are suggested to operationalise linking social capital:

- Attachment to the housing organisation;
- Personal ties to housing managers;
- Formal participation in the housing organisation (e.g. in a tenants’ assembly);
- Influence on decision-making on neighbourhood-related issues;
- Perceived relevance of participation.
However, to begin with, the next section outlines the empirical research design for this study.

5.2.4. **Empirical research design**

The empirical research reported on here was conducted between 2010 and 2011. Based on the historical institutional analysis, three SE models had been identified within Vienna’s housing sector: (1) community-based cooperatives, (2) large cooperatives and (3) limited-profit housing companies. Each of these three organisational fields reflects a distinct SE governance culture, which has been shaped by the respective institutional relations of social housing organisations at the urban and national level. From the total number of 56 organisations registered as non-profit housing providers in Vienna at the time of the research, 30 providers were registered cooperatives, seven of which stemmed from the traditional community-based cooperative movement (group 1) and 23 of which could be considered to be large cooperatives (group 2). The remaining 26 housing providers were limited-profit corporations (group 3) (Novy and Förster 1991; Ludl 1999; GBV 2010). A random sample of three organisations from each of the two largest organisational fields (large cooperatives and limited-profit housing companies) and of two organisations from the smallest group (community-based cooperatives) was selected.

From the subsidized rented stock of each organisation, a “typical” housing estate was selected for a comprehensive household survey, with a view to analysing the existing linking social capital among residents. The surveyed housing estates had been identified, through qualitative interviews with housing managers, as “neighbourhoods that work” without serious problems (Middleton et al.: 1721f). In this respect, the appropriateness of the sample was later supported by the findings of our household survey. In total, 547 household interviews were conducted across the three organizational fields.

In the next section, the key results of the comparative analysis of linking capital are presented. Descriptive statistics provide a first overview on differences found between the three SE models, on each of the five dimensions of linking capital (see tables 5-9). In order to substantiate these initial findings, group comparisons were carried out using the non-parametric Kruskal-Wallis-Test (test results are indicated below each table).

5.2.5. **Linking social capital of residents in different SE models**

We first looked at the attachment of residents to their SE, considering such attachment as a precondition for establishing linkages with those who have power over neighbourhood-related issues. If residents perceive themselves as part of an organisation, their participation in decision-making can be encouraged (Forrest and Kearns 2001; Middleton et al. 2005).

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<th>Table 5. Residents’ attachment to their housing organisation</th>
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<td>Community cooperatives</td>
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<td>Very high attachment</td>
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<tr>
<td>Quite high attachment</td>
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<tr>
<td>Relative lack of attachment</td>
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<td>Total lack of attachment</td>
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<td>Large cooperatives</td>
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<td>Limited-profit corporations</td>
</tr>
<tr>
<td>Very high attachment</td>
</tr>
<tr>
<td>Quite high attachment</td>
</tr>
<tr>
<td>Relative lack of attachment</td>
</tr>
<tr>
<td>Total lack of attachment</td>
</tr>
</tbody>
</table>

n=540; $\chi^2=60.796$; 2df; $p$-value= 0.000  
*Source: Lang and Novy (2014, p. 1755)*

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14 For a detailed account of the empirical study design, see Lang and Novy (2014).
Table 5 shows that there is a significantly strong attachment to their housing organisation among residents of community cooperatives. In contrast, the majority of respondents from large cooperatives and limited-profit corporations do not feel strongly connected to their housing provider.

Furthermore, linking social capital, like bonding and bridging social capital, is rooted in social relations that give residents access to embedded resources (Lin 1999). Thus, in the next step, the personal ties of residents to the managers of their housing organisation were measured.

**Table 6. Residents’ personal ties to housing managers**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community cooperatives</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>Large cooperatives</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Limited-profit corporations</td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

n= 543; \(\chi^2 = 82.094\); 2df; p-value = 0.000


The evidence coming from the household survey and displayed in table 6 clearly reflects the differences between the three SE models in terms of governance culture and also supports the earlier assumption of hierarchisation in large cooperatives. Personal ties between residents and management representatives are most likely to be found in community cooperatives, which are characterized by flat hierarchies compared to the other SE fields. Interestingly, although residents in limited-profit corporations are only in a customer role (whereas cooperative members are co-owners of their housing organisations), they are more likely to know their housing managers personally than residents in large cooperatives.

The survey data also give us an insight into the existing participation patterns in the formal decision-making structures of the different types of SE. The results displayed in table 7 show significant differences between the three governance models when it comes to residents’ engagement with neighbourhood-related issues.

**Table 7. Residents’ participation in their housing organisation**

<table>
<thead>
<tr>
<th></th>
<th>Residents always participate</th>
<th>Residents frequently participate</th>
<th>Residents seldom participate</th>
<th>Residents never participate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community cooperatives</td>
<td>37%</td>
<td>19%</td>
<td>33%</td>
<td>11%</td>
</tr>
<tr>
<td>Large cooperatives</td>
<td>5%</td>
<td>4%</td>
<td>30%</td>
<td>61%</td>
</tr>
<tr>
<td>Limited-profit corporations</td>
<td>24%</td>
<td>12%</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>

n= 534; \(\chi^2 = 105.989\); 2df; p-value = 0.000

Source: Lang and Novy (2014: 1756)

Residents of large cooperatives are the least likely to participate in their housing organisations. Although the general assembly presents them with an annual opportunity to participate, 61 per cent of respondents never participate; by comparison, residents who never participate represent only 11 per cent in community cooperatives and 32 per cent in limited-profit corporations.

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15 n= 429; \(\chi^2 = 30.717\); 1df; p-value = 0.000
While taking part in formal decision-making of a housing organisation can enhance residents’ linking social capital, in order to evidence the existence of linking social capital, we also need to look at residents’ perceived influence over neighbourhood-related issues (Middleton et al. 2005). The results of the question on residents’ influence deliver a polarized picture of the situation in the SE housing sector. As shown in table 8, residents of community cooperatives report a significantly higher perceived influence over decision-making than residents in large cooperatives and limited-profit corporations.

Table 8. Residents’ perceived influence over decision-making

<table>
<thead>
<tr>
<th></th>
<th>Very strong influence</th>
<th>Quite strong influence</th>
<th>Relative lack of influence</th>
<th>Total lack of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community cooperatives</td>
<td>24%</td>
<td>51%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Large cooperatives</td>
<td>10%</td>
<td>34%</td>
<td>46%</td>
<td>10%</td>
</tr>
<tr>
<td>Limited-profit corporations</td>
<td>10%</td>
<td>37%</td>
<td>41%</td>
<td>12%</td>
</tr>
</tbody>
</table>

n= 540; χ²= 31.627; 2df; p-value= 0.000

Source: Lang and Novy (2014: 1757)

However, lower levels of participation and influence on decision-making reported by residents could also be interpreted as an indicator of satisfaction with the existing housing management, or it could mean that residents simply do not care much about participation (Middleton et al. 2005). Thus, an analysis of existing linking social capital additionally has to look at the importance, for residents, of involvement in decision-making related to neighbourhood issues, so respondents were further asked if they would like more say in decision-making.

Table 9. Proportion of residents who would like more say in decision-making

<table>
<thead>
<tr>
<th></th>
<th>Definitely yes</th>
<th>Rather yes</th>
<th>Rather no</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community cooperatives</td>
<td>37%</td>
<td>36%</td>
<td>21%</td>
<td>6%</td>
</tr>
<tr>
<td>Large cooperatives</td>
<td>39%</td>
<td>36%</td>
<td>23%</td>
<td>2%</td>
</tr>
<tr>
<td>Limited-profit corporations</td>
<td>39%</td>
<td>40%</td>
<td>20%</td>
<td>1%</td>
</tr>
</tbody>
</table>

n= 529; χ²= 1.118; 2df; p-value= 0.572

Source: Lang and Novy (2014: 1757)

On this question, there were no significant differences between the three SE models (see table 9). Regardless of the governance model, more than 70 per cent of respondents in each group said they would like to have more influence in decision-making. These figures suggest that, contrary to what the literature says about the phenomenon of passive “tenant mentality” (Novy 1983; Schulte-Eckel 2009), building up linking social capital is relevant to residents in SEs in the housing sector.
5.2.6. Conclusions about SE in the housing sector

The objective of section 5.2 was to analyse SE models in the field of housing in Austria, focusing on their participatory governance dimension such as it is outlined in the EMES approach to SE (Defourny and Nyssens 2012).

The historical institutional analysis identified three key periods for SE practice in social housing in Vienna. Each period can be associated with a dominant organisational field and a respective SE governance culture. The incorporation of the innovative community-based cooperative movement into the public housing system in Vienna led to an emphasis on hierarchical and bureaucratic governance elements and resulted in the dominance of large cooperatives. Bottom-up collective action was replaced by state-centred redistribution. The liberalisation of national housing legislation and an increasingly competitive environment caused a further marketisation of cooperative governance and also led to the dominance of limited-profit corporations within the social housing sector.

For the empirical study among residents of the different SE models, the concept of linking social capital was introduced. This concept refers to the capacity of residents in a housing organisation to influence the governance of neighbourhood-related issues (Lang and Novy 2014). The results of the household survey carried out at the organisational level complement the findings from the historical and institutional context analysis.

The survey provided empirical evidence for the existence of linking social capital in the different forms of SE in the housing sector in Vienna. The empirical findings point to high levels of linking social capital to be found among the residents of community cooperatives; these organisations have preserved their "flat" governance structures, by contrast to professionalized, hierarchical cooperatives and limited-profit housing corporations. Nevertheless, it also appears that comparatively small community-based housing cooperatives have fewer vertical linkages to the multi-level sites where key decisions of urban development are taken. However, the degree to which residents can actually make a difference in their neighbourhoods depends on the multi-scalar embeddedness of housing organisations in the wider institutional environment of the city (Lang and Novy 2014).

Although community-based housing organisations can trigger important social innovations (Novy et al. 2009), they can also easily get “trapped” in the local level because of resource limitations and an explicit normative focus on “community” (Gemeinschaft). Therefore, we might consider large housing cooperatives to have the greater potential to build linking social capital beyond the housing estate. We would argue that existing linkages between residents and their housing organisation’s managing bodies can only achieve positive effects on citizen participation if the housing cooperative has the capacity to establish and sustain linkages with governments at different levels too, in order to effectively tackle community problems (Lang and Novy 2014). In Vienna, this is indeed the case, as most cooperative and non-profit housing organisations are strongly embedded in local political networks.

At the same time, however, large housing cooperatives have to revitalize their member-based character, rooted in the neighbourhood, so that managers and boards can genuinely represent the needs of the community, provide the necessary feedback on existing government policies and fulfil the social function of SE. Furthermore, the survey results indicate that the facultative participation modes in limited-profit corporations seem to be appreciated by residents, maybe because the increasing use of customer relationship management helps
establishing a direct link to the housing management. Nevertheless, as the empirical data shows, this more market-based approach to SE governance does not seem to increase the perceived influence of residents over decision-making.

However, the validity of our empirical findings is restricted to the SE sector of the Vienna city region within Austria, as well as to mainstream SE models in housing. Thus, a second phase of this study is currently under way; it will include further community-led SE models, which operate outside the traditional SE sectors and housing umbrella bodies, such as the Co-housing or the Baugruppen movement. Furthermore, other Austrian regions will be incorporated into the research design.

The results of the current study cannot be considered as simple messages on SE practice, which could be transferred to other European contexts. Whereas the phenomenon of SE in housing (and especially housing cooperatives) exists in almost every country, its concrete meaning and the configuration of its governance models differ considerably between countries, regions, cities, and over time, and are shaped by the institutional context of housing and welfare (Moreau and Pittini 2012; Lang and Roessl 2013).

Nevertheless, the experiences from Austria—and particularly from Vienna—suggest the existence of a crucial precondition for building linking social capital and thus strengthening the participatory governance dimension of SE in the housing sector in other places: some institutionalised form of public promotion of SE. In this respect, the specific Austrian “public promotion model” (Wohnungsgemeinnützigkeit) and its local manifestation in Vienna as an institutionalised partnership between the non-profit and cooperative sector and the local government deviates from dominant private and market provision. The case of Austria shows that community-led SE models, such as the cooperative settlement movement in Vienna, have not been able to grow significantly through self-help mechanisms alone, given their inherent scarcity of economic capital (Novy 1983). They required some form of external facilitation, such as that of public housing programs—which at the same time however threatens organisational autonomy and participatory governance of these housing providers.

The strategic partnership between the SE sector and local government led to the hierarchization and bureaucratization of individual organisations, and has considerably weakened their participatory governance character. Although democratic governance structures exist in many cooperative providers, many residents refrain from using their right to voice. Furthermore, recent liberalisation of housing regulation and changing market conditions have favoured the development of corporate management approaches and concentration processes within the sector, which has led to the cooperative principle of democratic member participation being further “hollowed out”. As a result, in some parts of the SE sector, residents are no longer able to effectively influence the governance of their housing organisations. With the shift from cooperatives to limited-profit corporations, participation is even reduced to an informal and non-binding substitute for the democratic institutions of cooperative housing. As a result, and due to strong direct influence of public authorities and the affiliated group structures within the sector, the ultimate decision-making power has shifted away from the members.

However, it should be mentioned that larger SEs of course require some form of professional management, especially as housing has become a rather complex field of economic activity, in between growing private market pressures, traditional welfare state obligations and increasing demands of residents and members. The case of Vienna also shows that public promotion programmes have recently been linked to social sustainability goals in urban
development (Förster 2002; Wohnfonds Wien 2015), which in principle could revitalise the contribution of individual members to organisational and neighbourhood governance (Lang and Novy 2014).

Nevertheless, a lesson from the present study is that participatory governance, as a multi-scalar concept, requires individual SEs that are committed to resident participation in everyday organisational life. In Vienna, as it has been shown, a bureaucratic culture of public promotion has endangered bottom-up resident action in housing cooperatives. In this respect, recurring deregulation efforts on other European housing markets have been justified by saying that they stimulated organizational autonomy, such as in England, where recent localism reforms have promoted a stronger agency role to be played by cooperatives and community-led housing providers (Lang and Mullins 2015; Lang 2015). However, participatory governance cannot just be leveraged by devoting a stronger role to the individual SE while at the same time abolishing the public promotion model, as has been done in Germany for instance (König 2004). Strengthening the linking social capital of residents always means walking a tightrope between organisational agency and structural partnerships.

6. CONCLUSIONS, LIMITATIONS AND FOLLOW-UP RESEARCH

The main aim of this paper was to provide a better understanding of the SE phenomenon in Austria by inquiring into the role of the institutional and historical context.

Based on an explorative literature analysis, sections 3 and 4 of this paper explored the institutional and historical context of the SE debate in Austria, which led to a delineation of different SE-related concepts that currently exist in Austria. The results suggest that there is a high variety of SE models in Austria, which are accompanied by heterogeneous notions and habitus models. In this respect, internationally widespread conceptions of SE hardly fit with the reality of SE practice on the ground in Austria. Furthermore, there are substantial differences between practitioners and academics in Austria as far as their approaches to the SE phenomenon are concerned. Within the academic field, the various discourses on SE also take place in parallel trajectories, with few links between them (e.g. NPOs vs. cooperatives).

Based on the institutional and historical context analysis, section 4 proposed a typology of the main SE models to be found in Austria at present. Four SE models have emerged and developed since the 19th century in Austria: traditional SE models are cooperatives (such as community-led and large cooperatives) as well as non-profit organisations—such as traditional welfare organisations, public benefit (gemeinnützige) foundations, or locally-based self-help associations. Among younger SE models, we find collective SEs (like WISEs) and individually-driven social entrepreneurs (i.e. young start-ups with a social aim). Cooperatives and the collective type of SE come close to the ideal-type of SE, as they display many of the EMES indicators for SE (Defourny and Nyssens 2012).

This typology is not yet empirically proven. It represents a first delineation of the different and often interlaced discourses on SE in Austria and their development since the 19th century. Therefore it should be seen as a trigger for further research and discussions on national SE models and not as a completed typology.

Section 5 of the paper then focused on two specific SE fields in Austria and analysed their historical trajectories and institutionalisation processes: ECO-WSEs (ecologically oriented work integration social enterprises) and SE models in housing. Both ECO-WSEs and SEs in the
housing sector correspond to a high degree to the ideal-typical EMES model of SE. They can be characterised as organisations driven by social aims, with economic and ecological sustainability interests and which also include a participatory nature. However, as far as their governance dimension is concerned, what is striking is that these SE models are strongly interlinked with public bodies in terms of external funding and facilitation. On the one hand, their strong linkages with the public sector strengthen their capacity to effectively tackle community problems. On the other hand, however, these linkages constantly threaten the organisational autonomy and participatory governance of these SEs. More generally, the contextual analyses in both case studies revealed the way in which the institutional environment has changed the nature and relevance of SE models over time, and how it has promoted certain SE models while playing other models down.

While the explorative literature analysis provided a first insight of the four SE models to be found in Austria, it is limited when it comes to approaching their differences in detail. Therefore, a follow-up in-depth research and analysis is needed to substantiate tendencies within the whole SE sector in Austria. In the next stage, a more focused literature analysis as well as focus groups with practitioners in different Austrian provinces are planned, accompanied by additional expert interviews with public authorities in the same regions. This should make it possible to gather data on the spatial scope of SE, possible differences between rural areas and cities as well as between the eastern and western parts of Austria. The focus should be on practitioner’s perspective as well as on public authorities’ views in order to gain in-depth information, beyond our literature analysis.

The focus groups for practitioners should include organisational leaders coming from different SE models, such as traditional non-profits, WISEs, social entrepreneurs, cooperatives, and solidarity-based initiatives. The representatives of public bodies should be selected according to their involvement in strategic decision-making at the regional level and should further have strong linkages with practitioners. Therefore, we would invite regional management coordinators who are dealing with labour market and social policy issues as well as with environmental and economic issues in their regions.
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