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DO "ECONOMY OF COMMUNION" ENTERPRISES DESERVE THE "SOCIAL" LABEL? A COMPARATIVE DISCUSSION OF THEIR AIMS AND LOGIC OF ACTION

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ABSTRACT

The enterprises participating in the 'Economy of Communion' (EoC) movement (see www-edc-online.org; see also Gold 2010) commit to allocating up to two thirds of their profits for the help of people in need and the diffusion, especially in the economic sphere, of a culture of giving and sharing. They also commit to a management and operation style that stresses the dignity of every person and aims at creating relationships of mutual recognition and openness among all those who are involved in the enterprise's activity. By devoting a significant share of their profits to public benefit destinations, EoC enterprises bear a visible resemblance to the organizations that carry out commercial activities for the support of their non-profit mission. Indeed, in the last decades such businesses have played an increasing role in the financing of public interest initiatives in the US. This phenomenon is referred to as 'non-profit entrepreneurship' (Skloot, 1983), and its advocates as the 'Social Enterprise School' (Dees and Anderson, 2006). In the paper we comment on this similarity and discuss its implications. As a further step we relate EoC enterprises to what has been called the 'second generation approach' of North-American social entrepreneurship, that stresses 'social innovation' and the generation of beneficial outcomes for society at large – typically by tackling an unsolved public interest issue (e.g. pollution) – or else by offering favourable opportunities to an underprivileged group; in other words, these enterprises earn the 'social' label not by channelling profits, but through the direct deliberate effects of their business activity. Presently only a subset of EoC companies explicitly pursue public interest aims directly, and even fewer do it innovatively, so as to be seen as instances of social entrepreneurship according to the latter acceptation. We discuss the position taken by Yunus' (2010) – a prominent promoter of 'social businesses' directly serving the poor -, that shareholders should only get back their capital after a certain number of years, but no remuneration (not even the compensation for inflation). We then confront EoC enterprises with the European view of social enterprises, that stresses collective entrepreneurship, democratic participation of stakeholders of various categories, and social integration of disadvantaged citizens. While some EoC enterprises definitely fit into this definition, the orientation and internal organization of others are largely influenced by their being, from most points of view, conventional family businesses. Here too the question arises whether the 'social' can only be brought into the business world by organizations with special statutes, explicitly created for this purpose. The most peculiar feature of EoC companies, however, connects with the logic of action they display in the ordinary interactions they conduct with stakeholders such as workers, customers, or suppliers, even when these are not disadvantaged people. As is shown by several examples drawn from their daily practice, their other-regarding attitudes often succeed in transforming cautious business transactions into chains of positive reciprocity, frequently accompanied by friendly feelings. We discuss the import of such (apparently minor) occurrences from two points of view: their possible efficiency effects, conventionally defined; and the creation and 'consumption' of relational goods.

"In every modern economy, no matter how strong the pledged and actual allegiance to the ideology of the market, there is a significant portion in which production is not governed by the maximization of profit" (Kenneth J. Arrow, 1998)

INTRODUCTION

This paper deals with an economic experience, called the Economy of Communion (EoC, see www-edc-online.org; see also Gold 2010) that develops from a spiritual movement (the Focolare, initiated by Chiara Lubich during the Second World War, see Gallagher, 1997). Its roots are in a charismatic view of social life that stresses mutual love as the most fundamental rule of social life, aimed at promoting unity among people of all social strata, cultures and ethnic origins. Of this view EoC represents the most visible economic realization¹. The EoC is having an impact on the economic vision not only of the Catholic Church (it is mentioned in the recent encyclical letter "Caritas in Veritate, Benedict XVI, 2009), but also of civil society. Under the radar screen in this paper are EoC businesses. They are compared with "social businesses" of the various sorts. Although Economy of Communion (EoC) businesses do not necessarily stand out from conventional small and medium for-profit enterprises, in particular as far as the ownership form and the legal status are concerned, they certainly belong to that subset of organizations that strive to operate beyond the classic principles of "*business as usual*". As it happens with the varied universe of organizations that make up the civil and social economy sector², the production of the greatest possible economic benefit for their owners is not the only and perhaps not even the foremost purpose of EoC companies. Similarly, the commitment to create value for other stakeholders (like employees, customers, suppliers, the local community) is not just a simple restriction they have to fulfil in order to maintain social legitimacy over time, but is an essential objective of EoC firms' activity. The aim of this paper is to highlight the similarities and underline the differences between the businesses participating in the EoC movement and some other examples of the so called social and civil economy.

1. EOC BUSINESSES VERSUS OTHER FORMS OF SOCIAL ENTERPRISE

Basically, one can distinguish at least three types of organizations that outperform conventional businesses as far as social responsibility is concerned: (1) companies whose activity contributes to the solution of social problems indirectly, through the financial support they provide to mission-oriented organizations; (2) firms that engage directly in countering some social problem, and at the same time do not question the ordinary functioning of capitalistic enterprises; and (3) businesses that, while pursuing specific social purposes, aim at humanizing the market economy, in the conviction that the promotion of social justice and democratic decision-making within business organizations can be joint-products of the manufacture and delivery of goods and services.

This section builds on a recent strand of literature on social enterprises and social entrepreneurship (see Defourny and Nyssens, 2010; Laville and La Rosa, 2009) that has drawn attention on the similarities and dissimilarities between the US experiences of social entrepreneurship and the European practice of social firms.

1 Bruni and Smerilli (2008) observe that innovative economic practices have systematically sprung out of new spiritual movements over the centuries.

2 Bruni and Zamagni (2007, p. 182) argue that the "objective function of the civil enterprise is to *intentionally* produce the greatest possible number of social externalities, which represents one of the most relevant factors in the accumulation of social capital".

Exemplars of type 1 social businesses started to appear in the US in the late 1970s in close relationship with the non-profit economy. In a volume of 1998, Burton A. Weisbrod (one of the leading scholars in the economics of the non-profit sector) discusses the pros and cons of the growing commercialization of non-profit organizations (NPOs) observed in North America since that date. It is beyond the scope of this paper to examine the manifold consequences of the commercial transformation of the non-profit sector, so we just prompt its rationale. In the United States, between the 1970s and 1990s, the non-profit economy has experienced massive growth, in terms of both contribution to GDP and employment. Behind this development lie several factors, among which: the limited amount of public goods and social services provided by the public sector³ in North America; and the need to cope with the continuous increase in the cost of NPOs⁴. At the same time the growing professionalization of fund raising pushed NPOs to compete more vigorously for the limited philanthropic resources available, with the unfortunate consequence that the overall marginal cost of fund raising activity frequently exceeded its marginal benefit. In order to fill the gap between the resources necessary to sustain their mission and those actually available, NPOs have begun to follow the strategy of branching out, starting ancillary commercial activities. The sale of goods and services of various kinds was viewed as an alternative way to generate badly needed revenues for NPOs' mission activities. The growing commercialization is then considered as an instrumental to the pursuit of the social mission of NPOs. It is this development that Skloot (1983) initially defines "*nonprofit entrepreneurship*". Two decades later, Dees and Anderson (2006) named the proponents of this practice "*Social Enterprise School*". The focus here is on the ability of the commercial branch of a NPO to generate earned-income. The commercial division has to be managed according to the best practices of the for-profit sector, since its goal is to produce the greatest possible surplus. Consequently, it does not matter if the management of these ancillary activities accords to social responsibility or not, or if the business is conducted in the same way as in typical for profit companies. The social commitment of these businesses comes to light only ex-post, when profits are devolved to the financial support of NPOs' mission-oriented activities. In other terms, this form of social entrepreneurship creates social value in an indirect way, by contributing to the continuance or the development of institutions that live and work outside of the marketplace, in the space of civil society.

At first glance, the EoC project seems to have at least two points in common with the principles of the Social Enterprise School⁵.

a. The rationale. Even the Economy of Communion was created in response to a lack of resources. The members of the Focolare movement were used to share their dispensable earnings with those in need, but these private "gifts" were not enough to free from poverty all people who participated in the life of the Focolare community (some members were based, for example, in the favelas of São Paulo and lived in situations of high deprivation).

³ The well-known theory of government failure (Weisbrod, 1975) explains the existence of the non-profit sector in terms of an excess demand for public goods, which is not met by the State. Since the political competition in a system based on the majority rule pushes political parties to fulfill the median voter preferences for public goods, non-profit organizations develop in order to manage philanthropic donations of those people who favor an increase in the supply of public goods and are willing to fund it privately.

⁴ Such a growth is almost inevitable in fields of labor-intensive manufacture, such as the delivery of personal services.

⁵ Following this line of thinking, the French sociologist Serge Latouche (2003) argued that the EoC does not really challenge the market logic and does not call into question the capitalistic view of business: It's only a posteriori, when profits are shared, that solidarity comes into the game. Philanthropy and charity, once again, becomes the remedy without the problem of economic justice to be truly addressed.

b. The instrumentality of the business activity. The creation of businesses has been viewed as instrumental to expanding the resources available for facing the problem of poverty in the community. The allocation of profit according to the three EoC-purposes (one part for direct aid to the poor, one part to disseminate the culture of giving, and one part to finance investment and further develop the company) and the fact that these funds are managed by the non-profit organization itself (the Focolare and its NGO) show a certain similarity with the practices of the Social Enterprise School. EoC companies outperform the social commitment of the usual businesses through the gift of their profits, which foster the redistribution and educational activities of a mission-oriented non-profit organization (i.e. the Focolare movement).

The debate in the U.S. disclosed a second (important) contribution to the understanding and practice of social entrepreneurship. Although its roots date back to the early 1980s, we can take the vision of the so called "Social Innovation School" (see Dees and Anderson, 2006) as a "second-generation approach." It was in the mid-1990s that Bill Drayton proposed to replace the original notion of "*public entrepreneur*" with that of "*social entrepreneur*". A lot of emphasis is laid on the personality of the social entrepreneur (Light, 2008) and on his endowment of special talents and virtues⁶ that allow him to overcome the traditional logic of social services or welfare organizations (Martin and Osberg, 2007). Here the dynamism, the access to risk capital and the ability to discover new business opportunities, which distinguish successful for-profit enterprises, are used to address social problems, improve the lives of many people in need, and produce social innovation⁷. A prominent example of this second type of social business is the bank initiated in 1976 by Mohammad Yunus (Grameen Bank). Its activity is focused on providing microfinance services to village women and, more generally, to people who have no access to credit. Other examples are the joint ventures started more recently by Grameen bank with a bunch of multinational companies (Danone, Adidas, Intel, BASF, Pfizer, etc.) for establishing new enterprises aimed at responding to the basic needs of vulnerable groups (nutrition, shoes, telecommunication, etc.) at the lowest possible price, with the provision that the rate of return for stockholders is zero. The social nature of this second type of companies resides in the direct impact of their business on the solution of social problems (see Bornstein, 2004); if one wants to measure it, it must be measured in terms of social outcomes.

If we look carefully at the EoC project, we see that some of the elements that characterize the Social Innovation School are also emphasized in the EoC architecture. From the outset, since May 1991, the EoC-founder (Chiara Lubich) emphasized that the offer of a job to the unemployed and the participation of the poor in the ownership of the EoC industry parks ("*we are poor, but many*") was the slogan used since the beginning) are two important ways to address the problem of poverty directly and to practice communion. Since the mid-1990s a systematic reflection has started concerning the conduct of EoC companies, which led, in 1997, to the adoption of a list of management guidelines. The focus on the entrepreneur as an agent of change and on the importance of nurturing entrepreneurial virtues became visible in the EoC movement through the birth of the so-called "schools for entrepreneurs", i.e. periodic training sessions for participants in the project (entrepreneurs and young people in particular) that took off in 2001 at both the local and the international level. Their aim was to strengthen the identity of EoC members by sharing motivations and exchanging best practices, in particular as to how

⁶ According to Dees (1998), "Social entrepreneurs play the role of change agents in the social sector, by (1) adopting a mission to create and sustain social value (not just private value), (2) recognizing and relentlessly pursuing new opportunities to serve that mission, (3) engaging in a process of continuous innovation, adaptation, and learning, (4) acting boldly without being limited by resources currently in hand, and (5) exhibiting heightened accountability to the constituencies served and for the outcomes created."

⁷ Yunus (2007, p. 22) makes the following statement: "A social business is a company that is cause-driven rather than profit-driven, with the potential to act as a change agent for the world".

to live the spirit of communion. Finally, the analogy with the Social Innovation School is visible in the wide scope of purposes and rewards that is attached to entrepreneurial activity. According to Yunus (2007, p. 28) social entrepreneurs “*seek social benefits such as poverty reduction, health care for the poor, social justice, global sustainability and so on, seeking psychological, emotional and spiritual satisfaction rather than [material] reward*”. In a more recent book (Yunus, 2010), he says that social business can be a life’s calling, “*a wonderful way of enriching our own life experiences (...) with the idealism and hope that are deeply ingrained in all human beings*”. Some years earlier, in Palermo, Chiara Lubich had emphasized the civil vocation that drives EoC entrepreneurs: “*They do not simply strive for a successful professional career, nor is family life (...) enough for them to be satiated; they are not satisfied until they do not explicitly serve humanity*” (Lubich, 2001, pp. 68-69). The first, most visible form of this commitment to serve humanity, starting from those who have least, is of course the willingness to share profits; still many of the entrepreneurs involved over the past twenty years in EoC were continuously looking for other opportunities to directly address the plague of poverty in contemporary society, in all its different forms.

There exists a third category of social enterprises. It encompasses different types of civil economy institutions (Bruni and Zamagni, 2007), such as European social cooperatives, particularly those aiming at work integration of unemployed and disadvantaged workers (Borzaga and Defourny, 2001; Nyssens, 2006). In most European countries, these social firms developed with their roots in the cooperative and non-profit sectors, in close relationship with the public welfare system, at a time of increasing scarcity of public funding for the provision of social and personal services. In many countries, the creation of social enterprises was driven by reforms of the welfare State, ending up in a significant cutback of social security benefits. However, the emergence of European social enterprises has at least one additional reason. Behind the first experiences of social cooperation there was a different view of market and society, coupled with the idea that social inclusion and employment of disadvantage and vulnerable people in the working community is a more promising approach to let human being flourish than the simple distribution of cash benefits, allowances, or charitable donations. Moreover, social firms in Europe usually did not develop top-down, but were grassroots institutions emerging from communities of citizens dissatisfied with the standardized supply of social services on the part of a rigid welfare model consistent with the traditional state-market dichotomy. Finally, European social enterprises are characterized by participation of employees in the decision-making process and to the adoption of multi-stakeholder, democratic corporate governance.

Similarly to European social enterprises, the goal of the EoC movement is not limited to the promotion of entrepreneurial initiatives, but aims at changing from below the actual functioning of the economic system, and more precisely at humanizing it (see Crivelli and Gui, 2009). The attention to implement best practices of participatory governance was not a central issue in the early stages of the EoC, but it emerged in the most recent phase of the project’s history. It is mainly since 2004 that the debate on new forms of management and governance took place in the EoC movement. Although it is still a long way to go, some EoC companies feel strongly committed to rethink their internal organization so as to make it more and more consistent with the aim of communion.

The fact that we cannot clearly classify the EoC businesses into one of the three main typologies of social organizations, since all three types of social commitment co-exist in the EoC project, is an indication that its deepest identity must probably be sought elsewhere.

2. THE SPECIFIC IDENTITY OF EOC BUSINESSES

In order to get an insight into the specificity of EoC enterprises we must adopt a different view of an enterprise's activity than is usual in comparing, for instance, for-profit and non-profit enterprises.

Indeed, the most straightforward criterion for distinguishing among different organizational forms is the statutory destination of surplus (see Gui 1992, Hansmann 1996). So, for instance, in a nonprofit hospital organizational surplus, if any, is to be devoted to patients in the form of either lower prices or better service quality. Instead, a dairy cooperative is supposed to boost the producer surplus of milk suppliers by securing higher milk prices than the open market does.

The economic logic of social enterprises is often more complex than the two examples above; still a lot is revealed by indication of whom they are intended to benefit and how. For instance, the above mentioned Grameen Danone Foods is primarily intended to create consumer surplus for rural families by selling yogurt with special nutrients for children at very low prices⁸; and similarly, 'social cooperatives' engaged in work insertion devote their surplus to improving the opportunities for employment of disadvantaged workers, by offering them additional and better paid jobs.

EoC companies fit easily into this categorization as long as we focus on the allocation of profits: they aim at benefitting poor people by channeling part of their profits to projects somewhere in the world.

However, in order to delve more deeply into their specificity we must look beyond the patterns of yearly, or even monthly, surplus destination, and take a micro-micro view of their behavior that focuses on the countless relationships each enterprise entertains with customers, suppliers, workers, Indeed EoC philosophy has something to say about how the organization should behave, in principle, in all such relationships; more precisely, the ultimate goal of EoC enterprises – a very high and demanding goal indeed – is promoting “communion”, that is the highest degree of mutual openness and brotherhood among people, within the economic sphere. Business relationships are not seen as sources of insurmountable clashes of interest, but rather as opportunities for entering into rapports of mutual recognition and respect, up to “communion”.

The idea that economic agents adopt a logic of “fraternity” in their economic relationships has been recently put forward and discussed by Bruni and Sugden (2008). They claim that, in order for the benefits of cooperation to come true, economic life needs some form of sociality. The form of sociality that is specific to a market economy – they claim – is not some form of altruism, or donation, but rather a ‘shared intention for mutual benefit’. They depict economic actors as engaged in a host of economic relationships, each initiated by a (possibly implicit) contract, with shorter or longer duration. When it is her turn of complying with the contract, at least one of the parties has usually the chance of behaving opportunistically. Fraternity – Bruni and Sugden say – is the ‘moral orientation’ to disregard such a chance, as inconsistent with the spirit of a market contract, and to pursue, instead, the joint benefit of all the partners in that relationship, not the

⁸ Secondly, Grameen Danone also aims at creating worker surplus by creating jobs in the villages, in particular for women, who carry yogurt to villages in insulated bags and sell it door to door.

agent alone. Interestingly, fraternity does not only apply when the agent faces a member of a particular disadvantaged category, but applies to all business relationships⁹.

This notion of fraternity is very useful for introducing EoC philosophy, as both apply to the whole set of business relationships an enterprise is involved in, and both are defined as attitudes, rather than specific behaviors. In other words, EoC philosophy belongs to the same species as fraternity, as defined above. It is only more demanding¹⁰.

In order to clarify which behaviors EoC logic may encourage, we present a few examples. One concerns an Argentinian manufacturer of wooden products. A former employee who had been laid off due to laziness, a few months later comes back saying that the jobs he had in the meantime had taught him many lessons, and asking if he could be hired again. The boss decides to give him another chance. This time the employee is diligent.

Another telling example is a Spanish seller of pharmaceuticals for agriculture. A customer is interested in buying a significant amount of one of their products. The seller is not convinced: before selling, he wants to visit to the plantation, despite the distance. In the end he discourages the customer from carrying out the treatment since the weather conditions of that year would render it ineffective. The customer is amazed and expresses gratitude.

A third example concerns the proprietor of an Italian small metal treatment factory, who volunteers in helping a competitor staying afloat during a serious illness. In the end the competitor dies, and his enterprise is to be closed anyway. Later it happens that in the former firm an essential oven breaks down, so production is to be stopped for long time. Knowing this – and possibly also the previous story – another competitor offers to lend him for free a similar oven that is currently idle.

A customer of a small Brazilian catering refuses to pay an extra charge despite the actual number of guests served has been greater than anticipated. At a certain point the caterer, unwilling to start a dispute, accepts that the customer only pays the price agreed in advance. Later the customer calls, saying that, after asking for advice, she has come to the conclusion that the request of an extra charge was fair.

These stories can be summarized as follows: in their business relationships EoC proprietors, or managers, do not limit themselves to acting correctly, but intend to – and sometimes actually do – behave in an other-regarding, or supererogatory, way; their actions tend to trigger reciprocity, in various forms, not necessarily on the part of the beneficiary. Indeed, one could say that EoC businesses act as promoters of relationships of reciprocity.

Two interconnected questions arise. First, how can an EoC business survive? And, secondly, what is the effect of such an attitude in the economic environment in which it operates?

⁹ The establishment of relationships with particular characteristics (respect, recognition, care, support,...) with and among workers is also a feature of the third type of social enterprises. However, at least in principle, the same does not apply to other categories of economic agents

¹⁰ Indeed, Bruni and Sugden's notion of fraternity intends to express the minimum requirement for a "civil economy".

Let us start from the question of survival. One possibility is that the EoC business enjoys a rent due to a favorable market location (either literally and metaphorically); although other-regarding behavior reduces its profitability, the rent acts as a cushion against failure. Another possibility is that it is the recipient of donations, either explicit or implicit, possibly on the part of its owners, who may be willing to forfeit all or part of their profit in order to be faithful to EoC ideals. Both these answers have some explanatory power, but restrict the viability of EoC businesses to specially favorable situations. However, there is another possibility: that the EoC business gets back – in forms different from donations - as much as it gives, if not more. This can only happen – we are now also touching the second question – if its behavior boosts social efficiency in its "economic neighbourhood".

Indeed, in the interstices between economic actors there hide a host of lesser or greater inefficiencies: opportunities for mutual benefit that are bound to remain untapped. Absent transaction costs, for each such opportunity there would exist a set of mutually beneficial contracts. But contracts are costly, the more so when agents follow a logic of narrow self-interest. The situation is likely to improve when agents have long horizons and there exist established norms of cooperation that prescribe efficient behavior: in a series of (not necessarily identical) games agents alternate in taking actions that entail a cost to them, but provide greater benefits to others. Since transaction costs drop, agents are more likely to gain on average, so a logic of enlightened self-interest can suffice to sustain a cooperative line of conduct.

However, norms of cooperation are not in force everywhere. This occurs in particular when interacting agents do not belong to relatively small and stable communities. It is here that EoC logic can make a difference, as it pushes those who adopt it to act as 'starters of cooperation' (see Taylor 1987). Starters are defined by their willingness to bear, up to a certain threshold, the risk of suffering a loss, due to non-reciprocation by other parties.

One fact worth mentioning is that this loss may be relatively small with respect to the benefit enjoyed by the other parties. Indeed, agents located nearby other agents in the economic space – let us call them "economic neighbours" – have several cheap ways of benefitting the latter. These include:

- transmitting useful information, for instance regarding vacancies or possible business partners;
- providing services, such as transport, advice, help of various kinds, using resources that are at least partly inactive (in one of the examples above a manufacturer puts his human capital also at the disposal of his competitor's enterprise);
- lending or donating goods that would remain idle or would be seldom used, like in the case of the oven;
- transacting at a loss (a noticeable example is starting or continuing a labor relationship despite it is somewhat unprofitable, when the employee has bad or no alternatives; another is providing higher service quality than one is supposed to).

In saying so we have in mind a Hayekian view of a decentralized economic system as one in which agents are in a condition to exploit the huge amount of information that is dispersed at the periphery of the system, over a great number of individuals. Hayek puts the accent on agents being motivated to exploit this information by the prospects of benefits for themselves. (In his view other agents will benefit too, but only indirectly). However, part of this information lends itself to be used directly to the benefit of someone else. It is just this information that creates room for actions a) to d).

While these actions increase the agents' joint surplus, their immediate impact on starters' wealth is negative. Unless they do not receive a certain 'volume' of reciprocation, their profitability is under threat. Indeed, the most telling reply to our question about the survival and profitability of EoC businesses is one of empirical nature. What we can do in the absence of organized data is to examine in which ways the immediate costs implied by their other-regarding behavior can be counterbalanced by subsequent benefits. One possible source of such benefits are the direct beneficiaries of their behavior. For instance, it is quite likely that the farmer who was stopped from doing a pointless treatment will become a loyal customer. However, as in the story of the oven, starters can also be the beneficiaries of benevolent actions taken by third parties. In the narrations of EoC executives it is quite frequent to hear of a supplier who proposes a longer than usual payment delay, or of customers who show a preference for their products just because of their philosophy (a phenomenon that resembles customer preference for fair trade products). Another important category of stakeholders that seems to be sensitive to the enterprise's orientation is workers, as is underlined by the literature on intrinsic motivation following Bruno Frey's seminal work (1997). Working for an enterprise with social aims adds meaning to employees' effort. This makes socially oriented workers willing to be hired by such enterprises for a lower wage, or else to provide extra effort for the same wage. This fact too is often mentioned in the narrations of EoC businessmen.

If we believe Pelligra's work on trust responsiveness (2005), reciprocation, direct or indirect, is the stronger, the greater the risk of loss the first agent accepts to run. One of the rationalizations of these results is that the risk of loss reveals the strength of his pro-social motivation. If this is so, the more genuine the pro-social motivation other agents perceive in his behavior, the more they are going to be moved to respond cooperatively.

However, some agents seem not to display "social preferences", as is clearly documented by the ever-growing experimental literature. If this is so, EoC businesses are exposed to a systematic risk of exploitation. On the other hand, EoC businesses are not obliged to exhibit cooperative or supererogatory behavior in all business relationships, less so all occasions. So they find themselves on a narrow edge, as excessive prudence would deprive them of their specificity, while excessive generosity would condemn them to failure.

Let us point out another danger. Above we have argued that by departing from cautious business behavior EoC businesses can bring about efficiency gains (to the benefit of their "economic neighbors", and possibly at no loss for themselves). However this is not granted, as nothing prevents the cost of their actions from being greater than their benefits. This sort of risk is especially evident, for instance, in fair trade organizations: the extra revenue they secure to agricultural producers may be smaller, and possibly much smaller, than the price premium paid by consumers, the rest being absorbed by excess costs of the trade chain, typically due to small volumes. Similarly, by keeping an unproductive employee who has good alternatives, an employer may find himself bearing a much greater cost than the benefit accruing to the employee. All this means that, in order for their attitudes to be actually beneficial, altruistically-motivated agents must find a balanced combination heart and head.

We cannot close this section without mentioning a little investigated but important theme that is briefly but clearly presented by Bruni and Sugden in their paper on fraternity: "[M]arket relationships are more likely to be associated with feelings of friendliness and goodwill if they are perceived in terms of intentions for joint benefit rather than in terms of the separate and self-interested intentions of the individual participants" (2008, p.52). If what they call the "affective tone of relationships" has a value for human persons also within the economic sphere (see Gui and Sugden, 2005), the ability of EoC firms to transform otherwise cold and cautious business

interactions into relationships of reciprocity and mutual openness, up to “communion”, is an additional positive effect of their presence, possibly more significant than those that can be measured in monetary terms (see Borzaga and Depedri, 2005).

3. CONCLUSIONS

Whether EoC companies are to be considered social enterprises, and of which type, is in fact not the most momentous issue. More important is that they represent - so we deem - an original form of enterprise. Not in the sense that no other enterprise has ever practiced in one way or other the same logic before. Such a statement – luckily, we would say - would be both false and unfair. Instead, the originality of EoC lays in including the tension to reciprocity, mutual openness, up to communion, in its very identity.

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