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Social Business

- Next Step for Capitalism or an Iron Cage?



Bachelor thesis in Management

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Abstract

Social Business

- The Next Step for Capitalism or an Iron Cage

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Problem introduction: The concept of social business is a relatively new idea, and therefore we are interested in examining the possibilities, but also the problems that are attached to this concept. We are especially interested in examining in how social work is affected by having a demand of financial self-sufficiency.

Purpose: The purpose of this thesis is with a theoretical framework based on research within organizational studies critically analyzing the concept of social business as described by Muhammad Yunus. We are examining how financial goals affect social goals in the context of the social business.

Research Questions: How are social businesses affected by having both social goals and financial goals? Can working with social aims in the form of a financially self-sufficient company be seen as a tendency towards organizations with social aims becoming more rationalized and bureaucratized? Can the increasing focus on economic performance mean a change in on what basis decisions in the organization are being made?

Method: We have chosen to primary make a qualitative study, designed as four case studies of different companies. After completing the interviews, we have also conducted a comparative analysis of the different companies. The works of Max Weber combined with modern organizational theory has constituted the theoretical framework in our thesis.

Conclusion: We conclude from our research that we see a general tendency in companies with social aims to move from value-rationality towards instrumental-rationality in their social work. The process of implementing financial goals into social work leads the organizations into a process of rationalization.

Keywords: Social business, Social Enterprise, Value-rationality, Instrumental-rationality, Weber, Institutional Myths, Loose Coupling.



1. Introduction

1.1. Research Background

1.1.1 Social Business

The idea that business can have social goals other than the financial goals that are usually in the spotlight is not new. However, it has been subject of greater interest in the latest couple of years, which probably can be explained by a number of reasons. The rising interest for Corporate Social Responsibility has brought attention to the social role that a business can play (Bull 2008). Much of the interest that the concept has raised in developed economies is related to changes in the labour market that have left a growing share of the working force outside the labour market. This has created a demand for new ways of creating workplaces, which can help to integrate individuals that are deemed surplus. Cuts in public spending, especially in the United Kingdom, have also led to an interest in finding alternate ways of financing social work (Nyssens 2006). There is also a general tendency towards more and more of our needs being covered by profit-driven companies, deregulations of the public sector being a sign thereof. Finally, Grameen Bank founder Muhammad Yunus, who has recently expanded his concept into several new branches, has generated much buzz, and has also authored books about the subject.

There have also been signs of the trend spreading to Sweden. Mitt Liv is a company with an expressed profile as a social business (Mitt liv). However, the concept is surrounded by much ambiguity, with many companies profiling themselves as social. Some are state subsidized with limited financial risk, while others are regular profit companies with a CSR-profile. Possibly as a response to this confusion, Muhammad Yunus has stated clear guidelines to follow for social businesses. In his books *A World without Poverty* (2007) and *Building Social business* (2010), he has presented his concept social businesses as a possible solution to many of the most urgent social problems, and above all as a method that can solve world poverty. He believes this can be done through using the entrepreneurial dynamic of the profit-driven company for social purposes. According to Yunus, social businesses should always be financially self-sufficient, and are organizationally very similar to traditional companies. The main difference is that the superior aim of the company should always be social. He argues that the dividend-paying company has been superior in many ways in the last centuries. It has

succeeded in creating wealth and has managed to use the entrepreneurial spirit to create innovations and extraordinary wealth. Yunus' opinion is that the entrepreneurial spirit that capitalism has unleashed has insufficiently benefitted humanity as a whole. The skewed distribution of the wealth has created enormous wealth for smaller groups in mainly western countries and has left much of the rest of the world in poverty. Yunus' dream is to create a new type of company that has the dynamic of the traditional profit making company, but whose main goal is to serve a social purpose rather than a financial. The idea is although not at all new, and has been tested in different forms since the nineties (Nyssens 2006), although all companies defining themselves as social have not met the criteria set by Yunus.

1.2 Problem Discussion

Yunus' idea about a company that combines financial efficiency with charitable goals does seem interesting, but it also raises a lot of questions. There is a potential conflict between the statements that social aims are superior, but that financial self-sufficiency is an absolute condition in order for a company to call itself a social business. Situations where social and financial considerations conflict are likely to occur at some point, and companies will have to deal with prioritizing one of them. Although all actors with an economical dimension in their work will have to deal with financial questions, the social business idea gives the financial dimension higher priority within the organization compared to for example charities or public sector organizations.

It is rather uncontroversial to state that the development over the last century has been a triumph for the company as organization. The company has conquered many areas earlier provided by other organizations or institutions as the public sector or the family. The triumph march shows no sign of stopping, and the idea of the social business can easily be seen as the company conquering another part of human organization.

There is of course a lot of potential in that companies with a social aim can compete in the market economy, both in innovation and in more efficient resource use of resources. Profit-driven companies have created wealth and innovations, which have helped people to escape poverty without primarily aiming to do so, a company that actually has social help as purpose but also is able to compete with dividend paying companies, has the potential of fulfilling Yunus' promise. First of all, it is questionable whether a business with no yield can raise the capital needed for large-scale operations, this is however not our main concern here. We are concerned that something might get lost in social work when financial dimensions are gaining

importance in the organization. Much social work has historically been done on a religious basis or by other organizations based on voluntary work. Our worry is that in a company form, other values are likely to infiltrate the organization. We are interested in investigating what happens, when a company has to balance between social and financial goals. Is the company form suitable for social work? An article in Bloomberg Newsweek (Epstein 2012) reports that microfinance, which is the origin of Yunus' social business idea, is being misused with extortionate rates of interest in different parts of the world. Is such a development a risk when incorporating economical goals in social work?

In the beginning of the 20th century German sociologist Max Weber analysed capitalism as a process of increasing rationalization and predicted this development to continue. He saw the increasing importance of the capitalistic company as part of a bureaucratization of society and saw that humanity is trapping itself in an "iron cage", a society more effective, but also without heart and culture (Weber 1958). He saw rationality as divided between value-rational and instrumental-rational and saw a tendency towards the latter guiding human behaviour more and more. We believe that social work earlier has emphasized value-rationality, such as religious beliefs or deeds to help, but that the social business means that instrumental-rationality is gaining importance.

1.3 Purpose

According to Yunus, social businesses are a superior form of running an organization with social aims. Charities have to waste time on fundraising, and make people dependant instead of self-sufficient. Dividend paying companies, on the other hand, risk giving higher priority to financial goals. The social business can provide a balance provide social responsibility with a financial sustainability. We are interested in examining the problems that arise when financial goals and socials goals are mixed. Although charities naturally also have to adapt to financial reality, the financial goals are normally more flexible than the self-sufficiency condition set by Yunus. We are interested in examining what conflicts that may arise, and how the dual goals affect the operations of a company. A tighter financial steering might lead to different priorities, and decisions being made on new premises. To analyse this, we have chosen to use the theories of Max Weber, in order to investigate whether the idea of the social business is a step towards an increasing rationalization. We will use his concepts of instrumental-rationalization and value-rationalization as tools to analyse the decision making of the organizations, in order to examine in what extent social work is affected by also having

financial goals. With this thesis we hope to contribute with a critical analysis on the concept of social businesses.

Research Question:

How are social businesses affected by having both social goals and financials goals?

Sub Research Question:

Can working with social aims in the form of a financially self-sufficient company be seen as a tendency towards organizations with social aims becoming more rationalized and bureaucratized? Can the increasing focus on economic performance mean a change in on what basis decisions in the organization are being made?



2. Methodology

2.1. Research Design

Qualitative studies are preferable for answering our questions over quantitative for a number of reasons. The nature of our subject would make it hard to do any quantitative surveys. First of all, social goals are hard to quantify. These kinds of goals are also different between companies, and are therefore hard to compare. Above all, our research questions are mainly qualitative in nature, and are hard to adequately answer with statistics and numbers. They contain an all-embracing reflection on how social goals relate to financial, such comparison is difficult to express in numerical terms.

We have chosen to make a number of in-depth interviews with different organizations in order to acquire a deeper understanding of the subject. The results of these interviews will be used in a comparative study, in order to answer the research questions. A case study can provide closeness to the object being studied and a rich amount of details (Flyvbjerg 2001). We believe that we can draw some general conclusions on the base of studying a few cases, if we make correct choices on which cases to study.

In order to increase the “generalizability” of the case study, we have chosen to adapt the criteria set by Bent Flyvbjerg in “*Making Social Science Matter*” (2001). Of the four possible information-oriented selections, we believe that choosing a number of critical cases is the best way to achieve a possibility to generalize our findings in this subject, as extreme or paradigmatic cases are not applicable for this subject. We have chosen elements from the maximum variation type of case study as well, in order to acquire some knowledge about different circumstances (Flyvbjerg 2001). We have chosen cases that are most likely to confirm our thesis, thereby choosing an approach closer to falsification. We do not believe that our study is of a large enough scale for a positive generalization, but we believe that by choosing companies who are likely to confirm our thesis, we can either preclude the theory, or if not, conclude that some evidence are present for the confirmation of our theory on a more general scale.

For the study, we have chosen to study four companies in a comparative study, who all have social aims, but have different financial structures and relationships to dividend payouts. We have chosen different companies, who work in different fields to get an all-embracing view, rather than studying a particular sector. Although this may limit our possibility to more

specific conclusions, our main interest is to capture more general tendencies in society. Studying companies in only one sector contains the risk of leading to results that are too sector-specific. Also, as earlier stated, we believe that through studying companies, who are working under different circumstances, we will acquire some knowledge in how these affect the social work of the company.

We have chose to also use a comparative approach, where we will try to find out whether there are similarities to be found between the companies. Our main aim is not an internal comparison, but rather to analyze the companies with our theoretical framework, in order to see whether we can find common characteristics, or if we can falsify our theory.

2.2 Structure of interview procedure

We have chosen a loose approach when interviewing with the main goal being to create a dialogue, and to get an overall picture of the work of the different companies. As the companies are different in nature, it would not make sense to use the exact same questions. We have approximately ten questions with an open character for each company, the questions can be found in *Appendix 1*, although follow-up questions are essential for acquiring the necessary information. Interviews have been recorded, each of the respondents have been informed of this before beginning the interview. Each interview lasted between 40 and 60 minutes. The one exception for this is the company Mitt Liv, whose CEO only had time for a shorter e-mail interview.

2.2.1 Interview Selection Process

We have chosen four companies that in some way are notable for their methods of working with social issues. They have all raised media attention (Björck 2011)(Andersson 2012) (Björk 2011) (Björk 2012) for working with social aims in the form of a company. Because of this, we find them likely to confirm our thesis. The following companies will be interviewed:

Faktum – A company that offers employment to marginalized people in Gothenburg through offering them the opportunity to sell magazines. Faktum is almost financially independent, and finances almost all of its operations through sales. Any profit will be re-invested in the company. The company does not define itself as a social business; but essentially lives up to all of Muhammad Yunus criteria.

Mitt Liv – Mitt Liv works to integrate women on the Swedish labour market through education and mentor programmes in collaboration with other businesses. Mitt Liv has defined themselves as a social business in the way that Muhammad Yunus defines it, and has therefore raised our attention.

Collector – Collector is a finance company that has started a micro-finance service for women outside of the labour market. The service aims to be financially self-sufficient, and any surplus will be handled as any other dividend in the company. The activity is of interest to us as they have chosen to start a micro-loan service directly or indirectly inspired by Muhammad Yunus. We also find Collector interesting, as they are a regular dividend paying company, which has chosen to manage its CSR activity as a potentially self-sufficient branch of its business.

White – White is an architect company, which has profiled itself with social awareness. They have recently made the decision to include their social goals also in their business plan, and have raised attention by including Maria Wetterstrand, former spokeswoman for the Green Party in Sweden, as a board member.

The type of research question we have chosen leads to a somewhat troublesome discussion regarding choice of method gathering empirical data. On one hand we want to reach far into how the organizations in reality work with social questions, and be able to analyze the elementary motivation behind that work, which leads us to the conclusion that a qualitative research, as defined by Patel & Davidson (1994) would be most suitable for our thesis. On the other hand, to be able not only to get a greater depth in our interviews, but also to be able to distinguish general trends and patterns in the material received from the case studies, we have chosen to interview four persons in four different companies, intending that a quantitative research of a more statistical nature (Patel & Davidson 1994) would be the better choice. However, since the nature of our main research question leads us to conduct a qualitative in-depth case study, and research of a more quantitative nature would be of help to our sub research questions, the method we will use can be said to be a mixture of both qualitative and quantitative research, although with a main focus on the qualitative research approach.

According to Meriam (1994), there are three different interview designs that can be used when conducting a case study: structured, semi-structured and unstructured. In order to acquire a greater depth from our interviews and thus more accurate information, we decided to use a vaguely semi-structured approach along with a few predetermined vaguely

formulated questions. This approach allowed us to more freely direct the interview and ask follow-up questions, leading to even more accurate and relevant information. The use of a vaguely semi-structured approach was directly connected with the wish to do a qualitative research, which was our main intent. We believe that in order to find conflicts between social and financial goals, something we believe that most companies are reluctant to admit, we need an approach where we can be free and creative in order to expose such conflicts.

All interviews varied between 40 and 60 minutes and were recorded. The original intent was to conduct only four interviews, but as Kent Knutsson at Faktum did not have all the specific information that we wanted, an additional interview with Gustaf Rönneklev was arranged with very short notice. This did not only provide us with more accurate information for our thesis, but also an unexpected point of view, which added depth to the interview. The interviews were made in Swedish and translated into English in the transcribed material. To avoid prejudiced and weighted data, we tried to transcribe the interviews as raw as possible, also leading to the design of how we presented the empirical material.

2.3 Secondary data

In addition to the interviews, we will use material where the companies describe their companies, and mainly their social work. This will mainly include material from our case companies' websites.

2.4 Limitations

As we have chosen to study the activities of four companies, we have positioned our thesis somewhere in between the in-depth case study and a larger quantitative study. This means that we neither will acquire the full depth of a singular case, neither the breadth of for example a questionnaire.

We have chosen to study companies, who are different in their way of working with social aims. We have earlier discussed the advantages, the drawback is that this might lead to the companies being harder to compare.

3. Theoretical Framework

3.1 Defining the Social Business

Yunus introduced the concept of social business in his book *Creating a World Without Poverty* (2007). However, the idea of a business with social aims is not new. The concept of social enterprises came up in the nineties as part of research in the third sector (Nyssens 2006), and shows many similarities to Yunus' concept. The main difference is that it normally includes companies that are only partly financially self-sufficient, and sometimes also companies, who pay out dividends. The research around social enterprises lacks a widely accepted definition of the concept (Lyon, Sepulveda 2009)(Bull 2008). Some sort of social goal, and at least partly being financially self-sufficient is however common to the definitions we will discuss in this part. Yunus has chosen to use the synonym business instead of enterprise, possibly to differentiate his concept from existing definitions that he sees as unsatisfactory, but the concepts show many similarities. After comparing the concepts to clear out any incompatibility, we will use research based on social enterprises. There are two reasons for this. First of all, as we will explain in this part, the concepts are very similar. It can hardly be said that Yunus' idea of the social business is particularly original. Secondly, very little research is made based on Yunus theory. By including social enterprises, we can access a much broader range of secondary data. Yunus' idea has its roots in the developing world, although he states that it is useful in all parts of the world, it has been tested mostly in a context of poverty. The research based on social enterprises can provide us with more insight of how the idea works in a context where other social issues than poverty are in focus. It is important to state the difference between CSR and social businesses to avoid any misunderstandings; CSR is trying to take responsibility for the social aspects of the firms operations, where the social business has its social aim as the main purpose.

3.2 Defining Social Aims and Social Work

All of our case companies have a social aim, although it is in some cases subordinated to financial goals. We have chosen to adopt a definition from the Charitable Interest Company guidance (Lyon, Sepulveda, 2009, p.90), which states that “... *must aim to benefit the community at large or substantial section within it*”.

The work that our case companies do with these kinds of aims will hereafter be referred to as

social work. In some cases this work will also involve a goal of profit, but we choose to adapt a broader definition, where work with a clearly stated social aim that is of equal or greater importance than financial goals will be defined as social work.

3.3 Muhammad Yunus and the Grameen Companies

The concept “social business”, as defined by the Bangladeshi professor Muhammad Yunus, was defined in the book “*Creating a World Without Poverty: Social Business and the Future of Capitalism*” (2007). Yunus won the Nobel Peace Prize for his humanitarian actions, creating a micro loan bank to help poor women in Bangladesh to start their own businesses, and thereby helping their families to escape poverty. The Grameen bank was according to Yunus the first step in a long series with a long-term goal to extinct poverty (Yunus 2010). Since the start of the Grameen bank, Yunus has started a number of other social businesses based on the idea of the bank, even though he claims this was not his original intent when starting the Grameen Bank (Yunus 2010).

Yunus points out a couple of important reasons to why the world needs social businesses. Firstly he argues that the modern capitalistic system has an elementary flaw in its fundamental theory. Yunus states that the system blames the poor for their poverty, and makes it more or less impossible for them to break free from poverty and at the same time makes the wealthy even wealthier. Secondly, Yunus describes his belief that the best way to help people is to give them the ability to help themselves. He argues that most poor people wish to make themselves independent from charity, and instead work for their subsistence (Yunus 2010).

Many of the social businesses created by Yunus are joint ventures with large multinational corporations such as Danone, Veolia Water and Adidas, hoping to create a synergy effect between the companies (Yunus 2010).

3.4 The Social Business Idea

Yunus defines two types of social businesses that both, although with different means, fit into his idea of how a social business company should work.

The *Type I* social business is a company that is financially self-sufficient, but do not pay out any dividends and is created to solve a social problem. It is to be owned by investors that use all the profit to reinvest in the company, making it able to expand and improve (Yunus 2010).

He also defines a second type, where dividend payouts are allowed. In these cases, the owners must be poor people, who are in great need of the financial support that the dividends offer. This type of company is of most interest for activities in the developing world, and will therefore not be further mentioned here.

Yunus argues that to be called a Type I social business a company needs to show and meet seven different conditions. These are:

1. Business objective is to overcome poverty, or one or more problems (such as education, health, technology access, and environment) which threaten people and society; not profit maximization
2. Financial and economic sustainability
3. Investors get back their investment amount only; no dividend is paid out beyond invested money
4. When the invested amount is paid back, company profit stays within the company for expansion and improvement
5. Environmental consciousness
6. Workforce gets market wage with better working conditions
7. Do it with joy

Yunus writes that a common doubt or objection to the social business concept is that it would be hard to find investors. He goes on with saying that in the capitalistic economic system of today, people tend to believe that no one would be willing to invest their money without getting the highest possible return on their investment. This is a view on humanity that Yunus wants to challenge. He asks why people with money not would be able to do good for their fellow human beings, without getting anything except the satisfaction of helping others in return. He challenges the *homo economicus* view of modern economic theory, and states that there is as much evidence of altruistic motives as a driving force of human action (Yunus 2010).

The vision that Muhammad Yunus wishes to achieve by his work with the concept social business, is as mentioned in the beginning of this chapter the extinction of poverty. He states that this goal can be reached within 50 years, with the social business concept being an essential tool to achieve this.

Yunus states that the concept social business should work as a complement to the classical capitalism. He argues that capitalism today has a major flaw: profit maximizing in every

possible situation, but he sees many qualities in capitalism. He states that capitalism has a built-in incredible creative and effective power “*to get things done*” (Yunus 2010). Yunus continues to state that this flaw was realized by many European states, which had the time to establish a welfare state to cover up and take care of the social part of the society, where the capitalism failed due to its elementary design. However, third world countries do not have this chance due to much weaker political institutions, which is why they need help with their social problems (Yunus 2010). Yunus believes that capitalism has an inherent dynamic, which should be used to solve social problems.

As earlier stated, Yunus was far from the first to suggest the idea of a business with primary social goals. Extensive research has been made in the field of social enterprises, which is very similar to the idea of social businesses.

EMES, a European research centre, defines social enterprises from four criteria in 2001 (Nyssens 2006, p.5):

- a) “A continuous activity, producing and selling goods and/or services”,
- b) ”A high degree of autonomy”,
- c) “A significant level of economic risk”
- d) “A minimum amount of paid work”.

This largely corresponds with Yunus’ definition, however the definition to b contains “They may depend on public subsidies”, which conflicts with the criterion of financial self-sufficiency set by Yunus.

This is one example of a definition, but the field of social enterprises lacks a widely accepted definition. Nyssens (2006) discusses the conflict between on the one hand a view on social businesses that focuses mainly on market-oriented companies with a social goal and on the other hand a view that is closely related to non-profit organizations and productions co-operatives. Bull (2008) also describes two discourses: one that focuses on the for-profit entrepreneur, and another that focuses more on the social aspects. The former is described as being the dominating one in the United States, where the latter is observed in Europe.

Ridley-Duff (2008, p. 292) describes a disagreement between advocates for “not-for-profit” and “more-than-profit” policies. The differences are described as “*One view is that profits should not be distributed; the other view is that profit distribution is the purpose of social enterprise.*” Ridley-Duff acknowledges that a non-profit orientation “*and particularly asset-*

locks, create long-term investment problems” which may lead to that the company at best stagnates or at worst bleeds to death. They are criticizing both discourses, pleading for a new model that accepts the heterogeneity of the social businesses. In our study, we have chosen two companies who belong closer to the more-than-profit discourse: Collector and White, and two more closely attached to the not-for-profit: Mitt Liv and Faktum. They also favour a model that includes also the human need for social relations in addition to the rational-economic model. Social businesses should be seen also in the light of satisfying emotional and socio-sexual needs. This thinking shows similarities with Yunus’ criticism of the current discourse that only takes the greedy aspects of human behaviour into account, and his call for a new economic theory that also integrates other parts of human behaviour (Yunus 2010).

We can conclude that among the straggling definitions of social enterprises that exist today, there are definitions that breach with both the requirement of financial self-sufficiency and the philosophy of not paying out dividends. In general, the descriptions are however similar to Yunus’, and we are interested to investigate the differences between the companies that fulfil Yunus’ criteria and the ones that can be defined as social enterprises, but not social businesses.

3.5 Weber

The works of German sociologist Max Weber tries to explain the way capitalism works as a process of increasing rationalization (Zetterberg in Max Weber 1986). Rationalization works mainly in two ways: as systematization of human thought and as organization of human actions into institutionalized bureaucracies. Weber saw rationalization as an almost irreversible process of modern society, in his book *The protestant ethic and the spirit of Capitalism* (1958), he describes the human spirit as being trapped in an “iron cage”. This description also implies a partly negative view on the process of rationalization. He predicted that this process would capture more and more of human behaviour, including our everyday lives, our professional life and politics (Zetterberg in Max Weber 1986).

Weber divides rational behaviour into two types in his book *Economics and Society* (1968):

Instrumentally rational, that is, determined by expectations as to the behaviour of objects in the environment and of other human beings; these expectations are used as “conditions” or “means” for the attainment of the actor’s own rationally pursued and calculated ends;

Value-rational, that is, determined by a conscious belief in the value for its own sake for some ethical, aesthetic, religious, or other form of behaviour, independently of its prospects of success.”

It is further explained about instrumental-rationality that: “...Action is instrumentally rational, when the end, the means, and the secondary results are all taken into account and weighed. This involves rational consideration of alternative means to an end, of the relations of the end to secondary consequences, and finally of the relative importance of different possible ends.”

Value-rationality is on the other hand led by some sort of “cause”, which is superior to the result. Weber saw a development in behaviour in modern society towards being increasingly based on instrumental-rationality, and less guided by value-rationality or the two other non-rational types of social behaviour that he defined: affectual and traditional (Elwell, 1999).

Our theory is that the goal of financial self-sufficiency, and the new forms where social work is done in the form of a company, can be seen a tendency towards instrumental-rationality. The financial self-sufficiency demand means that results to a higher degree have to be weighted against resources. Much of the work that Yunus describes in *Social Business* (2010) is characterized by flexibility in means toward reaching the end goal typical for instrumental-rationality, the clearest example being the joint venture business with Danone, where much experimentation had to be done with price and production before achieving success.

Another key concept in Weber’s writing is bureaucratization. As a result of increasing rationalization, bureaucracy analogously dominates our lives more and more. Weber saw bureaucracy not only in the public sector but also in the rational companies that he saw as typical for capitalism. Bureaucracies are described as “goal-oriented organizations that are based on rational principles that are used to efficiently reach their goals” (Hamilton, 1991). We believe that the social business idea can be seen a tendency towards increasing bureaucratization, as the business form is taking over areas earlier controlled by a more pluralized form of organizations or institutions.

Weber set up five key conditions for the rational capitalism that he saw dominating society more and more (Zetterberg in Max Weber 1986):

- 1) A main part of the everyday needs of the population should be supplied through products and services from companies.

- 2) Factors of production should be controlled by entrepreneurs.
- 3) Companies should be controlled by demands for long-term profitability calculated through systematic bookkeeping.
- 4) Companies should act in a market economy
- 5) A free labour market

Notable is that a common characteristic for capitalism, namely the greed or profit-maximization is absent. Weber didn't see the capitalist as more or less greedy than other actors such as government officials, judges or doctors, and that there is room for both greedy and altruistic behaviour in a capitalist company. This is interesting when analyzing Yunus theory of the social business; on the one hand it conflicts with his analysis of capitalism being driven by greed above all. On the other hand it leaves room for altruism within the capitalism framework. The social business defined by Yunus matches all of the criteria above, which is not a problem itself, as the aim is to create a “*new capitalism*”, this process of rationalization is rather the goal of the idea (Yunus 2010). This has the implication that an eventual breakthrough of the social business idea confirms Weber's prophecy of the bureaucratization of society, a future “*...polar night of icy darkness*” (Weber 1994).

3.6. The Iron Cage Revisited

Inspired by Weber, Di Maggio and Powell's article *The Iron Cage Revisited* (1983) aims to describe the organizational development in time that has passed since Weber's death in 1920. They observe that rationalization still is a very strong force, but that the causes behind this process have changed. They no longer see rationalization as driven by competition and efficiency as in Weber's time, but rather as an isomorphic process, where organizations are becoming more similar as a result of organizational processes. They saw three driving forces behind the increasing similarity between organizations: *Coercive Isomorphism*, which is a result from direct or indirect pressure on organizations from other organizations or through cultural expectations. *Mimetic Isomorphism*, where uncertainty leads organizations to imitate each other. Finally, *Normative Isomorphism* is a result of professionalization and is described as “*...the collective struggle of members of an occupation to define the conditions and the methods of their work...*”. (Di Maggio & Powell 1983, p. 152) The development towards

social work taking the form of a company can be seen as a trend of companies becoming more similar.

3.7 The Profit Driven Company as Ideal

Brunsson and Sahlin-Andersson (2000) state that there is a tendency towards constructing organizations for purposes that earlier were handled by the public sector. They believe that organizations are assumed to act more rational and systematic through setting objectives and goals that control the organization. We believe that the social business can be a result of this will to construct organizations, which are seemingly more rational ways of organizing social work than the public sector or traditional voluntary organizations.

Kjell Arne Røvik sees a tendency towards organizations increasingly being led by an idea of “radical economism”. He thereby states that although the number of organizations is rapidly increasing, the effect is a conception of one organizational form, which can be applied to all kinds of entrepreneurship (Røvik 2008).

He distinguishes what he calls “the radical economism”, a common trend for all organizations to see the classical profit maximizing company as a role model, and argues that there is a conception that it is rational to do so. Røvik explains that the transformative force of “the radical economism” is best shown in three major areas: the elementary form of organizations, strategy questions and internal organizational resource management. He describes how this general trend can be analyzed to follow the overall pattern of expansionism, and he argues that the idea of designing or reforming an organization as a company has become an institutionalized standard (Røvik 2008).

Our belief is that the development of the social business is part of the development described by Røvik, as the aim is to do social work in the form of a profit-maximizing company.

3.8 Loose Coupling and Institutional Myths

According to Meyer and Rowan (1977), formal organizations are often loosely coupled, displaying a gap between the formal organization and the actual activities undertaken by the organization, the informal organization. They conclude that the wish to receive legitimacy or “ceremonial conformity” as well as the will to live up to the institutional rules leads to this Loose Coupling, leaving many of the structural elements only loosely coupled to each other

and violating rules as well as weaken many other parts of the organizations structural components. (Meyer & Rowan, 1977)

Continuously, Meyer and Rowan states that the “Weberian source of formal structure”, which they declare to be “the legitimacy of rationalized formal structures”, has been neglected. The bureaucratization is founded upon common norms of what is rational. These norms are not only present in implemented general values in organizations, but more powerful manifested in rules and understanding, which are attached to institutionalized social structures (Meyer & Rowan, 1977). The relational networks thought to be the origin of formal structures does however not count alone (Meyer& Rowan, 1977). Meyer and Rowan writes that “...*the elements of rationalized formal structure are deeply ingrained in, and reflect, widespread understanding of social reality*” (Meyer& Rowan, 1977, p.343). This social reality consists of different elements; “*Such elements of formal structure are manifestations of powerful institutional rules which function as highly rationalized myths that are binding on particular organizations*” (Meyer & Rowan, 1977, p.343).

With the concept of loose coupling in mind when examining social businesses, we hope to clarify if loose coupling is existent, and thereby be able to state if the loose coupling between formal and informal structures in these companies. Examining this option would hopefully lead us to conclude how or if the social businesses are affected by having both social and financial goals. Furthermore, the theories could provide us with a critical lens necessary for us to be able to analyse the material gathered in the case study, and to find out if and how the rationalized myths and rules of today have contributed to the assumed rationalization and bureaucratization of organizations with social aims.

3.8. Summary of theory

Our thesis is that the development towards doing social work in the form of a business can be seen as part of a general development in society towards increasing rationalization. Max Weber is one of the key analysts of this development, and we believe that what he describes as increasing rationalization, movement towards actions being increasingly led by instrumental-rationality and the increasing bureaucratization are important driving forces behind the organization form of social businesses.

More modern theories also observe the tendencies described by Weber more than one hundred years ago. DiMaggio&Powell describe a process of isomorphism, where

organizations are becoming increasingly similar. We believe that social work being organized as businesses is part of a general tendency where organizations are becoming increasingly similar to profit-driven companies, and therefore is a process of isomorphism. Brunsson and Sahlin-Andersson see organizations as increasingly being constructed by the public sector and through this a more rational way of working is expected. We believe that social businesses are part of this development, although none of our case companies are directly affiliated to the public sector, they do work in areas that traditionally have been done by it. Røvik also sees a tendency towards organizations increasingly acting as profit-driven companies. We believe that our case companies confirm this theory, as the social work of our companies has in some cases been done in other organizational forms earlier.

4. Empirical Data

Here we will present background facts as well as the interviews that we have made with the different companies.

4.1 Collector

Collector, which was founded in 1999, is a multinational financial service oriented company providing services such as credit handling, factoring and invoice solutions for distance commerce and retail.

The services are foremost directed to company customers, but Collector also provides private customers with a range of different financial services, such as in and out lending.

Collector has an environmental policy, as well as an equality plan and works with the concept CSR, Corporate Social Responsibility. Regarding their CSR profile, Collector does not see the concept as a strategy, but an approach, incorporating its key values in the whole organization with the intent to create a better world. (Collector)

4.1.1 Interview: Åsa Hillsten Eklund, marketing manager at Collector

The idea of the microloan business originally came from the company's CEO, Lena Apler, and was launched in 2012 after a few years of discussion and development. The business, which has been named "entrance loan", is based in the idea that loan takers can manage their own future as well as help their families by starting their own businesses. Collector's role is to support and inspire their loan takers to entrepreneurship.

Eklund furthermore says that the cornerstone in all Collector's business is their three elementary beliefs or values; ethics, entrepreneurship, and commitment. These should be present in all parts of the company and the commitment to those values is something that is actively being encouraged and developed. Eklund also states that it is of great importance that the social profile that the company tries to display, does not only consist of empty words, but that it really is incorporated in the daily work.

Connected to the values and business ethics that Collector strives to live up to, Eklund says that Collector tries to make the employees proud and dedicated to their work. She argues that such feelings are very important, although hard to develop, in a sector with a poor reputation such as the financial.

According to Eklund, the CSR concept is integrated in the very foundation of Collector, thereby stating that it is not just a matter of PR, but instead a vital aspect to Collector's identity. She further on notes that Collector are experiencing high profits as it is, and would not have to use CSR or the micro loan service for marketing purposes. Eklund does admit that Collector has gotten a lot of publicity in different media due to their social investments, but explains that with the concept's popularity at the time. Eklund admits say that CSR creates good PR, but argues that the difference between Collector and many other companies is that Collector does not only talk about doing things, but actually really get things done.

As a part of the social responsibility that Collector takes, Eklund says that unlike many companies active in the financial sector, Collector always evaluate and look up their affairs in order to make sure they are socially fair. She furthermore states that Collector does not do anything without trying to earn money, but also says that their activity is not in any way harmful to the environment or the people living there, and that Collector is very observant about what loans that are going in and out in the company.

Eklund notes that Collector's main area of focus, as to social work, is the eastern suburbs of Gothenburg. She states that those areas have many severe social problems and takes employment as an example. Eklund means that Collector's role in the society is to highlight these problems, and to encourage to debate. She points out that there is too much political talk, but no actual reaction to these problems. Therefore, Collector wants to challenge the politicians to take action and do something about the problem. *"We provide these districts with money and opportunity to invest, what do you do? And where will our efforts meet?"* she states. Eklund points out that one of the reasons to begin giving microloans, is to provoke politicians and other people to start such a debate.

Eklund sees the above-mentioned problems as the main reason to why Collector has begun to offer exclusively female applicants microloans. They want to offer a safe way to for women living in those areas to get financial opportunities and encourage entrepreneurship. She describes Collector's vision to create a "living region", and to activate the individuals who live there. Eklund goes on and explains that the reason the microloans are given to women is the basic fact that women have a higher probability to pay back the loans.

The microloans are designed as a letter of credit. She explains that instead of giving cash to the loan takers, Collector binds itself to pay the bills up to a certain sum, where the loan takers only pay for as much as they have used. She argues that this is a better way to

encourage own entrepreneurship and dedication to the task than it is giving loan takers money, as they need to know what to do with the money, as well as have a business plan. She also states that Collector does have conditions on what kind of business the loan takers will carry out, and how the business plan is formulated. Eklund furthermore argues that this approach will protect the loan takers, and is a more ethical way of giving microloans, since there can be no illegal money laundry. It also makes sure that no other person can make use of the loan takers to put money in their own pockets. Eklund points out that the microloans have a higher risk and the same or higher administration costs, but points out that the motivation behind the entrance loan is the satisfaction in seeing and helping somebody to grow. Furthermore, Eklund also says that Collector takes field trips to the suburbs, in order to learn more about the possibilities the micro loan business has, as well as to see to who they are actually lending money.

Collector earlier gave money to charity, mainly to an organization called “Hand in hand”. Eklund explains that the money that earlier went to charity, now is being invested in the micro loan business, and is used to cover up the high credit risk of the loans. The reason for this is that Collector want to earn money, but at the same time take a social responsibility. She goes on with explaining that Collector calculates with an initial loss, but that the goal however, is to make profit from the microloan business, or at least to make it self-sufficient. Eklund says that the whole CSR-budget is being invested to develop the micro loan service, and that Collector also have started a cooperation with the company Mitt Liv, who are providing Collector with expertise knowledge about how to evaluate the loan takers business plans and probability to pay back their loans. As an answer to the question what Collector would do if the losses caused by the micro loan business would not cease, Eklund says that the service probably would be allowed to proceed for another 2-3 years, but cannot give an answer to what would happen after that. She explains that every investment has to be motivated and goes on with saying that what Collector sacrifices is the first couple of years, but may earn externally the positive effects of good PR, and internally the creation of a strong internal profile. Eklund adds that it is important to be solid in what one does; otherwise the result can be bad reputation.

Furthermore, Eklund makes sure to note that even though Collector aims to profit on the micro loan business, it is not primary done as a way to make profit, but out of social reasons. She also points out that in the case that Collector would make a profit on the microloans, this

profit would be treated like any other profit the company makes, and thus would not initially be reinvested in the microloan service.

Eklund states that Collector is a company with both financial and social goals, but affirms that there is a risk that the social goals could be forgotten if the pressure on making profit were to be too great. Additionally, she points out that the microloan business, although it is the largest social investment, is not the only social goal that Collector has. She explains that in a sector like the financial sector, there harsh demands or norms on how to be and look, and states that Collector wants to challenge this conception by set quotas for people with foreign origin into the company.

“We want to make Gothenburg a more living region and take care of the capabilities that are present here”

4.2 Faktum

Faktum is a social business, and the company’s main focus is to provide occupation for individuals belonging to a group of people that has lost their connection to the society. The target group generally consists of homeless people, ex-alcoholics or drug addicts.

(Faktum)(Kent Knutsson)

To reach the stated social goal, the organization has decided to sell a street magazine, which the sellers buy from Faktum and sells at a higher price on the streets. (Faktum)

4.2.1 Interview: Kent Knutsson, distribution manager at the Magazine Faktum

Knutsson states that the magazine is a unique way of providing people from their target group with a job, which he also points out as Faktum’s main goal. He continues with declaring another important goal, the role of Faktum as a magazine that discusses social problems, and encourages debating these issues.

Knutsson notes that the concept with selling street magazines builds on sellers own will to reach a better situation. He means that the concept can only help when the sellers themselves believe that this opportunity can help them to function in society. He also states that Faktum has helped many to get to the next step toward integrating in society, but also that there were many they could not help. Knutsson says that the sellers set their own goals, and that

Faktum's role is to be there to help them until they quit, hopefully because they no longer need the help provided.

Knutsson admits that Faktum is often associated with charity organizations based on voluntary work since their main goal is to give help to people that need it. He points out that this is not the case, as they consider themselves a business. Knutsson explains that Faktum consists of three major parts, that all have dual goals. On the one hand the company aims to improve the social situation for its target group, and on the other hand to make profit. The distribution office is responsible for providing sellers with magazines. The second part is the editorial office, which has the responsibility to design the magazine and to highlight the social questions and problems that in most cases are not being discussed. Knutsson explains it as giving a voice to them who is not heard in the society of today. He argues that this part of Faktum's work is of great importance since it does arise system errors, and that in most of those cases, the people who really have knowledge about the situation, the homeless for example, are often ignored. The third part is the brand Faktum. He argues that Faktum is a well-known brand, and has to manage its position and image to be better at helping its target group. He explains how Faktum tries to be present at fairs and social happenings to strengthen its brand.

To be able to sell the magazine, sellers have to carry their seller's license at all time while working. They can only sell the magazines at a couple of pre-chosen places over the city, but do not have a minimum amount of time that they have to work each day. Knutsson notes that Faktum, for the time being, has approximately 200 active sellers.

The sellers buy the magazine from Faktum for 25 kronor per magazine, and later sell it for 50 kronor. If they buy too many copies, they cannot sell them back. Knutsson states that there never has been a problem with sellers buying too many magazines. The difference is their wage and for them to keep. And that is the primary concept for Faktum as a social business.

Knutsson states that Faktum sees itself as a regular company. The sellers are representatives for the company, and as in many other companies Faktum provides on-the-job training and competence enhancing activities for their sellers. He states that these courses are of great value for the target group since many of them do not have basic competences that are necessary in everyday life, such as computers. Faktum also provides other related services for their sellers such as juridical counseling. Knutsson states that the company originally was not working as a social business, but with "help to self-help", as pure social work.

According to Knutsson, among Faktum's target group, many were earlier involved in crime, drug abuse, and alcohol related problems; often do not have much of a choice when it comes to occupation. He argues that they cannot apply for a regular job, due to their past. He goes on with stating that many of them probably would have problems handling a normal profession.

Knutsson states that the method used by Faktum, where none of the sellers are obliged to work, and where only their own motivation decides how much to work, is functioning.

Knutsson points out that there is a difference between Faktum and many other attempts from the government to offer this target group occupation, mainly since the work that Faktum provides is voluntary. He describes a common case in government occupational help, where people from the target group experience stress and cannot cope with the conditions that are put on them, leading them to leave the program, leaving them immediately back on square one. Knutsson goes on with explaining that the reason why Faktum's approach is successful is not only the voluntary nature of the concept, but also the immediate satisfaction connected to the selling of the magazines. He argues that working in a government based social program can take long time; the result for the Faktum sellers comes directly with every magazine sold. He points out these two aspects together makes a stimulating option for people in the target group, and thereby an effective tool for dealing with these kind of problems.

Knutsson explains that there is more to Faktum's work than just providing a job opportunity for the target group. He means that because of selling the magazine, the sellers develop a greater self-esteem and self-confidence, they feel that they act in a positive context, where they learn to take responsibility and create new routines. Knutsson continues by explaining that although the job and the money thereby generated is important, one of the most important aspects for the target group is the meeting with people. Furthermore Knutsson states that the work Faktum saves money for the government, through the positive effects described above.

Faktum does not follow up what happens to their sellers after they quit, and no actual monitoring of the sellers in the sense of social development is done. Knutsson states that Faktum wants to follow up how the sellers develop more in a social dimension. He also says that it would be different if the public sector bought the service from Faktum, providing them with strict plans on how to evaluate the target group's progress; however, this has not been the case so far.

According to Knutsson, Faktum fills a basic need that many people have, and especially within this target group, where the work that Faktum offers is "the only way out". Knutsson

points out that the opportunity to earn their own livelihood is a condition for personal development and a comeback in society for the target group.

Knutsson states that Faktum also is involved in other social work areas. For example he mentions the world cup in football for homeless. He goes on with saying that there are many other aspects to this problem, and that there is a wide range of ways in which to help this particular target group. As for how to help these people, Knutsson argues that there are many other organizations, mostly on governmental level, that helps these people in different ways. He states that Faktum has chosen to give help through employment, which he believes to be both relatively easy and effective. Knutsson further explains that around every individual of the target group, there is a huge network of supporting instances, administrators, medical personal and so on. All of them, according to Knutsson, make a good job, but not many of them are focusing on the problem that Faktum focuses on, which Knutsson believes makes Faktum unique and necessary.

Faktum recently bought a similar magazine in Scania to expand their business. He furthermore states that since Faktum can be seen as a social business, they have regulated what to do with a potential profit in their statutes; all surpluses should be reinvested in the business to develop the product or in any other way support Faktum's social objective.

In order to answer some of the questions of more financial nature, Karlsson felt that he has to direct some of the questions to the CEO of Faktum, Gustaf Rönneklev.

4.2.2 Gustaf Rönneklev, CEO

Gustaf Rönneklev comments the two main goals that the organization has with explaining that one leads to the other. He states that the magazine has to be commercial viable, if it fails with that goal, it would also fail the overall social goal. Gustav means that although Faktum has an opinion-creating role, it also must appeal to a broader mass, in order to sell magazines. He explains how the magazine in the early days had a much heavier social agenda. However, he argues that the people who bought the magazine mainly did this for charitable reasons. He notes that Faktum has increasingly tried to commercialize the magazine, in order to sell more copies, thereby not only giving the sellers more work, but also to grow as a major magazine and thus highlight the social problems more effectively.

Rönneklev furthermore explains how important it is for Faktum to be self-sufficient. He means that Faktum should be able to write about and inspect a spectrum of different

companies, some of them being Faktum's sponsors, without obtaining a sufficient loss if these companies were to withdraw their support.

Rönneklev points out that Faktum is as good as financially self-sufficient today. He presents that donations and subsidies make up only an insignificant part of the whole revenue, he estimates the number to one percent. He furthermore explains that one of the greatest contributions to the company's total revenue is a sponsorship product. He stresses that this is not a donation, but a CSR-related service, that Faktum is selling. The companies wishing to sponsor Faktum buy a subscription, which grants them advertising space in the magazine, as well as copies of the physical magazine at their offices.

Rönneklev agrees with Knutsson when he says that there is no conflict between Faktum's social and its economic goal. As can be read above, he rather suggests that they work together.

“We will never be able to get these individuals an apartment, or to solve their drug problems, but we will do as much as we can to help them do it themselves”.

4.3 White

White is the biggest architectural company in Scandinavia, and also one of the biggest architectural offices in Northern Europe (Klasander). The company is multinational and is present in the Nordic countries as well as in Great Britain. (White)

White is owned by its own employees and this is a cornerstone in White's work. This is thought to lead to a higher level of influence in the company for the employees (Klasander). White actively works with an environmental sustainability plan, and is currently designing a social responsibility plan to be incorporated in the general business plan. (White) (Klasander)

4.3.1 Interview: Anna – Johanna Klasander, architect at white.

Anna-Johanna Klasander begins the interview with saying that White is striving to achieve a higher level of social consciousness. She explains that the choice of appointing Maria Wetterstrand, earlier spokesperson for the Green Party in Sweden, to the board of directors, is a part in this plan.

White is owned mostly by its employees, which Klasander sees as an opportunity to affect social goals in the company, since the employees themselves can choose how high the

dividend should be. She also states that White is reinvesting a significant sum of its profit into the business, especially in knowledge development.

Klasander furthermore notes that White is incorporating social goals in its business plan, which she hopes will be complete soon. Klasander herself is working with the design of those goals together with an anthropologist hired by the company. She cannot yet tell what the goals will look like, or what social questions they will cover.

Klasander argues that White always has been engaged socially, and builds its whole operation upon some social and environmental elementary thoughts. She states that White has been helping to build the Swedish welfare state from the beginning. She also states that White has been dedicated to environmental questions since 15-20 years, before most other companies in the sector. She points out that Whites early commitment to these problems has proven to be a trump card.

Klasander admits that White was an important actor in the building of the “Million Program”, which has been heavily criticized in retrospective for creating segregation. However, she notes that at that time something had to be done immediately, and points out that the lack of time and the need to save money on almost everything were the main reasons to why it turned out as it did.

Klasander states that White is continuously working with social responsibility and CSR, which they try to involve in their business plan and directly into their projects. She explains that they recruit experts at social questions, among them anthropologists, to help the architects to design buildings and city environments. She goes on with saying that the anthropologists are not consultants, but rather involved also during the design of the projects, the purpose is to use their knowledge to make footprints in the very shape of the housings. The anthropologists also have as objective to talk to other stakeholders than just those with pure economic interests, Klasander explains. She takes the example were the anthropologists together with the architects visit the area where they are supposed to build and talk to the residents in the area. In short, the task is to provide White with a broader knowledge basis to be able to build for the people that are going to live there.

Furthermore Klasander admits that it could be a conflict between client’s demands and White’s wish to work socially viable, but points out that there has until now has not occurred one. She states that White is in a position of being able to choose which clients to work with.

She adds that it could do essential harm to the reputation if White were to work with the wrong costumers. She explains that in the building of a city environment, there are wide ranges of different views to evaluate and respect, thus it is always a case of choosing the best compromise.

Klasander notes that White does have a social responsibility, foremost towards the social and ecological environment, but also towards its customers. She states that Whites architects and anthropologists role is to help Whites customers to make their projects better and to tell them what needs they often do not know that they have.

The main areas for Whites social work in Gothenburg are the eastern suburbs. Klasander states that it is in those areas the most social problems are present, and therefore those areas have the most pressing need for help. She points out that one major task for White is to bring these problems and questions to light. Klasander notes that the sector overall has been tentative regarding these questions, but states that White has taken initiatives to open up a discussion about what needs to be done.

To the question whether it is or would be cheaper or more expensive to be social viable, Klasander answers that it is not a question of money, but to do the right thing. She admits that Whites services can be seen as more expensive than others, but points out that what their customers pay for is competence, both in building and in ecological and social sustainability.

Klasander explains that White is a profit making company with dividends. However she explains that the strong culture, which rests on a social and ecological ground, in the company makes that the owners do not ask for more money to be paid out, instead of environmental investments. Klasander explains that one of those investments is that White always climate compensate their annual field trips. She furthermore says that White's main focus is to build ethically correct, not to profit maximize, which she also suggests can be seen in that White does not pay the highest salaries, and will continue to maintain the level on which it now is. Klasander means that the reason why people like to work at and with White is their caring culture, not the money. She goes on with stating that since White is such a popular workplace, it has the privilege to employ only the aspirants that show the same kind of dedication to the task.

Klasander explains that as a part of their social responsibility plan, they reserve TET-places for students from exposed areas. She explains that doing so sends out a clear message. She

furthermore hopes that this will in any way motivate teenagers from these suburbs and says since those children often do not have any contacts with the kind of business that White undertake, this is a great way to introduce them to that world.

Furthermore Klasander argues that it probably will not occur a conflict between the social and the economic goals, even under for example time pressure. She explains that it is just in those cases the social responsibility is at its highest. She states that the social thinking cannot disappear, but that it is extremely important that architects do not create social problems caused by how housing or city landscapes has been built. She also notes that that is a reason to why White has employed anthropologists, to understand which parameters White can experiment with. Klasander points out the huge importance the social contacts between people who share social environments are.

Furthermore Klasander states that the social goals will be followed up, just like any other goal that is being written into the business plan. She does admit that it is hard to follow up these problems since they are hard to qualify and quantify. She does however give examples like investigating in how many projects the social expertise has been used and asking the customers how they perceive White's social knowledge.

Klasander states that White is working continuously with knowledge networks in many different areas, in order to develop its ability. She argues that the knowledge to solve any social problems does exist on many places in society, but that it only has to be recognized and not underestimated as during the Million Programme.

White annually implements a project called "the White days", which Klasander explains to be an investment in development of social consciousness. She states that to get a deeper insight in what it really means to build with social responsibility in mind, they have invited sociologists to hold lectures. Furthermore she mentions that White also has done field trips to and micro studies on the Danish autonomous neighborhood Christiania, She explains that studies into this kind of society, built on planning in consensus, could be good to evaluate and maybe take as a model.

To conclude the interview, Klasander expresses that she has seen more and more real dedication to the social responsibility, not only as a PR trick, and says that she has experienced a demand after knowledge of how to work with social goals.

"Everyone is maybe not passionate about this, but I think enough people are".

4.4 Mitt Liv

Mitt Liv defines itself as a social business. This implicates that it has no dividend to its owners, but also has to be financially self-sufficient. The company was created in 2008 by Sofia Apelgren, and made a social business in 2009 (Mitt Liv). Sofia Appelgren has stated that the choice of business structure was inspired by Muhammad Yunus.

Mitt Liv draws up a couple of overall goals for its business;

- Create curiosity
- Prevent prejudices
- Contribute to diversity in the labor market
- Create participation
- Strengthen self esteem
- Create insight about the importance of taking responsibility for the own life

(Mitt Liv.com)

Mitt Liv offers individuals, foremost women, with foreign background courses about the Swedish labor market and how to integrate themselves in the Swedish society. Mitt Liv also offer lectures in diversity and discrimination related subjects. The purpose, and they way to provide the participants with results, will be reached by mentorship, education and broadened contact network.(Mitt Liv.com) Mitt Liv wants to offer help to those not present on the labor market, as well as those who want to help, but do not how to. (Mitt Liv)

4.4.1 Interview: Sofia Apelgren, CEO and founder of Mitt Liv

Sofia Apelgren states that the social business concept has helped Mitt Liv to be able to combine idealistic and commercial questions, to get the public and the private sphere to work together, seeking an answer to queries about Sweden's future.

She argues that working in the form of a social business creates credibility, long-term thinking, and a sustainable way to conduct business as well as a close cooperation with the business sector, and that the concept thereby is the most effective way to pursuit the Mitt Liv's social aims. When being asked whether Yunus' idea has inspired the choice of organization, she states that he is an inspiring person, but that demand and needs are the main source of inspiration.

Although Apelgren admits that a dividend could lead to greater chances to liberate capital, she explains that as a social business, Mitt Liv has clear dividend constraints, and are by law prohibited to have dividend of any sort, which leads to that all possible profit will be reinvested in the company. Apelgren furthermore points out that to violate the dividend constraints would most likely lead to a serious questioning of Mitt Liv's trustworthiness.

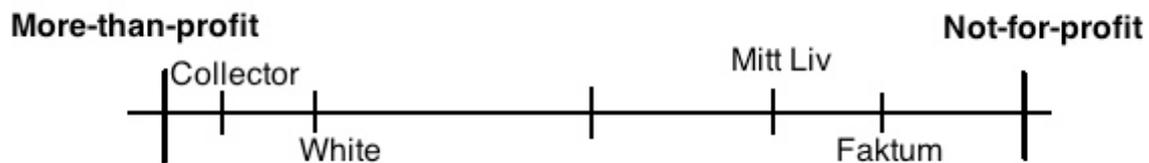
Apelgren continues with noting that the Mitt Liv can grow without help from charity and alike, and points out that as a social business, Mitt Liv has advantages over pure voluntary organizations in that that it can survive in a long-term perspective and create a win-win situation in cooperation with the business sector. She furthermore says that in case that Mitt Liv during a longer period of time would generate loss, the solution would be to address the owners, review the business to see if there really is a demand for what Mitt Liv is providing or to find other ways of working with the same social questions in mind.

Apelgren states that her personal aims with Mitt Liv are to increase diversity and integration on the Swedish labor market, and to contribute to a labour market open for everyone regardless of their ethnicity.

5. Case Specific Analysis

Combining social goals with financial self-sufficiency is the core of the social work of our case companies. The companies are all different in nature, some do not match the demands set by Yunus, although all can be defined as social enterprises (at least when considering the Entrance Loan business a separate branch), as they have social aims, which are of equal or greater importance than the financial goals of the company.

Using the two discourses of more-than-profit and not-for-profit as the spectrum of a scale, we have chosen to place the companies the following way:



In the following chapters, we will analyze our empirical material using models from our theory chapters as analytical tools. We will also explain the position of the companies on our scale above.

To begin our analysis, we will begin with a short comparison of our companies, and how their social work is structured and carried out.

Company:	Collector	White	Faktum	Mitt Liv
Social Business*	No	No	Yes	Yes
Branch	Financial services	Architecture	Magazine retail	Education
Organizational Design	Joint-stock company	Coworker owned joint-stock company	Joint-stock company	Joint-stock company
Financial Design	Profit making company with dividends	Profit making company with limited dividends	Self sufficient Social Business without dividend	Partly self sufficient Social Business without dividend
Main social aim	Providing women with foreign origin a micro loan service	Designing buildings environmentally and socially sustainable	Providing a group of very exposed individuals occupation by selling the street magazine "Faktum"	Providing women with foreign origin education and access to the Swedish labor market
Social Objectives as part of the Core Business	No	Partly**	Yes	Yes
Organization size	Middle – Around 200 employees	Large – Around 600 employees	Small – Around 10 employees	Small – Less than 10 employees
Other Social Work	Recently discontinued charity work	Providing students from "exposed areas" TET places	Highlighting questions regarding the target group	Lectures about diversity and social problems

*As defined by Muhammad Yunus

**Anthropologists integrated in the projects and the designing of new projects, which can be said to be the company's core business. Plans to integrate social goals in business plan.

We will begin by analyzing our companies one by one, and follow this up with a comparison between our cases. Doing this we will use our theoretical framework in order to make an analysis where we try to divide our empirical material using our theoretical framework in order to start a discussion where will try to answer our research questions.

5.1 Collector

Collector stands out among the other companies, as the social work is not the core business of the company. They see high ethics as a core value in the company, however, this is not the same as having social aims, but can rather be regarded as CSR. The main aim of the entrance loan project, is however social, we will therefore here partly look at it as a separate entity from the rest of the company, as we believe that it is a typical example of the tendencies

towards the rationalization of the social work that we try to capture in this thesis. We will later discuss its relation to the rest of the company. It can be seen as a social enterprise using the more-than-profit definitions, but it does not live up to the standards set by Muhammad Yunus, even when considering their social work as a separate business, as dividends are paid out. As it is a company which pay out dividends, and that any profit from the entrance loan activities is not reinvested, we see them as close to the more-than-profit discourse of the social enterprise definitions. Their previous CSR-budget is now being used to create a project that has the long-term aim of being financially self-sufficient. The hope is that the long-term result should be the same social effects for considerable less money, practically only the paid-in capital. This can be seen as a step from value-rationality towards instrumental-rationality in the company's social work. Earlier the company was satisfied with just donating money to charity for the sake of it, now it wants control and to see measurable results of its social work, and also considers the resources used compared to the results.

The choice of only allowing female loan-takers similar to Yunus' approach can also be seen as part of the same development. Collector motivates this with the sole fact that women have had a better re-payment statistics historically, which is a very economical argumentation that is instrumental-rational, as the means are being adapted to the expected results, with the result that approximately half of the possible loan takers are excluded from the service.

We see two tendencies towards isomorphism in the entrance loan project. First of all, we see this development as part of the general tendency towards all kinds of organizations becoming more similar to profit-maximizing companies, also described by Røvik. Secondly, the idea of a micro-loan business is part of a global development, where microloan services are spreading as a solution to poverty, primarily in the developing world. We see these tendencies of isomorphism as mainly being driven by coercive forces, as we believe that political factors and societal cultural expectations are of great importance for this development.

Røvik's analysis of the profit-driven company as ideal for the organization is very easy to see in Collector's decision to do their social work in the framework of this model.

The transformation of the social work from charity to a financial service displays certain similarities to what Meyer & Rowan writes about seeking legitimacy. The new entrance loan designed as a social business can possibly be a way to incorporate a more rational approach to social responsibility, a way of ingraining the institutional myth of rationality provided by the capitalistic society. To be labelled as rational, the concept of social business as a more rational way to fight social problems has been integrated in at least the formal structure.

The entrance loan business can be the victim of a development, where the activities are being loose coupled from the superior social aims, where the entrance loan project may be driven by a myth of rationalization, rather than the original intent.

5.2 Faktum

We will regard Faktum as a practically financially self-sufficient company here, as subsidies and charities are of insignificant importance to the company. We will there can regard it as a social business as Yunus defines it, and also by both the not-for-profit and more-than-profit definitions of the social enterprise. The representatives at Faktum are also very eager to stress that they are a business, and does not wish to be attached to the “third sector” of voluntary organizations.

Their business model demands from their sellers that they adapt to the reality of the rational capitalist society. Faktum’s role is to supply their sellers with goods, and support them in this activity, but the main positive social effect occurs when a sale is done. This means that sellers will have to adapt to a rational capitalist thinking in order to sell, for example, they will have to learn how to behave properly, and to plan their purchases after how much they think they will sell. The fact that Faktum has changed the content in their magazines to make it more commercially viable is a very clear sign of economic goals triumphing social values. This is as stated the very idea of the business, as CEO Rönneklef states, the economic and social goals go hand in hand. It is possibly the clearest example that we have found in our research of instrumental-rationality gaining importance over value-rationality. Where the magazine earlier had a clear social profile in line with the overall social aim of the company, Faktum has recently chosen to develop a more commercial profile writing about celebrities and entertainment over issues that affect the target group. The earlier content in the magazine can be seen as value-rational, as the choice of content was chosen not because of the potential results, but because it was in line with the overall aim and values of the company. The step towards commercializing the magazine was on the other hand clearly chosen because of the potential economical results and is therefore a clear sign of instrumental-rationality.

We see the same general trend towards isomorphism as described in our analysis of Collector, and also recognize the company as ideal in Faktum’s work. We see the same coercive driving forces here, but also a clearer direct pressure from other institutions, as public subsidies are being discontinued, also confirming Nyssens’ analysis of public austerity as a driving force behind the development of the social enterprise. Brunsson and Sahlin’s description of

organizations being constructed and as being perceived as more rational is also present here, as Faktum aims to work as a company. Although not affiliated with the public sector, the company works with problems traditionally being covered by it.

The change in content is most likely to be a case of loose coupling, or at least looser coupling than it originally was thought to be. Although Knutsson states that this is the best way to help their target group, it seems to lead to a more polarized core activity where the objective of shedding light upon the social questions and the objective to increase the opportunities for the target group to financial means are being separated, with the latter gaining importance.

5.3 White

White can be described as a social enterprise with the more-than-profit definitions; but it is not fulfilling Yunus' criteria. Being a company, which also pays out dividends, but claiming to have a co-owned financial structure that puts less emphasis on pay outs, we have chosen to place it slightly closer to the not-for-profit discourse than Collector. We are aware of that Klasander's description may not reflect reality; our impression is however that profit is of less importance than in Collector. White claims to always have had a social aim with its work, although it seems that it has become more clearly stated in the last two decades. This can partly be explained that there is a relatively high demand for social awareness in the field of architecture, as many of their customers are from the public sector, where social goals normally have a relatively higher priority compared to the private sector. It also seems like White has found a niche in the social and environmentally conscious competence, and are popular thanks to this reason, rather than in spite of. White's decision to incorporate their social goals in the business plan can be seen as a sign of a belief that the goals are best fulfilled when being at the heart of the profit-driven business, and thereby confirms Røvik's theories. This need to clearly express the social aims in the company's work can be seen as a sign of a need to rationalize the social dimensions. It cannot however clearly be seen as instrumental-rational over value-rational, and it was hard for us to find a direct conflict between their social goals and the economic goals.

The fact that a former spokesperson for the Green Party has been installed in the board of directors is of interest for our analysis. Maria Wetterstrand is a famous politician, well known for her environmental dedication. As such a figure, it is possible that giving Maria Wetterstrand a high position in the company is a sign of White seeking legitimacy, and thus incorporating a most rational actor for the environmental and social image that White wants to display. As for the recently hired anthropologists, reasoning in the same spirit as Meyer &

Rowan gives a possible explanation to the phenomena. To state that the company is operating with a social responsibility in mind is not legitimate without concrete actions taken.

Therefore, to involve experts in the area could be seen as a search for legitimacy. The anthropologists may further more be a way for White to assume a rational approach to the question about social responsibility and to incorporate the institutional myth that a sustainable company should work actively with these kind of questions, thereby both receiving legitimacy and being labeled as a rational company when it comes to social work.

In line with the arguments above, the fact that White is writing its social aims into the business plan is a further example of how these social aims is tending to me more bureaucratized and more rational incorporated in the company. To appropriate a given set of defined social goals in written form is a clear example of making what earlier was a common attitude, or way of thinking and acting, into institutionalized rules.

This acquiring of legitimacy may be helpful to the company's financial goals, as architecture is a field where there is a demand for competence in environmental and social issues.

5.4 Mitt Liv

The short answers, which we received from Mitt Liv, did not really provide much insight in the way that the company works. We will try to make an analysis from their own descriptions of their operations, as well as the answers in the interview. Mitt Liv is an example of a social business living up to Muhammad Yunus criteria. By adapting the form of a company, Mitt Liv also confirms the theories of DiMaggio & Powell, Røvik and Brunsson & Sahlin by adapting the idealized form of a profitable company to solve problems, which traditionally have been the object of the work of charities or the public sector.

Apelgren's description of the company as being led by demand shows that their social work is adapting to the demands of a rational capitalist company, this adaption also means that the company will have to adapt more instrumental-rationalized behaviour in order to meet the demand from the business sector.

Although Mitt Liv does not recognize the social business concept defined by Yunus as a direct role model for the design of their enterprise, they are strikingly similar to what Yunus describes as a social business. As a standard for what is rational when working with social problems, it seems that the rationalized institutional rules defined by Yunus can work as a new rational myth when working with combining financial and social goals.

In this part, we will make a comparative analysis, in order to find out whether we can see common tendencies among our case companies using our theoretical framework as an analytical tool. We will divide this part of the analysis into chapters based on our theoretical framework.



6. Comparative Analysis

6.1 Weber

All companies base their social work on having a product to sell, and when studying Collector and Faktum we have seen clear signs of a change towards adapting a more business-like approach for its social work. This means that social work is put in a market economy context of supply and demand, and thus fulfilling one of Weber's five criteria of rational capitalism, which we will examine one by one later. Selling a product means that means will have to be adapted to the results in order to meet demand, leading to decisions increasingly being made on an instrumental-rational basis. Mitt Livs decision to do their work in form of a financially self-sufficient company can also be seen as part of a such development, in addition, Apelgren states that supply and demand is the main source for the idea behind the company. White's work did not in the same way show any change towards being increasingly driven by instrumental-rationality. We even observed signs of value-rationality gaining importance in the company's work, as it seems like the social awareness has gained importance in the company, and that White tried to avoid the mistakes which was done when building the Million Programme, many of which can be seen as a result of an extreme instrumental-rational way of thinking.

We can thereby conclude that our empirical material confirmed our theory of instrumental-rationality in three of our cases, but that White did not in the same way provided material for a confirmation.

Bureaucracies have been defined in our theory as *“goal-oriented organizations that are based on rational principles that are used to efficiently reach their goals”*. We can therefore see it as a characteristic for bureaucratization that decisions increasingly are being made on an instrumental-rational basis, as efficiently reaching set-up goals are central to the bureaucratic organization. We can therefore in the same way conclude that three of our companies confirm our hypothesis that the social business form is a part of what Weber described as bureaucratization.

In order to integrate the social aim with the business, we can see that the persons that the companies aim to help also in different ways have to adapt to the business logic behind the company. Faktum's homeless sellers need to adapt to the logics of selling, Mitt Liv's applicants learn to make themselves marketable in a free labour market and Collector's loan

takers have to develop business plans. Again, White does not confirm our theories in the same way, although the decision to offer TET-places to children from the eastern suburbs can be seen as a similar way of working. This adaption is in the very heart of the idea, social work should make people help themselves to function in capitalist society, rationalization conquering new areas is the very core of the social business idea, and how Yunus believes that poverty can be extinct within the next fifty years.

The development towards organizing social work as a company means that social work is increasingly living up to the five criteria set for rational capitalism by Weber. More needs are being serviced by companies through this change in organization, new social entrepreneurs control production factors, a demand for financial self-sufficiency probably leads to systematic bookkeeping being increasingly integrated into the social work (although this question was never asked during our interviews), companies are increasingly getting involved in the market economy and social enterprises increasingly operate in the free labour market for paid work, rather than being based on voluntary work.

6.2 The Iron Cage Revisited

We have seen tendencies towards isomorphism as our cases are examples of different types of social work all adapting the form of a profit-driven company. The companies are still showing considerable differences, but are becoming more similar, as they all adapt a more business-like approach. Although it is hard to pinpoint the exact driving forces behind those changes, we see believe austerity and higher unemployment stated by Nyssens and above all a cultural expectation that organizations should act more and more like businesses in order to be rational (Røvik, Brunsson) as main driving forces. We can therefore analyse the development of the social business form as mainly a result of coercive isomorphism, as signs of mimetic and normative isomorphism largely have been absent in our empirical material.

6.3 The Profit Driven Company as Ideal

Røvik's theory that the profit-driven business is serving as an ideal for all types of organizations is very much present in our empirical study, as the companies with White as an exception, have changed the organization of their social work to become more company-like. Our studies seem to confirm the theory that the profit-driven company has become an institutionalized standard.

We also some traits in our organizations, that confirm Andersson & Sahlin's theory that organizations are being constructed to serve needs, which earlier were covered by other types of other social forms, is also present in some of our cases.

6.4 Loose Coupling and Institutional Myths

All our case companies can be said to have integrated the institutionalized myth of rationality regarding their social work. Collector has ceased their pure charity work to instead conduct social work as a business. Faktum has gone from highlighting social problems in their magazine to develop a more commercially viable content, losing focus on one of their main social aims in benefit for economic goals. White is working on writing their social aims as standards in their business plan, setting up rules how to conduct social work. In Mitt Liv's case is it hard to make any comparison in this matter, since the information obtained was inadequate, but the fact that Mitt Liv has chosen to organize their enterprise as a company, instead of charity, gives a hint that the Mitt Liv has designed its own organization around the institutionalized myth of how to rationally work with social problems.

As mentioned above, all of the companies seem to have, consciously or unconsciously, ingrained institutional myths and rules regarding how to conduct social work. We also see signs of that the four companies, although in different extent, also may have done this in a search for legitimacy. White's choice to bureaucratize their social aims by integrating them into the business plan, as well as the fact that it recently hired professionals in the field and the hiring of Maria Wetterstrand into their board of directors being good examples. This is also seen in Faktum with a greater focus on commercial viability, where easier economic success seems to be what is perceived as legitimate for its cause rather than other aspects of its operations. In line with the reasoning in the previous part, it seems that Mitt Liv's incorporation of the institutionalized myth of rationality also may be a mean to legitimize the organization, in terms of how to best achieve social goals. Collector also shows signs of wanting to receive legitimacy connected with its investment in the microloan service. Even though Collector can be said to have received some kind of legitimacy due to their previous work with charity, reorganizing this operation into a business may provide even more legitimacy for the company.

As for loose coupling, Faktum does display such tendencies due to the change of context in the magazine, pushing their two overall social goals away from each other. A case of loose

coupling, although not of the same kind as in Faktum, is to be found in Collector where the social business is completely cut off in all but an eventual profit from the rest of the company. In White's case, the situation does not seem to be the same as in the previous analyzed companies, but instead displaying a conversely tendency, towards deeper integration of their social work in their daily operations. Unfortunately, Mitt Liv does not provide any enough information to be analyzed in this case.

6.5 Companies with dividends

As for the two companies with dividends, we do have to look at their work from a critical perspective in order to analyse whether social aims are used to obtain a good reputation, and in that way becoming a more attractive company, leading to higher profits. Collector's work caught our attention in a double page in Sweden's second biggest newspaper (Björck), and White has gained much attention for bringing the respected Maria Wetterstrand into the board. Collector's claim that their profits are high enough as it seems unconvincing, why would high profits make further profits of no interest? Also, the fact that if everything goes well with the entrance loan business, less money will be spent on social work can be problematic when taking into account that this in the end may result in higher dividends. Our other case companies are of course also dependent on a good reputation, but in this case there is not the same risk of a misuse, as the company structures do not allow dividends.

White's and Collector's activities can be seen as a sign of loose coupling, where the social activities are being used by the companies to obtain legitimacy, where the actual operations in the companies not are affected. Yunus also discusses this problem in *Social Business*(2010) although not using the term loose coupling, both to highlight the limitations of CSR and to argue why social businesses in his opinion never can be allowed to pay out dividends. Not allowing dividends helps to avoid these kind of conflicts, but the drawback is as stated by both Ridley-Duff in our theory and Sofia Apelgren in our empirical material, that finding investors may be harder, leading to stagnation or financial problems.

7. Conclusion

As a result of using a semi-structured interview approach, we believe that we did reach further into the very core of the examined questions. The possibility to ask follow-up questions and to more freely and easily take control over the subject discussed in the interview led us to obtain a deeper understanding, as well as specific and accurate information.

We are aware that the choice of White as a case study object did not after a redefinition of our research questions seem to be as valid as the others. We decided to still interview White with the hope of obtaining some useful information to be compared with the remaining companies. Although some information obtained during the interview was irrelevant, the interview did give us useful information in some aspects, but at the same time presented information contrary to our research questions and hypothesis.

The choice of studying four companies has maybe led to a lack of depth in our study, choosing to study one single company might have been a better choice, as we did not acquire the desired depth of understanding for all our case companies. However, we still believe that doing a comparative study has increased our “generalizability”, and was necessary for us to be able to capture more general tendencies in society. We believe that we cannot falsify our thesis of social businesses being part of the rationalization, and that much of our empirical material has confirmed this, although our study is of a too limited scale to make a definite positive generalization.

It is almost inevitable not to see the development of the social business also as one of rationalization. Social businesses are characterized by many of the traits that Weber saw as typical for the rationalization of society. Social businesses are companies that are clearly led by instrumental rationality, adapting their means to achieve the goals set up. Another side of Weber’s rationalization, namely the bureaucratisation of human organization is thereby also present. This is however not denied by the advocates of the social business idea, the very core of it is that social work should subordinate itself rationalization, in order for resources to be used more efficiently, and thereby being able to help a larger number of people. In line with Meyer & Rowan’s theory on rationalization as a myth, the concept of social business may serve as a new institutionalized myth, in order for organizations with both financial and social aims to legitimize their organizations.

The social business concept can be a fresh approach to many social problems, and can be a productive way of solving some of them. Above all, it has the potential of being superior to

charities and the public sector in terms of economical efficiency. When the goal of financial self-sufficiency is fulfilled, only start capital is needed to provide a social service, which would require running donations from philanthropists or taxpayers when done in other organizational forms. As most of our case companies recently have begun their work as a social business, it is hard to judge any results. Faktum, who has been working with a social business model for a longer time, has not followed up any of their social work, which makes it hard for us to make any statements about the effectiveness of their organization.

We have both in our case studies and when analyzing Yunus' literature about the social business seen signs on rationalization and bureaucratization of the social work. Focus on economic performance leads to a change in the way of thinking when working with social aims. This is however the idea behind the concept, and the hope of Yunus and other advocates of the social business form is that social work can increase its effectiveness and thereby be better at providing help for the ones who need it. Yunus clearly states that he wants social work to be part of capitalism and for it to adapt to the market economy. There are problems connected with this bureaucratization and rationalization. On a more practical level, Meyer & Rowan's analysis of rationalization as myth, may lead to some parts of the firm working separate, or loosely coupled, from the main aim of the firm, being led by a myth of rationalization in order to obtain legitimacy. Røvik, Brunsson & Sahlin and Di Maggio & Powell have helped us to see why social work is increasingly adapting the form of a company. There are cultural tendencies towards the profit-driven company being an ideal model that all other organizations try to imitate, leading to an isomorphic result, where organizations are becoming more and more similar. This development is led by an idea that the profit-driven company is the most rational way of leading an organization, and thus adapting to a rational myth.

We have seen evidence of instrumental-rationality gaining importance over value-rationality. This development can be seen most clearly in cases where social work had existed before, but now has taken a new form of a company. However, both types of rationality are present in the companies, a certain amount of value-rationality has to be present, otherwise there would hardly be any reason for starting a social business, what we see is a change in the balance between the different kinds of rationality.

Although an instrumental-rational approach probably leads to better results, as the results now are in focus, we are worried that it may lead to decisions being led by in a way of thinking that may be problematic in social work. Faktum's decision to compromise with the social content in its magazine can be seen as a conformation of our worries, towards an increasingly

instrumental-rational decision-making based on what is perceived as rational considerations rather than the original driving force behind Faktum, a will to help the weakest in society. The danger is both that businesses with original social intent are losing its social focus, and that entrepreneurs with doubtful intents misuse the social business concept in order to obtain legitimacy.

We believe that we have managed to fulfil our purpose satisfactory, although some limitations are present, mainly due to a lack of depth in the insight of some of our case companies' work, above all Mitt Liv. The theoretical framework has helped us in analyzing and answering our research questions, although it may also have led our inquiry in a specific direction, contributing to a possible bias towards confirming our theory.

To answer our main research question, we have observed that financial goals lead to a process of rationalization in the work of companies with social aims. This has positive effects, and may be a necessity to make social work viable in a market economy. However, we have stated some worries that instrumental-rationality may lead to decisions leading in a questionable direction. Our worries are also of a more spiritual nature, that social work is done in the spirit of rationality rather than with, in lack of a better word, warmth. Weber had a dystopic vision of the future man as being "*hedonists without a heart, and experts without a spirit*" (Weber 1958), hopefully this is not the future social worker. But if that is what it takes to extinct poverty, maybe that is a development we have to accept.

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Appendix 1

Interview Questions

Mitt Liv

Ni arbetar ju medvetet kring konceptet socialt företagande. Det finns ju en rad olika definitioner av begreppet, men jag får intrycket av att ni är tydligt inspirerade av Mohammad Yunus definition (t.ex. fröanalogin). Vilken betydelse har han haft för er verksamhet? Vilka andra inspirationskällor har ni för utformandet av er verksamhet som ett socialt företag?

På vilket sätt tror du att verksamhetsformen socialt företag är optimal för ert mål att hjälpa kvinnor med invandrarbakgrund att komma in på arbetsmarknaden?

Vilka problem skulle det innebära att ha vinstutdelning?

Ni bedriver ju samarbete med Collector, som vi också har intervjuat. Ett eventuellt överskott från deras entrélånsverksamhet kommer att behandlas som vilken annan vinst som helst i företaget. Kan en sådan inställning leda till intressekonflikter mellan de sociala och finansiella målen?

Skulle vinstutdelning kunna innebära att ni skulle kunna locka till er fler investerare?

Och motsvarande: vilka problem skulle det ha att vara beroende av donationer? Vilka fördelar har er typ av verksamhet gentemot en sådan som Samhalls, som delvis är beroende av offentligt stöd?

Om ni hypotetiskt skulle välja att dela ut ett eventuellt överskott, vilka konsekvenser föreställer du dig att skulle kunna få för verksamheten?

Om företaget under en längre tid skulle gå med underskott, vad skulle ni på Mitt Liv vidta för åtgärder?

Och avslutningsvis en lite mer personlig fråga: Vilka är dina huvudsakliga mål med Mitt Liv?

Faktum

Hur bekanta är ni med konceptet socialt företagande? Presentera idén om socialt företagande. Ser ni er som ett socialt företag eller snarare som en ideell organisation?

Vilka ekonomiska mål har ni i verksamheten i dagsläget?

I vilken grad är ni beroende av donationer idag?

Är det möjligt, och önskvärt att göra Faktum ekonomiskt självförsörjande?

Uppstår det konflikter mellan er roll att vara ekonomiskt hållbara problem och samtidigt uppfylla era sociala mål?

Tror du att sociala företag som Faktum har potential att lösa fler sociala än vad det gör i dagsläget?

Vad ser ni som den grundläggande drivkraften bakom att driva Faktum?

Collector

Är ni bekanta med begreppet socialt företagande? Om ja, hur inspirerat är entrélånsprojektet. (Ser ni entrélånet som en direkt motsvarighet till Muhammad Yunus verksamhet i Bangladesh med Grameen Bank?)

Varför har ni valt att starta verksamheten med mikrolån/entrélån?

Varför har ni föredragit denna form av social verksamhet framför att stödja traditionella ideella organisationer (vilket ni också gör)? Tror ni på sikt att allt erat CSR-arbete kan bedrivas som sociala företag?

Ifall entrélånsverksamheten går med underskott, hur kommer detta att påverka erat engagemang? Är det en förutsättning på sikt att den är ekonomisk hållbar?

Ifall entrélånsverksamheten ger överskott, hur kommer detta att användas?

Ni påstår att CSR är en del av er verksamhet, hur bidrar det till er affärsidé ”Collectors affärsidé är att erbjuda kreativa, kundanpassade och effektiva finansiella tjänster.” eller vision ”Förändra finansiella strukturer och leda utvecklingen av nya produkter med fokus på kassaflöden.”?

Har ni som företag andra mål än att endast generera vinst? Upplever ni det som att ni också har sociala mål med eran verksamhet?

Ni påstår att CSR är en integrerad del av verksamheten. Likväl kommer det att uppstå situationer där man måste välja mellan att maximera vinsten och ett socialt mål. Är vinstmålet överordnat för er?

Vilka fördelar kan ett överskottsmål ha för en verksamhet med sociala mål? Skulle det rent ut av vara möjligt att bedriva entrélånen som en kommersiell verksamhet som man tjänar pengar på?

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Ni har länge haft en hållbarhetsprofil, men har i år valt att även skriva in en social profil i er affärsplan. Varför har ni valt att göra detta?

Vad innehåller denna, och vad kommer det att betyda för er verksamhet?

Fråga hur de arbetar med det sociala. Hur står detta i förhållande till hållbarhet.?

Hur följer ni upp på era sociala mål?

Kan det hända att ni filtrerar bort uppdragsgivare på grund av att de inte uppfyller era krav?

Ni är ju ett vinstdrivande företag med vinstutdelning. Kan det uppstå konflikter mellan era sociala mål och överskottsmål? Är vinstmålet överordnat det sociala målet?

Ser ni den sociala profilen som en del av själva kärnverksamheten? Kan den också hjälpa er att uppnå vinstmålen?