

The Participatory Governance Dimension



In this lecture we are going to explore the participatory governance dimension of the participatory governance social entrepreneurship approach.

Participatory Governance Dimension

- a high degree of autonomy
- a decision-making power not based on capital ownership
- a participatory nature, which involves various parties affected by the activity

Defourny & Nyssens, 2012



The Participatory Governance approach, identifies three criteria that encapsulate the participatory governance dimension of social enterprises:

- a high degree of autonomy
- a decision-making power not based on capital ownership; and
- a participatory nature, which involves various parties affected by the activity

Defourny & Nyssens, 2012

Let's look at each one of these in turn.

High Degree of Autonomy

- Social enterprises are:
 - based on an autonomous project created by a group of people
 - governed by autonomous individuals
 - managed by autonomous individuals

Defourny, 2001



Firstly a high degree of autonomy. The participatory governance approach considers the basis of a social enterprise to be an autonomous project that is created by a group of people. The social enterprise is governed by these autonomous individuals. The social enterprise is managed by these people. They are not governed or managed directly or indirectly by public authorities or other organisations.

Defourny, 2001

Decision Making Power

- Social enterprise decision making power:
 - not based on capital ownership
 - generally "one member, one vote"

Defourny, 2001



The second criteria is that decision making power in social enterprises is not based on capital ownership. Instead decision making is generally "one member, one vote"

Defourny, 2001

Participatory Nature

- An aim of social enterprise is to further democracy at the local level through economic activity
- Other important characteristics include:
 - the representation and participation of users or customers,
 - the influence of various stakeholders on decision-making, and
 - a participative approach to management

Defourny, 2001



Finally, the participatory governance approach to social entrepreneurship considers an aim of social enterprise to be to further democracy at the local level through economic activity

Other important participatory characteristics of social enterprises advocated by the participatory governance social entrepreneurship approach include: the representation and participation of users or customers, the influence of various stakeholders on decision-making, and a participative approach to management.

Defourny, 2001

References:

- Defourny, J., 2001. From third sector to social enterprise. In: C. Borzaga and J. Defourny, eds. The emergence of social enterprise. London and New York: Routledge, 1–28.
- Defourny, J., & Nyssens, M. (2012). Conceptions of social enterprise in Europe: A comparative perspective with the United States. In Social enterprises (pp. 71-90). Palgrave Macmillan, London.