Market-Oriented Social Enterprises:
The For-Profit Challenge of Welfare Institutions

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Abstract
The paper analyzes the concept of a market-oriented social enterprise from a social welfare perspective. Such entities engage primarily in developing creative employment opportunities for marginalized populations. Market-oriented social enterprises are analyzed on three different levels: (1) On the level of welfare policy, where the paper argues that they can fit current thinking on social policy, (2) on the organizational level where the paper discusses a conceptual tool that can reconcile between the conflicting business and welfare orientations, and (3) on the level of the individual participant in those enterprises, where the paper discusses new conceptual perspectives to accommodate them in such enterprises. It uses concepts from the world of business and the world of welfare to create a rationale for developing market-oriented social enterprises as well as some principles on how to structure those. Such enterprises do not fit all marginalized populations, in fact just a small minority of those. However, their development has implications both on the business sector, regarding its involvement in society as well as on welfare systems, regarding its approaches in treating marginalized populations.

The literature on social enterprises with a market orientation, especially those providing employment for disenfranchised populations, uses primarily arguments in support of such entities that focus on the benefits for the public purse (saving on welfare payments), for society (reducing stigma and stereotyping of such populations) or for the economy (increasing employment and the workforce). The social welfare perspective is rarely included in such discourse. On the other hand, when social welfare scholars analyze the concept they often see it through negative lenses: The argument goes that the fact that such entities need to compete in the market in order to survive breeds danger of commodification of the weakest populations in society. Within social enterprises functioning in a competitive framework, those weak workers are required to perform at levels of effort that can be detrimental to their well-being or they must face firing (Garrow & Hasenfeld, 2012). For
these reasons, welfare professionals are hesitant to recommend such solutions for their clients and prefer to engage them in more sheltered environments, where the profit orientation is not an imperative for the institution, in order to protect them. They further argue that the existence of such entities can serve as a platform for policy-makers to call for replacing social welfare agencies by profit oriented social enterprises and eventually infringing and endangering social rights, for which these populations are entitled to, after fighting hard for them during a long time.

The paper does not negate the arguments about dangers of commodification and infringing social rights of marginalized populations, which are indeed real. However, it attempts to broaden the welfare discourse of profit oriented social enterprises and enlarge its scope. It builds on an earlier work by the author (Gidron, 2014). It uses a welfare perspective when analyzing the phenomenon of market-oriented social enterprises on three levels:

(1) On the policy level, where it shows how the use of market-oriented social enterprises fits current trends in social policy;

(2) on the organizational level, where it shows how, under certain circumstances the two competing logics of welfare orientation and profit orientation can co-exist for the benefits of the participants in those; and

(3) on the individual level, where it challenges conventional outlooks on welfare clients and shows how a different perspective on disenfranchised populations can help integrate some of them in the workforce as regular workers.

As an introductory note it is important to stress that the author does not believe that the business methodology or the business sector can solve the world’s difficult problems of exclusion and marginalization; when used creatively it can at best mitigate some of them.

The paper has four parts: In the first, introductory part it presents the recent interest and development in social enterprises in general and profit-oriented social enterprises in particular. In the second part it views this development in the policy context of the new discourse regarding the welfare state and its nature in first decades of the third millennium. In the third part it analyses the profit oriented social enterprise as a hybrid organization with two opposing institutional logics, but looks at conditions as well as new perspectives to enable the building of bridges between them so as to provide marginalized populations opportunities to benefit from them. In the fourth part it analyzes two conceptual
frameworks pertaining to disenfranchised populations that provide a new outlook on their situation and possibly new policies and practice modes.

A. Social Enterprise – The Concept, its Manifestation and the Recent Interest in It

The concept of “social enterprise” is not new and has been presented and discussed in the literature for a long time. It has different traditions and has developed differently in different parts of the world (Kerlin, 2009) but by and large it pertains to entities that combine commercial and social objectives. A simple definition that is often used (in different variations) is an organization that has social (or environmental) objectives and uses business/commercial strategies to achieve those. The EMES network has engaged in studying that concept for the past 2 decades and has developed an “ideal-type” approach to define the concept. Their definition is composed of three components: (1) The economic and entrepreneurial dimensions, which practically suggests that the entity engages in commercial activities; (2) the social dimensions, which have to do with the contribution to the community – the raison d’être of the entity and (3) the participatory governance dimensions, which provide an expression of community ownership (Defourny & Nyssens, 2012, 77-78). The idea that such entities are entitled to reap profits out of their activities distanced that tradition from the American tradition of the non-distribution constraint of organizations with social objectives. Lately those two traditions are getting a little closer. Obviously there are many forms, legal and other, of social enterprises and given the newness of the phenomenon, only few countries have set up regulatory systems for them.

When these ideas are translated into the world of welfare, a major way to express them is within organizational entities that provide employment for marginalized populations (the social goal), which produce a product or provide a service that competes in the market (the business strategy) and where the target population is treated as workers, receiving a regular salary and enjoying other workers’ benefits. While “welfare to work” programs exist in many countries for a long time, the new feature in those social enterprises is their market-orientation and business imperative, which means that in order to sustain themselves, they have to be competitive in the market. Such an approach attracts into that arena the business sector, which is called to invest in those entities, not to donate to them.

There were several reasons for the recent interest in social enterprises, especially by the business sector. The economic crisis of 2008-9 and the ensuing crisis in philanthropy, called for a fresh look at the financial basis of organizations with social missions. This entailed
criticism of the concept of Corporate Social Responsibility (CSR), which is often considered as a means to clear one’s conscience, not as an effective way to deal with social problems. Furthermore, the realization of the magnitude of problems the world faces (of inequality and poverty, around the environment, in health) and the inability to tackle them effectively by current means and approaches created conditions for introducing new ideas into this arena. Finally, Muhammad Yunus’ Nobel Peace prize (2006) and his book *Creating a World without Poverty* (2007), where he coined the concept *social business*, namely a business enterprise that does not maximize profits for the owner but uses the business methodology to advance social objectives, was a major contribution to set the business sector in a new direction. The history of the high tech industry, which is based on entrepreneurship by individuals, encouraged a parallel development of social entrepreneurship, whereby new and unconventional solutions are proposed to deal with social problems. These include not only fresh ways and methods to tackle problems such as integration of marginalized population into society but also new ways of funding those. Based on the broad concept of social investment we see development of new financial tools such as Social Impact Bonds in the UK and elsewhere, Crowd-funding, etc.

B. Market-Oriented Social Enterprises: The Policy Perspective

In their new book, *Citizenship and Social Policy*, Evers and Guillemard (2013) take a hard look at the changes that occurred in the concept of the Welfare State and the changes it underwent in the past decade or so. When analyzing those changes they focus primarily on the new structure of roles and responsibilities of government on the one hand and citizens on the other within the framework of welfare policy. They claim that “(t)he welfare systems established during the industrial era, with their lists of recognized risks and corresponding entitlements, no longer seem capable of providing coverage for the new kinds of social risks that have emerged in a globalized society based on information, networks and knowledge” (11). One may add to that list of changes issues such as a longer life expectancy, the need to change careers in one’s life-time and the mobility of people. All of these do not receive appropriate answers in the classical Welfare State as it was conceived after World War II. The authors then speak about the need for a new outlook on the welfare state and its nature.

During the 1980’s, debates on social policy centered on reductions in social spending.... These mainly quantitative debates raised questions about the level of
social benefits and the scope of entitlements, and whether the welfare state should be scaled back or expanded further. Since 2000, a more qualitative line of thought has arisen about risks and how to protect citizens from them. A new image of a more active welfare state has appeared... (It has) to do with new ways of conceiving and safeguarding people’s security in a post-industrial world that requires more mobility, autonomy and responsibility on the part of the individual (7-8).

To illustrate that last point, nowadays we expect people to take responsibility for their health by dieting and exercising, and public health services include provision of advice and consultation on such issues.

The authors suggest that the role of social protection that the state has taken upon itself in the first decades after WWII, which translated into entitlements for various population groups at risk is no longer fitting in light of new the societal challenges. They suggest that the mainly redistributive role of the welfare state is being replaced by a strategy of social investment within an Enabling and Activating State, which is engaged less in direct service provision and more in creating conditions for others to do so. These changes “have implications not only for the level but also for the nature and design of social rights, and furthermore it calls for a simultaneous look at the other – civil and democratic dimensions of citizenship” (11). They elaborate this line of thinking by suggesting that implementing such an “active” welfare state “depends on new ‘responsibility mix’ that emphasizes partnerships and interconnections and complementarity between actors” (12). It also mixes public and private sources and coordinates them to better protect beneficiaries. Those partners can be individuals, businesses and non-profit organizations. This translates into policies of encouraging non-governmental actors, both for-profit and non-profit to participate in tackling societal ills. The emphasis is on investment in people to reach their individual potential, not on uniform “fit-all” solutions. In investing in people the new welfare state is contributing to their “empowerment” and independence. It attempts to intervene in a prevention mode so as to limit the loss of autonomy and capabilities by individuals. Finally they suggest that “(o)nce we move from a “passive” citizenship of rights towards an active citizenship that includes both rights and responsibilities, we will require a participative and inclusive framework in which this more active social citizenship can be cultivated” (12).

Gilbert (1999, 2013) wrote extensively about the “Enabling State”. In his work he discusses in detail the differences in goals, policies and organizational forms between the classical
Welfare State and the Enabling State. Table 1 summarizes these differences along ten parameters.

**Table 1: Shift in Central Tendencies from Welfare to Enabling State**

<table>
<thead>
<tr>
<th>Welfare State</th>
<th>Enabling State</th>
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<tbody>
<tr>
<td>Expanding social rights</td>
<td>Linking rights to obligations</td>
</tr>
<tr>
<td>Focus on direct expenditures</td>
<td>Increasing indirect expenditures</td>
</tr>
<tr>
<td>Transfers in the form of service</td>
<td>Transfers in cash or vouchers</td>
</tr>
<tr>
<td>Delivery by public agencies</td>
<td>Delivery by private agencies</td>
</tr>
<tr>
<td>Social provisions for consumption</td>
<td>Social provisions for investment</td>
</tr>
<tr>
<td>Reducing economic inequality</td>
<td>Restoring social equity</td>
</tr>
<tr>
<td>Social Support</td>
<td>Social inclusion</td>
</tr>
<tr>
<td>Universal entitlement</td>
<td>Selective targeting</td>
</tr>
<tr>
<td>Unconstrained benefits</td>
<td>Use of incentives and sanctions</td>
</tr>
<tr>
<td>Decommodification of labor</td>
<td>Recommodification of labor</td>
</tr>
<tr>
<td></td>
<td>(Gilbert, 1999, 22)</td>
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</tbody>
</table>

He too emphasizes the opening of welfare systems to other actors, in addition to government in a variety of ways, and to other logics, not just the social support one.

He adds that “policies designed for the Enabling State place less emphasis ..... on providing social support, and more on fostering social inclusion, particularly as it is manifested through active participation in the labor force (Italics added). Although social inclusion involves helping people to participate in the mainstream of community life through various measures, which encompass education, deinstitutionalization and voluntary service, paid employment is a major, if not the central, concern” (23). His emphasis on social inclusion as a goal of the Enabling State translates into developing policies that will create conditions to enable specific populations living on the margins of society integrate in society, and assist them to reach their personal potential.

Profit-oriented social enterprises, especially those established by business entrepreneurs, were not conceived and developed by social welfare policy-makers but rather, as we saw, are a product of developments in the field of philanthropy and the growing involvement of the business sector in societal issues. However, they fit very well into that scheme of an Enabling State and provide the business sector an opportunity to be creative and use its skills and know-how in providing innovative solutions for certain marginalized populations. This development has a potential for a new outlook on the involvement of the business sector in society.

C. Market-Oriented Social Enterprises: The Organizational Perspective

There is an innate negation and a clear organizational separation between the paradigm of welfare, especially that aspect that deals with marginalized populations, and the business
paradigm. This separation was clearly institutionalized and the predominant belief was that those two paradigms cannot coexist within the same organization. This is a major reason that treatment and other forms of help is mostly provided within public or non-profit entities, where help is not subject to pressures based on sales in a competitive market.

Actually a famous non-profit theory was created precisely around that conflict between those two paradigms. Hansmann (1987) suggests that in some industries there is a market-failure, where prospective customers cannot judge the quality of the service (nursing homes and day-care centers are his examples), and as a for-profit orientation is likely to compromise the quality of service in order to maximize profits, a non-profit form develops. Such a form signals a more trusted framework, more aligned with purchasers’ interests than a for-profit entity. In other words, according to Hansmann, the profit motive does not fit situations where clients can be abused and their welfare may be compromised.

The distance between those two paradigms is expressed in a different way in the institution of corporate philanthropy. In theory, the business corporation, in order to be competitive and increase profits, may engage in all kinds of abusive practices towards workers, customers or suppliers or towards the environment, parts of these profits are then donated to nonprofit organizations, outside the corporation; these are guided by different standards and values. This separation accentuates the two different sets of values, whereby the message is that in business one set of values and standards reigns and in the world of charity – a different one.

The opposing paradigms of a welfare orientation and a business orientation are not only evident at the level of values, but are also clearly expressed along a variety of organizational parameters when organizations of the two types are juxtaposed.

The development and enlarging of the Welfare State concept, has brought about a parallel development of social welfare services that are primarily provided within human service organizations (Hasenfeld, 1983; 1992). These are staffed by professionals belonging to the helping professions. The philosophy and value-base of these institutions and the modes of intervention of their personnel are based on compassion towards and empathy with the person needing help. The basis of relationship between the helper and the person being helped is one between a client or patient and a professional, which makes it unidirectional.

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1 There is obviously competition among public and non-profit entities regarding which treatment modes help clients best, but rarely is there competition outside of that realm, e.g. with for-profit social enterprises.
2 Seen here as ideal-types
Furthermore, those agencies engage in treatment that often involves long processes of recovery/rehabilitation by clients. Such processes, where the welfare of the client is at focus, cannot be limited by deadlines as they may involve setbacks or other complications. Also, the social welfare system within a welfare state is based on the principle of universal coverage, and organizations have to accept all those entering their doors if they fit the category of people the agency treats; if not, the person is not turned down but is referred to another agency.

Business organizations on the other hand are based on competition, not compassion, which means that in order to sell they need an attractive product or service, quality- and price-wise. Their goal is to maximize profits. This requires their workers to abide by certain standards of behavior and those who don't fit cannot stay. Workers are financially remunerated and have a chance to be promoted. They are managed, but management is not unidirectional and workers are often encouraged to provide ideas and other inputs in their workplace.

Table 1 summarizes the two paradigms.

**Table 1: Key Variables in Human Service and Business Organizations**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Status of Participants</td>
<td>Clients</td>
<td>Workers</td>
</tr>
<tr>
<td>Major Values</td>
<td>Empathy, Compassion</td>
<td>Competition</td>
</tr>
<tr>
<td>Mode of Relationship within Organization</td>
<td>Professional Treatment</td>
<td>Management</td>
</tr>
<tr>
<td>Expectations of Participants</td>
<td>Gradually Improve in Reaction</td>
<td>Perform Tasks at to Treatment</td>
</tr>
<tr>
<td>Entry Requirements</td>
<td>Open to All within category of clients³</td>
<td>Selection based on fit</td>
</tr>
<tr>
<td>Compensation, Promotion</td>
<td>None</td>
<td>Based on Performance</td>
</tr>
</tbody>
</table>

³ Or referred to another agency
When we characterize social enterprises as hybrid organizations, we usually mean that they combine traits of for-profit and non-profit organizations and the focus is on how they treat profits or how do they structure their governance system. Actually, those social enterprises that employ marginalized populations with the goal of helping them integrate into society, combine another level of hybridity: The business and the welfare orientations. Thus, the market-oriented social enterprise framework raises the challenge of building a bridge between those two opposing paradigms.

*The Concept of "Shared Value" and Its Expressions.*

In a seminal article, Porter & Kramer (2011) introduce the concept of "shared value", in which they advance the idea that the business sector has to start thinking in terms of producing simultaneously both economic and social value and that such thinking should replace the traditional involvement of the business sector in society through the CSR concept. They emphasize the growing interdependence between business and society and suggest that society and societal issues and problems serve as a domain for business to intervene and to grow. The result of such an approach is a *shared value*, "which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. It is not on the margin of what companies do but at the center. We believe that it can give rise to the next major transformation of business thinking" (4). They further claim that "(P)rofits involving a social purpose represent a higher form of capitalism—one that will enable society to advance more rapidly, while allowing companies to grow even more. The result is a positive cycle of company and community prosperity, which leads to profits that endure" (5).

Porter & Kramer's idea of putting social goals at the center of a business enterprise and striving to achieve social benefits by creating economic value is a breakthrough in business thinking, which, until not too long ago, as we saw, preached separation between the two worlds. By asserting the interdependence between business and society and by creating mechanisms to develop "shared value", the ideological base for the separation between the two is undermined.

Porter & Kramer (2011) summarize this idea

> Business and society have been pitted against each other for too long. That is in part because economists have legitimized the idea that to provide societal benefits, companies must temper their economic success. In neoclassical thinking, a
requirement for social improvement—such as safety or hiring the disabled—imposes a constraint on the corporation. Adding a constraint to a firm that is already maximizing profits, says the theory, will inevitably raise costs and reduce those profits. Shared value, then, is not about personal values. Nor is it about “sharing” the value already created by firms—a redistribution approach. Instead, it is about expanding the total pool of economic and social value. (4)

When discussing social enterprises and distinguishing them from corporations with a social responsibility program Katz & Page (2010) present the same basic idea from a different angle. They write:

“The archetypal social enterprise ‘makes’ the additional social value instead of ‘buying’ it. ‘Make’ refers to generating this additional social value as a consequence of operating its revenue-generating activity itself, as opposed to using some portion of its profits to make charitable donations. The commercial activities directly advance the mission, instead of simply providing a source of revenue to subsidize the mission…..The more successful the business is as a business, the more social good it generates. It embodies the social entrepreneur’s way of addressing the world’s problems, which is to ask, ‘what can I do, that the more I do the more good it does?’” (90-91).

There is clear relevance of the “shared value” concept to the domain of social enterprises as we have developed it. Porter & Kramer provide examples for the application of their concept from large, often multi-national firms, and how investment by such companies in the community or in local universities can benefit both society and the corporation. Other examples come from the domain of environmental protection, showing that using cleaner processes of production, localizing production processes and saving on transportation costs can create a "shared value" by decreasing expenditures and contributing to a cleaner environment. Yet Porter & Kramer do not take their idea to the domain of social enterprises and are not struggling with the difficulties of creating "shared value" in a small or medium-size business, developed by entrepreneurs.

The major problem in creating “shared value” in such entities is to reconcile the innate tension between the business and the social goals, namely, how can a social enterprise be both profitable and advance social goals, such as integration of handicapped persons into society. Traditional thinking suggests these are separate (Young, 2012; Galaskiewicz &
Barringer, 2012) and hard to reconcile, especially on a sustained basis. However, following Katz & Page, if the social goals can be achieved in the performance of the tasks that are at the core of the business goals, the "shared value" is created and the tension is significantly lowered or disappears. In other words, if we create enterprises where the social value can be found in the process that produces the economic value, the "shared value" can be achieved. Once the jobs for persons with disabilities can be tailor-made to their capabilities and the enterprise is economically viable, the social value of changing the person's status from a client to a worker and all that change entails, is readily forthcoming.

The idea of creating social enterprises on the basis of the "shared value" concept is a challenge for both social and business entrepreneurs. The question such an entrepreneur has to ask then is whether it is possible to construct market-oriented social enterprises for specific categories of persons with disabilities that produce a product or deliver a service that is competitive and can be sustained as a for-profit entity? In answering this question one has to deal with two conditions: (1) which skills, know-how or attributes does a particular population of persons with disabilities have in which it has an advantage or at least does not have a disadvantage over non-disabled workers? (2) How to translate these attributes into a viable business?

D. Market-Oriented Social Enterprises: The Individual Perspective

It is very common to see nowadays people with disabilities run on hand-activated tricycles, swim in a pool, climb mountains or parachute from airplanes. The use of sports in working with people with disabilities in their rehabilitation is a relatively new phenomenon, as in the past the idea of engaging in activities that call for using physical efforts on what was considered a weak individual, was unacceptable. The traditional approach to rehabilitation of people with disabilities did not include challenging sports. Yet we know today that in general, people with disabilities cannot only face physical challenges but the process of meeting such challenges and overcoming difficulties is a tremendously empowering experience for them. The literature on the subject shows that the use of sports and especially the idea of overcoming physical challenges is related to an increased self-efficacy and self-confidence, and in general brings about a sense of empowerment, with implications on other aspects in the person’s life (see Hutzler & Bar-Eli 1993; Blinde & Taub 1999; Ashton-Shaeffer et al. 2001). The idea of meeting challenges as a source of empowerment is of course not limited to physical ones. Public perceptions and misconceptions about what persons with disabilities and other marginalized populations are capable of doing creates a
situation whereby very few opportunities to engage in activities and types of work where their talents and abilities can be expressed exist for them. In reality, the fact that a person cannot see or hear or walk on his or her feet does not prevent them from engaging in a whole variety of tasks whereby the disability is irrelevant to their fulfillment. Furthermore, as many of them have experienced rejection and alienation in work and in other aspects of life, facing challenges and overcoming them is tremendously empowering.

Work in a market-oriented social enterprise gives the individual who belongs to a marginalized population group several benefits, both practical and symbolic. On the practical side that person is following a societal norm of going to work and creating a real product or service that people use. The financial compensation provides him or her with a higher level of independence. Real work provides opportunities of meeting and overcoming a variety of challenges as well as opportunities to be appreciated by others, and finally, opportunities to develop social relations and social skills. On the symbolic level the main benefit is the change of status from client in a welfare institution to worker in a regular workplace, from being dependent on society to contributing to society.

Needless to say that the work has to fit the particular person and there needs to be a support system to enable that person to perform at competitive levels. In fact, if the job can be structured around the person’s capabilities, not his or her disabilities – that fit can be found. A handicapped person sitting on a wheelchair or a blind person can still perform many tasks for which the use of legs or eyes are irrelevant. In a recent article (Gidron, 2014) examples are given of businesses which are structured precisely around these principles. The obstacles to adopt this line of thinking have to do with the predominant conceptual frameworks of disenfranchised populations, particularly persons with handicaps and their (dis)abilities, and the modes of intervention emanating from those.

The following are examples of conceptual frameworks that guide welfare policy and practice and alternative ones that may enable a new outlook on disenfranchised populations.

- The Social Model vs. the Medical Model in Social Welfare

The traditional social welfare literature has been dominated by what is called the "Medical Model", which basically promotes the idea that physical or mental impairments are problems that need to be eradicated, minimized or 'cured'. But since 'cures' are often not

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4 The discussion in this section focuses on persons with handicaps, where the argument is more clearly made. It can be enlarged, with some minor modifications to issues of deviance or other social problems.
possible, people with impairments and labeled ‘disabled’ and incapable of participating in and contributing to the everyday life of the community and obviously in the labor market. They are, therefore, in need of ‘care’. This emphasis in the "medical model" on individual limitations in functioning conceals the contextual factors that contribute to such conceptualization and puts the focus on the treatment of the individual. In contrast, the alternative "social model" emphasizes the social, cultural and environmental barriers encountered by people viewed by others as having some form of impairment. From this perspective, people with impairments are disabled by society’s failure to accommodate their individual and collective needs within the mainstream of economic and cultural life.

Burchardt (2000) questions assumptions and practices of the medical model such as assessment regimes based on non-disabled constructions of disability, warehousing of disabled people in day centers etc. She further asserts that disabled people are substantially more likely to be unemployed, and if employed only minimally so, with earning of less per hour for the same work. This is partially explained by the fact that disabled people face significant attitude barriers in employment contexts.

The medical model, focusing on the person’s dysfunctions and limitations, when applied to the world of work – led to a view of the limited capabilities of the disabled person, which meant involvement in very simple tasks, those that require minimal effort, are unchallenging, very often with no relationship between production and compensation, usually within a sheltered environment, for a few hours a day only. Needless to say that a genuine work experience, which calls for using the person's abilities and talents, not to mention creativity are not possible within such a system, neither is there room for job promotion and adequate compensation, and often not even an adequate framework for social interactions.

The "social model" of disability offers a framework and language of identifying, understanding and responding to disability. Here, the focus shifts to the social and institutional barriers that impact on people with impairments. The application of a "social model" to the realm of work for people with disabilities focuses on the barriers for the integration of these workers in a regular work place, or one structured around their handicap. These barriers can be physical – having to do with accessibility, or attitudinal by other workers or managers. It will look at the person’s abilities and capabilities, not his/her disabilities, and based on those, construct a job that will fit the person, which will enable him or her to express their talents and creativity. It should provide the worker opportunities
to advance and be promoted and compensate him or her in a similar way to other workers in the industry.

- Strengths-based Social Work Practice and Positive Psychology

In close proximity to the "social model" regarding disenfranchised populations is the relatively new tradition of strengths-based social work practice.

Strengths-based approaches are an organising principle for theories and strategies which focus on the untapped gifts, positive attributes and underdeveloped capabilities of people who have been in some way compromised in their abilities or are seeking help for problems. They are an alternative to problem- or deficit-based approaches, which are characterised by negative labelling - a focus on what is ‘wrong’ with a person and practitioner-driven interventions. Strengths-based approaches actively find, direct and amplify a client’s capabilities and potential for positive functioning. Thus, instead of accentuating the negative attributes or issues of clients, which creates pessimistic and lowered expectations and predictions about the outcomes that clients can achieve, the focus is on positive aspects. Strength-based approaches to social work practice seek to explore and exploit the strengths and resources of clients and environments to better help them achieve their goals, which contrast sharply with approaches that focus on the assessment and correction of problems, deficits, and pathology.

For the same basic reasons a similar shift can be found in the field of psychology as well, where an approach based on seeking strengths and resilience is added to the traditional focus on pathologies and deficits (see for example: Seligman & Csikszentmihalyi, 2000; Luthar & Cicchetti, 2000; Masten, 2001).

Tedeschi & Kilmer (2005) write on that topic:

"Traditionally, clinical assessment has focused on identifying symptoms, problem behaviors, emotional concerns, deficits, and functional difficulties. Although clearly a requisite component and primary goal of many assessments, this deficit- or problem-focused approach may reduce the range of information sought and considered, limiting the clarity of the picture painted by the evaluation and emphasizing negative aspects of individuals and situations. (230)"

Witkin (2002) suggests that “the strengths perspective has been quietly fostering a small revolution in which the hegemony of deficit explanations is beginning to weaken, belief in
resilience is rebounding, and collaborative practice is growing” (p. XV). Rapp, Pettus & Goscha (2006) claim that such an approach has to inform not only practice but policy, as it is in synch with social work professional values, such as encouraging informed participation in shaping social policies and institutions, advocating changes in policy and legislation to improve social conditions and promoting social justice.

They then list several principles of a strength-based policy. One of them, entitled *Strengths-Based Social Policy Puts Problems in Their Place*, is very relevant to the issue at hand. They suggest that conventional approaches to social policy start with a definition of a problem and its contours, and then focus on deficits of the target population or environment. The proposed solutions tend to rely primarily on changes in behavior or circumstance of the targeted group or individual. In contrast a strengths-based approach begins with a statement of goals. The problem is then not something inherent to the target population but rather a barrier to attaining the agreed upon goals. Problems are identified as barriers to an environment in which the majority of people in society have automatic access and the problem takes its place as an identifiable hurdle on the way to achieving life’s goals (see also Weick & Chamberlain, 2002).

Similarly to the former framework, this approach too, when translated to the world of work for marginalized populations, basically encourages the use of the healthy and functioning aspects of the person and builds on those in the framework of work. Designing social enterprises that evolve around jobs that fit handicapped and other disenfranchised population workers' abilities and creates work conditions for their expression goes hand in hand with this approach as well.

Viewing market-oriented social enterprises from these prisms enables the development of a *social welfare rationale* to support such endeavors. The rationale revolves around opportunities granted for the target population within social enterprises to grow and develop and become integrated in society, both economically and socially, opportunities that are not awarded within traditional welfare systems. It calls for a social enterprise that is built around work fit for the person, one where he or she can express their talents and abilities and actually change their status from "client" to "worker". Also one that is sensitive and is taking into consideration the contextual issues that need to be dealt with when employing a specific marginalized population, such as access, work habits, work hours etc. It also gives the social-minded business entrepreneur a framework within which to plan ideas for social enterprises for marginalized populations.
Conclusion

The paper attempts to lay the foundation for a conceptual social welfare rationale in developing market-oriented social enterprises. Such enterprises challenge both the business sector, with its profit maximization orientation and the welfare establishment with its set repertoire of dealing with marginalized populations. It actually takes, in some cases, the idea of integration of disenfranchised populations in the world work from the nonprofit and/or public domain to the for-profit domain by developing sustainable businesses that fit particular population groups. It is important to stress that this line of thinking is not fit for all disenfranchised and marginalized populations, actually only for a minority of those.

References


