

Social Entrepreneurs as Alternative Providers of Social Services in Germany

AN ANALYSIS OF SOCIAL ENTREPRENEURIAL ACTIVITY IN THE
AREA OF CHILDREN AND YOUTH SERVICES

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Abstract

The services of the six Free Welfare Associations have a long tradition in Germany. However, the German welfare system is constantly facing various challenges. One of these challenges are *New Social Risks*. Changing family structures and career profiles, changes to the labour market and various care responsibilities led to a higher and also to a different demand of social services. Moreover, some groups are more affected by these *New Social Risks*: young people, women and low skilled people. This thesis leans on Giuliano Bonoli's argumentation that those groups do not have enough political weight to be heard in the political process. Thus, the result is that their demands are not sufficiently covered by traditional welfare providers. That is why this thesis aims to investigate whether and how social entrepreneurs differentiate themselves from these traditional actors and thus if they might be alternative service providers. The analysis of children and youth services revealed that social entrepreneurs are first of all very active in this area and hence provide services for one of the most affected groups. Secondly, it turned out that social entrepreneurs offer mainly *preventative services* and thus differentiate themselves from the *mainly follow-up* offers by the traditional welfare organisations.

Disclaimer

The views expressed in this thesis are those of the student and do not necessarily express the views of the University of Münster or the University of Twente.

Statement of Affirmation

I declare that the bachelor thesis submitted here was in all parts exclusively prepared on my own, and that any other resources or means (including electronic media and online sources), than those explicitly referred to, have not been used.

All implemented fragments of text, employed in a literal and/or analogous manner, have been marked as such.

Göttingen, 03.11.2015

Place, Date

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I. Introduction

Original	Own Translation
<p><i>“Hallo Leute, wir hatten vor Podolski respekt aber sich an unsere Idee ranzumachen, mit Doppeldecker durch Koeln fahren und verkaufen, sorry das machen wir seit ein paar Jahren!</i></p> <p><i>Will er jetzt auch noch unseren Umsatz schmälern? Oder ? Podolski was soll das? Wir haben Jahre für den Aufbau gebraucht jetzt kommt der Hirni mit dem Poldi Bus um uns die Show zu klauen? Übel diese Fussballmillionäre wenn Sie nix mehr zu tun haben als anderen Leuten das Geschäft kaputt zu machen echt übel!”</i></p>	<p><i>“We had respect of [Lukas] Podolski, but using our idea of driving with a double decker bus through Cologne in order to retail – excuse us, but we are doing that for years! Does he want to slim our profit now as well? Huh? What’s the point, Podolski? It took years to develop this and now this idiot comes along with the ‘Poldi Bus’ and steals our show? These soccer millionaires are nasty, just because they are out of work, they start ruining other peoples’ business!”</i></p> <p><i>[sic.]</i></p>

(Table 1.1 Facebook post Rheinflanke gGmbH, screenshot of the original in the annex)

This post can be found on the Facebook page of *Rheinflanke gGmbH* a social enterprise in Cologne. Their idea is mobile children and youth care. Since 2006 they visit the places where kids are: sports fields, playgrounds, school yards and other informal meeting points. They offer services for children with a weak socio-economic background and through their sport activities they try to connect with the children and help them especially in the difficult transition between school and work (www.rheinflanke.com, last accessed: 31.10.2015).

The post comes from another enterprise in Cologne: *Linie Sieben* – an alternative “event location” situated in a red double decker bus, selling cocktails and hot dogs and inside is a stage for music performances. Without a doubt, the purposes of these enterprises are very different. And even after an explanation by *Rheinflanke gGmbH*, the member of *Linie Sieben* remained mainly upset and worried about profit.

This post demonstrates that the concepts of social entrepreneurs and social entrepreneurship are not very well known among many people. Yet, the situation in the political sciences is not a lot better. For the German case even a unanimous definition of social entrepreneurs is missing. Also, the theoretical, empirical and practical assessment of social entrepreneurs is lagging far behind.

Social entrepreneurs provide various social services and they do increase the welfare provision. However, the exact role they play, the impact they have and the position they take within the existing German welfare system is not thoroughly analysed. In the recent years, a few research projects (e.g. the EU funded, Europe-wide project EFESIIIS: ‘Enabling the Flourishing and Evolution of Social Entrepreneurship for Innovative and Inclusive Societies’ or the research network ‘Innovative Social Action – Social Entrepreneurship’ by the Foundation Mercator and eight universities) emerged and attempt to find a comprehensive definition and aim for a satisfying theoretical assessment by identifying the role and the position in the current welfare

system (www.fp7-efeseiis.eu, last accessed: 31.10.2015; www.stiftung-mercator.de/de/presse/mitteilungen/nachrichten/stiftung-mercator-gruendet-ersten-nationalen-forscherverbund-zum-thema-social-entrepreneurship/, last accessed: 31.10.15).

Similar to these projects, this thesis starts from the assumption of a current societal change, which demands for changes in the long run. The welfare system is currently challenged by a broad range of different *New Social Risks*: demographic change, working-poor, higher demand for care services (for children as well as elderly), a tightened link between education and the labour market and overall changing career profiles. Thus, the German welfare system is in change. A deinstitutionalisation of services can be observed and more and more non-governmental and non-traditional welfare providers enter the market. This challenges especially the Free Welfare Associations, because they were traditionally the most important actors in terms of welfare provision and responsible for two thirds of the offered social services (Falterbaum, 2009, pp. 136f.).

One of these actors entering the market are social entrepreneurs. Indeed, the idea itself is not new in Germany, as the idea of this kind of social commitment goes back to the middle ages, but certainly a new, more business orientated, generation is pushing on the market and aroused interest of the traditional actors but also of researchers.

There are various questions, which are still unanswered. Certainly of interest are the questions, how great the impact of social entrepreneurs is and how they are integrated in the current system considering the traditional actors in the field.

This thesis seeks for a first attempt of locating social entrepreneurs in the existing structures of the German welfare system. In order to do so, one specific field of social services, namely children and youth services, was chosen. The activities of both actors in that area – traditional and social entrepreneurs – will be examined. The assumption is, that social entrepreneurs occupied certain niches within the social services and differentiate themselves from traditional actors. This assumption will be tested through both, a quantitative and qualitative assessment of German social entrepreneurial activity.

In order to be able to make a comparison between the different actors and also in order to put the social entrepreneurial activity in Germany into a larger context, the sections about the actors will discuss key features like the size, scale of organisation, complexity, flexibility, influence, financial stability, political representation and (in)dependence from various factors.

In the first part of this thesis, chapter 2 and 3 will approach traditional providers and social entrepreneurs on a rather theoretical level. Chapter 2 will introduce the general concept of the *New Social Risks* (as the underlying cause for a changing demand) (2.1) and will then introduce social entrepreneurs as a possible answer to the changing demands (2.2 and 2.3). Section 2.3.1 especially aims to draw a clearer picture of what social entrepreneurs are by discussing their main features. Following this, chapter 3 will turn its focus to the German welfare system. After a definition and classification (3.1) and a short overview of the development (3.2), the emphasis will be put on the area of social services (3.3), the actors in the field in general (3.3.1) and the *Diakonie* in detail (3.3.2), as it was chosen as the exemplary actor among the traditional welfare providers.

After this theoretical assessment, chapter 4 will introduce the research question *how alternative actors, in this case social entrepreneurs, are integrated into the current welfare*

system and what role they play in solving NSRs (4.1), the assumptions which will be tested in the analysis (4.2) and will also present the used methods for the analysis (4.3). Subsequently, chapter 5 will present the results of the analysis of social entrepreneurial activity in Germany. Finally, chapter 6 will compare the findings made as well in the theoretical first parts as in the second empirical part. From this a conclusion will be drawn and future academic prospects will be discussed.

2. Theoretical Framework

In the following section the theoretical framework will be introduced. This thesis bases on the current pressures welfare systems are experiencing, for example the deinstitutionalisation of services and the potential dangers of the so-called *New Social Risks* (NSRs). Both enhanced the increasing development of alternative welfare providers. This thesis seeks to introduce social entrepreneurs as one of these alternative providers. Thus, this theoretical framework aims to link the current social pressures in form of NSRs to the concept of social entrepreneurial activity. This linkage lies in the nature of the risks as well as in the nature of social entrepreneurial activity. In terms of the NSR this thesis will mainly focus on the conceptualisation and also the argumentation of Giuliano Bonoli. One part of his argumentation is a key point for this thesis and the 'nature' of the risks to which was referred earlier: Bonoli argues that NSR mainly affect groups which have not enough "political weight" to push their interests through the *democratic game* (Bonoli, 2005, pp. 431ff.). The interests of these groups are thus not covered, neither by the state actions nor by the traditional Free Welfare Associations (as both are in their respective ways part of the *democratic game*). However, the need for support remains and other, alternative actors, which are not part of the *game*, fill in. Social entrepreneurs are one example for alternative welfare provision. And due to their nature, which will be introduced in more detail later on, as independent, small, innovative and local institutions of support they are highly capable in supporting those groups, which are failed by the traditional channels.

In order to link these two theoretical concepts – the NSRs and social entrepreneurs as welfare providers – this section will first start with the NSRs and introduce some of the social pressures, welfare systems are currently challenged by. Afterwards, Bonoli's argumentation will be picked up by presenting the groups, which are largely affected by NSRs: the youth, women and the low skilled (Bonoli, 2005). Coming from this argumentation of low political weight, this thesis argues that social entrepreneurs are one of the alternative actors who occupy this niche and provide services for these groups. For this examination, the services of social entrepreneurs for the group of children and youth was chosen. As a basis for this examination, this chapter will conclude with an introduction of the general characteristics of social entrepreneurs.

The following section, the research design, will then rely on the theoretical deliberations of this chapter in order to develop a research question, hypotheses and a fitting methodological approach to test the made assumptions.

Welfare systems are for many years now under enormous pressure and the debate about necessary reforms are omnipresent. It seems to be difficult to speak of a 'crisis', as for example in the German case, the debates and the concerns about the system are present since at least the 1970s and thus became more of a 'permanent phenomenon' (Schubert et al, 2008, pp.17ff.). However, this 'permanent phenomenon' carries along various pressing challenges, which have to be discussed and somehow solved as well. These challenges are starting with the demographic change, sociocultural, political and economical changes, the consequences of the globalisation and also the consequences of the Europeanisation (Schmid, 2010). Especially the latter two make the labour markets more competitive and expensive social benefits tend to become disadvantages in the competition.

Among this wide range of different challenges to welfare systems, this thesis focusses on the area of socioeconomic challenges in forms of the NSRs. This area, and also the developments

within this area are always strongly linked to the wider context of changing welfare systems, and tendencies of Europeanisation and the globalisation. The trends, which are discussed in the following for the German case, can certainly not be confined to the German borders but always have to be evaluated in front of the wider context of interdependent welfare systems.

2.1. New Social Risks

The current socioeconomic challenges are summed up under the term *New Social Risks* and describe risks which emerged in the post-industrial phase of welfare systems. The literature on the topic of NSRs is very extensive and there is no unanimous definition of these risks or their categories. Taylor-Gooby for example identified the following four processes, which he titled as NSRs: changes related to the labour market (technical developments in the production, less demand for manual labour, increasing cross-national competition and the tightened link between labour market and education), secondly the move of women into the labour market, thirdly the demographic change with the steadily growing number of elderly people, which has financial implications for health and pension systems, especially since the women were previously the main (and unpaid) providers of care services and lastly, the care responsibilities for children and the increasing demand for external care provision, as again, women were also here the main (unpaid) providers (Taylor-Gooby, 2003). Also, Paul Pierson examined various trends, emerging since the era of post-industrialisation. Among others Pierson names for example the changing nature of the production (less manufacturing), the rise of the service sector, the aging population and also the changing family and household structures (Pierson, 2001, pp. 80ff).

This thesis, however, will lean on Giuliano Bonoli's concept of NSRs. In general, the content of the different assessment of NSRs is largely congruent, just the description of the different categories and also the differentiation between risks, processes or enabling factors varies a little. Bonoli's assessment is very convincing, clearly structured and coherent. Especially in combination with his argumentation which groups are mainly affected by these risks, this concept appeared to be the most suitable approach.

Bonoli defines the term *New Social Risks* as risks, which "are related to the socioeconomic transformations that have brought the post-industrial societies into existence: the tertiarisation of employment and the massive entry of women into the labour force" (Bonoli, 2005, p. 433). In his article "The politics of the new social policies: providing coverage against new social risks in mature welfare states" Bonoli describes the NSRs and compares the socioeconomic change from today with the socioeconomic change during the days of industrialisation, which led to the establishment of social policies and welfare schemes (Bonoli, 2005). He identifies five NSRs: 1) reconciling work and family life 2) single parenthood 3) having a frail relative 4) possessing low or obsolete skills and 5) insufficient social security coverage (Bonoli, 2005, pp. 433f.).

1. Reconciling work and family life

The reason behind this newly occurring problem is, according to Bonoli (but also for other authors, e.g. Peter Taylor-Gooby, 2003), the great entry of women into the labour market. This led to a collapse of traditional work and family patterns. Whereas domestic work and child care were carried out by women, namely the 'housewives', on an unpaid basis, these services had to be "externalised" (Bonoli, 2005, p. 433). And this "externalisation" costs money as service institutions etc. do not provide them for free.

2. Single parenthood

Changes in family structures and societal behaviour increased the rate of divorces and hence the number of single parents. The problems concerning working-poor, child care and the work-parenthood-relation are even more serious for them than for a two-earner household (Bonoli, 2005, p. 434).

3. Having a frail relative

Similar to child care, the care responsibility of old and sick relatives was carried out – on an unpaid basis – by women. Hence, in modern society this service needs to be “externalised” as well (Bonoli, 2005, p. 434). And with the demographic change this “externalisation” will get even more expensive in the future.

4. Possessing low or obsolete skills

Bonoli elaborates this risk with a comparison to the times of industrialisation. He explains that most people with lower education were employed as workers in the manufacturing industry and were well paid due to the existence of strong trade unions and of course due to the high demand. Whereas nowadays people with low education are either unemployed or employed in low-value added sectors or industry as manufacturing or the service sector and are highly at risk of working-poor (Bonoli, 2005, p. 434).

5. Insufficient social security coverage

Also compared to the “golden age” of welfare states, the situation today has drastically changed. Welfare schemes were made for the male breadwinner model: full-time employed men (already from young age with continuously rising salaries), who were full-time employed for their entire working-life. But today's careers include part-time employment, child breaks, phases of unemployment and a higher mobilisation of workers. Bonoli's assumption is that these new career profiles will lead to enormous pension problems in the future (Bonoli, 2005, p. 435).

2.1.1 Groups Affected by New Social Risks

Bonoli argues further that there are three particular social groups which are mainly affected by NSR: women, young people and low skilled people (Bonoli, 2005, p.431). And these groups have, according to him, not enough political weight “to impose policies that would serve their interests through the democratic game” (Bonoli, 2005, p. 440). He traces this low political weight or low ‘power resource’ back firstly to the fact that these social groups usually do not participate a lot (e.g. in votes) and their political influence is therefore limited (Bonoli, 2005, p. 436), secondly to the low representation of these groups in key democratic institutions (Bonoli, 2005, pp. 436-439) and lastly to their nature of preferences as they are, compared to the very homogenous group of industrial workers, a highly heterogeneous group where it is difficult to articulate coherent demands (Bonoli, 2005, p. 432 and pp. 439f.)

He finally claims that the interests of NSR groups will only be picked up occasionally by politicians in order to catch votes but the overall political weight will remain too low for

fundamental changes of the welfare system. He sees a possible solution in compromises and alliances between NSR groups and employers (Bonoli, 2005, p. 446).

2.2. The Necessity for Alternative Welfare Providers

This thesis draws two conclusions from Bonoli's explanations: firstly, NSRs produce a higher demand for social services and secondly, alternative providers – providers who are not part of Bonoli's *democratic game* – are required, in order to supply the demands of those groups, which have not enough political weight to push their interests through the political process.

In terms of the first conclusion, a steadily rising number of offers and an increasing diversity of the actors, respectively social service providers, can be observed. A deinstitutionalisation of services can be witnessed, as traditional service arrangements are steadily breaking apart and smaller, local institutions emerge (Koyanagi, 2007).

In Germany, there is a broad range of different actors within the sector of social services, e.g. public institutions, commercial service providers, non-governmental organisations (NGOs), traditional Free Welfare Associations and lastly social entrepreneurs. These different actors fulfil different tasks in the welfare system, whereas public institutions usually do not provide social services itself, they are largely responsible for the financing of the services and they are also responsible to ensure the provision of the services, although they are usually delegated to other providers. The actual service providers then are mainly the traditional Free Welfare Associations and to a smaller part commercial providers. The latter are usually only active in fields, where the services are profitable, whereas the Free Welfare Associations work on a non-profit basis. And somewhere inbetween the non-profit providers and the commercial providers are social entrepreneurs, which also offer social services as will be illustrated later on in more detail. However, their exact role in the system is not thoroughly identified yet. As public institutions and commercial providers play only a negligible role in the actual provision of social services, the chapter about the German welfare system will mainly focus on the Free Welfare Associations as the biggest, traditional counterpart to the alternative social entrepreneurs. However, acknowledging this kind of actor diversity, it becomes obvious that the (scientific) term *welfare state* is long out-dated. As for example Klaus Schubert, Simon Hegelich and Ursula Bazant argue, the term *welfare system* is more accurate in order to cover the complexity and diversity among the actors of welfare provision (Schubert et al, 2008, pp. 20ff.).

It is now time to turn to the second conclusion this thesis draws from Bonoli's argumentation: the necessity of alternative providers of social services for those groups who are not covered by the traditional services. As Bonoli claims, groups which are mainly affected by NSRs have not enough political influence to push through their interests. And as they cannot push through their interests, it is most likely that, as their needs are not voiced, their needs are not supplied by the traditional providers. Thus, this thesis works on the basis, that different kinds of providers emerged for this purpose in order to cover the demands of these groups. These providers are not part of the *democratic game* (Bonoli, 2005, p. 440), they are rather straying aside from this *game*. This thesis further demonstrates, that one type of these different providers are social entrepreneurs: they usually start as private initiatives in order to solve local problems, which are mostly not taken care of by traditional welfare actors (Zimmer & Bräuer, 2014, p. 14). Hence, the following section will pay closer attention on social entrepreneurs, introduce their specific characteristics and hence, why they are suitable to cover the needs of those people who are often failed by the traditional system due to their lack of political power.

2.3 Social Entrepreneurs as Alternative Welfare Providers

When discussing social entrepreneurs, some might speak of a rather new phenomenon, however, the idea itself is not new (Hackenberg & Empter, 2011, p. 9). In fact, in Germany this kind of welfare provision has a long tradition: private charity organisations and social service institutions in the second half of the 19th century were in fact the forerunners of today's Free Welfare Associations (Zimmer & Bräuer, 2014, p. 7). There are various German figureheads like Friedrich Wilhelm Raiffeisen, Adolph Kolping, Johann Hinrich Wichern, Friedrich von Bodelschwingh or Wilhelm Merton who would nowadays 'run' under the label 'social entrepreneur'.

Nevertheless, the term social entrepreneurship is rather new in the German academic vocabulary. Although research about SEs in Germany started in the mid 1990s, three important watershed moments were responsible for the expansion of the discourse and the increasing public awareness. First of all, the budget cuts in the area of welfare provision in the 1980s and 1990s led to an increasing consciousness that new ideas were needed, secondly, the establishment of the *Schwab Foundation* in 1998 and of *Ashoka Germany* in 2003 – both umbrella organisations which support social entrepreneurs – and lastly the Nobel Prize for Mohammed Yunus in 2006 for his microcredit bank (Zimmer & Bräuer, 2014, p. 11).

However, although the topic has been around in Germany for approximately 20-25 years, a series of important questions about social entrepreneurial activity remains unanswered – for example, what role they play in terms of the production of welfare, if there are double structures and counterproductive frictions, also if social entrepreneurs are just 'stopgaps' or 'innovation incubators' as they are often titled, how can they be integrated productively into the current welfare structures or how traditional actors react towards these different providers (Heinze et al, 2011, p. 86f.).

Besides these vital question, even the core of the concept remains, from a scientific perspective, rather vague: a unanimous definition of social entrepreneurs and social entrepreneurship is still missing (Heinze et al, 2011, p. 90; Hackenberg & Empter, 2011, p. 13). The rather vague understanding of SEs leads for example to the problem of differentiating the concept from others. Zimmer and Bräuer for instance, state that it is "unclear where third sector organizations end and social entrepreneurs begin" and that this circumstance often leads to the general question: "what are we talking about?" (Zimmer & Bräuer, 2014, p. 12).

Often the literature operates with a loose understanding of what social entrepreneurs are or a vague description of the basic features: Heinze et al describe SEs as the combination between social commitment and entrepreneurial activity (Heinze et al, 2011, p. 90), Hackenberg and Empter title it as an undertaking for the society and the acceptance of responsibility (Hackenberg & Empter, 2011, p. 9). They further characterise social entrepreneurial activities as a social mission to find innovative solutions for existing social and economical problems, the strive 'to make a difference' and an alternative, creative and efficient option where traditional - public, commercial, Free Associations and also NGOs – structures fail (Hackenberg & Empter, 2011, p. 11). Stein defines social entrepreneurs as entrepreneurs, who identify a so far neglected societal problem, develop a solution, which carries a social value, and realise this endeavour with their resources (potential of ideas, creativity, risk tolerance, knowledge and commitment) in order to reach a better condition. Stein further describes them as autonomous

from market pressures and also independent from political pressures (Stein, 2011, pp. 29ff.). The latter fits perfectly with the second conclusion this thesis drew from Bonoli's argumentation, that the groups affected by the NSRs do not have enough political weight to push through their interests. This thesis is based on the fact that alternative providers fill in this gap, which are not part of the political process – as for example social entrepreneurs. Stein's characterisation of social entrepreneurs being independent from the political pressures, supports these assumptions.

2.3.1 Characteristics of Social Entrepreneurs

However, as illustrated above, the concepts of SEs remain rather vague. Nevertheless, Zimmer and Bräuer made, in the course of their current research project on SE in Germany, an attempt to get a clearer picture of the nature of German social entrepreneurs by collecting the characteristics the majority can agree on. Zimmer and Bräuer identified certain characteristics, which can usually be found among German social entrepreneurs. Their assessment of social entrepreneurs was chosen in this thesis as the basic understanding of the phenomenon, because it proved to be a clearly structured and comprehensive assessment of social entrepreneurs, which still leaves enough room for the innovative nature of these entrepreneurship. Additionally, the identified characteristics are especially customised for the German case and are therefore more accurate than assessments for example from the Anglo-Saxon literature.

Zimmer and Bräuer claim that SEs are mostly active on local level and are active in field related to welfare state issues and “identify a cause, a societal deficit or need which has not been addressed or overcome by an established institution and then engage in economic activities to address them” (Zimmer & Bräuer, 2014, p. 14). Different from other European countries, there is no specific type of incorporation for SEs in Germany. SEs in Germany operate as foundations, voluntary associations, limited liability companies and co-operatives (Zimmer & Bräuer, 2014, p. 8). In order to get a clearer image of what social entrepreneurs actually are, Zimmer and Bräuer identified four specific characteristics of SEs in Germany: 1) financial situation, 2) social mission, 3) the role of networks and 4) the capacity of innovations. These four characteristics shall be presented briefly in the following section as the assessment from Zimmer and Bräuer will serve here as the general understanding of SEs in Germany.

The *financial situation* is as diverse as the SEs activities itself. All SEs are considered to pursue economic activities, however the profit-orientation of normal businesses is “replaced by a social mission” (Zimmer & Bräuer, 2014, p. 14; Hackenberg & Empter, 2011, p. 11). This replacement also leads to a rather diverse picture of their financial composition: some strive for a profit, some do not, some SEs depend on donations, membership fees, committed stocks, private capital or consist of a mixture of all of them. Zimmer and Bräuer refer to the results of the MEFOSE study, which took place between 2010 and 2012, which say that SEs usually have “hybrid financial structures” with at least three different sources of financing (Zimmer & Bräuer, 2014, p. 14).

The *social mission* describes the pursuit of a social goal. As Zimmer and Bräuer explain, the meaning of *social* changed over the century. As organisations of the 19th century took care of the ‘poorest’ by offering them financial aid or housing, today's organisations take especially care of educationally deprived groups or parent-child issues (Zimmer & Bräuer 2014, p. 16). This also

fits well with Bonoli's assessment of NSR and the mainly affected groups of young, women and low skilled people and the conclusions, which were drawn from this assessment: in their social mission, social entrepreneurs support these affected groups.

Furthermore, Zimmer and Bräuer highlight the importance of *networks* in the field of SE. They argue that SEs in Germany rely on their personal networks in order to achieve their goals and to get access to necessary resources (Zimmer & Bräuer, 2014, p. 17). These networks also tend to get institutionalised (e.g. Ashoka), which raises the problem of excluding of those who do not have the access to this community (e.g. start-ups).

Lastly, *innovative capacity* is a key word which is often used in connection with SE. In terms of SEs, innovation refers to both, innovative products and innovative processes (Grohs et al, 2013, p. 316), but also their ability to spread innovations and to combine their social innovations with business strategies (Gebauer & Ziegler, 2013, p 20). However, this category can be seen critically, as, according to the MEFOSE study, only 31% of the SEs classify their products or services as 'innovative', whereas 30,7% see themselves as addition to already existing offers and the majority, 38,2% describes themselves as competition to already existing offers (MEFOSE, as cited in Zimmer & Bräuer, 2014, pp. 15f.).

The previous section started with a short overview of how the so-called *New Social Risks* are embedded in the wider context of the challenges, welfare systems are currently experiencing. Afterwards, the focus shifted towards the NSRs in particular and introduced some literature on the topic before Giuliano Bonoli's assessment was presented as the basis of this work. From his argumentation, especially the argument, that NSRs affect three groups in particular (young, women, low skilled), because of their low political weight, this thesis supposes, that social entrepreneurs are suitable alternative providers, as they are not part of the political process like traditional welfare providers. Thus, the previous chapter concluded with a general introduction of the nature and the characteristics of social entrepreneurs in Germany. This should serve as a general understanding of this phenomenon for the following examination of their work in the area of children and youth services.

3. German Welfare System

The following chapter focuses on the German welfare system. This chapter aims to introduce the basic structures of the German welfare system. As this thesis aims to make an attempt to locate social entrepreneurs in the current system, this section is crucial for understanding, how the system works and especially what role their counterparts, the traditional welfare providers, play in this established structure. These deliberations serve as a foundation for the following analysis in the next chapter and especially for the subsequent comparison between the traditional and alternative actors.

Thus, this chapter starts with the very basics: a definition of welfare states and the characteristics of the German welfare system. Afterwards the measures for coping with social risks, especially social services, will be introduced. Leaving the focus on the social services, the current actors in the field – as they are the possible opponents of social entrepreneurs – will be examined. In order to enable a better comparison later on, one specific example from the biggest and most influential actors – the Free Welfare Associations – was chosen: the *Diakonie*. For the following comparison, the relevant aspects of the *Diakonie* will be discussed: a short outline of their roots will be given, the highly complex structure of the *Diakonie* will be introduced in order to clarify what is meant when talking about ‘the *Diakonie*’ and finally, the focus will shift on the range and type of services they offer.

3.1 Definition and Classification of Welfare States

Schubert et al define the term welfare state as interventions of the state into the market forces in order to protect citizens against social risks like unemployment, illness or old age (Schubert et al, 2010, p. 23). Welfare offers – of course on a smaller scale and not in the organised form of the social services today – have a long tradition in Germany. From the 16th century mainly the guild system and the church assumed the responsibility to help those in need. With the change of the productions methods in the course of industrialisation, new risks – especially worker related risks, emerged and affected a higher number of people. This led to an expansion of the welfare system and soon became the responsibility of the states to ensure a minimum of social security (Bäcker et al, 2010a; Ortmann, 2002).

However, the development of welfare states, or rather systems, processed differently across different countries. Many factors, e.g. the importance of the church, family structures, political parties and also the role of the market or the state had influence on the individual developments. For purposes of research and comparison these different welfare systems were categorised into different ideal types. Without a doubt Esping-Andersen’s work ‘The Three Worlds of Welfare Capitalism’ (1990) is one of the most influential assessments on that area (Critical assessments on Esping-Andersen e.g. Castles & Mitchell, 1992; O’Connor et al, 1999). He divides into three different types of welfare regimes: liberal, conservative and the Nordic social democratic policy model (Esping-Andersen, 1990).

3.2 The Development of the German Welfare System

Germany is classified as a conservative welfare regime (Esping-Andersen, 1990). The focus on the male breadwinner can be especially observed in the early years of public welfare provision. As the German welfare system developed due to the industrialisation, almost every social scheme was focused on the male industrial workers (in fact the pension for widows was the

only scheme which was directed at women). With the new methods of production, new risks arose (illness, accidents, unemployment) and old security nets were not able to cope with them any more. These threats led to the emergence of worker movements and trade units. Through these channels the very homogenous groups of industrial workers voiced their interests and pressured the state into changes (Bonoli, 2005, p. 435). The introduced social insurances however, were all aimed at the male breadwinner, who had a full-time employment from early age on with steadily rising salary (Bonoli, 2005, pp. 432ff.). Through the insurances and the schemes for the 'male breadwinner' their families – the non-working spouses and children – were 'co-insured' and protected by the schemes for the husband/father. However, career profiles today have changed, the male breadwinner is not the rule anymore and insurances are today not linked to the main earner (or a gender) but to the individual. In current times a two earner households, part-time jobs, child breaks, externalised child care and unemployment coin the image of today's work lives (Bonoli, 2005).

These changed career profiles are one of the reasons for the emergence of the NSRs, which are very different from the risks, industrial workers had to face. These risks, introduced in chapter 2.1, challenge the welfare systems in other ways than the previous risks and new schemes and services have to be provided in order to prevent or compensate these threats. A main instrument for especially compensating these risks are social services. These will be introduced in the following section.

3.3 Social Services

This thesis analyses the social entrepreneurial activity in the area of social services and more specifically in the field of children and youth services. In order to understand the activities, a thorough context of the area of activity is necessary. Thus, the following section will firstly explain, what social services are, what other kind of actors are active in the field and what role they play in terms of welfare provision.

In order to avoid the emergence of social risks or to compensate the effects of them, three different types of social policies emerged, to intervene in the economy and society: regulative policies, distributive policies and infrastructure and service policies. The latter describes the provision of institutions and services in specific areas of need, e.g. health, social services or education. These institutions or services can be, but do not have to be conducted by the state. Often, this kind of welfare provision is delegated to providers of the Free Welfare Associations or private suppliers (Bäcker et al, 2010a, p.47).

Social risks do not always occur due to the lack of material resources and therefore not every problem can be solved through money. This especially applies to illness or old age. The term 'social services' describes professional services, which aim at coping with social risks and problems affecting individuals (Bäcker et al, 2010b, pp. 505ff.).

3.3.1 Actors within the Area of Social Services

With regards to the research question – *how alternative actors like social entrepreneurs are integrated in the current welfare system and what role they play in solving NSRs* – the field of actors and other providers in the examined field of child and youth services is of special interest in order to find an answer to that question. Hence, the following section will first have a general look on the actors in the field of social services. Afterwards, in order to enable a clear and

structured comparison, the focus will turn to one of the most established providers with a very long tradition: the *Diakonie Germany* – one of the two ‘big players’ among the six Free Welfare Associations.

Generally, Bäcker et al distinguish in three different levels of actors in the field: public actors, the Free Welfare Associations and private-commercial providers (Bäcker et al, 2010b, pp. 525f.). They define public actors as social insurance carriers, cities, municipalities, federal states and the state. The Free Welfare Associations include the six known actors: AWO, DCV, *der Paritätische*, DRK, *Diakonie Germany* and the ZWST. The chosen examples for private-commercial providers were smaller companies, single persons working against payment and bigger social enterprises and corporate groups (original: “größere Sozialunternehmen- und konzerne”, p. 526) like private homes for elderly, hospitals and rehabilitation centres (Bäcker et al, 2010b, pp. 525f.). The categorisation of the latter, however, will be critically discussed later on.

The main functions of the public actors are, according to Bäcker et al, the responsibility to ensure accessibility, reliability, enforceability, controllability and quality of the offered social services in the different sectors (Bäcker et al, 2010b, p. 549). In seldom cases they offer services themselves, but in general they delegate and finance the actual provision of services by other providers and conclude contracts with these suppliers (Bäcker et al, 2010b, p. 526).

In Germany, the Free Welfare Organisations are the main providers of social services. This is an essential characteristic of the German welfare provision. The Free Welfare Associations work as intermediary organisations between the market and the state (Bäcker et al, 2010b, p. 546). They are, on the one hand, not governmental but rather independent (at least formally) as they are in charge of their priorities and orientation and on the other hand they do not work profit-orientated and aim for the common good (Bäcker et al, 2010b, p. 535). Their characteristics are their non-profit status, the public benefit, voluntary service and often also their ideological attachment (Bäcker et al, 2010b, p. 534). The principle of subsidiarity regulates the relationship between the state and the Free Welfare associations. It ensures that the Free Welfare Associations can participate in the public task-fulfilment of welfare provision, the reliability of financial funding for these services and the principle priority of the provision through the Free Welfare Associations – as long as they do or can provide the services in the specific area the state does not have to get active (Bäcker et al, 2010b, p. 544). However, in order for more efficient and a more effective use of existing resources, this relationship and dependency got weakened by opening the market for other actors, for example private-commercial providers. This measure led to a more competitive market in the area of welfare provision (Heinze et al, 2011, p. 88). Nevertheless, this market opening has to be assessed critically. The traditional Free Welfare Associations still have crucial competitive advantages for example due to their tax benefits and the fact that most of the contracts between the governments and social service providers are still made with members of the Free Welfare Associations (Bäcker et al, 2010b, p. 545). Additionally, other actors claim to have a difficult standing because of a lacking reliable public funding, continuously closed market, non-accessible networks, mistrust towards alternative providers and a serious lack of involvement in committees and panels (as opposed to the Free Welfare Associations) (Heinze et al, 2011, p. 95).

Despite this difficult access to the market of welfare provision, the number of actors increased and non-governmental actors gain more and more importance (Schubert et al, 2008, p. 24).

This thesis claims, that one of these actors are social entrepreneurs. Although, this concept is ‘booming’ it was not explicitly mentioned in the categories of Bäcker et al above. They indeed use the term ‘social entrepreneurship’ but the underlying understanding of the term is certainly different from the understanding of this thesis and different from the general understanding in the research field. The listed examples (private homes for elderly, hospitals and rehabilitation centres) could not be further away from the understanding and idea of SEs, introduced in chapter 2.3, as innovative, mostly small and local organisations following a social mission (see page 7ff.). Additionally, the classification of SEs as ‘private-commercial providers’ is rather difficult and is generally speaking not applicable. As also outlined in chapter 2.3, social entrepreneurs distinguish themselves significantly in the structure of their organisation, their aims and their business methods (Hackenberg/Empter, 2011, p. 11). And lastly, although this generation of social entrepreneurs makes certainly more use of traditional business strategies, the organisation’s aim is not the personal enrichment contrary to traditional private-commercial businesses (Hackenberg/Empter, 2011, p.11). Hence, the classification of social entrepreneurs in the third category of Bäcker et al is rather difficult. This demonstrates clearly the theoretical assessment of social entrepreneurs and especially the missing (theoretical) inclusion into the current system.

Therefore, this thesis aims to shed a light on this problem. In order to do so, it is necessary that the assessment of SEs in Germany can always be put into relation to their more traditional counterparts. To enable a clear and structured comparison of both actors, only one of the Free Welfare Associations will be presented. Chosen was the *Diakonie Germany* as the ‘epitome’ of German welfare provision. It is one of the biggest and most established actors in terms of German welfare provision.

3.3.2 The Diakonie Germany

In the following section this ‘epitome’ of German welfare provision will be presented in more detail. It starts with a short outline of the historic development of the *Diakonie*. This allows a closer view of the beginning of organised social services and also to the state, when the *Diakonie* was not as large and complex as it is today. This early state might reveal some similarities and differences to SEs. Afterwards, the focus will shift on the structure of the *Diakonie*. This is highly complex and very difficult to understand. However, these explanations are crucial for the further analysis, as it clarifies what parts of the organisations actually provide social services and are thus subject to this examination. After this is clarified, this section concludes with a summary of the social services, the *Diakonie* offers. As academic literature only provided insufficient information, the following section relies significantly on information provided during the course of an interview with a senior *Diakonie* official, conducted on 20.08.2015.

The roots of the organised *Diakonie* are, as already mentioned in the beginning, in many respects similar to today’s social entrepreneurial activities. And already before these organised and formal structures were introduced, there were already local, independent, *Diakonie* activities for several centuries. During the first *Protestant Church Conference* 1848 (‘Deutscher Evangelischer Kirchentag’) the German theologian Johann Hinrich Wichern held an influential speech and demanded a systematic concept for “combating spiritual and material poverty” (Diakonie, 2015a). A year later, Wichern founded the *Central Board for the Innere Mission* (Central-Ausschuss für die Innere Mission der Deutschen Evangelischen Kirche). This was the precursor of the *Diakonisches Werk der Evangelischen Kirche Deutschland* (Diakonie, 2015b).

Wicherns basic idea was helping out of Christian responsibility. Since 1833 he ran the *Rauhe Haus* in Hamburg, this was a children's home for children in need (Diakonie, 2015b). The *Central Board* served as a trans-regional organisation frame within many other facilities emerged across the country. The 1872 by Friedrich von Bodelschwingh founded facility in Bethel *Rheinisch-Westfälische Anstalt für Epileptische* (facility for epileptics) soon became the pioneer and model of other facilities of the *Innere Mission*. The facility started with 25 epileptics and developed into a colony with 4000 residents who conducted agricultural activities and manufacturing – in the beginning mainly for themselves and in the later years to sell goods in order to refinance their services. Other facilities copied this concept after this role model. The facilities in Bethel are now the biggest *Diakonie facility* in Europe (Diakonie, 2015b). And the concept of manufacturing and selling goods or services in order to finance social services is present until today (e.g. *Diakonie Kästorf* www.diakonie-kaestorf.de, last accessed 31.10.2015).

The structure, which emerged over the years, is highly complex, very difficult to see through and there are many exceptions and irregularities. Thus, this thesis focusses on the 'main trends' and, as far it is possible to say so, the 'normal cases' – hence, a simplification of the structures was, considering the length and the focus of this work, unfortunately inevitable. However, this explanations of the structure of the *Diakonie* will allow to clarify what '*the Diakonie*' really is and also what parts actually provide the social services this thesis is examines.

The facilities within the umbrella organisation *Diakonie Germany* offer various social services: services for the elderly, for people with disabilities, for families, children and youth, for people with mental illnesses, people with addictions and services for homeless people and also various offers of counselling and health care services (Diakonie, 2015c).

Members of this umbrella organisation are currently 19 regional associations (*Landesverbände*), 70 professional associations (*Fachverbände*) and nine working groups (*Diakonische Arbeitsgemeinschaften*) (Diakonie, 2015d). The individual facilities (*Diakonische Einrichtungen*) are members of their respective regional association and can also be member in various professional associations (e.g. *Professional Association for Child and Youth Care*). However, there is no hierarchical order between the individual associations and facilities. The *Diakonie Germany* is an umbrella organisation and its function is the political representation of the associations and facilities, but they have no authority to issue directives. The professional associations serve as a forum for exchange and development of ideas, but they also have no authority. The regional associations are also only for the purpose of political representation and provide several services for its members (e.g. professional support or counselling in the areas of economy, law or financing) (interview, 20. August 2015).

Among the actual providers of social services another important differentiation is necessary. This differentiation is often lacking in the scientific literature (e.g. Bäcker et al 2010a/b) but highly important for the general understanding of the work of the *Diakonie* in general and for the analytical part later in specific.

One has to differentiate between the *Diakonie facilities* (Einrichtungsdiaconie) and the *Diakonie activities of the institutional church* (Diakonie der verfassten Kirche). For the analysis in this thesis, the *Diakonie facilities* are of high importance. These facilities are usually run by enterprises which are usually organised either as foundations, associations (Vereine) or (non-profit) companies with limited liability ((g)GmbH). They are usually highly professionalised companies, which offer services on various fields of welfare provision (some examples: *Diakonie Kästorf* (www.diakonie-kaestorf.de, last accessed: 31.10.2015), *Evangelische Stiftung*

Neuerkerode (www.neuerkerode.de, last accessed: 31.10.2015) or *Diakoniewerk Osnabrück* (www.diakoniewerk-os.de, last accessed: 31.10.2015)) (interview, 20. August 2015).

The *Diakonie facilities* have tax-advantages, however, they usually do not receive church taxes in contrast to the general assumption. The services are in general financed by the fees, which are paid by the social insurances, which were previously contractually agreed on between the parties (interview, 20. August 2015). Additionally, *Diakonie facilities* sometimes sell services or goods to finance their work. The *Diakonie Kästorf* for example, runs the limited liability company *Diakonische Betriebe Kästorf GmbH*. On the one hand, this is the opportunity for clients of the *Diakonie* (disabled, drug users, homeless, youth etc) to get a professional education and an entry into the labour market and on the other hand, companies like *Volkswagen* order, on a paid basis, certain goods from the *Diakonie Kästorf* for their automobile production (interview, 20. August 2015).

These *Diakonie facilities* are highly independent. Neither the umbrella organisation *Diakonie Germany*, nor the associations or the *institutional protestant church* have any authority to issue any directives. This is an important thing to keep in mind when talking about ‘the’ *Diakonie*, because this refers to numerous of independent and different actors, levels and facilities.

Independent from this, but attached to the *institutional church* are the *Diakonie activities of the institutional church*. They also offer, usually on a smaller scale than the *Diakonie facilities*, also social services. Normally this is not as professional as *Diakonie facilities* and mainly relies on volunteers. Also, they receive church taxes to support their activities. In general, the financial responsibility rests on the respective church parishes, whereas they are not financial responsible for the *Diakonie facilities* in cases of emergency (interview, 20. August 2015). Normally, the kindergartens and day care centres are almost exclusively run by the *Diakonie activities of the institutional church* and only in rare exceptions by *Diakonie facilities* (interview, 20. August 2015). However, in sum, the *Diakonie facilities* provide a lot more social services than the *Diakonie activities of the institutional church* (interview, 20. August 2015).

As mentioned earlier, this thesis will focus on the *Diakonie facilities* as they provide the biggest share of the social services and are thus the most representative part of the *Diakonie* when talking about ‘the’ *Diakonie*. Important for the the analysis of and the comparison with social entrepreneurs, is, that the *Diakonie facilities* do not receive church taxes and they usually do not run kindergartens and day care centres.

The *Diakonie facilities* offer various types of social services for children and youth. Services are for example sheltered housing especially for children and youth, day-care facilities (e.g. schools for children with behavioural disorder), part-inpatient treatment (*teilstationär*), facilities for the reintegration into the labour market, various forms of counselling, legal assistance, parent counselling, self-help groups or leisure offers. Taking offers and numbers from the latest statistics of the *Diakonie Germany*, from the roughly 3300 offers (the kindergarten offers were not taken into account as they are mainly provided by the *Diakonie of the institutional church*) only about 600 offers were of preventative nature, which makes about 20% of the social services for children and youth by the *Diakonie facilities* (Diakonie, 2014). Unfortunately approaching the preventative actions of the *Diakonie facilities* ‘in numbers’ is rather difficult. Due to the complicated structure and the impossibility to allocate a specific number of activities to either the *Diakonie facilities* or the *Diakonie of the institutional church*, this approximation, based on a desktop research and the interview, is the closest way of allocation this thesis can achieve. However, this approximation is for the purposes of this examination satisfactory.

Summarising the findings of this chapter, the German welfare system emerged due to the industrialisation and developed schemes, which were focussed on the male breadwinner. With the societal change, the old risks industrial workers had to face were replaced by new risks and thus demanded for different types of solutions. One measurement in order to prevent and compensate the effects of the risks are social services. As it was revealed, the public actors are mainly responsible for the financing of the services and also to ensure their sufficient availability. The actual producers of social services are other actors, for example private-commercial providers or the Free Welfare Associations. However, the private-commercial providers make only a small share of the German social services, whereas the Free Welfare Associations are dominating in the field. In order to illustrate this, and also to provide a foundation for the comparison between alternative social entrepreneurial activity and traditional welfare provision, one of the providers – the *Diakonie* – was presented in more detail. Similarities between social entrepreneurs and the roots of this welfare association became visible. However, the explanation of the complex structure that followed, proved the difference between the *Diakonie* today, as it is now highly organised (especially in terms of political presentation) and very complex, and the small social entrepreneurs. After this, this thesis concluded with a look on the activities of the *Diakonie*. This revealed that only 20% of the offers are of preventative nature. In the following chapter, the activities of German SEs will be analysed and it will be examined, if there is indeed a significant difference in the extent of preventative offers between the traditional providers and social entrepreneurs.

4. Research Design

After the previous chapters assessed the German welfare system, traditional welfare providers and the concept of social entrepreneurship on a theoretical level, the second part of this thesis will be of empirical nature. Thus, this chapter introduces the research design. First of all, the research question will be presented (4.1). Following this, the two hypotheses will be developed (4.2), which will be tested in chapter 5 in order to answer the research question. Afterwards, an overview over the used methods will be given (4.3).

4.1 Research Question

As evidenced by the lack of an agreed definition, the academic and especially the theoretical assessment of the actors 'social entrepreneurs' in the field of welfare provision remains rather little at the moment. A systematic evaluation of the fields of activity of German SEs for example is also missing. Such an evaluation would be helpful to locate these actors in the current German welfare system. This thesis aims to do a first step in that direction. Thus, the following research question emerged:

How are alternative actors, in this case social entrepreneurs, integrated into the current welfare system and what role do they play in solving NSRs?

For the examination of this question, a specific field of action was chosen: Children and Youth Services. This area was chosen for two reasons: Firstly, the literature review suggested that this could be a main area of social entrepreneurial activities (e.g. Heinze et al, 2011, pp. 95ff.; Dölle, 2011, pp. 203ff.) and secondly, this area is the largest sector of traditional welfare providers and thus an important field in the welfare provision in general (Bäcker et al, 2010b, p. 542).

In order to locate SEs in the current welfare system, this thesis often refers to their counterparts in welfare provision. In order to enable a structured comparison of traditional and alternative welfare provision, a specific counterpart was chosen: the *Diakonie Germany*. The *Diakonie* is one of the six Free Welfare Associations: the *Arbeiterwohlfahrt* (AWO), *Deutscher Caritasverband* (DCV), *Der Paritätische Gesamtverband* (Der Paritätische), *Deutsches Rotes Kreuz* (DRK), *Diakonie Deutschland – Evangelischer Bundesverband Evangelisches Werk für Diakonie und Entwicklung* and *Zentralwohlfahrtsstelle der Juden Deutschland* (ZWST). Two of these six actors, *Caritas* and *Diakonie*, provide together roughly 60% of the services the six Free Welfare Associations offer (Heinze, 2011, p. 177). Therefore, this thesis has chosen the *Diakonie* as reference object for traditional welfare provision in Germany in general as it is one of the two 'big players' among the six 'big players'.

4.2 Hypotheses

This thesis aims to give an answer to the research question by testing two hypotheses. The hypotheses were developed in view of the literature. First of all, as already mentioned, the literature suggested that children and youth services are a large sector for social entrepreneurial activity (Heinze et al, 2011, pp. 95ff.; Dölle, 2011, pp. 203ff.), as it is an area of

high demand for social services. Secondly, the argumentation of Bonoli is of key importance here again. He argued that certain groups, namely the young, women and low skilled people do not have enough political weight to push their interest through the *democratic game* (Bonoli, 2005). Thus, this thesis concluded that alternative providers, for example social entrepreneurs, would fill in this gap and offer services for these affected groups. Combining these two aspects, the following first hypothesis (H1) emerged:

The main field of social entrepreneurial activity is, similar to traditional organisations, the area of children and youth services.

Coming from this assumption, the second hypothesis (H2) aims to locate SEs more precisely in the German welfare system. This examination assumes that social entrepreneurs are not competitors to traditional welfare organisations, but rather occupying a certain niche. As the Free Welfare Associations have a long tradition and as the *Caritas* and the *Diakonie* are market dominating, small providers would have a difficult stance compared to the ‘big players’. This suggests, that their services are possibly somehow different from the traditional offers. This difference could either lie in the area or in the nature of the offers. As both actors, social entrepreneurs and traditional Free Welfare Associations are (in one case assumed (H1) and in the other case proven) predominantly active in the area of children and youth services it seems reasonable that they are different in the nature of their offers. The research on traditional welfare providers and social entrepreneurs revealed a possible difference between the actors: traditional welfare organisations seem to offer mainly *follow-up services* (definition follows later in this chapter), whereas social entrepreneurs seem to offer mainly *preventative services* (also later in this chapter). However, as the number of organisations and entrepreneurs was only small during the research, it is left open for the following analysis, if this observation on a small scale is transferable to the larger scale of many social entrepreneurial activities. Hence, the second hypothesis (H2) states:

Traditional welfare organisations and Social Entrepreneurs are not rivals, as Social Entrepreneurs occupy a certain niche, working predominantly preventative whereas traditional welfare organisations provide mainly follow-up offers.

In order to test this second hypothesis thoroughly, a careful definition of *preventative* and *follow-up* offers is necessary.

In line with Zimmer and Bräuer’s demand for a very broad definition of SEs in order to capture all their various manifestations, a broad definition of what is preventative would be necessary too. SEs are often described as innovative, their ideas labelled as new and rather unconventional (e.g. Heinze et al, 2011). This circumstance could make it rather difficult to find a definition which captures all possible options. If social entrepreneurial activity is indeed as innovative as it is titled and if social entrepreneurs do ‘think outside the box’ as extensive as it is suggested (Leonard, 2013, p. 27; Sindi, 2015), a narrow definition of *preventative offers* is predestined to miss innovative ideas in the sector of children and youth services. Hence, this

thesis will work with a negative definition of what is *not* preventative – and therefore a *follow-up* service. Defining *follow-up* services is easier and there is less risk attached in terms of missing important parts, as those kinds of services are the traditional kind of offer and therefore present for a long time. These services are hence more static and not as dynamic as the activities of social entrepreneurs.

Follow-up services (in German: *nachsorgend*) are here seen as offers, programmes, schemes and services for children and youth, which spring into action as soon as a problem already occurred and possibly already caused problems. This includes therapies (assuming for the German case, that therapies are started as soon as a problem is detected), children and youth homes (as children are usually taken out of their parental home after something happened) and different measures for reintegration into education/labour market (as they come into action after a child/teenager already dropped out of the system). However, it might be important to note that this thesis does not assess activities with the purpose of enabling an independent life for children or young adults with handicaps as *follow-up services* but rather as *preventative actions*. This allocation was made because those offers help children and young adults preparing for the future in order to secure a happy and fulfilled life.

The following section will present the chosen methodological approach to test the above assumptions. After some general words about the approach and the used dataset, the section will present firstly the used methods for the examination for of the first hypothesis and afterwards it will introduce the approach for the analysis of the second hypothesis.

4.3 Methodology

This thesis leans on both, quantitative and qualitative approaches for the attempt of locating German SEs in the current German welfare system. This combination of both approaches was chosen in order to combine the strengths of the two methods and also to eliminate possible weaknesses. The advantage of a qualitative approach is indeed the deeper understanding of one or a few number of cases. Also, the processing and the interpretation of the collected information is more flexible than the rather static collected data within quantitative approaches. However, the external validity is, due to the small number of cases, rather limited. This disadvantage can be compensated by the combination with quantitative methods. Quantitative designs usually grant a greater external validity due to the higher number of cases, but because of such a great number of cases, the examination cannot go into much detail and stays rather superficial (Gerring, 2007; Brüsemeister, 2008, pp. 19ff.).

The combination of both promises great external validity and in-depth knowledge of the examined topic. Thus, in the following section both approaches will be shortly introduced and also an outlook will be given on how the methodology of future, more extensive, studies could be further developed to gain more insight on the topic.

This thesis makes use of a cross-sectional analysis in order to test the two hypotheses (Gerring, 2007, pp. 37ff.).

The first hypothesis – *the assumption that the main field of social entrepreneurial activities is children and youth services* – will be assessed quantitatively. Currently a systematic and nation wide assessment of social entrepreneurial activity per work area/policy field is missing. Additionally, due to the lack of a unanimous definition of *what* a social entrepreneur *is*, an official and complete nation wide list of SEs in Germany is also not existent.

This thesis however, can fortunately make use of the unpublished database of German SEs from the EU funded project EFESIIS (Enabling the Flourishing and Evolution of Social Entrepreneurship for Innovative and Inclusive Societies), precisely from the German team of the EFESIIS project, conducted by Prof. Dr. Annette Zimmer, Stephanie Bräuer, M.A., Andrea Walter, M.A., and Katharina Obuch, M.A. at the University of Münster. The database of EFESIIS leans on a broad understanding of social entrepreneurs and is, although it is already very extensive, not complete as the field is steadily changing and also as it is difficult to capture every enterprise. The database however, is up-to-date as it was generated as recently as the end of 2014 until the start of 2015. Additionally, this approximately six-month-old database was updated by the author of this thesis as some of the listed enterprises were already not existent anymore. These were then deleted from the dataset.

For the assessment of the first hypothesis, the German SEs (N = 887) in the database are coded and assigned to three different categories: if the SE offers services for children and youth, it will be classified as *Yes* (Y), if they offer a range of services and among them are offers for children and youth, it will be classified as *Among others* (Y/N). If no offers for children and youth are provided, the SE will be marked as *No* (N).

In order to put the generated result into a context and to enable a comparison of the share of children and youth services to other service sectors, the SEs were further assigned to the categories: *integration/inclusion, health/mental health, education/qualification, care (for elderly), finance, environment/sustainability, development work* and *other*. Due to the fact, that some SEs offer more than one service, double allocations are inevitable.

Afterwards the second hypothesis – *the assumption that social entrepreneurs are, in contrast to traditional actors, mainly preventative active* – will be assessed through a qualitative case-based analysis (Gerring, 2012, p. 411). From the N = 887 a random sample of 30 SEs, which were previously classified as Y or Y/N, will be generated (by randomizer.org, last accessed 17.08.2015) and afterwards thoroughly examined. This thorough examination leans on an extensive desktop research on the offers and the work of the 30 SEs from the sample. And, leaning on the criteria and the negative definition of preventative via the definition of *follow-up services*, the SEs will be allocated to either *preventative* or *follow-up*. A list of this allocation of the sample will be attached to the annex of this work. If H2 is verified, it can be assumed that SEs are occupants of this certain niche (*preventative services*), which would suggest that their role in the German welfare system is not the role of a rival or substitute to traditional ways of welfare provision, but rather a supplement to the existing structures.

Additionally, due to the lack of academic literature, for a better understanding of traditional welfare providers and the complex structures of the *Diakonie*, a telephone interview with a senior *Diakonie* official was conducted on the 20th August 2015. The protocol of the interview is in the annex.

Nevertheless, there are some possible errors and biases that should be taken into the account. The composition of the random sample for example could coincidentally be not representative for the overall population (sampling error) (Lynn, 2004, pp. 992f.). This error is reduced by the procedure of random sampling instead for example matching or the assignment to groups, but it can never be fully prevented. Also, as the dataset was generated by researchers, a sampling bias has to be taken into account. It could be possible that social entrepreneurs were

not included into the list by mistake or a by personal influences on the perception of the research subject (Gerring, 2012, pp. 437ff.). This has to be especially considered during the analysis in chapter 5, when the blind spots in the Eastern parts of Germany are discussed. The dataset was generated from researchers from North Rhine-Westphalia and it could be a possibility, that the missing local knowledge of Eastern federal states led to a biased choice of entrepreneurs.

Additionally, there are of course various ways how the methodological assessment of this question and the hypotheses could be extended. For increased validity and reliability, these extensions could be interesting for future studies. The reliability of the results for example, could be improved by a second coder, increasing the inter-coder reliability. Another example for a possible extension of the research design is the assessment of the database through a QCA.

This chapter introduced the research question and also the two hypotheses of this thesis. This was followed by a presentation of the chosen methods, which will be applied in the further chapters in order to verify or falsify the hypotheses and thus, in order to find an answer to the research question. The following chapter will present the findings of the analysis by focussing at first on hypothesis H1 and afterwards on hypothesis H2.

5. Analysis: Social Entrepreneurs as Alternative Social Service Providers

In the following section, the results of the analysis of the social entrepreneurial activity in Germany are presented. Therefore, in a first step, the results regarding the first hypothesis will be discussed, and then leaning on this, the data concerning the second hypothesis will be reviewed.

Hypothesis **H1** stated, that *the main field of social entrepreneurial activity is, similar to traditional organisations, the area of children and youth services*. As chart 5.1 shows, from the total number of 887 SEs, 18.15% (161) provide only children and youth services, 15.45% (137) offer various services and among them are offers for children and youth and 64.71% (574) do not offer any services on the sector of children and youth care. The SEs which only offer children and youth services and the SEs who also offer them among other service sum up together to 33.6% of the total number.

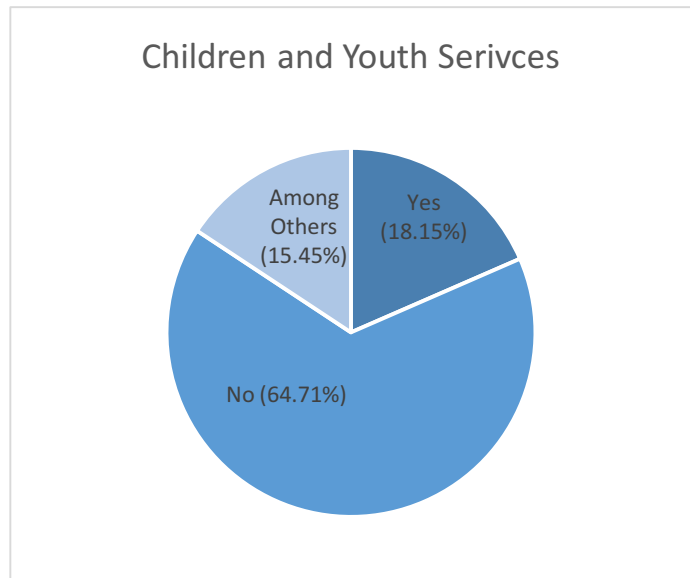


Chart 5.1: Offers of Children and Youth Services; data source: EFESIEIS project Germany

Interestingly, as it is shown by chart 5.2, most of the SEs offering children and youth services are located in the western German federal states with a considerably focus in North Rhine-Westphalia, especially in the Ruhr area. This area is known as a socio-economic problematic and weak area with high unemployment rates and many people in or at risk of poverty. Looking especially on the youth, the Ruhr area has an above-average rate of youth unemployment with 9.4% (Metropol Ruhr, 2014) compared to the nation wide rate of 4.8% (statista, 2015a). This could be a possible reason why a considerably high number of child and youth programmes is located in that area. However, the youth unemployment rate in the Eastern federal states of Germany is also 7,7% (statista, 2015a). Considering this, the

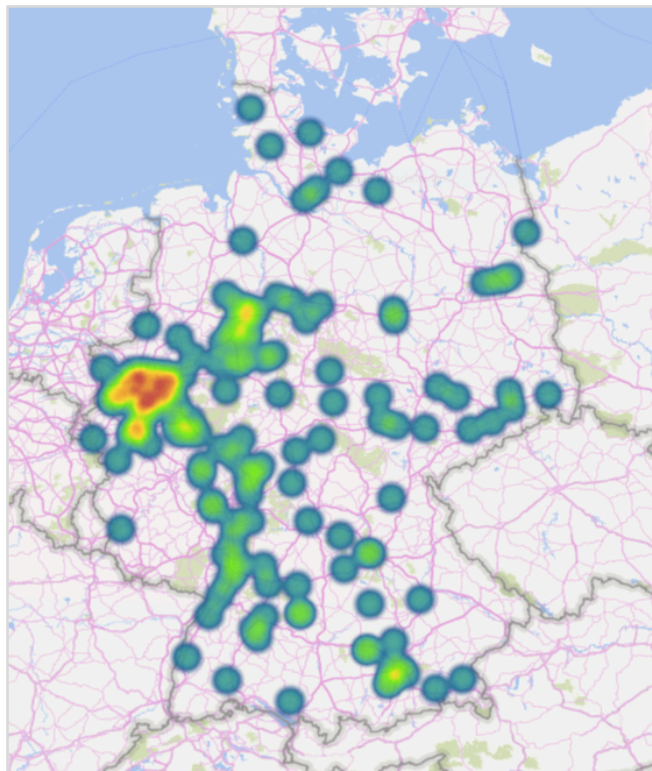


Chart 5.2: Offers of Children and Youth Services by Social Entrepreneurs in Germany; data source: EFESIEIS project Germany

illustrated in the map are rather surprising. On the map, the Eastern parts of Germany appear as ‘blind spots’ of social entrepreneurial activity, although the demand, proven by the youth unemployment rate, is existent. This is especially unexpected as the activities of traditional providers such as the *Diakonie* are rather limited in the Eastern federal states as well (Diakonie, 2014, p. 87).

Thus, it seems like social entrepreneurs clearly do not occupy a geographical niche, as both – traditional and alternative providers – are focussed on the Western German federal states and it is yet still open, if they then occupy a niche in regards to the type of activity. Finding the reasons for the lack of social entrepreneurial offers in the Eastern parts of Germany might be interesting for further research.

Before turning to the second hypothesis, it will be first reviewed what the 33.6% children and youth services actually mean compared to other fields of activity. For this, the SEs were further assigned to eight other categories.

The results, also displayed in chart 5.3, show that the second largest field of activity, after *children and youth services*, is the area of *integration and inclusion* (31.91%). This is followed by *education/qualification* (15.11%), *health/mental health* (14.77%), *care* (10.37%), *environment/sustainability* (4.62%), *development work* (1.80%) and lastly *finance* (1.58%). The *other* SEs, which could not be further classified, sum up to 25.82%.

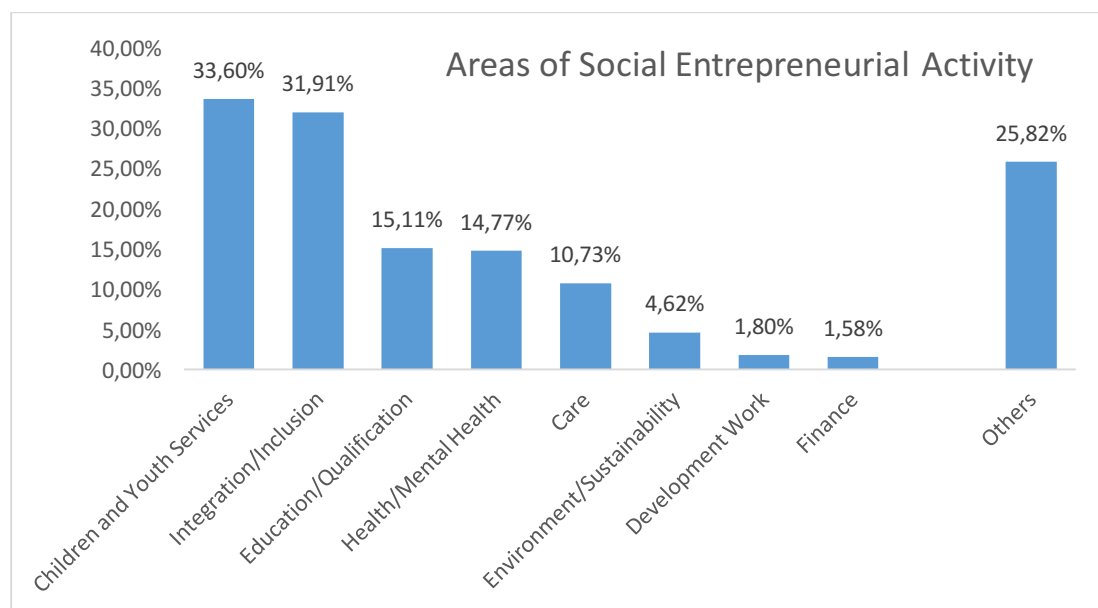


Chart 5.3: Areas of Social Entrepreneurial Activity; data source: EFSEIIS project Germany

All in all, H1 can be seen as verified. While, the area of child and youth services is ‘only’ a third compared to the total number, it is, in relation to the other identified fields of activity, the largest sector of social entrepreneurial activity. Although the 33.6% have, compared to the 31.79% in the area of *integration and inclusion*, only a small lead, it can be acknowledged that the area of children and youth services is of high importance and interest.

The second hypothesis **H2** however, argued, that *traditional welfare organisations and Social Entrepreneurs are not rivals, as Social Entrepreneurs occupy a certain niche and work predominantly preventative whereas traditional welfare organisations provide mainly ‘follow-up’ offers*. In order to test this, a random sample of 30 from the 298 either as Yes or Yes/No

marked SEs was generated. These 30 entrepreneurs were then examined in terms of their nature – *preventative* or *follow-up*. A detailed list of the sample and also their allocation can be found in table X.1 in the annex. The examination revealed that 20 (66,6%) of the 30 enterprises work predominantly

preventative, whereas 10 (33,3%) offer *follow-up services* (see also chart 5.4). Good examples for innovative and preventative social entrepreneurial activity from the random sample are for instance *gesundekids eG*, *ArbeiterKind.de* or *Boxgirls Berlin e.V.*. *Gesundekids eG* is an initiative for healthy eating among kids and aims at rising awareness among young children and youth for their eating habits in order to secure a healthy future (www.gesundekids.de, last accessed: 31.10.2015). *Arbeiterkind.de* wants to ensure equal

opportunities for young people with a weak socio-economic background. They especially support young students from families where nobody or only a few relatives studied at universities before. And the mentors and volunteers of *Arbeiterkind.de* want to compensate this lack of university experience in the family and offer their support for a successful graduation (www.arbeiterkind.de, last accessed: 31.10.2015). And lastly, *Boxgirls Berlin e.V.*. They use sport activities as a catalyst for social change. Through their training, they hope to inspire sustainable social engagement and prevention of violence. With their special programmes for girls, they seek to strengthen girls in their confidence and courage to stand up for themselves (www.boxgirls.wordpress.com, last accessed: 31.10.2015).

Among this random sample were also social entrepreneurs with *follow-up offers*, which are very similar to the services of traditional welfare organisations like the *Diakonie*. One very good example for these similar offers is the *Lindenhof gemeinnützige GmbH Wohngruppe für Mädchen*. It is a sheltered housing project for young girls, who are challenged by various problems (eating disorders, aggression, prostitution, drugs etc.) and the aim is to give them a secure home to stay, to experience role models and a normal, non abusive, family structure (www.wohngruppe-lindenhof.de, last accessed: 31.10.2015).

When comparing these 66,6% *preventative offers* of social entrepreneurs with the previously identified 20% among traditional providers, the result can be interpreted as a significant. It clearly indicates, that the larger share of SEs occupy this certain niche and thus differentiate themselves from traditional welfare providers. Although there are also other services, which have a *follow-up character* and are content-wise similar to traditional offers, the main share of the sample offered *preventative and innovative services*, thus hypothesis H2 can also be assumed to be true.

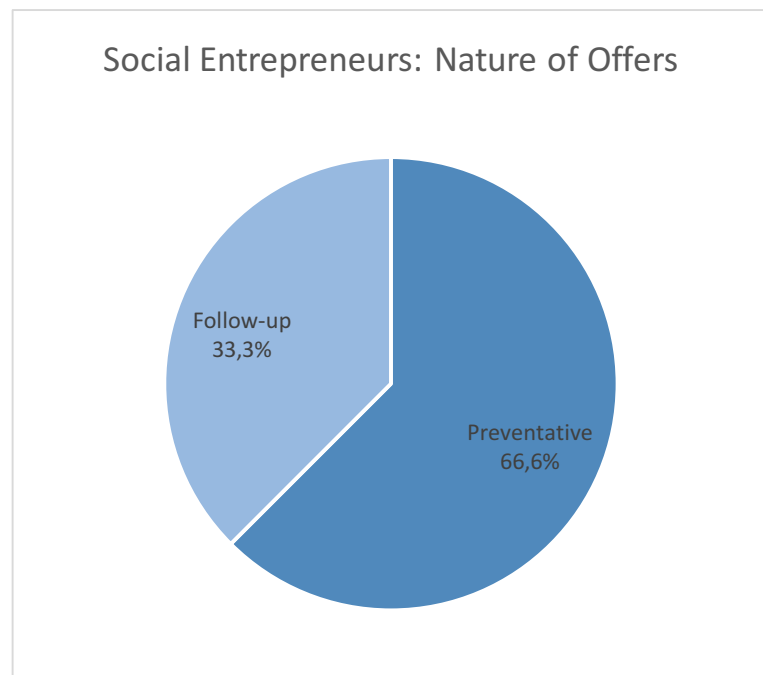


Chart 5.4: Social Entrepreneurs: Nature of Offers; data source: EFESIELS project Germany

In the following chapter, a short comparison will be drawn. In the eye of the found results, the social entrepreneurial activities in the area of children and youth services will be put into the larger context. This includes a link back to the demands in forms of NSR and also a comparison of the activities of the traditional welfare associations with the offers provided by social entrepreneurs. This final comparison allows a look on the bigger picture of the German welfare provision in terms of children and youth services and also allows to locate the activities of social entrepreneurs in the bigger context. This helps to review their role in general in terms of welfare provision and also their possible impact in that area.

6. Comparison and Conclusion: Results and Theoretical Relevance of the Analysis

In the following, the activities in the area of social services carried out on the one hand by the traditional providers (here: *Diakonie*) and on the other hand by alternative social entrepreneurs will be compared. The advantages and the disadvantages of each actor, which were revealed during this analysis will be discussed.

This thesis leans strongly on Giuliano Bonoli's argumentation about *New Social Risks*. He argued that three societal groups are particularly affected by NSRs: the young, women and low-skilled people. He further argued, that these groups do not have enough political weight to push their interests through the *democratic game* (Bonoli, 2005). Thus, this thesis supposed that alternative providers, which are not part of the *democratic game* and offer services especially for the deprived groups, are required. This thesis further suggested that social entrepreneurs are one of those alternative providers, which offer services especially for those groups. Therefore, it was assumed that one main area of social entrepreneurial activity is in the area of one of the deprived groups: children and youth services. As this is also the main area of activity for traditional providers it was further assumed, that the services of both actors are probably somehow different. The second hypothesis thus stated the assumption that social entrepreneurs occupy the niche of *preventative offers* and thus differentiate themselves from the mainly *follow-up offers* of traditional providers.

In order to reveal the differences between social entrepreneurs and traditional welfare providers and also in order to get a grasp of how to locate social entrepreneurs within the current German welfare system, different aspects were addressed: first of all, the concept of social entrepreneurs was introduced. This was followed by the introduction of the current, traditional, German welfare system. Three different actors were identified as important in the field: the public institutions, private-commercial actors and the Free Welfare Associations. Because private-commercial actors provide only a small share of social services and public institutions have other tasks (financing, ensuring the availability of services etc.) and only in seldom cases offer social services, the Free Welfare Associations were identified as the leading figures in that area – and thus the main counterparts of social entrepreneurs. These counterparts were further presented in more detail by the chosen example of the *Diakonie*. This was important in order to put the social entrepreneurial activities into relation with one of the biggest social service providers and also to draw a clearer picture of the context of German welfare provision.

Comparing these two actors – the traditional Free Welfare Associations (here: the *Diakonie*) and the alternative welfare providers, the social entrepreneurs, only a few similarities can be identified, but many differences became apparent.

As outlined, the concept of SE is in Germany not a new invention of the late 20th or early 21st century and the founder of the *Diakonie* (Johann Hinrich Wichern) would nowadays run under the label of a 'social entrepreneur'. This argumentation was further underpinned by the outline of the history of the *Diakonie*. Their unorganised, local help on a small scale is similar to today's SEs. However, the *Diakonie* developed into a nation-wide organised actor, with a highly complex structure and service offers on various fields and is not comparable anymore to the small SEs.

Another similarity is the non-profit orientation and the social (or/and religious) mission. As the social mission is for both actors a priority, both of them do not strive for personal enrichment.

Turning to the differences, this thesis revealed a few. In terms of the size and the influence, the traditional Free Welfare Associations seem to have a clear advantage. They are nation-wide organised, their facilities usually hold at least 100 places (usually several 100s) each, they have tax-advantages and can charge fees for their services from the insurances. Additionally, they are politically well represented by their umbrella association. This high-level organisation ensures them more political influence and they are part of many decision-making bodies. However, this makes them a part of the *democratic game*, they participate on the political level and are dependent in various ways from the *democratic game*: they depend on contracts with public institutions, which allow them to offer social services. Secondly, they also depend content-wise on political discussions: they can only offer services on a legal foundation, this means they have to wait until a demand is politically acknowledged and legally implemented. This leads to the nature of their services. Traditionally, social policies were orientated at compensating the consequences of social risks, rather than preventing from them. Thus, one can clearly see a clear focus on compensating – *follow-up* – offers and only a small number of *preventative offers* (only approximately 20%). The interview partner explained that usually there is no legal basis and also no money for such *preventative offers* (interview, 20. August 2015).

Then there are social entrepreneurships, which are usually small, local and generally not organised in umbrella associations and thus politically not well represented. As mentioned earlier, they often claim that they are left out of important bodies and panels. In contrast to the Free Welfare Associations, they usually do not have tax advantages and also cannot charge service fees from insurances. Instead they broadly rely on grants and donations and suffer a lot from this financial instability. On the other hand, they also have some advantages compared to the traditional actors. SEs are not part of the *democratic game* and thus do not depend on public institutions due to a contractual relationship. Further, they have more freedom and flexibility concerning their offers. They do not have to wait until a demand is politically recognised. Thus, they can be – and as the analysis revealed, they are – one of the alternative providers the groups, which are affected by the NSR, need. They are not only mainly active in one of the fields where the consequences of NSRs are located mostly – children and youth services – but also two thirds of them offer alternative – *preventative* – offers for those groups. These *preventative offers* are another expression for their independence from the *democratic game* and public institutions. They are more flexible to react to societal changes and are indeed of great importance when it comes to solving NSRs. However, their importance in that area always needs to be put into the context of their size and their operating range, especially compared to the steadily dominating traditional Free Welfare Associations.

All in all, social entrepreneurs revealed to be not possible rivals to traditional welfare providers, but rather as a necessary, independent addition in the field of welfare provision. They presented themselves as an opportunity for smaller and politically weaker groups to find, receive and also give help. Their advantages and successes in addressing the NSRs should be acknowledged.

From a theoretical and academic perspective, a positive development could certainly be initiated by more detailed research on SE in Germany, as a structured and agreed assessment

of German social entrepreneurs is still missing. Important questions still remain unanswered, for example a broad analysis in which areas social entrepreneurs are active or their exact position within the German welfare system – it is yet unclear whether they are a permanent or temporary asset to the German system.

This thesis made a first attempt to assess social entrepreneurial activity in regards to a certain policy field. This analysis further revealed first indications how and where social entrepreneurs should be located within the German welfare system, especially in relation to traditional welfare providers.

For further studies it could not only be interesting to put social entrepreneurs in relation to other traditional actors (e.g. the *Caritas*), it could also be interesting to look further into the 'blind spots' in the Eastern German federal states revealed in chart 5.2. Due to the political heritage and the persecution of religious believers in the former German Democratic Republic, the Eastern federal states are not heavily religious dominated (statista, 2015b, data from 2011). And as for example the *Diakonie*, a provider with a Christian background, is less active in the Eastern federal states (Diakonie, 2014), it could be assumed that social entrepreneurs - as organisations, which are often religious neutral – would be a lot more active than they appear to be in chart 5.2.

Besides shedding light on these 'blind spots', it could be also interesting for further research, to add the self-perception of social entrepreneurs to this external analysis of their role within the German welfare system. Thus, a number of qualitative interviews regarding their view on their place within the system would be helpful. The combination of a theoretical and external examination with a rather practical perspective and inside views would deliver a comprehensive and revealing insight on social entrepreneurship in Germany.

However, acknowledging the benefits of social entrepreneurial activity should also be transferred to the practical level and should not stay only in the academic sphere. Social entrepreneurships provide services for groups, which often remain unheard. Raising the awareness could have numerous practical implications – for example, if an alternative to traditional services is publicly better known, the demand and support among the public could possibly rise. This could in turn lead to enough demand that social entrepreneurs receive more governmental support and their development would actually be more facilitated. Then, posts like on *Rheinflanke's* Facebook page will hopefully belong to the past.

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Annex

Table X.1: Random sample and allocation as *preventative* or *compensating* offers. Sample generated by randomizer.org, data taken from the EFSEIIS dataset.

No.	Organisation	Description	Preventative	Compensating
1.	Centre Ya Bana	Foundation of an elementary school in the Democratic Republic of Congo (free of charge), which will be financed by the attached bakery. Goal: securing free education with a secured funding for the future.	X	
2.	Berufsfortbildungswerk Gemeinnützige Bildungseinrichtung des Deutschen Gewerkschaftsbundes GmbH	Education, further training and qualification of people in the light of skills shortages. Only a negligible share deals with resocialisation of misdemeanants.	X	
3.	EJF gemeinnützige AG	Education of children with special needs, therapies, supervision of juvenile delinquents, family assistance for families/parents with special needs, offenders victim compensation.		X
4.	HEIDELBERGER PÄDAGOGIUM gemeinnütziges Bildungsinstitut GmbH anerkannte Schülertagesstätte, Heidelberg	Education (preparation for (final) exams, language classes (general, language classes with emphasis on economic vocabulary and classical languages) – preparation for a successful future (school, studies, job).	X	

5.	GIS München gGmbH	Enabling independent lives for people with disabilities.	X	
6.	hilfswelten e.V.	Platform for networking, opportunity for children, young adults and elderly to engage with others for recreation and consultation.	X	
7.	Kleidung aus Holz - Sign of Nature	Sustainable clothing.	X	
8.	Lebenshilfe für Menschen mit Behinderung Bonn gemeinnützige GmbH	Enabling independent lives for people with disabilities, recreational activities.	X	
9.	Lebenshilfe Limburg gGmbH	Enabling independent lives for people with disabilities	X	
10.	PariSozial-Münsterland Gemeinnützige Gesellschaft für Paritätische Sozialdienste mbH	Therapy, consulting, assistance, supervision.		X
11.	Produktionsschule Moritzburg gGmbH - PSM Niedermühle Rödern	School for children and young adults with special need.		X
12.	ArbeiterKind.de gemeinnützige UG (haftungsbeschränkt)	Organisation, which supports young adults during their course of studies due to the lack of study experience within the family.	X	
13.	beliya GmbH	Sustainable bags and accessories.	X	

14.	Boxgirls Berlin e.V.	Sport as a “catalyst” for societal change targeting at young girls and women.	X	
15.	Deutschland Rundet Auf Partner GmbH	Fundraising for poor children		X
16.	Digitale Helden gemeinnützige GmbH	Media education in schools e.g. education about bullying.	X	
17.	Eltern AG (Programm der MAPP-Empowerment gGmbH)	“Parent class” in order to prepare future parents for their tasks.	X	
18.	Fachkliniken Nordfriesland gGmbH - „HiKiDra - Hilfen für Kinder Drogenabhängiger“	Therapies, coaching, living arrangements.		X
19.	Freunde blinder und sehbehinderter Kinder gGmbH	Enabling independent lives	X	
20.	gesundekids eG	Stimulation of a healthier lifestyle among children (food, sports etc.)	X	
21.	hand in gemeinnützige AG	Resocialisation of juvenile delinquents (daily life, work placement).		X
22.	IMPULS Deutschland gGmbH	Enabling a successful school career for every child – no matter from what background.	X	
23.	Give something back to Berlin e.V.	“Network of participation” – channeling creativity and inspiration to create a harmonised,	X	

		peaceful neighbourhood.		
24.	Kindernachorgeklinik Berlin-Brandenburg GmbH	Clinic for children with cancer or heart conditions.		X
25.	Lebenshilfe Kinder, Jugend & Familie gGmbH	Coaching, supervision and treatment of children with special needs.		X
26.	Lindenhof gemeinnützige GmbH Wohngruppe für Mädchen	Secure living arrangement for girls who experienced violence, abuse, traumas etc.		X
27.	Produktionsschulen PS GmbH – gemeinnützig	School for children with special needs.		X
28.	Off Road Kids Foundation (unterstützt von Vodafone Stiftung)	Street-work and buddy project, mission to “work preventative”.	X	
29.	starthäuschen - innovative Pädagogik gGmbH	Parent-workshops, integration classes, education.	X	
30.	Teach First Deutschland gGmbH	Equal education for everyone.	X	
N=30 (100%)			20 (66,66%)	10 (33,33%)

How is the *Diakonie* structured?

Diakonie facilities	Diakonie activities of the institutional church	Institutional church
Facilities with different service areas, e.g. hospitals, retirement homes, children and youth services, counselling etc. Independent facilities, economically independent; organised as (g)GmbH, association or foundations.	Facilities from church parishes or districts (<i>Kirchengemeinden oder -kreise</i>); often organised and led by the church parishes who then are financially responsible. Relies often on volunteers.	Church parish (<i>Kirchengemeinde</i>): Carrying out the local tasks Church districts (<i>Kirchenkreis</i>): Association of church parishes Regional church (<i>Landeskirche</i>): Legislation carried out by <i>Synods</i>
	Associated in <i>Diakonischen Werken</i> of the church district. Have two tasks: (1) Responsible for facilities and (2) representation of interests for all facilities in the church district	The regional church decides which provider is attached to the institutional church and then has to follow the respective church laws (e.g. labour law)
Usually no church taxes, the facilities are financed by the services fees	Usually church taxes are used to support the facilities	Has no authority (authority would mean that the institutional church would be financially responsible in times of crisis)
Member of the <i>Regional Diakonie Associations (Diakonischer Landesverband)</i>	Member of the <i>Regional Diakonie Associations (Diakonischer Landesverband)</i>	Delegates the <i>Diakonie</i> responsibilities to the <i>Regional Diakonie Association</i>

Regional Diakonie Association (Landesverbände)

Tasks

- *Spitzenverband der Freien Wohlfahrtspflege*
- The association represents the interests of the involved churches
- Counselling of facilities, *Werke* and associations, encouragement for certain activities, ensuring services, representation of interests towards public institutions, the church etc.

Rights and duties of members

- Members are allowed to call themselves a member of the respective *Regional Diakonie Association*, allowed to use the brand and image
- Entitled to receive professional support by the *Regional Diakonie Associations*
- Entitled to receive counselling regarding legal and financial issues
- Entitled to participate in training and education offers of the *Regional Diakonie Associations*
- The *Regional Diakonie Associations* also take care that the members follow the legal provisions

Structure

- The content-related, professional work is organised in form of *professional associations (Fachverbände)*
- The *Regional Diakonie Associations* are members of the *Diakonie Germany* (official: *Evangelisches Werk für Diakonie und Entwicklung e.V.*).

Diakonie Germany

- Political umbrella organisation: representation of the interests of the *Diakonie* towards the Federal Republic of Germany, other important organization and the public

Important to note: there is no hierarchical structure between the levels (1) the *Diakonie Germany* has no authority to give directives to the *Regional Diakonie Associations* (2) the *Regional Diakonie Associations* have no authority to give directives to the individual facilities (3) The regional churches have no authority to give directives to the facilities, they can only intervene if they violate church law, exception: they do have influence on the *Diakonie facilities of the institutional church* (5) thus, *Diakonie facilities* are highly independent (esp. financially) actors, which make independent decisions and are liable for their actions.

The Diakonie is a so called *Spitzenverband* – does that mean that they necessarily have to offer all types of social services?

No, they do not have to, but the *Diakonie* does.

What kind of services does the *Diakonie* offer?

Many different services: children and youth services, care for the elderly, hospitals, support for homeless people, support for people with addictions, family assistance, training and qualification for unemployed people, services for people with disabilities etc.

Is there a difference between the services offered by the *Diakonie facilities* and by the *Diakonie activities of the institutional church*?

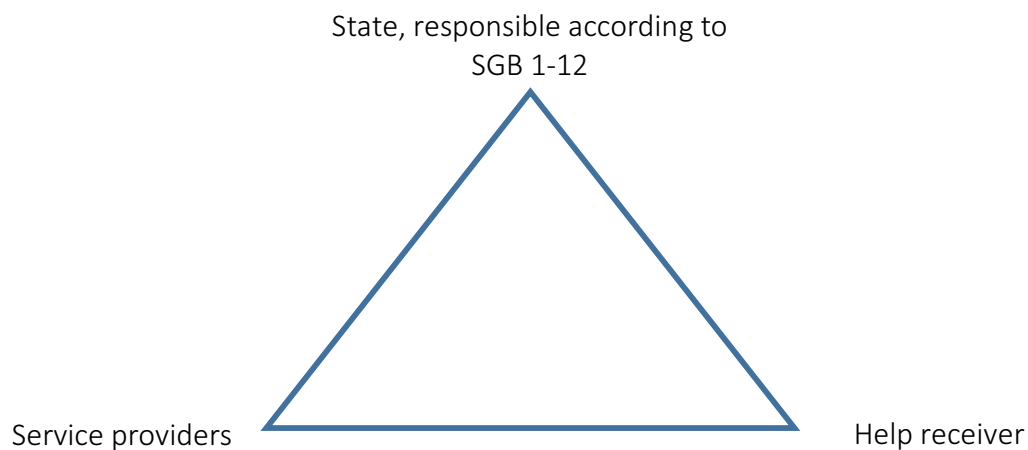
Yes, the kindergartens and day care centres are usually run by the *Diakonie activities of the institutional church*. Additionally, the services offered by *Diakonie facilities* are usually carried out on a bigger scale.

Does the *Diakonie* offer *preventative services*?

No, usually not. The *Diakonie* could, but as the *Diakonie* is not financed by taxes, it is difficult to find the financial means for such projects. That is why they are usually not carried out by the *Diakonie*. That is why the offers of the *Diakonie* usually compensate a problem but do not help to prevent it.

Does the *Diakonie* receive public money?

No, the *Diakonie* doesn't. Example: Someone who is homeless seeks for help in a facility, the facility receives the money via the help receiver. So called 'help triangle':



Exception: "KA-Mittel" from the lottery – small amount is dedicated for welfare purposes.

That means that all the services are just financed by the fees which are paid by the insurances?

Some facilities offer the opportunities for its clients to participate in qualification and training programmes (in order to enable them to entry the labour market). In this course some goods or services are produced, which then can be sold in order to re-finance these programmes. One example is the *Diakonie Kästorf* with its GmbH *Diakonische Betriebe Kästorf*, they produce parts for *Volkswagen*.

Screenshot X.3: Screenshot of *Line Sieben*'s post on the Facebook page of *RheinFlanke gGmbH*.


Line Sieben hat **RheinFlanke** bewertet – 1+

19. Dezember 2014 ·

Hallo Leute, wir hatten vor Podolski respekt aber sich an unsere Idee ranzumachen, mit Doppeldecker durch Koeln fahren und verkaufen, sorry das machen wir seit ein paar Jahren!

Will er jetzt auch noch unseren Umsatz schmälern? Oder ? Podolski was soll das? Wir haben Jahre für den Aufbau gebraucht jetzt kommt der Hirni mit dem Poldi Bus um uns die Show zu klauen? Übel diese Fussballmillionäre wenn Sie nix mehr zu tun haben als anderen Leuten das Geschäft kaputt zu machen echt übel!




RheinFlanke
 Gemeinnützige Organisation

1000 „Gefällt mir“-Angaben
 223 Personen sprechen darüber

Für später speichern

und den Blick nach vorne richten.
 Lukas Podolski

Gefällt mir Kommentieren Tellen

Erika Siegel gefällt das.


RheinFlanke Liebes "Line Sieben" Team ... hier handelt es sich scheinbar um ganz verschiedene Hintergründe.
 22. Dezember 2014 um 12:49 · Gefällt mir


RheinFlanke Die Stiftung von Lukas Podolski sammelt Spenden um unsere sozialen Projekte zu unterstützen und verfolgt ansonsten keinen kommerziellen Gedanken und will auch mit niemandem konkurrieren!
 22. Dezember 2014 um 12:51 · Gefällt mir


Line Sieben Sehr geehrte Rheinflanke, danke für Ihre Info, es ist leider so, das wir jetzt als Poldi Bus verglichen werden und wir aber unseren eigenen Stil haben , denn Ihr habt die besten Standorte um euch zu präsentieren und somit geraten wir in den Hintergrund, wir sind natürlich dafür, das Spenden sammeln Sinn macht und eine gute Sache ist, aber kann Hr. Podolski nicht anders darauf aufmerksam machen als unsere Idee mit dem Bus zu machen? Er ist übrigens Millionär warum spendet er nicht das Geld und macht sich nicht sooo wichtig, das wäre wirkliche wahre Grösse! Leider fällt auf, der Herr Podolski seit Jahren sich immer nur präsentiert und nicht wirklich etwas zum Fussballspielen leistet, sorry diese Kritik muss sein!
 22. Dezember 2014 um 15:56 · Gefällt mir