11

Social Entrepreneurship as a New Institutional Field: Institutional Barriers in the Algerian Context

Sofiane Baba, Taïeb Hafsi, and Meriem Benslama

Introduction

In the last twenty years, social entrepreneurship (SE hereinafter) has gained increased legitimacy in many countries (Raufflet et al., 2016). France has even moved to formalize its existence with the Loi sur l'Écconomie Sociale et Solidaire of July 2014. In the USA, the status of Benefit Corporation[1] plays the same role. Defined as an entrepreneurship with a social purpose, it is perceived by both national and international institutions as a vector of sustainable and inclusive social-economic

S. Baba (✉)
Université de Sherbrooke, Sherbrooke, QC, Canada
e-mail: sofiane.baba@usherbrooke.ca

T. Hafsi
HEC Montréal, Montreal, QC, Canada
e-mail: taieb.2.hafsi@hec.ca

M. Benslama
The Algerian Center for Social Entrepreneurship, Algiers, Algeria

281

development. While social entrepreneurs do not neglect financial goals, they do not see them as the firm's main purpose. Battilana (2018) views these organizations as hybrids, which maintain a balance between several goals, whether these are social, environmental, or economic.

Even if its existence is perceived as legitimate in many countries, in particular Western industrialized ones, SE remains a new organizational form (Durand & Paolella, 2013), which is still to be understood, recognized, and encouraged in many others. In these countries, SE can be conceptualized as an emerging institutional field, "a recognized field of institutional life" (DiMaggio & Powell, 1983, p. 148). The field emergence process has been documented for several other domains and industries (Shepherd & Patzelt, 2011; Zietsma et al., 2017). The Cannabis industry in Canada and Social investment in Europe could be mentioned as typical examples. According to neo-institutional scholars, institutional fields are important conceptualizations for understanding social and institutional dynamics (Zietsma et al., 2017). Institutional change issues, and related negotiations, take place at this level of analysis. Scott (2001, p. 84) defines an institutional field as a community of organizations who participate in a system of common meaning, and whose actors interact more frequently and more naturally with each other than with others outside the field.

This chapter deals with SE's emergence as an institutional field, focusing more particularly on the challenges it faces in a country such as Algeria, with turbulent and complex institutional dynamics (Baba et al., 2020, 2021). In Algeria, many organizational actors participate in the process of building institutions in what can be seen as institutional entrepreneurship (Tracey et al., 2011). Their purpose is to transform existing institutions at the cognitive, normative, and regulative levels (see Scott, 2014) to pave the way for SE's development as a legitimate and economically useful organizational form to society. In the early 2020s, the situation of SE in Algeria is still fragile, even precarious. The Algerian Center for Social Entrepreneurship, created in 2016, is the only formal structure promoting SE, with almost no help from established authorities. The Center's activities cover three complementary domains: (1) promoting, even evangelizing among students and civil society; (2) incubating and

coaching social entrepreneurs; and (3) pleading with public authorities for the official recognition of SE.

Although much research has been conducted on the difficult process of SE institutionalization (Chandra, 2017; Nicholls, 2010b, 2012), Algeria remains an intriguing context. In the situations described in the literature, often based on experiences in the West, it has been suggested that SE is unlikely to gain legitimacy as a new organizational form, especially where classic entrepreneurship dominates. It has been recommended that there is a need to recognize social enterprise as a novel form of entrepreneurial activity to renew the business firm field, which suffers from too much emphasis on financial performance. In Algeria, the situation is even more interesting, as the private sector enterprise is struggling for legitimacy and facing hostile institutions. In particular, SE, in its hybrid forms with social and financial goals, is facing a double struggle. The first is similar to other classic entrepreneurs, while the second struggle is related to SE's social mission, which is frowned upon by suspicious authorities. Therefore, Algeria is an interesting social and institutional laboratory, which can help understand how a field emerges and gains legitimacy.

This chapter starts with a conceptual conversation around institutional theory, particularly the processes by which new institutional fields emerge and gain legitimacy. Then we explain how this research was conducted from a methodological standpoint, insisting on the context, the choice of the case, and the data collection process and analysis. We shall then propose an empirical description of SE in Algeria before discussing our findings on this poorly known phenomenon and their meaning for both research and practice. As a whole, this chapter helps understand better understudied phenomena in contexts that, for historical reasons, are institutionally hazy at best.

Theoretical Background: Social Entrepreneurship as an Emerging Institutional Field

Beyond a shadow of a doubt, SE has received significant attention and recognition from scholars and institutions in the past two decades (Chandra, 2017; Islam, 2020; Mair, 2020). The economic, social, and environmental issues that accelerated at the turn of the twenty-first century have contributed significantly to this enthusiasm. Considered as "the practice of addressing social problems by means of markets," (Mair, 2020, p. 333) SE has long been applauded "for its ability to challenge the status quo and navigate interactions with markets, institutions and governments to make the world a better place" (Bacq & Lumpkin, 2020, p. 286). Increasing interest in SE gave rise to a whole field of research, qualified by Nicholls (2010a, p. 611) "as a field of action in a pre-paradigmatic state that currently lacks an established epistemology." Overall, it is quite a dynamic and fast-growing field of research which has successfully explored several avenues of research despite remaining "challenging to grasp" because of its ongoing debates at the epistemological, definitional, theoretical and even methodological levels (Saebi et al., 2019, p. 71).

While SE is nowadays recognized as a legitimate entrepreneurial form in the Western world (Doherty et al., 2014; Mair, 2020), the literature has scarcely explored the process that allowed this entrepreneurial form to develop its legitimacy over time. Few exceptions (Hervieux et al., 2010; Newth & Woods, 2014; Nicholls, 2010a, 2010b) delved into this intriguing topic and found that the legitimation of SE is not a linear process but rather a tumultuous one marked by many challenges and resistance to change. In this vein, Nicholls (2010a, p. 625) explored SE legitimation's microstructures through the lens of structuration theory. He found that the field of SE "allows resource-rich actors to shape its legitimation discourses in a self-reflexive way" and that this process "is prioritizing two discourses: narratives based on hero entrepreneur success stories and organizational models reflecting ideal types from commercial business. The former supports internal logics that legitimate new venture

philanthropic practices while the latter endorses internal logics that legitimate efficiency and the marketization of the state" (p. 625). Focusing on the same issue of SE legitimation, Hervieux et al. (2010) looked at the role of academics, consultants, and foundations in "theorizing" the SE concept and negotiating its legitimacy. Their study showed how actors' discourses vary in terms of SE's conceptualization, leading to varying definitions of this new field.

Despite the richness of these studies, our understanding of the process of emergence and legitimation of SE remains limited. As is now usual in organization and management theories, emerging countries, especially African ones, are often excluded from reflections and analyses (George et al., 2016; Kolk & Rivera-Santos, 2018). This can be explained by several reasons that should be theorized elsewhere, but as far as SE is concerned, this blinds us on subjects that are still relevant, such as the issue of SE legitimation. This was already clearly stated by Sengupta, Sahay, and Croce (2018, p. 772), arguing that "not much of literature is found in other parts of the world as compared to the developed countries on both sides of the Atlantic … [as] entrepreneurship research is far less pursued in emerging economies, as compared to developed countries." This state of affairs is also implicitly epitomized in an article by Defourny and Nyssens (2010, p. 32) looking specifically at the "conceptions of social enterprise and social Entrepreneurship in Europe and the United States." Their article suggests that "the debates on both sides of the Atlantic took place in parallel trajectories, with very few connections between them, until the years 2004–2005" (p. 33) and that SE in these geographic regions has a long tradition, stretching back at least several decades. Considering the great influence of the institutional and social context on SE dynamics (for a review, see Saebi et al., 2019), it is no exaggeration to assert that what the current literature theorizes about the legitimization of SE is insensitive to the socio-cultural and institutional specificities of emerging countries where institutional environments are usually volatile and more conducive to complexity and resistance.

This is quite unfortunate considering that, as Newth and Woods (2014, p. 194) put it, "resistance to social entrepreneurship undoubtedly does limit the creation and impact of ventures that would have positive social outcomes in many cases." SE's very nature makes it more prone to

scrutiny and resistance because of its simultaneous market and social logics, which may conflict (Dacin et al., 2011). Because of its hybrid nature, SE must legitimize its commercial component and its social one, making its legitimation efforts even more sensitive (Battilana, 2018). As suggested by Newth and Woods (2014, p. 196), "resistance is a particularly pertinent issue in social entrepreneurship because such enterprises are likely to face resistance across multiple fronts." Taken together, these insights lead us to investigate how SE legitimizes itself as a new institutional field. We build on the work of Zietsma et al. (2017, p. 392) to define fields as "the bounded area within which meanings are shared and specific institutions operate… [as] fields are presumed to be the predominant source of pressures for institutional conformity and the site of institutional embeddedness." The interest here is not to focus on specific social enterprises and their quest for legitimacy but rather on SE as a field struggling to emerge, grow, and eventually become institutionalized in a context where SE is not part of the existing institutional arrangements. In our case, we are thus conceptualizing SE as a nascent or emerging field (Maguire et al., 2004; Patvardhan et al., 2015). This conceptualization is coherent with the social, cultural, and institutional realities of emerging economies, such as those of the MENA region, given that SE has barely emerged (Baba et al., 2020). In some countries, like Algeria, the private sector itself is still searching for legitimation, which makes resistance to SE even more intense.

Paralleling the interesting work of Newth and Woods (2014) on the Schumpeterian view of resistance to entrepreneurship and innovation, this chapter considers three types of resistance: (a) that of the task itself and the uncertainty related to it, (b) that associated with the preference of the *status quo*, and (c) that of the resistance emanating from the environment in which the entrepreneurial activity is embedded. This chapter mainly focuses on the third type of resistance, which we label as institutional-based resistance, emanating from regulative (laws and regulations), normative (norms and social expectations), and cognitive-cultural (how we think and interpret "things") (Scott, 2014). All in all, these ideas lead us to formulate our research question as follows: *what are the challenges that hinder the emergence of SE as an institutional field?*

Methodology

In this section, we intend to describe and justify our methodological choices. We shall focus on the research design, the empirical context, data sources, and data analysis processes. Taken together, these will explain and justify the use of qualitative research (Lincoln & Guba, 1994; Patton, 2002).

Research Design

This research is qualitative, consistent with the exploratory nature of investigations about a new institutional field emergence (Patton, 2002). More specifically, our study is based on a single case study (Yin, 2003). This choice is appropriate for a detailed, rich exploration of a phenomenon, and the search for new theoretical insights. We must also underline that this research follows an interpretative epistemological tradition, which takes reality as subjective, thus subject to actors' multiple interpretations (Reay et al., 2019).

Choice of Case and Empirical Context

This chapter is based on a revelatory case of SE in Algeria. Algeria has only recently become an independent state, after a hard and bloody colonial war with the French army, and settler extremists (McDougall, 2017). After the independence, the departure of about 1 million European settlers, the new and inexperienced government had no choice but to rely on a socially intense ideology. Socialism and social justice dominated thinking and behavior for two decades. In particular, an institutionalized hostility to private enterprise gave rise to a centralized government and limited local or civil society initiative.

In general, this case is valuable for at least three reasons. First, it helps explore a new emerging institutional field dynamic, especially in a volatile and still developing institutional context. Algeria, like many recently independent states, which came out of the decolonization trend, is institutionally turbulent. As a result, institutions are more malleable, more

fragile, and shifting. Also, SE is a fairly new entrepreneurial form, informally established around 2013 and still in formation. The case about the Center of Social Entrepreneurship is amenable to the study of "a detailed contemporary study of a phenomenon in its real context, in particular where the boundaries between context and phenomena are unclear" (Yin, 2009, p. 18). Finally, this case is also a source of insights because it provides information about a rare occurrence of SE emergence in a context where even traditional (business) entrepreneurship's legitimacy is challenged (Baba et al., 2020; Hemissi & Hafsi, 2017). This simultaneous occurrence of dual institutional dynamics can reveal how institutional fields emerging in parallel can influence each other.

Data Sources

To study SE's revealing case in Algeria, we rely on a set of rich qualitative information and data. These help triangulate the information and develop a finer understanding of the phenomenon under study. Three complementary sources were used. First, one of the authors conducted five years of participant observations in the field as it was at birth. This implication in the Algerian SE ecosystem allowed her to interact with public authorities, international funding agencies, social entrepreneurs, and other regional and international actors in the broader field of social entrepreneurship and social and solidary economy. These observations are essential because they provide a unique and detailed account of the emergence and development of the SE field in Algeria. Subsequently, 45 conversational interviews (Burgess-limerick & Burgess-limerick, 1998) have been conducted with key actors of the Algerian SE ecosystem. Conversational interviews are discussions, which can be formal and conducted in the organizational and institutional setting. They tend to facilitate spontaneous behavior and richness of information. Because of the politically sensitive nature of the context, interviews have never been recorded. Finally, and in addition to this information, a variety of documents and archives were consulted. These include studies, reports, and analyses about SE in Algeria, as well as 1200 emails with stakeholders, covering five years of relationships around the buildup of SE.

Data Analysis

As is usual in similar qualitative studies, data analysis was mostly abductive, with a constant back and forth exchange between data and theoretical insights (Timmermans & Tavory, 2012). In so doing, the three authors have debated several times to share meanings about the data gathered by one of the authors. The other two were less immersed in the field but share both the culture and national origins. Being removed from the field, these "outsiders" were able to ask hard questions and ensure the credibility of facts and data interpretations (Nemeth et al., 2001).

Three steps were needed to conduct the analyses. First, the data were analyzed, looking for the details of SE emergence in Algeria, during a specific temporal horizon (2013–2020). This step was based on a detailed chronology of events and was focused on how formalized the field was at each temporal bracket. This step showed three distinct temporal development brackets. First, there was informal emergence, then development and attempts to formalize. Finally, institutionalization was the main purpose. In the second step, we tried to identify the challenges of each of the historical times. Our analyses reveal important challenges throughout the period studied. At this stage of the analysis, we inductively identified challenges at the legal, administrative, financial, organizational, and cultural levels. In the third step, we decided to rely on Scott's three pillars (2014) to structure the challenges identified earlier. In his seminal work, Scott (2014) describes three institutional pillars: regulative (rules and regulations), normative (social norms and practices), cultural-cognitive (beliefs about how things are). From the regulative to the cultural-cognitive, the pillars are first formal, then increasingly preconscious, and taken for granted. Hoffman (1997, p. 36) conceptualizes the pillars as in a continuum, "from the conscious to the unconscious, from the legally enforced to the taken for granted." Using Scott's concepts, we have structured the challenges identified inductively, then reinterpreted them again to fit with neo-institutional pillars.

Empirical Analyses: Social Entrepreneurship in Algeria

Our empirical analyses show that the process of emergence and institutionalization of SE as a new institutional field in Algeria has a triple character, which can be described using the three pillars of neo-institutional theory (Scott, 2014). In what follows, we shall focus on challenges that are specific to each pillar.

Normative Pilar: Social Entrepreneurship Is not a Legitimate Endeavor

Our analyses show the importance of norms in the process of SE development in Algeria. It is recognized that institutions are important vehicles for tacit expectations, which directly influence the behavior of people. When conforming to these expectations, individuals' actions become legitimate. In the case of SE, norms and social expectations about careers and professional success have inhibited the process of recruiting social entrepreneurs. Two hurdles are particularly important: the need for professional stability, and entrepreneurship as a marginal process. These two hurdles directly influence actors' perception of SE's attractiveness and thus their desire to venture into it.

The Stability Factor

The analyses of SE in Algeria show that the search for professional stability is an important barrier in recruiting social entrepreneurs. Social and family expectations favor a stable source of revenue. This norm is probably inherited from the French culture, and the unstable social-political situation of Algeria appears to exacerbate the effect. Young professionals feel more vulnerable, and this leads them to make safe professional choices, even if these are less lucrative than a private entrepreneurial venture. Things are changing, but the norm is still holding that a career in the private sector comes second to a public bureaucracy career.

Historically, after the independence in 1962, the public sector has been the main source of good jobs and exciting careers. It has also been the largest employer, with about 2.5 million civil servants, 85% of them in a permanent position. The private sector is barely taking-off. Its performance is unstable, mostly because of a shifting and hardly predictable institutional/legislative context. Several firms, sometimes industries, have suffered or disappeared as a result of unexpected regulatory changes. The automobile industry, for example, has faced multiple and contradictory regulations, which have been disastrous for private firms involved, and traumatic for thousands of their employees. Therefore, when young workers and professionals envisage a career, SE appears as an unreasonable choice: "*It is clear for us that social entrepreneurship is seen as too unstable… and we know that Algerians more generally prefer a stable public sector job to a risky venture in the private sector… For social entrepreneurship, it is even worse. Family, social and peers' pressures are just overwhelming*" (Interview, 2020). It is also interesting to observe that universities and higher education institutions have no SE programs and teach no such related topics like social innovation, sustainable development, or social and solidary economy. This also contributes to making it less legitimate.

Entrepreneurship as a Peripheral Process

Entrepreneurship, whether classic or social, is marginal in Algeria. Established economic and social norms ignore it. Embarking on an entrepreneurial venture is seen as a marginal behavior. It is generally encouraged neither by social norms nor by formal rules and regulations. Three reasons appear to explain the situation. First, there is pressure from the entrepreneur's relatives to question an entrepreneurial career choice: "*an employment which provides a regular salary is seen as safer and more common in our society… To succeed, a salaried job, in the public sector, remains the option preferred by most new graduates entering the job market*" (Interview, 2020). Second, the lack of institutional and political visibility, in this unstable environment, slows down the entrepreneurial process. In a promotion campaign to recruit entrepreneurs, this argument was often cited as devaluing SE: "*To venture in any enterprise, you have to trust your own*

country… You have to plan ahead several years… You invest time and money… and here, we know culturally and intuitively that everything can change fast… How can you take initiative without some peace of mind? … it is the very essence of taking risks!" (Interview, 2020). The regulatory void about SE increases the worries about instability. The third reason is the socialist heritage, which has painted entrepreneurship as incompatible with social justice, and has contributed to a poor image for business enterprise in general.

The Rules and Regulations Pillar: SE in the Heart of an Entrepreneurial Void

Neo-institutional economics research (see Acemoglu et al., 2005; North, 1990) has unequivocally shown the importance of the legal and regulatory framework in the growth of entrepreneurship and in general economic activities. Such a framework clarifies the game rules and guides individuals' initiative, thus giving more visibility to entrepreneurs. Rules and regulations define what is permitted in terms of entrepreneurial initiatives, and encourages some behaviors, discouraging others. A clear framework helps focus entrepreneurial resources where needed. For SE in particular, our analyses show that it faces two major formal hurdles: a persistent legal void and an institutionally discouraging system.

Persistent Institutional Void

The Algerian legal system does not provide any legal status to SE or the social economy. Two possibilities are available to social entrepreneurs. They can build a private enterprise, under the legal business status. They can also create a philanthropic association. All social enterprises in Algeria have followed one or the other of these routes. According to Article 2 of the 12-06 Association law, an association is recognized as a "*contract-based grouping of moral or physical persons, for a limited or unlimited time.*" When deciding to collaborate, these persons "*pool together, for profit or not, their knowledge and other means to promote or encourage activities in all*

domains' professional, social, scientific, religious, or related to education, sports, environment, philanthropy and humanitarian." This chapter emphasizes the association's non-profit side, which leaves aside the more economic entrepreneurship side of social entrepreneurs. As argued earlier, SE does not exclude profits, especially if profits are reinvested to promote the organizations' social mission.

In the history of Algeria, this form of private entrepreneurship is new. With the adoption of socialist objectives and state structure, a choice which appeared to be reasonable after the independence, private enterprise, was shunned until the early 1990s. During the violent civil war at the time, private enterprise was finally recognized as legally legitimate, alongside the dominant public enterprise. The private entrepreneur was then seen as a contributor to economic growth. The legislative decree of 1993 (#93-08, art. 544) argues that "*the commercial character of a firm is related to its legal form or object. Are commercial because of their form, regardless of their object, companies held collectively by a group of shareholders, limited partnerships, limited responsibility companies, and open shareholder controlled or widely-held firms.*" The more dynamic social entrepreneurs, who are close to a business logic choose among these forms. Social entrepreneurs who come from an associative tradition tend to pursue the association route. In both cases, the lack of legal clarity reduces the entrepreneurs' ability to enhance the legitimacy of his/her activity among stakeholders, including potential social entrepreneurs, capital risk national or international firms, and local administrative agencies.

A Discouraging Institutional Framework

The persistent legal void forces SE to live on the margin, a situation where "institutional arrangements that support markets are absent, weak, or fail to accomplish the role expected of them" (Mair & Marti, 2009, p. 419). This institutional void discourages even the most motivated traditional entrepreneurs, let alone those on the margin like social entrepreneurs who try to build a new field. This institutional discouragement is visible at three junctures.

First, the legal void is such that there are no incentives for SE. The lack of an accepted legal status blocks all attempts to promote or coach future social entrepreneurs. They are often worried about the value of this entrepreneurial form, which is present only in speeches, but not in actual laws. The main actor of SE in Algeria, the Center of Social Entrepreneurship underlines this devastating effect of a legal void: "*it is easy for us to encourage young people to give attention to SE, but when comes the time to actually launch the venture, things get much more complicated. Many actors are discouraged by the legal void, and some even abandon their projects*" (Interview, 2020).

Second, this discouraging institutional effect is also felt by those social entrepreneurs who choose the private enterprise route. The Algerian law does not distinguish between the traditional firm and social firm: "*Social entrepreneurs, although motivated by their willingness to resolve social ills, must still pay the same duties and taxes. They don't understand why their contributions to society go unrecognized, which makes them feel cheated*" (Interview, 2020). Since subsidies or international prizes fund most SE initiatives in Algeria, the tax administration looks at these as being taxable income, sometimes at exorbitant rates between 12 and 30%. The subsidies are treated as paying for the production of services. The funds actually devoted to social projects are, as a result, drastically reduced, which further fuels the discouragement and frustration of social entrepreneurs. "*This pushes social entrepreneurs to look constantly for new funding opportunities, and funding schemes, to avoid paying too high charges. Some of them are led to abandon their financial public dotation, because after tax it leads to insignificant funding*" (Interview, 2020).

Third, those social entrepreneurs who choose the route of associations, to avoid taxes, still face other discouraging challenges. The Algerian law 12-06 of associations states that all funds coming from a foreign organization, established in Algeria or not, should be authorized by the ministry of the interior. Some of these authorizations may take months, sometimes years, to come. Some projects did not exist anymore when the funds were finally authorized. As a result, regardless of how social entrepreneurs organize their activities, either as a private enterprise or an association, the institutional void is there to penalize both. The Algerian

Center for Social Entrepreneurship had coached some high-impact projects, to see them die when frustrated entrepreneurs finally abandoned them.

Cultural-Cognitive Pillar: Social Entrepreneurship Is Foreign to Established Mental Schemata

Our empirical analyses also suggest that the cultural-cognitive aspects are important. They refer to values and established mental schemata and have an important place in the process by which SE institutionalization takes place in Algeria. Three issues can be highlighted: the SE concept's conceptual ambiguity, the moral tensions, and the pragmatic tensions affecting social entrepreneurs.

Conceptual Ambiguity

The first issue is related to how ambiguous is the concept of SE. The ambiguity is constantly affecting how people behave. Three preconceptions contribute to the ambiguity. First, the word "social" is often associated with charity or general community-based work in Algeria. Mixing "entrepreneurship" and "social" can be seen as an oxymoron. Those unfamiliar with SE often associate it with charity and solidarity-related activities. The Algerian Center for Social Entrepreneurship has to deal with the issue daily, for example, receiving regular call to support the poor. The Center's entrepreneurial nature is often disregarded, a clear indication of how social engagement is perceived in Algeria. Also, the historical socialism heritage and the related statism or centralization of all decisions at the state center lead people to think that SE is the state's business. The "social thing" is often seen as being in the realm of the state authorities and cannot be delegated to "entrepreneurs" or "enterprise" (more generally, to private initiatives). To deal with these challenges, the Algerian Center for Social Entrepreneurship itself had to adapt to the context using different terminologies such as sustainable or impact entrepreneurship, avoiding the "social" word. This allows the Center to frame its mission within the United Nations' sustainable development goals, to delineate the borders of the "social" concept.

Moral Tension

As mentioned earlier, Algerian social entrepreneurs have often followed a professional volunteering path and are mostly related to the charity and association world. This has shaped their values of solidarity, empathy, and their convictions that entrepreneurship must serve a social purpose. However, transiting from social actor to entrepreneur is fraught with problems. The most important is the complicated relationship to money. These entrepreneurs have a hard time monetizing their products or services, building financial plans, balancing economic imperatives and social missions, and so on. Rationally thinking about social issues means taking into account their financial consequences. This leads to real moral tension, which leads to psychological dilemmas. It represents the conflict between social action as a goal and social action as an entrepreneurial opportunity. This conflict is made more intense by the often-held belief that "social" should not be judged in the commercial but the civil sphere, with an essential role for the state and civil society associations.

Pragmatic Tension

Finally, social entrepreneurs motivated by the entrepreneurial venture itself, with its risk-taking component and the need to develop a business, create value through opportunity. They are often resistant to the SE conceived as a value-based cultural endeavor, and in general, to the drive to the social and solidary economy. Such a conception calls for democratic governance, limited salaries, reinvestment of profit back into the cause. These notions do not resonate well with entrepreneurially minded individuals. They are more inclined to build firms with social principles but with a willingness to generate value and profits and dispose of those as traditional entrepreneurs. In this case, social issues are seen as business opportunities and not constraints, a mode of development rather than submission to prescribed behavior. These individuals wish to free themselves from the constraints that come from the social and solidary economic principles. They are faced with a pragmatic or instrumental tension to balance a social mission with a more common entrepreneurial drive. Interestingly, the Algerian Center for Social Entrepreneurship suggests that this second category of entrepreneurs

succeeds better than the more moral one, probably because they are more comfortable with the commercial logic.

Discussion and Conclusion

In this chapter, we presented the nascent SE field in Algeria. We adopted an institutional perspective to show how difficult it is for a new institutional field, even when it is socially worthwhile, to gain space and legitimacy. We have shown to what extent SE in Algeria faces hurdles related to all three institutional pillars (Scott, 2014). Rules and regulations are either inexistent or unclear, norms and cognitive formation have developed a hostile outlook on business and anything which is related. We focused on a key but lonely actor in this emerging field, the Algerian Centre for Social Entrepreneurship. This is the first and only organization of its kind in the country. Its purpose is to encourage and hopefully spread social entrepreneurship in Algeria through raising awareness, lobbying for recognition, training, and coaching potential social entrepreneurs. This institutional perspective findings lead to three significant implications.

First, our analysis suggested that the emergence of SE in Algeria was influenced by a triple institutional constraint, which makes the emergence and legitimization of this new institutional field complex. Paralleling Scott's (2014) work on the three pillars of institutions, our empirical investigation emphasized the importance of regulative, normative, and cultural-cognitive barriers to SE in Algeria. More importantly, we have shown how these constraints are intertwined and mutually reinforcing. For instance, the institutional void in which SE operates in Algeria because of the absence of formal rules encourages SE's perception as a perilous path at the normative pillar. Similarly, the cultural-cognitive understanding of social work as being the state's responsibility undermines the possibility of legislating SE's status, which would grant it an essential legal basis for its progressive legitimation over the long run (Baba et al., 2021). The fact that the obstacles to the emergence and development of SE fall under the three institutional pillars highlights how complicated this field's emergence process is.

The field's difficulties can be hard to understand given Algeria's gloomy reality where social problems are innumerable and where SE can be particularly helpful to a state, which is greatly weakened by enduring sociopolitical instability. This is even more the case considering the historically rooted issues at the cultural-cognitive level, which prevent the private actor, a key economic determinant, from playing its role. In fact, the historical legacy of post-independence, which takes for granted that entrepreneurship is not interesting and that the social sphere is the prerogative of the state, makes it even harder to envision any radical short-term evolution. How to facilitate a real turnaround remains open to studies, and other countries' experiences could be tapped for insights.

Second, our study also elucidates the invisible, yet important, role of competing fields in explaining an institutional field's emergence success (or lack of). Overall, the literature on SE shows how this new organizational form struggled to gain legitimacy in the face of a classic, more established, and already legitimate entrepreneurial form, that is, the private capitalist enterprise in Western industrialized nations. This antagonism seems natural, as economic and social logics can experience tensions between them. While this might be true for Western societies where classic entrepreneurship has thrived over the past decade or so, developing countries' situation is somewhat trickier. In fact, our empirical analysis showed that classic entrepreneurship itself is not yet completely institutionalized and legitimate in Algeria. In doing so, the strategy of "analogy" in argumentation aiming to show the similarity with a more established entrepreneurial form is less convincing in a context where entrepreneurship more generally is not legitimate (Etzion & Ferraro, 2010). In developing countries, SE is stuck between two realities: on the one hand, the stigmatization of private firms and entrepreneurship in the broad sense, and on the other hand, the appropriation of the "social thing" by the state. Engaging in legitimation work in such a context, with limited resources and an institutional void is, therefore, a major challenge.

Third, our empirical analysis has implicitly hinted that SE is not more problematic in Algeria than entrepreneurship itself. In reality, this is most likely true for most emerging countries in the MENA region where the

democratic processes are not yet mature enough to encourage individuals' initiative to its full potential, and where the state adopts behaviors of control and centralization precisely for the fear that private initiative would challenge public authority. Ironically, we see in developed countries that individual initiatives tend to reinforce public authority because entrepreneurship is an ally of development and not its enemy. The study of SE's emergence in Algeria leads us to realize to what extent entrepreneurship in general faces considerable barriers because it is synonymous with freedom and initiative in an environment that rejects them in general. In this context, the institutionalization of SE is still difficult to imagine in the very short term. To facilitate SE's institutionalization, broader institutional changes must take place to free initiatives and change social behavior, perceptions, and expectations vis-à-vis the state and entrepreneurs. In a context where the Algerian state is weakened by limited financial resources, decreasing legitimacy, and accelerating social issues (unemployment, hunger, poverty, homelessness, etc.), the context is perhaps conducive to more aggressive, deliberate, and oriented institutional work on the part of social entrepreneurship actors. The objective here is not so much to weaken the state or to question its legitimacy but to shake it up enough, to recognize SE as an ally and not a competitor. In this vein, the pioneers have difficulty progressing in taking the initiative without frightening the established powers.

Even though difficult, institutional change is possible, even under the most challenging circumstances. Energy, positive emotions, and optimism play a vital role in the feasibility of this change. When conducting this research, we were intrigued by the Algerian Center for Social Entrepreneurship's ability to remain motivated. "Where do you get your energy and motivation from?" we regularly asked. The response of the Director of the Centre probably underlines why there is still much hope for emerging countries like Algeria. Despite all the crises and adversity, these remain contexts where actors believe that change is possible. The Director replied: "I draw my energy from the fire I see in the eyes of the social entrepreneurs we coach. Their satisfaction at having succeeded despite all the pitfalls gives us a reason to stick with the country. What despairs me, however, is the desire of many to go abroad as soon as one faces pitfalls related to the difficult environment in Algeria."

Note

1. In the USA, this legal status covers for-profit firms that have a strong social and/or environmental component in their activities. States are the key actors in regulating these firms. Maryland was the first to act in 2010. In 2020, about 30 states recognize the legal existence of social enterprises.

References

Acemoglu, D., Johnson, S., & Robinson, J. (2005). Institutions as a Fundamental Cause of Long-Run Growth. In P. Aghion & S. N. Durlauf (Eds.), *Handbook of Economic Growth (Part A)* (pp. 385–472). Elsevier.

Baba, S., Hafsi, T., & Hemissi, O. (2020). Construire son entreprise et la société: quatre cas algériens. In S. Frimousse (Ed.), *Africa Positive Impact: Agir pour un meilleur impact sociétal* (p. 424). Éditions EMS.

Baba, S., Hemissi, O., & Hafsi, T. (2021). National Identity and Organizational Identity in Algeria: Interactions and Influences. *M@n@gement, 24*(2), 66–85. https://doi.org/10.37725/mgmt.v24.7809

Baba, S., Sasaki, I., & Vaara, E. (2021). Increasing Dispositional Legitimacy: Progressive Legitimation Dynamics in a Trajectory of Settlements. *Academy of Management Journal, 64*(6), 1–46. https://doi.org/10.5465/amj.2017.0330

Bacq, S., & Lumpkin, G. T. (2020). Social Entrepreneurship and COVID-19. *Journal of Management Studies, 58*(1), 283–286.

Battilana, J. (2018). Cracking the Organizational Challenge of Pursuing Joint Social and Financial Goals: Social Enterprise as a Laboratory to Understand Hybrid Organizing. *M@n@gement, 21*(4), 1278–1305.

Burgess-limerick, T., & Burgess-limerick, R. (1998). Conversational Interviews and Multiple-Case Research in Psychology. *Australian Journal of Psychology, 50*(2), 63–70.

Chandra, Y. (2017). Social Entrepreneurship as Institutional-Change Work: A Corpus Linguistics Analysis. *Journal of Social Entrepreneurship, 8*(1), 14–46.

Dacin, M. T., Dacin, P. A., & Tracey, P. (2011). Social Entrepreneurship: A Critique and Future Directions. *Organization Science, 22*(5), 1203–1213.

Defourny, J., & Nyssens, M. (2010). Conceptions of Social Enterprise and Social Entrepreneurship in Europe and the United States: Convergences and Divergences. *Journal of Social Entrepreneurship, 1*(1), 32–53.

DiMaggio, P. J., & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review, 48*(2), 147–160.

Doherty, B., Haugh, H., & Lyon, F. (2014). Social Enterprises as Hybrid Organizations: A Review and Research Agenda. *International Journal of Management Reviews, 16*(4), 417–436.

Durand, R., & Paolella, L. (2013). Category Stretching: Reorienting Research on Categories in Strategy, Entrepreneurship, and Organization Theory. *Journal of Management Studies, 50*(6), 1100–1123.

Etzion, D., & Ferraro, F. (2010). The Role of Analogy in the Institutionalization of Sustainability Reporting. *Organization Science, 21*(5), 1092–1107.

George, G., Corbishley, C., Khayesi, J. N., Haas, M. R., & Tihanyi, L. (2016). Bringing Africa In: Promising Directions for Management Research. *Academy of Management Journal, 59*(2), 377–393.

Hemissi, O., & Hafsi, T. (2017). *Amor Benamor, une réussite algérienne*. Éditions Casbah.

Hervieux, C., Gedajlovic, E., & Turcotte, M.-F. B. (2010). The Legitimization of Social Entrepreneurship. *Journal of Enterprising Communities: People and Places in the Global Economy, 4*(1), 37–67.

Hoffman, A. W. (1997). *From Heresy Dogma: An Institutional History of Corporate Environmentalism*. New Lexington Press.

Islam, S. M. (2020). Unintended Consequences of Scaling Social Impact Through Ecosystem Growth Strategy in Social Enterprise and Social Entrepreneurship. *Journal of Business Venturing Insights, 13*, forthcoming. https://doi.org/10.1016/j.jbvi.2020.e00159

Kolk, A., & Rivera-Santos, M. (2018). The State of Research on Africa in Business and Management: Insights from a Systematic Review of Key International Journals. *Business & Society, 57*(3), 415–436.

Lincoln, Y. S., & Guba, E. G. (1994). Competing Paradigms in Qualitative Research. In N. K. D. Y. S. Lincoln (Ed.), *Handbook of Qualitative Research* (pp. 105–117). Sage.

Maguire, S., Hardy, C., & Lawrence, T. B. (2004). Institutional Entrepreneurship in Emerging Fields: HIV/AIDS Treatment Advocacy in Canada. *Academy of Management Journal, 47*(5), 657–679.

Mair, J. (2020). Social Entrepreneurship: Research as Disciplined Exploration. In P. W. W. & B. P (Eds.), *The Nonprofit Sector: A Research Handbook* (3rd ed., pp. 333–357). Stanford University Press.

Mair, J., & Marti, I. (2009). Entrepreneurship In and Around Institutional Voids: A Case Study from Bangladesh. *Journal of Business Venturing, 24*(5), 419–435.

McDougall, J. (2017). *A History of Algeria*. Cambridge University Press.

Nemeth, C., Brown, K., & Rogers, J. (2001). Devil's Advocate Versus Authentic Dissent: Stimulating Quantity and Quality. *European Journal of Social Psychology, 31*(6), 707–720.

Newth, J., & Woods, C. (2014). Resistance to Social Entrepreneurship: How Context Shapes Innovation. *Journal of Social Entrepreneurship, 5*(2), 192–213.

Nicholls, A. (2010a). The Legitimacy of Social Entrepreneurship: Reflexive Isomorphism in a Pre-Paradigmatic Field. *Entrepreneurship Theory and Practice, 34*(4), 611–633.

Nicholls, A. (2010b). Institutionalizing Social Entrepreneurship in Regulatory Space: Reporting and Disclosure by Community Interest Companies. *Accounting, Organizations and Society, 35*(4), 394–415.

Nicholls, A. (2012). Postscript: The Legitimacy of Social Entrepreneurship: Reflexive Isomorphism in a Pre-paradigmatic Field. In G. B. & H. Y (Eds.), *Social Enterprises* (pp. 222–247). Palgrave Macmillan.

North, D. C. (1990). *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.

Patton, M. Q. (2002). *Qualitative Research and Evaluation Methods* (3rd ed.). Sage Publications.

Patvardhan, S. D., Gioia, D. A., & Hamilton, A. L. (2015). Weathering a Meta-Level Identity Crisis: Forging a Coherent Collective Identity for an Emerging Field. *Academy of Management Journal, 58*(2), 405–435.

Reay, T., Zafar, A., Monteiro, P., & Glaser, V. (2019). Presenting Findings from Qualitative Research: One Size Does Not Fit All! In T. B. Zilber, J. M. Amis, & J. Mair (Eds.), *The Production of Managerial Knowledge and Organizational Theory: New Approaches to Writing, Producing and Consuming Theory* (Research in the Sociology of Organizations) (Vol. 59, pp. 201–216). Emerald.

Raufflet, E., Brès, L., Baba, S., & Filion, L. J. (2016). Sustainable Development and Entrepreneurship: Mapping Definitions, Determinants, Actors and Processes. In K. Nicolopoulou, M. Karatas-Ozkan, F. Janssen, & J. Jermier (Eds.), *Sustainable Entrepreneurship and Social Innovation* (1st ed., pp. 289–305). New York: Routledge.

Saebi, T., Foss, N. J., & Linder, S. (2019). Social Entrepreneurship Research: Past Achievements and Future Promises. *Journal of Management, 45*(1), 70–95.

Scott, R. W. (2001). *Institutions and Organizations* (2nd ed.). Sage Publications.

Scott, R. W. (2014). *Institutions and Organizations: Ideas, Interests, and Identities*. SAGE Publications.

Sengupta, S., Sahay, A., & Croce, F. (2018). Conceptualizing Social Entrepreneurship in the Context of Emerging Economies: An Integrative Review of Pastresearch from BRIICS. *International Entrepreneurship and Management Journal, 14*, 771–803.

Shepherd, D. A., & Patzelt, H. (2011). The New Field of Sustainable Entrepreneurship: Studying Entrepreneurial Action Linking "What Is to Be Sustained" with "What Is to Be Developed". *Entrepreneurship Theory and Practice, 35*(1), 137–163.

Timmermans, S., & Tavory, I. (2012). Theory Construction in Qualitative Research: From Grounded Theory to Abductive Analysis. *Sociological Theory, 30*(3), 167–186.

Tracey, P., Phillips, N., & Jarvis, O. (2011). Bridging Institutional Entrepreneurship and the Creation of New Organizational Forms: A Multilevel Model. *Organization Science, 22*(1), 60–80.

Yin, R. K. (2003). *Case Study Research: Design and Methods*. Sage Publications.

Yin, R. K. (2009). *Case Study Research: Design and Methods* (4th ed.). Sage.

Zietsma, C., Groenewegen, P., Logue, D. M., & Hinings, C. R. B. (2017). Field or Fields? Building the Scaffolding for Cumulation of Research on Institutional Fields. *Academy of Management Annals, 11*(1), 391–450.