

**Sacred Alliance or Pact with the Devil? How and Why Social Enterprises
Collaborate with Mainstream Businesses in the Fair Trade Sector**

Benjamin Huybrechts (corresponding author)
HEC Liège, Université de Liège, Belgium
Place des Orateurs 1, Quartier Agora, B33 Bte4
4000 Liege, Belgium
Tel: 00 32 (0)4 366 31 35
Email: b.huybrechts@ulg.ac.be

Alex Nicholls
Saïd Business School, University of Oxford, United Kingdom
OX1 1HP
Tel: +44 (0)1865 278811
Email: alex.nicholls@sbs.ox.ac.uk

Katharina Edinger
Eine Welt Netz NRW, Germany
Kasernenstrasse. 6
40213 Düsseldorf, Germany
Tel: 00 49 (0)2 11 60 09 257
Email: katharina.edinger@eine-welt-netz-nrw.de

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Key words

Social enterprise, social entrepreneurship, inter-organizational collaboration, cross-sector collaboration, hybrid organizing, fair trade

Abstract

This paper uses institutional theory to highlight different patterns of cross-sector collaboration from the perspective of social enterprises. Specifically, it explores how and why social enterprises interact with mainstream businesses and to what extent their collaboration patterns reflect a vision of how their social mission should be implemented and institutionalized. The empirical analysis is derived from a qualitative study of ‘fair trade’ – a hybrid model created by social enterprises and using market mechanisms to support small-scale producers in developing countries and to advocate for changes in international trading practices. The findings highlight three strategies used by fair trade social enterprises to manage their interactions with mainstream businesses: *sector solidarity*, *selective engagement*, and *active appropriation*. This paper suggests that each strategy is motivated by a different vision of how best to articulate the social mission of fair trade via specific types of collaborations. It also notes how each vision has a distinct pattern of institutionalization at the field level. This paper adds to the emergent literatures on social enterprise and social entrepreneurship, fair trade, cross-sector collaboration and hybrid organizing.

Introduction

Collaboration has been highlighted as a hallmark of social entrepreneurship (Nicholls 2006; de Bruin, Lewis, and Shaw 2016). Research has shown that collaboration can be seen at different stages of the social entrepreneurial process: opportunity identification (Corner and Ho 2010), entrepreneurial team formation (Dufays and Huybrechts 2016), identity work and capital (Nelson et al. 2016; Lewis 2016), network mobilization (Dufays and Huybrechts 2014; Davies 2009), organizational governance and stakeholder involvement (Cornforth and Spear 2010; Huybrechts, Mertens, and Rijpens 2014), and diffusion and growth (Vickers and Lyon 2012). This paper focuses on the market collaboration patterns of already established social enterprises, defined here as organizations ‘whose main objective is to have a social impact rather than make a profit for their owners or shareholders’, that ‘operate by providing goods and services for the market’ and that ‘use profits primarily to achieve social objectives’ (European Commission 2011, p. 2).

Besides collaborations *between* social enterprises (Montgomery, Dacin, and Dacin 2012; Davies 2009), research has revealed the importance of ‘cross-sector’ collaborations (Bryson, Crosby, and Stone 2006; Selsky and Parker 2005), with public authorities as well as with ‘mainstream’ for-profit businesses (Di Domenico, Tracey, and Haugh 2009; Huybrechts and Nicholls 2013). In this paper we are particularly interested in collaborations that social enterprises develop with mainstream businesses, defined here as businesses owned by shareholders, guided by the primary aim to maximize profits for them –in spite of possible ‘corporate social responsibility’ (CSR) projects–, and competing in mainstream markets. As hybrid organizations combining a commercial activity with a social mission (Battilana and Lee 2014), social enterprises are likely to engage in market collaborations in a way that resonates with both their economic and social objectives. In this context, cross-sector collaborations with businesses appear as a ‘novel form of political-economic arrangement seeking to reconcile the efficient functioning of markets with the welfare of communities’ (Di Domenico, Tracey, and Haugh 2009, p. 887). These collaborations may address a number of strategic objectives: for mainstream businesses they can provide a profitable

model of CSR (Seitanidi and Crane 2009); for social enterprises they can offer a pathway to scale their social impact (Di Domenico, Tracey, and Haugh 2009).

To date, scholars have tended to develop a general view of social enterprise-mainstream business collaboration without distinguishing between *different* approaches to such collaborations (Di Domenico, Tracey, and Haugh 2009; Huybrechts and Nicholls 2013). By contrast, this paper looks at whether and how different social enterprises within a single sector (fair trade) collaborate with mainstream businesses. In doing so, it shifts the focus from ‘whether or not’ to collaborate towards a more complex picture including *how* and *why* different collaboration patterns form. This is important to enrich the understanding of the scope of collaboration strategies available to social enterprises and the rationale for pursuing a given strategy – in particular regarding social mission, its combination with commercial activity, and the diffusion of such ‘hybridity’ within markets.

The paper’s empirical analysis is derived from the study of ‘fair trade’ as a market created by social enterprises with the goal of supporting small-scale producers in developing countries and, to varying extents, with the ambition of changing international trading practices. The findings highlight three strategies used by such social enterprises to manage interactions with mainstream businesses: *sector solidarity*, *selective engagement*, and *active appropriation*. Each strategy is motivated by a different vision of ‘social mission’ in the context of hybrid organizing, and by the ambition to translate this vision into a broader ‘institutional change’ project.

This paper aims to make several new contributions. First, it enriches the understanding of how and why social enterprises may behave differently with regard to mainstream market actors within a single field. Second, it opens up the ‘black box’ of social mission by highlighting the different ways that social enterprises envision and operationalize impact objectives in a single field. Third, with regard to the literature on cross-sector inter-organizational relationships, this paper shows the usefulness of an institutional approach that goes beyond an analysis of the purely strategic motivations for partnering to include ‘institutional change’ projects as well. Finally, this study adds to the emerging literature on hybrid organizing. In particular, the three strategies highlighted by the empirical analysis of fair trade social enterprises presented here document

different ways of enacting hybridity and using inter-organizational relationships with the aim of ‘exporting’ hybridity from the organizational to the field level. By doing so, this research shifts the discussion on hybridity from the organizational level (how to manage conflicting logics within an organization) to the field level (how to engage with other organizations to ‘institutionalize’ hybridity).

The paper proceeds as follows. First, the theoretical context is set out with reference to several streams of literature concerning cross-sector collaboration, institutional theory and hybrid organizing. After this, the empirical context of fair trade is presented and the research methods are described. Key findings and analysis follow this section and, then, a discussion brings together theory and evidence to set out the particular contributions of this paper. Conclusions summarize the research and set out its limitations. Lines of relevant future enquiry are also discussed.

Theory

Despite growing interest by practitioners, scholars and public authorities (DTI 2005; European Commission 2011), the literature specifically addressing collaborations between social enterprises and mainstream businesses is still scarce (Di Domenico, Tracey, and Haugh 2009; Huybrechts and Nicholls 2013; Nicholls and Huybrechts 2016). Therefore, it is necessary to rely on –whilst adapting– the literature on cross-sector collaboration between businesses and not-for-profit organizations –depending on the terms, non-profit, nongovernmental (NGO), or civil society organizations (Austin 2000; Austin and Seitanidi 2012b; Austin and Seitanidi 2012a; O’Regan and Oster 2000; Le Ber and Branzei 2010). These cross-sector collaborations have been cited as a source of social innovation (Le Ber and Branzei 2010; Park 2013) that can provide win-win benefits for both parties (Montgomery, Dacin, and Dacin 2012). For mainstream businesses, collaborations with not-for-profit organizations and social enterprises have been highlighted as credible avenues for demonstrating CSR (Seitanidi and Crane 2009) and corporate citizenship (Tracey, Phillips, and Haugh 2005), whilst at the same time making sense from a commercial perspective (Webb et al. 2010). For not-for-profit organizations, and by extension for social enterprises, collaborations with mainstream businesses have been portrayed as ideal ways to increase their resources and to scale their social impact (Di Domenico, Tracey, and Haugh 2009; Austin and Seitanidi

2012b). Hence, to date, the analysis of such collaborations has been predominantly positive and instrumentally focused (gains for each partner). This somewhat monological analysis raises the question, however, as to why not all not-for-profit and social enterprises are equally enthusiastic about these collaborations and why diverging behaviours can be observed (Fridell 2009; Hudon and Sandberg 2013).

A useful typology to understand different collaboration types has been developed by Austin (2000). Austin (2000) proposes a continuum composed of philanthropic, transactional and integrative types or stages. Philanthropic collaborations involve punctual, unidirectional resource flows from a charitable (for-profit) donor to a (non-profit) recipient. Transactional collaborations involve explicit resource exchanges focused on specific activities and requiring a minimum level of value compatibility. Finally, collaborations are or become integrative when ‘the partners’ missions, people, and activities begin to merge into more collective action and organizational integration’ (Austin 2000, p. 71). Whilst it is expected that some philanthropic or transactional collaborations will evolve into more integrative forms, little is known about why actors in a given field favour certain collaborative types over others.

Institutional theory appears useful to explore collaboration choices beyond a rational perspective (Lawrence, Hardy, and Phillips 2002). From an institutional theory perspective, inter-organizational relationships do not only reflect, but they also feed, field-level institutional arrangements (Phillips, Lawrence, and Hardy 2000). Novel institutional arrangements can be tested, nurtured and gradually diffused through the emergence of ‘proto-institutions’ (Lawrence, Hardy, and Phillips 2002). Social enterprises are active in markets, generally competing with mainstream businesses, and beyond their specific social mission they also often aim, to varying extents, to challenge market structures and practices. Whilst social enterprises interact with a variety of actors (for example, NGOs and public authorities), we focus here on their market interactions as a pathway to institutional change. This is consistent with the view of markets as contentious, political spaces (Beckert 2009) in which interactions are not neutral but reflect the actors’ visions and change strategies (Beckert 1999; King and Pearce 2010).

Cross-sector relationships may appear as a key locus for ‘institutional experimentation’

(Malsch and Gendron 2013) with different approaches to managing and diffusing hybrid –social and commercial– logics (Di Domenico, Tracey, and Haugh 2009; Nicholls and Huybrechts 2016). Institutional logics are ‘socially constructed sets of material practices, assumptions, values, and beliefs that shape cognition and behavior’ (Thornton 2002: 83). Logics, defined at a societal level, provide the cultural materials through which organizational forms are constructed and reproduced in a given sector (Thornton 2002; Tracey, Phillips, and Jarvis 2011).

‘Hybrid organizations’ are those described as having multiple institutional logics coexisting in relative balance at the organizational level. Social enterprises have been portrayed as ideal types of hybrid organizations (Battilana et al. 2015; Pache and Santos 2013; Dees 1996; McMullen and Warnick 2015). Organizational hybridity is ‘central and persistent within a given entity, rather than adaptive and transitory’ (Battilana and Lee 2014: 400). Most research has examined how hybrid organizations respond to multiple logics present at the field level (Kodeih and Greenwood 2014; Pache and Santos 2013), typically adopting a conventional, structuralist, perspective. By contrast, this paper looks at how hybrid organizations, once they have integrated distinct logics endogenously, export hybridity to the field level (York, Hargrave, and Pacheco 2016) by means of their inter-organizational collaborations.

Successful logic hybridization models at the inter-organizational level can be diffused through replication across similar collaborations (Purdy and Gray 2009). This is particularly relevant when social enterprises seek to ‘institutionalize’ their particular vision of social change at the broader, field level (Bloom and Chatterji 2009; Dacin, Dacin, and Matear 2010). For instance, social enterprises may attempt to frame their vision of social change in a way that resonates with legitimate field logics and/or to co-opt powerful actors to implement their vision (Tracey, Phillips, and Jarvis 2011; Barth et al. 2015). Little research, however, has examined how social enterprises use inter-organizational relationships, and in particular market interactions, to enact their institutionalization projects. For example, what are the strategies used by social enterprises to embed a social welfare logic in market-dominated field structures in order to enhance (more) complex fields? In particular, in what ways can mainstream businesses (with a predominant market logic) act as allies and/or as enemies in the

hybrid institutionalization process? This paper examines how different groups of social enterprises strategically engage with each other and/or with mainstream businesses in their markets with the goal of shaping the field to their own –mission driven– ends.

Methods

This research uses qualitative methods and, in particular, examines the case of fair trade to explore the market collaborations between social enterprises and mainstream businesses. Next, the fair trade sector is briefly introduced, before describing the data collection and analysis methods.

Fair trade

Fair trade has its roots in a range of post-World War Two social movements that campaigned for trade justice for poor producers in the Global South (Nicholls and Opal 2005). In 1999, a definition was developed based on a consensus between the main practitioners' networks such as Fairtrade International and the World Fair Trade Organization (WFTO), and has been extensively used in the academic literature (e.g., Moore 2004):

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair Trade organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.

The fair trade model has a number of important, distinctive, features, including: the payment of an agreed, locally determined, 'fair' minimum price; long-term contracts; advance payments; minimum labour standards; minimum environmental standards; capacity building and quality-focused technical assistance for producers; and an additional fair trade development premium (Nicholls and Opal 2005). At its heart, fair trade ensures that a greater proportion of value chain rents accrues to the producer or artisan than in conventional supply chains. Thus, the fair trade model appears as a hybrid setting combining the use of market action to foster social and economic development with the pursuit of advocacy, political campaigning, and raising awareness

of trade justice issues (Huybrechts 2012). The implementation of these principles, however, has evolved towards an increasing diversity across fair trade social enterprises importing and/or retailing fair trade products, and between these importers/retailers and associated certification/labelling organizations (Huybrechts 2010; Nicholls 2010).

From the late 1980s, private standards were set up to regulate the trading conditions of a growing number of fair trade products in different countries. The development of these standards and their communication through a common, internationally-recognized, fair trade certification label piloted by 'Fairtrade International' (formerly FLO-I) brought a dramatic growth in fair trade sales, mainly in mainstream markets dominated by mainstream retailers (Reinecke 2010; Reed 2009). Fair trade (two words) was renamed as 'Fairtrade' (in one word), as part of the labelling organization's international brand strategy (Reinecke 2010). In the UK – the world's largest fair trade market – the launch of the fair trade label in 1997, and its introduction in supermarkets, grew sales from £16.7 million (1998) to £1.8 billion (2013), corresponding to an average annual growth of more than 40% (Fairtrade Foundation 2013). Globally, the market for certified fair trade goods stood at over €4.8 billion in 2012 with these sales returning more than €250 million in extra income to poor producers and artisans (Fairtrade International 2013).

As fair trade sales kept on growing, an increasing number of mainstream businesses got involved in the fair trade market (Low and Davenport 2005; Moore, Gibbon, and Slack 2006). Initially, most businesses worked together with specialized fair trade social enterprises, either retailing their products under the latter's brand, or importing goods from producer groups identified and supported by these social enterprises (Becchetti and Huybrechts 2008). In this context, the label was often used as a way to further legitimize the collaboration between the business and the social enterprise (Nicholls and Huybrechts 2016). This enabled businesses to grow their sales whilst strengthening the producer organizations already involved with fair trade and gaining certain legitimacy with early fair trade supporters (Smith 2010). Over time, however, as the certification criteria did not require the presence of social enterprises at the import or retail functions, businesses increasingly started to launch their own-branded fair trade products – for example fashion shops, food business or supermarket brands (Moore, Gibbon, and Slack 2006). In that case, the labelling organizations served not as certifiers of pre-

established social enterprise-business collaborations but became the main social enterprise partner for businesses turning their extant producer suppliers into ‘fairtrade’ and thus controlling their own supply chain (Smith 2010). This enabled businesses to appropriate higher proportion of the value chain and avoid fundamental changes in their whilst benefitting from the label’s legitimacy without fundamentally changing their trading practices in the supply chain (Fridell 2009; Smith 2010).

The Fairtrade label, however, was increasingly questioned by specialized fair trade organizations and civil society supporters for attracting mainstream businesses at any cost, regardless of the initial fair trade principles. For critiques, proof of this ‘diluted’ orientation was the increasing role taken by mainstream businesses in the governance (e.g. Board positions) of labelling organizations nationally and internationally as fair trade ‘mainstreamed’ (Reinecke 2010; Raynolds and Long 2007). Three important decisions marked this evolution: the inclusion of plantations on the production side (rather than only producer-owned organizations as was initially the case); the acceptance of ‘mass balance’ fair trade products (these were composite products including only a majority proportion of fair trade ingredients, thus abandoning the principle of the direct traceability of individual fair trade products); and the adoption of a new model through which products with only one fair trade ingredient could be marketed as Fairtrade certified (albeit through a different standard named the ‘Fairtrade Sourcing Partnership’). As a result of this distrust, several pioneer fair trade organizations removed the Fairtrade label from their products and supported the emergence of new fair trade labels considered more in line with the movement’s philosophy.

Despite the diversity of their market strategies, legal forms and governance structures, organizations totally focused on importing, retailing or labelling fair trade products are widely considered as emblematic social enterprises (Huybrechts 2012; Mason and Doherty 2016), selling goods (food or other) or services (certification) on the market with the goal of supporting small-scale producers in the South. This study examines the collaborations between these different types of fair trade social enterprises and mainstream businesses in three countries: Belgium, Germany and the UK. These three countries have in common a well-established fair trade sector that has evolved from the

exclusive presence of ‘pure’ fair trade organizations in the 1970s and 1980s to an increasing participation of mainstream retailers in the 1990s and 2000s, largely driven by fair trade labelling initiatives (Nicholls and Opal 2005; Raynolds and Long 2007). The fair trade landscape in these three countries has also been shown to display a more diversified set of market interactions than in other countries (Huybrechts and Reed 2010). At the same time, differences can be noted between the three countries. For example, in the UK, nearly all fair trade sales are of certified products in mainstream retail outlets (supermarkets). Thus, fair trade importing social enterprises, in coffee, chocolate and fashion brands, have mainly focused on mainstream markets and much less in specialized outlets such as charity or ‘worldshops’. In Belgium and in Germany, overall sales figures are lower, which can be partly explained by the relatively lower – although increasing– mainstream retail participation in the market. Moreover, in contrast to the UK, Belgium and Germany have witnessed the growth of worldshop networks besides mainstream distribution channels, institutionalizing fair trade as an *alternative* to mainstream retail markets. Finally, although fair trade is generally not considered as a domain for strong public intervention, slight differences can be observed: while in the UK the public policy support to fair trade has mainly focused on encouraging fair trade certification, typically in public procurement schemes, in Belgium and in Germany there has also been support to networks of fair trade social enterprises beyond certification.

Data collection

The data were collected from fair trade social enterprises involved either in importing or in certifying fairly trade products (See table 1). We focused on these two types, and not for example on pure retailers such as worldshops, to highlight the diverse strategies related to retailing options. The first set of cases consisted of specialized fair trade organizations that imported goods from marginalized producers in developing countries. All such organizations active in the three countries (twenty-eight according to the World Fair Trade Organization-WFTO register and the national fair trade networks) were contacted and nearly 40% (eleven) responded positively: four in Belgium, four in the UK and three in Germany. Besides taking the opportunity of positive responses, we also ensured that the case organizations covered a broad variety of organizational forms (not-

for-profit, cooperative, limited liability business or some combination) and product types, taking stock of the literature and our previous work in this sector. Some fair trade organizations were focused on one particular product category such as coffee (COFBEL), chocolate (CHOCUK), crafts (CRAFTBEL, CRAFTGER, CRAFTUK) or fashion garments (FASHUK). Others included a broader variety of food products (FOODBELFL, FOODBELFR, FOODGER) or combined various products such as food and crafts (MULTIGER and MULTIUK).

The second set of cases represented labelling social enterprises that certified fair trade products. Whilst certification is organized globally through Fairtrade International, each member country has its own national fair trade labelling initiative too that manages the interactions between the national fair trade importers and retailers and the international certification system. The national initiatives also engage in education and raise awareness at the national level. LABBEL, LABGER and LABUK were all created between 1989 and 1994 and were active participants in the institutionalization of fair trade certification internationally. To gain a broader understanding of the certification context, the interviews with labelling organizations also included representatives from Fairtrade International (LABINTL) and Fairtrade USA (LABUS).

Finally, even though the focus was on the strategies of the import/retail and certification social enterprises in the three countries, a number of umbrella networks and experts were also contacted to enrich the understanding of the field context and the actions of social enterprises in this context. These actors included: mainstream business representatives working with fair trade (BUSBEL, BUSGER and BUSUK), regional and national fair trade organization networks in Belgium (FTOBEL) and Germany (FTOGERNAT); two international fair trade network representatives (INTFTO and INTADVOC); and an expert in fair trade foods with previous experience as a corporate buyer (EXPFOOD).

INSERT TABLE 1 ABOUT HERE

The research approach focused on a grounded theory exploration of the market interactions between fair trade social enterprises and mainstream businesses. The aim was to build theory from observed cases rather than to test pre-existing hypotheses

(Eisenhardt and Graebner 2007). Two main data sources were used. First, thirty-two interviews were conducted between 2008 and 2015: twenty-four with representatives of the fourteen case organizations, and eight with stakeholders and experts (see Table 2). The interview questions were semi-directed and specifically addressed the different actors' vision of the fair trade and international trade fields as they are and as they would like them to be, and their own exchanges with other organizations (other fair trade social enterprises and mainstream businesses) in relation to this vision. The interviews totalled 46 hours (i.e. an average of more than 1.5 hour per interview) and were all recorded and transcribed, leading to more than 400 transcript pages.

INSERT TABLE 2 ABOUT HERE

A second data source was provided through the analysis of numerous documents that offered complementary empirical perspectives, helped to triangulate findings, and increased the validity of the observations (Patton 2002). Documentary analysis included fifty-two documents, totalling 1348 pages, from the different types of organizations: fifteen annual reports (2008-2012), three strategic notes, and five websites from fair trade import/retail organizations; twenty-five documents from labelling organizations (2008-2012); and four external reports on market interactions in fair trade.

Data analysis

First, transcripts and documents were read and reread by each author for familiarization with the data. Second, a more detailed and systematic analysis was carried out to identify cross-sectional themes on different types of interactions between fair trade entrepreneurs and mainstream businesses. Each author did this exercise separately and the different themes were then compared and discussed at several authors' meetings. After agreeing on how to characterize the different social enterprises with regard to different themes (e.g. field vision, types of collaboration, relationships with mainstream businesses, etc.), the different modalities for each theme were grouped together and named.

Based on consistent patterns or modalities for each theme, three main strategies were identified and characterized. The most relevant interview quotes and document extracts

(translated if necessary from Dutch, German or French into English) were then integrated into the table to document the different aspects of each strategy. Evidence in terms of sales figures and advocacy work at the national and international levels was integrated into the framework to gain an understanding of the resonance and implications of each strategy at the field level. The literature on the institutionalization of fair trade was also used to frame the data against a broader background of field evolution (e.g., Bezençon and Blili 2009). Finally, as the strategies emerged, data was subjected to theoretical scrutiny (Ragin 1994) via iterations with the literature.

Findings

The data analysis revealed three main strategies through which fair trade social enterprises engaged in collaborations with mainstream businesses: *sector solidarity*, *selective engagement* and *active appropriation*. Each strategy will be examined in turn, using relevant quotes and adding evidence on the implications of each strategy for the institutionalization of the field.

Sector Solidarity

A first approach, embodied by pioneer fair trade social enterprises (most of whom started in the 1970s and 1980s), saw fair trade as a distinct market niche to nurture a global alternative to mainstream international trade. The goal was to insulate the niche market from the influences of mainstream businesses and to expand it to a point where it would be able to challenge the norms and practices of international trade. This strategy was anchored into the dichotomous and antagonistic view of ‘we’ (fair trade entrepreneurs) and ‘they’ (mainstream businesses). The latter were perceived as opportunistically invading the market space created by the former and, thus, represented a threat to the distinctive and alternative nature of fair trade, as illustrated by this informant:

There is the blue ocean in which we are alone, we are strong, we are different, so we feel at ease; and a red ocean in which one copies the others, becoming like the others. At first, when [CRAFTBEL] launched fair trade, we were all alone in

the market, there was no competition, there were no real worries. So, in front of us were the supermarkets who were fighting each other. Then at some point, some supermarkets said, 'look, there's a blue ocean that looks interesting on the other side, it could allow us to find a new niche and to reach new areas'. So they've come and now the blue ocean is no longer blue, it's rather purple or even completely red. (interviewee 1, CRAFTBEL)

To resist this perceived threat, fair trade social enterprises aimed to create a 'pure' niche market in which to differentiate themselves from other market actors through their higher ethical quality. To manage this differentiation, the emphasis was laid on collaborations and mutual support among social enterprises sharing the same field-level vision of forming an alternative to mainstream markets:

I work with people who understand that we're doing things differently (interviewee 5, COFBEL)

We survive because we manage to work together [...] That is how it should be done among befriended organizations (interviewee 12, CRAFTGER)

Related to this differentiation strategy was a strong reluctance to collaborate with mainstream businesses due to their value differences and the threat of negative feedback from key stakeholders, for example:

I'm not ready to collaborate with any supermarket, I don't want to be viewed in a way that doesn't correspond with my values (interviewee 5, COFBEL)

The boss of a supermarket chain offered me some space on his shelves. [...] I did not sell much, but I lost a lot of credit in the eyes of many people who did not understand why I was in a supermarket whilst I was claiming to promote a different approach to trade (interviewee 5, COFBEL)

Together with this reluctance, there was also a clear strategy of differentiation from the practices and visions of other fair trade actors, notably labelling organizations. These were criticized for not conforming to the initial fair trade values and were accused of diluting fair trade by engaging in mainstreaming with large businesses:

The tragedy is that the labels leave too much leeway to businesses. The labels are not really interested in committing to producers and cooperatives, they're rather [interested in] volumes, trade, money. (interviewee 5, COFBEL)

At [LABGER] [...] they think about how to get bigger quantities, how to get more companies to join in [...] and make [fair trade] tempting for them. This is not how we see fair trade. (interviewee 11, CRAFTGER)

Interestingly, some fair trade entrepreneurs following this strategy were also skeptical about the selective market collaborations attempted by other fair traders (see below) that they viewed as short-term rather than aiming for long-term institutional change:

I'd like to believe in these collaborations [between fair trade social enterprises and mainstream retailers], sincerely, I'd like to believe in them, but today when we see what they put in place, this is exactly the opposite of what I see as fair trade. This is not a project for the long term, it's a project in the short term, it's a project that only aims to bring maximum profits. (interviewee 1, CRAFTBEL)

Rather than working with large businesses, this strategy implied engaging in education and advocacy to denunciate the unsustainable nature of mainstream commercial supply chains. Changing mainstream markets was seen as possible only through collaboration between fair trade organizations and other social enterprises in order to form a critical mass able to counterbalance the strength of mainstream businesses:

The future, if we want fair trade to survive, we have to follow that [networking] logic. Because otherwise it will falter. Supermarkets have somehow taken over fair trade. Large volumes are marketed there. So if we let the big players do that, it risks losing its meaning. [...] So if we can come together and all push that model, we should get there (interviewee 5, COFBEL)

The ambition to 'make all trade fair' implied, for some, the creation of a new label, but under more demanding terms than the perceived dilution of the historical Fairtrade label:

We want to see a label for fair trade handicrafts but one that raises the bar of the whole sector, not one that lowers it to facilitate the entrance of large businesses (position note, 2012, CRAFTUK)

In commercial terms, the *sector solidarity* strategy was expressed through collaborative business networks of specialized fair trade importers and retailers/worldshops. These networks were among the pioneers of fair trade and had been reluctant to follow the market-oriented strategies of other fair trade entrepreneurs (see next), preferring to stay ‘true’ to what they perceived as the original missions of the movement (i.e. changing international trading practices). This strategy did not lead to large sales figures (see Table 1). Nevertheless, through large networks of small grassroots organizations, the main impact of this strategy was in terms of exemplifying alternative trading modes and pooling together political action through education and advocacy that aimed to have positive spill-over effects for other market participants. This was particularly observed in Belgium and Germany, in contrast to the UK.

For example, CRAFTBEL, despite selling less than other fair trade actors in Belgium, was present across the country through a dense network of worldshops strongly connected with social movements advocating for a stronger, alternative, ‘social’ economy. Their advocacy work was an important driver behind the high awareness of fair trade in Belgium and their public recognition was higher than that of the national labelling initiative. In Germany, the national platform of worldshops (FTOGERNAT) acted as an important actor for the diffusion of fair trade as a market alternative anchored in the civil society, which sometimes led to conflicts with the more mainstream-oriented approach of the national label. At the international level, fair trade organizations following this strategy were particularly active in networks such as WFTO that tried to delegitimize mainstream international trade and advance fair trade as an alternative pathway driven by social enterprises only. This strategy particularly resonated with civil society, especially alter-globalization, actors and networks, eager to support fair trade only to the extent that it would challenge the mainstream international trading system.

Selective Engagement

The second strategy consisted of both extending fair trade as an alternative niche market *and* penetrating mainstream markets through selective collaborations with mainstream businesses. This strategy was used by importing fair trade social enterprises that were either newcomers (typically starting in the 1990s) or had evolved from *sector solidarity* towards reaching new customers beyond their early supporters. However, unlike in the third strategy described next, these social enterprises still maintained some boundary between themselves and mainstream businesses. This was manifested in selective engagement in certain market collaborations with those businesses perceived as genuinely committed to supporting fair trade and pursuing its social mission.

Unlike in the first, *sector solidarity* strategy, the role of mainstream businesses was recognized here as *necessary* for the wider development of fair trade's social mission:

Do we need them [mainstream business retailers]? Well, yes, we still need them because they bring volumes. And these volumes bring business that then allows us to do what we want to do (interviewee 3, FOODBELFL)

However, interviewees here also emphasized their differences compared to mainstream businesses that sold non-fair trade products and that engaged in other, less 'ethical', practices:

We have always seen a difference between being a 100% fair trade organization and [being] a conventional [...] firm who buys two or three coffees with a Fairtrade certification mark, which is correct, all of that is okay, but who also [...] have 90 other unfair coffees in their product range. [...] we as a 100% fair trade organization don't just buy a few products under three specified criteria, but our entire acting and self-conception are oriented towards fair trade criteria (interviewee 10, MULTIGER)

Also, interviewees recognized the power differentials between fair trade entrepreneurs and mainstream businesses, as well as the risks of working with more economically dominant partners:

The power supermarkets have is just too frightening, isn't it really? (interviewee 16, FASHUK)

A cooperation with a supermarket [...], on the one hand you can be very happy with it, but on the other hand you should be very careful with it (interviewee 4, FOODBELFL)

As a consequence, interactions with mainstream business retailers were selective both in terms of partner choice and regarding the particular structures and rules of the collaboration. All interviewees here mentioned the need for the careful selection of mainstream businesses that shared some of the organization's hybrid logics, for example:

And now the retailer we work with from the beginning is [Belgian supermarket chain], they are not in that [commercial] logic. We're really in a partnership logic where there's a notion of giving and counter-giving (interviewee 6, FOODBELFR)

The social enterprises following this strategy also explicitly tried to engage their business partners in their logics by shaping their interactions so as to avoid 'social' or 'fairwashing' and to reduce opportunistic behaviour. The latter included: requiring minimal buying quantities; having mainstream business representatives visiting producers in developing countries; requiring a commitment to fair trade from the whole company and not just from a few individuals. Thus, their project aimed at changing the practices of mainstream businesses, not (or not only) by denouncing their 'unethical' practices in opposition – as in the *sector solidarity* strategy above – but rather through working *with* businesses to stimulate the adoption of a social logic in combination with their initial commercial logic. The fair trade social enterprises advanced this goal by: first, asking mainstream business partners gradually to change some of their core practices; second, offering themselves as new models of how business should and could be done; and, third, by raising the awareness of consumers so that they would put pressure on other businesses to change. The three following quotes illustrate each of these avenues:

In the context of our collaboration, retailers may be prepared to look at different terms of trade, for example we asked for pre-financing for the producers and most of them accepted (interviewee 17, FASHUK)

I hope [CHOCUK] is a model company within all of those things. You know, we pay our taxes, our [salary] differentials are good, we're happy to disclose them. And so I think the way we want to continue is to be a catalyst for the way business should be done (interviewee 18, CHOCUK)

And through selling in [a supermarket] we want to educate the public and we want them to be deep in their understanding on what fair trade means [...] so that they would use that as leverage not just to buy more fair trade but also to improve the procurement of... everything else (interviewee 16, FASHUK)

In terms of commercial development, the *selective engagement* strategy led to much higher sales figures and the organizational turnover for social enterprises using this model was also significantly higher, as shown in Table 1. To pursue institutional change, the interviewees tried to increase their market share whilst, at the same time, investing in education and advocacy. The advocacy dimension was presented as a key characteristic of hybridity here too –one that should not be compromised by collaboration with mainstream businesses:

When you see that today, fair trade in Germany has only reached a market share of 2% [...], we have to work towards expanding that. However, for me this does not only mean selling more coffee, but also engaging into more political work (interviewee 9, MULTIGER)

We've always looked at [mainstream business] retail with mixed feelings because we say: 'the fight that fair trade is and will always be is the fight against the power of multinationals in the world trading agreements and food supply chains' (interviewee 3, FOODBELFL)

This ambition of changing the rules of international trade led fair trade social enterprises following this strategy to be actively involved in international networks such as the European Fair Trade Association (EFTA) and WFTO. At the same time as interacting with mainstream businesses, fair trade entrepreneurs were also involved in national and international labelling organizations, which they created expressly to facilitate the penetration of mainstream markets. Over time, however, these labels were increasingly

criticized for having lost this transformational ambition as a side-effect of aggressive mainstreaming:

There have been some changes that we are not happy about. One is this entire story of mass balance. The other one is the Fairtrade Sourcing Partnerships. And those are two programs of which we say that they are actually not, or very little, related to our understanding of fair trade (interviewee 8, FOODGER)

These evolutions were seen as tailored to the needs of mainstream businesses and compromising fair trade's political aims as envisioned by these fair trade social enterprises:

The initial idea of fair trade is pretty ambitious, meaning that on an international level, the structures of global commerce ought to be changed. And in our view, what is happening right now is actually a further integration into the existing system, and that we actually let the industry and the big companies dictate the rules for us. By this means, the main idea of fair trade is pretty much falling behind (interviewee 9, MULTIGER)

As a consequence, several fair trade entrepreneurs who had been working with the 'Fairtrade International' certification scheme from its very beginning announced that they would stop (or consider stopping) their collaboration preferring to sell their products either without any external certification or with another type of label. In doing so, these fair trade organizations emphasized their preference for advancing their own model based on hybrid organizing, selective market interactions, full fair trade commitment and belonging to the international WFTO network. This evolution was particularly witnessed in Belgium and in Germany but much less in the UK where the Fairtrade label is still seen as the only avenue to engaging with fair trade (Nicholls and Opal 2005).

In summary, social enterprises following the *selective engagement* strategy went beyond the niche level and actively worked with mainstream businesses. However, they did not typically want to align themselves fully to the market logics of these mainstream businesses, but rather aimed to bring mainstream business partners into alignment with

their own hybrid logics with the hope of gradually changing the broader practices of international trading.

Active Appropriation

The third strategy identified in the data analysis was specific to fair trade labelling organizations trading the 'Fairtrade' certification. Initially conceived by some fair trade pioneers in the 1980s as a tool to integrate fair trade into mainstream markets, the fair trade label was used by labelling organizations to accelerate the mainstreaming process in the 1990s and 2000s. The vision here focused on growing fair trade sales volumes and increasingly used non-selective (as opposed to selective) engagement with mainstream businesses to achieve this goal. Unlike the other two strategies set out above, the focus here was entirely on the ends –not the means– of achieving this goal and any model was considered suitable, including working with 'hard discounters'. For example:

I can't see any point in saying 'we aren't going to work with [large mainstream business] if they are doing this from a calculated self-interest point of view' (interviewee 23, LABINTL)

Unethical practices by mainstream business retailers, that contradicted the values of fair trade, were tolerated in the context of the perceived benefits provided by growing overall sales volumes and, thus, more benefits for producers:

There are concerns about the reputation of [large mainstream business] and here you open the [newspaper] and you know you'll read article after article about how [large mainstream business] is evading tax and all. And that doesn't mean [LABBEL] supports [large mainstream business] evading tax. But that doesn't mean we don't work with them to actually build a coffee market (interviewee 19, LABBEL)

The labelling organizations also emphasized their usefulness to large companies in terms of contributing to their CSR agenda to enhance profits and competitive advantage:

As a label we help companies tell a really feel good story, that has a halo effect on their brand [...] so it supports their CSR goals and the broader values of their company (interviewee 24, LABUS)

New developments criticized by other fair trade organizations were justified by the willingness to offer flexibility to companies as to how to engage with fair trade:

The initial rule was 'All That Can Be' which means that 'everything that can be Fairtrade in a product must be Fairtrade'. And this still has value. But there is the recognition that in sectors like ice creams, composites, bakery, confectionery, you're not going to get very far with All That Can Be. Companies just don't work like that. They just don't source like that. So if you want to expand the market for cocoa and sugar, you're going to have to innovate. So we now have two ways in which companies can (interviewee 22, LABUK)

The critiques by fair trade pioneer entrepreneurs with regard to the labels' institutionalization project were perceived negatively because they failed to acknowledge the benefits for all the stakeholders:

This is where it gets difficult within the movement because you have people saying 'well if [mainstream businesses] are coming to it for another reason then they only want the money they aren't interested in the values'. And our view is always that of a business case, if it's sustainable within their business and if it brings more value to the producers, then it's a win-win situation (interviewee 23, LABINTL)

This third approach was clearly the most successful in commercial terms, especially in the UK but also in Belgium and Germany. In the latter two countries, competition from other labels and legitimacy issues related to decisions to 'water down' fair trade certification criteria have led several observers to highlight the fragility of this commercial success and also to point out the possibility of a backlash reaction to mainstreaming. Finally, unlike in the first two strategies above, there was no clear ambition evident in this data radically to transform international trade and, more particularly, change key business supply chain practices. These labelling organizations

took a more pragmatic approach in terms of helping mainstream businesses to solve problems in their supply chains as ‘partners’ rather than opponents –emphasizing the role of fair trade certification as improving overall mainstream business practices:

The food industry is learning, right. [Companies] are increasingly sensitive to all those big scandals [...], so they take commitments to more sustainability, [...] and Fairtrade belongs there as well (interviewee 20, LABGER)

Thus, the intent of labelling organizations pursuing this strategy was not to transform all mainstream businesses into ‘hybrids’ (McMullen and Warnick 2015) and embed social welfare and political dimensions into international trading systems, but rather to offer diverse tools to mainstream businesses to contribute to the development of fair trade whilst allowing them to maintain their own market goals and logics intact.

Discussion

The analysis of the findings above revealed three different ways for fair trade social enterprises to view and manage inter-organizational market collaborations. Each pattern of interaction was explained in terms of how the social enterprises envisioned the social mission of fair trade, its articulation with commercial and political goals, and the institutionalization of this vision at the field level. Table 3 summarizes each strategy in general terms and as observed in the specific case of fair trade. Next, the main elements of analysis will be discussed to highlight this paper’s theoretical contributions beyond the specific case of fair trade.

INSERT TABLE 3 HERE

First, the findings reveal a range of different patterns of interaction between the social enterprises and mainstream businesses. The social enterprises opting for *sector solidarity* decided not to interact with mainstream businesses and to build strong economic partnerships and political networks with like-minded social enterprises. In doing so, they followed a ‘defensive’ strategy, as identified by Marwell and McInerney (2005) in their model of how not-for-profit organizations respond to the arrival of for-profit competitors in a given market. The collaborations among social enterprises in this sector solidarity perspective represent a more integrative type of collaboration (Austin

2000), with strong alignment of goals, shared resources and joint working teams. Integrated collaborations are developed only with a smaller set of participants in the alternative market project (fair trade in this case) that fully embrace fair trade and its ‘hybridity’ through dedicated organizational forms (e.g., Schneiberg 2013).

On the contrary, social enterprises opting for *active appropriation* (i.e. labelling social enterprises) encapsulate the hybrid logics of fair trade within a label that can be purchased by any business without changing its logics and practices. Labelling organizations, thus, develop an uniform set of transactional collaborations with businesses that, in many cases, resemble standard buyer-seller exchanges (Austin 2000; Cannon and Perreault Jr 1999). Whilst the growing presence of mainstream businesses in the fair trade field might resonate with the idea of a ‘displaced market’ in which for-profit businesses ultimately squeeze out social enterprises (Marwell and McInerney 2005), the originality here is that this displacement is not due to aggressive competition from mainstream businesses but, rather, is the result of the fair trade labelling organizations explicitly seeking to foster greater mainstream business participation in this market (Reinecke 2010). Although this approach has been heavily criticized by some fair trade pioneers as a dilution of core principles at the expense of marginalized producer groups and a concomitant loss of differentiation power in mainstream markets (Reed 2009; Reinecke 2010; Renard 2003), the findings here show that this strategy was by far the most successful in terms of growing sales, bringing visibility and changing – albeit not necessarily fundamentally – the consumption and retailing behaviours, demonstrating the importance of material resources and alliances with powerful market actors in strengthening partner organizations (Hardy, Phillips, and Lawrence 2003) and their institutionalization efforts (Battilana, Leca, and Boxenbaum 2009).

Last, the *selective engagement* strategy can be seen as an intermediate approach between *sector solidarity* and *active appropriation* and between the ‘integrative’ and ‘transactional’ approaches to collaboration (Austin 2000). This pattern of organizational behaviour displays a cautious approach through which the social enterprises carefully selected potential allies for the diffusion of their vision of fair trade as a specific type of market, albeit open to the participation of businesses. Unlike in the *sector solidarity* strategy, social enterprises here went beyond the niche level and worked with

mainstream businesses, seeking market legitimacy whilst trying to retain the distinctiveness of their own model (Navis and Glynn 2011). In the three countries examined here, the findings show how social enterprises interacted with mainstream businesses with the explicit goal of influencing them gradually to change their practices – a process coined ‘radical mainstreaming’ by Doherty and Tranchell (2007) and shown to pay off with certain businesses (Smith 2010). This patient approach took advantage of the opportunity of working with mainstream businesses, but with as a more demanding, bilateral collaboration with a fewer number of businesses than was typical in the *active appropriation* strategy.

All three types of inter-organizational relationships were used as ‘proto-institutions’ (Lawrence, Hardy, and Phillips 2002) aiming to experiment with and sustain the coexistence of social and commercial logics at the field level (Nicholls and Huybrechts 2016). However, important differences appeared between homogeneous inter-organizational networks advocating for the diffusion of their particular, hybrid organizational model (York, Hargrave, and Pacheco 2016), as observed in the first strategy, and ‘cross-sector’ collaboration (Le Ber and Branzei 2010) as developed in the second and third strategies. Amongst the latter two cross-sector dynamics, this study distinguishes between selective collaboration experimenting with in-depth, ad hoc logic hybridization in the inter-organizational domain and non-selective processes in which more superficial and standardized hybridization was diffused through the use of a label.

Furthermore, the three collaboration strategies identified here offer some contrast in terms of how the social mission of fair trade was viewed, operationalized, and institutionalized. The first strategy endorsed the most disruptive approach to ‘institutional change’ (King and Pearce 2010) through advocating for radically different rules, practices and actors for international trade. The social enterprises following this strategy relied heavily on ‘institutional experimentation’ (Malsch and Gendron 2013) and avoided market interactions with businesses considered as opponents: however, in the long term, they sought to convert their opponents to their vision with the help of allies (in this case, for example, consumers and governments). This strategy was closest to those used by social movements (Hensmans 2003) and their related framing discourses (Benford and Snow 2000). These include: ‘diagnostic framing’ seeking to

delegitimize the dominant actors and practices of international trade; ‘prognostic framing’ offering an alternative model (e.g. ‘worldshops’) of the institutional project; and ‘motivational framing’ to engage stakeholders and change their preferences (e.g. consumer choices and public policies) in a way that would encourage or force mainstream business actors to alter their own market-based logics and attendant practices. This pattern was particularly observed in Belgium and Germany, where local networks (within or outside fair trade) endorsed this more radical stance embodied by a few pioneer fair traders with strong connections with anti-globalization social movements (Gendron, Bisailon, and Rance 2009). This approach was successful in denouncing unethical corporate practices, for example in the fashion industry with the ‘Clean Clothes’ campaign and the forcing of more demanding codes of conduct by fashion corporations after the Rana Plaza disaster in Bangladesh. It was also successful in presenting non-certified fair trade as a legitimate alternative in the eyes of social movements, although the effect on encouraging the consumption of non-certified fair trade goods has not been impressive so far.

In contrast to this first strategy, the third, *active appropriation* strategy was used by a homogeneous set of social enterprises –namely labelling organizations– to institutionalize fair trade in mainstream markets as widely as possible. The idea here was to graft the social mission of fair trade onto the highest number –and broadest variety– of market interactions so as to diffuse it among as many businesses as possible, regardless of whether the latter were also engaging in potentially ‘unfair’ practices. In doing so, labelling social enterprises advanced a different institutionalization project – not aiming for total field hybridization but rather for assimilation of a new (social welfare) logic without modifying the dominant (market) logic of the field (York, Hargrave, and Pacheco 2016). This project focusing on the ends of increasing sales volumes with less attention to the means used was particularly advanced in the UK but also gained ground in Belgium and in Germany. The main difference was that this vision of fair trade was relatively unchallenged in the UK, due to the high levels of legitimacy of the Fairtrade Foundation, whereas in the two other countries it developed within a context of on-going contestation by pioneer social enterprises – not least because this model would potentially make them redundant. Beyond raising sales, fair trade labelling organizations have undoubtedly been successful in putting fair trade on

the map and influencing the behaviours of a large population of businesses and mainstream customers, although the ‘depth’ of such institutional change may be questioned.

Finally, the *selective engagement* strategy embodied an intermediate view through which social enterprises acknowledged both the importance of a strong project requiring deep fair trade commitment and some level of flexibility. The latter enabled less radical organizations – that did not incorporate hybridity within their core structure – still to participate in driving the development of fair trade. This strategy had more micro than macro effects, converting businesses on a case-by-case basis, and tried to propose a synthesis of the two other strategies, i.e. mainstreaming fair trade whilst maintaining a relatively radical and alternative socio-political agenda.

The coexistence of –and conflicts between– these three strategies, especially in Belgium and Germany, are emblematic of the political contests between alternative institutionalization projects, which is inherent in emerging fields (Maguire, Hardy, and Lawrence 2004). This paper goes further by connecting these projects to concrete practices of inter-organizational relationships that can serve to form ‘pre-configurations’ of envisioned institutionalization projects (Phillips, Lawrence, and Hardy 2000) in terms of enacting a social mission at the field level.

Finally, the three strategies set out here suggest that the internal challenges of managing hybridity within an organization (e.g. Pache and Santos 2013; Battilana et al. 2015) may not be the only strategic focus for social enterprises by demonstrating that strategic management can focus on inter-organizational interactions too. Despite field-specific variations, studies in other areas have shown similar challenges of diverse market interactions and competing institutionalization projects by social enterprises, for example among microfinance (Hudon and Sandberg 2013) or work integration social enterprises (Battilana et al. 2015).

Conclusion

By means of a detailed analysis of fair trade social enterprises in three countries, this research has identified three strategic approaches to inter-organizational relationships: *sector solidarity*; *selective engagement*; and *active appropriation*. In doing so, this paper has made a number of new contributions.

This research adds to the body of work on how social enterprises deal with the articulation of social mission within commercial activity, not only as an internal management challenge, but also as a strategic issue of institutional positioning. In particular, it documents the paradox of being ‘in and against the market’ (Renard 2003) by highlighting a range of strategies for social enterprises that include both ‘against’ action (*sector solidarity*), ‘in’ approaches (*active appropriation*) and intermediate patterns (*selective engagement*).

Of course, this study remains an exploratory piece of work and, despite ranging across different country contexts and organizational types, has its limitations. In particular, this research has focused only on a selected set of fair trade social enterprises. Although the three observed collaboration strategies seem to make sense against the literatures on fair trade and cross-sector collaboration, the inclusion of other cases might have revealed different patterns, for example intermediate stances between two models. Moreover, the analysis has focused on import and labelling social enterprises in fair trade, not on other market participants. Future work could examine the implications of the different collaboration strategies on producer groups (impacts of different retail forms) and on consumers. Another set of important research questions could consider the actual effects of the proposed strategies on –and responses by– mainstream businesses (Bezençon and Blili 2009).

More generally, it would be interesting to examine to what extent the three collaboration modes identified here can be observed in other fields and countries, for example in order to assess the influence of different policy, cultural or economic contexts on social enterprise collaboration patterns. In particular, it would be interesting to explore whether similar types of social enterprise-business collaborations can be observed in developing countries, typically for base-of-the-pyramid (BoP) markets (Webb et al.

2010). Developing on from this, it would be interesting to consider how institutional entrepreneurship by social enterprises may, or may not, effect more macro-field level structures and logics (e.g., through public policies or major governance shifts) over longer periods of time. Finally, future work could explore the processes of dynamic evolution within or between the different collaboration types in relation to field evolution.

In summary, this paper contributes to connecting the literatures on social enterprise and social entrepreneurship, cross-sector collaboration, fair trade and hybridity. It is hoped that its empirical analysis and new conceptual contributions can generate a new set of research questions that will enliven and extend current debates examining the opportunities and challenges of cross-sector collaborations in social entrepreneurship.

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Table 1. Case Organizations

Descriptor	Creation	Function	Products	Sales
				(2013, million euros)
CRAFTBEL	1974	Import and retail	Crafts	5,4
FOODBELFL	1971	Import and retail	Food	20,8
COFBEL	2006	Import	Coffee	1,1
FOODBELFR	2007	Import	Food	1,9
FOODGER	2009	Import	Food	8,3
MULTIGER	1975	Import	Crafts and food	63,7
CRAFTGER	2002	Import and retail	Crafts	0,8
CRAFTUK	1979	Import and retail	Crafts	1,4
MULTIUK	1979	Import and retail	Crafts and food	15,2
FASHUK	1991	Import	Garments	3,4
CHOCUK	1998	Import	Chocolate	8,3
LABBEL	1989	Certification	Various	94*
LABGER	1992	Certification	Various	654*
LABUK	1994	Certification	Various	2047*

* Not the turnover of the organizations (n/a) but the total sales of products certified by the organization.

Table 2. Interview descriptor

Organization	Country	Descriptor	Int. #	Interviewee's Position
Importing fair trade social enterprises	Belgium	CRAFTBEL	1	Commercial director
			2	External sales director
		FOODBELFL	3	Marketing director
		COFBEL	4	Sales manager
			5	Founder
		FOODBELFR	6	Commercial director
			7	External sales director
	Germany	FOODGER	8	CEO
		MULTIGER	9	Head of policy department
			10	Managing director
		CRAFTGER	11	Marketing Director
			12	Producer Partnerships Manager
	UK	CRAFTUK	13	Founder-director
		MULTIUK	14	CEO
			15	Sales manager
		FASHUK	16	Founder-CEO
			17	Marketing director
		CHOCUK	18	CEO
Labelling fair trade social enterprises	Belgium	LABBEL	19	Sales manager
	Germany	LABGER	20	Development policies officer
	UK	LABUK	21	Retail manager
			22	Impact manager
	International	LABINTL	23	Board Chair
		LABUS	24	Expert in textile certification
Stakeholders and experts	Belgium	FTOBEL	25	Representative of Belgian FTO network
		BUSBEL	26	CSR Manager
	Germany	FTOGER	27	Managing director
		BUSGER	28	Head of Public Relations and Projects Department

	UK	BUSUK	29	CSR Manager
	International	INTFTO	30	Representative of international FTO network
		INTADVOC	31	Representative of international fair trade advocacy organization
		EXPFOOD	32	Expert in fair trade food

Table 3. Overview of the three institutionalization strategies

	Type 1	Type 2	Type 3
<i>Strategy</i>	Sector Solidarity	Selective Engagement	Active Appropriation
<i>Field vision</i>	Alternative field made of only social enterprises (<i>de novo</i> or ‘converted’) working with each other	Alternative field to be extended by selectively collaborating with committed mainstream businesses	Mainstream field enriched through massive adoption of “social” label
<i>Inter-organizational relationships</i>	Only with other social enterprises	With both like-minded social enterprises and committed mainstream businesses	With mainstream businesses of any type
<i>Avenues for institutional entrepreneurship</i>	Conversion or marginalization of mainstream businesses through denunciation, advocacy and inspiration	Dissemination of social practices through long-term selective collaborations and advocacy	Integration of social welfare logic into mainstream businesses’ market logics
<i>In the case of fair trade:</i>			
<i>Social enterprises associated with this strategy</i>	Importing fair trade social enterprises		Labelling organizations
	CRAFTBEL, COFBEL, CRAFTGER, CRAFTUK	FOODBELFL, FOODBELFR, MULTIGER, FOODGER, FASHUK, CHOCUK, MULTIUK	LABBEL, LABGER, LABUK
<i>Main periods</i>	Exclusive strategy in the 1970s and 1980s, pursued by a decreasing minority of social enterprises in the 1990s and 2000s	Developed in the 1990s and 2000s by social enterprises newly created or pioneers evolving from first strategy	Initiated in the 1990s but accelerated independently from other social enterprises in the 2000s

