

Building alternative futures: The role of prefiguration in social entrepreneurship

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Abstract

Enterprises claiming a social mission face increasing scrutiny over whether their innovations drive genuine transformation or rather reinforce existing problematic systems. Building on the distinction between compensatory and transformative social entrepreneurship, this research note proposes prefiguration as an appropriate framework for theorizing the latter. Prefiguration names the pursuit of societal transformation by materializing alternative systems within local initiatives, which then together function as decentralized laboratories developing system-level solutions. This strategy is adopted by many social enterprises today, as illustrated by our case study of Equal Care Co-op, a platform-based care cooperative combining digital, social, and democratic innovations to challenge the exploitative UK care system. We argue that, by integrating prefiguration theory into social entrepreneurship scholarship, researchers can better distinguish genuine transformation from superficial disruption, yielding both more accurate models and greater support for enterprises pursuing emancipatory alternatives to contemporary capitalism's systemic failures.

Keywords

digital innovation, prefiguration, social entrepreneurship, social innovation

Throughout the 2010s, firms like Uber and Airbnb successfully used the language of social entrepreneurship (SE) to garner support for their disruptive innovations as vehicles of positive social transformation. These innovations were in part digital, introducing platforms to facilitate decentralized coordination and algorithmic management. Yet we now recognize their more fundamental disruptions were *social*, transforming the nature of work and consumption. Many argue these transformations were less about liberating citizens to share freely and more about liberating these firms from regulation (Yates, 2025). While we are today more wary of firms mobilizing the “sharing economy” discourse specifically, we have yet to define SE in a manner that robustly excludes fundamentally antisocial forms of entrepreneurship (Spicer et al., 2019). In this research note, we propose that *prefiguration* offers a promising theoretical basis for an appropriately robust definition of SE that foregrounds transformative possibilities.

multifaceted endeavor” with potential for unintentional disadvantageous effects that may exceed its benefits (Muldoon et al., 2024: 2). Taking the example of Uber, for instance, it is difficult to argue that its claimed mission of empowering drivers with “flexible” access to work is *not* genuinely prosocial, despite research suggesting its aggregate effects have produced significant harms to workers, particularly in terms of precarity and weakened protections (Davis and Sinha, 2021).

Even social enterprises that more plausibly prioritize genuinely prosocial missions can fall foul of unintended consequences (Muldoon et al., 2024). Social enterprises aiming to improve the social inclusion of people with disabilities might, for instance, deploy technological innovations through products designed to make people with disabilities more like people without disabilities. While this approach may indeed benefit individuals, Green (2022) highlights the broader negative impact such

SE as social transformation

SE is generally understood as applying business innovation to improve society beyond mere profit maximization. Yet this broad definition is not sufficient to distinguish genuine SE, not least because SE is itself “a complex and

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Table 1. Implications of prefiguration for SE research.

Features of prefiguration	Contribution to SE research
Explicit politicization of social issues' systemic roots	By attending to their systemic roots, the prefiguration perspective (re)politicizes social issues that are too often depoliticized by SE practice and scholarship. This provides a useful analytical tool for distinguishing SE approaches that primarily address symptoms (CSE) versus root causes (TSE).
Local-scale experimentation with systemic alternatives	By materializing small-scale alternatives, prefiguration enables iterative prototyping with real communities. This challenges SE scholarship's assumption that local initiatives have only local impacts, revealing how decentralized experimentation can contribute to developing and diffusing system-level solutions.
Participatory and decentralized self-organization	By distributing decision-making noncoercively, prefiguration facilitates the emergence of viable solutions from those closest to the problem at hand. This provides a way of thinking about SE governance that is inclusive not only as an end in itself, but also as a means of enhancing effectiveness.

SE: social entrepreneurship; CSE: compensatory social entrepreneurship; TSE: transformative social entrepreneurship.

approaches can have in terms of reinforcing the idea that disability is primarily a problem of the individual rather than of the social infrastructures that meaningfully *produce* that disability. In this way, SE often unintentionally obscures the systemic roots of the social problems it is ostensibly designed to address (Wagenaar, 2019).

Newey (2018) influentially designates this approach as “compensatory social entrepreneurship” (CSE). Although CSE simply aims to *attenuate* the harms of the existing political economy, “transformative social entrepreneurship” (TSE) refers to SE efforts specifically aimed at addressing the causes of such harms at their roots. A TSE approach to improving the social inclusion of people with disabilities, for instance, would focus on redesigning social structures “by and with dis/abled people” (Green, 2022: 366), such that these structures no longer produce disability. “Universal design” approaches exemplify this logic by maximizing accessibility from the outset (Hamraie, 2013)—for instance, developing learning materials that are by design effective for the greatest possible number of students

across dis/abilities, language backgrounds, and other circumstances. As this example illustrates, TSE's orientation toward identifying and tackling social issues at their roots means that diagnoses and solutions to various seemingly distinct problems will often converge (Green, 2022).

More specifically, in the contemporary political economic context, diagnoses will often point toward some aspects of contemporary capitalism's excesses, which tend to exacerbate social inequality and weaken social infrastructure. Yet TSE is not just anticapitalist talk. Rather, it involves *materially realizing* a better alternative within the enterprise itself, thereby demonstrating the possibility of this alternative—with powerful politicizing effects (Shanahan et al., 2024). TSE's fundamentally political orientation means its dynamics are not accurately captured by traditional SE theories. Institutional theory, for instance, generally takes for granted the distinction between social and economic institutional logics, and understands social enterprises as hybridizing these logics (Battilana and Lee, 2014). By contrast, TSE sits within a broader current of transformative struggle that directly politicizes and contests the hegemonic borders between social spheres (Fraser and Jaeggi, 2018). Theoretical frameworks aligned with this hegemony will thus inevitably misapprehend TSEs. To accurately model TSEs and their pursuit of social transformation, SE scholarship needs a politically aligned theoretical framework.

Prefiguration: A framework appropriate for studying TSE

The term “prefiguration” identifies an approach to systemic social transformation that, in contrast to top-down change implemented by the state, emerges bottom-up from decentralized, local, democratic collectives that, insofar as possible, construct utopian futures in the here-and-now. Prefigurative initiatives include, for instance, worker-recuperated enterprises, mutual aid networks, timebanks, and ecovillages (Schiller-Merkens, 2024).

While these collectives operate at the local level, their effects are not limited to the local scale (contrary to the presumption of orthodox SE scholarship, e.g. Zahra et al., 2009). Prefigurative initiatives function as laboratories of social innovation, where citizens experiment with possible futures and means of realizing them (Schiller-Merkens, 2024). Successful innovations diffuse across decentralized networks connecting these communities. Crucially, these innovations respond to system-level diagnoses, attending to the interconnected root causes of issues across seemingly distinct domains, including economic crises, environmental degradation, and political instability (Monticelli, 2022).

This combination of decentralized organization-level action aimed at developing an alternative social system rigorously distinguishes TSE from CSE. The fact that the

aimed-at alternative is specifically *emancipatory* distinguishes TSE from disruptive entrepreneurship more generally. Table 1 summarizes the key implications of prefiguration for SE research, while the following section provides a concrete empirical illustration of how TSE can be identified and pursued through prefiguration.

A concrete example: Equal Care Co-op

Equal Care Co-op is the UK's first platform-based social care co-operative, co-owned and co-governed by care recipients and their care teams. Founded in 2018, it responds to systemic problems in UK care: profit-focused agencies have deteriorated standards and working conditions over the past 10–20 years, particularly by using digital platforms to reduce careworkers' job security and autonomy through algorithmic management, rendering care fragmented, task-oriented, and impersonal.

Equal Care disrupts this system through digital, social, and democratic innovations. Digitally, the platform facilitates the coordination of care via small, self-managed “circles”—each comprising the care recipient and their careworkers, family, and friends—through which data, care plans, and practical information can be shared. This form of decentralized coordination reduces administrative burden while strengthening trust, thereby eliminating the need for centralized management, reporting, and surveillance.

This digitally facilitated self-management enables further social innovations: instead of short, task-based visits following procedures standardized across all clients, Equal Care's decentralized approach means that care can be tailored to the requirements of each individual care recipient. Similarly, the working modalities and employment arrangements can be adapted to suit the diverse needs of individual careworkers, who are valued as skilled professionals and as members of the collective. Eliminating managerial and financial middlemen additionally directs more investment to care providers, facilitating stable, long-term arrangements that can foster meaningful emotional connections and trusting relationships.

Democratically, Equal Care is a multistakeholder cooperative giving voice to care recipients and their loved ones, carers, and investors, unified by the principle that care should be abundant and available for all. Co-ownership guards against top-down governance by unaccountable corporate actors. Instead, governance power is decentralized and distributed, enabling situated, relational coordination that fosters autonomy and reduces power imbalances.

Together, these innovations produce a holistic, positive alternative to the dominant UK care model, already prefiguratively materialized in pilot projects in Yorkshire and London. While traditional scaling faces institutional and regulatory constraints, the Equal Care approach can grow

through diffusion and adaptation by communities in other regions. By reframing care as abundant, relational, and co-owned, Equal Care offers a genuinely transformative challenge to the systemic problems of care in the UK.

Conclusion

For practitioners, Equal Care Co-op exemplifies how organizations can approach the challenge of system-level transformation. While a single organization cannot solve all problems inherent to the existing social system, given that available actions are significantly constrained by prevailing structures (Giazitzoglu et al., 2024), the prefigurative approach reveals that there often *is* scope for choosing between compensatory and transformative strategies. This agency entails the responsibility to choose thoughtfully (Oloke, 2024). For SE scholars, prefiguration theory offers a framework better suited to capturing the dynamics of TSE. By integrating this perspective, researchers gain analytical tools for distinguishing CSE from TSE and for understanding how local initiatives contribute to systemic change.

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