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# La Table de Cana: A New Model or An Exception in Corporate Social Responsibility?

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The aim of this article is to explore the meaning of business leadership in the social sector.<sup>1</sup> All too often businesses are confined to their profit-seeking role and only anecdotally make headlines on social issues. When such headlines do appear, we can quite safely bet that the terms “downsizing,” “restructuring” and “lay-off” will be used.

In a more discreet manner, numerous businesses are, however, paving their way towards a new social contract. In the U.S., several traditional businesses chose at some point to innovate in the social sector. Part of the reasoning behind such moves is that for-profit corporations have distinct human, social and financial capital that enables them to make a significant difference. In the case of Bell Atlantic and IBM, technological expertise was leveraged to design new teaching environments and virtual educational networks in lower income communities.<sup>2,3</sup> Other firms, such as Marriott International and United Airlines, prefer to think of themselves as highly effective training organizations and, as such, recruited former welfare recipients to fill entry-level jobs.<sup>4,5</sup> In other cases, the confidence of a business in its distinct capabilities was such that entire social sectors were taken over. For instance, Education Alternatives Inc. operated private schools, and Lockheed Martin IMS managed state and local welfare programs. Slowly the boundaries between business, civic responsibility and social issues have begun to blur.<sup>6,7</sup>

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The case of La Table de Cana (LTC), a French catering business employing disadvantaged individuals, offers a different perspective.<sup>8</sup> LTC created a for-profit structure in order to achieve its nonprofit goals. Precedents of nonprofit organizations creating for-profit structures exist. Most, however, are created in order to finance the original nonprofit actor (e.g. Oxfam opening retail shops in the U.K.). In the case of La Table de Cana, the for-profit structure is the direct means of achieving welfare aims that are more often associated with nonprofit organizations. The welfare concern addressed by La Table de Cana is unemployment, specifically unemployment among former convicts and other "social misfits." At first glance, LTC's strategy reminds us of the initiatives taken by Marriott International or United Airlines. However, upon closer examination differences emerge.

La Table de Cana is both intriguing and confusing. Its president worked for an oil company and is a Jesuit. Its workforce is composed of ex-convicts and professional salespeople. Its legal status is diverse and combines nonprofit and for-profit franchises and licenses. Some people regard LTC as a commercial catering business, others call it a social enterprise.<sup>9</sup> President Franck Chaigneau explains his motivation behind the creation of LTC:

When we first founded La Table de Cana in 1985, we were trying to find an answer to one of the key elements of exclusion: the lack of jobs designed for people having to cope with great difficulties. It was all about the right to work .... Since 1987 we have invested in a for-profit corporation and our aim is both to do business and to be active in the social sector.

The idea that a for-profit corporation can, itself, be a means to achieve social change is a novelty. LTC's example will help us explore this assumption and open a discussion on corporate social responsibility. An overview of the French context of unemployment and current types of responses to this social dilemma will serve as an introduction. This will lead us to characterize LTC's fundamental operating principals, main success factors, and growth strategies. As we examine this model and its limits we will discuss its replicability. Brief overviews of two other cases (Bell Atlantic and Xerox Corporation) will be used in contrasting LTC with other business behaviors. Are corporations socially responsible or is this only an anecdotal counter-example in a largely less friendly business environment?

## UNEMPLOYMENT: A SOCIAL AND POLITICAL DILEMMA

Since the 1970s the number of unemployed has steadily risen in France with only a slight pause in most recent years. Today, over 3 million people (11.8% of the active population) are still unemployed and, even more distressing, the time spent by an individual out of the workforce is increasing (one year, on average, with up to 25 percent out of work for more than eighteen months).

Unemployment is also highly selective; women, younger people (between age 16-24) and non-skilled workers constitute the majority of unemployed. Despite a strong tradition of social welfare programs, 40 percent of these individuals receive no benefits, and 50 percent of those who do receive less than half of what is considered a minimum income by government standards.<sup>10</sup> Employment does not always equate with ending poverty (five million French people including "working poor" live in poverty), but often it is the first step to financial and social stability, as well as independence

Government policies promoting employment have flourished since the 1970s. Most focused on providing incentives to employers (see, for instance, the recent *Contrat Emploi Solidarité*). These policies offer financial incentives in the form of lump payments or tax deductions to employers willing to hire specific populations. As the above figures suggest, these measures might be helpful but still do not resolve structural unemployment issues. Acknowledging this fact, and perhaps in a move of resignation, a law that sets minimum living income for non-working individuals was passed in 1988.<sup>11</sup> Most recently, in yet another attempt to solve this dilemma, the French government has begun to implement a 35-hour workweek that will ultimately compel employers to either limit individual working hours, pay overtime or recruit. The assumption is that if new jobs cannot be created, then the existing job supply should be shared.

#### PROMOTION OF EMPLOYMENT FOR THE DISADVANTAGED

Since the nineteenth century, largely due to union mobilization, France has pursued a policy of employment for all. In 1957 France established dedicated structures to provide work opportunities to mentally and physically disadvantaged people. These structures are known as Centers for Help Through Work (*Centre d'Aide par le Travail*) and Protected Shops (*Ateliers Protégés*); in 1993 these agencies accounted for 84,000 permanent positions in the workforce. Similar structures for marginal youth were established in 1979 and were officially recognized in 1988 as insertion businesses ("*entreprises d'insertion*"). Any business that employs specific labor populations (e.g. marginal youth, physically disabled or former convicts) can get accredited by the Ministry of Labor as an insertion business, and thus become eligible for government aid. Today, there are more than 750 insertion businesses in France, accounting for 6,500 jobs.

These programs have achieved mixed results. On average the placement rate for outgoing individuals breaks down as follows: 43 percent find work, 15 percent enter training programs and 37 percent exit in the same condition they entered.<sup>12</sup> Most jobs, however, are temporary or part-time positions. In regards to the several million unemployed, while insertion businesses play an important social function, they have only marginally reversed employment trends. By including all current

forms of French insertion structures (i.e. neighborhood coalitions, intermediary nonprofit organizations, and insertion temporary work agencies) a grand total of 30,000 jobs are created.<sup>13</sup> Assuming participants spend an average of four months working within these structures, the number of beneficiaries of insertion policies rises annually to 90,000. This number is still dwarfed by the more than 3 million unemployed. Some authors argue that the target population of insertion structures is smaller than the total number of unemployed and only amounts to 1.4 million people, an estimate of the so-called hard core unemployed.<sup>14</sup> Still, even with these adjustments, the estimated number of beneficiaries of insertion strategies comprises a mere 6.4 percent of the target population.

#### LA TABLE DE CANA: A PROTOTYPE OF SOCIAL ENTERPRISE

In 1985 Franck Chaigneau, LTC's President, sought to create a business that would function as an insertion organization. He opened a nonprofit catering business and offered daily hourly jobs to people in hardship. Rapidly the creation of a for-profit twin organization was approved (LTC nonprofit now controls 66 percent of the shares of LTC for-profit, with the remaining shares held by private institutional and individual investors).

The main reason for creating a for-profit entity was funding. To build kitchens or buy delivery trucks we needed to raise funds. Second, we thought it would help to separate our social concerns from our business concerns, ... we would gain in clarity. Third, it facilitated our communication towards our customers. We weren't anymore a non-professional group but a real for-profit and credible business (Luc Flament, Treasurer, LTC).

By 1997 LTC had branched out all over France (six locations, with several other franchises and licensing agreements), and it was moving into Belgium. It had created almost 50 full-time insertion positions (held by nearly 200 individuals in 1997), while sales had reached 20 million French Francs (FF). Economic results for the various locations were uneven: Montrouge, for instance, posted a loss of 350,000 FF, Fontenay-aux-Roses broke even and Sèvres generated 100,000 FF in profits. Most importantly, however, success was apparent. At LTC's largest operation in Montrouge, 48 percent of insertion employees found jobs—on par with national average rates of insertion businesses—but well over 90 percent found regular as opposed to temporary jobs (see Table 1).

**TABLE I:** Occupation of former LTC insertion employees (Montrouge, 1997)

Found Job	48%
Went on to training	10%
Individual projects (maternity, early retirement, move abroad)	10%
Entered rehabilitation programs	8%
Exited in same condition as they entered	22%
Other	2%

Amazingly, the results at Montrouge were achieved with an incoming population with lodging difficulties (52 percent), past prison sentences (48 percent), long-term unemployment (37 percent) and a history of drug and alcohol, prostitution or mental problems (32 percent).

### MAIN OPERATING PRINCIPLES OF LTC

Three main principles are enshrined in LTC's model regardless of location, structure type and management diversity. These are a focus on core competency, an obsession with high quality services, and a reliance on external social support structures.

When LTC started, market research indicated that catering was a labor intensive and developing activity. Since then, LTC has religiously stuck to this domain. When, for instance, a 1994 law permitted insertion businesses to expand into the temporary work market (competing with private corporations such as Manpower), LTC chose not to branch out. This decision was based on the firm belief that LTC provides professional training. This renders temporary job training outside LTC's interest.

Quality on all levels is a natural consequence and necessity of this positioning. All the managing staff in production is recruited from the catering industry, and several location managers have graduate degrees from business or engineering schools. Salaries in production are usually higher than the industry average to compensate for the extra effort needed to constantly train new people. Moreover, to clearly indicate that mediocre quality is unacceptable, an accounting concept of added social costs is used. LTC does not do its best with the workforce it has, instead LTC does what is best and then shows the added financial cost incurred to reach this level with the workforce it has. As proof, LTC Montrouge was the first French insertion business to get an ISO 9002 quality certification (an independently assessed quality guarantee).

Because LTC believes its core business is catering, it also decided to outsource social support services. Candidates are referred to LTC by government or nonprofit social service referral agencies. On principle, all referees are accepted on a 24-hour trial basis. Once admitted, they receive health benefits and job search

guidance (e.g. weekly meeting with peers or individual consultations), but rely on traditional organizations for social assistance and orientation. "Our aim is not to do everything in house," says Human Resource Director Françoise Hamon. "People here have difficulties understanding the difference between an employer and a social worker. I do not want to intrude into our employees' private lives. I am ready to talk but we should not mix everything together."

### MAIN SUCCESS FACTORS

Sound operating principles however are not sufficient to explain LTC's success. Only five percent of all French insertion businesses have more than 49 employees (permanent and insertion jobs combined), and LTC is among them. Average revenues for insertion businesses are 2.5 million FF, while LTC boasts figures eight times larger. The means dependency on government subsidies in terms of subsidies to revenues ratio is 50 percent, yet LTC's ratio is as low as 17 percent. Perhaps what makes LTC unique are additional factors not captured in its operating principles. Such factors include strong business partners, limited referral agencies and a dual legal framework.

First, despite all the rhetoric about being in a competitive market, several strong allies have continuously given business to LTC. LTC's ability to supply labor to major French corporate clients is founded on the initial trust between LTC and Catholic nonprofit organizations. Moreover, several partners donate staff time and resources: Kronenbourg (brewing company) executives help on marketing aspects, Danone (packaged goods) advises on purchasing, and Groupe Développement (an Air France spin off) subsidizes travel expenses. It is hard to characterize the perception partners and customers have of LTC. Some see LTC as a nonprofit that relies on external help, others consider it a special supplier of professionally trained labor and others simply regard it as a caterer. In fact, more and more new customers tend to be unaware that LTC is an insertion business. "Being an insertion business is not always a selling point," says Cécile Rouillé, LTC Montrouge's sales manager. "People then tend to expect low quality and cheap prices, and that's not what we are about." Nonetheless, the core partners that have accompanied LTC over its first years of operation have consciously done so because of the goals LTC pursued. Also, a number of fellow coworkers from Franck Chaigneau's past employer followed him on this adventure, donated time or have served on LTC's Board of Directors.

Second, LTC works with a small number of referral agencies. LTC does not accept direct applications; instead, it relies exclusively on social services for recruitment. Working with a limited number of social service providers improves the quality of LTC's recruitment. A few drug rehabilitation centers, housing and social reinsertion centers, prisoner probation and aid committees,

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as well as minimum wage assistance organizations, generate the majority of incoming applications. Applications coming from unknown referral agencies are almost systematically dismissed.

Third, LTC has heavily leveraged its hybrid nonprofit/for-profit status. The logic for creating a dual nonprofit/for-profit structure has already been discussed; its consequences however are numerous. One of the main concerns raised when a nonprofit enters the for-profit world is the potential drop in donations. LTC decided on this move only two years after its creation: losses were therefore minimal. Being legally "hybrid" is a beneficial although sometimes tricky situation. The nonprofit side receives donations that can amount, to a quarter of LTC's global 1998-2000 expansion budget. On the other hand, the for-profit side insulates itself from this "unfair" advantage by clearly detailing its cost and revenue structure without the help of LTC nonprofit. This dual status also provides important non-quantified labor resources. Though not directly implicated in the day-to-day operations of LTC, volunteers play a major role in LTC's success. For large events such as a well-attended barbecue for the opening of the Channel Tunnel (3,500 guests) or an Easter Christian Youth weekend (1,700 guests), volunteers are called upon to work alongside LTC employees. In the nonprofit structure volunteers help also on institutional aspects and capacity-building tasks that indirectly benefit the for-profit catering business.

#### **FUTURE GROWTH STRATEGIES FOR LTC**

Strategic shifts have, however, been necessary both to sustain and to expand this social enterprise. Each shift can be understood as a separate move to further LTC's initial goals. The first shift focused more on internal quality while the following two shifts clearly targeted quantitative expansion.

As a start-up, LTC focused on providing hourly or daily work. Today all insertion employees still have daily contracts, work between 75-140 hours per month, and remain with LTC approximately five months. Because of their limited work-hours with LTC, many could not earn enough income in order to live decently. To solve this problem, LTC reduced the number of employees while spreading out the total workload. This first reform was meant to improve living conditions. LTC also noticed that with better professional skill, placement rates were higher. Therefore the duration of stay at LTC has slightly increased. As a drawback, the number of jobholders decreased, thereby undermining LTC's initial goal of job creation.

An ambitious geographic expansion plan to double current capacity was therefore launched in 1998 called LTC 2000 or "100 insertion position by the year 2000." Potential markets were researched, nonprofit and for-profit partners were contacted and franchising or licensing agreements were then negotiated. This

effort is a new one and has allowed LTC to reflect on its own skills. Until now, catering was the only officially accepted expertise. Later, LTC realized it had several other core competencies; including developing business plans, navigating through government agencies to access subsidies, organizing partnerships with social services providers and advising on human resource policies. As Thierry Le Goaziou, manager of LTC 2000, puts it: "We are now evolving towards something closer to project finance or venture capital."

Because LTC is aware of its limited resources, efforts are also under way to raise awareness among traditional employers on unemployment issues. LTC is now experimenting with persuading private for-profit employers to accept into their workforce LTC detached employees. Some detached employees have been placed with LSG SkyChef, an airline catering company. They are still followed by LTC and their referral agency, but work as regular employees in LSG SkyChef teams. As the director of LTC Montrouge, Jérôme Schatzman, often says: "I would love Accor and Sodexho [two major French players in the catering industry] to create 'bridge positions.' That is where I see the highest leverage for increasing our impact. Insertion businesses are doomed to disappear, traditional employers should take on these task." Although this wish clearly expands the capacity question, concerns still remain regarding supervision. LTC production managers are compensated for the burden of extra training demands of the insertion employees, and most are accustomed to dealing with the types of labor populations that LTC recruits. Traditional corporate managers are not so well equipped. Nevertheless, LTC is trying to engineer a labor supply chain for the catering industry, as a whole, in the same way it operates a services supply chain for its customers.

### LIMITS OF THE LTC MODEL

Outcomes of recent expansion projects are yet to be evaluated. Structural constraints should, however, be kept in mind when thinking about replication.

Financial fragility is a constant concern. Two factors contribute to this instability: limited capital resources and shifting government policy. The choice of a for-profit legal framework was meant to alleviate part of these concerns. It has surely benefited LTC, yet business fluctuations threaten LTC viability more than traditional corporations. In 1996, for instance, a disastrous commercial setback (a catering contract with an unsuccessful air show event) translated into a million FF loss and sent the LTC Board of Directors running to its investors for additional capital. Limited resources mean high fragility. Even though government funds account for only 17 percent of revenues, policy changes can also severely impact LTC ability to survive. In 1999 the French Government enacted a policy shift, revising the amounts of funding per job. The Ministry of Labor now handles this program

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alone (previously the Ministry of Social Affairs intervened), and all recipients must now be pre-screened by the national employment agency ("Agence National Pour l'Emploi"). LTC still has to work out the details of these measures within its authorizing environment. This highlights LTC's relative financial dependency.

Second, limited managerial and institutional capacity hinders LTC's expansion plan. For several reasons LTC has done quite well in these areas. A core team of individuals trained in the respected French corporation, Total, built up managerial capacity early on. Since then, graduates from leading universities have joined. As a first mover and an industry leader, LTC can similarly retain such people. The ability for other social enterprises to do so may be more problematic. Focusing on LTC's expansion plans creates a perceptible strain. LTC has the know-how, the backing and the energy to reach out to other regions, but candidates are scarce.

Lastly, selective employee targeting hampers LTC's social commitment. It may be paradoxical that, although LTC prides itself on not pre-selecting candidates, thus allowing everyone to have a 24-hour trial period, there have been very few female insertion employees. Despite the two to one unemployed ratio for women versus men, LTC has not achieved any significant progress with this population. According to LTC's human resource director, childcare difficulties explain much of this limitation. Specific strategies addressing such issues still need to be designed.

## ISSUES OF REPLICATION

Thinking about the replicability of LTC's model, these limits seem disturbing. Yet many can be resolved. With social venture capitalists entering the industry, funding problems could be less common. With the nonprofit sector slowly becoming a "respectable" segment of the French economy alongside public and private sectors, more talented candidates might decide to work in it. With other social enterprises setting up shop in growth industries demanding more female workers (such as help-lines), more disadvantaged female individuals could re-enter the workforce. The main obstacle to replicability, however, seems to be the public's low expectations vis-à-vis business involvement in the social sector.

The idea that businesses can, without government intervention, also be socially responsible is a new idea in France. This innovation provides a much-needed ingredient for raising expectations. The ambition to achieve social change is indeed a crucial element of LTC's strength. As the company's team thinks about how to preach its gospel to others, several former LTC employees testify to the transformational effect of LTC. Lhassan, now 22, talks about his arrival in France at age 17 from Northern Africa without resources or family links. "Jean, my supervisor, used to give me the keys of the business to open in the morning and close in the evening. Then he needed a delivery man and asked me again to help."

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Lhassan has opened his own grocery store. Joel, an ex-convict and former LTC employee with a regular delivery job, recalls, "I had a driving license and LTC offered me a job. When one walks out of prison one isn't always at ease. We wonder what others will think. [After coming here] I realized that the word prison was not written all over my face. When my current employer asked me if I was a delivery man, I answered yes." Lhassan, Joel and many others are the proof of LTC's success. In retrospect, such achievements are remarkable. If needs are assessed the task remains immense.

Whom can we rely on to perform such a task? Is LTC an outlier or a forerunner of a new type of civic engagement? These questions echo a much larger debate about businesses, civic responsibility and social interactions, what some authors label "social capital."<sup>15</sup> LTC, in a way, is an effective civic social capital-creating venture. It slowly encourages relationship building, creates communities of interests (future job seekers) and activates needed links with government agencies and future permanent employers. Many people, specifically in the U.S., hope that corporations will do exactly this and foster much needed social capital, not only for disadvantaged individuals but also for employees and citizens as a whole.<sup>16</sup> With civic social capital in the U.S. in decline, many look towards non-traditional civic actors (such as corporations) to modify this trend. Understanding corporate motivations is, however, crucial.

### THE SELECTIVE CORPORATE EYE

Corporate outreach towards the larger community is rarely solely altruistic. A brief overview of Bell Atlantic's community involvement illustrates this point. In 1989, Union City School System in New Jersey was widely viewed as a failing school. The city, with its large group of immigrants and undocumented workers, served as a supply of labor for the neighboring industrial areas. Starting in 1992, Bell Atlantic engaged in massive investments to change this pattern of failure and slowly was able to help the district drastically improve its academic results. While the benefits to the Union City community were important, understanding the benefits for Bell Atlantic are also instructive. Experience with high technology in schools enabled the firm to test market its Digital Subscriber Line (DSL) technology and to develop several patents. Publicity around the project raised Bell Atlantic's corporate profile and facilitated recruitment, while also boosting the morale of current employees. Lastly, this project helped the firm gain support in New Jersey for regulatory reforms in the telecommunication industry. In the words of a Bell Atlantic manager's words, the project "paid."<sup>17</sup>

Corporate civic engagements that take the form of re-engaging individuals in the workforce or offering students a better education are commendable. The dynamics of such actions should however not be lost, what Sagawa and

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Segal describe as "common interests" highlight both the opportunities and limits of such actions.<sup>18</sup> Corporations have a vested interest in attaining specific goals (brand image, regulatory reform, employee retention, etc.) and communities welcome corporate expertise and funds. While public opinion does in some way guide the corporate eye towards perceived needs, corporations have the last word in deciding where and how to invest in the community. This allows for dynamism and innovation, but also leaves room for omissions and social injustices; some needs may not receive as much attention.

It also seems that not all instances of civic action are welcomed in the corporate world. The case of Xerox Corporation suggests, in a subtle manner, how corporations authorize social actions only when there are direct corporate benefits. Though Xerox's track record in integrating minorities is exemplary (as early as 1968 both Xerox's President and CEO wrote a letter to all managers condemning racial discrimination), in 1974, when the issue of a national black employee caucus meeting was raised, Xerox was alarmed. It took sixteen years, and the discovery by management that a national black caucus could provide the corporation with valuable information to have Xerox approve of such a meeting. Social capital enhancing mechanisms aimed at promoting a traditionally disadvantaged group of employees were not a valid enough reason for organizing. The same mechanisms that would increase management's visibility of the corporation were, however, deemed valid.<sup>19</sup> In corporate environments, if no objective claim can be made for increasing profit or productivity, chances that social capital enhancing activities will be endorsed are quite low.

Currently, we note that a limited number of corporations act in what appears to be a truly socially pro-active manner. More often, direct business benefits are expected. And yet more troubling, in some cases when the benefits are not deemed tangible, socially pro-active actions may be discouraged. We may, however, have missed out on the complexity of the relationship between corporations and social responsibility. One core assumption is that corporations actually have some control over their civic actions. If corporations do not have this power, our findings may be misleading. Also, corporations may be responsible for gathering a diverse group of citizens. This grouping role, regardless of the aim of this community, may be a social responsibility in itself.

## THE SPECTRUM OF SOCIAL RESPONSIBILITY

To assess accurately the relationship between businesses and social responsibility, distinctions must be drawn. Acknowledging the current profit focus of traditional corporations and the distinct expectations set by La Table de Cana's management and financial backers, large variances in degrees of social responsibility are to be anticipated. Besides, the fact that corporations will not, by themselves,

create a decent society—though they extract large amounts of time from the public—should lead us perhaps towards rethinking our time allocation between work and other activities. Reducing the workweek, increasing the amount of vacation, and generally encouraging family-friendly work environments are also crucial elements of social responsibility.

Subordinating businesses to larger social goals while allowing sufficient freedom to create wealth and prosperity is a source of enduring tensions in our contemporary society. Our ability to wisely integrate corporate activities with other types of human activities is key in addressing such concerns. George Perec's warning should be our guiding principle in this search:

Knowledge of the pattern and its law, of the set and its structure, could not possibly be derived from discrete knowledge of all the elements that compose it. That means that you can look at a piece of puzzle for three whole days, you can believe that you know all there is to know about its coloring and shape, and not be further on than when you started. The only thing that counts is the ability to link this piece to other pieces.<sup>20</sup>

The means by which corporations influence other social constructs, be it the family (by specializing work among spouses), schools (by giving priority to skill building, specific career choices), neighborhoods (commuting time, tax allocations, reinvestment strategies) or governments (power sharing, economic growth patterns, social justice concerns), all need to be assessed before any definite conclusions can be drawn about corporate social responsibility.

Finally, the diversity of corporate actors should also be recognized. Generalizations are hard to outline in a true entrepreneurial environment. Bell Atlantic, Education Alternatives Inc., IBM, La Table de Cana, Lockheed Martin IMS, United Airlines and Xerox Corporation all represent different levels of conscious and unconscious civic engagements. Their behaviors are shaped by our own expectations. These pieces only fit in the puzzle that we (as consumers, neighbors, investors and citizens) are willing to build. ■

## NOTES

<sup>1</sup> The initial idea for this article was presented at a seminar led by Professor Rosabeth Moss Kanter at Harvard Business School. It was further enriched in seminar led by Professor Robert Putnam at Harvard's John F. Kennedy School of Government. I am highly grateful to both of them for their intellectual stimulation. I would also like to express my gratitude to all the La Table de Cana employees who agreed to share their experiences and hopes with me.

<sup>2</sup> Rosabeth Moss Kanter and Ellen Pruyn (1999) *Bell Atlantic and the Union City Schools A, B, C1, C2 and D*, Harvard Business School Cases N9-399-029/043/065/066/084 (Cambridge, MA: Presidents and Fellows of Harvard College).

<sup>3</sup> Rosabeth Moss Kanter (1998) *IBM's Reinventing Education*, Harvard Business School Case N9-399-067 (Cambridge, MA: Presidents and Fellows of Harvard College).

<sup>4</sup> Rosabeth Moss Kanter and Ellen Pruyn (1998) *"Pathways to Independence": Welfare-to-Work at Marriott International*, Harvard Business School Cases N9-399-067 (Cambridge, MA: Presidents and Fellows of Harvard College).

<sup>5</sup> Rosabeth Moss Kanter and Ellen Pruyn (1998) *The Friendly Skies: Welfare-to-Work and United Airlines*, Harvard Business School Case N9-399-013 (Cambridge, MA: Presidents and Fellows of Harvard College).

<sup>6</sup> J. Gregory Dees and Jaan Elias (1994) *Education Alternatives, Inc.* Harvard Business School Case N9-395-106 (Cambridge, MA: Presidents and Fellows of Harvard College).

<sup>7</sup> Rosabeth Moss Kanter and Courtney Purrington (1998) *Lockheed Martin IMS Making a Contribution and a Profit*, Harvard Business School Case N9-395-118 (Cambridge, MA: Presidents and Fellows of Harvard College).

<sup>8</sup> All quotes in this article are from personal interviews conducted with LTC staff members in Moutrouge (France) in April 1999 or taken from official LTC public documents.

<sup>9</sup> Shirley Sagawa and Eli Segal use the term "social enterprises" in describing types of business involvement in the social sector (see *Common Interest, Common Good: Creating Value Through Business and Social Sector Partnerships* (2000) Boston, MA: Harvard Business School Press). The example they label "social enterprise" is a Boeing supplier called Pioneer Human Services. J. Gregory Dees also uses the term "social enterprise" in his article "Enterprising Nonprofits," *Harvard Business Review* 76, n. 1 (1998): 60.

<sup>10</sup> *Insertion et Nouvelle Economie Sociale: Un Bilan International* (1998) ed. J. Defourny, L. Favreau and J.L. Laville. Paris: Desclée de Brouwer, p. 43-44.

<sup>11</sup> See the French law of December 1, 1988 creating the "Revenu Minimum d'Insertion" or RMI.

<sup>12</sup> Survey conducted in 1992 by the Comité National National des Entreprises d'Insertion (CNEI, Paris).

<sup>13</sup> *Insertion et Nouvelle Economie Sociale: Un Bilan International*.

<sup>14</sup> See, for instance, Chassériaud cited by D. Pezout (1996) in *Les Entreprises d'Insertion: Elaboration d'un Modèle Economique et Social*, Expertise Comptable Thesis (Paris).

<sup>15</sup> See Robert Putnam (1993) "The Prosperous Community: Social Capital and Public Life" in American Prospect no.13 (spring) and Robert Putnam (2000) *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster).

<sup>16</sup> For an overview of possible links between the workplace and social capital see Kristin Goss and Thomas Sander (1999) "Work and Social Capital: An Overview," unpublished manuscript (Harvard University).

<sup>17</sup> Rosabeth Moss Kanter and Ellen Pruyn (1999) *Bell Atlantic and the Union City*, op cit.

<sup>18</sup> Sagawa and Segal, op cit.

<sup>19</sup> Raymond Friedman and Caitlin Deinard (1990) *Black Caucus Groups at Xerox Corporations A&B*, Harvard Business School Cases 9-491-047 and 9-491-048 (Cambridge, MA: Presidents and Fellows of Harvard College).

<sup>20</sup> Georges Perec (1987) *Life A User's Manual* (London: Collins and Sons and Co. Ltd), p. xv.

