Social Sustainability: Exploring the Role of Social Enterprises

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Abstract:
The degradation of the ecological and social systems has largely resulted from human activities that deplete natural resources and undermine human needs in society. Traditional business culture, driven mainly by profit maximization, is a factor that has worsened this sustainability challenge. Social enterprises (SEs) are a form of business that hold the potential to help make the transition towards a sustainable society. The purpose of this study is two-fold. First, it explores SE contributions to creating a sustainable social system. Second, it examines how SEs exhibit the dimensions of trustworthiness, leading to trusting relationships in society. Social sustainability principles (SSPs) define social sustainability and are drawn from the Framework for Strategic Sustainable Development. They are used as a foundation for identifying SE contributions. The researchers draw on experiences from social entrepreneurs and experts in the field of social entrepreneurship. SEs contribute at two levels: the individual level and the societal level. They break down barriers to the SSPs and provide opportunities to individuals with respect to the five principles. SEs operate based on a culture of impartiality and create opportunities for meaning for individuals in their target groups. They consistently take leaps of faith, believing in the trustworthiness of those who are otherwise deemed untrustworthy.

Keywords: Trust, Social Enterprise, Impartiality, Framework for Strategic Sustainable Development, Sustainable Social System, Social Exclusion
Statement of Contribution

What a team! We are proud that it has been such a joy to co-create this work. We could definitely trust each other’s motivation of benevolence in both personal and academic sense. Everybody’s eagerness and motivation to explore new ideas moved us forward in our countless discussions and iterations. Respectful and open communication was the key to this Canadian-German-Mexican creation.

During meetings Erica always brought color into the room by graphically recording our conversations to keep us on same page and to create an external headspace. This contributed to thinking differently and creatively. The whole team appreciated her excellent drawing talent! Additionally, she was the main communicator with our thesis advisor and wrote infinite emails and meeting minutes. In conversation about work, life, and our group process she was always active and engaged and brought her many inspiring ideas to the table. For our literature review she was especially digging into the topics of complex adaptive systems and trust. She spent a lot of effort contacting and communicating with the interviewees in the social enterprises. She conducted friendly interviews with social entrepreneurs and transcribed several of the recordings. In the writing process she dedicated a lot of energy to the introduction. Her thorough, focused, and analytical working style and was paired with a lot of patience and great language support when Spanish and German words made their way into the thesis texts. Erica was always up for a good laugh and frequently raised the mood with delicious homemade snacks.

Viola happily joined Erica’s drawing activities to map thoughts out and support the co-creation. With her high energy she was able to handle many things at the same time and to work hard in order to move the process forward. Her research experience and skill in finding relevant books and journals brought great sources to the table. She is a talented public speaker and put a lot of thought into presentations. With her analytical mind she brought many ideas for sense-making into the discussion. A big part of her excellent writing skills were dedicated to the discussions, parts of the results and the introduction about social enterprises. Although her eyes turned as square as her laptop display, she coded many of the interview transcriptions and journals. Always willing to take the discussion further, Viola loved to engage in thought experiments and often took conversations to another level. With her strong interview skills and loving and clear style, she represented our group well while engaging with social enterprises and experts. She always valued feedback, took all perspectives into account and encouraged open and honest communication to tie the team together.

Christian is another very hard working friend. Although he has contributed at almost every level of this research, he invested a great deal of work into the methods and data analysis. He contributed by researching and understanding the MAXQDA coding software. With his solid understanding of the software, he happily ran a tutorial for the rest of the group once it was time to use it. If it were not for him, the team would likely still be in the process of coding data! Christian brought a large degree of organization to the group and always kept the big picture.
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Thanks team!

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Executive Summary

Introduction

The global human society currently encounters a complex ecological and social sustainability challenge. The degradation of the ecological system has largely resulted from human activities depleting and destroying the ecosystem faster than it may be restored (Wackernagel and Rees 1995). In the complex socio-economic system, the exploitation of ecosystem services as well as the way in which actors of society operate and conduct business are linked to a weakening social system. This leads to increasing problems like poverty, disease, and inequality. As a holistic approach to solving complex problems is needed in order to find sustainable long term solutions (Dzombak et al. 2013), a framework for strategic planning in complex systems is applied in this study: the Framework for Strategic Sustainable Development. Through eight sustainability principles, it provides a scientifically based model to define the boundary conditions of a sustainable society. Furthermore, it supports strategic moves towards a vision of a sustainable society through the backcasting methodology (Holmberg and Robèrt 2000).

The principles outline that “in a sustainable society nature is not subject to systematically increasing (1) concentrations of substances extracted from the Earth’s crust; (2) concentrations of substances produced by society; (3) degradation by physical means (Holmberg and Robèrt 2000); and people are not subject to systematic barriers to (4) integrity; (5) influence; (6) competence; (7) impartiality; and (8) meaning (Missimer 2013).

As society cannot exist without its ecological foundation, all the ecological and social principles cannot be systematically violated in a sustainable society. However, due to the fact that the social principles are currently being developed and are new to the framework, the researchers have a particular interest in exploring the social dimension of sustainability.

The social system is a complex adaptive system (Folke et al. 2005) that contains and emerges by various social actors that interact in and are bound together by a network of connections of different qualities (Miller et al. 2009). Diversity, learning, self-organization, and social capital are all essential aspects in the “long-term survival of socio-ecological systems” (Missimer 2013, 24). However, due to the focus on the social dimension of sustainability, social capital is the most relevant to this study. Interpersonal trust and trust among individuals and institutions is a fundamental denominator of diverse definitions of social capital (Robèrt et al. 2010). The level of trust is based on a moral compass (Uslaner 2002) as well as experience of trustworthiness (Rothstein 2005). Building the “foundation for the development of trust” (Mayer, Davis and Schoorman 1995, 717), Mayer, Davis and Schoorman (1995) define trustworthiness by three main dimensions: abilities and competence, motivation of benevolence, and integrity. A highly significant aspect is that social systems fall apart when groups that undermine trust or cultivate cultures of distrust dominate society (Rothstein 2005).

Profit-oriented wealth creation in today’s prevailing business spirit leads to improvements to a fortunate few and has harmful repercussions to the rest of society (Gavai 2010). Business plays a major role in creating barriers to people in meeting their needs by violating the social sustainability principles. When people’s needs are systematically undermined, the challenge of social exclusion arises. Using the definition of the Commission of the European Communities (1993, 1), social exclusion manifests by “people being excluded from normal exchanges, practices, and rights of modern society”. In the name of profit maximization and therefore
business success, everything that advances a business towards profit is treated as acceptable and even desirable (Gavai 2010). Exploitation and other unfair business practices may then “displace concepts and norms of fair dealing” (Gavai 2010, 62) leading to lower public trust and less social capital.

Although the challenge of social exclusion is not solely linked to business practices, business plays a role in cultivating mistrust and contributes to the unsustainability of the social system. In the context of this business challenge, Lundström and Zhou (2014) stress that today, social entrepreneurship is increasingly considered a viable approach with the potential to foster the evolution of the social system. One of the outcomes of social entrepreneurship is the social enterprise (Lundström and Zhou 2014). Although diverse definitions exist of this concept, the consensus definition by Hervieux, Gedajlovis and Turcotte (2010) is applied: the social enterprise is an organization that adopts a primary social mission and uses business means to support it and create autonomy of the enterprise. Accordingly, the social enterprise is viewed as a promising evolution of business back to meeting peoples’ needs, and a potential driver for sustainable development (Schaltegger and Wagner 2011) and economic transformation (Massetti 2008). However, following up on the major achievements of for-profit and non-profit social businesses (Kreutzer and Mauksch 2014), the notion that social enterprises can provide sustainable long-term solutions is in question. Applying the lens of the five social sustainability principles of the FSSD, the following two research questions have been addressed:

Research question 1: What are the specific contributions of social enterprises in creating a sustainable social system?

Research question 2: How do social enterprises create trustworthiness in order to enable trust in a social system?

Methodology

In order to collect data for this research, two different groups were identified: social entrepreneurs working in leadership positions of social enterprises/ individuals working within social enterprises and experts in the field of social enterprises. Eight social entrepreneurs/individuals from different social enterprises and three experts in the social enterprises field met the selection criteria for this study.

The researchers collected data with one-on-one interviews and reflective journaling. Two different sets of interview questions were used for the two different groups being interviewed. All the interviews were conducted by the research team using internet phone or conventional phone. All interviews were fully transcribed as a pre-step for the coding process.

The research team developed the reflective journaling specifically for the interviewed social entrepreneurs/individuals and not for the experts. The journals included open questions with the purpose of providing space for deeper reflection on the same topic as that in the interviews.

Throughout the coding process, the researchers used two different set of codes with the purpose of organizing specific information that was found relevant to each of the research questions.

With the objective of organizing the data related to the research question 1, five categories were used based on social sustainability principles of the FSSD. The categories were: 1) integrity, 2) competence, 3) influence, 4) impartiality and 5) meaning (Missimer 2013). As for
the codes under each category, six codes were developed based on the accounting scheme described by Bogdan and Biklen (2003), the codes were: a) activities, b) events, c) perspectives, d) process, e) strategies, and f) relationship and social structure.

To explore research question 2, the researchers used the three components of trustworthiness identified by Mayer Davis and Schoorman (1995) as the theory to develop the main categories for coding (ability/competence, integrity, and motivation of benevolence). The same set of codes developed for the research question 1 was used for research question 2. In both approaches, specific definitions for the categories and the codes were developed. The final product of the data analysis was information about social enterprises and their positive contributions to building a sustainable social system as well as how they contribute to building trust in society.

Results

The researchers analysed a total of 11 interviews. Eight of them were with social entrepreneurs/individuals working in social enterprises and three were with experts in the field of social enterprises. Six out of eight reflective journals were completed by the participants and included in the analysis.

The information found in all the categories was diverse and specific to the particular purpose of the social enterprise. Different entrepreneurs had very similar goals, but the way of reaching their goals were particular to the social enterprise. During the interviews social entrepreneurs implied that they are positively contributing to integrity, influence competence, impartiality and meaning in many ways and at different levels. Contributions are made at two levels: at the individual level and the societal level.

Integrity: The interviewees mentioned that social enterprises are contributing to integrity in a social system, but moreover they are safeguarding the integrity of their target groups. Interviewees mentioned that, in past experiences, these groups sometimes have been harmed in different ways. Social enterprises have policies and procedures in place whereby that the integrity of the target group is not undermined. Some social entrepreneurs recognized the importance of engaging with individuals that have caused harm to a community in the past through giving opportunities that increase their competence. They mentioned that by doing so, they are working towards increase community safety in the long term.

Influence: Social enterprises have many different strategies in place that assures that the target groups have the opportunity to change the system that is part of. Interviewees described different internal and external mechanisms that are making this more accessible to their target groups. Nevertheless, the dominant perspective was around the intention of influencing the bigger social system at large as a final goal. Interviewees mentioned that the impact made at the individual level of the target group could scale up and impact the community. The ultimate goal for many social enterprises is to influence policies and laws that disable individuals in the target group from succeeding.

Competence: This category was very well documented. All the social enterprises that participated in the present study offer a wide variety of opportunities for individuals to learn different skills or to get better at something. Some social entrepreneurs put special emphasis on building competence of the target group on some areas that are as common as the soft skills needed to succeed in society (e.g. handshake, eye contact, communication skills, etc.).
Interviewees also mentioned that the displays of competence will improve other important aspects like self-confidence, reliability, and sense of ownership. Sometimes competence can motivate people to work again and make a living in an honorable way.

**Impartiality:** Impartiality was frequently discussed in all the interviews. Impartiality is the main strategies to engage with the target groups. Social entrepreneurs are working towards treating their target group equally by providing them with equal opportunity. Some of these opportunities include getting better at something, finding inspiration for living and working, feeling safe and healthy and bring able to influence the systems that the group is part of. Social entrepreneurs mentioned that being open and welcoming to everyone and offering a reliable support when it’s needed is key to the success of the social mission of the social enterprise.

**Meaning:** The majority of the interviewees mentioned that, through their social enterprises, the people of their target group are able to find inspiration and motivation. This is possible because they are providing unique opportunities to learn skills, to feel respected and to have influence within society. Additionally, as individuals from the target groups engage at the community level and are given the opportunity to be productive members of the system, the societal perspective about the target group can change.

**Social enterprises and the three dimensions of trustworthiness**

**Ability/competence:** Interviewees discussed the significance of demonstrating their skills in a given domain to build trust in their organization, towards the target group, and within society. They do so by committing to operate in the community for the long-term, by helping to build competence in the target group so that they in turn may display their trustworthiness to others, and by delivering what they promise as a business.

**Integrity:** Social entrepreneurs gave enough evidence to show that the social enterprises in this study are developing integrity at different levels. Respondents mentioned that they are working within the organization to develop a culture that encourages participation, diversity, inclusion, and a high level of ethics. Also, this aspect seems to be closely linked to ability/competence because, the respondents often discussed that they work on being consistent with their mission. They align their actions with what they say their values are and regularly demonstrate this alignment to the target group and to society.

**Motivation of benevolence:** The respondents mentioned many ways in which social enterprises exhibit their motivation to do good for others. These included, but were not limited to, the support that social enterprises give to individuals during they’re time at the enterprise and well beyond the walls of the business, the trust that they give to the target group with no obvious return or ulterior motive, and the fact that social enterprises reinvest all of their profits back into the social mission. Social enterprises also provide the opportunity for individuals within the target group to realign and display their motivation of benevolence so that they are met with more trust in society.

**Discussion**

The contributions of social enterprises in creating a sustainable social system are complex and interrelated. That is why the researchers discuss the interplay of the contributions of social enterprises to decrease barriers to the five social sustainability principles between individuals and society at large. Rather than being ‘only’ a form of business that seems to create no or
considerably less barriers than primarily profit-driven organizations, social enterprises are found to actively lessen or remove barriers to social sustainability that have been created by other actors or the collective society. They create a space of support, protection, opportunity, community, social interaction, and trust that contains a particular culture. This culture bridges people and mindsets. Based on a strong foundation of impartiality, the social enterprises empower individuals with competence and influence, establish integrity and actively operationalize the opportunity to create meaning for people. However, particular flows, processes and outcomes depend on the context and mission of the respective social enterprise, as well as on the ethics, ideas, and entrepreneurial qualities of the social entrepreneur. Due to the interconnection of the individual and the social system as a whole, these contributions expand to the societal level. In most cases, the external effect of the social enterprise is increasing societal impartiality and integrity. This interplay of decreasing barriers to social inclusion on one side and creating empowering opportunities at the individual level on the other side can be seen as a hybrid approach with high system and low individual solutions. Furthermore, the potential of social enterprises to be a means for transformational systems change is discussed.

Regarding the second research question, a cycle of trustworthiness among the social enterprise, the respective target group as well as third parties has been identified. Social enterprises create trustworthiness initially by being transparent organizations that align their activities and social structures with their values, perspectives, and social mission. Secondly, they show motivation of benevolence by putting their social mission and people-orientation first and additionally reinvesting profits into social benefits. Third, they can demonstrate trustworthiness by being competent in what they do and thus, constantly delivering what they promise. Additionally, they create the opportunity for individuals to show trustworthiness and thus, to strengthen social ties among different actors. A critical concept in the overall process is the leap of faith that social enterprise leaders take towards their target group, i.e. a moral assumption of trustworthiness based on their impartial approach.

Conclusions

The social enterprise model and culture is able to provide sustainable solutions for breaking down barriers to all aspects of social sustainability. However, every enterprise is different and the outcome depends on the particular mission as well as the people working in and leading the enterprise.

Trust resulting from the cycle of trustworthiness has a two-fold bridging effect. First, it allows the social enterprise to provide solutions and ultimately makes their potential to lessen barriers to the five social sustainability aspects operational. Second, it enables trust relationships between formerly separated individuals and other actors and therefore has the potential to lessen the ground for social exclusion and violations of social sustainability principles.

Social enterprises use a hybrid approach to social challenges, providing solutions both at the system and individual level. As such, the solutions are assumed to create long-lasting change in the social system – an aspect that needs to be explored further. Because of this potential ability to reshape the social system, the need for a strategic approach to scale up their impact towards full sustainability according to all eight sustainability principles is highlighted.
Glossary

**Ability/Competence:** A dimension of trustworthiness that refers to “the group of skills, competencies, and characteristics that enable a party to have influence within some specific domain” (Mayer, Davis and Schoorman 1995, 717).

**Backcasting:** A method that enables strategic decisions to be made based on a desired future. The desired future is projected back to the current reality in order to identify the strategic steps needed to move towards that vision.

**Competence:** A social sustainability principle that refers to “safeguarding that every individual (and group) has the opportunity to be good at something and develop to become even better” (Missimer 2013, 32).

**Contributions to a sustainable social system:** all outcomes/effects of actions, perspectives, processes or attitudes that either lessen or break down barriers for people to integrity, influence, competence, impartiality and meaning.

**Disadvantaged group:** A demographic of people that experiences social disadvantages due to their situation or specific characteristics.

**FSSD:** The Framework for Strategic Sustainable Development is a scientifically based, conceptual model for planning in complex systems that provides an approach to strategically navigating towards sustainability.

**High Solutions:** Solutions to social challenges that decrease barriers towards sustainable social systems.

**Hybrid Approach:** An approach to address social challenges that includes both high and low solutions.

**Impartiality:** A social sustainability principle indicating that “people should treat each other equally, both between individuals, and between individuals and organizations such as in courts, authorities, etc. It is about acknowledging that all people have the same rights and are equal worth” (Missimer 2013, 32).

**Influence:** A social sustainability principle whereby people are “able to participate in shaping social system(s) one is part of and dependent on. At a minimum, this might mean being able to vote on leadership and issues and being able to make one’s voice heard” (Missimer 2013, 32).

**Integrity:** There are two uses of integrity in this text. With reference to the social sustainability principle, it means not doing direct harm at the individual level. Integrity in the context of the three dimensions of trustworthiness refers to the trustee adhering to a set of values that are acceptable to the trustor.

**Leap of Faith:** Trust based on a moral assumption that people are inherently trustworthy, although there is a degree of risk in this assertion. It is connected to the concept of impartiality as the leap of faith means to not assume untrustworthiness despite an existing stigma or prejudice in society.
Low Solutions: Solutions that provide opportunity at the individual level.

Meaning: A social sustainability principle that refers to “the reason for being an organization or system. How does it inspire its members, what does it aim to do and why?” (Missimer 2013, 33).

Motivation of Benevolence: A dimension of trustworthiness that refers to “the extent to which a trustee is believed to want to do good to the trustor” (Mayer, Davis and Schoorman 1995, 718) separate from “any profit motives, with synonyms including loyalty, openness, caring, or supportiveness” (Colquitt et al. 2007, 910).

Social Enterprise: An organization that adopts the dual logic of a social mission and of business means to sustain itself and its social initiatives.

Social Enterprise Experts: Individuals that have extensive experience in the social enterprise field or have extensive experience as social entrepreneurs working in a wide range of services.

Social Enterprise Practitioners: Individuals who have either founded a social enterprise or who currently work at a social enterprise.

Social Entrepreneur: The founder of a social enterprise.

Social Entrepreneurship: “an entrepreneurial process initiated by social entrepreneurs with social goals/missions in pursuit of social value creation; social entrepreneurship outcomes are social enterprises, including social businesses using commercial means and non-profit organizations.” (Lundström and Zhou 2010, 4)

Social Exclusion: The outcome of people being excluded from the normal exchanges, practices and rights of modern society.

Social Sustainability Principles: The five boundary conditions that define a sustainable social system from a global systems perspective. In a sustainable society there are no barriers to integrity, influence, competence, impartiality, and meaning (Missimer 2013).

Sustainable Social System: A complex, adaptive social system bound by the five social sustainability principles

Target Group: The demographic of people that benefit from a social enterprise’s social mission/initiative.

Marginalized Group: A demographic of people that experience social exclusion.
Table of Contents

Statement of Contribution ......................................................................................................................... ii
Acknowledgements ................................................................................................................................. iv
Executive Summary ................................................................................................................................. v
Glossary .................................................................................................................................................. x
List of Figures andTables ......................................................................................................................... xv

1 Introduction .......................................................................................................................................... 1
  1.1 Global Sustainability Challenge ................................................................................................. 1
    1.1.1 The Framework for Strategic Sustainable Development ................................................. 1
    1.1.2 The Social Dimension of the Sustainability Challenge ...................................................... 3
    1.1.3 A Closer Look at the Social Sustainability Principles ....................................................... 4
    1.1.4 Complex Adaptive Social Systems ..................................................................................... 5
    1.1.5 Social Networks, Social Capital, Trust and Trustworthiness ........................................... 6
    1.1.6 Business within Society ..................................................................................................... 8
    1.1.7 Social Entrepreneurship .................................................................................................... 10
  1.2 Goal and Research Questions ....................................................................................................... 12
  1.3 Scope of the Research ................................................................................................................... 13

2 Methodology ....................................................................................................................................... 14
  2.1 Research Design .......................................................................................................................... 14
  2.2 Sample Selection .......................................................................................................................... 14
    2.2.1 Social Entrepreneurs or Individuals Working in Social Enterprises ............................ 14
    2.2.2 Experts in Social Enterprises ............................................................................................. 15
  2.3 Data Collection ............................................................................................................................ 16
    2.3.1 Interviews .......................................................................................................................... 16
    2.3.2 Journals ............................................................................................................................. 17
    2.3.3 Transcription and Coding .................................................................................................. 17
2.4 Data Analysis .......................................................................................................... 19
2.5 Validity .................................................................................................................... 20

3 Results.............................................................................................................................. 22

3.1 Social Enterprises Contributions in Creating a Sustainable Social System .......... 22
  3.1.1 Integrity ...................................................................................................... 22
  3.1.2 Influence ..................................................................................................... 24
  3.1.3 Competence ................................................................................................. 27
  3.1.4 Impartiality ...................................................................................................... 29
  3.1.5 Meaning ...................................................................................................... 32

3.2 Social enterprises and the Dimensions of Trustworthiness ..................................... 36
  3.2.1 Ability/Competence ................................................................................... 37
  3.2.2 Integrity ...................................................................................................... 38
  3.2.3 Motivation of Benevolence ........................................................................ 39

3.3 Interview Summaries .............................................................................................. 41

4 Discussion ........................................................................................................................ 42

4.1 A Space of Complex Contributions to Social Sustainability ......................... 42
4.2 The Foundation of Impartiality ........................................................................ 44
4.3 The Creation of Meaning inside the Social Enterprise ......................................... 45
4.4 Internal Perspective: Flows, Processes, and Specific Contributions ............ 45
4.5 Contributions to a More Sustainable Social System ........................................... 47
4.6 High and Low Solutions: Hybrid Approaches to Social Challenges ............ 48
4.7 Social Enterprises for Transformational Change ........................................ 50
4.8 A Theoretic Outlook: The Future of Social Enterprises .................................. 51
4.9 Trustworthiness and the Leap of Faith ............................................................... 52
4.10 Trust at the Social System Level ........................................................................ 54

5 Limitations ...................................................................................................................... 56
Appendices

Appendix A: Interviewees in Social Enterprises and Experts in the Field of Social Enterprise

Appendix B: Interview Questions for Social Entrepreneurs and Experts

Appendix C: Journaling Questions Provided to the Social Entrepreneurs

Appendix D: Categories and Codes Used in the Data Analysis for the RQ1

Appendix E: Categories and Codes Used in the Data Analysis for the RQ2

Appendix F: Social Entrepreneurs and Social Enterprises Experts Interview Overviews

Appendix G: Internal perspective: Flows, Processes, and Specific Contributions
List of Figures and Tables

Figure 1.1. The funnel metaphor adapted from Robèrt (2010). ................................................. 1
Figure 1.2. a) Society embedded in the biosphere according to the nested approach to sustainability and b) verses intersecting approach ............................................. 3
Figure 1.3. Social ties between actors in a social system. ................................................................. 6
Figure 1.4. The link between business, barriers to basic needs, and social exclusion. ......... 10
Figure 2.1. Interactive model for research design. ........................................................................... 14
Figure 4.1. The social enterprise as a container for social sustainability: flows and interconnections between the five aspects of social sustainability as identified in the data. ........................................................................................................... 44
Figure 4.2. The social enterprise as a container for social sustainability – further research: flows and interconnections between competence, influence, integrity, and meaning as an iterative process; can the social enterprise increase meaning, competence, and influence on the societal level? ............................................. 48
Figure 4.3. A hybrid approach to addressing social challenges. ..................................................... 50
Figure 4.4. Cycle of trustworthiness between social enterprises, target groups and 3rd parties. ................................................................................................................................. 53
Figure 4.5. Strengthened ties in the social system through the social enterprise. ............... 55

Table 2.1. The set of the categories and codes based on the social sustainability principles of the FSSD. .......................................................................................................................... 18
Table 2.2. Set of the categories and codes based on the three dimensions of trustworthiness. ................................................................................................................................. 19
1 Introduction

1.1 Global Sustainability Challenge

As the global human population grows in numbers and technology advances, the influence of human society on the biosphere continues to increase. The degradation of the ecological system has largely resulted from human activities such as natural resource consumption and waste generation, depleting ecosystem services faster than they may be restored (Wackernagel and Rees 1995). It has been proven that such anthropogenic activities are main contributors to increasing levels of carbon dioxide in the atmosphere (IPPC 2014). The exploitation of ecosystem services is also closely linked to a weakening social system causing increasing problems of disease, malnutrition and inequality (Robèrt et al. 2010). These negative consequences are the emerging effects of how we live, behave and conduct business on the planet. With the population predicted to reach 9.3 billion by 2050, these challenges will likely worsen in the next few years (United Nations 2011).

1.1.1 The Framework for Strategic Sustainable Development

The funnel diagram is a metaphor for the current sustainability challenge (Figure 1.1). The closing walls represent the systematic degradation of the socio-ecological system and the shrinking space between the walls depicts the decreasing ability of the earth’s system to support human civilization. The systematic degradation of the natural environment and social systems is a major threat to the system as a whole. It requires urgent and effective action in order for society to navigate towards health and sustainability (Rockström et al. 2009). This creates both a challenge and an opportunity for human civilization. It is now time to identify new ways of organizing and operating as a society and to empower new sustainable structures through sustainable development. In order to address these critical challenges, humans need to radically change the ways in which they operate, think, and act (Yunus 2006 in Nicholls 2006).

*Figure 1.1. The funnel metaphor adapted from Robèrt (2010).*
How can society strategically create new ways of organizing and create radical change that suits current needs and without undermining people’s ability to meet their needs in the future? And how can it be certain that these solutions are truly sustainable? Sustainable, long-term solutions require a “holistic approach to solving complex problems by considering every issue as part of a web of interconnected and interacting systems rather than as independent issues with unrelated consequences” (Dzombak et al. 2013, 438).

Together, these requirements demand a tactic for strategic planning towards sustainability. An approach that attends to this demand is the Framework for Strategic Sustainable Development (FSSD). It is a scientifically based, conceptual model for planning in complex systems and it provides an approach to strategically navigate through such systems.

Backcasting, a “methodology for planning under uncertain circumstances”, is a useful practice within the framework (Holmberg and Robèrt 2000, 293). In contrast to forecasting (extrapolating the present circumstances into the future), backcasting encourages decisions to be made based on a desired future (Nattras and Altomare 1999). With specific reference to the FSSD, the desired future is a sustainable society, one that is defined by three ecological sustainability principles and five social sustainability principles. In combination, these principles are a “description of the requirements that have to be met when society has successfully become sustainable” (Holmberg and Robèrt 2000, 293). Alternatively, a society cannot be considered sustainable if any of the eight principles are violated. Based on the logic that human activities create unsustainability and that these activities cannot occur in a sustainable society, the sustainability principles are boundary conditions that are sufficient, necessary, general, concrete, and non-overlapping (Robèrt et al. 2010).

The three ecological sustainability principles are as follows:

In a sustainable society nature is not subject to systematically increasing…

1. …concentrations of substances extracted from the Earth’s crust;
2. …concentrations of substances produced by society;
3. …degradation by physical means (Holmberg and Robèrt 2000).

The five social sustainability principles are as follows:

In a sustainable society, people are not subject to systematic barriers to…

4. … integrity;
5. … influence;
6. … competence;
7. … impartiality;
8. … meaning (Missimer 2013).
By taking a systems and individual approach and by backcasting from a vision bound by the three ecological sustainability principles and the five social sustainability principles, society, including all organizations and individuals, can be part of creating solutions that lead to a smooth transition towards the opening of the funnel and therefore towards a sustainable society. This study focuses specifically on the five social sustainability principles and the various contributions that can be made to bring society towards a sustainable social system.

1.1.2 The Social Dimension of the Sustainability Challenge

As expressed by Robèrt et al. (2010), the question is not whether social or ecological sustainability comes first; both challenges need to be addressed simultaneously. Nevertheless, without access to environmental resources and ecosystem services, life cannot be sustained and human society cannot exist (Hawken, Lovins and Lovins 1999; Lubchenco 1998). This supposes a nested approach to sustainability where society is embedded and therefore dependent on the biosphere and contrasts the premise that the environment, economy, and society are the three slightly overlapping domains (Figure 1.2).

The scientific evidence indicating that human activities are worsening natural changes in the climate is profound (Tompkins and Adger 2004). Recently, the Intergovernmental Panel on Climate Change (IPCC) published the Fifth Assessment Report (AR5) with scientific consensus indicating that anthropogenic activities have “substantially enhanced the greenhouse effect,” (IPCC 2014, 661) and that there will be future impacts of climate change on “material aspect of human security through deprivation of immediate basics needs and erosion of livelihood assets and human capabilities” (IPCC 2014, 6). As society is inextricably linked to the biosphere, climate changes, which are exacerbated by human activities, feedback and affect human societies.

Tompkins and Adger (2004, 1) write that while climate change will provide opportunities to some, it will “increase vulnerability to others, especially those who are already marginalized”. A broad range of social factors including “poverty, the degree of support (or conversely discrimination) communities receive from the state, their access to economic opportunities, the effectiveness of decision making processes, and the extent of social cohesion within and

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Figure 1.2. a) Society embedded in the biosphere according to the nested approach to sustainability (Doppelt 2010; Senge 2010) and b) verses intersecting approach (Bañon et al. 2011, 177).
surrounding vulnerable groups” (Barnett and Adger 2007, 641) will all contribute to social insecurity due to the changing environment and the processes that exacerbate such change. These large scale, human processes are those such as current water consumption patterns, atmospheric pollution, and unsustainable logging and mining practices lessen individual security and access to natural resources and services (Barnett and Adger 2007). The overconsumption of limited natural resources impedes both social and ecological sustainability and the unequal nature of consumption and distribution is a “source of global conflict” (Huang and Rust 2011, 47).

The authors acknowledge that an unsustainable social system is both a root cause and a result of ecological unsustainability. However, this thesis scopes down to the social dimension of sustainability in an attempt to put the new social sustainability principles into practice and due to time constraints. This does not imply that unsustainability is a linear challenge that can be exclusively addressed by examining the social dimension of this global challenge.

1.1.3 A Closer Look at the Social Sustainability Principles

The ecological principles were developed from a global socio-ecological perspective. They are based on fundamental, physical properties of the biosphere. Until recently, there existed only one social sustainability principle. However, Missimer (2013) expanded the social dimension of the FSSD and developed five principles for a sustainable social system. Acknowledging that sustainability of the ecological system (and therefore compliance with the three ecological principles) is necessary for a sustainable society, this study focuses on the boundary conditions of a sustainable social system.

A sustainable social system is bound by the five social sustainability principles and is embedded into the larger system, the biosphere. Rather than exclusively taking on a holistic approach to examine the global-ecological system (as the ecological principles facilitate), it is important to look into both the individual and the whole system to fully understand that which creates the social system (Missimer 2013). This study focuses on the five social sustainability principles. As such, they are described below in more detail:

**Integrity** refers to “not doing direct harm at the individual level, physically, mentally, or emotionally. In an organizational context it might refer to working conditions” (Missimer 2013, 31).

**Influence** means “being able to participate in shaping social system(s) one is part of and dependent on. At a minimum, this might mean being able to vote on leadership and issues and being able to make one’s voice heard” (Missimer 2013, 32).

**Competence** refers to “safeguarding that every individual (and group) has the opportunity to be good at something and develop to become even better. It includes the securing of sufficient resources for education and other sources for continuous personal and professional development. This also includes the ability to learn in order to remain adaptable and therefore resilient. Further it includes organizations being good at what they aim to deliver” (Missimer 2013, 32).
Impartiality means “people should treat each other equally, both between individuals, and between individuals and organizations such as in courts, authorities, etc. It is about acknowledging that all people have the same rights and are equal worth” (Missimer 2013, 32).

Meaning refers to “the reason for being an organization or system. How does it inspire its members, what does it aim to do and why?” (Missimer 2013, 33).

The fundamental properties of social systems should be understood prior to exploring solutions and applying these principles to challenges within such systems.

### 1.1.4 Complex Adaptive Social Systems

Social systems contain various actors and emerge through the connections and interactions between individuals, between people and institutions, and among institutions (Missimer 2013). Key institutions include state institutions, market institutions, and civil society institutions.

**Complex Adaptive Systems**

Similar and not distinct from ecosystems, social systems reflect properties of complex adaptive systems (Folke et al. 2005). As an approach to describe the meaning of complex adaptive systems and its relation to social systems, the concept is broken down into its two constituents: complexity and adaptive capacity.

Complexity refers to the non-linear dimension of systems where a cause does not necessarily lead to an associated and proportionate effect (Byrne 1998). It differs from complicated in the level of independence from one element to another in a system. Whereas complicated systems display a degree of independence between the parts of the system, there is a large degree of dependence between elements in a complex system (Miller and Page 2009). When an element in a complex system is removed, “the system behavior is destroyed to an extent well beyond what is embodied by the particular element that is removed” (Miller and Page 2009, 9). The authors offer a clear explanation as to how social systems are innately complex:

> “Social agents, whether they are bees or people or robots, find themselves meshed in a web of connections with one another and, through a variety of adaptive responses, they must successfully navigate through their world. Social agents interact with one another via connections. These connections can be relatively simple and stable, such as those that bind together a family, or complicated and ever changing, such as those that link traders in a marketplace” (Miller and Page 2009, 9).

The level of complexity within a social system is related to the diversity of agents within that system (Missimer 2013). These actors make up institutions, have various sets of behaviours, influence social structures, and interact with other actors. As the diversity these free-willed agents increases, the complexity of the system is amplified (Missimer 2013).

Adaptive capacity refers to the ability of a system to “reconfigure itself when subject to change without significant declines in crucial functions” (Folk et al. 2005, 452). Missimer (2013) highlights the four essential aspects of adaptive capacity as discussed in the literature. These
aspects are diversity, learning, self-organization, and social capital/networks/trust. While each dimension is important in the “long-term survival of socio-ecological systems” (Missimer 2013, 24), social networks, social capital, and trust are the most relevant to this study. This is especially true since the research at hand focuses on the sustainable social system rather than the socio-ecological system as a whole.

1.1.5 Social Networks, Social Capital, Trust and Trustworthiness

Social Networks
Network theory proposes to “explain individual behavior by structural features of the network an individual is embedded in” (Keim 2011, 143). The aspects of social networks that are present in this study are social capital, with a focus on its role in strengthening social networks, and trust, with a focus on its role in heightening social capital.

Social Capital
Carpiano (2006) summarizes one of the most well-known theories of social capital proposed by Pierre Bourdieu, a French philosopher as stressing “the value of collective resources of groups that can be drawn upon by individual group members for procuring benefits and services in the absence of, or in conjunction with, their own economic capital” (Carpiano 2006, 166). The French philosopher related the total sum of social ties within social networks, both strong and weak, to social capital. The ties between various actors in the social system are depicted by grey lines in Figure 1.3 social ties. In accordance with Bourdieu, Rothstein (2005) includes the number of social ties in the definition of social capital, but explains that interpersonal/social trust within a social network should be weighed more heavily. He describes interpersonal/social trust as the more fundamental ingredient to social capital. The amount of trust that is established between the constituents of the bond increases the quality of relational ties within a social system, leading to greater social capital. In one respect, the level of trust is valuable within a social network because, it “allows the system to remain together despite the level of internal complexity” (Missimer 2013, 26). Societies that have high social capital are high in social trust. They are associated with “stable democracy, little corruption, and a low degree of economic inequality” (Rothstein 2005, 107). Alternatively, where there are social groups that degrade trust or even propagate mistrust (such as criminal organizations) within a social network, social capital is considered to be in low supply (Rothstein 2005). This is true regardless of the number of social ties that exist.

![Image](image.png)

*Figure 1.3. Social ties between actors in a social system.*
Trust

As above and as Robèrt et al. (2010, 107) describe, trust interpersonally and among individuals and institutions is “a common fundamental denominator” between the various definitions of social capital. Many definitions of trust exist. In an effort to define this otherwise abstract concept, the facets of trust according to various pieces of literature are explained. The following three forms of trust exist regardless of whether trust is between people or amid people and institutions:

1. **goodwill trust** which refers to “a willingness to do more than is formally expected” (Curtis, Herbst, and Gumkovska 2010, 194) and, according to Sako (1992), the behavior that one partner places the interest of another partner ahead of his/her own (Curtis, Herbst, and Gumkovska 2010),

2. **competency trust**, which refers to the “skills, competencies, and characteristics that enable a party to have influence within some specific domain” (Mayer, Davis and Schoorman 1995, 717), and

3. **contractual trust**, which refers to delivering that which is expected or indicated in a written or oral contract (Sako 1992).

She explains that “trust is a state of mind, an expectation held by one trading partner about another, that the other behaves or responds in a predictable and mutually acceptable manner” (Sako 1992, 37). The notion that trust is based on expectations leads to the question of how these expectations are created. Uslaner (2002) explains that these expectations are not borne out of specific information about or experience with people but rather from “a fundamental ethical assumption that other people share your fundamental values” (Uslaner 2002, 33). He refers to this as a moral compass of social trust. Alternatively, Rothstein (2005) expresses his disbelief in that expectations about trust are built solely on moral orientation. As he explains it, “there is a risk that such a definition becomes too detached from things such as learning and experience. It seems strange to argue that people would think that most other people can be trusted independently of their experiences about their trustworthiness” (Rothstein 2005, 56-57).

This leads to the discussion of what causes trust to exist and to be maintained. Although Hardin (2002) argues that trust is strictly a rational choice and that morality plays no role in creating it, Uslaner’s (2002) perspective that people are predisposed to trust or mistrust others based on their moral compass is a sound explanation as to what creates trust in the first place. Rothstein’s (2005) argument that trust can be altered based on experiencing others’ trustworthiness provides a perspective that is of particular interest to this study.

Trustworthiness

Throughout the literature trustworthiness has been conceptualized as having a variety of dimensions. Mayer, Davis and Schoorman (1995) were among the first to separate trustworthiness into three dimensions: ability/competence, motivation of benevolence, and integrity. This approach has since been adopted by many academics as a means to explore trustworthiness as “a multifaceted construct that captures the competence and character of the trustee” (Colquitt et al. 2007, 909).
1. Abilities/competence is one of the most prevalent dimensions of trustworthiness (Colquitt et al. 2007). It refers to “the group of skills, competencies, and characteristics that enable a party to have influence within some specific domain” (Mayer, Davis and Schoorman 1995, 717).

2. Benevolence is “the extent to which a trustee is believed to want to do good to the trustor” (Mayer, Davis and Schoorman 1995, 718) separate from “any profit motives, with synonyms including loyalty, openness, caring, or supportiveness” (Colquitt et al. 2007, 910).

3. Integrity refers to “the trustor’s perception that the trustee adheres to a set of principles that the trustor finds acceptable” (Mayer, Davis and Schoorman 1995, 719).

The expression of these three dimensions of trustworthiness is necessary to draw out Sako’s (1992) three forms of trust (competency, goodwill, and contractual). They are, in essence, pre-trust conditions. For example, in order for an individual to give competency trust to a public institution, the institution must show that it is competent within a specific domain. The same applies to goodwill trust, where an institution or individual must express their trustworthiness by proving why they are benevolent. The link between contractual trust and integrity is less clear, but can be seen in Albrecht’s (2002) work, where integrity is described as “care and concern for employee well-being, truth telling, consistency, fairness and a willingness to share information openly” (Albrecht 2002, 322), all of which can be verbally and contractually agreed upon.

It is important to note that trust is not necessarily created when the three dimensions of trustworthiness are expressed. Rather, the demonstration of trustworthiness helps “build the foundation for the development of trust” (Mayer, Davis and Schoorman 1995, 717).

Social systems fall apart when groups that undermine trust or cultivate cultures of distrust dominate society (Rothstein 2005). For instance, when the public becomes aware of the corrupt disposition of global and diverse organizations, the trustworthiness of the organizational systems on which society relies is brought into question (Kramer and Cook 2004). In some instances, “these events have generated deep ambivalence and even pervasive distrust, which challenges the fundamental legitimacy of professional and managerial authority” (Kramer and Cook 2004, 2). The next section elaborates on how businesses, while optimizing self-interest, contribute to cultures of mistrust in society.

1.1.6 Business within Society

The exchange of risk and reward in the search of gain is deeply rooted in human history (Howard 2001). Phoenicians were among the first seagoing merchants and by 1500 BC the

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1 It is important to note that there are two different uses of the term *integrity* in this work. Integrity related to the social sustainability principles refers to not doing direct harm at the individual level and integrity as a dimension of trustworthiness refers to the trustee adhering to a set of values.
Chinese had sophisticated markets for luxury goods. However, over time business evolved from a means to procure and provide what was needed to a system of social and economic organization (Howard 2001). With the fall of monarchies and theocracies, the moral prohibition of excessive gain disappeared (Howard 2001). In concert with political revolutions, the uprising of democratic governments and later the Industrial Revolution, markets, capital mechanisms, and mass production were established (Howard 2001). Today, businesses launch new consumer goods with increasing speed that hold the potential to improve quality of life considerably (Debold 2005), giving people a degree of freedom, opportunity, and capacity “to be, to do, to go, to know” more than ever before in the history of human civilization (Howard 2001, 6). As such, business has transformed the modern world.

When considering the role of business in society, Gavai (2010) explains that business is an economic function that has economic parameters and objectives. The author explains that unlike charity and other social activities that aim to help others (e.g. alleviate poverty), business is embedded in the economic system and is therefore mainly concerned with economic function. Although businesses increasingly adopt socially responsible initiatives, such actions are not the goal of business. Profit maximization is the main driver. Gavai (2010, 62) writes, “Profit, is treated as a visible criterion of business success. Higher the profit a firm earns, it is presumed that better is the business performance of the firm.” Too often, where such an excessive emphasis on profit exists, improvements are for the good of few, and the associated damage to the planet and a vast number of its people systematically increases (Debold 2005). This interpretation of wealth is a “systemic condition inherent in contemporary markets” (Alexander 2007, 155) that renders it difficult for business to not create systematic barriers to a sustainable social system. It creates the present day challenge for businesses that operate within such markets because business managers are compelled not to “pursue what they believe to be more morally preferable initiatives when those initiatives will require actions that conflict with profit maximization” (Alexander 2007, 155). Wealth creation in this way contributes to two conditions: the systematic undermining of people’s ability to meet their basic needs, and the deterioration of trust in society.

When business is driven solely by profit maximization, everything that advances it towards profit is treated as acceptable and even desirable (Gavai 2010). This is seen around the world as people’s ability to meet their needs is systematically undermined in the name of business success. A recent example is the garment factory called Rana Plaza that collapsed in Bangladesh one year ago. Prior to the collapse, the building had been declared unsafe. However, morality and profit conflicted. As factory managers had quotas to meet, they continued, business as usual until the building crumbled, killing over 1000 garment factory workers (Burke 2014). People’s ability to have protection is but one of the basic needs that is undermined on a regular basis throughout the world due to misplaced corporate values and decisions (Lange and Washburn 2012). When there are systematic barriers towards people meeting their basic needs, the foundation for social exclusion is laid. Social exclusion occurs when there are barriers affecting individual and group participation in political, social, and cultural aspects of society (Mares 2000). The link between people’s inability to meet their needs and social exclusion can be seen in Figure. 1.4. The European Commission has put forth a comprehensive and clear definition of social exclusion:

“Social exclusion refers to the multiple and changing factors resulting in people being excluded from the normal exchanges, practices and rights of modern
society. Poverty is one of the most obvious factors, but social exclusion also refers to inadequate rights in housing, education, health and access to services. It affects individuals and groups, particularly in urban and rural areas, who are in some way subject to discrimination or segregation; and it emphasizes the weaknesses in the social infrastructure and the risk of allowing a two-tier society to become established by default.”

(Commission of the European Communities 1993, 1)

In terms of deteriorating trust in society, take the current state of affairs in the US for example. Since 2000, the country has been in the ‘midst’ of what the U.S. General Accounting Office has labelled, a “wave of corporate scandals” (Cullen, Benson and Unnever 2008, 164). This refers to the unlawful conduct and violations of trust involving corporations and individuals. Scholars have widely agreed on root causes of corporate wrongdoings (Young 1986). Among the potential causes is an “insatiable drive for private accumulation [that] drives otherwise decent people to violate the trust of the office or job they hold or professional service they offer” (Young 1986 in Cullen, Benson and Unnever 2008, 168). Exploitation and other unfair business practices may then “displace concepts and norms of fair dealing” when a business is driven merely by financial gain (Gavai 2010, 62). These unethical, corrupt practices undermine public trust and lower social capital. This is not to say that the challenge of low social trust and social capital is solely linked to business practices within a social network. Business does, however, play a role in cultivating cultures of mistrust.

1.1.7 Social Entrepreneurship

Since neither capitalism nor socialism in its pure form has been proven as successful so far in contributing to a sustainable society, possible solutions to social unsustainability is in question. As the Lundström and Zhou (2014) identify, due to its combination of social goals with commercial means, the phenomenon of social entrepreneurship is “increasingly considered a viable approach to creating new ideas for the evolution of existing social systems” (Lundström and Zhou 2014, 6). Grove and Berg (2014) describe that, for social businesses, applying business structure is essential so that they may adequately cover their costs and be financially independent and sustainable. In alignment with Hervieux, Gedajlovis and Turcotte (2010), Lundström and Zhou (2010, 4) define social entrepreneurship as “an entrepreneurial process

Figure 1.4. The link between business, barriers to basic needs, and social exclusion.

Business contribute to creating systematic barriers towards people’s ability to meet their basic needs. Poverty and inadequate rights to education, health, housing and other services are factors that result in social exclusion. People are excluded from societal practices and norms and face stigmas and discrimination.
initiated by social entrepreneurs with social goals/missions in pursuit of social value creation; social entrepreneurship outcomes are social enterprises, including social businesses using commercial means and non-profit organizations.”

Grove and Berg (2014) and Lundström et al. (2014) present recent and detailed reviews of the concepts of social entrepreneurship, enterprise, and business. There are many different definitions for social entrepreneurship and it is still often called an “ill-defined concept” (Weerawardena and Mort 2006, 21). However, in their study about the legitimization of social enterprises, Hervieux, Gedajlovis and Turcotte (2010) identify a consensus in research: a social enterprise is an organization that adopts a social mission and uses commercial/business means to sustain itself. This embraces two different logics, on one hand the civic logic, the logic of the collective good and on the other hand, the market logic, the logic of competition and individualism (Boltanski and Thévenot 1991 in Hervieux, Gedajlovis and Turcotte 2010). According to Hervieux, Gedajlovis and Turcotte (2010), these two opposing logics can create issues of legitimacy for social entrepreneurs due to tension between motives of social versus economical wealth creation, which can be seen as a ‘shift in domain’. However, the priority of the social entrepreneur is the social mission (civic logic). Meanwhile, social entrepreneurs follow market logic as the means to operate (Hervieux, Gedajlovis and Turcotte 2007). Therefore, legitimization is given due to the entrepreneurs’ perspective: market and business means are not exclusively aimed at making profits per se, but to generate financial means to support the social mission and to create autonomy for the enterprise (Hervieux, Gedajlovis and Turcotte 2010). In their research about a consensus definition of the social enterprise concept, Hervieux, Gedajlovis and Turcotte (2010) blend the findings into a conceptual model of social entrepreneurship. Their model summarizes the main concepts found in social enterprise definitions. Among these, the topics of social mission, empowerment of individuals, and initiation of social change stand out. The logic of social mission and financial means that go back into the social objective will be applied as defining characteristics of social enterprises is this study.

Social enterprises are a promising evolution of businesses that are returning back to serving the needs of people. From this perspective, businesses might also be considered drivers of sustainable development, providing organizational and technical improvements to society (Schaltegger and Wagner 2011). Businesses are full of creative human potential, have great influence on society, and have power, influence and the necessary resources. As Senge (1990, 485) quotes Edward Simons: “Business is the only institution that has a chance, as far as I can see, to fundamentally improve the injustice that exists in the world”. Organizations that are driven by social missions, but also make profits, fall into Massetti’s (2008) ‘tipping point quadrant’ indicating that these organizations hold the most promise for fostering economic transformation.

It is not about advocating for the one and only universal solution, or about praising social enterprises as the new heroes that are morally superior to commercial, greedy businesses, or heroes that free the world from persistent poverty (Mueller et al. 2011). It is about looking from a systems perspective into one potentially beneficial puzzle piece of the path towards a more sustainable society and a possible tool for the transformation of the economic system (Mueller et al. 2011).
Kreutzer and Mauksch (2013) identify the four most important achievements of the concept of social business:

1. the fostering of positive social change by acting as a catalyst of social transformation and tackling structural problems of society;

2. the empowerment of marginalized groups by being participatory in nature;

3. offering more effective solutions than traditional third sector or governmental approaches due to the use of efficiency and markets to improve social performance;

4. rethinking business in general, including the widespread belief that following a social mission does not pay off financially.

The above achievements are indeed commendable, but a weighty question remains: do social enterprises really provide sustainable long-term solutions? (Kreutzer and Mauksch 2013). This question is first addressed by using a clear definition for the concept of sustainability with the five social sustainability principles as boundary conditions to a sustainable social system. The second aspect of the question requires a shared understanding of what is meant by a long-term solution. Both of the above can be drawn from the FSSD.

1.2 Goal and Research Questions

The goal of this research is three-fold. The researchers would like to experience using the five, newly developed social sustainability principles in practice. A second facet of this research is to explore the ways in which social enterprises around the world are addressing the social dimension of the sustainability challenge and contributing to sustainable social systems. It will be interesting to note whether, through inquiring about the five social sustainability principles, the contributions of social enterprises towards a sustainable social system may be drawn out. Finally, the researchers intend to examine the role of trustworthiness in social enterprises and gain a deeper understanding of how this may facilitate trustworthiness at both the individual and institutional level and ultimately encourage trust.

Neither building trust in society nor adhering to the social sustainability principles can be said to occur first. Rather, both occur simultaneously and both are necessary for a sustainable social system. Trust is said to bind society together and enable collective action in a complex social system. In that same system, the social sustainability principles form the boundary conditions whereby people’s ability to meet their needs is not undermined. As such, although the following two research questions are closely linked, neither helps to answer the next. It is important to note that the researchers value both questions equally and have therefore labelled them as research question one (RQ1) and research question two (RQ2).

Research question one:

*What are the specific contributions of social enterprises in creating a sustainable social system?*
Research question two:

*How do social enterprises create trustworthiness in order to enable trust in a social system?*

### 1.3 Scope of the Research

As expressed in the introduction and shown by the research questions, the researchers examine the social dimension of a sustainable society as delimited by the social sustainability principles. The social enterprises included in this study are those that operate with a social mission as their main objective, with profits being reinvested into the expansion of that mandate. The interviewees included in this study were limited to those working in leadership positions within social enterprises and experts in the field of social entrepreneurship. In order to gain a broad sense of their contributions to a sustainable social system independent of geographical context, they were from six geographical contexts, including Canada, Macedonia, India, South Africa, United Kingdom, Wales, and Sweden. From this sample, three social enterprises operate in Canada.
2 Methodology

2.1 Research Design

The structure of this qualitative research was based on the research design proposed by Maxwell (2005). This interactive model of research includes five components: goals, conceptual framework, research questions, methods, and validity (Figure 2.1). It is an iterative approach that allows for simultaneous development and evolution of the five components. Every step taken during the research brought clarity and further questions that consequently affected the whole research design, but the interactive model allowed the researchers to modify accordingly during the process.

![Interactive model for research design](image)

*Figure 2.1. Interactive model for research design (Maxwell 2005).*

2.2 Sample Selection

For the purpose of the data collection of this research two different sample categories were identified. The first group was social entrepreneurs or individuals working in leadership positions at social enterprises. The second group was experts with knowledge regarding social enterprises and a deep understanding of their structure and operations. These two sample groups contributed with insights to this research at two different levels. The social entrepreneurs shared their stories and perspectives from their experiences at their current work places, while the experts offered insights from past and present experiences with the big picture of the “social enterprise arena” in mind.

2.2.1 Social Entrepreneurs or Individuals Working in Social Enterprises

To identify the individuals relevant for this research, the social enterprises as organizations were identified first by the following criteria:

- The organizations operate with the definition by Hartigan (2006, 45), that expresses that “while profits are generated, the main aim is not to maximize the financial returns for shareholders but to grow the social venture and reach more people in need effectively.”
Additionally, the social entrepreneurs or individuals were:

- accessible to the research team in terms of communication;
- willing to participate in the research and share information about their operations and procedures;
- available to participate with enough time for the interviews, journals and potential e-mail communication.

2.2.2 Experts in Social Enterprises

The experts in social enterprise were selected with the following criteria in mind:

The experts have:

- international experience in the social enterprise field;
- extensive experience as social entrepreneurs working in a wide range of services (e.g. integrated community services, youth engagement, health services, parenting support etc.);
- extensive experience at different levels within the social enterprise structure (e.g. CEO, founder, co-founder etc.);
- or have one or more nominations for awards or prizes related to the social enterprise sector.

Additionally they were:

- available to participate with enough time for the interview;
- willing to participate in the research;
- accessible to the research team.

The research team did an extensive search for candidates using their personal networks, academic network such as previous students at BTH, their thesis advisor’s network, social media networks (Facebook and LinkedIn), and digital meta-search engines (Google).

With respect to the internet search, keywords such as social entrepreneurs, experts, awards, social enterprises, sustainability, companies, best social enterprises, etc. were used. The researchers followed leads to contact potential candidates in articles, published interviews, and online blogs or websites. In total, the research team sent over 70 emails to different social entrepreneurs and experts in the field.

Once the first contact was established with the social entrepreneurs and the experts in social enterprise and an agreement about collaboration had been made, the researchers sent participants detailed information about the thesis and the next steps of the process.
2.3 Data Collection

A total of eight social entrepreneurs from different social enterprises in a variety of sectors and three experts in social enterprise met the selection criteria. Details regarding these organizations and experts are in Appendix A.

The researchers conducted one-on-one interviews with each participant via Skype and sent out reflective journaling in an electronic format. Each method is explained in detail in the next section.

2.3.1 Interviews

In order to get specific information from the two sample groups, two different sets of questions were developed: a set of interview questions for the experts and a different set of interview questions for social entrepreneurs/individuals (Appendix B). The set of questions for the social entrepreneurs/individuals was developed with the goal of getting specific information related to the contributions of the social enterprises within which they were working, towards a sustainable social system. The set of questions for the group of experts was designed to enable the researchers to gain the broader perspective of the social enterprises (as a structure) and their contributions to a sustainable social system. In both sets of interview questions there was a mix of questions that helped gain specific data related to the each of the research questions.

The interview questions for both sample groups were built with a semi-structured frame and the list of questions was sent to the interviewees prior the call. Interviews were between 45 minutes and 1 hour 20 min.

The research team conducted interviews using an internet phone (Skype) or conventional phone since face-to-face meetings were not possible. All the members of the research team were present during the interviews and tasks were divided to maximize efficiency. The different roles taken during the interviews were lead interviewer, note taker, and active listener.

1. The lead interviewer was focused on guiding the interview in order to get answers to the set of interview question, clearly communicating follow-up questions on behalf of the research team, and building rapport with the interviewee.

2. The note taker was organizing information presented by the interviewee and capturing relevant ideas and answers to the questions of the interview.

3. The active listener was focused on listening to the conversation attentively, formulating follow-up questions, highlighting relevant comments to the research, and checking recording devices.

With the interviewees’ consent, all the conversations were recorded with at least two independent devices in case one failed. A digital cell phone application (Smart Voice Recorder) and computer software (Garage Band for Mac) were used to digitally record the interviews for later transcription and to allow for complete a detailed analysis of the responses.
The research group chose this method of data collection because it provided access to the sample group of interest in a very dynamic and interactive way. It was also helpful to build rapport between the interviewers and the interviewee making the interaction more personal which ultimately led to access to a deeper level of information.

2.3.2 Journals

The journaling process was developed specifically for the sample of social entrepreneurs/individuals and not for the experts due to the time commitment that it required. As part of the closure process of the interviews, the social entrepreneurs/individuals were provided with more details about this next step of the data collection and the journal was sent shortly after the call. A total of eight journals in digital format were sent out to the social entrepreneurs/individuals and six were answered and returned for analysis.

The researcher team designed the journal format to include open questions. These questions encouraged deeper reflections and thoughts on the same topics that were discussed during the interviews (see Appendix C). This format allowed the participants to take the appropriate amount of time (as determined by them) to write reflections and thoughts to the questions. The participants had approximately one week to send the journal back in an electronic format.

2.3.3 Transcription and Coding

All the digital recordings of the interviews with social entrepreneurs/individuals and experts were later fully transcribed as a pre-step for the coding process. After the transcriptions were completed, the documents were organized and compiled with the aid of digital software (MAXQDA V.11).

The research group coded the transcripts and journals with the objective of categorizing and organizing the data to later look for connections that may help build discussion points to answer the research questions one and two.

The data gathered from the experts was also coded, but was kept separate from the information obtained from the social entrepreneurs/individuals. This was done in order to identify the two distinct perspectives that the research team was looking for.

Coding

Two different set of codes were used with the purpose of organizing specific information that was found relevant to each research question.

Coding approach for Research Question 1

In order to identify information that was specifically related to the Research Question 1 (RQ1), the research team used five categories that were based on the boundary conditions of the FSSD. As the RQ1 of this study is focused on the contributions towards a sustainable social system, these five categories were based on the social sustainability principles of the FSSD. The categories used were: integrity, competence, influence, impartiality and meaning, based on the social sustainability principles from Missimer (2013).
To obtain codes under each category, the researchers used a general accounting scheme for mid-range coding approach. This refers to the type of coding that allows the use of a mix of *a priori* and *a posteriori* codes. It is not content specific but each code relates to the general category. This approach allows new codes to emerge in the event that new information is identified (Schwandt 1996).

For this study the researchers determined six general *a priori* codes under each of the categories described earlier based on the original general accounting scheme described by Bogdan and Biklen (2003). The *a priori* codes were: activities, events, perspectives, process, strategies, and relationship and social structure. Please see Appendix D for the definitions of these codes. After running a few coding trials on the data, the researchers determined the need of creating one more code for information that was considered relevant to the research, but did not fit in any of the other codes, this new code was labeled as “others”. Then, the researcher coded for the data for RQ1 with a total of seven codes (Table 2.1).

**Table 2.1. The set of the categories and codes based on the social sustainability principles of the FSSD.**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity</td>
<td>Activities, events, perspectives, process, relationship and social structure, strategies, and others.</td>
</tr>
<tr>
<td>Competence</td>
<td>Activities, events, perspectives, process, relationship and social structure, strategies, and others.</td>
</tr>
<tr>
<td>Influence</td>
<td>Activities, events, perspectives, process, relationship and social structure, strategies, and others.</td>
</tr>
<tr>
<td>Impartiality</td>
<td>Activities, events, perspectives, process, relationship and social structure, strategies, and others.</td>
</tr>
<tr>
<td>Meaning</td>
<td>Activities, events, perspectives, process, relationship and social structure, strategies, and others.</td>
</tr>
</tbody>
</table>

The general accounting scheme from Bogdan and Biklen (2003) was used because it allowed the researchers to differentiate catalogue descriptive information given in the interview. This helped the researchers to get a picture of the people and their actions with very little interpretation from the interviewee. Additionally, this accounting scheme allowed the researchers to identify and organize reflective information, capturing the interviewee’s frame of mind, ideas and concerns, feelings, problems, hunches, impressions etc. (Bogdan and Biklen 2003). This general scheme was especially helpful for distinguishing between the objective information and the subjective information given by the interviewees.

In order to make the coding process easier for the researchers, the categories and codes were given specific definitions. This enabled the researchers to have a clear, common understanding of each concept and the possible data each code may include. For the definitions of the categories and codes used in the coding process for the RQ1, see Appendix D.
Coding approach for Research Question 2

The research question 2 (RQ2) is related to creating trustworthiness in a social system. As described in the introduction, Mayer, Davis and Schoorman (1995) identifies three dimensions of trustworthiness: ability/competence, integrity\(^2\), and motivation of benevolence. Therefore, in order to organize data that later helped to build connections to answer the RQ2, the researchers used these three dimensions of trustworthiness as the main categories for coding (Table 2.2).

The code development process for RQ2 was very similar to the process used for developing RQ1 codes. The same mid-range approach described by Bogdan and Biklen (2003) was used to develop the codes under each overarching category of the components for trustworthiness (Mayer, Davis and Schoorman 1995). Consequently, the data for RQ2 was organized using the same seven codes used for the RQ1: activities, events, perspectives, process, relationship and social structure, strategies, and others. A last code labelled “others” was also added as the code for specific information that did not match the a priori codes but was still considered relevant to RQ2.

Table 2.2. Set of the categories and codes based on the three dimensions of trustworthiness.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability/competence</td>
<td>Activities, events, perspectives, process, relationship and social</td>
</tr>
<tr>
<td></td>
<td>structure, strategies, and others.</td>
</tr>
<tr>
<td>Integrity</td>
<td>Activities, events, perspectives, process, relationship and social</td>
</tr>
<tr>
<td></td>
<td>structure, strategies, and others.</td>
</tr>
<tr>
<td>Motivation of benevolence</td>
<td>Activities, events, perspectives, process, relationship and social</td>
</tr>
<tr>
<td></td>
<td>structure, strategies, and others.</td>
</tr>
</tbody>
</table>

Both the category and codes used for the SRQ had a clear definition that made them operational for the researchers. For details about the categories and codes and their definitions see Appendix E.

2.4 Data Analysis

Although there were two sets of categories for each research question, the approach to the data analysis was very similar for both. Prior to coding, all the transcripts from the interviews and journals from the social entrepreneurs and social enterprise experts were uploaded and organized using the software MAXQDA for document analysis. Later these documents were

\(^2\) Notice that the definition of integrity given by Mayer, Davis and Schoorman (1995) is not the same as the definition of the sustainability principle of “integrity” described by Missimer (2013). For details on these two definitions see the glossary or the Appendix D and E respectively.
analysed individually but coded simultaneously having in mind the two sets of categories, one for RQ1 and another one for RQ2.

After completing the coding process for all documents, the researchers built spreadsheets containing all the information that was identified as relevant for each research question. This coded information was classified by research question and by category.

Data Distillation
Once the spreadsheets were built, the majority of the ideas and thoughts that were coded seemed very specific, unrelated to each other and even sometimes the meaning was not entirely clear. In order to extract the “essence” of each of the coded phrases that made them relevant to this study, the research team considered each single idea coded in each of the categories and then identified how that idea was related to the pertinent research question. Additionally, overlapping information was identified, making it possible to sometimes consolidate one or more coded phrases into one main idea.

The final step of this process was to finish with a new set of spreadsheets with a manageable data size, containing non-overlapping information showing three different perspectives in the social enterprise field:

1. social entrepreneurs specific contributions to building sustainable social systems defined by the SSPs;
2. social enterprise experts perspective on the previous described perspective;
3. and the combination of both populations’ data in relation to social enterprises building trustworthiness in society.

Due to the length of the spreadsheets previously mentioned, these documents were not included in the results section of this study. Instead, the researchers presented the narrative of the analysed version of these spreadsheets in the results sections.

Interview Summaries
In the process of coding and condensing the data into a manageable size, the loss of some pieces of data was unavoidable. With the intention of revisiting the information and recovering that interesting insight that may have been missed throughout the detailed data coding, the research team studied all the interviews for the data collection. During this last analysis, the researchers wrote short summaries of each interview containing impressions, opinions, and insights that were related to this study.

2.5 Validity
The research team recognizes the importance of addressing validity in qualitative research and moreover being transparent about the strengths and limitations of it. With this concern in mind, the research team attempted to ensure validity in a variety of ways.

The diversity of the research team was a definite strength throughout this thesis process. The researchers have different professional and cultural backgrounds; they are from three different
countries (Canada, Germany and México) and have three very different points of view and ways of thinking. These different points of view, as described by Creswell and Miller (2010), it is seen as “investigator triangulation”. That is to say, that during the project the researchers looked for convergence when discussing their different interpretation about different theories, convergence in the sense of using suitable methods for answering the research questions, convergence in relevant points for discussion and conclusions of the study through constant dialogue. All the convergence processes were thorough and well documented with personal notes.

Additionally, in the process of this research, “peer debriefing” was used as described by Creswell and Miller (2010). The research team had at least three official meetings throughout the process with peers involved in the sustainability field and developing different thesis projects in parallel with this work. They provided excellent support for the research by analysing the arguments that were presented, challenging theories and decisions, asking meaningful questions, suggesting new routes, and giving fresh perspectives on different issues related to this thesis topic. Similarly, the research team worked closely with their thesis advisor who offered constant guidance and positive and constructive feedback throughout the process. The research team took all the feedback from peers and advisors into consideration. It was thoroughly discussed and later incorporated accordingly to the present research.

The methods of data collection and analysis represent a strength in this study. The research team focused on looking for specific information that would be relevant to the research questions using interviews and journals. Using interviews, the research team obtained data through live interaction with the interviewees. The possibility of misinterpreting respondents was minimized by recording the conversations and later by fully transcribing the recordings for analysis. The journaling process also supports the validity of the research as it provided the opportunity and the space for the interviewees to write about their deeper insights from the interviews. This left little room for misinterpretation of ideas in comparison to verbal communication. And finally the coding scheme chosen to code the data, as by Bogdan and Biklen (2003), provided the ability to differentiate the information given by the interviewee that was subjective versus the information that was objective. Both were equally relevant in this study, but the scheme was particularly helpful to acknowledge the subjectivity of some information and also to separate the one that was relevant for this particular topic.
3 Results

3.1 Social Enterprises Contributions in Creating a Sustainable Social System

The narrative of the results described below was built from a total of 11 interviews, eight with social entrepreneurs and three with experts in social enterprise. Additionally six out of eight reflective journals were completed by the social entrepreneurs and the data contained in them was incorporated in the following section.

Data from both social entrepreneurs/individuals and social enterprise experts is included in the next section. Nevertheless, the information that was specifically related to experts, was not found for every single code. When relevant information was found, it is mentioned at the end of the section of each of the codes.

The reference system in this section of the study was designed differently than the rest of the thesis document. Due to the amount of data that was condensed in this section and the need to differentiate the data source, numbers were assigned to all the interviewees.

3.1.1 Integrity

This category refers to data content that speaks to social enterprise’s contributions to lessening or protecting individuals from physical, mental or emotional harm. In an organizational context it might refer to working conditions (Missimer 2013).

Integrity: Activities

Social enterprises are positively contributing to the integrity of individuals and communities through the activities that they offer. Examples of activities that increase physical integrity or protect from a lack of physical integrity include programs that support marginalized groups in attaining nutritious and affordable food (5), and programs that raise awareness about social issues related to physical well-being in youth and engage youth in healthy behaviour (4, 6). The activities that social enterprises provide that strengthen mental integrity support the target group in dealing with personal issues (3). A clear example of this is offering support to the target group by having a pastoral service that would help the target group with spiritual concerns and issues related with personal belief. Most of the social entrepreneurs/individuals mentioned that they also have regular check-ins with the target group to ensure that they are participating in the activities provided are having a positive experience (2, 4, 5, 6, 11).

The majority of the interviewees discussed how, at their social enterprise, they are continually raising awareness about barriers related to the integrity that they are addressing through their

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3 The numbering system assigned to each of the respondents for referencing the section of data analysis for the RQ1 was the following: (Altman 2014) 1, (Bate, 2014) 2, (Blakemore, 2014) 3, (Estève, 2014) 4, (Farrant 2014) 5, (Hemsley 2014) 6, (Holbrook 2014) 7, Iloska (2014) 8, (Lewin 2014) 9, (Malhotra 2014) 10, and (Spencer 2014) 11.
operations (2, 3, 4, 5, 6, 8, 11.) An example given was raising awareness through training activities for all staff to instil a high level of empathy and understanding towards the target group (5).

**Integrity: Events**

Social enterprises positively contribute to the integrity of individuals and communities through the events that they organize. One individual working within a social enterprise discussed how they take the general public to places where children are living in the street to bring awareness to the public about this social challenge (homeless children and children without jackets in winter). They share stories of these children with the community (8).

**Integrity: Perspectives**

Social enterprises positively contribute to the integrity of individuals and communities through the perspectives that they withhold and promote as organizations. Most of the interviewees working within social enterprises shared perspectives such as seeing the potential of employment for marginalized groups (3, 4, 5, 6, 8, 9, 11). These social entrepreneurs and individuals believe that when individuals from a marginalized group are given the opportunity to exhibit a sense of ownership and personal development, they are more likely to be mentally well. Interviewees noted that an important part of this process is learning from their own mistakes and learning about both perseverance and resilience (4, 6).

Many interviewees held the perspective that organizations should engage individuals or groups that have caused harm to a community in the past (e.g. ex-offenders, bored youth) as this increases community safety in the long run (3, 4, 6). They perceived that this also creates a sense of independence at the individual level within communities reinforcing mental health on individuals. Furthermore, providing target groups safe places to interact decreases the opportunity for them to cause trouble or to re-offend (3, 4, 6). Some respondents noted that they create internal policies that put people’s welfare first rather than adhering to policies that may undermine a target group’s integrity (2, 3). Respondents perceive that access to human rights are the basis for protecting against violations of integrity and also as an enabler to a higher quality of life (2, 3, 8).

Lastly, two interviewees discussed the significance of promoting healthier lifestyles in communities to positively contribute to physical and mental integrity of individuals (2, 3).

**Integrity: Relationship and Social Structure**

Social enterprises positively contribute to build the integrity of individuals and communities through creating unofficially defined patterns, such as cliques, coalitions, and friendships as well as defined partnerships. Specifically, respondents create partnerships between other organizations to enable better services to be delivered to the marginalized group (2, 4, 5). A clear example of this was a social enterprise that partners with another organization to provide more nutritious food at an affordable price. This translates to better physical well-being (5).

**Integrity: Strategies**

Social enterprises positively contribute to build the integrity of individuals and communities through the strategies that they employ to accomplish things. Many strategies exist within the social enterprises. These strategies come in the form of hiring practices that ensure experienced staff members and in-house staff that specialize in child support such as social workers and
child protection officer (4). Additionally, they use codes of conduct that help to protect the
target group working within the organization, some of these codes are specific to respect of
race and ethnics, and gender (2, 4, 6). Other in-house practices include having a code of ethics
that protects the target group from physical and mental harm and encouraging their own work
ethic and labour standards in regions where work standards are not adequate like in the case of
developing countries (2).

Some strategic business relationships that are created and maintained within the social
enterprise protect individuals from mental, physical or emotional harm. Social enterprises
develop partnerships with other organizations in order to provide a higher quality service than
they themselves can offer (2, 5, 6). An example mentioned was partnering with an organization
to provide healthier food to a marginalized group (5, 9), work closely with the police
department at local level for watching that youth is staying away of troubles (6). Another social
entrepreneur discusses the value on having a system in place to measure employee mental
security and job enjoyment so that mental and emotional integrity may be optimized (9).

In order to address community abuse and youth disempowerment challenges, a social
enterprise strategically provides programs for at-risk youth during the hours when the youth
would otherwise be taking risks and acting precariously (6). This provides youth with a safe
place to interact and protects the integrity of both the individuals and the community. The
mental and emotional well-being of this target group is maintained through personal,
supportive and confidential discussions and aid in accessing support services (6). A different
social enterprise promotes physical integrity in youth by encouraging healthier lifestyles
through cycling (3).

For this code, an expert that works in electing social entrepreneurs as fellows indicated that
social enterprises are particularly good at making sure that people and groups are protected
because is in the nature of the social entrepreneurs(1). The deep seeded values of protecting
others from harm that these social entrepreneurs maintain transfer to the social enterprises that
they work within. She mentioned that social entrepreneurs are persistent and are systems
thinkers, and therefore build specific solutions based on the needs of the target group (1). She
discussed how social entrepreneurs have a comprehensive understanding of the need because
often the social entrepreneurs are part of the target group themselves, making their ability to
address integrity more profound.

Two experts responded similarly when asked about social enterprises’ strengths in protecting
from or lessening physical, mental, and emotional harm of individual. They discussed how the
legal model of being a social enterprise doesn’t necessarily guarantee that an organization will
be better at protecting or lessening harm, and that in many cases integrity is irrelevant to the
challenge that is being addressed by the social enterprise (7, 10).

No segments were coded under the code “process” in the category of “Integrity”.

### 3.1.2 Influence

Influence is about being able to participate in shaping the social system. It can include the
social system at large or the social enterprise as an organization. At a minimum, this might
mean being able to vote on leadership (in within the organization) and issues and being able to make the target group of the social enterprise voice heard (Missimer 2013).

**Influence: Activities**

The activities that are contributing to building “influence” in society were diverse and specific to their individual mission and target groups.

Social enterprises were described as purposeful spaces for open communication among individuals in different ways (8). This may spaces where stories are shared and life experiences of target groups are heard or where young people to have conversations and discuss the organization that they are part of (6).

Three interviewees mentioned that they are providing opportunities and have developed mechanisms for receiving and giving feedback to and from stakeholders that are involved with their business and specific operations (2, 5, 11). It was mentioned once that social enterprises are building long lasting relationships by communicating with stakeholders and revisiting the way they operate and their relationships constantly (2).

The data shows that social enterprises are contributing to enabling influence with their staff working within the enterprise. Some of the relevant aspects are encouraging close collaboration and development of personal relationships among them (2), keeping them engaged in the decision-making process of the organization (2, 9), showing staff appreciation by highlighting their unique personal value (3), and offering them opportunities for new cultural experiences that might influence their life in a positive way (9).

An expert added that social enterprises are generally promoting solutions for current challenges that society is facing nationally and internationally (7), in that way the influence on possibly changing the system is not locally focused.

**Influence: Perspectives**

When coding for “perspectives” there were several ways of thinking that were related to build influence in society and individuals within the target group.

Five social entrepreneurs expressed that constant and open communication inside and outside of the organization is very important (2, 3, 4, 6, 11). Because of this, some social enterprises are operating under the premise that everyone has the right to express ideas and thoughts and that these thoughts has to be taken in consideration by the organization and also by the people working in it (2, 3).

Another aspect that was pointed out by four interviewees was the importance of the “ripple effect” that their actions have in several levels such as youth in risk, marginalized groups or even in a bigger scale on their community (2, 6, 8, 11). Some of the specific aspects that interviewees mentioned were: the importance of youth sharing experiences with others and the positive or negative impact that it has on others (6), also how well and happy people feel when they get recognition among others (8). Finally two interviewees mentioned the greater intention of not just acting to reduce social issues related to influence but also changing practices and policies at a greater scale than just at the community level (2, 11).
The interviewees also mentioned perspectives that are directly related to the social enterprises’ organizational structure and their staff. At the organizational structure level an interviewee mentioned that he is promoting independence in the decision making process among their business partners (2). Other examples that he mentioned were that every “branch” of the business has the freedom to choose what is best in their particular context and also that all decisions must be made by their own board of directors (2).

One respondent pointed out the importance of keeping management staff accessible to everyone, so that individuals in the target group are able to communicate with them (3). Another interviewee remarked the power of motivated people to drive change in the system and the key supportive role that social enterprises must play to help these individuals achieving their goals (2). One interview mentioned that their social enterprise is actively working on breaking down mental barriers in the young population of their community by encouraging self-confidence and recognize the value on their opinions (6).

An expert expressed that in most of the cases the social enterprise’s structure naturally seeks and promotes “influence” of their target group because it is inherent in their structure and often part of their social mission (7). Additionally, one respondent mentioned that in order to be heard in the group that a social enterprise is working with, credibility is a key component that must be constantly developed (10).

**Influence: Process**

Some of the social entrepreneurs interviewed are contributing in their processes to support the “influence” of the target group and in their community.

One interviewee mentioned that she is actively trying to represent the target group through the organization’s identity by letting them participate in shaping the internal processes (11). Additionally one respondent mentioned that they are supporting the culture of reciprocity in the young population of a community, where everyone that receives learnings will pass them on later at the appropriate time (6).

**Influence: Relationships and social structure**

Two overarching themes were mentioned by social entrepreneurs. One regards communication and the other is about the interaction that the target group has outside of the organization.

For the communication aspect, one social entrepreneur mentioned having an unofficial open door policy where everyone is welcome in her office and no one is discriminated against (5). Another interviewee said that he is constantly encouraging unofficial communication among business partners, especially when they need advice on special issues (2). He also said that they are encouraging relationships among the target group in order to create a community that will help each other outside of the organization (2).

The second important aspect identified was the interaction that the target group has outside of the organization. Social entrepreneurs mentioned that they are thinking ahead about the future social interactions that the target group will have in society and attempt to prepare them in this regard. Some of the examples mentioned involve the target group engaging in activities where they interact among themselves and practice useful social skills (understanding the importance of honesty, empathy and respect in society) (6, 11).
Influence: Strategies

The strategies identified in this research are tactics, methods and techniques to meet the social enterprises’ goals that are related to influence. The majority of the responses were related to influence of the target group within social system at large rather than the influence within the organization. The common themes found in this code were influence through communication mechanisms, influence on how people perceive social issues in their community and also influence on government agencies to change laws and policies.

One social entrepreneur responded that raising awareness among the community and therefore communication as a strategy is very important (8). The social enterprise organizes individual campaigns for each social issue identified in their community. It provides specific information on social issues in a specialized magazine, making this information available to the community. The social enterprise within which she works raises awareness through the use of digital media to share information (e.g. Facebook and YouTube).

The next significant set of strategies that respondents mentioned were related to the role that social enterprises play when influencing the way people in society perceive and understand social issues in their community. One social enterprise is very focused on breaking stereotypes and stigmas of ex-offenders (11). She mentioned that when marginalized people get a job and get assistance to become reintegrated into society they may start contributing to it. Once they become productive members of society, the stigmas against the target group are altered. Interviewees also mentioned that, when the target group is positively influenced, they later positively influence others (6, 8, 11). Sometimes these effects are indirect such that the organization will not be able to see it. Some examples of this are when they encourage young people in their target groups to share their experiences with their community (6).

The last strategy that was identified for this code was related to influencing government agencies to change policies. This was mentioned by one of the respondents as a part of their ultimate goal as a social enterprise (8).

No segments were coded under the code “events” in the category of “Influence”.

3.1.3 Competence

Competence is about safeguarding that every individual of the target group of the social enterprise has the opportunity to be good at something and to become even better. Further it includes the social how good is the social enterprise at what they aim to deliver (Missimer 2013).

Competence: Activities

Although social enterprises are addressing diverse challenges with different target groups, many of the enterprises in this study provide activities with the aim to develop skills for employment (3, 5, 8, 9, 11). These social enterprises offer programs that help individuals to develop job interview skills such as dressing appropriately, learning to be punctual, practicing shaking hands, and making eye contact (3, 8, 11). Social enterprises also offer trainings that develop specific skillsets in various industries such as culinary skills (9), computer literacy (9, 11), skills in the coffee industry (11), vending skills (8, 11), and skills in the bicycle industry.
These programs are typically offered to individuals within disadvantaged groups. Often, interviewees mentioned the ongoing support that the social enterprises provide in order for individuals to gain enough skills to be employable and supported in society (5, 8, 11). In some cases, the social enterprises provide both the training and the employment opportunities for disadvantaged individuals (3, 4, 8, 11). In other cases, they act as stepping-stones towards employment opportunities (6, 11).

Some respondents discussed the availability of training within social enterprises that are not directly related to their core operations, but to the demands of the users of the social enterprise. For example, a social enterprise that focuses on youth engagement through a circus school offers opportunities for young adults to learn skills that are transferable to their life outside of the circus: business, marketing, and financial management skills (6). A different social enterprise that aims to employ people with different abilities also organizes one-on-one trainings so that the target group may better their competence in a given endeavour and then compete at local and regional events (3).

Some social enterprise representatives mentioned that building competence was at the heart of their organization. For example, one respondent discussed an initiative where they build bicycles to fit the various abilities of individuals who want to cycle and who would otherwise not have the appropriate equipment to do so (3). By providing specialized equipment, individuals can learn and become better at something. Another interviewee talked about working with youth and how social enterprises provide trainings for self-esteem improvement and lessons in teamwork and valuing others (6). They teach young people how to play responsibly, how to communicate and teach others, and expose them to cultural diversity to expand their life experiences (6). The physical training they provide to youth and the on-going support they offer enables youth to reach their potential outside of the organization (6).

One expert explained that social enterprises are strong at creating employment opportunities for disadvantaged groups such as communities of people that have experienced isolation. They create entry-level jobs and promote them to these individuals (7).

**Competence: Events**

The social enterprises in this study host events where new skills can be showcased. An interviewee discussed hosting running competitions and organizing the Special Olympics where the target groups may apply what they have learned (3).

**Competence: Perspectives**

At the individual level, social enterprises provide training to people regardless of their demographic in the belief that all people have the right to learn. This was true for a social enterprise working with youth labelled as “disabled” (6). The social entrepreneur’s perspective was that rather than disabled, they were children with challenging behaviour and that they deserved to have the same opportunities as other youth (6). A dominant perspective held by respondents was that, in conjunction with learning new hands-on skills and social skills (tolerance with each other, dressing appropriately, being timely), improving self-esteem in individuals in the target group is very important (2, 3, 4, 5, 6, 8, 9, 11). Additionally, the notion that failing in a positive environment as a way of increasing competence was strongly held among some respondents (4, 6). Believing in the potential of youth was also a common perspective held by interviewees working with youth (4, 6).
A position held by the majority of the social entrepreneurs was the value in providing support to individuals beyond the social enterprise, meaning that the social enterprise should be a temporary place of learning and development so that individuals may find success in life (2, 3, 4, 6, 11).

An expert mentioned that the contribution towards building competence at the individual level depends very much on the particular purpose of the social enterprise (7). He also mentioned that social enterprises have the ideal opportunity to use their business model as a way to offer opportunities to improve the competence of a given target group (7).

**Competence: Process**

Interviewees discussed the process by which they engage and integrate individuals from the target groups into society. Respondents began with identifying the challenge in society and developing a program to address that challenge, (2, 3, 4, 5, 6, 8, 9, 11). In some of these cases, the social enterprises engage people of the community to become productive members of society because the target group is one that is marginalized (3, 5, 6, 8, 9, 11). This is done usually through in-house skills development followed by employment or support in finding employment or further development opportunities. An interviewee talked about individuals wanted to learn more once they had had initial training in the social enterprise (6). A different interviewee explained how, after the initial training process, half of the individuals continue on to be fully employed (3).

**Competence: Relationships and Social Structure**

Social enterprises are places of socialization where individuals can learn to make friends and learn to teamwork. A social entrepreneur explain how, through the offered services, people can learn to depend on each other, share work, and feel a part of a team (4).

**Competence: Strategies**

Social enterprises positively contribute to the competence of individuals and communities through the strategies that they employ to accomplish things. By developing skills for employment, social enterprises help individuals create better resumes and become more employable (11). These individuals otherwise have difficulty finding employment. Three people also mentioned that support is provided sometimes throughout the entire process from initial contact to full employment or engagement beyond the social enterprise to ensure that individuals have what they need to be successful (8, 9, 11). A strategy implemented by three of the social enterprises is to allow users of the service to choose what they want to learn before developing programs (4, 6, 11).

3.1.4 **Impartiality**

Impartiality is about decreasing the unequal treatment of the social enterprise target group. It might refer to unequal treatment between individuals, and between individuals and organizations such as in courts, authorities, etc. It is about acknowledging and acting on the notion that all people have the same rights and are of equal worth (Missimer 2013).
Impartiality: Activities

Through their activities, all the interviewees from social enterprises mentioned that they are working to reduce stigmas and towards the inclusion of all groups of individuals (2, 3, 4, 5, 6, 8, 9, 11). Several interviewees stress the fact that social enterprises create employment opportunities for people that are disadvantaged on the general job market (3, 5, 8, 9, 11). This includes mental health survivors, people in addiction recovery, or ex-offenders (3, 5, 8, 9, 11). Through training and providing work experience social enterprises do not only reduce barriers to employment for such marginalized groups within social enterprises themselves, but create capacity for later external employment (3, 6, 9, 11). They offer fair employment conditions to their employees, for example hiring them based on full time contracts as opposed to “unfair” daily rates, as mentioned by one interviewee (2). They promote inclusive and equal hiring practices in order to create future opportunities for their target group when engaging with external partners (2, 8, 11). One entrepreneur mentioned that his social enterprise addresses the need for equitable business relationships through training, sharing their profits, establishing mutual agreements like fairness, gender equality, general equality, etc. (2).

Many social enterprises work in close contact and constant communication with stakeholders, including business partners and/or the target group of the enterprise (2, 5, 11).

Additionally, four interviews discussed how social enterprises are inclusive spaces where everyone feels welcome (3, 4, 5, 11). One specific example mentioned was when people from the target group enter to their dinner and pay with “tokens” as opposed to money, all staff will treat them equally setting a corporate culture that everyone is equal (5).

An expert gave a sound example of a social enterprise that practices impartiality. Through innovative technology, the social enterprise has created affordable supportive devices for individuals with disabilities (solar powered hearing devices). These devices would otherwise only be available to the affluent (1).

Impartiality: Events

The events that contribute to impartiality are connected to raising awareness about social issues. Particularly connected to impartiality, one social enterprise organizes talks at international locations to expose social challenges (2). Another entrepreneur mentioned that they promote their service in connection to the need they are addressing by opening-up their diner service and providing free community meals to the target group (5).

Impartiality: Perspectives

Global citizenship and equal opportunities for people are two consistent perspectives that came out of the interviews (2, 3, 4, 6, 8, 9, 11). One interviewee said that they are strongly motivated by the possibility of breaking down stereotypes and stigmas regarding their target group (11). Five others mentioned their belief in creating space for meaningful conversations and trusting individuals despite all stigmas. They can raise awareness about the issues they address and lessen stigmas in the community (3, 6, 8, 9, 11). Some examples of messages they convey are that individuals with mental health conditions do great work (9), ex-offenders are gentle people (11), and men are not more successful than women in management positions (2). By believing in individuals, listening to everybody and especially not judging anybody who comes into social enterprises’ projects, they encourage diversity and inclusion. One social entrepreneur mentioned that she is celebrating diversity as an asset and not dividing or “labeling” people as
high and low achievers (6). One interviewee mentioned that he makes decisions within his enterprise based on performance of an individual instead disregarding them for their disability or their belonging to a certain disadvantaged group (9). Additionally, two interviewees mentioned that every person deserves equal opportunities to have a trade, income, and to have a comfortable life (2, 6).

Two respondents talked about social enterprises as a structure that offers more understanding and tolerance to employees; especially when employees are part of the target group (9, 11). However, seven out of eight respondents stressed that providing equal services and conditions for all individuals that might not get those elsewhere is exactly why they exist as an organization and is one of the most important part of their mission (3, 4, 5, 6, 8, 9, 11).

The often inequitable nature of business is something that one interviewee especially disagreed with (2). According to one respondent, empowerment takes place the moment the mindset of superiority over certain groups of individuals is broken down (6). One respondent put emphasis on the importance of substituting the current mindset in today’s interconnected world of multiple stakeholders with more equal business models and therefore he recognizes the need of investment in fair supply chains (2). A different perspective brought forth was that, in a social enterprise, there is the common responsibility for sharing and caring among those involved in the social enterprise (6).

All three experts confirmed that usually, one of the goals of social enterprises is to promote the value and importance of opportunity for all people, regardless of physical or mental disadvantages (1, 7, 10). One of them mentioned that value comes from the culture of the social enterprise, where everyone is unique with unique contributions (1).

One expert explained that social entrepreneurs are likely to be people that create welfare and a more just society as a whole (7). He also said that social enterprises constantly create ideas for improving experiences for their stakeholders including staff, communities, business partners, clients.

**Impartiality: Process**

As presented in the above section about perspectives related to impartiality, breaking down stigmas regarding disadvantaged groups by supporting and employing them is a finding that can be highlighted as well among the results related to process (3, 4, 5, 6, 8, 9, 11).

Three interviewees mentioned that by trusting in and allowing individuals to exhibit their competence (e.g. ex-offenders or people with special abilities), third parties trust them as well (3, 5, 11). Third parties help spread positive images among other people that are not directly involved with the social enterprise. Some interviewees also pointed out that direct contact and personal relationships among stakeholders (entrepreneur, target group, clients, etc.) are a key element in that process and as a side effect create happier staff (2, 3, 5, 11).

**Impartiality: Relationships and social structure**

Direct contact and developing personal relationships, especially with individuals in marginalized groups, is a key aspect for the social enterprises in this study. Target groups that were mentioned are homeless individuals (8), ex-offenders (11), or business partners in developing countries (2). One respondent emphasized that honest friendship among business partners is essential because people do not tend to treat their friends unequally (2). This again
speaks to the fact that the social enterprise encourages diversity and inclusion, avoids judgment, and furthermore creates space for healthy interaction in the internal and external community. Regarding this space, one of the social entrepreneurs calls the social enterprise a ‘community (cycling) hub’ which brings everybody together (3). Another respondent speaks about healthy social interactions through creating the opportunity for people to come together and be social. He also mentioned that anybody is welcome and the ability to create, maintain, and enjoy diverse relationships is seen as a transferable skill and an important goal (3).

Regarding the social structure of social enterprises, one expert identified the achievements of social enterprises to lessen gender inequality. He mentioned that around 38% of chief executives in the social enterprise sector are women, which is said to be more than in other business sectors (7). In accordance with that, it has been mentioned that the social enterprise sector is more representative of the diversity of a community than traditional businesses. This is reflected in the numbers of people from different ethnic backgrounds or with disability and health challenges on boards.

**Impartiality: Strategies**

The interviewees spoke about several different strategies, methods, and ways of creating and maintaining impartiality and how they differ depending they own particular goal. Social entrepreneurs are offering equal opportunities to people by tailoring their service to the different needs of their target group. Five respondents discussed how social enterprises create opportunities for all people by considering very different sets of skills and background in their hiring process (2, 3, 8, 9, 11). One interviewee mentioned that although they may receive a lot of job applications from people in developed countries, and they review them all, they always consider skills other than writing a great CV, skills that might involve practical knowledge gained in the sea or in the mountains (2). Using this strategy he assures diversity of knowledge in his company and also practices impartiality.

In other contexts social enterprises provide grants so that disadvantaged individuals can participate in training programs (6). Another social entrepreneur mentioned that they support staff in changing the policies and practices of external organizations (e.g. other employees) regarding equal treatment instead of merely reducing discrimination in one (social) enterprise (8). All the interviewees mentioned that internal policies are based on strong social responsibility awareness and codes of conduct (2, 3, 4, 5, 6, 8, 9, 11).

**3.1.5 Meaning**

Meaning speaks to the reason for being an organization or system. And how does the social enterprise inspire their target group to be part of it? (Missimer 2013).

**Meaning: Activities**

The interviewees spoke about several activities of social enterprises to create meaning for individuals in their target groups. Within their communities four social entrepreneurs mentioned that they motivate and inspire change through spreading inspirational success stories and examples of how people’s lives changed through dedication, education, and work (3, 5, 6, 8). One social enterprise in particular provide a place for healthy recreation for their target group, where people find a happier, inclusive environment, e.g. circus courses for youth.
that do not have opportunities and spaces for recreation in small towns (6). The same respondent also talked about the social enterprise as a motivational institution in itself. Furthermore, social interaction is created through activities like people that are homeless selling street magazines and interacting with their clients (8). In such street magazine, every regular citizen is invited to use space to write articles about community related issues, to share worries and concerns (8).

Two social enterprises in question actively expose members of their target groups to cultural diversity (2, 6). One respondent mentioned that these interactions often mean travelling to the headquarters or business partners abroad and thus providing experiences and insights from other realities (2). The same respondent mentioned that his social enterprise provides the opportunity for reflection and consultation to his business partners and staff.

Another activity is celebrating successes of individuals in the target group/staff, e.g. when they get an external job or complete training programs successfully (11). One respondent explained that this increases self-confidence of individuals through a sense of accomplishment (11).

An expert added that social enterprises contribute to creating meaning per se by creating job opportunities that allow marginalized groups to feel identified with like in the case of making solar powered hearing devices by deaf people (1).

**Meaning: Events**

There were two types of events that respondents talked about. One of the respondents mentioned that they are working together with a university program. Through student field trips to the social enterprise’s business partners, students are exposed to diversity and interaction with locals in a developing country context (2). Another example mentioned by one interviewee events that encourage forms of artistic expression that transmit the message of their initiative to the community (8). She mentioned that public events like exhibitions or street art inspired by the target group as examples (8).

**Meaning: Perspectives**

One fundamental belief of one social entrepreneur is that people, planet, and profit all have value (6). The enterprise creates spaces and communities of support. In several cases, this support is connected to reintegration of marginalized groups of people (5, 6, 8, 11). The social enterprise creates the opportunity to work, which is seen by one of the respondents as an essential element to community stabilization (11). Other social entrepreneurs focus on the importance of connecting to employees and sharing of successes (11). Two social entrepreneurs identified the aspect of support as an integral part of their organizational cultures. They perceive the people working in the social enterprises as committed to building trust and supporting each other (3, 6). The respondents describe this as looking after each other, being protective, understanding, and open with each other as well as to solve problems together instead of individuals taking them out on their own (3,6). One respondent mentioned that those attributes are seen as life skills that people take into their futures and apply as well outside of the social enterprises’ community (6). One of the interviewees sees a connection between the continuous support and a sense of ownership (11). Some of the social enterprises supports their target group throughout a whole learning and development process (4, 6, 11), which sometimes involves leaving bad habits behind. Nevertheless, one interviewee spoke about the importance of encouraging people to always connect back to the place where they are coming from in order
to understand how much they have grown since then (4). One interviewee pointed out that the appreciation and inclusion of individuals leads to that sense of ownership over programs of the social enterprise. She also mentioned that it creates the feeling of being needed and being an important part of the whole operation which gives people a can do attitude (6). According to six respondents, this feeling of being a part of the social enterprise, seeing one’s own successes, gaining new skills, having work, and being self-sufficient have a positive effect on people and increase their self-confidence (2, 4, 6, 8, 9, 11).

The one interviewee said that her social enterprise helps to make marginalized people employable. She additionally said that when individuals have paid work, they have a reason and motivation to go out of the house again (e.g. in the case of mental illness) and makes people feel like active citizens (8).

One interviewee expressed the belief that people generally want to contribute to society (3). Other respondent contrasted that saying that not all people are intrinsically motivated from the beginning on and that one hope of the social enterprise is to motivate individuals of their target group to participate in their programs (11).

By believing in people and by giving individuals the opportunities to be themselves and to show competency in doing something, some social enterprises address potential destructive tendencies (3, 5, 6, 8, 9, 11). According to one respondent, those tendencies show up in people when no one believes in them or people have nothing to do (9). Instead, some of the social entrepreneurs give utmost importance to creating a safe space for people, where meaningful conversations can happen (e.g. why does it make sense that people that come out of jail are employed?) (11), where people of the target groups can express themselves freely and naturally (e.g. youth with challenging background in a circus environment) (6), and where they pay special attention to the individuals in the group (e.g. one social entrepreneur had one success stories to tell about every student) (4).

One of the respondents stressed the importance of the expression of creativity, especially for young people. She sees art as a viable career instead of something that needs to be supported by charity (6). Another respondent said that his social enterprise creates a way to live one’s own values at work and that cultivate passion in people of the target group as well as clients of the end products (3). He also mentioned that if those places persist in the community they start to have a strong meaning for the people.

One interviewee stated that individuals get inspired when the social enterprise treats them equally and empowers them through opportunities and a long term perspective (2). He explains that this inspiration becomes alive when the social enterprise per se is perceived and used as an attitude (2).

An idea shared by one respondent was that, by holding many of the above mentioned values, further ideas develop, including respect for self, respect for cultures, understanding of differences in work ethics, an equitable attitude of what money can achieve in a community, and what wealth creation means (2). One respondent said that as opposed to a charity, a social enterprise is a business that makes money and can provide people with business skills (6). She explained that this can change mindsets of people and empower them to go use their skills to be independent as opposed to charity structures that keep people in their mindset of being poor or disadvantaged and dependent (6).
In his work between Europe and East Africa, one social entrepreneur identified the concept of a social enterprise as an innate understanding in cultures of informal economies (2). The understanding to do business and share the money for social benefit to the local community has existed in other cultures forever; they cannot conceive the idea of not sharing money.

Another important aspect that two entrepreneurs mentioned is that they themselves benefit from the social enterprise in terms of fun in their work and life, loving what they do for passion and at the same time helping others (2, 3). One expert shared the opinion that social enterprises are creating a way for entrepreneurs and employees to live their values at work and that this attract highly motivated, values-driven people (7). He also mentioned that it can be a type of work that is enjoyable and that contributes positively to the world while increasing the quality of life of entrepreneurs, employees, and the target group.

Furthermore, an expert added that social enterprises are the bridge between the private and the public sector, so they are naturally creating meaning for more people than enterprises with a one-sided or ended solution (1).

**Meaning: Process**

Four interviewees talked about the evolution of confidence and attitudes in individuals in their target group when they are employed, have prospects of a safer future, and when they see their success (3, 5, 8, 11). First, people may be in difficult situations (e.g. no home, no family, and no motivation to interact), and after these groups go through a social enterprise program (e.g. entering a community of people and starting some form of activity) their attitude tends to change. Some respondent mentioned that individuals in the target group begin to feel differently because they have a reason to wake up in the morning, a task and/or responsibility, and a plan for the day, or a community of support (8, 11). One respondent added to the previous thought that they know that at the end of the day they have their reward (8), which depending on the program may be money, appreciation, skills, etc.

One expert added that social enterprise networks as well as social enterprises themselves start positive processes (7). Either they create employment for a marginalized population or an entrepreneur ensures that people in an institution treat each other equally. In both cases he said, they create meaning for people and people can do a better job or a more meaningful contribution to society (7). He also mentioned that starting to work in a social enterprise can be a turning point in peoples’ lives. When they enter the sector, they rarely ever leave it (7).

**Meaning: Relationships and Social Structure**

Social entrepreneurs talked about different types of community support that social enterprises create. One is the sense of community among the participants, and/or the individuals of its target group, which look out for each other (3). Sometimes strong friendships develop between very different people (4, 6). One social entrepreneur explained that their social enterprise fosters those relationships and the employees always keep their eyes and ears open (6). She also said that people have others to meet, to talk to, and to share their personal values and cultures with. This creates the feeling of being part of a family. All these aspects give people pride and happiness. The second type of community of support described was around the social enterprise in the wider community. An interviewee stated that they have created an initiative that allows external people to get involved with the enterprise, so they get external support in
the form of maintenance work around the property in a voluntary basis. In this way the social enterprise creates value through many volunteer hours (6).

Meaning: Strategies

People are part of the whole complex of the social enterprise and they are an integral part of the business model. In order to empower people, the goal to create face to face interaction and relationships is repeatedly mentioned by social entrepreneurs. Some educational programs mentioned by interviewees include teaching social and ‘human interaction’ skills, so that people are more successful in what they do, feel less marginalized and increase their self-confidence (3, 4, 5, 6, 8, 9, 11). These social enterprises apply and promote long-term perspectives among individuals of their target groups, especially related to what is needed today to have a successful future.

Furthermore, all social entrepreneurs interviewed encourage and teach individuals to understand things from a systems perspective (sequences of events, their role and importance in the whole). By adding practical skills in a ‘learning by doing’ environment, people can feel that they are moving forward on their journey (2, 3, 4, 5, 6, 7, 8, 9, 11). One social entrepreneur mentions that their mentoring program (individuals of their target group become mentors for others at some point) makes people feel their impact at work, which builds stronger value to their job (4).

One respondent explains that the goal in her organization has been to create an enterprise with which the target group can easily identify with (11). In their branding strategy they use words and symbols that match their activity. As an example the social enterprise dedicated to offer support to ex-offenders, are using the name KL INK, which means jail on one hand and has a celebrating connotation on the other hand (clinking glasses). She also explained the intention behind using a bulldog as an icon which appears frightening but is actually gentle dog. This promotes a sense of ownership and connection among the employees.

One social enterprise uses public places as inspirational locations that individuals in their target groups can enjoy and that helps the social enterprise to achieve their goals (3). The use uses a velocity park in the Olympic park to inspire its members and the public and to scale its programs (3).

One expert confirmed that social enterprises are good at providing a work-life balance and at creating ways for people to live their values at work (7). He mentioned that jobs in social enterprises have a higher purpose beyond a ‘good job’, a good career and good remuneration.

3.2 Social enterprises and the Dimensions of Trustworthiness

Similarly to the approach used in the section previously described, the narrative of the results relative to the RQ2 was built from a total of 11 interviews (eight social entrepreneurs and three experts on social enterprises) and 6 reflective journals.

This next section of results is presented by the main categories following by their respective codes in each of the categories. The categories were based on the the three main dimensions
for building trustworthiness identified by Mayer, Davis and Schoorman (1995). These three components are ability/competence, integrity, and motivation of benevolence (Appendix E).

Using the same approach to the results described for the RQ1, under each category the information was divided by the following codes: activities, events, perspectives, process, strategies and relationship and social structure. For details on the specific definitions of the categories and codes see Appendix E.

3.2.1 Ability/Competence

Ability/competence refers to the set of skills, competencies and characteristics that enable a group to have influence in a specific area, it might include areas inside or outside of the social enterprise (Mayer, Davis and Schoorman 1995).

*Ability/competence: Activities*

An interviewee mentioned that in her social enterprises they practice trusting each other to build a trustworthy group (6). She also mentioned that some activities that they apply in circus school would not be possible without individual trustworthiness. She referred to building a human pyramid on stage to demonstrate the importance of trust in the competence of every individual.

*Ability/competence: Perspectives*

Three interviewees explained the need they have in their enterprise to perceive the target group as individuals with competencies rather than individuals with disabilities or disadvantages (3, 4, 9). One interviewee also explained that trusting that the experience of target group within the social challenge can lead to better decision-making to fit the target group needs (9). Another respondent pointed out that sharing knowledge and being inclusive in decision making is also important within the organization. Participatory approaches from all levels of the social enterprises are implemented so that all voices are heard and valued (2).

An expert added that social enterprises build trustworthiness through their abilities and competences as an organization and those that they instil in others. Another expert described that social entrepreneurs have a deep quality of persistence, ambition, ability to see a big vision, and a strong drive to be change-makers (1). One expert said that people working within social enterprises exhibit their competence in their domain by always seeking opportunities to grow, improve, and refine what they do as an organization and by exhibiting openness and transparency (7). He also mentioned that they also have the ability to develop creative solutions and recognize opportunities in challenging situations.

*Ability/competence: Relationships and Social Structure*

A respondent working with a social enterprise that aims to reintegrate individuals back into the workforce described the process in which the social enterprise advocates for the new abilities and competencies of the target individual so that trusting relationships can be established within the social network (11). Another social entrepreneur discussed the importance of being a part of the community as an organization, showing competence in experiencing and understanding the local challenges, and trusting in the community members (2).
An expert explained that social entrepreneurs incorporate everyone to be part of the solution regardless of social standing (1).

**Ability/competence: Strategies**

A strategy that was common among four of the respondents was delivering what they promise (5, 6, 9, 11). They accomplish this by keeping their message consistent (5), being effective at changing policy to remove barriers affecting target groups (11), providing adequate training and work experience for target groups, effectively supporting their reintegration into society, and demonstrating the success of their programs in helping marginalized groups succeed in their endeavours (3, 5, 6, 8, 9, 11).

Social enterprises also employ strategies to create trustworthiness in individuals rather than in the organization. One social entrepreneur mentioned the interactions where youth must exhibit trustworthiness such as preparing other’s equipment that will be used, or catching their partner in the air etc. (6). Another respondent described that they encourage and support their target group to learn to be trustworthy and teaching them the benefit of building social networks around them that will potentially give them more opportunities to be employed (11).

An expert explained that social entrepreneurs are able to identify the abilities and competencies in all parties and can see all perspectives when creating solutions to social challenges (1).

No segments were coded under the codes “events” and “process” in the category of “Ability/competence”.

### 3.2.2 Integrity

The definition of integrity based on Mayer, Davis and Schoorman (1995) refers to the consistency of the social enterprise or its target group in adhering to specific beliefs and values and the acceptability of these values.

**Integrity: Activities**

There were two overarching themes of activities: the practice of transparency and being ethical as values that dictate the way social enterprises operate and the expansion of their social impact using their profits.

Three respondents mentioned that they practice transparency and being ethical by creating rules, procedures, and policies that apply to everyone in the organization and by encouraging people to question and discuss them openly (4, 6, 11). Additionally, other social entrepreneurs are actively working towards being consistent with their social mission and align their activities accordingly (11). This often relates to making decision based on social mission rather than a financial bottom line (2).

The second theme in this code was the expansion of the social enterprise’s impact using their profits. All the social entrepreneurs interviewed are making sure that their profit is used for expanding the social impact that is implied in the organization and its mission (2, 3, 4, 5, 6, 8, 8, 11). Some enterprises invest in the community safety offering employment to marginalized groups (11) while others make sure that business partners are investing in their own community to attract more clients and to become financially sustainable in the long term (2).
**Integrity: Perspectives**

Two themes emerged: perspectives related to integrity within the organization and perspectives related to stakeholders outside of the organization.

Firstly, the majority of the respondents mentioned that social enterprises need to focus on delivering what they promised to a certain target group (2, 3, 5, 6, 8, 11). One of the respondents mentioned that otherwise the target group would be unhappy and the trust in that relationship will be lost (8). One interviewee mentioned that it is important to be tactful with and protecting of sensitive personal information, like in the case of employees with a criminal record (11).

Secondly, one interviewee mentioned that, when looking to expand their operations in different locations, the organization must respect the local environmental, social, and economic needs as much as profit is considered important for the business (2). As a social entrepreneur he believes that the social enterprises are setting an example by establishing excellent working conditions especially in counties in development (2).

**Integrity: Relationship and Social structure**

An interviewee mentioned that trust becomes the most powerful aspect of the business once the social entrepreneurs of an organization starts treating people as equitable partners and when maintaining that same attitude towards others over a long period of time (2).

No segments were coded under the codes “events”, “process” and “strategies” in the category of “Integrity”.

**3.2.3 Motivation of Benevolence**

The definition of motivation of benevolence based on Mayer, Davis and Schoorman (1995) refers to the extent to which a social enterprise is believed to want to do good for their target group, community or society.

**Motivation of Benevolence: Activities**

Social enterprises are trusting in others through some activities that respondents described. One of the interviewees mentioned that sometimes he just has to trust that when he makes investments in an external organization that will benefit certain community, this money will be used wisely in the social mission such as improving schools, hospitals, hydro-electric power, and businesses etc. (2).

**Motivation of Benevolence: Events**

Six interviewees mentioned that generally there is mutual trust between the target groups and the social enterprise working with them (3, 5, 6, 8, 9, 11). In order to gain that trust, one interviewee mentioned that the social enterprise needs to show support though out the entire time they are working with the target group (11). As an example, social enterprises are supporting marginalized groups and facilitating the dialogue between employer and potential employee. The same respondent mentioned also that by doing this, the target group is trusting that the social enterprise will support them if necessary (11).
Motivation of Benevolence: Perspectives
Some social entrepreneurs expressed that in some cases the consumers of their products trust the organization hoping that they are buying quality products for a social purpose. One respondent mentioned that when people look for the products, the consumer may be motivated to buy it because he/she trusts that the social enterprise will invest the profit into the social mission of the organization (11).

One of the respondents mentioned that he firmly believes that in the context of the work he is doing a hand shake when closing a deal, is a powerful demonstration of trust (2). He mentioned that nowadays society relies too much in the legal system and that everything has to be legally contracted. This form of legal contract does not exist in many places where he works and people close agreements and business deals with a hand shake. Trust is a major factor in his organization because this is the way he operates his business (2).

The last perspective mentioned by one interviewee was that people in the community trust the social enterprise because of its longevity and good reputation (4). She also mentioned that her social enterprise has been around for 22 years and as such, has gained trust from community members.

Motivation of Benevolence: Process
One respondent mentioned that within the social enterprise, they have regular official meetings to explain how the support will be provided to stakeholders and the target group in order to achieve success for both parties involved (11). She also said that processes like this take time, energy, consistency, and alignment between what the social entrepreneurs said and do (11). An interviewee mentioned that through his social enterprise, he assures that the employment conditions are fulfilling the needs the target group may have beforehand by providing excellent working conditions and offering good salaries. (2).

Motivation of Benevolence: Relationships and social structure
One respondent mentioned that it is important to genuinely strive to make friends among participants of the social enterprise but also make friends with the business partners (2). One interviewee also said that strong bonds get created among the participants in her social enterprise (circus school), because in some of the circumstances of their performances, the target group needs to trust others within the target group with their lives. She added that these friendships often go beyond the doors of the organization and are long-lasting (4).

Additionally, some interviewees said that social enterprises are acting as a family to support the target group (4, 6, 8). One respondent mentioned that the social enterprise works actively to create a family feeling for the target group (6). In this way the target group knows that they are being supported by people that genuinely care for them.

No segments were coded under the code “strategies” in the category of “Motivation of benevolence”.

40
3.3 Interview Summaries

The aim of the summaries is to give the overall narrative of each interview. They help to identify the general sense of the interview that may have been lost during the detailed coding process of this work. General information about the social enterprises is included in each summary. The prevailing perspective of the interview was identified and is represented in a quote from the interviewee. See Appendix F for the interview summaries.
4 Discussion

4.1 A Space of Complex Contributions to Social Sustainability

Making sense of the findings was an ongoing process. It began during personal conversations with interviewees and continued through the coding, data analysis, and writing processes. The research team engaged in a sense-making workshop using the diverse and specific contributions in the results as well as personal notes and observations. Upon first glance, every social enterprise contributes in its individual way. As such, the purpose of the workshop was to discuss the similarities and patterns in the data as well as to gain a deeper understanding about how the contributions affect both individual and societal levels. In this process, it became clear that the contributions of social enterprises to a more sustainable social system are complex and interrelated. Due to complexity, the overall contributions of social enterprises to a more sustainable social system cannot be discussed in isolation. Instead, a contribution within one domain of social sustainability might create opportunities for individuals in another domain. Similarly, breaking down one barrier may lead to breaking down another barrier regarding a different principle. Therefore, it is necessary to apply a holistic perspective and observe interrelations among contributions. Through detailed interpretation of the results, and within transcriptions and coding memos, the interrelations have been identified and are presented in the following discussion. It has to be anticipated that the connections arise from the specific sample of social enterprises data and are therefore presented as suggestions for further theory development in the field of this study.

Going through the results of this sample with an interpretative lens, three main insights stand out:

1. Although the legal form of being a social enterprise is no guarantee, social enterprises are a type of organization that, due to particular culture and prevailing mindsets, do not create or create considerably less barriers for people to integrity, influence, competence, impartiality, and meaning.

2. Beyond that, social enterprises actively lessen or break down barriers that have been created by other actors or by society as an emergent whole. This happens through intentionally creating opportunities for individuals in the target group for integrity, influence, competence, impartiality, and meaning.

3. The contributions take place on the individual level as well as on the broader societal/community level. In this, the two key aspects are the effect of balancing violations of the five social sustainability principles by other actors outside of the social enterprise and a bridging effect of enabling trust relationships in the surrounding social system.

Regarding the first point, it needs to be clarified that it has not been the scope or purpose of this study to identify violations of sustainability principles in the cases of the interviewed social enterprises. However, the researchers paid close attention to this aspect and based on the interviews, no violations could be identified. Additionally, although the goals of social
enterprises depend on their specific focus, the general sense is that there is strong motivation in social enterprises to create opportunities for integrity, influence, competence, impartiality, and meaning. As such, social enterprises are very sensitive to violations due to their perspectives, culture and ethical attitude. Nevertheless, every social enterprise is advised to analyse their operations regarding the five social sustainability principles internally in order to identify possible barriers or violations.

The second and third types of contributions provide deeper insight into what a social enterprise is and does on a more abstract level. Many of the contributions come from the particular culture of social enterprises and mindsets of the entrepreneurs, which start with a strong purpose related to a social benefit. This benefit is connected to the specific social needs that entrepreneurs have identified in society. Their goal, through establishing a social enterprise, is to address those needs and provide new solutions and opportunities. Purpose and goals as well as entrepreneurial characteristics, like strong ethics and the motivation to make changes, create the special way of being as an enterprise. Shared beliefs, perspectives, ideas and values shape the behavior of the individuals involved and the actions as a collective. The social enterprise can then be seen as a miniature society, a people-focused, sub-community or social circle that repeatedly has been described as family-like by interviewees. It is embedded and often deeply rooted in its particular wider community (regional, interregional or community of interest).

As a meta-contribution, the social enterprise creates a physical and/or intangible space and invites its target group into it. This space contains a culture specific to the social enterprise that brings people together and incubates processes related to social sustainability. Incubating, in this sense, refers to developing and growing aspects related to the five social sustainability principles in a container of support, protection, opportunity, community, social interaction, and trust. These six aspects of the container are the factors that make it possible for the social enterprise to lessen barriers. They emerged from the conversations with the experts and entrepreneurs (an open question is whether those aspects emerge due to not creating barriers to the social sustainability principles and/or how they are related). Within this container, a continuum of contributions to the social sustainability principles has been identified, i.e. that there are interrelated processes and flows of contributions to impartiality, integrity, influence, competence, and meaning. Here, it is important to note that social enterprises are contributing to sustainable social systems rather than not violating the principles as they lessen or even remove barriers for individuals that were created elsewhere. Without the social enterprise, certain barriers existed for individuals. These barriers were generated by society, as a complex system, by either not providing needed services (and thus creating gaps) or because other societal actors violated the principles and thus disadvantaged the target group (e.g. no youth service in the community, no jobs in the region, unequal hiring practice for ex-offenders by conventional employers). Instead of merely being a business that does not create barriers, it exists in order to actively lessen or remove barriers. This means that, while they do not create systematic barriers to the five domains of social sustainability, they actively and intentionally cultivate opportunities for competence, influence, meaning, integrity and impartiality for people. Due to the interrelationships between individuals and the larger social system, these internal contributions and cultivations on the individual level create feedback to the external society that results in an impactful change in the social system. Observing the codes as well as the narratives of the interviews, recurring flows have been found, i.e. interconnections, sequences and interdependencies among the five aspects. The flows can be found in Appendix
The interrelations and processes that have been identified are visualized in Figure 4.1 and will be explained in the following sections in further detail.

4.2 The Foundation of Impartiality

Bringing the information of the flows to higher level of abstraction, it has been identified that impartiality is the first aspect that the social enterprise puts into place. Impartiality as a sustainability principle for society would mean that there are no systematic barriers to people being treated equally. However, the contribution to impartiality in the system of the social enterprise refers to providing people, who are otherwise marginalized in or excluded from aspects of society, with the opportunity to get involved with the social enterprise. Several interview partners identified the challenge of the unequal treatment of people around the world, of social exclusion, and of the inequitable nature of today’s prevailing business reality. Because many of them work with marginalized people, the practice and promotion of impartiality and equal treatment of people is the cornerstone of the social enterprise ethos (Holbrook 2014) or the social enterprise’s strongest point (Iloska 2014). A need that has been identified and is addressed by one social enterprise is to enable an integrated, inclusive living of multiple demographics co-existing in a diverse community (Farrant 2014). The goal of social enterprises seems bigger than to create work and capacity. They show society the value and importance of opportunity for all, regardless of their backgrounds, what they bring and what their skills are, and to show society the value of everybody as unique individuals with unique contributions (Altmann 2014). Therefore, this is more than a non-existing barrier within the social enterprise. It is a foundation of impartiality that initially provides people with new opportunities. It is interpreted as the *entrance door* to the social enterprise. One interviewee referred to impartiality as the whole premise of the business model (Bate 2014). Social enterprises open this door for people by taking a *leap of faith*, trusting in the contributions and abilities of all people, despite existing stigma against the targeted marginalized demographics (the concept of the *leap of faith* will be further introduced and discussed in section 4.9).

*Figure 4.1. The social enterprise as a container for social sustainability: flows and interconnections between the five aspects of social sustainability as identified in the data (see Appendix G).*
In many of the interview questions surrounding influence, competence, meaning, integrity, the use of profits, and the ways of addressing challenges were answered with explanations about impartiality. This initial motivation of impartiality is the first step for the social enterprise to become the above mentioned space of community stabilization and inclusion. They help to bring people into self-efficacy and stability through providing support and opportunity. As shown in the results, this is done by incubating people’s abilities, skills, personal and professional development through their programs, strong values, business models and behaviors. The people that go through this process also get the opportunity to grow and transfer these skills and attitudes outside of the social enterprise.

4.3 The Creation of Meaning inside the Social Enterprise

Every social enterprise has a specific focus and goal (e.g. public safety, employability of individuals or provision of healthy, affordable food). The goals touch on at least one but often several social sustainability principles. However, many interview responses point towards one specific goal, a meta-theme and contribution on the abstract level: social enterprises operationalize the opportunity to create meaning for people. In line with the above mentioned levels of contributions, the social enterprise does more than not contributing to systematic barriers to meaning. It provides opportunities for people to gain new meaning through what they do and how they do it. This (new) meaning then translates into reduced barriers and even supports impartiality, influence, integrity, and competence for individuals in society. If a person experiences meaning in the diverse community they are now a part of, they may be more inclined to adopt this value and behave accordingly outside of the social enterprise. For example, if a person sees meaning in a biking community, he/she may become a mentor or teacher and train others. As another example, resuming and enjoying social interaction, or gaining the ability to confidently and successfully perform in a job provides meaning and leads to mental and emotional well-being. If impartiality is the entrance door, meaning, in the present example, in combination with integrity, figuratively represents an internal end of the social enterprise process. Between impartiality on one side and meaning and integrity on the other, especially the aspects of influence and competence become alive and work together within the social enterprise.

4.4 Internal Perspective: Flows, Processes, and Specific Contributions

With the above mentioned insights, the researchers took a deeper look into the flows (Appendix G). The flows are opportunities that have been found in the specific sample of social enterprises. They do not necessarily exist within every social enterprise.

At the beginning there exists a stigma or there is mistrust that systematically creates a barrier to one or more social sustainability principles (e.g. integrity as access to basic rights or financial security, impartiality as access to equality, etc.). The social enterprise acts on the opportunity to enable people to meet their needs by contributing with a space where there are no or considerably lower barriers to the five boundary conditions for individuals. Although the contributions to the sustainable social system depend on the specific social challenge being addressed, again, it can be seen that the clear majority of the flows start with the foundation of impartiality established by the enterprise. In some cases, the explicit connections start with
competence or the opportunity for creating/acquiring competence, which as well can logically
traced back to the existence of the social enterprise and its open, impartial door of opportunity.
Impartiality is especially created through social inclusion in the social enterprise community
regardless of people’s backgrounds; equal opportunity, treatment, working conditions, hiring
practices and business relations; inviting, welcoming and celebrating diversity; as well as
mutual respect and listening.

Competence, in the form of both technical and social skills, is then created and people gain the
ability to have, develop, and use their voice within the programs. Here, the data does not show
a particular order with regards to what types of opportunities are provided. However, in the
sample, competence and the experience from the social interaction within the social enterprise
tend to empower people to influence their social community and their personal role in the
enterprise. Furthermore, in the narrative of the interviews, competence has mostly been
mentioned as leading to aspects of influence. The contributions to individual competence relate
to training concrete skills and developing confidence; increased understanding of global/social
issues; practical experience and work placements, travel, and courses; or stimulate questioning
of how things are. Regarding influence, the primary contributions to individuals are creating
the opportunity to share stories, feel one’s own importance for the whole; inclusion to be an
integral part of the business model, and frequent communication among members; influence at
workplace; become mentors for others; shape the program, and choose the own specific
training career.

The prevailing outcome of this process, often paired with the development of interpersonal
trust and trust towards the social enterprise, is the above mentioned meaning for people. The
following list includes contributions to a sustainable social system that balance barriers created
elsewhere by providing opportunities for people to create meaning in their lives.

Social enterprises provide opportunities for people to:

- have a task and responsibility;
- get what they want out of life, in the target group and among clients;
- gain a new attitude/perspective;
- increase their quality of life, happiness, make future-oriented thinking and planning
  possible;
- have a career, find one’s contribution to the world, connect to other cultures;
- socially interact and network;
- be oneself, be successful;
- have the opportunity for relationships and friendships;
- have a community of support;
- have and feel their impact that builds stronger value to the job;
- gain self-esteem, do activities during the day, and have fun.

As related to the social entrepreneurs, meaning is created because they do what they love
through an alternative and inspiring way of doing business and earning their livelihood.

The aspect of integrity does not have a clear position in the process. In some of the observed
cases it is identified as a necessity and pre-condition for the incubation process to start (e.g.
access to basic rights and financial security), which means that there is ‘simply’ no barrier to
integrity within the enterprise. However, in other cases, integrity is a direct result of social inclusion through impartiality (e.g. new feelings of social belonging lessen the trauma from experiencing exclusion) or through other activities like providing affordable food. Mental/emotional integrity can especially be seen as a result of providing people with meaning. In that sense, the social enterprises’ particular contributions can lead to better mental and emotional wellbeing and less reason for depression; drug abuse, criminality, or excessive risk taking due to less harmful, alternative activities or behaviors. This shows that the theory of how exactly meaning and integrity interrelate in the social enterprise process needs further research. It is likely that the flow of the five aspects is a complex and iterative process itself, e.g. competence, influence, and integrity create meaning, which in itself creates more mental/emotional integrity, which encourages more participation and meaningful action.

4.5 Contributions to a More Sustainable Social System

Regarding the direct and indirect contributions of the social enterprise to the sustainability of the social system on the larger societal level, similar patterns have been observed. The social enterprises’ contributions on the individual level scale to the societal level due to the interconnection of the individuals and the social system as a whole. The impartiality and support of the social enterprise allows the above mentioned competence to be created in individuals and formerly excluded people are capacitated and given the opportunity to participate in society. Although different social enterprises can reduce societal barriers to all sustainability principles, it can be highlighted that in most cases the effect to the larger society is increasing societal impartiality and integrity (Figure 4.1).

An increasing level of societal impartiality refers to the fact that, in a specific context, a formerly excluded or disadvantaged group is now included and is receiving a social service or benefit that those that do not experience social exclusion would regularly have access to. Furthermore, the work of the social enterprise can reduce stigma in society. This is approached through raising awareness and enabling people to experience the disparity between a stigma and reality. The results can be strengthened by a ripple effect that starts through experience and can lead to further reduction of stigmas in groups that are not directly related to the social enterprise. Social enterprises are visible organizations in society that are able and eager to show society the importance of opportunity for all. They provide opportunities to build competence at the individual level that can be later applied outside the organization, as examples for others.

Secondly, the contribution of social enterprises to increasing societal integrity relates back strongly to the individual level. Through increasing mental and physical health of individuals, less people become sick, due to meaningful alternatives people might get less (re)involved in criminal activities, thus not harming others in society, which increases societal safety. Both aspects additionally lessen the costs for society e.g. for healthcare or incarceration.
Influence and competence on the societal level can be the output of social enterprises (Figure 4.2). This refers, as an example, to individuals now empowered to speak up, make their voices heard both within and outside the enterprise, represent ethical values, or teach others in their non-social enterprise environment. As mentioned before in relation to impartiality, it applies as well to the other social sustainability principles that, through the social enterprise, groups of people in society that formerly encountered external barriers to competence are given the opportunity to gain competence. Likewise, people that formerly encountered barriers to influence in society, are given the opportunity to have influence, etc. This is considerably different to a company providing a commercial good that does not violate the principles and even more different to a business that violates principles for the sake of profits and other non-social shareholder interests.

**Figure 4.2. The social enterprise as a container for social sustainability – further research: flows and interconnections between competence, influence, integrity, and meaning as an iterative process; can the social enterprise increase meaning, competence, and influence on the societal level?**

### 4.6 High and Low Solutions: Hybrid Approaches to Social Challenges

Data suggests that the means by which the social enterprises in question decrease barriers to the social sustainability principles varies, as do the ways in which each social enterprise provides opportunities for social inclusion. Two types of social enterprise solutions have been identified. The first one is to decrease barriers to the five social sustainability principles in society and the second, to provide opportunities at the individual level. This can be referred to as *high solutions* to social challenges (decreasing barriers) and *low solutions* to social challenges (creating opportunities at the individual level). All of the social enterprises examined in this study introduce a combination of both high and low solutions.

With the goal of reducing social exclusion, the social enterprises in this study consistently aim for solutions that address primary barriers, i.e. policies and conditions that exclude individuals as well as stigmas that shape the public perception of individuals in target groups. For example, one social enterprise (Spencer 2014) focuses specifically on encouraging employers to revisit and question their hiring policies that exclude certain demographics of people. This is an effort to
to emphasize the role of the actors in society that contribute to social exclusion and to reduce the social challenge from the top down.

Furthermore, all eight social enterprises engage in high solutions by demonstrating the value of otherwise stigmatized people. They do so mainly by providing opportunities for people to demonstrate their competence and value as productive members of society to the public. This is considered a high solution because it challenges preconceived ideas about individuals that are often inaccurate.

A low solution refers to providing opportunity for individuals to enhance their capacity to thrive within the five domains of competence, meaning, integrity, influence, and impartiality. This means that social enterprises not only remove hurdles that disable people (high solutions) but that they also provide opportunities for individuals to learn, find deeper meaning, feel emotionally, mentally, and physically well, be treated impartially, and have their voice heard. Again, although each social enterprise addresses a different social challenge, every one provides opportunities for individuals to be integrated into dominant society. These low solutions create a bottom-up approach to social challenges by empowering the individuals who are socially excluded.

In theory, if a social enterprise only provides low solutions to social problems, it may, for example, enhance an individual’s ability to do a job without to prospect of that individual being hired in the future due to strict hiring regulations. The same applies in reverse. If a social enterprise only provides high solutions by advocating for change in policy or prejudice against an individual, individuals within the target group may not have the capacity to fill that position or may not have the public space to challenge the prejudice. From this research, the data shows that social enterprises practice both high and low solutions. In other words, they take on a hybrid approach to social challenges (Figure 4.3). By providing both top-down solutions that aim to tackle the root causes of exclusion and by empowering individuals in a bottom-up approach, social enterprises work towards decreasing violations of the five social sustainability principles in society while creating opportunities within each domain.

This finding of the hybrid approach relates back to the conceptual model of social entrepreneurship by Hervieux et al. (2010). As presented in the introduction, they found that both empowerment of the individual as well as the initiation of social change are among the concepts that in research consensus characterize and categorize social entrepreneurship. Finally, it can be confirmed that both dimensions have been found as well through the lens of the sustainability principles. It seems that not only one but both empowerment and initiation of social change go hand in hand in order to move towards a more sustainable social system.
The hybrid approach shows that additionally to acting at the individual level, social entrepreneurs can have the ultimate goal of influencing higher structural levels in society. In other words, they can influence the “who” or the “what” is actually generating barriers towards the social sustainability principles. By influencing these upper structural levels, the social enterprise may be able to act with a greater magnitude of consequence, making the positive social impact faster, stronger and potentially more enduring. Some of these higher structural levels mentioned by the interviewees could be government organizations that are in charge of making policies, people with influence in corporative policies and rules, employers with current discriminatory hiring practices and different actors in the economic and financial system.

Two lines of thought are that either social enterprises hold the potential to lead to a transformational change towards a more sustainable society, or that they themselves as a business model are a representation of transforming mindsets in society. Those mindsets relate to an older mechanistic mindset, shaped by reductionism, linear thinking, competition, and business with a mere financial ‘purpose’, which slowly might change into an emerging new perspective of interconnected actors, communities and networks, systems thinking, and collaborative organizations. The conceptual model of Hervieux et al. (2010) supports that the structure of the social enterprise itself represents this transformation: the dual structure (social + enterprise) keeps a part from ‘the former mindset of doing business’ (pure market logic, individualistic aim for profit) and combines it with aspects from sectors that are completely focused on a social purpose and/or social innovation (civic logic).

A connection to transition theory (e.g. Rotmans and Loorbach 2009), which is a theory for the analysis and management of complex social systems, can be drawn. The most significant
connection to the transition theory can be explained by seeing society first as a complex open system, were there is constant interaction with the external environment and often the evolution of the parts happens as a product of the overall interactions. Within this system, the social enterprise can be viewed as a part of those interactions and as an emergent structure within society. It can shape the whole by its culture, activities and outcomes in a step by step process. This means that their structure could allow them to start a gradual change in the system beginning with the low solutions, i.e. the impact in at individual level, empowering the target group with the competencies, knowledge, self-confidence and motivation needed to participate in society and empower more people in their community to do so.

In terms of the transition theory, niches exist in a society ruled by certain practices and mindsets. Those practices and mindsets create a particular societal structure or landscape (Rotmans and Loorbach 2009). If the current mindsets or practices are altered by societal developments or political, technological and cultural factors, niches can grow, start to reshape the practices and mindsets, and influence the societal landscape in a new way. The social enterprise phenomenon with its particular culture can be seen as a niche in society. In relation to current developments, two interviewees (Blakemore 2014, Holbrook 2014) mentioned today’s reality of socio-economic crisis as well as increasing lack of wellbeing for employees in profit-focused private business. They assume a connection of those aspects with an increasing interest in social enterprises. Can both, the present need to solve social challenges in combination with socio-economic crisis open up windows of opportunities for the social enterprise niche? By converging the energy and efforts focused on a social benefit and empowering the target group in the system, this new culture might have the possibility to sustainably influence the present profit-focused mindset in business towards social business.

However, the potential power of the social enterprise sector puts even more emphasis on the fact that not every social enterprise is inherently ‘good’. How much an enterprise contributes positively to a more sustainable system depends on their individual actions, ethics and decisions, which need to be in line with all eight of the sustainability principles in order to move into the right direction. Going beyond the scope of this study, this refers not only to the social principles but also the ecological principles. Here, the ethics, solutions and characteristics of the social entrepreneur driving the social enterprise are crucial. If the social enterprise is supposed to be a means for system transformation, large paradigm shifting ideas need to be combined with strong personal ethics and entrepreneurial qualities (Altman 2014).

### 4.8 A Theoretic Outlook: The Future of Social Enterprises

According to the thought experiment of the previous section, the transition process of social business could potentially result in a new socially sustainable landscape according to the sustainability principles. In this new landscape, people are no longer marginalized. An intriguing further thought follows: if society is fully sustainable and no actors in society contribute to barriers to integrity, influence, competence, impartiality, and meaning anymore - are social enterprises still needed? Social entrepreneurs take up challenges or gaps in society that need to be addressed and find a way to financially sustain those projects. Indeed, if there were no such gaps either in the social or ecological sense, social enterprises may no longer be needed. An alternative direction of thought is that they become a form of business that works towards a flourishing, restorative society. If today’s conventional business cannot exist in a
These thoughts support the idea of social enterprises as a form of transition enterprise towards sustainability. In order to have this role, however, it is important to approach the transition strategically, with the vision of success in mind. This definition of success then goes back to the full set of eight sustainability principles and the backcasting approach introduced in the introduction. A social enterprise can backcast from its own sustainable vision of success in order to create a strategic plan for its individual operations. Having a peer-reviewed, scientifically based framework including sustainability principles could support the social enterprise in the definition, positioning, design, and scaling of their social impact as well as in communicating their societal benefits. According to the results of this research, the compliance of social enterprises with the boundaries of social sustainability seems to be closely related to its culture. Nevertheless, it is possible that although the goals or social missions are clear, the contribution to decreasing barriers for individuals can possibly be ‘automatic’ and not concretely identifiable. By applying the strategic guidelines and principles of the Framework for Strategic Sustainable Development, social enterprises may become more aware of their own contributions and strive for full compliance. These aspects seem important from the first moment on, e.g. beginning in the start-up phase if external funding and support is needed, concrete statements about the own contribution towards sustainability may help to justify and ‘sell’ the social enterprise’s ideas to possible investors and supporters.

Furthermore, in line with the recurring interrelation of the internal level and the broader societal level, a whole community could take a participatory approach and backcast from the vision of a sustainable social system. For the identified gaps in the particular system social enterprises could be developed to provide respective solutions. This leads to an idea for further research regarding the potential role of social enterprise networks in the transition towards a more sustainable society.

4.9 Trustworthiness and the Leap of Faith

It has been outlined in the introduction that according to trust related theory, trustworthiness is the precondition and foundation enabling trust at a larger scale (Mayer, Davis and Schoorman 1995) beyond the organization. Afterwards, the results have shown the particular ways social enterprises address and express trustworthiness. However, while originally looking into how the social enterprise exhibits trustworthiness, the results have shown that the display of the three dimensions of trustworthiness by a social enterprise is not necessarily the only factor that ultimately leads to trust and stronger social capital. As outlined in the introduction, the level of trust primarily depends on moral orientation (Uslaner 2002) which can be altered through the experience of trustworthiness (Rothstein 2005). Both notions are relevant in the context of social enterprises. Entrepreneurs and those working with social enterprises repeatedly described an intrinsic belief in the trustworthiness of the target group with whom they are working. Often, these target groups are made up of individuals that are not generally trusted, either because they have never before displayed dimensions of trustworthiness or they even have intentionally exhibited dimensions of untrustworthiness in public (in the case of reckless youth or ex-prisoners). Other target groups are made up of disadvantaged individuals against whom a moral assumption of trustworthiness exists as a prejudice. Consequently, they would
be generally seen as untrustworthy. The deeply rooted belief in the good and ability of otherwise ‘untrustworthy’ groups of people on the part of social entrepreneurs as well as the opportunities given to such groups are therefore based on a leap of faith.

\[ \text{Figure 4.4. Cycle of trustworthiness between social enterprises, target groups and 3rd parties.} \]

In a more detailed way, Figure 4.4 depicts that the social enterprise trusts the target group based on a moral assumption that people are inherently trustworthy, although there is a degree of risk in this assertion (leap of faith). This reflects that the social entrepreneur acts on the moral compass of impartiality, i.e. not assuming untrustworthiness due to the social ‘label’ a person might have been given by society. Consequently, the leap of faith can be explained as a moral orientation of true impartiality. By that, the social enterprise creates the opportunity for people to engage in social interaction, which enables people of the target group to show trustworthiness, often by first helping them to gain competence and ability. Only now, trustworthiness can be experienced by others and consequently alter the moral compass of prejudice in individuals. Furthermore, the positive contributions of the social enterprise to impartiality, influence, integrity, and competence of the individuals may increase the target group’s motivation of benevolence because people get a chance to rediscover and develop their ethics/values and express themselves accordingly. Hence, the ‘social enterprise container’ provides opportunities, space, and an environment of social interaction to develop and express trustworthiness with regards to the three dimensions: ability/competence, motivation of benevolence, and integrity. Once the target group exhibits trustworthiness, the other people working in the social enterprise are able to confirm the trust relationship beyond the initial leap of faith.

Additionally, the trust that is given from the target group to the social enterprise can be seen in Figure 4.4. Many respondents believe that mutual trust between the beneficiaries and the social enterprise is crucial for the success of the organization. In this case, the target group trusts the social enterprise if it consistently demonstrates the three dimensions of trustworthiness itself. In connection with the trustworthiness dimension of integrity, social enterprises live up to their espoused values by being transparent organizations and by aligning their activities,
perspectives and social structures with their social mission. Furthermore, social enterprises regularly express motivation of benevolence by reinvesting profit into social good but however caring for people first instead of profit, displaying longevity as organizations, by being part of the community, and providing ongoing support to the individuals beyond the social enterprise. Regarding the third dimension, a necessity for social enterprises in order to be trusted organizations is that they demonstrate their competence in their given domain by consistently delivering what they promise. This aspect has been particularly emphasized by one of the experts (Malhotra 2014).

4.10 Trust at the Social System Level

The discussed alteration of the moral orientation can happen on both levels: within the social enterprise among individuals as well as among individuals and external third party actors. In this regard, an important connection is that if the social enterprise itself exhibits trustworthiness, it can receive trust from external third parties (left side of Figure 4.4). The third parties (partners, clients, or general public) are the various actors outside the social enterprise that make up the surrounding social system. The social enterprise can be seen as an intermediary between the third party and the target group and is able to bridge trusting relationships. For example, often social enterprises provide character references and continual support for target group individuals so that they may integrate or re-integrate into society and participate (e.g. through work, clients, circus art, dialogue, etc.). When a third party trusts a social enterprise, it is more likely to trust an individual from a target group that is affiliated with the social enterprise. The target group individual then has the opportunity to display his or her newly developed skills and proof trustworthy, so that the third party may confirm their initial trust with that individual. However, the trust that is given from target group to the social enterprise, from the third party to the social enterprise, as well as from the third party to the target group is assumed based on the overall understanding gained through the interviews with experts and people working in social enterprises. It has to be stressed that neither the target group nor third parties were interviewed directly, therefore it cannot be said with certainty that trust is given based on the reasons outlined above.

Through the depicted cycle of trustworthiness it is assumed that social enterprises build a bridge between different actors in society that have not been connected before, such as employers and ex-offenders, western tourists and tour guides in developing countries, homeless and non-homeless people. Those new links have the potential to lessen societal barriers to the aspects of the five social sustainability principles. For example, as an iterative process, the new connections, interactions, and experiences might influence the moral trust compass of people, thus decrease stigma against specific populations and therefore reduce barriers for impartiality. By bringing diverse internal and external actors into social interaction, trustworthiness can be experienced and thus, trust can begin to manifest.

These new links are the counterpart to separation. If people are responsible for creating barriers to the five social sustainability principles, people must consequently be the actors to remove these barriers. Accordingly, the hypothesis is that the more people trust each other in a society, less ground exists for separation, unequal treatment, barriers to participation and exclusion, i.e. the more barriers to the social sustainability principles are reduced or not even created. As it can be observed, this finding relates primarily to the aspect of interpersonal trust. The
applicability to trust between people and institutions needs to be investigated in further research.

Trust is important for social enterprises because it is the aspect that ultimately enables the social enterprise to do what it aims to do: address a social challenge with an effective solution, ultimately adding the potential to less barriers to the social sustainability principles. For example, as observed in the flows (Appendix G) the integrity of people created through the social enterprise can show a motivation of benevolence of the organization. It is the resulting trust (the target group as well as the external community trust the social enterprise) that enables the social enterprise to create opportunities for competence and meaning for individuals, which translate into further integrity of the community, e.g. less crime (Hemsley 2014). Assuming that barriers to integrity, influence, competence, impartiality, and meaning can be based on a lack of trust between people, individuals can get stuck in vicious cycles. For example, a group has a specific characteristic, is seen as having certain characteristics, or is made up of individuals that have acted in a way that leads to barriers to the social sustainability principles and created stigmas.

These stereotypes may lead to a lack of trust in society and thus to marginalization. Marginalization on its end can reinforce specific behaviors that reinforce barriers and stigmas. The social enterprise has the potential to break this vicious cycle through their leap of faith and impartiality. Due to their culture and social entrepreneurs’ values, the social enterprises in this sample seem to be less susceptible to prejudice, and instead operate with an impartial approach. This provides opportunity for individuals to change their situation and break down an existing stigmas. It is the mutual trust being built over time that enables the social enterprise to bridge further trusting relationships and thus to promote levels of societal impartiality.

As presented earlier, trust is the fundamental ingredient to social capital (Rothstein 2005) and ties social systems together (Missimer 2013). Trust the aspect of adaptive systems (Missimer 2013) that is needed by society in order to go through changes without mayor declines in essential functions (Folk et al. 2005). This adaptive nature is needed to move through socio-ecological challenges towards a sustainable society. As discussed in this section, by facilitating trusting relationships in its social network, the social enterprise strengthens the social ties in the social system within which they operate. The ties in the social system that can be strengthened by the social enterprise either on the direct way with individuals or through bridging trust relationships among actors is depicted through the thicker black lines in Figure 4.5.

Figure 4.5. Strengthened ties in the social system through the social enterprise.
5 Limitations

The social enterprises and the experts that were included in this study are from different parts of the world. In order to ensure a sufficient degree of consistency among their definitions of a social enterprise (i.e. main purpose is to address a social challenge, profits are reinvested into the social impact), the respondents were asked which need they address as an organization in society as well as what they use their profits for. However, there may be regional differences in the understanding of what exactly a social enterprise is.

In addition to that, this study deals with sociological concepts like the social sustainability, social challenges, integrity, influence, competence, impartiality, meaning and trust. It has to be acknowledged that the personal definition or perception of these concepts can vary among individuals. Especially in the interaction with interviewees it was not determined how large those differences in understanding and perceptions were. Consequently, those personal interpretations may have altered the results.

Furthermore, the presented results and discussion are specific to the sample of social enterprises in this study. Social enterprises exist in diverse fields and if the same methods are used in a different sample including social enterprises focusing on other goals (e.g. food security, health, care of elderly, nature conservation, etc.), the results may reveal different findings. Within this particular sample of social enterprises, a tendency can be observed that their social impact leads to or even focuses on social integration of individuals through work integration and capacity building. However, it needs to be clarified that this has not been a specific focus of this research but rather a finding based on the research process. This might be due to the following aspects, which should be addressed and taken into account in further research when samples of social enterprises are drawn:

1. the work integration approach may be representative of the social enterprise sector and it may be a characteristic of the sector that many of its organizations focus on work skills and employability; or

2. this may be the type of social enterprise that is more willing to co-operate with researchers/ students, more available to talk about what they are doing, or more interested in the topic of social sustainability and trust; or

3. a larger sample size is necessary in order to represent the diversity of social enterprises; or

4. the researchers’ initial assumptions about the definition of a social enterprise directed their search for social enterprise interviewees towards the present sample.

The interviewees and journal authors were people in leadership positions in social enterprises. Therefore, there might be a bias in the results regarding what social enterprises really contribute versus what they desire to achieve, what their visions, values and goals are. This aspect might be addressed in further research by including more diverse stakeholders (e.g. target group, clients, third party actors) in the data collection process.
Another limitation to be mentioned is that this study has been a first attempt to apply the new social sustainability principles by Missimer (2013) as an analytical lens. Missimer’s work regarding the principles is part of a larger doctoral project. That means that the principles are still in the iterative process of being tested, adjusted, supplemented, and refined (Missimer 2013). Consequently, the present study can be seen as a contribution to this iterative process rather than work based on a final set of principles.

The question of whether social enterprises really are providing sustainable long-term solutions for society cannot be answered in totality without looking at the ecological dimensions of the sustainability challenge. Due to the particular interest of the researchers in the social side of sustainability, time constraints, and the necessity to scope, the ecological perspective has not been deepened in this study. However, when talking about full sustainability, every social enterprise needs to assess its current reality with respect to both ecological and social dimensions of sustainability and is advised to strategically backcast from operations within the boundary conditions of all eight sustainability principles.
6 Further Research

The discussed processes and contributions regarding the five aspects of social sustainability as well as trustworthiness and bridging character are a first theoretical approach that emerged from the findings of this research project. Those findings need to be tested, iterated, and validated through further research.

The experience of the research team leads especially to the following thoughts for future work:

1. To examine social enterprises through the lens of both the ecological and sustainability principles. This would provide a comprehensive depiction of how this form of business contributes to sustainability due to the interconnectedness of all the systems conditions.

2. Include both the target group and individuals from third party institutions in the data collection process would be of interest in the research regarding the trustworthiness and trust within the social network.

3. To investigate the potential of social enterprises to reshape the social systems at large, i.e. their potential to be a means for transformational change. What do they transform, by what, into what? The application of transition theory is proposed as a first approach.

4. Lastly, selecting social enterprises based on their geographical context or the social challenge they address to examine potential similarities would be an elaboration of this study. Additionally, if looking into a specific context or community, the potential of social enterprises to strategically act as a network in addressing diverse barriers to sustainability could be observed.
7 Conclusions

The social enterprise model and culture is able to provide sustainable solutions for breaking down barriers to all aspects of social sustainability. However, the social enterprise does not inherently do so simply because of its legal structure. Every social enterprise is different and the outcome depends on the mission as well as the people working in and leading the enterprise.

The main insight about social enterprise contributions combines two aspects. First, the combination of the social mission and the strong social values of people working within the social enterprise creates an organizational culture which is likely to create no or significantly less barriers to social sustainability. Second, social enterprises balance already existing violations towards the social sustainability principles in society by breaking down barriers to social sustainability created by other actors or society as a whole.

Two factors enable the social enterprise to contribute to sustainability: the strong foundation of impartiality and the cycle of trustworthiness.

The first factor, impartiality, is a pre-condition of work done by social enterprises, enabling anyone to participate regardless of social standing or demographic within which they are a part. This enables the social enterprise to actively provide opportunities on the individual level for developing skills (competence) as well as for social interaction and participation (influence) leading to personal integrity and meaning. The contributions of social enterprises in reducing barriers to individuals can extend to the societal level. In this regard, increasing societal impartiality and integrity stand out. In general, the researchers have observed a strong interconnection between the five aspects. For the iterative process of refining the social sustainability principles, this work offers insights into how people interpret the five aspects of social sustainability and how the aspects and barriers are interrelated in the context of social enterprises. The second factor, the cycle of trustworthiness, begins with a leap of faith on the part of the social enterprise. Trust resulting from this cycle has a two-fold bridging effect. First, it ultimately allows the social enterprise to provide solutions and to lessen existing barriers to the five domains of social sustainability. Second, it enables trust relationships between formerly separated individuals and third party actors in society. This creates a potential to strengthen the social system and lessen the ground for social exclusion and barriers to social sustainability.

Social enterprises use a hybrid approach to social challenges, providing solutions both at the system and individual level. Due to this two-level approach, the solutions are assumed to create long-lasting change in the social system and to have the potential to influence the current business paradigm – both aspects that need to be explored further. Because of this potential ability to reshape the social system, the need for a strategic approach to direct their impact towards full sustainability according to all eight sustainability principles is needed. In this regard, the researchers recommend that social enterprises use the Framework for Strategic Sustainable Development including all eight sustainability principles and to backcast from a vision of success: a sustainable society.
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Appendices

Appendix A: Interviewees in Social Enterprises and Experts in the Field of Social Enterprise

<table>
<thead>
<tr>
<th>Name</th>
<th>Social enterprises</th>
<th>Position</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aleksandra Iloska</td>
<td>Lice V Lice</td>
<td>Researcher</td>
<td>Macedonia</td>
</tr>
<tr>
<td>Anna Farrant</td>
<td>Save On Meats</td>
<td>Senior Community Coordinator, Founder and Director</td>
<td>Canada</td>
</tr>
<tr>
<td>Gavin Bate</td>
<td>Adventure Alternative</td>
<td></td>
<td>United Kingdom</td>
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<tr>
<td>Jim Blakemore</td>
<td>Bikeworks</td>
<td>Co-Founder and Managing Director</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Laurence Estève</td>
<td>Zip Zap Circus School</td>
<td>Co-Founder and Managing Director</td>
<td>South Africa</td>
</tr>
<tr>
<td>Michael Lewin</td>
<td>The Raging Spoon</td>
<td>Business manager, Founder, Managing Director, Project Manager</td>
<td>Canada</td>
</tr>
<tr>
<td>Nicola Hemsley</td>
<td>Organised Kaos Youth Circus</td>
<td></td>
<td>Wales</td>
</tr>
<tr>
<td>Sonya Spencer</td>
<td>KLINK Coffee</td>
<td>Executive Director</td>
<td>Canada</td>
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Experts in the field of social enterprise

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Position</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Holbrook</td>
<td>Social enterprise</td>
<td>Chief Executive Venture and Fellowship Manager</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Rebecca Altman</td>
<td>Ashoka</td>
<td>Manager</td>
<td>Sweden</td>
</tr>
<tr>
<td>Saloni Malhotra</td>
<td>Desicrew</td>
<td>Founder/CEO</td>
<td>India</td>
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Appendix B: Interview Questions for Social Entrepreneurs and Experts

Interview questions used with social entrepreneurs:

1. What is the need you have identified in society that you are addressing with your social enterprise?
2. What exactly are you doing as an organization to address the above mentioned need?
3. How do you perceive your own impact as a social enterprise in terms of scale? (e.g. community level, region, national, global)
4. Are there other organizations (e.g. NGOs or government initiatives) that address the same challenge in the same context as you? Why have you chosen a social enterprise as the structure to address this challenge?
5. What are you using your profits for?
6. Does your social enterprise lessen (or protect from) physical, mental or emotional harm of individuals in your context? If yes, How?
7. How do you make sure that the voices of your target groups are heard when decisions are being made? (This might mean in your organization and if applicable, on a societal level)
8. Does your social enterprise provide opportunities for individuals to learn to be good and/or to get better at something? If yes, how?
9. Does your social enterprise lessen the unequal treatment of any kind against people? If yes, how?
10. How does your social enterprise create meaning for people in your context? (It might include thoughts about cultural practices, space and time for meaningful conversations, and a collective long term vision).
11. Where is trust relevant for your work? What is your contribution to creating trust in your context?

Interview questions used with the group of experts:

1. Why is trust relevant for social enterprises?
2. What are social enterprises’ specific strengths in lessening (or protecting from) physical, mental or emotional harm of individuals?
3. What are social enterprises’ specific strengths in making sure the voices of the target groups are heard when decisions are being made? (Within their organization and on a societal level)
4. What are social enterprises’ specific strengths in providing opportunities for individuals to learn to be good and/or to get better at something?
5. What are social enterprises’ specific strengths in lessening the unequal treatment of any kind against people?
6. What are social enterprises’ specific strengths in creating meaning for people? (It might include thoughts about cultural practices, space and time for meaningful conversations, and a collective long term vision).
7. The previous five questions pertain to the ability of social enterprises to positively contribute to conditions that enable trust in a society. What else do you think is absolutely necessary for social enterprises to build trust in society?
Appendix C: Journaling Questions Provided to the Social Entrepreneurs

During the interview, we asked you to share your thoughts about the following five concepts of sustainable societies:

*Integrity:* This is about individuals in society being protected from mental, physical, and/or emotional harm.

*Influence:* This is about empowering individuals to participate in shaping the social systems that they are a part of.

*Competence:* This is about providing opportunities to the individual to be good at something and develop their personal and professional skills.

*Impartiality:* This is about the equal treatment of and among individuals.

*Meaning:* This is about creating purpose/inspiration for people as well as time and space for meaningful conversations, cultural practices, and values.

From what we’ve heard, your social enterprise positively contributes to all of the concepts.

Question #1: Please rate all of the above concepts according to your social enterprise specific strengths in the challenges you are addressing (10 = strongest, 1= very weakest). Briefly explain your rating for each concept. For example, if you rate a concept with a 10, please explain the strengths that enable your social enterprise address this concept.

1. *Integrity.* Rate = Explanation for rating:
2. *Influence.* Rate = Explanation for rating:
3. *Competence.* Rate = Explanation for rating:
4. *Impartiality.* Rate = Explanation for rating:
5. *Meaning.* Rate = Explanation for rating:

Question #2: In addition to the above-mentioned concepts, is there anything else that your social enterprise does that is absolutely necessary in order to build trustworthy relationships and a trusting society?
Appendix D: Categories and Codes Used in the Data Analysis for the RQ1

The definitions of the categories are based on the definition of the social sustainability principles of the FSSD: integrity, influence, competence, impartiality and meaning (Missimer 2013). However, for the purpose of this study the definitions were slightly adapted to the context of the social enterprise.

The codes and their definitions are based on the original definitions of the accounting scheme described by Bogdan and Biklen (2003), nevertheless the definitions are always related to the specific category that it is under.

1. Category Integrity

This category refers to data content that speaks about social enterprise’s contributions to lessening or protecting individuals from physical, mental or emotional harm. In an organizational context it might refer to working conditions.

Codes:

1.1 Activities: Regularly occurring kinds of behaviour at social enterprises in the context of integrity.

1.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of integrity

1.3 Perspectives: ways of thinking about integrity in the social enterprises’ setting (“how things are done around here”)

1.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of integrity

1.5 Strategies: ways of accomplishing things with respect to integrity. Social enterprises’ tactics, methods, techniques for meeting peoples’ needs specific to emotional, physical and emotional safety/security

1.6 Relationships and Social structure: with and through a social enterprise as related to integrity. This might include relational patterns, such as social groups, friendships, enemies, etc.

2. Category Influence

Influence is about being able to participate in shaping social system(s) one is part of and dependent on in the context of the social enterprise. At a minimum, this might mean being able to vote on leadership and issues and being able to make the target’s group of the social enterprise voice heard.
Codes:

2.1 Activities: Regularly occurring kinds of behaviour at social enterprises in the context of influence

2.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of influence

2.3 Perspectives: ways of thinking about influence in the setting of the social enterprise ("how things are done around here")

2.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of influence

2.5 Strategies: ways of accomplishing things with respect to influence. Social enterprises’ tactics, methods, techniques for giving the opportunity to shape social systems or making the voices of the target group heard

2.6 Relationships and Social structure: with and through a social enterprise as related to influence. This might include relational patterns, such as social groups, friendships, enemies, etc.

3. Category Competence

This is about safeguarding that every individual of the target group of the social enterprise has the opportunity to be good at something and to become even better. It includes the securing of sufficient resources for education and other sources for continuous personal and professional development. This also includes the ability to learn in order to remain adaptable and therefore resilient. Further it includes organizations being good at what they aim to deliver.

Codes:

3.1 Activities: Regularly occurring kinds of behavior at social enterprises in the context of competence

3.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of competence

3.3 Perspectives: ways of thinking about competence in the setting of the social enterprise ("how things are done around here")

3.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of competence

3.5 Strategies: ways of accomplishing things with respect to influence. Social enterprises’ tactics, methods, techniques for giving the opportunity to their target group to become good at something or to be better at something.

3.6 Relationships and Social structure: with and through a social enterprise as related to competence. This might include relational patterns, such as social groups, friendships, enemies, etc.
4. Category Impartiality

Impartiality is about decreasing the unequal treatment of the social enterprise target group. It might refer to unequal treatment between individuals, and between individuals and organizations such as in courts, authorities, etc. It is about acknowledging and acting on the notion that all people have the same rights and are of equal worth.

Codes:

4.1 Activities: Regularly occurring kinds of behavior at social enterprises in the context of impartiality

4.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of impartiality

4.3 Perspectives: ways of thinking about impartiality in the setting of the social enterprise (“how things are done around here”)

4.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of impartiality

4.5 Strategies: ways of accomplishing things with respect to impartiality. Social enterprises’ tactics, methods, techniques for decreasing the unequal treatment among individuals and individuals and organizations.

4.6 Relationships and Social structure: with and through a social enterprise as related to impartiality. This might include relational patterns, such as social groups, friendships, enemies, etc.

5. Category Meaning

The idea of meaning speaks to the reason for being an organization or system. How does it inspire its members, what does it aim to do and why?

Codes:

5.1 Activities: Regularly occurring kinds of behavior at social enterprises in the context of meaning

5.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of meaning

5.3 Perspectives: ways of thinking about meaning in the setting of the social enterprise (“how things are done around here”)

5.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of meaning

5.5 Strategies: ways of accomplishing things with respect to meaning. Social enterprises’ tactics, methods, techniques for inspiring reasons for being part of the organization

5.6 Relationships and Social structure: with and through a social enterprise as related to meaning. This might include relational patterns, such as social groups, friendships, enemies, etc.
Appendix E: Categories and Codes Used in the Data Analysis for the RQ2

The definitions of the categories are based on the three main dimensions for building trustworthiness identified by Mayer, Davis and Schoorman (1995). These three components are ability/competence, integrity, and motivation of benevolence. However, for the purpose of this study the definitions were slightly adapted to the context of the social enterprise.

The codes under each of the categories and their definitions are based on the original definitions of the accounting scheme described by Bogdan and Biklen (2003), nevertheless the definitions are always related to the specific category that it is under.

1. Category ability/competence

This refers to the set of skills, competencies and characteristics that enable a group to have influence in a specific area, it might include areas inside or outside of the social enterprise.

Codes:

1.1 Activities: Regularly occurring kinds of behavior at social enterprises in the context of ability/competence

1.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of ability/competence

1.3 Perspectives: ways of thinking about ability/competence in the social enterprises’ setting (“how things are done around here”)

1.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of ability/competence

1.5 Strategies: ways of accomplishing things with respect to ability/competence. Social enterprises’ tactics, methods, techniques for giving people the opportunity to learn skills to have influence on a certain domain

1.6 Relationships and Social structure: with and through a social enterprise as related to ability/competence. This might include relational patterns, such as social groups, friendships, enemies, etc.

2. Category integrity

Integrity refers to the consistency of the social enterprise or its target group in adhering to specific beliefs and values and the acceptability of these values.

Codes:

2.1 Activities: Regularly occurring kinds of behavior at social enterprises in the context of integrity

2.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of integrity
2.3 Perspectives: ways of thinking about integrity in the setting of the social enterprise (“how things are done around here”)

2.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of integrity

2.5 Strategies: ways of accomplishing things with respect to integrity. Social enterprises’ tactics, methods, techniques for giving demonstrating the consistency between the social enterprises’/target group’s actions and thoughts

2.6 Relationships and Social structure: with and through a social enterprise as related to integrity. This might include relational patterns, such as social groups, friendships, enemies, etc.

3. Category motivation of benevolence

Motivation of benevolence refers to the extent to which a social enterprise is believed to want to do good for their target group, community or society or vice versa.

Codes:

3.1 Activities: Regularly occurring kinds of behavior at social enterprises in the context of motivation of benevolence

3.2 Events: specific activities, especially ones occurring infrequently at social enterprises in the context of motivation of benevolence

3.3 Perspectives: ways of thinking about motivation of benevolence in the setting of the social enterprise (“how things are done around here”)

3.4 Process: sequence of events, flow, transitions and turning points, changes over time in the context of motivation of benevolence

3.5 Strategies: ways of accomplishing things with respect to motivation of benevolence. Social enterprises’ tactics, methods, techniques for demonstrating good intentions in their actions and thoughts towards the target group, community or society.

3.6 Relationships and Social structure: with and through a social enterprise as related to motivation of benevolence. This might include relational patterns, such as social groups, friendships, enemies, etc.
Appendix F: Social Entrepreneurs and Social Enterprises Experts Interview Overviews

Interviews with social entrepreneurs

Lice V Lice
Aleksandra Iloska. Researcher.

Lice V Lice is an organization that operates as a social enterprise in Macedonia. It aims to address a high-rate of long-term unemployment and homelessness through various trainings and advocacy campaigns. It also provides employment opportunities to marginalized people with a street paper vending service. The main topics of discussion in this interview were how specific training and education can enable people to become included in society and how having regular employment can bring meaning to peoples’ everyday lives. The interviewee also spoke about the social enterprise being a place of safety and that the target group feels is trustworthy.

Prevailing perspective: “We are teaching soft skills like how to approach people, they practice that when they are selling the magazine. The most of the time [the magazine vendors] they don’t make eye contact with the client, they don’t have that self-confidence. We really try to work on it and to show them that we are all equal in society and they shouldn’t feel marginalized” (Iloska, 2014).

Save on Meats
Anna Farrant, Senior Community Coordinator.

Save on Meats is a social enterprise that runs a butcher shop and also a diner. This organization is targeting marginalized groups such as homeless people, drug users or people with mental health issues in Downtown Vancouver, Canada. The need that they addressing for this demographics are being inclusive, offering employment and also providing the opportunity to buy nutritious food with an accessible price.

The mayor focus of the answers was around all the necessary conditions that Save on Meats works for in other to create this atmosphere of inclusivity and impartiality for their target group. One of these conditions goes by the hand with creating opportunities for increasing personal and professional competence. All the management staff that works for them, goes through workshops and training that will teach them how to treat their clients and also how to keep them themselves safe and manage situations in the restaurant. These trainings also are constantly breaking down mental barriers and stereotypes that staff might have in order to see every single client as equal.

Another important aspect of the interview was around creating food security for people contributing to a better physical and emotional integrity. Save on Meats do this through providing the opportunity for people with very low income to get good and healthy food for an affordable price. One of the most successful programs is “the token”, which is a gift certificate in the shape of a plastic coin, and is redeemable for a meal at the diner. This program is very well known and highly used in the community.
Prevailing perspective: “with the neighbourhood changing so much, just by being a consistent staple within the community, Save on Meats provides hope and stability, it is a comforting presence” (Farrant, 2014).

Adventure Alternative
Gavin Bate, Founder and Director.

Adventure Alternative is a tourism company that aims to address the social challenge of the inequitable nature of business. The founder of the enterprise emphasized the importance of treating people around the world equally and how this leads to people feeling empowered. At Adventure Alternative, achieving equal relationships comes in the form of sharing the profits, providing equal training and development to all staff members, and employing people on full-time contracts rather than exploiting them with a day-rate mentality. The interviewee attributed much of the success of his social enterprise to the trust that was built in the community prior to establishing a business. He referred several times to his employees as his friends, and discussed the value in being part of the community. This helped him gain an understanding of what the social challenges were in the community and how he might use profit to address the challenges. This social entrepreneur sees that consumers are beginning to demand this model of community level business and that it is becoming mainstream.

Prevailing perspective: “The moment you treat people as equal, the moment you empower people with opportunity, and sort of a future, instead of a day-to-day existence in which a lot of these people in developing countries exist in, the moment you do that you inspire them.” (Bate 2014)

Bikeworks
Jim Blakemore, Co-Founder and Managing Director.

Bikeworks is a social enterprise that offers community cycling programs in London, including employment training for disadvantaged groups, cycling for people with different abilities, school programs as well as bicycle recycling. The main challenges it addresses are employability, disability, health and wellbeing, and the environmental which is diverting metal from landfill. For their training program its primary target groups are e.g. ex-offenders, homeless people, long term unemployed, and people with mental health conditions. They break down old bikes into spare parts and sell them in their 4 retail shops, which they call community hubs. The founder is very passionate about bikes and people, so he explains that the social enterprise does both: making its founders happy and helping people at the same time. Bikeworks offers jobs and training, which puts people in a safer place in terms of health and wellbeing, bringing them back to society, being financially independent from the state, and people start living in a social circle. Others start exercising through the contact with Bikeworks and increase their health that way. As an employer, Bikeworks is more tolerant regarding the special conditions and abilities of their target groups. It is a small and dynamic business that is constantly learning with and from the people they engage with, so listening and open doors is what they practice in order to turn good ideas into commercial and social benefit. They provide skills in mechanical as well as customer service and in their disability clubs they train people as athletes. The founder says that just by what Bikeworks is, it lessens unequal treatment of people. Their people make their business special and they take individuals as who they are, so
even London’s most prolific bike thief is their trainee. This attitude combined with open feedback and strongly holding on to their core values, creates passion for that type of work in people.

The interviewee explains that bike shops generally tend to have a bad reputation for ripping people off. Instead, Bikeworks wants to create a high level of trust for their retail in order to grow their business and thus their social impact. Bikeworks wants to get over mistrust in order to make a difference in society. In case of employees with criminal record, they vouch with their brand for their people as being great mechanics and individuals.

Prevailing perspective: “We took on one of London’s most prolific bike thieves as a trainee. We knew he was a bike thief, he has been in prison for it. But he wants to learn, he likes bikes, funnily enough! Basically, we just treat him as anyone else.” (Blakemore 2014).

Zip-Zap Circus School
Laurence Estève, Co-Founder and Managing Director.

Zip-Zap Circus School is a social enterprise that works with youth at risk (street kids, orphanages or underprivileged schools) and children with health issues such as AIDS, in South Africa. The social need that this organization is focusing on addressing is the alienation of the general society in South Africa. The organization is using the circus as a motivational institution to bring people together targeting children, giving them the opportunity to be kids apart from their challenging lives and difficult reality.

An idea that seemed to be relevant for the interviewee was that the circus is not just focusing on teaching children how to perform arts. The circus is encouraging their children to learn important skills on that same journey. These skills will be transferable to their common lives, some of those could be as simple as start saying “please” and “thank you” when they interact with other, to learn to be part of an efficient teamwork when they perform acts.

Another very relevant aspect to this research that was identified during the interview was that the social enterprise is teaching these children to trust in each other and ultimately teaching them how to trust in people. They do this by the simple fact of acting together in the scenario sometimes putting their lives on each other’s hands when they are performing a flying trapeze act or other skills where trust is absolutely necessary for success. This trust even leads later to create very strong bonds among them and potentially will evolve to a durable friendship.

Also the interviewee remarked that trust is gained through time. They have been operating for around 22 years, and their success through all this time and their consistency is giving excellent references for people to trust in the School as an organization.

Prevailing perspective: “Well we teach all those circus skills, but we want the kids to be able to be able to make friends, to feel good about themselves, we want them to respect their peers and the equipment they used, we want them to have good manners, we want a lot more than just having the circus skills” (Estève 2014).
The Raging Spoon Catering
Michael Lewin, Business Manager.

The Raging Spoon Catering is a social purpose business operated by Working for Change. It focuses on community interaction and provides training and employment opportunities for people with mental health conditions called psychiatric consumers/survivors. Their goal is to bring people back to work, independence, and society and to reduce discrimination and the societal stigma faced by their target group. They produce fresh quality food from scratch, so people get various culinary skills in the commercial kitchen.

According to the interviewee, it is in the social enterprise’s very existence to lessen and protect individuals from discrimination. Not only employees but as well middle management includes people with mental health issues which leads to higher levels of empathy, understanding, and tolerance throughout the organization. Their operations based on self-investment (e.g. good food creates more customers which creates more work for them), so people participate and want to be involved in internal processes. He stresses that the whole point of the enterprise is creating a supportive environment as well as competitive menus in order to make money and to help with skills and experiences for the employees.

The interviewee says that trust gets the business running properly. What creates trust is the feeling of not judging people and treating them as a person instead of putting their mental health conditions first. What helps is intelligence and compassion, understanding peoples’ reactions and behaviors, and knowing how to deal with spontaneous incidences among employees. He further explains that it is common practice that some customers order from them only because they are a social enterprise, and then they are surprised about how good it is and order again. That is how they get over their former prejudices.

Prevailing perspective: “[…] this [job at Raging Spoon] has given them a meaning to walking out that door again. So obviously I guess working, being employable, and getting paid for is almost like a batch of right to feel like a valid citizen in any sort of civilization.” (Lewin, 2014).

Organized Kaos Youth Circus
Nicola Hemsley, Founder, Managing Director, and Project Manager.

Organized Kaos Youth Circus is a social enterprise that aims to get youth off the street and out of trouble and putting their creativity and energy into circus. This social enterprise positively contributes to building a sustainable social system by truly having its social mission at the forefront of its operations. It is successful at what it aims to do by being financially independent and by helping youth build transferable life skills that enable them to be productive members of society. The particular details of the “enterprise” dimension of the organization were not the focus of this interview. The social entrepreneur answered the majority of the questions through the lens of accomplishing social good rather than maximizing profit or operating as a successful company only in conventional business terms. It was obvious that the social entrepreneur had a deeply-seeded, personal connection with the social challenge being addressed and that her motivation of benevolence was genuine. Although acting as a support system for the community was not the purpose of this organization, community members depend on the social enterprise when they need help because it is a place of safety and trust for the community.
Rather than simply providing a product or service for a target group with little or no personal interaction, this social enterprise is all about people interacting with people. The human dimensions of compassion and trust are clearly valued within this organization, and actions are taken for the betterment of people. Almost all of these actions are either directly or indirectly related to the act of treating people equally. When youth are treated impartially, they begin to gain self-confidence. As they learn to value themselves, they learn to value and trust others. They begin to want to have influence over their circumstances, and that their opinions and voices matter. They begin to learn that they are more capable than they had once thought. This leads to growth and improvement in many aspects of their lives and develops into a sense of meaning in their lives. As these barriers to tolerance, competence, influence and meaning are broken down, trustworthiness is built among people.

Prevailing perspective: “If you address inequality with inequality, you are never going to deal with the situation. You will always have to treat people the same.” (Nicola Hemsley, 2014).

Klink Coffee
Sonya Spencer, Executive Director.

Klink Coffee is a social enterprise that works in the coffee industry, they do the roasting, packaging, shipping and sells of the coffee. The need that Klink Coffee is addressing is the great challenge that ex-prisoners returning home are facing when they want to get re-incorporated to society. Their priority in this big challenge is providing community stabilization and community safety offering an employment program for ex-offenders.

Klink’s goal of community stabilization implies action on many aspects that supports building a sustainable social system. The most obvious when listening to the interview were influence, impartiality and integrity.

This social enterprise is an organization that is hoping to have a broader impact than just at the community level. They want to influence others positively in many aspects, one of the most important is changing employers’ minds that don’t want to hire people with criminal record, therefore influencing hiring procedures and policies.

The organization is paying special attention in breaking down barriers and stereotypes that society has built around the target group. They do this continually through their branding, the social enterprise’ identity, logo, slogan and the programs they run. They are also improving competence on ex-offenders by building soft basic skills that will be essential to get a job, such as shaking hands or dressing appropriately, or even how to enhance their resume and behavior during a job interview.

The interviewee mentioned that in their particular context, trust is essential in every single relationship at Klink Coffee. One of the many examples is that the ex-offenders are hesitant at the beginning of the interaction, because they are unsure of how this program is going to be different than other programs. Klink Coffee has to gain their trust through constant communication and continuous support all the way until they reach success.

Prevailing perspective: “Even through our branding we are trying to break down stigmas and myths of that 300 pounds burly guy, all covered with tattoos and that is going to hurt them. Their decision of the past does not dictate their decisions in the future” (Spencer 2014).
Interviews with experts in the social enterprise field

*Social Enterprise UK*

Peter Holbrook, Chief Executive.

Peter Holbrook is chief executive for Social Enterprise UK, which is the national body for social enterprises. He emphasizes that every social enterprise may have a different focus, which makes it challenging to generalize their strengths and abilities. There is no guarantee that they are good at the aspects related to the social sustainability principles only because they are a social enterprise. He repeats that their positive contribution is not so much about legal structure but more about the particular organizational culture created by its people.

From his point of view, lessening or protecting from harm of individuals is usually one of the main motivations of a social enterprise. He further explains that social entrepreneurs are often motivated to correct something or to innovate and find new solutions while being focused on people, equality, participation, and sustainable growth. There is usually a great degree of empowerment and empathy involved and power is distributed throughout the organization. To engage and encourage individuals in self-advocacy and making their voices heard is within the innate mission of many social enterprises. They build the skills and confidence people need to step up, while other businesses might only include e.g. individuals with disadvantages in boards in order to ‘tick the box’ of corporate social responsibility. The interviewee explains that the majority of social enterprises has the purpose to create job and training opportunities for isolated or disadvantaged groups of people. Compared to other sectors, he sees the social enterprise sector as much more diverse in terms of gender, cultural background, or disabilities, which appears in areas of leadership, staff, and boards. Thus, they are more representative of the communities they operate in. In his experience, the sector is so appealing to people because it allows them to be themselves and to live their values at work. After having achieved a certain standard of living, people want a work-life balance and enjoy activities that contribute positively to the world. Many people entering the social enterprise sector come from the private business sector and if people get a taste of it, they rarely ever leave it again.

He calls trust the “the bedrock of relationships”, something that is absolutely needed to make relationships effective. Social enterprises pro-actively stage their good intentions, social purpose and strong values and that is why trust within their relationships with stakeholders is highly important for them. According to him, openness, transparency, accountability, democratic practice, participatory culture, and equality of opportunity are aspects which are needed to create trust in society. The social enterprise is not legally obliged to practice those aspects and the term social enterprise cannot be seen as a guarantee for those ideas. However, they are closely connected to the social enterprise culture and are found more frequently in this sector than elsewhere.

Prevailing perspective: Talking about aspects like openness, transparency, accountability, inclusiveness, equality, and participation, Peter Holbrook explains: "These aren’t things that social enterprises are necessarily legally obliged to be. This is a much more cultural characteristic, not so much structural; but you see it demonstrated much more frequently in this sector than elsewhere. The culture hasn’t come about through legislation or a legal model, it has come about through the people creating the right environment, believing it is the right thing to do, integral to their stated values and objectives. Again, a legal model or a notion of
being a social enterprise alone doesn’t necessarily provide any guarantees that social enterprises will be better than anybody else, but opting to have a social mission or social objectives does make it much more likely and expected " (Peter Holbrook 2014).

Ashoka
Rebecca Altman, Venture and Fellowship Manager.

Ashoka is a non-profit organization that works towards identifying social entrepreneurs and supporting systems changing solutions around the world. The social enterprises and entrepreneurs discussed in this interview were strictly with reference to those elected by Ashoka. Although the interview was largely focused on the Ashoka Fellow criteria, the interviewee explained that the attributes in successful social entrepreneurs become embedded in the social enterprises that they establish. Among these attributes is creativity in developing system changing, big ideas that are successful in overcoming barriers and addressing social challenges. Another quality is persistence in working to protect the target group and creating a solution that works for everyone. Ashoka identifies individuals with high ethical fiber who therefore have strong moral motivation to do good. These characteristics lead to social enterprises operating with a systems changing solution to a (or multiple) social problem(s) where all perspectives and players within the systems are relevant. Social entrepreneurs build solutions based on the needs of the target population. They run unique organizations because they have a deep understanding of the needs and are sometimes part of the target group themselves. As such, they are able to be the voice of the target group. The example of a successful social enterprise that the interviewee chose to share told the story of an entrepreneur with the goal to show society the value of opportunity for all people, regardless of background and skillset.

Prevailing perspective: “...Ashoka wants to show society the value of opportunity for all people, regardless of their backgrounds. Ashoka believes that the world is rapidly changing and thus there is a great potential for change making skills in every single person, regardless of time and space. This is showing society that great value is created because we consider everybody as unique individuals with unique contributions.” (Rebecca Altman 2014).

Desicrew
Saloni Malhotra, Founder/CEO.

During this interview unfortunately it was not possible to build an overview perspective. This was due to bad quality of the sound and poor internet connection causing multiple gaps in the sound and even the call cut off a couple times. These conditions made very challenging to connect ideas and answers from the interviewee. Nevertheless, the individual answers to some of the questions were clear enough to be used as a part of our data analysis.
Appendix G: Internal perspective: Flows, Processes, and Specific Contributions

The arrows are to be read as “leads to”; the square brackets indicate in which data source was the inspiration for the particular connection that is made.

Social enterprises contributions to the target group and its individuals

Impartiality (social inclusion) \(\rightarrow\) influence (sharing stories, feeling important) \(\rightarrow\) meaning (have a task and responsibility, feeling happy) [Iloska 2014]

Impartiality (equal treatment and working conditions) \(\rightarrow\) trust \(\rightarrow\) meaning (giving what people want out of life, in the target group and among clients), a new attitude of individuals, and good business for the social enterprise [Bate 2014]

Impartiality (equal business relationships and impartial hiring practices, i.e. access to equality) AND integrity (access to basic rights and financial security) \(\rightarrow\) competence (training of local staff, increased understanding) \(\rightarrow\) influence (inclusion, being part of the business model, frequent communication) \(\rightarrow\) trust \(\rightarrow\) meaning (quality of life, happiness, future-oriented thinking and planning) [Bate 2014]

Opportunities for competence (through impartiality of the social enterprise) \(\rightarrow\) competence (experience, travel, learning, external courses, increased understanding, stimulated questioning of how things are/work) \(\rightarrow\) meaning (career, finding one’s contribution to the world, connecting to other cultures) [Bate 2014]

Impartiality (being included in the social enterprise’s community, being accepted regardless of personal conditions like mental health issues) \(\rightarrow\) meaning (social interaction and network) \(\rightarrow\) integrity (better mental and emotional conditions) [Blakemore 2014]

Opportunity to being able to do/learn something (opportunity for competence) through the leap of faith/impartiality (social enterprise believes in and trusts people) \(\rightarrow\) meaning (having to a task/responsibility, be oneself, be successful) \(\rightarrow\) integrity on all levels (no drugs, no criminality, no excessive risk taking, less reason for depression) [Hemsley 2014 and Estève 2014]

Impartiality (inclusion, inviting, welcoming and celebrating diversity, mutual respect and listening) \(\rightarrow\) meaning (breaks down barriers for relationships and friendship) [Hemsley 2014]

Existence of the social enterprise \(\rightarrow\) meaning for the social entrepreneur (do what they love, alternative and inspiring way of doing business and earning their livelihood) [Blakemore 2014, Hemsley 2014, Holbrook 2014 and others]

Impartiality (inclusion despite criminal past) \(\rightarrow\) opportunity for competence (training, work placements) \(\rightarrow\) influence (feeling of ownership of the program, influence at workplace; if trust exists between social enterprise, target individual, and 3rd party employer) \(\rightarrow\) meaning (having a job/responsibility and a community of support) [Spencer coffee 2014]
Impartiality (in hiring practice, opportunities for people that otherwise would not be hired) → competence (train skills and develop confidence) → influence (become mentors) → meaning (having and feeling own impact builds stronger value to the job) [Spencer Coffee 2014]

Impartiality (impartial opportunity) → competence (concrete technical skills and social skills) AND influence (shape the program, choose the own specific training) → meaning (self-esteem, activities during the day, fun, friendship) AND income for the social enterprise (eg. shows to finance social impact) → integrity of the individual (mental/emotional wellbeing) [Estève 2014]

Impartiality (social inclusion and interaction) → integrity (lessen trauma from experience of exclusion e.g. in formal education) [Estève 2014]

**Direct and indirect contributions of the social enterprise to the social sustainability on the larger societal level**

Competence (education, conversation) → impartiality in society (prejudices/stigma broken down) [Bate 2014]

Competence (of the individuals supported by the social enterprise) → meaning (individual) → impartiality in society (showing society the importance of opportunity for all) [Altmann 2014]

Impartiality (social inclusion though the social enterprise that functions as a social motivational institution) → meaning (a common ground for physical and artistic activity) → a positive contribution of individuals to society AND integrity (mental and physical health of individuals, people not becoming sick or (re)involved in criminal activities, thus not harming others in society) → less costs for society

Impartiality (practiced by the social enterprise towards otherwise marginalized group) → impartiality in society (breaks down stigmas) → influence (of the formerly marginalized group in society, they get employed by third parties) → more impartiality (ripple effect through experience, further reduction of stigmas in groups not directly related to the social enterprise) [Spencer Coffee 2014]

Competence (training, skills) AND influence (talking, listening, communication/conversation) of individuals → meaning (self-confidence and attitude of the individual) → influence in the society (speaking up, making one’s voice heard, teaching others) [Hemsley 2014]

Competence (social skills learned through the social enterprise) → impartiality in society (social competence as a transferable life skill) [Hemsley 2014]

Competence (social/soft skills, social enterprise prepares people for work) → employability (trust in competence) → meaning (individual) → integrity in society (societal safety, less individuals commit crime) [Spencer Coffee 2014]

Impartiality (access to healthy food, community feeling, inclusion) → integrity (full stomach, healthy nutrition) AND increasing impartiality in society (awareness and social learning through experience of diversity in a common space, e.g. restaurant) → competence of 3rd party
(awareness and tolerance of clients seen as abilities) AND meaning for 3rd parties (shared experiences, fun) [Farrant 2014]

Influence (opportunity to voice and report harassment of women at a particular place) \(\rightarrow\) integrity (physical safety of others, knowing where walking is safe) [Malhotra 2014]

**Feedback loops:**

Integrity (of the individual, offered/created through the activities of the social enterprise) \(\rightarrow\) motivation of benevolence (of the social enterprise) \(\rightarrow\) trust (the target group as well as the external community trust the social enterprise) \(\rightarrow\) enables the social enterprise to create competence AND meaning (for individuals) \(\rightarrow\) integrity of the community (less crime) [Hemsley 2014]

More impartiality in society (reduced stigma through social enterprise and its ripple effect) \(\rightarrow\) increased employability of individuals \(\rightarrow\) increased meaning AND integrity for individuals \(\rightarrow\) more integrity in society (less health or criminality/violence challenges) [Hemsley 2014]