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**SOCIAL ENTREPRENEURSHIP IN MYANMAR**

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## **CERTIFICATION**

I hereby certify that the contents of this dissertation are wholly my own work unless otherwise referenced or acknowledged. Information from sources is referenced with original comments and ideas from the writer him/herself.

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## ABSTRACT

This study explored and analyzed the social entrepreneurship in Myanmar. The objectives of the study are to evaluate the characteristics of social entrepreneurship in Myanmar, to examine the effects of social entrepreneurship on social capital, to investigate the effects of social entrepreneurship on the acquisition of organizational resources, to analyze the effects of social entrepreneurship, social capital, and the acquisition of organizational resources on social return on investment. Social entrepreneurs of 58 social enterprises in Yangon were selected as the respondents and they were interviewed with structured questionnaire.

A brief review on social enterprises in Myanmar was also made. It was found that social enterprises in Myanmar are at the initial stage however the emergence of those enterprises can be anticipated. They have faced difficulties in registration of their ownership forms because of their organizations are in new stage. The success factors of the social enterprises are strong social capital with community and entrepreneurial and managerial skills of the leaders of organizations.

A focus group discussion was revealed that the participants in the discussion possess the social entrepreneurial skills. All participants work with the strong social intention and well-defined mission. They have ability in realizing innovative ideas for helping people and the society. They are very much proactive in setting social mission, social innovation, building social capital, and seizing organizational resources. They expand of social networks and engage the public sector for promoting the development of social entrepreneurship. Their organizational output and outcome create the positive impact to the beneficiaries and the society.

According to the results of the questionnaire survey, the multiple regression analyses showed that among the variables of social entrepreneurship, proactiveness significantly affects on social capital and social network, acquisition of financial and human resources, and social return on investment. Social innovation has significant effect on trust and social intention has significant effect on public sector engagement. Acquisitions of human resources was positive significantly affects on proactiveness and negatively affects on social intention. Social return on investment was significantly affected by trust, social network, acquisition of human resources and negatively affected on social intention. The finding and discussions of the study can contribute well for the sustainable development of community, and society.

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## LIST OF ABBREVIATIONS

<b>Abbreviations</b>	<b>Equivalence</b>
BACO	Best Available Charitable Option
BCR	Benefit-Cost Ratio
CBA	Cost-Benefit Analysis
Co-ops	Cooperative
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
CSV	Corporate Social Value
EU	European Union
FGD	Focus Group Discussion
INGOs	International Non-Government Organizations
MBE	Myanmar Business Executive
NGOs	Non-Government Organizations
OECD	Organization for Economic Co-operation and Development
REDF	Roberts Enterprise Development Fund
ROI	Return on Investment
ROE	Return on Equity
SAA	Social Audit and Accounting
SC	Social Capital
SE	Social Enterprise
SEBC	Social Enterprise Balance Scorecard
SeDAM	Social Enterprise Development Association Myanmar
SfSE	Skill for Social Entrepreneur Program
SMEs	Small and Medium Enterprises
SROI	Social Return on Investment
SIMPLE	Social Impact for Local Economies

**Abbreviations****Equivalence**

UK	United Kingdom
US	United States
USA	United States of America
VoIP	Voice over Internet Protocol



# **CHAPTER 1**

## **INTRODUCTION**

Social entrepreneurship is the contemporary well-known business model which organizes a group of participants into business activities, at the same time, intentionally fulfill the social needs and solve the social problems of the society. The most successful social enterprise, Grameen Bank founded by Mohammad Yunus, grasped the attention to development organizations to be creative in providing their supports for the specific interest groups. In addition to simply providing the aids and donations, development organizations engage and promote income generation activities for the poor because these activities can bring sustainable development for them and for the society as a whole. Establishing and operating social-oriented business call for entrepreneurial abilities because it needs to be creative and innovative in finding solutions of the social problems. Therefore, social entrepreneurship plays a crucial role in the economic and social development of country.

Social entrepreneurship is enterprises established for a social or environmental aim and the limited pursuit of profit (Petitjean and Lemoine, 2014). Social enterprise is an organizational form that rapidly emerged and began to attract both academic and civil society in the early to mid-1990s. They are part of the social economy in the broad sense but are organized like traditional enterprises pursuing a general interest objective. This study applies the definition of social entrepreneurship as adopted by Mair and Marti (2006), which defines social entrepreneurship broadly as a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/ or address social needs (cited in Deraedt, 2009).

Social entrepreneurship means nonprofit organizations that apply entrepreneurial strategies to sustain themselves financially while having a greater impact on their social mission (Lasprogata and Cotten, 2003). Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner (Zahra, et al. 2009). Social entrepreneurship is a representation of the combined quality of certain sub-concept. i.e. social value creation, the social entrepreneur, the social enterprise organization, market orientation, and social innovation (Choi & Majumder, 2014).



The emergent of social enterprises in Myanmar started from rehabilitation of Nargis Cyclone in 2008 (British Council, 2013). Various international non-profit organizations were accepted in the country for providing aids and restoration of damage areas. Financial supports have been provided, innovative ways of solving social problems have been transferred, and advanced ideas and concepts for poverty alleviation and sustainable development have been shared through cooperating with international organizations.

Starting from NGOs and INGOs, along with advancements in social activities, social enterprises were developed throughout Myanmar. Social enterprise in Myanmar offers an opportunity to demonstrate that it is possible to make financial returns whilst at the same time having positive impact on society. Therefore, the emphasis of the study stressed on the social entrepreneurship in Myanmar, which can encourage the sustainable development for the country and diminish social problems in the society.

There is a variety of terms related to social entrepreneurship, which are social enterprise and social entrepreneur. To clarify the usage of the terminologies, as Defourny and Nyssens (2008) mentioned, one could say social entrepreneurship was seen as the process through which social entrepreneurs created social enterprises" (cited by Tepthong, 2014). Social entrepreneurship is the action of a social entrepreneur with a social mission that recognizes a social problem and addresses it by means of social innovation and in terms of creating social impact and social value by benefiting both the business sustainability and society scalability.

In this study, the social entrepreneurship is examined the extent to which social intention of entrepreneur, the mission of enterprise, social innovation, proactiveness, and risk-taking behavior encouraged the establishment and operations of the enterprise. Social entrepreneurial intentions can be deemed as a psychological behavior of human beings that persuades them to gather knowledge, perceive ideas and execute social business plans to become a social entrepreneur (Mair et al. 2006). Social entrepreneurship combines the passion of a social mission with business-like discipline, innovation, and determination commonly associated with (Dees,1998). Social innovations are changes of attitudes, behavior or perceptions of a group of people joined in a network of aligned interests that, in relation to the group's horizon of experiences, lead to new and improved ways of collaborative action within the group and beyond (Neumeier, 2012). Proactiveness is focused more on the pursuit of



opportunities and initiating activities (Covin and Slevin, 1989). Risk taking is the act of engaging in a behavior that entails some probability of negative consequences (Boyer and Byrnes, 2016).

This study considers that the success of social entrepreneurship relies on two factors; strength of social capital and the acquisition of organizational resources. These two factors are essentially important for the establishment and the sustainability of social enterprises (Wicker & Breuer, 2014). At the same time, building social capital and acquisition of organizational resources depend on initiation and ability of social entrepreneur. Therefore, the effects of social entrepreneurship on social capital and acquisition of organizational resources are examined in the study.

Social capital consists of resources embedded in one's network or associations (Lin, 2001). According to Portes (1998), social capital is defined as the ability of actors to mobilize resources by virtue of their social affiliation is often referred to as social capital (cited in Stryjan, 2006). Social capital is composed of relationships, which get the network actors to recognize one another, understand and help each other as well as exchange information and cooperate in order to achieve common goals. This network of relationships is the result of (whether intentionally or not) social investment strategies orientated towards building and rebuilding trust relationships over time, which are durable and useful to generate tangible and intangible profits. In this study, social capital is examined from the point of views of trust building, social network, and public sector engagement.

Coleman (1998) argued that social trust is one of the underlying features of social capital and mutual social relationship. Individuals in higher-trust societies indeed spend less on protecting themselves from being exploited in economic transactions (Knack and Keefer, 1997 cited in Sabatini, Modena, & Tortia, 2013). The very essence of social entrepreneurship is the capability to connect with social and community values, and through adept networking to realize their potential (Chell, 2007). Social enterprises are known to benefit from developing a good network of supporters, as having a large network of strong supporters enables collaborative work with other organizations, including non-profits, co-ops, and commercial businesses (Austin, 2006). Such collaborative works and partnerships aid in accessing a wider pool of resources, as well as enabling the social enterprise develop capabilities, they would not have been able to do on their own (Meyskens and Carsrud, 2013 cited in Kupolokun,



2015). The existent and operation of social enterprises must deal with public bodies at least at a local level. Local authorities have a process for doing this through their community consultation requirements; therefore, social enterprises need to collaborate with public sector.

Organization uses different resources to accomplish its mission. Social entrepreneurs are responsible for acquiring and handling these resources to achieve mission. For many entrepreneurs, commercial or social, implementing an opportunity after the discovery phase is a huge challenge (Short et al., 2009). Implementation involves acquiring and managing resources and can be a make or brake point when founding an organization. Finding resources, strategically aligning them with organizational goals and ensuring they are sustained throughout the needed duration all remain key activities required for establishing a business (Shaw and Carter, 2007). Social entrepreneurs looking to exploit opportunities often encounter social institutional barriers such as gaining access to seed funding and other key resources (Alter, 2006; Robinson, 2006; Cooke, 2010, cited in Lincoln, 2013). In this study acquisition of financial and human resources are evaluated.

The effectiveness of social entrepreneurship is measured by using Social Return on Investment (SROI). Social return on investment is an approach to understanding and managing the value of the social, economic and environmental outcomes created by an activity or an organization. It measures the significant intended and unintended outcomes of any organization and applies a dollar value to those outcomes. SROI reflects the quantified value of total returns generated by the project relative to the costs incurred in achieving those benefits (Iyer and Agrawal, 2014).

While the approach varies depending on the program that is being evaluated, there are four main elements that are needed to measure SROI: input, outputs, outcomes, and impact. Input or resources investments is their enterprise activity. Output is the direct or tangible product from their activity. Outcomes is the changes to people resulting from the activities. Impact is the outcome less an estimate of what would have happened anyway. In this study, output, outcome, and impact are analysed for evaluating social return on investment of social enterprise operations.

The target group of the study consists of social enterprises in Yangon Division, Myanmar. These enterprises operate in a wide range of activities, including social



services, education, housing, environment, culture and arts, and tourism, and in new areas, such as renewable energy, fair trade and transport. These enterprises are diverse in their mission, business structures and industry orientations. The conceptual framework and design of the study bring these enterprises into general picture of social entrepreneurship and related variables.

### **1.1 Rationale of the Study**

Myanmar is undergoing repaid changes following the government's economic and political reforms since 2010. According to World Bank, the economy of Myanmar recovers in 2015-2016 and is projected to rise in 2016-2017. Although Myanmar economy is developing, there are still many social issues; civil wars, few job opportunities for minorities, poverty, and many more, around the country.

In order to tackle numerous social issues in the country and foster sustainable economic development of the country, social enterprises can be the critical role players. The emerging social enterprise sector in Myanmar can play an important role in supporting inclusive economic and social development (British Council, 2013). They were made loan to villagers for set up business. Some private and public organizations are promoting and supporting social entrepreneurship such as microfinance. Today, most social entrepreneurship is trying to reach out social problems by offering products and services, creating job opportunities for minorities such as women, orphans, disable persons and other minorities groups, conserving environment and culture, and innovating creative solutions through social enterprises.

As a field of study, social entrepreneurship has grown significantly and courses on social entrepreneurship are becoming increasingly popular at prestigious universities around the world (Mair and Marti, 2006). Although the promotion of social entrepreneurship has been started in Myanmar, many people still do not aware about this concept and activities or misinterpret social entrepreneurship. And there are only a few researches concerning with social entrepreneurship in Myanmar. Thus, a study needs to be conducted to analyze the effects of social entrepreneurship, social capital, and organizational resources on social impacts.

Social entrepreneurship is an emerging sector in developed and developing countries. The concept social entrepreneurship has gained popularity over the past



decades, but must still be considered as a new and emerging field academically (Ingstad, 2016). In recent years, social entrepreneurship and social entrepreneurs have gained public attention. Social entrepreneurship is understood as a process that, through innovative initiatives, transforms society by addressing the immediate targeted problem and also instigating long-term changes in the system within which it is embedded.

A social entrepreneur is a person or a group of people who creates innovative solutions to social problems in ways that go beyond the immediate focus of concern to catalyze positive long-term social transformation (Alvord, Brown & Letts, 2004). Social entrepreneurs tend to address social issues that have the biggest impact on poor marginalized populations. While social entrepreneurs can work within the public or business sectors, most work within the “third sector” - a range of civic efforts and organizations that are separate from government and for-profit organizations (Mair & Marti, 2006).

The main objective of the social enterprise is to support the society with the business model. Therefore, the participation of the society is important for the enterprise. In order to get the participation of society, social capital is the critical factor. The existence of social capital is a necessary, but not sufficient, condition for successful socioeconomic development, both in the framework of sustainable and neoliberal development. At the macro-level social capital importance was demonstrated but was also shown to pose a number of difficulties analytically. At the micro-level, however, evidence shows how integration allows people to ‘get by’ in life, but that to ‘get ahead’ linkage with outsiders, who can introduce technological innovations for example, is needed (ONS, 2014).

The characteristics of social entrepreneurship was determined with the combination of two concepts; social intention of enterprise and entrepreneurship ability for running business. Simple approaches to defining ‘social entrepreneurship’ bring together the meanings of ‘social’ with ‘entrepreneurship’ (Mulgan, 2006). In general, this is interpreted as entailing coupling a ‘social’ mission with an ‘entrepreneurial’ process (Nicholls, 2006; Peredo and McLean, 2006). Therefore, the characteristics of social entrepreneurship were explored with social intention, social mission, social innovation, proactiveness, and risk taking of social entrepreneurs.



The OECD defines social capital as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups”. In this definition, social capital can think of networks as real-world links between groups or individuals (OECD, 2007). Social capital, as a social phenomenon raises creativity, raises ideas, facilitates innovative and risk-taking behaviors and plays an important role in entrepreneurship activities; because entrepreneurship is a social- economical process that is dependent on social conditions and social context in two ways: first entrepreneurs are people who are a product of their own social environment and second entrepreneurship is a social activity and therefore presence or absence of social bonds and communications affect the nature of business.

Within the extremely diverse array of social capital literature, trust and networks are considered fundamental (Schuller et al. 2000). Social trust is considered among the most important social capital indices. Social trust means the expectation that occurs within a community of honesty, and cooperative behavior, based on commonly shared norms. Trust, a vital and fragile commodity, is also necessary to study if one is to understand social capital (Dasgupta 2000). According to Fukuyama (1996) the level of trust inherent within a given society determines a nation’s wellbeing and ability to compete. The questions about social trust concern one’s good reputation in society, an organization’s information referred to by media, members’ or people’s recognition, and visiting by other organizations.

Networks are defined as a set of interconnected and interdependent actors such as individuals or organizations (Schuller et al. 2000). A network is the number of members that are directly connected to social structure. Networks are measured by items including external alliances, a diversity of friendships in many areas resulting in a positive effect for an organization, informal networks, and playing a significant role in networks.

Moreover, public sector engagement can help to survive the enterprise in long run. Public sector engagement is the connectedness to public agencies. Public Sector Engagement is the connectedness to public agencies by which mutual benefit relates to government supporting plan. Hence, trust, network and public sector engagement were considered as a social capital in this study.



Acquisition of organizational resources is the social entrepreneurs' ability to raise sufficient funds to accomplish the mission, sources of revenue, volunteering, and information from the networks. The resources of the social enterprise are both financial and nonfinancial, and can also be viewed as tangible and intangible resources. Amongst all types of resources, a social enterprise, financial resources and human resources were mainly considered in the study because acquisition of these two resources is a critical factor for the social enterprises. Acquisition of financial resource for social enterprise is more confound matter because it involves finding donation from various donors, raising venture capital, organizing crowd funds, and selling products and services. Social enterprise carried out the diverse activities for various types of beneficiaries. Therefore, human resources required for the social enterprise must have the skillful, talented, committed, enthusiastic, ethical, knowledgeable and passionate people. If these necessary skills are absent, the social enterprises cannot be effectively and successfully implementing their mission.

The effectiveness of social enterprises and ability of social entrepreneurship should be evaluated whether they can fulfill the social needs and solve the social problems. This study applied social return investment (SROI), developed by the Roberts Enterprise Development Fund, for evaluating the effectiveness of social entrepreneurship. The social enterprise is contrary the commercial firm in the sense that financial capacity is not an ultimate goal. Many social sector organizations define their mission both by the impact of their services on beneficiaries and how they behave as businesses. As such often they have organizational commitments around; contributing to local employment, particularly disadvantaged groups; supporting the local social sector through supply chain; inclusive labor relations; and local community reinvestment. The most widely advocated set of approaches to social performance measurement involve an assessment of impacts or results, which are broadly labeled as "impact evaluation" and "outcome measurement." SROI promises a set of advantages that could beneficiate organizations in terms of their accountability and strategic management dimensions (Correia, 2014). Therefore, social return on investment, which evaluates the output, the outcome, and the impact to the target beneficiaries of the enterprise.

Myanmar has a particular flavor to its social enterprise sector, which is more demand-led than other market in the nation. Early development in the social enterprise



sector see organizations very much rooted and responsive to the needs of the communities they are there to serve. Social enterprises own a set of missions for their advantaged groups. The success factors of the social enterprise were an interesting topic as many start-up and existing enterprise. In today's environment, where the life cycles of products and services were becoming shorter and future profits were uncertain, it is important for social enterprises to take risks and to be proactiveness and innovative. The nature of working environment forces these enterprises to assess and enhance their strategies. Moreover, factors which can effect on their social return on investment such as social entrepreneurship, social capital, and acquisition of organizational resources need to be examined.

However, there are few numbers of research papers on social entrepreneurship in Myanmar. For this reason, it is necessary to examine how social entrepreneurship, social capital, and acquisition of organizational resources on social return on investment. The social entrepreneurship in Myanmar was studied by qualitative research, focus group discussion conducted with the social entrepreneurs who are operating their enterprises throughout Myanmar. For the quantitative research, questionnaire survey was carried out, the sample size for the study was selected from the social enterprises operated in Yangon because total number of social enterprises in Myanmar is difficult to identify.

## **1.2 Problem Statement of the Study**

The academic field of social entrepreneurship is still emerging. Over the past ten years the interest about the field has gained greater and greater attention from academics followed by numerous attempts in trying to define what social entrepreneurship is. In spite of this promise social entrepreneurship literature lacks adequate empirical studies that anchor its theoretical foundations (Santos, 2009; Urbano, Tolenado and Soriano, 2010). Existing literature is still in a stage of relative infancy (Hoogendoorn, Pennings and Thurik, 2010; Short, Moss and Lumpkin, 2009) and draws from diverse theories (Lehner and Kaniskas, 2012). The literature is characterized by definitional dilemmas (Mair and Marti, 2006; Nozuri, Westover and Rahimi, 2010; Short et al, 2009), and inadequate experimental research (Hoogendoorn et al, 2010) (cited in Mnganga.P, 2014). In parallel with the ongoing research debate about CSR there has also started to come up a notion called social entrepreneurship.



Corporate social responsibility is widely perceived as a cost center, not a profit sector. In contrast, shared value creation is about new business opportunities, that create new markets, improve profitability and strengthen competitive positioning. CSR is about responsibility; CSV is about creating value (Kramer, 2011). Social entrepreneurship is the new type of entrepreneurs that combines profit with long term social responsibility. CSV and social entrepreneurship can be regarded as means or solutions that could help to alleviate or solve the societal problems.

In general, as the social enterprise sector is emerging in Myanmar, representatives from the concerned ministries and local associations were found to have a limited understanding of what social enterprise is. Some of the main challenges social entrepreneurs face are unclear government guidelines as to what qualifies as a social enterprise and a lack of legal recognition for social enterprises. (cited in: MMRD Report, Social inside, 2017). Since, the government sector does not have enough resources to handle current social problem, social enterprises are stepping up to initiatives in these problems.

In some cases, the businesses started out as grant funded NGOs but are moving towards being independently funded social enterprises. Some social enterprise adopts a job creating model in which the social enterprise delivers job training and job opportunities for those people or communities providing the products or services used by the social enterprise. The profit generated ideally was pay staff salaries, for the acquisition of new products as needed and a portion was be channeled into the charitable aspects of the social enterprise.

In the Myanmar academic environment, social entrepreneurship is rather a new area to be explored. Empirical research on social entrepreneurship in Myanmar is also very limited. Therefore, selecting research area for this study is exploring and highlighting new field of research. This study can provide academically beneficial contribution for Myanmar higher education.

The scope of the study covers the nature of entrepreneurship, developing social capital for the enterprise, acquisition of resources for the enterprises. It can also provide the measures regarding the effectiveness of entrepreneurial activities in social sector. Since the development of social enterprises in Myanmar is also in very early stage, the contributions from the empirical research can lead the way for implication of running a social enterprise.



The purpose of this research was to gain insight into social entrepreneurship in Myanmar. Therefore, the study was guided by the following research questions:

- What are the characteristics of social enterprise?
- Which variables of social entrepreneurship affect social capital?
- Which variables of social entrepreneurship affect the acquisition of organizational resources?
- What are the effects of social entrepreneurship, social capital and acquisition on social return on investment?

### **1.3 Objectives of the Study**

The main purpose of this study is to analyze the social entrepreneurship in Myanmar and its impacts on the society. Therefore, the study includes how social entrepreneurship relates to social capital and the acquisition of organizational resources for the social enterprises, and how it can provide the effects on society in terms of fulfilling social needs and solving social problems.

The specific objectives of the study are:

- To evaluate the characteristics of social enterprise in Myanmar;
- To study the effects of social entrepreneurship on social capital;
- To identify the effects of social entrepreneurship on the acquisition of organizational resources;
- To analyze the effects of social entrepreneurship, social capital, and the acquisition of organizational resources on social return on investment.

### **1.4 Hypotheses of the Study**

This study aims to investigate the characteristics of social entrepreneurship in Myanmar. Social entrepreneurship is needed to be studied because of the requirement to assess the effectiveness of social enterprise and to understand the situation in which the social enterprise is working. Also, it is studied because of the requirement to know human resources and financial resources adequate or not. This study can also answer the question of whether the social return on investment made by social enterprise is really effective or not. Therefore, the following hypotheses are developed for this study. Hypothesis 1: The dimensions of social entrepreneurship has affected social capital.

Hypothesis 2: The dimensions of social entrepreneurship has affected the acquisitions of organizational resources.

Hypothesis 3: The dimensions of social entrepreneurship, social capital and acquisitions of organizational resources have affected social return on investment.

## **1.5 Method of Study**

In order to achieve the purpose of the study, the exploratory research was carried out (although it utilized analytical tool). The research applied qualitative and quantitative methods.

Focused group discussion was conducted for the purpose of exploring the insight of social entrepreneurship in Myanmar. The discussion section took two hours to discuss the research questions, which described in Appendix. Eight Myanmar social entrepreneurs participated in the discussion. A moderator was assigned to explore the questions and directed the discussions.

Primary data is obtained through a questionnaire from social entrepreneurs, or founders. Face to face interview was carried out in order to collect the data for generalizing the findings of the research.

There are two sources, which update the number of social enterprises in Yangon. One is British Council, which supports and consulted 66 social enterprises in 2018 and the other is Impact Hub Yangon. For selecting the sample of this study, the list of social enterprises obtained by Impact Hub Yangon was utilized.

According to Impact Hub Yangon (2018), there are 68 social enterprises in Yangon. All of social entrepreneurs who are leading those social enterprises were chosen as target group for the survey. The simple random sampling method was used to selected the sample. A structured questionnaire was used for collecting data to acquire the importance of the enterprise awards to each item in the scale ranging from 1 = strongly disagree, to 5= strongly agree. The data collected were analyzed by using descriptive statistics and multiple regression analysis.



## **1.6 Scope and Limitations of the Study**

The theories and concepts are explained in chapter two; however, the working definitions are specified for usage of terminologies in the study. In this study, social entrepreneurship refers to the process or behavior of social enterprise, the social enterprise refers to tangible existence of organization, and social entrepreneur refers to the founder or leader of the social enterprise.

A controversy can be existed whether NGOs and social enterprises are the same type of organization. Therefore, it should be clarified which organizations were involved in the study. For this study, organizations in any form, such as INGOs, NGOs, foundations, associations, private companies that were adopted the social entrepreneurship concepts, were accepted as social enterprises. The study emphasized only on their social enterprise activities and other activities were omitted from the study.

Depending on the limitation of time and effort for the study, this study focused on social enterprises in Yangon Region only. The reason is that majority of social enterprises located their headquarters in Yangon although their activities are spread throughout Myanmar.

This research has several limitations. There are a number of methodological limitations that must be considered when evaluating the results of this study. The questionnaire employed in this study may have self-reporting bias in the data-collection process; the respondents may have tried to protect themselves and their organizations by overrating their evaluation. Since there are only 68 social enterprises in Yangon Region, splitting these enterprises into specific categories would cause smaller groups of study units, which would not be sufficient for analytical model. Therefore, various types social enterprises were selected for the study. The measure of the study relied on the perceptions of respondents through Likert Scale rating because it is difficult to collect some data like financial data.

## **1.7 Organization of the Study**

This study is presented into five chapters. The first one is the introductory chapter, which includes rationale of the study, problem statement of the study, research



questions, objectives of the study, method of the study, scope and limitation of the study, and organization of the study.

Chapter two is regarding with theoretical background of the study. Theoretical review was made in order to develop the conceptual framework for the study. The chapter includes concepts and definitions of social entrepreneurship, social capital, organizational resources, and measuring social return on investment generated by social entrepreneurship. The preceding empirical research works relating to social entrepreneurship are also reviewed in this chapter. At the end of the chapter, the development of conceptual framework for the research is described.

In chapter three, when and how social entrepreneurship has been emerging in Myanmar is described. In order to explore the nature of social entrepreneurship in Myanmar, a qualitative research, focused group discussion was conducted. Therefore, the design and findings of focused group discussion are presented in this chapter.

In chapter four, the design and findings from quantitative research, questionnaire survey, are presented. It consists of the analysis on characteristics of social entrepreneurship, the effects of social entrepreneurship on social capital, the effects of social entrepreneurship on acquisition of organizational resources. The social return on investment achieved by social entrepreneurship, social capital, and organizational resources were also analyzed and explained in this chapter.

Finally, summarized findings of the study, discussion on implications and suggestions of the findings of the study, and limitations and recommendations for further studies are discussed in chapter five.

## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter presents theoretical review of the concepts relating to the study. Based on the theories and research works, theoretical review includes the evolution of social enterprises, the definitions of social entrepreneurship, social entrepreneurship and social capital, social entrepreneurship and the acquisition of organizational resources, and social return on investment. The previous research works on social entrepreneurship were explored for developing conceptual framework of the study.

#### **2.1 Evolution of Social Enterprise**

The terms social enterprise and social entrepreneurship have the various historical reference. Banks, (1972) applied the term social entrepreneur to Robert Owen, widely credited as the philanthropist who pioneered co-operative communities in 1820s. In US, Etzioni(1973) described the space for social entrepreneurship as a 'third alternative' between the marketplace with the power of reform society. Etzioni describes a reduced state economy, and the rise of alternative business models working in sectors servicing what he calls 'domestic missions'. The term social enterprise first used in Dholakia and Dholakia (1975) to distinguish marketing activities in state and co-operate enterprises from private sector approach. Westall, (2001) claimed that another influence was the community business movement who established a magazine call 'New Sector' in 1979 to advance social democracy as the preferred alternative to the neo-liberal doctrine adopted by Margaret Thatcher in the UK and Ronald Reagan in the USA.

The two terms gains salience in the UK via different international routes. Social entrepreneurship was popularized at 'Ashoka' in the USA. Throughout the 1980s and 1990s it become associated with international development and fair trade (Grenier, 2006) before appearing in a 1995 article published by 'The Independent', to describe individuals who founded the UK social entrepreneurial movement (Mawson, 2008). Although Harvard University in the USA used the term 'social enterprise' for its Social Enterprise Initiative after 1993, its approach followed the philanthropic model of



commerce rather than the democratic orientation of co-operative and non-profits highlight in the EMES study (Defourny, 2001). In 1997 the school for Social Entrepreneurs was established, followed quickly by the Community Action Network in 1998 and Unltd in 2000. UK scholarship received a boost in 2004 when the Skoll Foundation invested in the Skoll Centre for Social Entrepreneurship at Oxford University.

The terms social enterprise and social business started outside the US in three distinct places.

- Firstly, in the UK, the term social enterprise was used from 1978 onwards at Beechwood College (Leeds, Yorkshire) to describe worker co-operatives that were learning social auditing (Ridley-Duff and Southcombe, 2012). Spreckley (1981) published a definition of social enterprise in *Social Audit: A Management Tool for Co-operative Working* and worked to build education program with Jim Brown (1981-1984).
- Secondly, at around the same time in 1979, co-operative movement activists in the Bologna region of Italy persuaded their local authority to support 'social co-operatives' (Restakis, 2010). Such was their success that national legislation was passed in 1991 and they came to be regarded as social enterprise (Savio and Righetti, 1993). According to Spear, (2008), this influenced the formation of EMES European Research Network the group that partnered CECOP (a European federation of worker co-operatives, and works on social and participative enterprise) to produce one of earliest volumes of scholarly works on social enterprises (Borzaga and Defourny, 2001).
- Thirdly, between 1976 and 1979, Muhammad Yunus piloted a mutual micro finance organization to fund small-scale production in Bangladesh. The initial project was incubated at Jobra then extended to the Tangail district, before becoming an independent bank in 1983 (Grameen Research Inc. 2012).

Within the UK, the term 'social enterprise' initially gained its strongest foothold within the co-operative movement and community regeneration sector (Teasdale, 2012; Ridley-Duff and Southcombe 2012). By late 1997, a coalition of co-operatives and co-operative development agencies had formed Social Enterprise London was created to lobby for co-operatives, social firms, trading charities, community and employee-owned enterprise. Academically, the earliest UK research study embracing



social enterprise in (Amin et al., 1999). They studied regeneration, neighborhood renewal and rebuilding of marginalized communities through government initiatives such as Phoenix Fund and National Strategy for Neighborhood Renewal. In summary, the origins of the language and the meanings assigned by its advocates, was influenced by experiences in different parts of the third sector as well as public and private sector initiatives to develop approaches to social enterprise.

US style 'social enterprises' have strong links with philanthropy whereby money raised from the wealthy individual (and increasingly market institutions) or government-backed finance supports non-profit organizations that act in the public interest (Dees, 1996). Its individual and philanthropic character is evident in definitional work at Stanford Institute: 'the social entrepreneur's value proposition targets an underserved, neglected, or highly disadvantaged population that lacks the financial means or political clout to achieve the transformative benefits on its own (Martin & Osberg, 2007).

EU style 'socialized enterprise' drew more on traditions of collective voluntary activities, self-help and co-operative principles derived from secular and Christian socialists' traditions (Amin et al., 2002). The EU model emphasizes solidarity between stakeholder and government systems that enable workforce members and service users to participate in decisions about the design and delivery of goods and services (Moreau & Mertens, 2013).

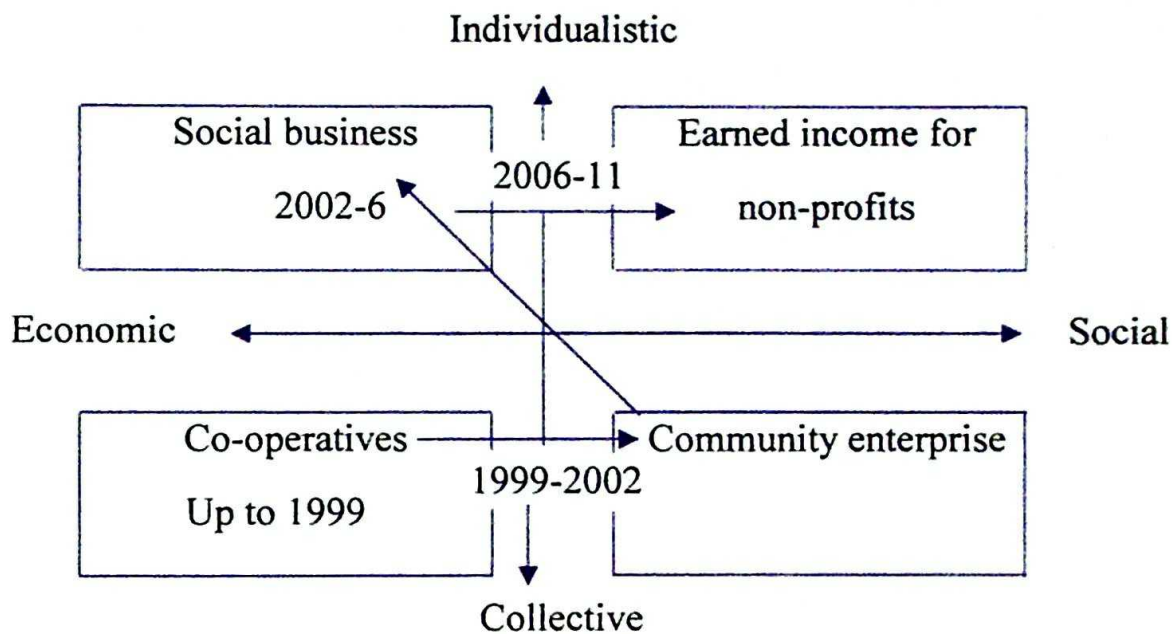
An enterprise that is owned by those who work in it and /or reside in a given locality, is governed by registered social as well as commercial aims and objectives and run cooperatively may be termed a social enterprise. Contrasted to this is social enterprise where 'labor hires capital' with the emphasis on personal, environmental and social benefit (Spreckley, 1981). This definition gave no recognition to social enterprises that are registered as charities and follow the trustee-beneficiary model, but it does embrace membership association.

In 1996, a study by the EMES European Research Network set out a series of social and economic characteristics used to select organizations for pan European study of social enterprise. This definition consists of two dimensions, social and economic. Social dimensions involved an explicit aim to benefit the community, an initiative launched by a group of citizens, decision making power not based on capital



ownership, a participatory nature, which involves the persons affected by the activities and limited profit distribution (Defourny, 2001). Economic dimension involved a continuous activity producing goods and or selling services, a high degree of autonomy, a significant level of economic risk, and a minimum amount of paid work (Defourny, 2001).

**Figure 2.1 Making Sense of Social Enterprise Discourse**



Source: S. Teasdale, (2012)

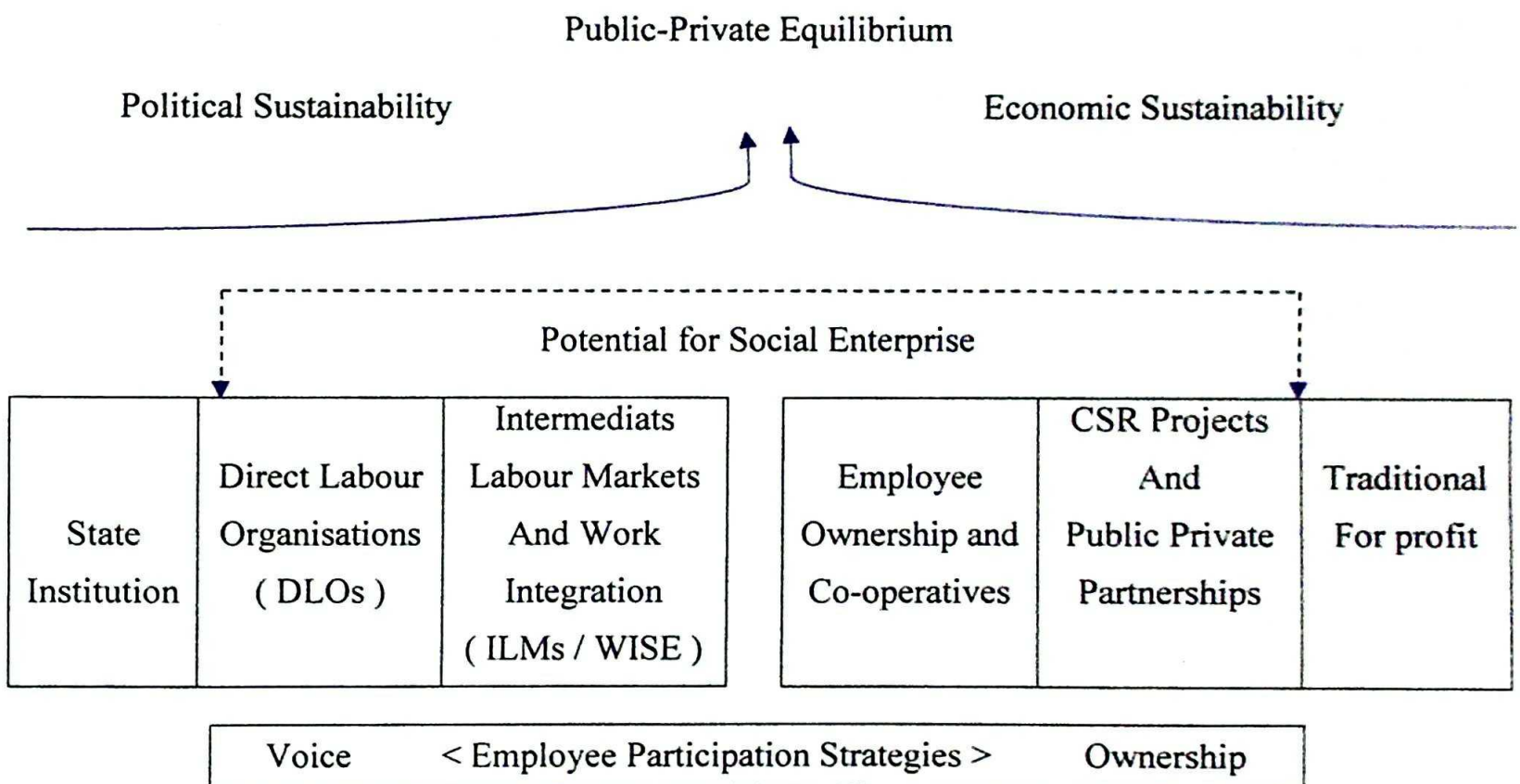
Social entrepreneurs, even those operation on a self-employed basis, could gain credibility for their social venture. Similarly, trading charities and voluntary organizations (whether formally democratic or not in their decision making and appointment processes) as well as a broad range of co-operatives (whether commonly owned or owned by their staff) could be accommodated in a national strategy. With hindsight, it is easier to see this as a discursive shift away from ‘socialized enterprise’ in favor of ‘social purpose enterprises’.

Tersdale (2012) tracked changes in social enterprise discourse over the period 1999 to 2011. Frames the periods 2002-2006 as on of which there was a transition away from a co-operative and community enterprise heritage towards one based on social business and earned income for non- profits. A social enterprise is any business venture created for a social purpose- mitigating reducing a social problem or market failure- and to generated social value while operating with the financial discipline, innovation and determination of a private sector business (Alter, 2007). Alter’s model could also

describe entrepreneurial ‘non-profits’ in the USA and elsewhere that run hospitals, schools, colleges, universities and social services. For example, in developing countries, this definition serves that cover those organizations that act as a proxy for the state by providing services that would attract public funding in the EU.

Social enterprises are often described as a double bottom line organization that practice both altruism and commercial discipline. Nyssens (2006) described this as a process of hyperdilation that challenges traditional models of organizing and produce a cross fertilization of ideas. A model by Dees (1998) had been influential in promoting understanding of social enterprise in the non-profit sectors of the USA and the UK where organizations have experienced falls in charitable giving and government grants.

**Figure 2.2 The Social Enterprise Sustainability Equilibrium**



Source: Alter (2007)

Kim Alter (2007) built on Dees’ model to proposed a sustainability spectrum that describes six gradations between ‘traditional non- profit’ and ‘traditional for profit’ enterprise. Alter place social enterprise on ‘social sustainability’ side, more aligned with traditional non-profit than for profit enterprise.



## **2.2 Theories of Social Enterprise**

In the field of social entrepreneurship, theories are needed to understand the contextual elements. In this study, structuration theory and social capital theory are used to construct a theoretical framework which provides the possible explanations of their relationship. Structuration theory was selected because it is a tool to explain the connection between structure and action. The social capital theory contributes to the study by indicating to businesses which the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit.

### **(a) Paving the Way to A Theory of Social Enterprise**

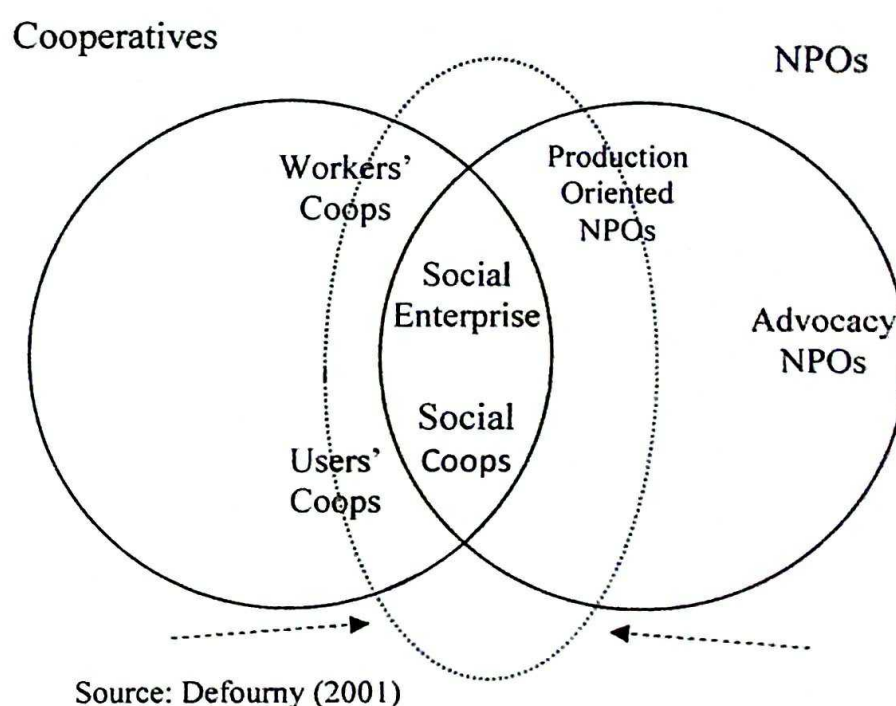
The EMES Network took the initial steps towards the progressive development of a specific theory of social enterprise. In such a perspective, Bacchiega and Borzaga (2001) used tools from the new institutional economic theory to highlight the innovative character of social enterprises; the characteristics defining the social enterprise were interpreted as forming an original system of incentives that takes into account the potentially conflicting objectives pursued by the various categories of stakeholders. Evers (2001) developed a more sociopolitical analysis to demonstrate that such a 'multi- stakeholder, multiple goal' structure was more easily understood if making use of the concept of 'social capital'.

For Evers (2001), creating social capital can also constitute an explicit objective of organizations such as social enterprises. Laville and Nyssens (2001) came up with elements for an integrated theory of an 'ideal type' combining the economic, social and political dimensions of social enterprise. Like Evers, they emphasized the role of social capital, which is mobilized and reproduced in specific forms by social enterprises. In addition, they stressed the particularly hybrid and composite nature of social enterprises' resources (made of market, non- market and nonmonetary resources such as volunteering), viewing this as a major asset of these organizations to resist the trend towards 'institutional isomorphism' that threatens all social economy organizations. Within a second major research project, those theoretical lines were transformed into hypotheses to be tested for work integration social enterprises through a large survey conducted in twelve EU countries (Nyssens, 2006).



Theoretically, the social enterprise concept could also point the way towards a more integrated approach to the entire social economy. As a matter of fact, when perceiving the social economy, two sources of tension appear as recurrent and difficult to overcome. One source of tension originates in the gap between enterprises offering their entire output for sale on the market (as do most cooperatives) and associations whose activities do not have a strong economic character (such as youth movement activities) and whose resources are totally non- market (grants, subsidies, and so on), or even non- monetary (volunteering). A second tension exists between so called mutual interest organizations (cooperatives, mutual societies and a large part of associations) which, at least in principle, aim to serve their members, and general interest organizations, serving the broader community or specific target groups outside their membership (such as organizations fighting poverty and exclusion, or those involved in development cooperation, environmental protection and so on).

**Figure 2.3 Social Enterprise at the Crossroads of the Cooperative and Non-Profit Sector**



These two sources of tension are partly illustrated in Figure 2.3. The first source of tension is represented by the coexistence of two distinct spheres: one sphere represents the cooperative tradition (which generated specific literature and schools of thought), while the other sphere represents the tradition of associative initiatives and movements (which has also inspired numerous sociologists and political scientists, especially in the North American literature on non- profit organizations). The second source of tension is more difficult to depict: it may be seen, although partly, within



each of the two spheres, where general interest organizations are rather located in the area towards the Centre, whereas the mutual interest organizations tend to be located either on the left or on the right of the diagram (although some advocacy NPOs may of course be of general interest).

On the left hand (cooperative) side, social enterprises may be seen as more oriented to the whole community and putting more emphasis on the dimension of general interest than many traditional cooperatives. This is of course the case for enterprises registered as social cooperatives (which, like NPOs, do not generally distribute any profit) as well as, among others, for cooperatives for the handicapped in most CEE countries.

On the right hand (non- profit) side, social enterprises place a higher value on economic risk- taking related to an ongoing productive activity than many traditional associations, including advocacy or grant- making organizations. Lastly, by going beyond the two spheres, the dotted lines suggest yet another point to be considered: although most social enterprises take the form of cooperatives or associations across Europe, they can also develop, as already mentioned, within the framework of other legal forms.

## **(b) Structuration Theory**

Structuration theory has been used in different fields of social sciences and has proved its capacity as a general theory for explaining social action and social evolution (Sarason et al., 2006; Wendt, 1987). Organization studies have also been the arena of rich theoretical discussion about the use of this theory to study organizational phenomena (Pozzebon and Pinsonneault, 2005; Whittington, 1992). It has also been used as a theoretical framework to guide empirical research (Barley and Tolbert, 1997; Jarzabkowski, 2008). Arguably, Giddens's most important contribution to the social sciences with structuration theory is the connection between structure and action.

Fundamentally, the focus of structuration theory is the reciprocal interaction of human actors and social structure across time and space. Giddens proposes the concept of 'duality of structure'. This refers to the fact that social structures are both constituted by human agency, and yet at the same time are the medium of this constitution (Giddens, 1979). The structure acts on the agents, constraining and enabling their practices, and through these practices social systems are recursively created.



Epistemologically Giddens argued that agent and social systems are mutually constitutive in a dialectic relationship, whereas they do not share the same onto logical status.

Bringing this assumption to the entrepreneurial context, the interactive coming together of entrepreneur and opportunity may be conceptualized as a dialectic relationship as well, whereby the entrepreneur and opportunity cannot exist independently, and therefore cannot be understood as separate or distinct from one another.

As Mair and Martí (2006) pointed out: Giddens's theory may help to better understand how social entrepreneurship comes into being by directing attention to a fundamental unit of analysis: the interaction between the social entrepreneur and the context. That interaction is crucial to understanding the process of social entrepreneurship. Thus, structuration theory provides a promising lens to examine how the context enables and constrains the appearance of social entrepreneurship and how social change occurs'. Thus, using structuration theory, the entrepreneur and social system are not conceptualized as two separate domains, but as a duality that co- evolves to create the instantiated new venture.

### **(c) Social Capital Theory**

Social capital theory is characterized by an interdisciplinary heterogeneity and it has only recently found its way into economics (Adler and Kwon, 2002). Despite its relatively young age, it has been widely adapted in various disciplines, such as sociology, political science, and economics. As suggested by Nahapiet and Ghoshal (1998), social capital is 'the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit'.

Social capital can be tackled either from a macro- level or from a micro- level perspective (Lin, 2001). On the macro level, social capital is recognized as a collective good or asset produced by a group of people. This view is called internal perspective, because the relations within social systems are the primary focus of analysis. Social capital can also be tackled from a micro- level perspective when the emphasis is on individuals rather than groups. This view is called external perspective as it deals with individuals as part of a web of relations.



Both of them are highly interrelated and provide a theoretical basis for the theoretical framework of social franchising. The structural dimension refers to patterns of relations within a social system (Burt, 1992). Important aspects of the structural dimension are the access to resources of other members within the social system and the structure of the social network. Some scholars, like Granovetter (1973) and Burt (1992), point to the value of structural holes in networks enabling a bridging function to access resources beyond those available in their own social surroundings.

Others, such as Coleman (1990), emphasized the function of closed networks with a high number of ties between the members of a network. The bonding function enables the observance of norms and the power of sanction in case of violation. The relational dimension refers to the substance and quality of social relations. The focus lies on the resources embedded in and activated through relations.

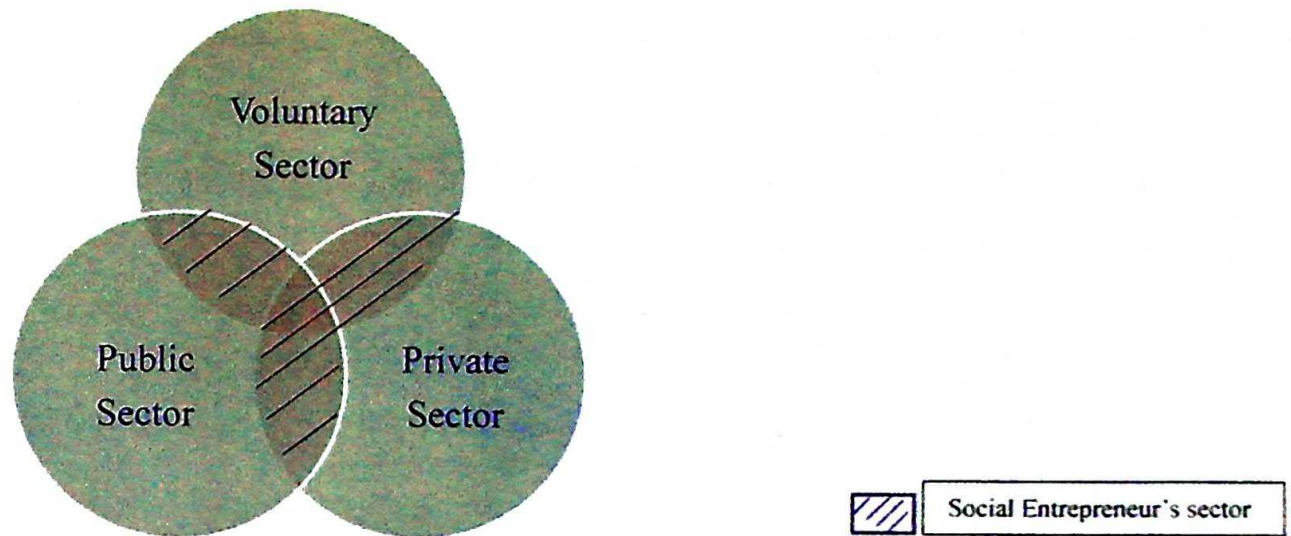
These resources include trust, norms and identity. Trust is an actor's expectation of the other party's competence and goodwill and is both a requirement and a result of social relationships (Blomqvist, 1997). A norm can be defined as a rights allocation under which control over a target action is held by actors other than the one who might take the action, and Coleman (1990) stresses the importance of closed networks for the emergence of norms. One norm worthy of special attention is the concept of reciprocity, where one individual is obliged to return someone else's previous favor (Schechler, 2002). Identification can be described as the perception of oneness with or sense of belonging to some human aggregate (Ashforth and Mael, 1989) and plays an important role when it comes to collective networks (cited in: Handbook of Research on Social Entrepreneurship).

### **2.3 Perspectives of Social Entrepreneurship**

Osborne and Gaebler (1992) argued that the government is proactively steering rather than emphasizing cost-effective results over bureaucratic rules. Government agencies have become more dependent on other sectors such as the nonprofit and private sectors to act as a public provider. Regarding private organizations, they not only operate for themselves, but they contribute to the society by delivering value products and services, and building social wealth. They have to overcome their limited

resources. The overlapping of the three sectors is demonstrated in Figure (Tapthong, 2014).

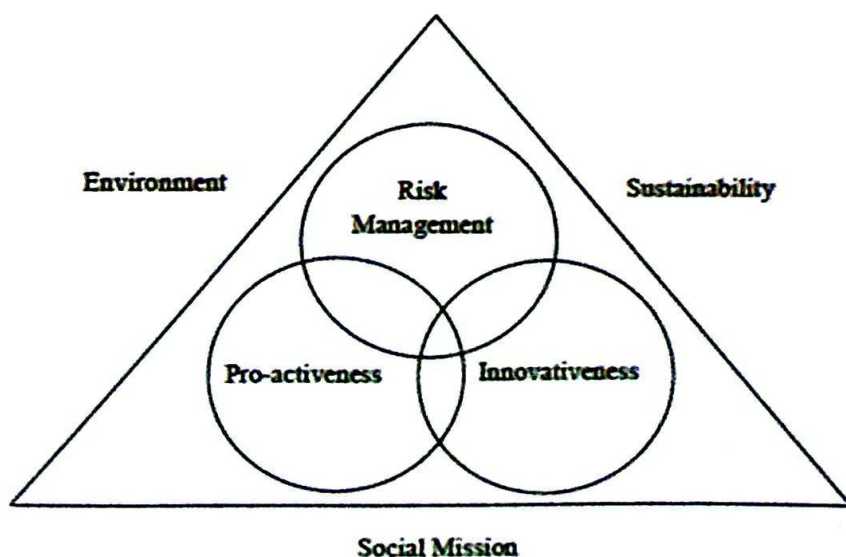
**Figure 2.4 Overlapping among Sectors**



Source: Leadbeater (2001)

According to Wolk (2007), all sectors have constraints concerning their environmental effect. They have to respond to market failures and transformative innovations, and additionally that they have to realize financial sustainability. Social entrepreneurs arise from a market failure where profitable markets are unavailable or cannot take a minimal profit. Social entrepreneurs consider the gap between public and private benefit as a source of opportunities to create social value, and at the same time, they can survive through the competency of society and the environment. (Tapthong, 2014).

**Figure 2.5 Bounded Multidimensional Model of Social Entrepreneurship**



Source: Weerawardena and Mort (2006)



Weerawardena and Mort (2006) developed a multidimensional model of social entrepreneurship. Their model portrays social entrepreneurship as holistic, comprising innovativeness, proactiveness, and risk management within the constraints of the environment, sustainability, and social mission, as shown in Figure 2.4. They found that the progressively-competitive environment has forced nonprofits to place great emphasis on innovation for creating activities. Social enterprises believe that they need to be proactive to survive and to grow in the market. They have to adopt a highly-cautious approach in dealing with risk having a clear focus on the survival of the organization. Further, the social entrepreneurial organization's response to environmental complexity has been discussed to create the need for innovativeness, proactive behavior, and risk management (Weerawardena and Mort, 2006).

## **2.4 The Definitions of Social Entrepreneurship**

As an emerging field, little consensus has been reached on an exact definition of social entrepreneurship. This is in part because the literature on the topic is so new and, in part, because the term entrepreneurship itself is inherently complex (Zebrowski, 2009).

Social entrepreneurship can be simply defined as entrepreneurial activities which have the ambition of helping society. Social entrepreneurship is the construction, evaluation, and pursuit of opportunities for transformative social change carried out by visionary, passionately dedicated individuals (Roberts & Woods, 2005). Social entrepreneurship is viewed as a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs (Mair and Marti, 2006).

Austin, Stevenson and Wei-Skillern (2006), defined social entrepreneurship as innovative, social value creating activity that can occur within or across the non-profit, business, or government sectors. Social entrepreneurship is a process of creating value by bringing together into a unique package of resources to address unmet social needs (Meyskens, Carsrud and Cardozo, 2010). Social entrepreneurship involves opportunity recognition or the identification of opportunities to solve social problems or create social value (Corner & Ho, 2010). Bacq & Janssen 2011, defined social entrepreneurship as a process of identifying, evaluating and exploiting opportunities



aiming at social value creation by means of commercial, market-based activities and of the use of a wide range of resources.

Social entrepreneurship can be defined as the development of innovative, mission-supporting, earned income, job creating or licensing, ventures undertaken by individual social entrepreneurs, nonprofit organizations, or nonprofit in association with for profits (Pomerantz, 2003). Social entrepreneurship leads to the establishment of new social organizations or NFPs and the continued innovation in existing ones. NFPs represent a vast array of economics, educational, research, welfare, social and spiritual activities engaged in by various organizations (Sullivan Mort et al. 2003).

Social entrepreneurship that creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements, required for sustainable social transformations (Alvord, Brown, & Letts, 2004). Social entrepreneurship is a dynamic process created and managed by an individual or team, which strives to exploit social innovation with an entrepreneurial mindset and a strong need for achievement in order to create new social value in the market and community at large (Perrini and Vurro, 2006).

Social entrepreneurship refers to a range of practices and discourses involving the creation of new and innovative organizations or enterprises to meet human needs and improve services in fields, such as poverty reduction, healthcare, child protection, disability rights and environmental sustainability (Friedman & Desivilya, 2010). Social entrepreneurship is an innovative use of resources to explore and exploit opportunities that meet a social need in a sustainable way (Perrini, Vuro, & Costanzo, 2010).

Innovative and effective activities that focus strategically on resolving social market failures and creating opportunities to add social value systematically by using a range of organizational formats to maximize social impact and bring about change (Smith & Stevens, 2010). Nicholls (2006), defined social entrepreneurship represents an umbrella term for a considerable range of innovative and dynamic international praxis and discourse in the social and environmental sector.

The definitions of social entrepreneurship have been emphasized in social missionary actions. In 1998, Dees proposed, social entrepreneurship combines the passion of a social mission with business-like discipline, innovation, and determination commonly associated with. Social entrepreneurship is a process with social mission at



its core and entails the application of innovative entrepreneurial/business approaches to solving social problems (Dees, 1998). Social entrepreneurship combines the resourcefulness of traditional entrepreneurship with a mission to change society (Seelos & Mair, 2005). Social entrepreneurship is a process that includes: the identification of a specific social problem and a specific solution (or set of solutions) to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission-oriented for-profit or a business-oriented nonprofit entity that pursues the double (or triple) bottom line (Robinson, 2006).

The definitions of social entrepreneurship also focus on creation of social values. Austin et al. (2006) explored that social entrepreneurship is innovative, social value creating activity that can occur within or across the nonprofit, business, and government sectors. Social entrepreneurship is exercised where some person or group: (1) aim(s) at creating social value, either exclusively or at least in some prominent way; (2) shows a capacity to recognize and take advantage of opportunities to create that value (envision); (3) employ(s) innovation, ranging from outright invention to adapting someone else's novelty, in creating and/or distributing social value; (4) is/are willing to accept an above-average degree of risk in creating and disseminating social value; and (5) is/are usually resourceful in being relatively undaunted by scarce assets in pursuing their social venture (Peredo & Mclean, 2006).

Weerawardena & Mort 2006, defined social entrepreneurship as a behavioral phenomenon expressed in a NFP organization context aimed at delivering social value through the exploitation of perceived opportunities. Social entrepreneurship is about finding new and better ways to create and sustain social value (Weerawardena, McDonald, & Mort, 2010). Social entrepreneurship is the construction and pursuit of opportunities for transformative social change through innovative activities occurring within or across economic and social communities in a historical and cultural context (Tapsell & Woods, 2010).

From the economic perspective, Martin & Osberg 2007, defined social entrepreneurship as having the following three components: (1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration,



creativity, direct action, courage, and fortitude, thereby challenging the stable state's hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large.

**Table 2.1 Summary of Social Entrepreneurship Contribution**

No.	Authors	Year	Contribution
1.	Dees	1998	Social Mission, Business Model
2.	Dees	1998	Social Mission, Social Innovation
3.	Fowler	2000	Social Benefits
4.	Pomerantz, 2003	2003	Social Innovation, Resources
5.	Sullivan Mort et al.	2003	Social Innovation, Type of Enterprise.
6.	Alvord, Brown, and Letts	2004	Social Innovation, Resources, Social Transformation
7.	Roberts & Woods	2005	Social Mission
8.	Seelos and Mair	2005	Social Mission, Resources
9.	Mair and Marti	2006	Social Innovation, Resources
10.	Austin et al.	2006	Social Innovation, Social Value Creation
11.	Austin, Stevenson and Wei-Skillern	2006	Social Innovation, Social Value Creation
12.	Mair and Marti	2006	Social Innovation, Resources
13.	Nicholls	2006	Social Innovation, Environmental Factor
14.	Peredo & Mclean	2006	Social Value Creation, Social Mission, Market Base, Risk-taking, Resources
15.	Perrini and Vurro	2006	Social Network, Social Innovation, Social Intention, Market Base, Community
16.	Robinson	2006	Social Impact, Business Model, Sustainability, Social Mission
17.	Martin and Osberg	2007	Humanity, Social Value Proposition, Benefit of Targeted Group
18.	Tapsell and Woods	2010	Social Innovation
19.	Friedman and Desivilya	2010	Social Innovation, Sustainably
20.	Perrini, Vuro, and Costanzo	2010	Social Innovation, Resources
21.	Smith and Stevens	2010	Social Innovation, Social Impact
22.	Meyskens, Carsrud, and Cardozo	2010	Social Innovation, Resources
23.	Corner and Ho	2010	Social Value Creation
24.	Bacq and Janssen	2011	Social Value Creation, Market Base, Resources

Source: Own Compilation (2017)



According to Fowler (2000), social entrepreneurship is the creation of viable (socio-) economics structures, relations, institutions, organizations and practices that yield and sustain social benefits.

#### **2.4.1 Social Intention**

Social entrepreneurship is especially important in developing countries, where gaps in terms of social development and economic discrimination still exist (Chell 2007). It can be considered as a catalyst in the form of social capabilities and conquer inequalities across different spheres (social, economic and political) that can bridge the gap by making social and economic development desirable (Light 2006; Mair 2008; Seelos and Mair 2005). Understanding the antecedents of social entrepreneurial intentions is crucial for policy makers and educators who want to motivate more people to engage in social entrepreneurship.

Mair and Noboa (2006) proposed the following four antecedents of social entrepreneurial intentions:

- empathy as a proxy for attitudes towards behavior,
- moral judgment as a proxy for social norms,
- self-efficacy as a proxy for internal behavioral control, and
- perceived presence of social support as a proxy for external behavioral control.

#### **2.4.2 Social Mission**

In Drucker 1977, Peter Drucker commented “only a clear definition of the mission and purpose of the business makes possible clear and realistic business objectives”. According to Dee (1998), social entrepreneurship combines the passion of a social mission with business-like discipline, innovation, and determination commonly associated with (cited in Tepthong, 2014). According to Zakaria and Bahrein (2018), the tendency to start up a venture with the social mission can be considered as an intentionally adapted behavior because the individuals needed the encouragement for them to launch the ventures that were not solely focusing on profit maximization but rather creating sustainable public wealth.



### **2.4.3 Social Innovation**

The term 'social innovation' has recently gained in importance in both political and lay discourses in the contexts of the global financial crisis and neoliberal policymaking. That is, social innovation is seen as a promising solution to gaps deepened as a result of austerity politics (Edwards-Schlachter et al. 2011; TEPSIE 2014; Bock 2016), or as a means of meeting the so-called Grand Challenges of the twenty-first century (e.g. demographic ageing, global security, climate change, resource scarcity) (Kirwan et al. 2013; Benneworth. et al., 2015) (cited in Neumeier, 2017).

Social innovation is used to describe a very broad range of activity. This includes: the development of new products, services and programmes; social entrepreneurship and the activity of social enterprises; the reconfiguration of social relations and power structures; workplace innovation; new models of local economic development; societal transformation and system change; non-profit management; and enterprise-led sustainable development. There is no single, commonly agreed definition of social innovation. (cited in Social Innovation Theory and Research, 2014)

Two characteristics of social innovation are important to highlight: first, social innovation itself always produces or enhances social capital (Dro and Therace 2011; Edwards-Schachter et al. 2011), which is not a tangible outcome; but it is quite likely that this social capital may subsequently lead to a tangible outcome. As such, social innovation may focus not on needs but on asset building (Neumeier 2012). Second, social innovation has two dimensions: a process dimension (e.g. mobilizing actors, participation process), and an outcome dimension (e.g. new and improved means of collaborative action, new governance structures) (Cloutier 2003, cited by Normand 2012; Dro and Therace 2011; Edwards- Schachter et al. 2011; Moulaert et al. 2013; DG Regional et al. 2013) (cited in Neumeier, 2017)

### **2.4.4 Risk Taking**

Risk-taking is defined in the developmental literature as engagement in behaviors that are associated with some probability of undesirable results (Beyth-Marom & Fischhoff, 1997; Beyth-Marom, Austin, Fischhoff, Palmgren, & Quadrel, 1993; Byrnes, 1998; Furby & Beyth-Marom, 1992; Irwin, 1993). Many argue that being able to interpret potentially risky situations, and the ability to avoid excessive



risks, are among the most important skills one develops (Byrnes, 1998; Garon & Moore, 2004; Halpern-Felsher and CauVman, 2001; Mann, Harmoni, and Power, 1989; Steinberg and Scott, 2003) (cited in Boyer, 2006).

## **2.5 Social Capital**

According to Woolcock (1998) social capital is incredibly important for development. It enables individuals within communities with high levels of integration to access and provide a range of important services (ranging from job referrals to property surveillance) and thus is important for doing development with marginalized communities.

Micro-finance projects in Bangladesh, run by Grameen Bank, successfully lifted millions of individuals above the poverty-line and much of their success in doing this can be accredited to social capital (Bhuiyan 2011) and the combination of integration and linkage. The bank used a system in which intended borrowers had to form peer-monitoring groups of five people from within their social networks (Hasan 2008). This policy created peer pressure and thus facilitated high repayment rates of 98 per cent (Grameen Bank 2010) which in turn helped establish new normative behavior and trust (Bhuiyan 2011). These marginalized individuals, therefore, created social capital through social networking, group formation, trust and normative behavior which in turn made a large contribution to the triumph of their micro-finance initiatives (Bhuiyan 2011) (cited in Townsend)

Social capital — a set of resources that inheres in the structure of relations of individual actors (Bourdieu, 1986; Burt, 1992, 2000; Coleman, 1988, 1990; Nahapiet and Ghoshal, 1998) — has attracted attention from scholars as a concept that can link individuals' and collectivities' actions (Coleman, 1988; Portes, 1998). Studies found in its application to community life and its ability to reduce community problems, restore peace and economic development (Krishna, 2000), enhance production (Monireh, 2011) and entrepreneurial characteristic (Damirchi, Shafai and Paknazar 2011; Dohl and Edmund 2011) and contribute to making governments more effective (Putnam, 1993; Woolcock and Narayan 2000; Portes, 1998) (cited in: Tepthong, 2014).



### 2.5.1 The Definitions Social Capital

Social capital is defined by its function. It is not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors within a structure (Coleman, 1988). According to Putnam (1995), social capital means the features of the social organization such as social trust, networks, and norms that facilitate cooperation for mutual benefit.

Bourdieu (1997) proposed that the aggregate of the actual or potential resources, which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. Portes (1998) defined social capital is the ability of actors to secure benefits by virtue of membership in social networks or other social structures.

Nahapiet and Ghoshal (1998) defined social capital as the sum of the actual and potential resources in the network possessed by an individual or social unit. Woolcock (1998) stresses the information, trust, and norms inhering in one's social networks. Putnam (2001) considers networks of voluntary or non-profit organizations as one of the most important sources of social capital.

**Table 2.2 Summary Social Capital Contribution**

No.	Authors	Year	Contribution
1.	Coleman	1988	Social Structure
2.	Putnam	1995 2000	Social trust, Networks, and Norms
3.	Bourdieu	1997	Durable Network, Mutual Recognition
4.	Portes	1998	Social Network, Social Structure
5.	Nahapiet and Ghoshal	1998	Resources in the Network
6.	Woolcock	1998	Information, Trust, and Norm
7.	Adler and Kwon	2002	Social Structure
8.	Stolle	2003	Social resource that links citizens to each other
9.	OECD	2007	Social Network
10.	Tripp, Payne, and Diodorus	2009	Social Networks, Norms

Source: Own Compilation (2017)

Adler and Kwon (2002) defined social capital as “the goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from information, influence, and solidarity it makes available to the actor.” Social capital is commonly conceptualized as a societal resource that links



citizens to each other and enables them to pursue their common objectives more effectively (Stolle, 2003).

Social capital is networks together with shared norms, values and understandings that facilitate co-operation within among groups (OECD, 2007). According to Tripp, Payne, and Diodorus (2009), social capital is comprised of social networks and the norms of reciprocity that arise from them, and the application of these assets in mutual objectives. Tripp et al. (2009) defined social capital may be defined as social networks, the norms of reciprocity and trust that arise from them, and the application of these assets in achieving mutual objectives.

### **2.5.2 Trust**

Social trust is one of the most important elements of the contemporary life. Trust has many different meanings with more diverse significances. Sometimes, trust indicates of some aspects of social life, and often reveals some parts of personal life. Some researchers consider trust as such an important element that suggests the survival of the human societies and groups is contingent upon it (Valadbigi, 2011). The amount of social trust differs from one society to another and various clarifications have been made in this regard.

Coleman argued that trust is one of the most essential components of social capital (Coleman, 1990; Rahmani and Heydarabadi, 2006). Coleman (1998) claimed that social trust is one of the underlying features of social capital and mutual social relationships. Giddens (1988) defined trust as "having trust in the trustworthiness of the individuals or organizations with regard to a series of consequences or incidents where this trust expresses having trust in the honesty or love of others or the accuracy of technical knowledge.

Trust also facilitates communication and interaction in economic, social, cultural, and political arenas, and among its advantages one can refer to the prosperity of social life. Having trust in the daily interactions brings stability in social capital and national integrity. As any decline in the sense of trust results in crisis in integrity and rupture in national unity (Coleman, 1998).



### 2.5.3 Social Network

According to Light (2008), Social entrepreneurship is an effort by an individual, group, network, organization, or alliance of organizations that seeks sustainable, large scale change through pattern breaking ideas in what governments, nonprofits, and businesses do to address significant social problems. (cited in Tepthong, 2014).

The social networks must operate in dissemination, sharing of knowledge and connecting other aspiring social entrepreneurs to acquire new capabilities to determine innovative activities for the society. According to Aldrich and Zimmer (1986), entrepreneurship is facilitated by links between aspiring entrepreneurs, resources and opportunities. They suggested that networks allow them to access all resources which are crucial to the establishment of a small firm. (cited in Dangmei, 2016)

Social entrepreneurship can be strongly benefited through the appropriate use of social-network and networking. In recent years, networks have received particular attention due to its single most important organizational concept of the modern era (Parkhe et al., 2006). Social enterprises do not function in isolation, the importance of networking and interactions are recognized and explored relating to the system of innovation which views that innovation process as an interactive and systemic process (Lundvall, 1988; Nelson, 1993; De Liso and Metcalfe, 1996) (cited in Dangmei, 2016)

As Moore and Westley (2011) suggested that despite the importance of social networks in supporting social innovation, appropriate social networks for the social entrepreneurs do not seem to currently exist. Mulgan et al., (2007) also identified that the lack of networks acts as a significant barrier to social entrepreneurship and a cause for the constraints of many social innovations. They also have suggested that policy-makers must concentrate on the improvement of suitable networks if the activities of social innovation are to create sustained, suitable and appropriate outcomes for organizations and society. Social networks thus are useful vehicles enabling the social entrepreneurs to achieve access to important resources such as skills, technical advice and finance as well. (Dangmei, 2016)

Social entrepreneurs were able to identify opportunities appropriate for the society through the social enterprises' network. It is clear that wider social networks will enable the social entrepreneurs to ensure more sustainable development in the society. (Dangmei, 2016)



#### **2.5.4 Public Sector Engagement**

Social enterprises have been successfully providing public services for many years. For many of them, achieving this successful relationship was more complicated than necessary, especially when breaking new ground. At a time when more public sector markets are potentially opening up to social enterprises and when policy through procurement receives more attention, this guide seeks to explain how the public sector can take advantage of what social enterprises have to offer. ([www.seem.uk.net](http://www.seem.uk.net))

For public institutions it can be hard to get beyond thinking that competition is an end in itself, that public value is decided by the efficiency of converting inputs to outputs, and that social enterprises are simply an interest group. Nonetheless, changes are taking place, with some developing new approaches to commissioning in search of better public value. These public service innovators are helped by Government's promotion of social enterprise in public service delivery, but are also hindered by confusion in practical guidance and apparent conflicts within the range of agendas the public sector pursues ([www.seem.uk.net](http://www.seem.uk.net)).

Supporting the development of social enterprises is currently promoted by Government as a means of improving public sector service delivery. Public bodies and social enterprises need to be aware of the limits of the powers relied on and the need for any Government minister's consents. Where consents are required, any application for them can be supported by reference to Government statements encouraging the development of the sector ([www.seem.uk.net](http://www.seem.uk.net)).

There needs to be greater openness to the giving and receiving of suggestions and ideas, and when they are made, a commitment to testing them out through properly allocating resources to business case development ([www.seem.uk.net](http://www.seem.uk.net)).

#### **2.6 Organizational Resources**

Resource acquisition is a critical issue proposed in several papers (Ge et al., 2009). Wernerfelt (1984) defined resources as anything which could be thought of as a strength or weakness of a given firm, such as brand name, knowledge, skill, trade contacts, machinery, capital, efficient procedures, etc.



Brooks (2009) classified social enterprise resources into three main types. First, financial resources come from earned revenues, philanthropy, and governments. Second, human resources are needed. The volunteer resources are at the level of staff or leadership. Third, human capital resources refer to the education, experience, knowledge, and expertise needed to make an enterprise operational and competent. (cited in Tepthong, 2014).

Social entrepreneurship means nonprofit organizations that apply entrepreneurial strategies to sustain themselves financially while having a greater impact on their social mission (Lasprogata and Cotton, 2003). Starting up social businesses seems very easy to do - the availability of finance in start-ups. Yet, social entrepreneurs do not find the next steps easy to making the enterprise upon its legs. Though, when it comes to starting a social enterprise, social entrepreneurs have to make efforts in order to fit in the criteria of social enterprises fund-raising. (Fasiki, 2011).

The resources of the social enterprise are both financial and nonfinancial, and can also be viewed as tangible and intangible resources. The resource approach is one of the most interesting for nonprofits. This approach defines the social enterprise by earned-income strategies in order to use commercial activities in support of their mission (Defourny and Nyssens, 2010). Nonprofits have obviously shown greater interest in income-generating activities as a potential source of new revenue (Massarsky, 2005). Convincing investors to invest in organizations that are driven by social missions has been confirmed to be a very hard task to do; especially for those social entrepreneurs who seek financing. It is mainly because of the fact that social enterprises mostly combine genes of non-profits and those of for-profits. Investors are very serious when it comes to giving their money to those non-profits.

Leopold et al. (2005) described that HRM considers people as resources for the organization and can utilize them strategically for achieving organizational goal. Besides, HRM deals in preparing planning, organizational policies and procedures, align HR strategy with business strategy and handle organizational change with careful motion. Borzaga and Solari (2004) expressed their view that HRM is needed in the SEs because of existing internal challenges of management. (cited in Khatun.F & Hasan.M, 2016)



## 2.7 Social Return on Investment

Social enterprises have a different nature of characteristics from general profit organizations. They differ mainly in their goals and values. For-profit companies are focused on profit-maximization while the operational goal of social enterprises is to maximize social-oriented profits (Yang et al., 2014). According to the assumption of the social enterprise, social entrepreneurs are seen as more effective providers of public goods, and develop markets that are limited by formal-sector enterprises. Martin (2004) challenged how one should go about conceptualizing and measuring social enterprise performance in the delivery of public and private goods, and what measures should be used. (cited in Tepthong, 2014).

The Social Return on Investment (SROI) was pioneered in the year 2000 by the Roberts Enterprise Development Fund (REDF), a San Francisco-based venture philanthropy fund. SROI analysis helps organisations understand and manage the social, environmental and economic benefits (value) that they are creating. It is a measurement approach, developed from traditional cost-benefit analysis that captures the economic value of social benefits by translating social objectives into financial measures and focuses on the most important sources of value as defined by stakeholders.

SROI is about value, rather than money. SROI is based on involving stakeholders to determine which outcomes are relevant. It is thus a form of stakeholder-driven evaluation blended with cost-benefit analysis tailored to social purposes. SROI focuses on measuring the important, or material, impacts of an organisation (based on the concept of triple bottom line impact) – that is, those areas that should be included in order for stakeholders to make decisions based on the SROI analysis. Materiality can be identified through consideration of its stakeholders, its internal policies, the activities of its peers, public policy, and the pragmatic question of what the organisation can afford.

**Table 2.3 SROI Impact Analysis**

<b>Inputs</b>	<b>Activities</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impacts</b>
<ul style="list-style-type: none"> <li>• Service contracts</li> <li>• Grants</li> <li>• Sales revenues</li> <li>• Volunteer Time</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Work placements</li> <li>• Jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people involved in training</li> <li>• Number and level of qualifications obtained</li> </ul>	<ul style="list-style-type: none"> <li>• Job skills learned</li> <li>• Soft skills learned</li> <li>• Well-being, social and personal development</li> <li>• Life satisfaction</li> <li>• Increases in income</li> <li>• Reduced dependence on benefits</li> <li>• Reduction in reoffending and crime</li> </ul>	<ul style="list-style-type: none"> <li>• Check that each column leads to accomplishing the mission</li> </ul>

Source: Ridley-Duff and Bull (2016)

There are two types of SROI:

1. **Evaluative:** Such SROI calculations are based on actual outcomes that have taken place previously. Thus, this is in retrospect after the project has been implemented and real data on possible impacts are available.
2. **Forecast:** These SROI calculations are projections based. It gives a measure of how much social value will be created by a project under conditions of activities meeting their intended outcomes.

SROI is an important discovery in the social evaluation space, the importance of which has been identified not just by enterprises in the social sector but even mainstream businesses are interested so as to effectively measure and account the value and impact these firms have on society ( Iyer, and Agrawal, 2014).

SROI analyses the inputs, how they generate outputs, outcomes and the impacts that the organization's activities will generate for each one of the affected groups (Correia, 2014). The key innovation is to move beyond 'outputs' and consider 'outcomes' and 'impacts'. While outputs are amenable to quantitative measurement,



outcomes are qualitative changes in the lives of the people affected by the social enterprise's employment practices, products and/or services. Impacts, however, require further quantitative analysis (Ridley-Duff and Bull, 2016).

## **2.8 Previous Studies on Social Entrepreneurship**

Prior research works regarding social entrepreneurship were reviewed for the purpose of understanding the variables relating to social entrepreneurship. In this study following research works were studied.

Mnganga, (2014) studied "Towards a Theoretical Framework for Social Enterprise in South Africa". The intention was that research should add value to social entrepreneurship through the discovery of new information (that extends existing theory) and the integration with existing theory (Boyer, 1990). The findings of Mnganga's thesis confirmed and extend existing theory. This was evident in the way in which the South African apartheid system and the anti-apartheid struggle fueled the purpose and drive of the social enterprises researched.

Townsend studied "The Important of Social Capital: An Analysis of Volunteer Placements" in 2014. The purpose of research project is to identify "how development organizations, both non-profit and for-profit, offering or relying on short-term volunteer tourism (VT) 'packages' and volunteer interns, can generate and maintain sufficient social capital (SC) so as their development work is effective and beneficial to their host communities". In the analysis, it was shown that if their volunteers being unexperienced, short-term, from completely foreign cultures and speaking different languages, the generation and maintenance of social capital by development organizations is particularly challenging. Nevertheless, if development organizations hire volunteers prudently, adequately train volunteers, increase local participation and offer a decommodified package outside of the neoliberal tourism paradigm, generating and sustaining social capital can be much less challenging.

The research work of Kupolokun, (2014) was "For-Profit Social Entrepreneurship: A Study of Resources, Challenges, and Competencies in UK". The overall aim of thesis was to develop an understanding of 'for-profit social entrepreneurship', with a particular focus on resources, challenges, and competencies. The two research questions addressed: What challenges arise from blending a social



goal with a for-profit mission? Considering the resource scarce environments of most for-profit social enterprises, what competencies enable them to overcome resource constraints? By applying the entrepreneurial capital and social bricolage frameworks, he explored the resource story of each case studies, i.e. exploring the resources available to each social enterprise and how they creatively recombine and deploy these resources to create social value. The findings revealed that engaging in bricolage called on various competencies, similar to the work of Baker and Nelson (2005) who observed that the bricolage process draws out and provides opportunities for the exercise of various behaviors and capacities such as creativity, combinational capabilities, and network skills.

Shaw and Carter (2007) studied “Theoretical Antecedents and Empirical Analysis of Entrepreneurial Processes and Outcome”. Shaw and Carter explored five key themes within which the practice of social entrepreneurship could be compared and contrasted with for profit entrepreneurship. These included: the entrepreneurship process, in particular, opportunity recognition; network embeddedness, the nature of financial risk and profit; the role of individual versus collective action in meaning and structuring enterprises, and creativity and innovation. It founded that while the contemporary practices of social enterprises share many similarities with their for-profit counterparts, significant differences can be found when comparing these practices with extant entrepreneurship research.

Manner (2017) studied “Motivations for Social Entrepreneurship in Finland”. Manner’s purpose to examine the motivations of certain entrepreneurs who decide to become social entrepreneur. The data were collected by conducting five semi-structured individual interviews via VoIP service Skype. The interviewees were social entrepreneur who all provided health care and social welfare related services. Based their finding, the main reason why entrepreneurs choose to become social entrepreneurs were their value system. Their interviewees expressed their willingness to create social value, help people who are less fortunate, solve social problems in the society, and operate their business as morally and ethically as possible.

Santolo (2018) investigated that “Social Entrepreneurship: A Buzzword ready to be Delineated?” The main research question of Santolo’s study was What are the boundaries of the concept of social entrepreneurship and what are its core characteristics? Based on these defining parameters, what are their empirical



implications? They focus on the social criteria and assess the sample based on four social criteria: (1) democratic approach, (2) social mission, (3) prioritization of social, and (4) social outcome reporting. They found that the prioritization of social was positively correlated with social outcomes and negatively correlated with commercial outcomes. In addition, it was also positively correlated with having a social mission. The democratic variable positively correlates with the entrepreneurial objectives. The social mission positively correlates with the social objectives. The social outcome-reporting positively correlates with the social mission and the prioritization of social and negatively correlates with the entrepreneurial objectives.

Weerawardena and Mort (2006) studied the “Investigating Social Entrepreneurship: A Multidimensional Model”. The purpose of their research was to advance the conceptualization of the social entrepreneurship construct based on empirical research by using grounded theory method. The study found that social entrepreneurship was a bounded multidimensional construct that was deeply rooted in an organization’s social mission, its drive for sustainability, and highly influenced and shaped by the environmental dynamics. The findings suggested that social entrepreneurship could be conceptualized as a multi-dimensional construct with innovativeness, proactiveness and risk management as its dimensions.

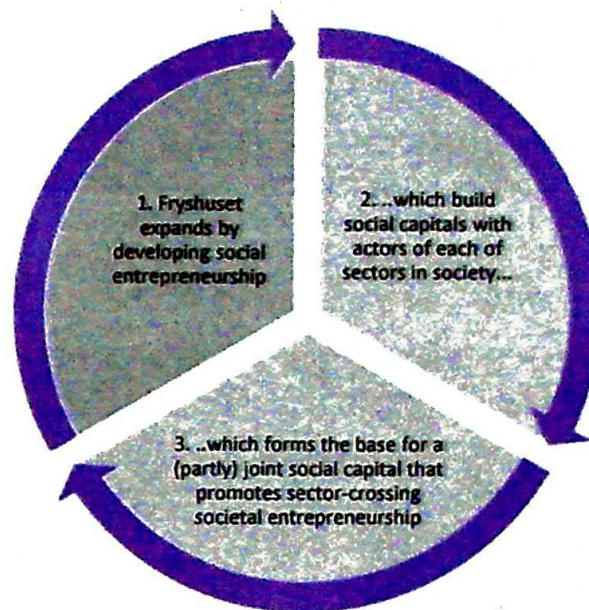
Austin et al. (2006) found that social entrepreneurs do not use only financial aspect to determine the success of the organization, nonfinancial view is a crucial aspect required to measure. Although the conventional approach can be adapted to measure the performance of the social enterprise, specific tools are also introduced for a more suitable measurement. There are three chief tools for evaluating the social enterprise: Social Return on Investment (SROI), Social Enterprise Balanced Scorecard (SEBC), and Social Impact for Local Economies (SIMPLE) (Yang, Huang and Lee, 2014) (cited in Tepthong, 2014).

Rose et al. (2010) studied the relationship between organizational resources and performance by viewing resources from four perspectives: (1) physical resources such as the plant, machinery, equipment, production technology and capacity; (2) financial resources such as cash, bank deposit, and financial capital; (3) experiential resources such as product reputation, manufacturing experience and brand-name; and (4) human resources such as the top and middle management, and the administrative and production employees (cited in Tepthong, 2014).



Westlund and Gawell (2012) studied of social entrepreneurship in relation to other types of entrepreneurship and to discuss the role of various types of social capital in developing social entrepreneurship. They used qualitative study as well as case study of *Fryshuset* youth house in Stockholm, Sweden. Their analysis of the case study shown that *Fryshuset* has fulfilled criteria of social entrepreneurship and the combination of societal entrepreneurship and social capital building for its success.

**Figure 2.6 The Mutual, Cumulative Process**



Source: Westlund and Gawell, (2012)

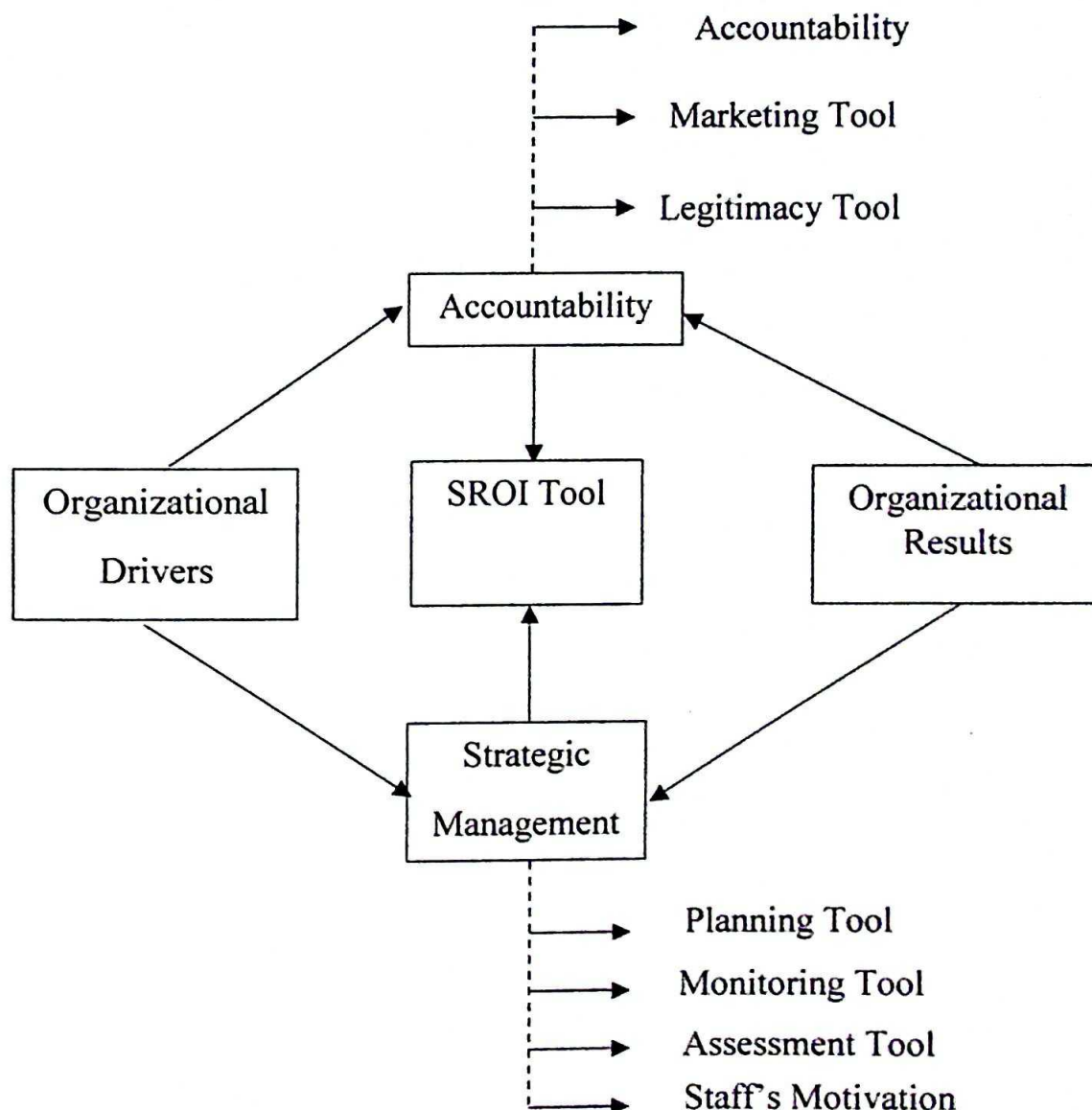
Wambugu, Gichira, Wanjau, and Mung'atu (2015) studied “The Relationship Between Proactiveness and Performance of Small and Medium Agro Processing Enterprises in Kenya”. Their objective of paper was to establish the influence of proactiveness on the firm performance of agro processing small and medium enterprises in Kenya. They found that proactiveness was a major predictor of firm performance of agro processing SMEs in Kenya in terms of employee growth and profitability.

Blomqvist and Ståhle (2014) investigated on building organization trust. They studied the role of trust in enhancing asymmetric partnership formation. They analyzed the state-of-the-art of the theoretical and empirical literature on trust creation and antecedents for experienced trustworthiness in telecommunication sector. They found that methods to develop inter-organizational trust were the very basic building blocks of human and organizational interaction. Even, if it would not be possible to intentionally create trust or manage another party's propensity to trust, it seems to be possible to enhance conditions for trust-building.



Wicker and Breuer (2012) studied “Understanding the Importance of Organizational Resources to Explain Organizational Problems: Evidence from Nonprofit Sport Clubs in Germany”. The purpose of the study is to investigate the impact of different types of organizational resources on the severity of organizational problems. The variables of the study were human resources, financial resources, infrastructure resources, and cultural resources. The study provided evidence on the impact of different types of organizational resources on organizational problems. The empirical evaluation was undertaken using a unique dataset of nonprofit sport clubs in Germany. The results of the regression models showed that human, financial, infrastructure, and cultural resources were important drivers of organizational problems.

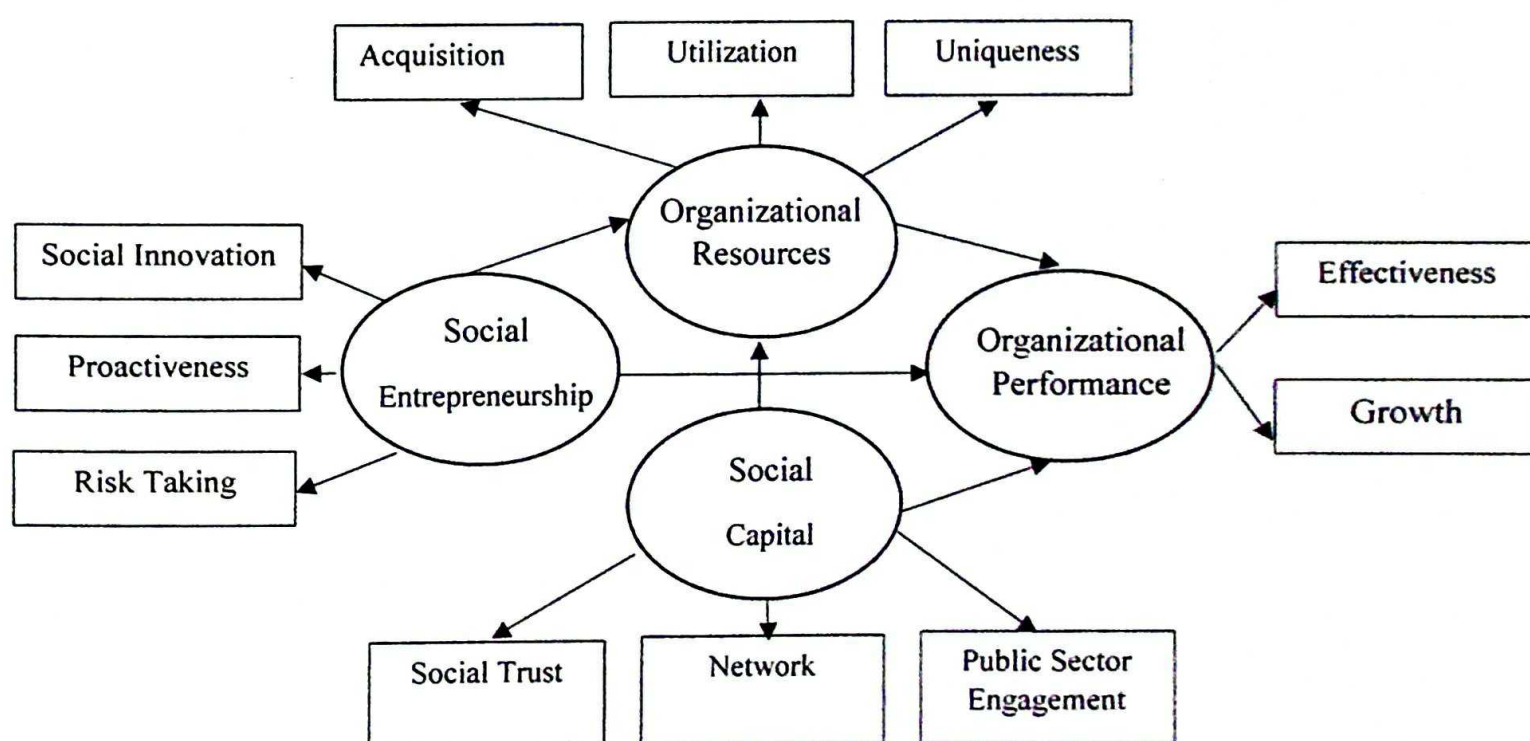
**Figure. 2.7 Research Framework of Correia’s Work**



Source: Correia, (2014)

Correia (2014) studied “The Impact of Using the SROI Tool, An Organizational Perspective”. This research work aims to clarify what social value is, why it should be measured, and how it can be measured and to know more specifically how it works. The research was analyzed on the usage of analytical tools might have impact on the organizations that are using it. His research mentioned that the most commonly used tools are: (i) Social Return on Investment (SROI); (ii) Social Accounting and Audit (SAA); (iii) Cost-Benefit Analysis (CBA); (iv) Best Available Charitable Option (BACO) and (v) Benefit-Cost Ratio (BCR). (D’Amore (1978); Lopo de Carvalho (2012); McLoughlin et al (2009); Mulgan (2010); Leighton and Wood (2010); The SROI Network (2012); Tuan (2008), and Zappalà and Lyons (2009). Yin (2009) argues that a case study strategy is the most effective when we are dealing with complex social phenomena and that it is related to “interpretative, ethnographic and field-research traditions” (Dyer and Wilkins, 1991 and David, 2006, cited in Correia (2014).

**Figure 2.8 Research Framework of Tepthong’s Work**



Source: Tepthong (2014)

Tepthong (2014) studied the relationship among social entrepreneurship, social capital, organizational resources, and organizational performance of social enterprises. Social entrepreneurship in this study was characterized with three variables: social innovation, proactiveness, and risk taking. Social capital was examined with social trust, network, and public sector engagement. The acquisition, utilization, and



uniqueness of organizational resources were evaluated in the study. Finally, organizational performance of social enterprises was analyzed from the point of view of effectiveness and growth of organizations.

The previous study found that social enterprises can expect a mutual relationship between social capital and entrepreneurial orientation. Social capital has a positive effect on organizational resources.

**Table 2.4 Summary of Previous Research Studies Related with Social Entrepreneurship**

Researcher/ Year	Title	Finding
Mnganga /2014	Towards a Theoretical Framework for Social Enterprise in South Africa	Theories were confirmed and extend existing theory.
Townsend /2014	The Important of Social Capital: An Analysis of Volunteer Placements	The volunteers being unexperienced, short-term completely foreign cultures, and maintenance of social capital is challenging.
Kupolokun /2014	For-Profit Social Entrepreneurship: A Study of Resources, Challenges, and Competencies in UK	For- Profit Social Entrepreneurship that engage in bricolage on various competencies, behaviors, and capacities.
Shaw and Carter /2007	Theoretical Antecedents and Empirical Analysis of Entrepreneurial Processes and Outcome	Social enterprises were similarities with for profit business, but significant differences can be found when comparing practices.
Manner /2007	Motivations for Social Entrepreneurship in Finland	Interviewees have the willingness to create social value, help people, solve social problem, and operated business as morally and ethically.
Santolo /2018	Social Entrepreneurship: A Buzzword ready to be Delineated?	Prioritization of social was positive correlated with social outcome and negative correlated with commercial outcomes.
Weerawardena and Mort /2006	Investigating Social Entrepreneurship: A Multidimensional Model	Social Entrepreneurship was deeply rooted in social mission, its drive for sustainability, influenced and shaped by environmental dynamics.
Rose et al. (2010)	The relationship between organizational resources and performance	Strong organizational resources was correlated the organizational resources.
Westlund and Gawell /2012	The Mutual, Cumulative Process by which Fryshuset Combines Societal Entrepreneurship with Social Capital Building	Fryshuset has satisfy their customer through the criteria of social entrepreneurship and social capital building for its success.
Wambugu, Gichira, Wanjau, and Mung'atu /2015	The Relationship Between Proactiveness and Performance of Small and Medium Agro Processing Enterprises in Kenya	Proactiveness was a major predictor of firm performance in Kenya.
Blomqvist and Stähle /2014	Building Organization Trust	The methods to develop inter organizational trust were building blocks of human and organizational interaction.
Wicker and Breuer /2012	Understanding the Importance of Organizational Resources to Explain Organizational Problems: Evidence from Nonprofit Sport Clubs in Germany	Human, financial, infrastructure and culture resources were important drivers of organizational problems.
Correia /2014	The Impact of Using the SROI Tool, An Organizational Perspective	Case study strategy was effective dealing with complex social phenomena.
Tepthong /2014	Social Entrepreneurship and Organizational Performance: Combining the Resource Dependency and Resource Based Views	The effect of social entrepreneurship on organizational performance was not significant. Social capital has positive effect on organizational resources. There was the positive relationship social capital and organizational resources.

Source: Own Compilation (2017)



It also found that the direct effect of social entrepreneurship on organizational resources was not statically significant. Without proactiveness, it is not possible that social enterprises can seek specific and valuable resources to support a sustainable competitive advantage. However, it was discovered the positive relationship between social capital and organizational resources. But the results showed that the relationship between social entrepreneurship and organizational performance was insignificant, and thus the hypothesis was rejected. This finding is inconsistent with the theorized argument that organizations need more innovation, pro-activeness, and risk taking to generate the performance. The results indicated that social capital did not directly influence organizational performance. The results also showed that concentration on acquisition and uniqueness, as well as utilization, had made social enterprises to meet their performance.

There are numerous research works relating to social entrepreneurship. These studies would have various perspectives and applied different variables to study social enterprises and entrepreneurship. However, the research works were selectively reviewed in accordance with the relevancy to the approach of this study. In Table 2.4, the previous research works reviewed for this study are summarized.

## **2.9 Conceptual Framework of the Study**

The studies on social entrepreneurship can be make from different perspectives. The study can approach to the organizational orientation, or economic development orientation, or community/ social sector orientation. When social entrepreneurship studies the research work focused on the organizational level.

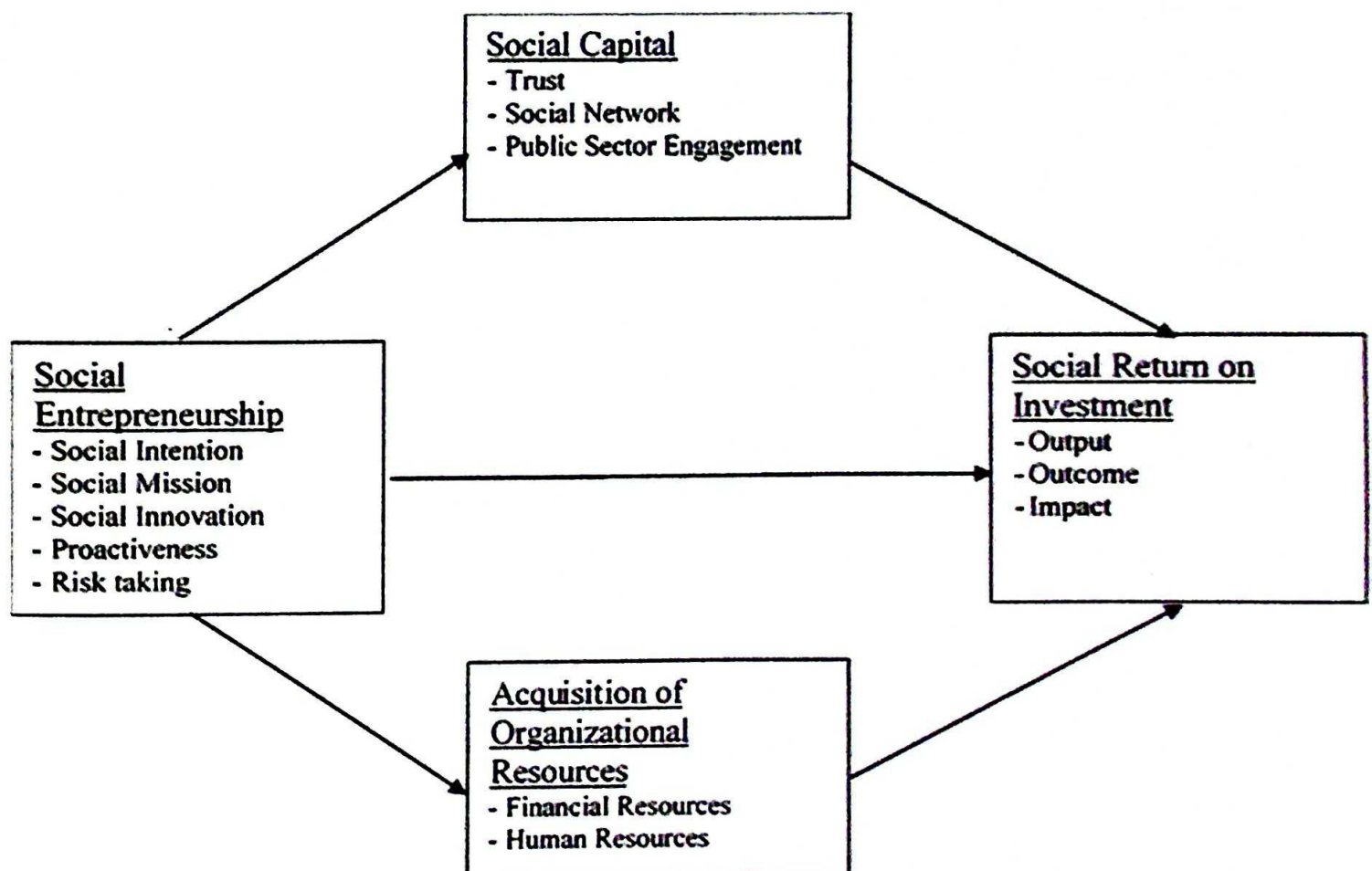
Throughout the literatures review for the study, it was recognized that some variables are closely influenced or related each other with social entrepreneurship. The most intently relevant variable regarding social entrepreneurship of the enterprises is social capital. Many studies examined the relationship between social entrepreneurship and social capital. Therefore, this study chose social capital as a influential variable for social entrepreneurship. However, it is not clear that social entrepreneurship has influenced on social capital or social capital has influenced on social entrepreneurship. Since this study based on the social entrepreneurship of the enterprise, it focused on the effect of social entrepreneurship on social capital.



Another variable selected for the study is organizational resources, which is important for the operation of the social entrepreneurial activities. In this study, the acquisition of financial resources and human resources were evaluated. Other physical resources were omitted in the study because it was assumed that financial resources covered acquisition of all those resources.

In this study, social return on investment was applied for measuring the effectiveness of the social entrepreneurship. Although organizational performance can be applied as a measurement, social return on investment was selected for the study. As it can extend to the measurement of output, outcome, and impact of the social enterprises, it is more suited for evaluating the impact of social enterprises in which their operations and activities bring not only to the organizational output but also the social benefits.

**Figure 2.9 Conceptual Framework of the Study**



Source: Adapted by Tepthong (2017)

The background conceptual framework of this study was based on the dissertation paper of “Social Entrepreneurship and Organization Performance: Combining the Resources Dependence and Resource- based views” by Tepthong in

2014. Tepthong's conceptual framework is similar in this study as Tepthongs study was not emphasize on each areas of social enterprise. Because the nature of research is the same and Tepthong assumed that organizations in any form, which were adopted the social entrepreneurship concepts, were treated as social enterprises.

Nevertheless, there was different compilation was developed in order to be suitable for the study. Firstly, the variables, which determined the social entrepreneurship, were added with two more variables: social intention and social mission for strengthening the social orientation of entrepreneurship. To compare with the Tepthong's model, this study determined the social entrepreneurship with five variables; social intention, social mission, social innovation, proactiveness, and risk taking.

Secondly, in order to examine the organizational resources of social enterprises, Tepthong evaluate the acquisition, utilization, and uniqueness of organizational resources. This study takes into account only the acquisition of organizational resources. In addition, the relationship between social capital and organizational resources was not investigate in this study. Social capital and the acquisitions of organizational resources was examined as separately.

Finally, while Tepthong's model used organizational performance to evaluate the effectiveness and growth of social entrepreneurship, this study utilized social return on investment for assessing the effectiveness of social entrepreneurship. Empirical research works implemented in this study was based on this conceptual framework. Focus group discussion utilized this conceptual framework as descriptive study.



## **CHAPTER 3**

### **SOCIAL ENTREPRENEURSHIP IN MYANMAR**

This chapter starts with a review of how social enterprises become emerged in Myanmar. It consists of introduction to idea of social enterprises in Myanmar, emergence of social enterprise in Myanmar, types of social enterprises in Myanmar, success factors of Myanmar social enterprises, and challenges for Myanmar social enterprises. Then, the focus group discussion regarding social entrepreneurship is presented. It includes profile of respondents participated in discussion, discussion questions, and findings and conclusion of focus group discussion.

#### **3.1 Social Enterprise in Myanmar**

Starting from the United Kingdom and Europe countries in seventeenth century, social enterprise became a form of business model in Western countries. The original concept of social enterprise is more like collective establishment of business ownership and activities, so called social-cooperatives (Zaw, 2018). In the region of Asia, the emergence of social enterprises was attributed to the economic crisis in the late 1990s (Defourny and Kim, 2011 cited by Zaw 2013).

Although the concept of social enterprise has been well known in worldwide and in the region, it is very new in Myanmar. The definition of social enterprise in Myanmar is very unclear business model for the people. People could not distinguish between social enterprise and other forms of organizations in social sector or business sector. The concept of social enterprise is relatively new in academic area. However, the concept and the way of doing social enterprise was introduced again back to Myanmar through international non-profit organizations.

##### **3.1.1 Introduction to Idea of Social Enterprise in Myanmar**

In the socialist regime from 1962 to 1988, the cooperatives were supported as the second pillar of Myanmar socialist economy. Consumer cooperatives were important for the distribution of goods at the retail level. Producer cooperatives were much similar to social enterprises. At that time, the purpose of producer cooperatives also has social intention but from the socialist political perspective. The cooperatives



activities have been still existing, though, the scope of their activities was reduced after socialist regime was over.

As a developing nation for a long period of time, Myanmar has been facing various social needs and problems. The government always cannot support enough budgets for fulfilling those needs. Traditionally, Myanmar people have social intention regarding with their communities. Their social intention has been developed from cultural values and religious teaching. Regarding with social requirements, they emphasized on education and health sector. They have donated mainly to build schools and medical facilities. The way they provide helping hands to the disadvantaged people in their community was through donation, which was not in sustainable way.

At the beginning of 1990s, sustainable way of solving social problems in Myanmar, especially poverty reduction, was introduced. Along with the economic liberalization after 1988, international and local non-profit organizations became active in doing community-based activities in underdeveloped areas. At the beginning their activities based on the concept that providing technical vocational trainings could be helpful for increase in household's income and economic welfare of society. Later on, they introduced the concept of micro finance into their community-based activities. Initiation of micro finance in Myanmar was influenced by the success stories of micro finance around the world, for example Grameen Bank. It is because without sufficient capital, vocational training itself is not so much beneficial for disadvantaged people. Myanmar Women Entrepreneurs Association (MWEA) applied this concept and engaged in micro finance projects for women in rural areas.

On the other hand, beginning of 2000s, the concept of corporate social responsibility became recognized and implemented in the private sector. Companies were aware of reducing environmental externalities, protecting stakeholders' interests, and participating in socially responsible activities are important. These responsible activities can bring the advantages such as building positive image of the business, achieving social trust from stakeholders, and sustainable business growth. They have applied ISO 14000, ISO 2600, CSR certificates, etc. for formalizing the recognition of their social responsibility.

While not for profit organizations and for profit business reach out to the sustainable goals through business with social responsibility, organizations in both sectors initiated in establishment of social enterprises. Social entrepreneurs, whether



they are from social sector or business sector, starts with social intention. They initiate in investing venture capital or organizing crowd funds or raising funds from donors. Then, they organize resources for creating products or services in innovative way to serve the market. Social enterprise trends lead to the combination of innovation, partnership, and continuous experimentation which oriented shareholder, and clearly states social purpose.

Still people in Myanmar do not have a deep awareness on activities of social enterprises. Many local companies and some international firms still perceived social enterprises as a kind of donations or charitable contributions. A few could understand about the idea of sustainability in social enterprise activities. There are various approaches to definitions about social enterprise in Myanmar. However, social entrepreneurial activities started to engage in private sector, public sector, and social sector. Since social enterprises can support inclusive development and sustainable growth for the economy, these enterprises are necessarily significant for developing country like Myanmar.

### **3.1.2 Emergence of Social Enterprise in Myanmar**

Since 1990s, there was an improving contact between the government and international communities. The international non-profit organizations have been allowed to engage in development projects. When Nagis Cyclone hit Ayarwady Division and Yangon Division in 2008, the relief and reconstruction activities were extended to further catalyst for emergence of a modern civil society movement in Myanmar.

There have been rapid changes of the government's economics and political reforms since general election of 2010. Many countries in Europe and US have eased sanctions against Myanmar economics in 2012, for increasing trade, investment opportunities and expectations of consequent economic growth. One of the most important factors in the transition process in Myanmar is civil society played a significant role more and more to enable social movements. These changes in Myanmar pave the way to development of social enterprises in Myanmar.

In the education sector, government universities are providing education regarding social enterprise management. Cooperative College (Thanlyin) and Cooperative University (Sagaing) were established in 1992. These two colleges were



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promoted as Degree Colleges in 1998, and Universities as 2012. In addition, Yangon University of Economics and Cooperative University (Thanlyin) have been engaged in Southeast Asian Social Innovation Network (SEASIN) organized by Glasgow Caledonian University, co-funded with European Union (EU). Under this project, Social Innovation Support Units (SISU) were established in universities to support the social innovation and entrepreneurship activities have been promoting among students and other stakeholders.

Promoting the idea of social enterprise has been carrying out by various associations, business, and international organizations. Myanmar Women Entrepreneurs Associations (MWEA), Myanmar Young Entrepreneurs Associations (MYEA), Myanmar Business Executives (MBE), and other various associations involve in promoting social entrepreneurship with training programs, seminars, and workshops.

Moreover, private educational institutions like Strategy First and PS Business School are actively engaging in social entrepreneurship by conducting trainings and hosting business plan competitions for young generation. The organization like Phandeeyar and General Entrepreneurship Network (GEN) are promoting the idea of social enterprise among youths in Myanmar.

The private organization such as Opportunities Now Myanmar, Phandeeyar and Impact Hub are conducting trainings, events, and ideas competitions related to social entrepreneurship. By doing so, they are raising the awareness about social entrepreneurship and promoting social enterprise sector among the public in Myanmar especially among youths of Myanmar.

Society Program Department of British Council, Myanmar is the key player in promoting the concept of social enterprise among Myanmar people. The Skill for Social Entrepreneurs (SfSE) program organized by Society Program Department of British Council was launched in 2011, focused on conducting research and promoting awareness to emerging social enterprise sector in Myanmar. SfSE conducts training, workshops and hosts a series of events and visits to publicize social entrepreneurship. SfSE provides social entrepreneurs with skills training and professional mentoring with UK expertise, engaging global peer networks and funding opportunities that enable them to build successful social enterprises. From 2014 to 2017, the program has trained



64 locals as social enterprise consultants and provided consultancy services to social enterprises throughout Myanmar.

In 2013, Action Aid Myanmar initiated the Social Economic Development Network (SEDN). The goal of SEDN activities is to find new market opportunities for poor women. Working within the context of ensuring a holistic approach to address the diverse needs of women, SEDN links women to support services (e.g. literacy and proficiency training, HIV prevention, medical care and treatment programs, gender rights, child care, etc.) provided by non-governmental organizations (NGOs), civil society groups, the private sector or the government. The objective is to improve the socio-economic status of women through multi-sector referral network approach and selected income generation activities.

Social Enterprise Development Association Myanmar (SeDAM) was founded in November 2017 to promote the development of social enterprise as a means of addressing entrenched social and environmental problems delivering positive change to communities and societies. It gives training, including financial literacy trainings, and workshops to social entrepreneurs, and providing consultancy services to their organizations.

The international organization, Asian Women Social Entrepreneurs Network (AWSEN), supports women who seek to solve their social issues through doing business. They also help NGO executives who want to shift from a donation-based business model into more sustainable business model. IECD, Global Innovation Fund, Muglo Foundation, and Micro Empire are supporting with start-up grants, investment, and affordable loans to social entrepreneurs.

There are many social enterprises operating with innovative ideas, for example, Proximity Designs and FXB, which are well known in Myanmar. Proximity design innovated foot-powered irrigation pumps and the other agricultural products, which produces and sells at low cost to farmers. FXB is famous for its work to combat HIV/AIDS through training women, particularly sex workers. Some of the training graduates make and sell handicrafts to support funds for HIV/AIDS medications. They both achieved not only their sustainability but also contribute to the community of Myanmar.



### 3.1.3 Types of Social Enterprise in Myanmar

At this phase of country's development, there is no formal and legal recognition of social enterprises. There is also lack of consensus regarding the definition and understanding the social enterprise, and few entities define themselves as social enterprises (British Council, 2013).

Myanmar social enterprises and other social organizations concentrated in providing four types of socially beneficial services

- Provision of basic services (basic education and health care, disaster relief);
- Civic engagement and civil society promotion, targeted livelihood enhancement programs (including vocational training);
- Access to finance;
- Provision of socially beneficial products and services.

The majority of financially sustainable social enterprises focus on:

- (a) Livelihood enhancement
- (b) Vocational training
- (c) Microfinance.

A wide field of development organization in Myanmar has different legal forms, different degree of market orientation, the financial possibility and social tasks. A summary of different legal forms adopted by social entrepreneurship and informal social entrepreneurship is presented below.

- **NGOs:** There are two different forms of NGOs. These are International Non-Government Organizations (INGOS) and Non-Government Organizations (NGOs).
- **Associations:** Strictly focus on social and religious issues. Because it is difficult to register as NGOs, most local NGOs are registered as association through Organization of Association of Law (1988).
- **Private Companies:** It is much easier to register as a private company than NGO in Myanmar. However, the ideas of profit making in development is not well accepted leading many would be NGOs to register as associations or remain informal.
- **Cooperative:** Owned and controlled by their members. Could potentially be a 'quick-win' for the SE space, cooperatives benefit from government backing and enjoy a simpler and quicker registration process.

- **Foundation:** Not financially sustainable per se, but many foundations are financially supported by their parent private company as their CSR arm. Foundations provide significant funding charitable work in Myanmar. Operation is typically funded by donations from single sources. Like charities and voluntary organizations foundation have been predominantly engaged in disaster relief and provision of basic services. (British Council, 2013)

### **3.1.4 Success Factors of Social Enterprise in Myanmar**

The report of British Council (2013) reviewed the most successful social enterprises in Myanmar and found out the key success factors for social enterprises in Myanmar are as follows.

- Local-led: For-profit enterprises are predominantly founded and run by entrepreneurs who are Myanmar nationals and entrepreneurs.
- Good working relationship with the government: the most mature social enterprises and social organizations have successfully balanced their relationships with the government and focused on having positive social impact at the local level.
- Collaboration with religious networks: working with local monks and religious leaders facilitates beneficiary buy-in and implementation of social service delivery.
- Focus on learning and improvement: long-term viability depends on adequate skills and qualification of core social enterprise staff.

Zaw (2018) studied on the success factors of Myanmar social enterprises. The study explored the success factors of social enterprises are perceived financial attainment and social recognition. Influencing factors on the success factors are: social organizational factors and business factors. Social organizational factors include mission, grounded in the community, organizational vitality, and democratic management. Business factors are concerned with market, operations, human resources, and financial resources.

### **3.1.5 Challenges and Opportunities for Myanmar Social Enterprise**

In Myanmar, there are many challenges for the development of social enterprises space, both internal and external challenges as well as opportunities. Table



3.1 summarizes key challenges and opportunities for each type of social enterprises and social organization.

**Table 3.1 Challenges and Opportunities for Development of Social Enterprise by Organization Type**

Organization	Challenges	Opportunity
NGOs	<ul style="list-style-type: none"> <li>• The registration process for NGOs is long and unpredictable, and consequently a costly constraint for SEs registering as NGOs.</li> <li>• NGO regulations pose restrictions on operations, including restrictions or use of bank accounts.</li> <li>• Lack of clarity on future regulation of NGOs makes the structure less attractive in the medium term.</li> <li>• Large donors for NGO development programmes do not incentivize long-term financial sustainability in NGOs.</li> </ul>	<ul style="list-style-type: none"> <li>• The government has recognized NGOs as an important driver in the growth of the country and is currently drafting an NGO law.</li> <li>• Their not-for-profit status attracts grant funding, which is particularly beneficial in the start-up phase of social initiatives.</li> </ul>
Associations	<ul style="list-style-type: none"> <li>• It is difficult for associations to engage in commercial and for-profit activities, thus difficult to generate revenues.</li> <li>• Many associations are not accountable to non-members and have poor or no incentives for monitoring social impact of their activities.</li> </ul>	<ul style="list-style-type: none"> <li>• A legal form adopted by many local NGOs due to the faster and easier registration process.</li> <li>• Seen by many as a common legal form for organizations working in development.</li> </ul>
Cooperatives	<ul style="list-style-type: none"> <li>• Closer control by the government and decreased independence.</li> <li>• Prone to conflicts of interest because lenders and borrowers are the same people in group saving-lending programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Historically enjoy strong backing from the government.</li> <li>• Easier registration process compared to NGOs.</li> <li>• Potentially supported by the government's new SME law.</li> <li>• Potential in gaining popularity for its ability to empower workers.</li> </ul>
SMEs	<ul style="list-style-type: none"> <li>• Lack of available capital for start-ups.</li> <li>• Often cut off from the development sphere due to the bifurcation of social and commercial activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Easier registration process compared to NGOs.</li> <li>• Potentially supported by the government's new SME law.</li> <li>• Do not face resistance for profit making as may be the case in the not-for-profit sector.</li> </ul>
Foundations	<ul style="list-style-type: none"> <li>• Often lack long-term strategies for their activities.</li> <li>• Programmes are not necessarily needs-based, but driven by personal interest or history of their founder.</li> </ul>	<ul style="list-style-type: none"> <li>• Reliable funding from parent corporate organization.</li> <li>• Target the bottom of the pyramid and provide basic services to those most in need and least able to pay.</li> </ul>

Source: British Council, 2013



According to Table (3.1), the development of social enterprises is encouraged by different types of organizations - NGOs, Associations, Cooperation, SMEs and Foundations. These different organizations have their respective challenges and opportunities while developing the social enterprises. There is a lot of trade off in these organizations. For example, the trade-off between the independency and the ease of start up, and the trade-off between capital to set up and the level of impact on social ground. Nevertheless, all these different types of organizations have impact on the development of social enterprises.

### **3.2 Profiles of Participants and Organizations**

The participants of discussion are founders and responsible persons, who are directly involved in the decision-making process of the firms. The discussion was conducted with eight social entrepreneurs under the supervision of a moderator. The profiles of respondents participated in focus group discussion were presented in Appendix B.

The occupations of participants are president, executive, founder, mentor, and managing director of their organizations. The participants work in NGO, INGO, associations, and social enterprises.

It was found out that the similar demographic factors of all participants are young and educated. These demographic factors are very much essential factors to the engagement in social enterprises. Since the concepts and approach of social enterprise is rather advanced, participants with higher educational background (sometimes with international exposure) can understand and adapt more easily and rapidly with the advanced idea of doing business and providing social benefits. Similarly, young age of social entrepreneurs has more likelihood in initiating and experimenting in new idea of social enterprise model. The background information regarding the organizations that the participants work is briefly presented in this section.

Social Enterprise Development Association of Myanmar (SeDAM) was established in November 2017 with 40 social enterprise consultants. They provide the advice to partner from different institutions to conduct start-up social programs and provide training to existing enterprises.



Active Citizens is a nonprofit program that promoted community cohesion and improvement through civic engagement or volunteering. Active citizens program was established since April 2006. The program aimed to increase the contributions of community leaders towards achieving sustainable development both locally and globally.

The Backyard Travel and Tour Co., is a Community Base Tourism (CBT) in Chin State. It was established in 2018. The Taisun (Chin village) Community Base Tourism initiated with the aim to promote the tourism and conservation while bringing the benefits of tourism for the development of Taisun village. This Community Base Tourism initiation may not only develop small-scale tourism activities in the areas but also strengthen community pride and self-respect.

Myanmar Business Executive is a nongovernment organization, a nonprofit and a social enterprise. It started with 12 staff members in 2008 and extended to a network of more than 2000 responsible entrepreneurs and executives in 2018. Activities include responsible business development activities, social development programs and education programs, collaborating with local and international organizations and firms. They are advocate for deep corporate social responsibility for new ways of doing business.

YK collection has been started doing the customize order for international customers since 2006. It became the hotel suppliers for souvenir gift shop since 2010. YK collections trades traditional souvenir item like lacquer ware, parasol, mother of pearl, and traditional puppets. It also creates the varieties of other gifts and products with the local raw materials. YK collection also accepted the customize orders of customers and produces differentiate items. The founder received Good Design Award in 2014, from Mekong Design Selection.

Third Story Children Books Project was founded in 2012. The founder of Third Story Children Project was received first prizewinner of Young Entrepreneur Award in 2016. The project was started as telling stories for children and borrowing books for children called "Library in The Box". Later on, they create books with colorful cartoon illustrations and donate to children throughout Myanmar.

Yangon Bakehouse was founded in 2012 with a dedication to women's empowerment and inclusion. The organization began with an established vocational



training and job placement program that has helped over 100 women gain lasting skills, increased confidence and financial stability. Furthermore, the project built on a 6-month inclusive employment pilot in 2017 and expanded the model to include disabled women, which is a particularly vulnerable group of the disadvantaged women that already works with.

Trust Oo Healthcare is a social enterprise primarily to implement reproductive health (m-health) initiatives systematically in Myanmar. By providing a remote medical assistance via mobile devices for every citizen throughout Myanmar, the organization operates with an intention to contribute towards the goals of uplifting the health status of Myanmar. It provides effective and consistent healthcare information and expert advices, and/or timely referrals to recommended healthcare units.

### **3.3 Characteristics of Social Enterprise**

The selective sampling was used for focus group discussion and targeted primarily social enterprise that are owned or managed by people. The sample was selected by their organization age more than one year and registered in SeDAM to identify participants. As a result, the sample may not be representative of the whole of Myanmar, however, the sampling methods were found appropriate.

The focus group moderator's job is to facilitate the discussion and to encourage all respondents to contribute their thoughts, feelings and ideas. The discussion is usually semi structured using a checklist of issues constructed according to conceptual framework. Moderator requires special skills - stimulating and managing a guided group discussion is not as easy as it sounds. The skill of the moderator can have a tremendous impact on the success of the group, i.e., whether discussion flows freely (Sherraden, 2001) (cited in: [www.chronicpoverty.org/page/toolbox](http://www.chronicpoverty.org/page/toolbox)). In this study, moderator was performed by Professor, retired in Department of Management Studies. She had not only experience in social enterprises but also one of the members of Southeast Asian Social Innovation Network (SEASIN) organized by Glasgow Caledonian University. The assistance moderator was social enterprises consultant from British Council. He conducted the facilitator during the focus group discussion.

Focus group discussion was conduct in November 2018 at Department of Management Studies, Yangon University of Economics. Focus group discussion was used as primary data collection since it is the best approach to reveal insights of



individuals and the results turned out to be trustworthy and accurate. The discussion took two hours. The discussion was based on the conceptual framework of the study.

The focus group discussion revealed how business firms actually establish social entrepreneurship, how to acquire financial and human resources and building social capital. The discussion provides valuable information for identifying deeply rooted reasons behind social entrepreneurship practices of enterprises.

### **3.3.1 Social Entrepreneurship**

The nature of social entrepreneurship was explored in the discussion according to the social intention, social innovation, proactiveness, and risk taking of social entrepreneurs participated in the discussion.

#### **(a) Social Intention and Mission**

All participants in the discussion mentioned that their organizations have sound and clear mission statement to clearly declare the existent of their organization. Their missions clearly defined the target beneficiary that they want to serve.

SeDAM has been promoting the awareness on social enterprise and support for the development of social enterprises in the country. The program of Active Citizens Network Myanmar is to build the platform for social enterprises in Myanmar. Their intention is to change the mindset as well as core value on doing businesses in socially responsible ways. The intention of Myanmar Business Executive is to share the management knowledge and practices, to assist start-up businesses, and to encourage for applying corporate social responsibility.

The Backyard Travel and Tour's intention is to generate income for youth at Chin States. The intention of YK collection founder is creating jobs for people in villages around Phawbowe Township. The purpose of Third Story Children Books Project is publishing and distribution of books to provide education through entertainment for the children. The intention of Yangon Bakehouse is providing training and employment for the women, especially with disability. Trust Oo Health Care aims to provide health advises and educations for the people in remote area, where health facilities are very limited.

The discussants have certain social intention because they found out specific needs or problems in their neighbors, in their community and society, and in the country. Their social intention did not disappear in the wind; so that they set up clear



and sound missions to realize the initiation of organizations for helping something or somebody in what they believe that they can do better for them.

**Table 3.2 Mission Statements of Selected Enterprises**

<b>Organization</b>	<b>Mission Statement</b>
SeDAM	SeDAM aims to raise better awareness over social enterprises and the role they play in society.
Active Citizen Network Myanmar	Active Citizen Network Myanmar is promoting our citizens to become young active, responsible Myanmar citizen.
Backyard Travel and Tour	When you tour with backyard travel you will explore hidden place, connect on a deep level with local people and ultimately gain a unit insight of the country you visit and a genuine understanding of the culture you embrace. Welcome to Asia, welcome to our backyard.
MBE	MBE mission is to promote sustainable business development in Myanmar.
YK collection	The mission of YK collections offers the Myanmar traditional souvenirs, bring domestic style with unique design.
Third Story Children Books Project	The organization's vision is every child with a book in their own language. The mission of organization is to provide entertaining educational literature for children.
Yangon Bakehouse	The project works to empower women through skills training and education. The apprenticeship program, internships and team culture place a premium on women being economically empowered, educated and active in society.
Trust Oo Healthcare	Vision: to become a leading provider of remote medical assistance via mobile devices for every citizen throughout the Myanmar. This digitally-delivered healthcare will make use of world-class health-specific phone service. Mission: to remotely provide effective and consistent health information and expert advice, and/or timely referral to recommended healthcare units.

Source: Survey Data (2018)

The findings from the discussion describe that all organizations of the participants doing their activities or operations in accordance with well-defined mission. Their missions have the deterministic social intention for certain target beneficiaries. The intention of NGOs and associations, which more emphasized on social-orientation, focus on macro level economic and social needs, such as poverty elevation, sustainable development, and so on. Social enterprises established as business model aim to the smaller group of beneficiaries like women, children, and people who request for health information in remote areas. The intentions of these



enterprises focused on the specific benefits for precise target group, such as, employment, income generation, books distribution, and providing healthcare information.

**(b) Social Innovation**

Participants in the discussion explained that they started their organizations with innovative ideas. The products and services they provided, and the technology and method they used are innovative.

NGOs like SeDAM and Active Citizen Network Myanmar, introduced the idea of social enterprise in Myanmar. SeDAM promotes social enterprise development and support people to engage in this new activity. SeDAM created and used video clip for counseling social entrepreneurs and young people who have potential to engage in social sector. Active Citizen Network Myanmar creates programs for conducting national strategy research to identify key national issues (e.g. literacy, environmental protection), and for facilitating development workshops. Association like MBE created programs, such as, regarding business skill development, providing social and community development activities through the capacity development programs and microfinance, and promoting and supporting responsible social business development in Myanmar. They are the pioneers of social development in Myanmar. Without their active initiation and commitment, the idea of social enterprise would not revitalize in advanced approach.

Social enterprises as Backyard Travel and Tour, YK Collection, Third Story Children Books Project, Yangon Bakehouse, and Trust Oo Health care also provide innovative products and services to the community.

Backyard Travel and Tour brought the idea of community base tourism to Taisun Village, Chin State, where there is no idea at all for the villagers to think that their place was attractive for tourism. Taisun village is three miles away from Falam town, Chin State. The village was founded in fifteenth century. The village itself represents the birthplace of Chin civilization and is famous for Chin militia leader and chief, Con Bik, who fought against the invasion of the British till 1892. Their community base tourism activities include village homestay, soft trekking, hiking, birdwatching, and visiting traditional weaving workshop program. They arrange classic and adventure tour packages for international and local customers.

The founder of YK collections found out the way to help her native villagers for generating their income. The female founder created the value of red sandalwood seeds,



which has been not useful for the consumption, both for human and animals. In 2016, she created eco-friendly jewelries for women, such as, bracelets, earrings, necklace and many other items. She collects the red sandalwood seeds from the regions of upper Myanmar, Chin State, Mandalay and Sagaing regions. In 2010, she made handmade jewelry with jade and marbles and sold them at hotels and resorts. She produced these items with waste materials from curving big statues. Together with the craftsmen from the region, she created new products, which can be used as decoration and food containers. Her creations won the Good Design Award 2014 in Japan.

Third Story Children Books Project started their project as telling stories for children borrowing books for children called “Library in The Box”. They found the lack of children literatures in Myanmar; they illustrated the stories with colorful cartoons and published children books. Their books convey the education relating to responsibility, social issues, manners and values, environmental consideration, human rights, and other valuable thoughts for the children. They also offer storyteller training to the community leaders, teachers, volunteers and religious leaders to foster the child education. They translated the stories into ethnic languages. They won first prize of Young Entrepreneur Award in 2016.

Yangon Bakehouse runs training cafes and catering as the natural output of the apprentice program that trains women essential service skills. They provide training for the women especially are disabled and provide employment in Yangon Bakehouse. Their trainees can also have employment opportunities in other businesses.

Trust Oo Healthcare was organized with medical doctors that provide informative health education and consultation through mobile application. They give advice people to avoid misbeliefs and misconception, and provide medical second opinion. They serve as front-line medical service providers that lay down a triage system nationwide. Triage system is established to assess the severity level of patients’ conditions and refer them to most appropriate hospitals and clinics. Furthermore, the doctors provide safe home remedies, prescribe over-the-counter drugs and deliver first aid advice. They use the mobile application in order to reach out the people in remote areas. The doctors serve a large diversified customer base with the focus on Reproductive, Maternal, Newborn and Child Health (RMNCH), offering confidential counseling for reproductive health.



### **(c) Proactiveness**

Although discussion was organized into specific topics according to the agenda, proactiveness was coming out throughout the discussion. It revealed that without proactiveness of social entrepreneurs, their social mission cannot be realized into physical existence of social enterprises and its fruitful benefits cannot be possible to achieve.

Their social intention to serve something greater than traditional self-interest motivates their proactiveness. The proactiveness of the participants in the discussion can be seen in the adaptation of social enterprise ideology. SeDAM, Active Citizen Network Myanmar, and MBE actively participated in seminars and workshops which promoting the development of social enterprise in Myanmar. Organizations of all participants initiated in engagement of social enterprises activities.

They are also proactive in designing new products and services, finding methods and technologies for operations, organization resources for establishment of social enterprises, and marketing their advanced products, services, and ideas to their customers and clients. Backyard Travel and Tour introduced community base tourism to native Chin villages. YK Collection created innovative products and promoted in new markets. Third Story Children Books Project is pioneer, who designed and promoted their idea with innovative illustrations for educating children. They applied product development and market development at the same time. Yangon Bakehouse exploited the new area of training and employment. Trust Oo Healthcare initiated in utilizing mobile application to reach out the people in remote areas for medical education and counseling. These organizations are also proactive in raising necessary funds from different sources and organizing human resources for their organizations.

Participants agreed upon that the proactiveness of social entrepreneurs is also important in building social capital, trust, social network, and engagement with public sector.

### **(d) Risk Taking**

Participants perceived risk as challenges they faced in their organizations. The possibility of increase risks depends on to what extent uncertainty can be occurred in the future. The most possible risk happened to the social enterprises is formalization of ownership form. As mention in above, due to the lack of clear definition of social enterprise, the registration of social enterprise is still not available in local authorities and government bodies. Therefore, these enterprises were registered under other forms



of organizations, NGOs, associations, foundations, business, and cooperatives. Although the intention of social enterprise is virtuous, official approval for identity of social enterprise is still in uncertain situation.

As business functions involved in the social enterprises also have to take into account the market risk, changes in customer preferences, increase competition, scarcity of raw materials, and so on. For example, YK Collections faces the many challenges to get raw materials, technology, and approval of the government to export their products. Since rules and procedures applied in export and import are ambiguous to interpret, the approval for exports is not so smooth sometimes.

### **3.3.2 Social Capital**

All participants agreed upon the importance of social capital in carrying out their activities. Since the nature of their activities have to engage with communities, having trust of community members and build and strengthening social network is significant. In addition, good relationship with local authorities is also important for official approval for smooth operations.

#### **(a) Trust Building**

Social trust of stakeholders is crucial especially for the social enterprise operations or activities of projects. Participants had to be proactive in building trust with their stakeholders.

One reason that the participants required trust of their stakeholders is for fund raising. If the financial resources of the organization rely, either completely or partially, on international and local donors, the confidence in organization is prerequisite condition. SeDAM, Active Citizen Network Myanmar, and Third Story Children Books Project raised their funds with donations; therefore, there are load of documentation to verify their activities did not misuse of funds from donors.

SeDAM, Active Citizen Network Myanmar, MBE, and Trust Oo Healthcare raise their financial resources with member fees. For this reason, they also perceived that the trust of stakeholders is important.

As mentioned in literature review, trust also essential for business transactions. The participants discussed on the role of trust for the participation of beneficiaries. Even though social enterprise activities involved the interests of target beneficiary, they do not participate actively in social enterprise activities without trust in organization. For example, Backyard Travel and Tour strived for building trust with villagers to



understand the concept of community base tourism, participate in initiation of tourism, committed in their responsibilities. Trust has to be strengthened within the community also. Transparency and disciplinary were strictly applied in tourism activities in order to keep up the cohesiveness of villagers.

Trust is two-way psychological need-fulfillment and it also required mutual confidence. For example, social enterprises, which operate microfinance for least disadvantaged people, require strong trust building among borrowers to enforce the repayment of microloans while there is no collateral for non-performing loans.

According to participants from YK collections and Third Story Children Books Project, trust with employees and stakeholders is critical if they need transformation from business mindset to social mindset.

#### **(b) Social Network**

All participants involved in various social networks. SeDAM, they have been dealing with the various international associations and finding ways to contribute towards building up the economy by supporting social businesses in Myanmar. On March 2018, SeDAM organized Active Citizens National Forum (ACNF) in Pacific Hotel with the support of British Embassy Yangon and Active Citizens Program of British Council Myanmar. SeDAM hosted the first time Active Citizens National Forum (ACNF) as the activities by means of Active Citizens approach are applied by the Social Enterprise for the sake of sustainability.

Active Citizens work with facilitators to design social action projects in their communities. Locally engaged Active Citizens connects to a global network through study visits and exchanges with other countries, as well as through sharing via online portals and working on joint activities with communities around the world.

Myanmar Business Executive is a network of high-level experienced and socially responsible business executives. MBE members attend the UN Global Compact Summit in “Celebration and Mobilization of UNGC Network Myanmar: Towards +1000 Members” which took place December 2014.

The Backyard Travel and Tour Co., was established good relationship with local governors, villagers and tourists. YK collection has been working international customers, goldsmith, handicraft designers, hotel suppliers for souvenir gift shop, and mainly the villagers in her township. Third Story Children Books Project, a collaborative effort between the Myanmar Storyteller and the Benevolent Youth Association (Yangon). They also support Southeast Asian Social Innovation Network



project. Yangon Bakehouse works with a network of NGO partners for intake and training, placement partners who hire graduates from Yangon Bakehouse, corporate sponsors and foundations such as The Strand Hotel, Edulink, Sampan Travel, a little Eco Lodge, Novotel, Barboon, Khiri Travel, Sprouts, Exo Travel, Nwe Ta Pin, FMI Air, Inya Day Spa, Uncharted Horizons Myanmar, Premium Distribution, Sydney's, River Gallery, Monuments, Yangon Yoga House, Columbus Travel and Tour, Monsoon Restaurant and many more.

### **(c) Public Sector Engagement**

Participants are proactive to have the awareness and engagement of public sector. They agreed that the development of social entrepreneurship is important for sustainable development of Myanmar society. Therefore, they have promoted the development of social innovation and social entrepreneurship to the policy maker level. SeDAM presented social entrepreneurship strategy, intimidator, the status of social enterprise and impact investment, social enterprise and social investment eco-system, recent social investments, challenges face by social entrepreneurs in Myanmar, why social entrepreneurship is important for development, developing the social entrepreneurship policy for Myanmar, and capacity building. In July 2018, Social Innovation Support Unit of Cooperative University (Thanlyin) conducted the seminar on "Social Enterprise Landscape in Myanmar" to share the knowledge and ideas of social entrepreneurship strategy and landscape in Myanmar.

However, the participants did not receive so much support from public sector for the operational level transactions. Since the definition of social enterprise is unclear and misunderstood for the Myanmar people, local authorities and public institutions might not realize the nature of social enterprise activities. Sometimes, it is not because that the public sector does not have willingness to engage, but insufficient infrastructure itself becomes obstacle for the operations of social enterprise.

### **3.3.3 Acquisition of Organizational Resources**

Regarding the acquisition of organizational resources, the participants discuss upon acquiring financial resource and human resource for their organizations.

NGOs and Association, such as SeDAM, Active Citizen Network Myanmar, and MBE have raised their funds from donations and member fees. SeDAM and Active Citizen are the control of the British Council. One of the social enterprises, Third Story Children Book Project started their operations with grant from KBZ Bank. Now, they



raised their own savings and reduced the amount of donation in their financial structure. They can earn income from selling products and services.

**Table 3.3 Sources of Finance by Selected Enterprises**

Organizations	Capital Invested	Donations	Others
SeDAM	-	British Council	Member Fees
Active Citizen Network Myanmar	-	British Council	Member Fees
Backyard Travel and Tour	Own Saving 40%	-	Business Plan Award 60%
MBE	-	-	Member Fees
YK Collection	Own Saving	-	-
Third Story Children Books Project	Own Saving	KBZ Bank	-
Yangon Bakehouse	Own Saving	KBZ Bank, KBZ Brighter Future Myanmar, CW Asia Fund	-
Trust Oo Healthcare	Own Saving	-	Member Fees

Source: Survey Data (2018)

Human resource requirement for social enterprises sometimes is not simple because the quality of human resource needs shared social values and social intention in addition to the qualification of employees.

**Table 3.4 Human Resources by Selected Enterprises**

Organizations	Permanent Staff	Volunteers	Others
SeDAM	-	-	CEC 10 Member 40
Active Citizen Network Myanmar	-	-	CEC 10 Member 40
Backyard Travel and Tour	2	-	-
MBE	9	-	-
YK Collection	3	-	-
Third Story Children Books Project	4	10	-
Yangon Bakehouse	25	-	-
Trust Oo Healthcare	6	15	-

Source: Survey Data (2018)

Proactive participants started their social enterprise activities mostly by themselves or with a few friend's cooperation. There are no permanent staff in SeDAM and Active Citizen Network Myanmar. These organizations work with the volunteers and the consultants of British Council. Except Yangon Bakehouse, they run their



operations with few permanent staffs. Third Story Children Books Project and Trust Oo Healthcare appointed volunteers for their operations. Since the qualified human resource is a scarce resource, the participants also faced labor mobility issues like other business firms.

### 3.3.4 Social Return on Investment

It was mentioned in the literature review, social return on investment is measured with output, outcome, and impact of the organizational activities.

**Table 3.5 Outputs and Impact of Selected Enterprises**

<b>Organizations</b>	<b>Outcomes and Impact</b>
SeDAM	<ul style="list-style-type: none"> <li>- 61 Video clips for counseling social enterprises</li> <li>- Social Business Training</li> <li>- Research projects</li> <li>- Active Citizen and Social Enterprise National Event</li> </ul>
Active Citizen Network Myanmar	<ul style="list-style-type: none"> <li>- Active Citizen and Social Enterprise National Event</li> <li>- “Develop critical thinking through the art of storytelling” at Tanintharyi Region with Ministry of Education and Ministry of Information</li> <li>- “Let’s Read” Programme has participated 21,145 children from government and monastic schools, nunneries, street children in December 2018</li> <li>- Improved 35% of creative thinking in children</li> </ul>
Backyard Travel and Tour	<ul style="list-style-type: none"> <li>- 100 homestay foreigner</li> <li>- 150 homestay domestic</li> <li>- Average travelers = 40 per month</li> <li>- Income generation for 280 Villagers</li> </ul>
MBE	<ul style="list-style-type: none"> <li>- No. of vocational trainings = 81</li> <li>- No. of students = over 2000</li> </ul>
YK Collection	<ul style="list-style-type: none"> <li>- Produce Myanmar Traditional Souvenirs</li> <li>- Sales revenue</li> <li>- Income generation for 100 families</li> </ul>
Third Story Children Books Project	<ul style="list-style-type: none"> <li>- Types of children books = 47</li> <li>- No. of copies = 206000</li> <li>- Distributed in 220 Township</li> <li>- 3 ethnic language translation</li> </ul>
Yangon Bakehouse	<ul style="list-style-type: none"> <li>- 81% graduation rate of apprentices</li> <li>- 79% employment placement of program graduates</li> <li>- 500% increase in earning power after graduation</li> <li>- 6 x Circle of impact for every woman trained, 5 other people directly impacted</li> </ul>
Trust Oo Healthcare	<ul style="list-style-type: none"> <li>- No. of followers in m-health program = 605,831</li> <li>- Nationwide impact program</li> </ul>

Source: Survey Data (2018)

All participants discussed that their organizations achieved success and their organizations are expanding. The outputs and outcomes of their organizations provide positive impact on beneficiaries and society. However, participants in the discussion



were running different organizations and social enterprises with different targeted beneficiaries and offered different products and services. Therefore, it is difficult to generalize or sum up the measures output, outcome, and impact of their organizational activities. Table (3.6) describes the outcomes and impacts of organizations studied in focus group discussion.

According to Table (3.5), SeDAM can presented 61 Video clips for counseling how to organize the social enterprise and open social business training. And then they prepared Socio Economy Research for Thanintharyi division and Weaving Industry Research in 2018. Backyard Travel and Tour was serving almost 100 foreigners for homestay and over 150 domestic travelers to Chin Hill. Their activities can benefit 280 villagers for income generation in 2018. They can organize the travelers nearly 40 peoples both foreigner and domestic traveler per month.

MBE provided 81 times of training since 2010. The number of trainees was over 2000 people. After training, most of them have been working the large company now. YK collection was producing many traditional products. Their enterprise activities can impact 100 families for income generation. Third Story Children Books Projects produced 47 types of children story books since 2012. They distributed over 206,000 books were distributed in 220 townships with free of charges. Also, they created 3 ethnic language books about Chin, Kachin, and Rakhaing.

Yangon Bakehouse provide the apprenticeship program for women. Their program impact on 5 times increased the earning power after graduation. One person accomplishes their program can 5 people directly impacted for their family. Trust Oo Facebook page was either gathered among informative primary sources or edited by group of registered medical doctors. They have number of followers 605,831 in 2018. M- Health program was impacted the nationwide.

### **3.3.5 Summary of FGD Findings**

The social entrepreneurship of selected social entrepreneurs was explored by using focus group discussion. The discussion includes the nature of social entrepreneurship in Myanmar, how to construct the social capital with community and the public sector, in which way financial and human resources for the organization were obtained, and what output, outcome, and social impact were generated from the operations of social enterprises. The findings of the discussion are summarized as follows.

- The participants in the discussion possess the social entrepreneurial skills. They have good social intention and their organizations determined clear mission statements, which declare their social intention.
- They are innovative in creating new ideas, new products, and new services. They utilized advanced technology and methods for their organizational activities.
- Their proactiveness is very significant for initiating their organizational activities, building social capital, trust, and social network, and finding financial sources for their organizations.
- Social capital and trust is important for initiation their social enterprises, participation of target group, and raising funds for activities. They encouraged the social networks for promoting the development of social entrepreneurship.
- They promote engagement with public sector for promoting social entrepreneurship at the policy maker level. They did not receive significant support from public sector.
- Their organizations achieved successful output and outcome, which also convey the positive impact to the beneficiaries and the society.

After the summary of focus group discussion findings, next chapter consists of the analysis of on characteristics of social entrepreneurship, the effects of social entrepreneurship on social capital, the effects of social entrepreneurship on acquisition of organizational resources and the effects of social entrepreneurship, social capital and the acquisition of organizational resources on social return on investment.



## **CHAPTER 4**

### **ANALYSIS ON SOCIAL ENTREPRENEURSHIP**

The effects of social entrepreneurship, social capital and organizational resources on social return on investment were analyzed in this chapter. This chapter contains the research design and the analysis and findings of the empirical research. The research design is explained how sampling was done and the methodology applied for data analysis. The effects of social entrepreneurship, social capital and organizational resources on social return on investment were examined by multiple regression analysis and the findings of the analysis are also interpreted in this chapter.

#### **4.1 Research Design**

A research design is a framework for conducting the research project. It specifies the details of the procedures necessary for obtaining the information needed for the study. Therefore, research design of the study includes the research population and sampling, data collection methods, and the research techniques employed for data analysis.

##### **4.1.1 Population and Sampling**

The target group of the research consists of leaders of social enterprises. Leaders of social enterprises represent owners, founders, managers and responsible persons of those enterprises.

Social enterprises in Myanmar are operated by nonprofit organizations, which also established as associations and foundations, and business companies. Nonprofit organizations must register at Regional General Administration Department, Foreign Economic Relation Department, and District and Township Planning Department as INGOs and NGOs. It is not possible to determine the registration of nonprofit organizations as the population frame of the research because not all nonprofit organizations are social enterprises. Similarly, not all business companies are operated as social enterprises. There is no specific legal registration regarding the social enterprise in Myanmar. Therefore, the list of social enterprises in Myanmar cannot be found in official records of government organizations.

Nevertheless, there are two sources, which prepare the lists of social enterprises in Myanmar. These sources are British Council and a nonprofit organization called Impact Hub. British Council organizes the list of social enterprises in Myanmar which are supported and consulted by them. Impact Hub organized the list of social enterprises which are based and operating in Yangon. Therefore, in order to appropriate with the design of the research, the list of social enterprises organized by Impact Hub was referred as the population framework of the study. According to the list of Impact Hub Survey (2018), there are 68 social enterprises in Yangon.

Simple random sampling techniques was used to select the sample size for data collection. Sample size was calculated based on Yamane (1967) formula:

$$n = N/(1+N(e)^2)$$

where  $n$  is the sample size,  $N$  is the population, and  $e$  is the desired level of precision. In this study, the sample size was calculated assuming 95% confidence level and 0.05 precision level. Therefore, for this study:

where  $N = 68$  and

$$e = 0.05$$

then  $n = 58$ .

Social entrepreneurs of 58 social enterprises in Yangon were selected as the respondents of the study and they were interviewed with structured questionnaire. The profile of respondents includes gender, educational level, and current position of the organization. The gender is categorized by male and female. Educational level is analyzed by under graduate, graduate, master, and doctorate. Current position at social enterprises are examined by owner, president, board committee, and manager. The profile of respondents is shown in Table (4.1).

Among all respondents, 63.79 percent of the respondents were female. Almost all of them, over 90 percent of respondents, were educated, who hold at least one bachelor degree. Among 58 respondents, 44.84 percent were managers, 32.75 percent were the owners of social enterprises, and 17.24 percent were board of committee members of the organizations.



**Table 4.1 The Profile of Respondents**

<b>Particular</b>	<b>Number of respondents</b>	<b>Percentage</b>
<b>Gender</b>		
- Male	21	36.21
- Female	37	63.79
<b>Education</b>		
- Under Graduate	1	1.72
- Graduate	35	60.34
- Master	21	36.22
- Doctorate	1	1.72
<b>Current Position</b>		
- Owner	19	32.75
- President	3	5.17
- Board of Committee	10	17.24
- Manager	26	44.84
<b>Total</b>	<b>58</b>	<b>100</b>

Source: Survey Data, (2018)

It was found that higher education back ground of the respondent and international exposure of the respondents are important to adapt with new ideology of doing business with social values and providing helps for the society. According to the observation of social enterprise initiatives, young people are interested in experimenting social enterprises because they are open-minded and have willingness to try new ideas. According to the interviews they have international exposures and extended education from seminars and workshops held in international and local institutions.

Organizational profile of social enterprises in the study is shown in Table (4.2). Organizational profile was examined as types of organizations, missions of organizations, age of organizations, and their sources of income. Types of organization involve in the study were companies, which represents 62.24 percent, association, which represents 17.24 percent, and foundation, which represents 18.76 percent. Their missions emphasized on children / youth / women / elderly care, environment protection and preserving, manufacturing products, disabled people care, animal protection, providing healthcare, and providing education. Most of the organization, 72.42 percent, has been established for more than two years. The age of 17.24 percent of the organization age were between one year and two year and the age of 10.34 percent of organization were less than one year. All of the organizations generated their income from sale of products and fees and charge for services.

**Table 4.2 Profile of Organizations**

<b>Particular</b>	<b>Number of organizations</b>	<b>Percentage</b>
<b>Organization Types</b>		
- Company	39	67.25
- Foundation	8	13.79
- Association	11	18.96
<b>Related Mission</b>		
- Children/ Youth/ Women/ Elderly	17	29.31
- Environment	2	3.35
- Product Industry	20	34.48
- Disabled People	3	5.17
- Animal	2	3.45
- Healthcare	6	10.35
- Education	8	13.79
<b>Organization Age</b>		
- Less than one year	6	10.34
- Between one and two year	10	17.24
- More than two year	42	72.42
<b>Sources of Income</b>		
- Sale of Products and Fees and Charges for Services	30	51.72
- Sales and Donations	18	31.03
- Sales and Membership Fees	7	12.07
- Sales and Interest	3	5.18

Source: Survey Data, (2018)

However, some of the organizations raised extra fund in addition to their sales revenues; 31.03 percent of the organization raised their funds from donations, 12.07 percent of the organizations raised their funds from membership fees, and 5.18 percent of the organizations also received their extra income from the interest of micro loans.

#### **4.1.2 Data Collection for Research**

In order to collect the required data for the quantitative research, selected social entrepreneurs were interviewed with a structured questionnaire. The questionnaire was designed to measure the perception of respondents with 5-point Likert scale questions.

The questionnaire was divided into five parts: general information of respondents and their organizations, social entrepreneurship, social capital, acquisition of organizational resources, and social return on investment.



The first section of the questionnaire was about general information: gender, education and current position of respondents; and types, age, and source of income of their organizations. The second section was about social entrepreneurship including five variables such as social intention, social mission, social innovation and proactiveness of social enterprises. The third section covered the questions regarding social capital such as trust building, networking, and public sector engagement. The fourth section of the survey was mainly about acquisition of organizational resources especially financial and human resources. The final section was social return on investment including output, outcome and social impact of social enterprises.

In order to determine how consistent a certain scale and whether questions in the questionnaire are effectively measured, reliability test was carried out. The reliability of questionnaire was tested with the Cronbach's alpha coefficient. Cronbach's alpha coefficient measures the degree of dependability, consistency or stability of a scale. In this study, the reliability coefficients of twelve variables were tested and the results are shown in Table (4.3).

**Table 4.3 Reliability Analysis**

Variables	Cronbach Alpha	Number of Items
<b>Social Entrepreneurship</b>		
Social Intention	0.800	7
Social Mission	0.799	6
Social Innovation	0.827	10
Proactiveness	0.802	8
Risk Taking	0.560	3
<b>Social Capital</b>		
Trust	0.694	7
Social Network	0.729	5
Public Sector Engagement	0.919	5
<b>Organizational Resources</b>	0.790	9
Financial Resources	0.643	5
Human Resources	0.684	4
<b>Social Return on Investment</b>	0.768	9

Source: Survey Data (2018)

According to Sekaran and Bougie (2016), Cronbach's alpha coefficient values over 0.7 are acceptable and over 0.80 are good for the reliability of questionnaire. However, Nunnally and Bernstein (1967) agreed with Cronbach's alpha coefficient values from 0.50 to 0.60 are sufficient for the exploratory studies. Table (4.3) indicate

that the alpha values of all variables are greater than 0.50. Therefore, the variables in the questionnaire are reliable enough for analysis of the study.

#### 4.1.3 Analysis of the Study

Descriptive statistics was used in this study for exploring the variables of the study. The variables of the study, social entrepreneurship, social capital, acquisition of organizational resources, and social return on investment, were examined with mean values.

Multiple linear regression analysis was applied in investigating the effects of independent variables on dependent variables of the study. Firstly, the effects of social entrepreneurship on social capital were evaluated. Then, the effects of social entrepreneurship on acquisition of organizational resources were examined. Then, the effects of social entrepreneurship, social capital, and acquisition of organizational resources on social return on investment were analyzed. Model specifications, findings, interpretation, and conclusion of the analysis are presented in the following sections.

#### 4.1.4 Multiple Linear Regression Model Specifications

In order to test the hypotheses 1, 2 and 3, multiple linear model was applied. Regarding the multiple linear regression model specifications was presented in this section. Mean value of social entrepreneurship is specified as  $X_i$  for  $i^{\text{th}}$  respondent.

Whereas,  $X_{1i}$  = Mean of social intention for  $i^{\text{th}}$  respondent

$X_{2i}$  = Mean of social mission for  $i^{\text{th}}$  respondent

$X_{3i}$  = Mean of social innovation for  $i^{\text{th}}$  respondent

$X_{4i}$  = Mean of proactiveness for  $i^{\text{th}}$  respondent

$X_{5i}$  = Mean of risk taking for  $i^{\text{th}}$  respondent

$Y_i$  represented as mean value of social capital for  $i^{\text{th}}$  respondent.

Whereas,  $Y_{1i}$  = Mean of trust for  $i^{\text{th}}$  respondent

$Y_{2i}$  = Mean of social network for  $i^{\text{th}}$  respondent

$Y_{3i}$  = Mean of public sector engagement for  $i^{\text{th}}$  respondent



Mean value of acquisition of organizational resources is specified as  $Z_i$  for  $i^{\text{th}}$  respondent.

Whereas,  $Z_{1i}$  = Mean of acquisition of financial resources for  $i^{\text{th}}$  respondent

$Z_{2i}$  = Mean of acquisition of human resources for  $i^{\text{th}}$  respondent

$W_i$  = Mean of social return on investment for  $i^{\text{th}}$  respondent.

$b_0$  is constant and  $b_i$ 's are the regression coefficient for  $i^{\text{th}}$  independent variable. It assumed that  $e_i$  follows normal distribution with mean zero and constant variance and errors are independent. It is also assumed that none of the independent variables be linearly related.

### 4.2 Dimensions of Social Entrepreneurship

In this study social entrepreneurship was examined with the perceptions of respondents upon their social intention, social mission of their organization, innovation in fulfilling social benefits, proactiveness of their organization, and risk taking by them. The calculations of mean value for each variable are described in Appendix B. The overall mean values of the social entrepreneurship were presented in Table (4.4).

**Table 4.4 Social Entrepreneurship**

No.	Statements	Mean Value	Standard Deviation
1.	Social Intention	4.26	0.49
2.	Social Mission	4.26	0.46
3.	Social Innovation	4.18	0.46
4.	Proactiveness	4.03	0.50
5.	Risk Taking	3.93	0.52
	<b>Overall Mean of Social Entrepreneurship</b>	<b>4.13</b>	

Source: Survey Data (2018)

According to Table (4.4), the respondents perceived that social intention, social mission, social innovation, and proactiveness of the social entrepreneurs were important for the operations of social enterprises. The mean score for social intentions is 4.26. The high mean values in the Table describe that the perceptions of respondents agreed with their organizations have well social intentions. They have willingness to help social problems and improvement of people’s life in the society. The mean score for social mission is 4.26, which shows that the majority of respondents perceived that their organizations have sound and clear mission. Since these organizations are social

enterprises, they have well-established social objectives and promote their objectives to their stakeholders.

The mean score for social innovation is 4.18, which shows that the majority of social entrepreneur agreed upon that their organizations have orientation towards social innovation. It indicated that social enterprises of respondents initiated in social change, developing new programs, finding new solutions, offering new products and services, improvement in operation, and resources for innovation. The mean score for proactiveness is 4.03, which shows that the respondent agreed upon that their organizations are proactive in solving with social needs and problems, dealing with their target groups, compromising with stakeholders, investing in new technology, and acquiring organizational resources.

The mean score for risk taking is 3.93, which shows that the majority of social entrepreneurs’ perception is moderate on risk taking. It indicated that most of social entrepreneur taking risks in seizing and exploiting new opportunities. But these can be concluded that risk taking were not so much awareness in social entrepreneurship. To compare with other variables regarding social entrepreneurship, the mean value of risk taking is rather weak in this study. Some questions were omitted in risk taking because of political and legal factors.

### 4.3 The Effect of Social Entrepreneurship on Social Capital

In order to analyses the effect of social entrepreneurship on social capital, the analysis starts with descriptive statistics regarding social capital. Social capital was assessed with three variables; trust, social network, and public sector engagement. The calculations of mean value for each variable are described in Appendix B. The mean values of social capital were described in Table (4.5).

Table 4.5 Social Capital			
No.	Statements	Mean Value	Standard Deviation
1.	Trust	4.13	0.35
2.	Social Network	4.18	0.44
3.	Public Sector Engagement	3.60	0.80
	<b>Overall Mean of Social Capital</b>	<b>3.97</b>	

Source: Survey Data (2018)



According to Table (4.5), The mean score for trust is 4.13, which indicated that the respondents perceived their organization were trusted by their clients in the society. They also perceived that having trust is advantaged for their organizational activities. The mean score for social network is 4.18, which indicated that the participants perceived that their organizations established strong social capital. They also perceived that having external alliances grate support for their organization. The mean score for public sector engagement is 3.97, which indicated that the participants perceived their organization did not very much engaged with public sector.

The multiple linear regression analysis was performed to find out the effect of social entrepreneurship on social capital. For this analysis, the social capital is the dependent variable. There are five independent variables, which determine the impact of social entrepreneurship on social capital. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for the effect of social entrepreneurship on social capital is:

$$Y_i = b_0 + b_1X_{1i} + b_2X_{2i} + b_3X_{3i} + b_4X_{4i} + b_5X_{5i} + e_i$$

Whereas:  $Y_i$  = Mean of social capital for  $i^{th}$  respondent and  $X_{1i}, X_{2i}, X_{3i}, X_{4i}$  and  $X_{5i}$  are as mentioned previously.

The results of analysis regarding the effect of social entrepreneurship on social capital are shown in Table (4.6).

As shown in Table (4.6), Social capital is influenced by only one variable proactiveness. The regression coefficient of proactiveness (0.352) is significant at 1 percent level. The Durbin- Watson value of 1.651 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the five variables present in the model, only proactiveness for social entrepreneurship have a significant impact on social capital.

**Table 4.6 Effect of Social Entrepreneurship on Social Capital**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.241	.433		2.865	.006	
Social Intention	.169	.128	.207	1.320	.192	2.559
Social Mission	-.022	.130	-.026	-.172	.864	2.339
Social Innovation	.078	.136	.090	.576	.567	2.551
Proactiveness	.352***	.129	.434	2.720	.009	2.651
Risk Taking	.091	.095	.118	.959	.342	1.588
R						.708
R Square						.502
Adjusted R Square						.454
F Value						10.471***
Durbin Watson						1.651

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
 \*\* Significant at 5 percent level  
 \* Significant at 10 percent level

As shown in Table (4.6), Social capital is influenced by only one variable proactiveness. The regression coefficient of proactiveness (0.352) is significant at 1 percent level. The Durbin- Watson value of 1.651 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the five variables present in the model, only proactiveness for social entrepreneurship have a significant impact on social capital.

From the results of the Table (4.6), it was found that proactiveness leads to increase the social capital. The respondents perceived that the actively initiated to fulfill the expectation of social needs can increase social capital. They perceived that their organization made attempt to continuous improvement for their beneficiaries for developed trust and good social network. And they have handled the negotiation among conflict demand of the different individual to get beneficiaries trust, building social network and establish relationship with the government decision makers.

#### 4.3.1 The Effect of Social Entrepreneurship on Trust

The multiple linear regression analysis was performed to find out the effect of social entrepreneurship on trust. In this analysis, trust is the dependent variable. There are five independent variables, which determine the effect of social entrepreneurship



on trust. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for the effect of social entrepreneurship on trust is:

$$Y_{1i} = b_0 + b_1X_{1i} + b_2X_{2i} + b_3X_{3i} + b_4X_{4i} + b_5X_{5i} + e_i$$

Whereas:  $Y_{1i}$  = Mean of trust building for  $i^{th}$  respondent and  $X_{1i}$ ,  $X_{2i}$ ,  $X_{3i}$ ,  $X_{4i}$ , and  $X_{5i}$  are as mentioned previously.

The results of analysis relating the effect of social entrepreneurship on trust are shown in Table (4.7).

As shown in Table (4.7), trust is influenced by only one variable social innovation. The regression coefficient of social innovation (0.352) is significant at 5 percent significant level. The Durbin- Watson value of 1.883 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the five variables present in the model, only social innovation for social entrepreneurship have a significant effect on trust.

**Table 4.7 Effect of Social Entrepreneurship on Trust**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.896	.416		4.552	.000	
Social Intention	.080	.123	.112	.649	.519	2.559
Social Mission	.126	.125	.165	1.003	.321	2.339
Social Innovation	.296**	.131	.388	2.253	.028	2.551
Proactiveness	.056	.124	.079	.451	.654	2.651
Risk taking	-.026	.091	-.038	-.283	.779	1.558
R						.628
R Square						.395
Adjusted R Square						.337
F Value						6.783***
Durbin Watson						1.883

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
 \*\* Significant at 5 percent level  
 \* Significant at 10 percent level

It is shown that social innovation as a valuable property to increase good reputations and smooth their operations. Innovative products and services they offered, new problem-solving ways they applied, and new approach to improve the welfare of beneficiaries fostered the confidence in the activities of social entrepreneurs. In addition, socially innovative ways to approach diverse groups from private sector, social sector, and public sectors can also construct the trust of stakeholders. Having trust underlines and contributes to the quality of interactions between people.

#### 4.3.2 The Effect of Social Entrepreneurship on Social Network

The multiple linear regression analysis was performed to find out the effect of social entrepreneurship on social network. For this analysis, the social network is the dependent variable. There are five independent variables, which determine the impact of social entrepreneurship on social network. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for the effect of social entrepreneurship on social network is:

$$Y_{2i} = b_0 + b_1X_{1i} + b_2X_{2i} + b_3X_{3i} + b_4X_{4i} + b_5X_{5i} + e_i$$

Whereas:  $Y_{2i}$  = Mean of social network for  $i^{th}$  respondent and  $X_{1i}$ ,  $X_{2i}$ ,  $X_{3i}$ ,  $X_{4i}$ , and  $X_{5i}$  are as mentioned previously.

The results of analysis relating the effect of social entrepreneurship on social network are shown in Table (4.8).

As shown in Table (4.8), social network is influenced by only one variable proactiveness. The regression coefficient of proactiveness (0.576) is significant at 1 percent level. The Durbin – Watson value of 2.168 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the five variables present in the model, only proactiveness for social entrepreneurship have a significant impact on social network.



**Table 4.8 Effect of Social Entrepreneurship on Social Network**

Model	Unstandardized Coefficients		Standardize d Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	2.638	.546		4.832	.000	
Social Intention	-.261	.162	-.292	-1.615	.112	2.559
Social Mission	-.019	.164	-.021	-.119	.906	2.339
Social Innovation	.057	.172	.060	.330	.743	2.551
Proactiveness	.576***	.163	.650	3.530	.001	2.651
Risk taking	.046	.120	.055	.388	.700	1.588
R						.579
R Square						.335
Adjusted R Square						.271
F Value						5.235**
Durbin Watson						2.168

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
\*\* Significant at 5 percent level  
\* Significant at 10 percent level

Respondents perceived that their enterprises play an important role in social network. Social entrepreneurs participated in the study supposed that proactiveness lead to the cooperation with external alliances in diversified areas. By using social media, they can extend more social network accessed. Proactiveness behavior were viewed by the stakeholders as more likely to be transformational leader of the future. Good network took nourishment from sources outside the local network.

**4.3.3 The Effect of Social Entrepreneurship on Public Sector Engagement**

In order to analyze the effect of social entrepreneurship on public sector engagement, the multiple linear regression analysis was carried out. For this analysis, public sector engagement is the dependent variable. There are five independent variables, which determine the impact of social entrepreneurship on public sector engagement. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for the effect of social entrepreneurship on public sector engagement is:

$$Y_{3i} = b_0 + b_1X_{1i} + b_2X_{2i}+b_3X_{3i}+ b_4X_{4i}+ b_5X_{5i} + e_i$$

Whereas:  $Y_{3i}$  = Mean of public sector engagement for  $i^{th}$  respondent and  $X_{1i}, X_{2i}, X_{3i}, X_{4i}$ , and  $X_{5i}$  are as mentioned previously.

The results of analysis regarding the effect of social entrepreneurship on public sector engagement are shown in Table (4.9).

**Table 4.9 Effect of Social Entrepreneurship on Public Sector Engagement**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-.812	.958		-.848	.400	
Social Intention	.687**	.284	.424	2.423	.019	2.559
Social Mission	-.173	.288	-.101	-.601	.550	2.339
Social Innovation	-.120	.302	-.069	-.397	.693	2.551
Proactiveness	.427	.286	.266	1.491	.142	2.651
Risk taking	.255	.210	.167	1.212	.231	1.588
R						.613
R Square						.376
Adjusted R Square						.316
F Value						6.273***
Durbin Watson						1.633

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
 \*\* Significant at 5 percent level  
 \* Significant at 10 percent level

As shown in Table (4.9), public sector engagement is influenced by only one variable social intention. The regression coefficient of social intention (0.687) is significant at 5 percent level. The Durbin – Watson value of 1.633 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the five variables present in the model, only social intention for social entrepreneurship have a significant impact on public sector engagement.

Social intention is an esteemed factor to increase the public sector engagement. Their mission was related to government supporting plan. The respondents perceived that their enterprises were willing to solve their social problems. Good social intentions look forward the engagement and commitment between social enterprises and public agencies. Social intention encouraged in recommending policy or procedure for social problem solving in public sector.



#### 4.4 The Effect of Social Entrepreneurship on Acquisition of Organizational Resources

The acquisition of organizational resources was examined, with the acquisition of financial resources and human resources. The calculations of mean value for each variable are described in Appendix B. Table (4.10) shows the mean values of organizational resources.

**Table 4.10 Acquisition of Organizational Resources**

No.	Statements	Mean Value	Standard Deviation
1.	Acquisition of Financial Resources	4.00	0.55
2.	Acquisition of Human Resource	3.91	0.54
	<b>Overall Mean of Organizational Resources</b>	<b>3.96</b>	

Source: Survey Data (2018)

The mean value for acquisition of financial resources is 4.00. It indicated that the respondents perceived that the social enterprises raised enough funds for their operations. The mean value of acquisition of human resources is 3.96. It indicated that the respondents perceived that the social enterprises have enough qualified human resource for their operations.

In order to analyze the effect of social entrepreneurship on the acquisition of organizational resources, the multiple linear regression analysis was applied. The acquisition of organizational resources is the dependent variable. There are five independent variables, which determine the effect of social entrepreneurship on the acquisition of organizational resources. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for the effect of social entrepreneurship on the acquisition of organizational resources is:

$$Z_i = b_0 + b_1X_{1i} + b_2X_{2i}+b_3X_{3i}+ b_4X_{4i}+ b_5X_{5i} + e_i$$

Whereas:  $Z_i$  = Mean of the acquisition of organizational resources for  $i^{th}$  respondent and  $X_{1i}, X_{2i}, X_{3i}, X_{4i}$ , and  $X_{5i}$  are as mentioned previously.

The results of analysis regarding the effect of social entrepreneurship on the acquisition of organizational resources are shown in Table (4.11).

**Table 4.11 Effect of Social Entrepreneurship on Organizational Resources**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	.646	.497		1.299	.200	
Social Intention	-.153	.147	-.153	-1.041	.303	2.559
Social Mission	.119	.150	.112	.795	.430	2.339
Social Innovation	.235	.157	.220	1.499	.140	2.551
Proactiveness	.631***	.149	.634	4.243	.000	2.651
Risk taking	-.017	.109	-.018	-.155	.877	1.588
R						.750
R Square						.562
Adjusted R Square						.520
F Value						13.356***
Durbin Watson						1.796

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
 \*\* Significant at 5 percent level  
 \* Significant at 10 percent level

As shown in Table (4.11), organization resource is influenced by only one variable proactiveness. The regression coefficient of proactiveness (0.631) is significant at 1 percent level. The Durbin- Watson value of 1.796 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the five variables present in the model, only proactiveness for social entrepreneurship have a significant effect on organizational resources.

Organizations can benefit as well from the proactive behavior of their stakeholders. The respondents perceived that their organization initiates new technology for solving problems and fulfilling target group need can enhanced the organizational resources. Proactiveness generate continuous improvement in operation, quickly response to social needs. Having proactiveness lead to attain financial resources as well as human resources.

#### **4.4.1 The Effect of Social Entrepreneurship on Acquisition of Financial Resources**

The multiple linear regression analysis was performed to find out the effect of social entrepreneurship on acquisition of financial resources. The acquisition of



financial resources is the dependent variable. There are five independent variables, which determine the effect of social entrepreneurship on the acquisition of financial resources. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for the effect of social entrepreneurship on financial resources is:

$$Z_{1i} = b_0 + b_1X_{1i} + b_2X_{2i}+b_3X_{3i}+ b_4X_{4i}+ b_5X_{5i} + e_i$$

Whereas:  $Z_{1i}$  = Mean of acquisition of financial resources for  $i^{th}$  respondent and  $X_{1i}$ ,  $X_{2i}$ ,  $X_{3i}$ ,  $X_{4i}$ , and  $X_{5i}$  are as mentioned previously.

The results of analysis relating the effect of social entrepreneurship on acquisition of financial resource are shown in Table (4.12).

As shown in Table (4.12), financial resource is influenced by only one variable proactiveness. The regression coefficient of proactiveness (0.417) is significant at 5 percent level. The Durbin- Watson value of 1.654 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the five variables present in the model, only proactiveness for social entrepreneurship have a significant effect on financial resources.

**Table 4.12 Effect of Social Entrepreneurship on Acquisition of Financial Resources**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	.868	.669		1.297	.200	
Social Intention	-.031	.198	-.027	-.155	.877	2.559
Social Mission	.034	.201	.029	.169	.867	2.339
Social Innovation	.289	.211	.243	1.372	.176	2.551
Proactiveness	.417**	.200	.377	2.087	.042	2.651
Risk taking	.058	.147	.055	.396	.694	1.588
R						.600
R Square						.360
Adjusted R Square						.299
F Value						5.862***
Durbin Watson						1.654

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
 \*\* Significant at 5 percent level  
 \* Significant at 10 percent level

It can be explained that proactiveness has positive effect on the acquisition of financial resources. Traditional forms of financing for social entrepreneurship are no longer adequate to the task. Social entrepreneurs participated in the study supposed that their organization quick response to customer needs caused for raise sufficient funds to accomplish mission. The respondents initiated in raising funds from various donors, collecting fees from members, selling products and services to customers.

#### 4.4.2 The Effect of Social Entrepreneurship on Acquisition of Human Resources

In order to analyze the effect of social entrepreneurship on the acquisition of human resources, the multiple linear regression analysis was conducted. The acquisition of human resources is the dependent variable. There are five independent variables, which determine the effect of social entrepreneurship on acquisition of human resources. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for impact of social entrepreneurship on the acquisition of human resource is:

$$Z_{2i} = b_0 + b_1X_{1i} + b_2X_{2i} + b_3X_{3i} + b_4X_{4i} + b_5X_{5i} + e_i$$

Whereas:  $Z_{2i}$  = Mean of acquisition of human resources for  $i^{th}$  respondent and  $X_{1i}, X_{2i}, X_{3i}, X_{4i}$ , and  $X_{5i}$  are as mentioned previously.

The results of analysis relating the effect of social entrepreneurship on the acquisition of human resources are shown in Table (4.13).

As shown in Table (4.13), human resource is influenced by two variables social intention and proactiveness. The regression coefficient of proactiveness (0.844) is significant at 1 percent level. Social intention is negatively effect on human resource. The regression coefficient of social intention (0.274) is significant at 10 percent level. The Durbin - Watson value of 2.228 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and each multi-collinearity problems are not included in this analysis.



**Table 4.13 Effect of Social Entrepreneurship on Acquisition of Human Resources**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	.427	.528		.808	.423	
Social Intention	-.274*	.156	-.249	-1.755	.085	2.559
Social Mission	.199	.159	.170	1.253	.216	2.339
Social Innovation	.184	.166	.156	1.104	.275	2.551
Proactiveness	.844***	.158	.772	5.347	.000	2.651
Risk taking	-.094	.116	-.090	-.808	.423	1.588
R						.769
R Square						.592
Adjusted R Square						.552
F Value						15.065***
Durbin Watson						2.228

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
\*\* Significant at 5 percent level  
\* Significant at 10 percent level

The proactiveness is important for not only initiating organization activities but also to hunt the qualified human resources. Social entrepreneur can maintain effective human resources with proactiveness. The respondents had to make attempt to recruit expert and volunteers for their activities.

Higher social intentions require more effective human resource for their activity to sustainable the enterprise. But the respondents perceived that there has a limited resource in human resource for their operations. Unlike the traditional business, human resources in social enterprises must have skill and willingness to help others. In practices, these employees with the above skills are difficult to find in the labor market.

**4.5 The Effect of Social Entrepreneurship, Social Capital, and Acquisition of Organizational Resources on Social Return on Investment**

The effect of social entrepreneurship, social capital, and acquisition of organizational resources on social return on investment was examined. At first, social return on investment was analyzed with output, outcome, and impact of the social enterprises. The calculation of mean value for each variable are described in Appendix B. The mean values of social return on investment is presented in Table (4.14).

**Table 4.14 Social Return on Investment**

No.	Statements	Mean Value	Standard Deviation
1.	Output	4.14	0.55
2.	Outcome	3.96	0.48
3.	Impact	4.12	0.50
	<b>Overall Mean of SROI</b>	<b>4.07</b>	

Source: Survey Data (2018)

As shown in Table (4.14), the overall mean value of social return on investment is 4.07. According to the mean values of social return on investment, respondents perceived that their organizational activities generated positive output and outcome to achieve the positive impact on their target groups.

In order to analyze the effect of social entrepreneurship, social capital, and acquisition of organizational resources on social return on investment, the multiple linear regression analysis was utilized. The social return on investment is the dependent variable. There are three independent variables, which determine the effect on social return on investment. Those independent variables are social entrepreneurship, social capital and acquisition of organizational resources. The multiple linear regression model for the effect of social entrepreneurship, social capital, and acquisition of organizational resources on social return on investment is:

$$Wi = b_0 + b_1X_i + b_2Y_i + b_3Z_i + e_i$$

Whereas:  $W_i$  = Mean of social return on investment for  $i^{th}$  respondent and  $X_i$ ,  $Y_i$ , and  $Z_i$  are as mentioned previously.

The results of analysis regarding the effect of social entrepreneurship, social capital, and organizational resources on social return on investment are shown in Table (4.15).

As shown in Table (4.15), social return on investment is effect by only one variable of organizational resources. The regression coefficient of organizational resources (0.394) is significant at 1 percent level. The Durbin-Watson value of 1.970 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the three variables present in the model, only organizational resources have a significant effect on social return on investment.



**Table 4.15 Effect of Social Entrepreneurship, Social Capital, and Acquisition of Organizational Resources on Social Return on Investment**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.272	.455		2.796	.007	
Social Entrepreneurship	.095	.154	.089	.617	.540	2.183
Social Capital	.216	.143	.212	1.508	.137	2.088
Organizational Resources	.394***	.117	.474	3.370	.001	2.088
R						.699
R Square						.489
Adjusted R Square						.461
F Value						17.225***
Durbin Watson						1.970

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
 \*\* Significant at 5 percent level  
 \* Significant at 10 percent level

It means that the availability of organizational resources has positive effect on social return on investment. The respondents perceived that having the sufficient funding and qualified people can bring the accomplishment of the goals and objectives of the enterprises.

#### 4.5.1 The Effect of Social Entrepreneurship on Social Return on Investment

In order to analyze the effect of social entrepreneurship on social return on investment, the multiple linear regression analysis was utilized. The social return on investment is the dependent variable. There are five independent variables included in social entrepreneurship, which determine the effect on social return on investment. Those independent variables are social intention, social mission, social innovation, proactiveness, and risk taking. The multiple linear regression model for the effect of social entrepreneurship, on social return on investment is:

$$W_i = b_0 + b_1X_{1i} + b_2X_{2i} + b_3X_{3i} + b_4X_{4i} + b_5X_{5i} + e_i$$

Whereas:  $W_i$  = Mean of social return on investment for  $i^{th}$  respondent and  $X_{1i}$ ,  $X_{2i}$ ,  $X_{3i}$ ,  $X_{4i}$ , and  $X_{5i}$  are as mentioned previously.

The results of analysis relating the effect of social entrepreneurship on social return on investment are shown in Table (4.16).

**Table 4.16 Effect of Social Entrepreneurship on Social Return on Investment**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.781	.465		3.828	.000	
Social Intention	-.299**	.138	-.359	-2.173	.034	2.559
Social Mission	.316**	.140	.356	2.257	.028	2.339
Social Innovation	-.025	.147	-.028	-.172	.864	2.551
Proactiveness	.580***	.139	.701	4.172	.000	2.651
Risk taking	-.001	.102	-.001	-.008	.993	1.588
R						.668
R Square						.446
Adjusted R Square						.393
F Value						8.361***
Durbin Watson						2.370

Source: Survey Data (2018)  
 Note: \*\*\* Significant at 1 percent level  
       \*\* Significant at 5 percent level  
       \* Significant at 10 percent level

As shown in Table (4.16), social return on investment is effected by two variables social mission and proactiveness. The regression coefficient of proactiveness (0.580) is significant at 1 significant level. The regression coefficient of social mission (0.316) is significant at 5 percent level. The results suggest that of the five variables present in the model, social mission and proactiveness have a significant effect on social return on investment. Clear and sound mission has increased investment for new projects and positive impact to community. The respondents have to catalyze the social change can lead to improve the qualification of beneficiaries. The respondents have readiness to serve different needs for various target groups can enhance the well-being of beneficiaries.

Social intention is significant on social return on investment at 5 percent level. The regression coefficient of social intention is (-0. 299). This mean that social intentions is negative effect on social return on investment. The Durbin- Watson value of 2.370 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. Although good social intentions lead to improved social return



on investment, some beneficiaries cannot retain the benefit given from social enterprises. One of the participants in the focus group discussion mentioned that some beneficiaries were not understand the value of their activities.

### 4.5.2 The Effect of Social Capital on Social Return on Investment

The multiple linear regression analysis was performed to find out the effect of social capital on social return on investment. Social return on investment is the dependent variable. There are three independent variables included in social capital, which affect on social return on investment. Those independent variables are trust building, social network and public sector engagement. The multiple linear regression model for the effect of social capital on social return on investment is:

$$W_i = b_0 + b_1Y_{1i} + b_2Y_{2i}+b_3Y_{3i}+ e_i$$

Whereas:  $W_i$  = Mean of social return on investment for  $i^{th}$  respondent and  $Y_{1i}$ ,  $Y_{2i}$ , and  $Y_{3i}$  are as mentioned previously.

The results of analysis relating the effect of social capital on social return on investment are shown in Table (4.17).

**Table 4.17 Effect of Social Capital on Social Return on Investment**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-.083	.566		-.147	.884	
Trust	.520***	.119	.445	4.359	.000	1.171
Social Network	.492***	.095	.527	5.192	.000	1.157
Public Sector Engagement	-.012	.056	-.024	-.217	.829	1.332
R						.720
R Square						.519
Adjusted R Square						.492
F Value						19.402***
Durbin Watson						1.577

Source: Survey Data (2018)  
 Note: \*\*\* Significant at 1 percent level  
       \*\* Significant at 5 percent level  
       \* Significant at 10 percent level

As shown in Table (4.17), social return on investment is positively effected by two variables of trust and social network. The regression coefficients of trust and social

network (0.520) and (0.492) respectively and they are significant at 1 percent level. The Durbin- Watson value of 1.577 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the three variables present in the model, trust and social network have a significant effect on social return on investment.

It means that the strong trust builds with the stakeholders and larger social network with members in different sectors have positive effect on social return on investment. The respondents perceived that having trust is facilitates in the daily interaction with the stakeholder and improve the beneficiary's life and society. Social network can support social return on investment. Diverse social network in many areas can understand the need of beneficiaries and solve social problem. Therefore, they can accomplish goals of organization.

#### **4.5.3 The Effect of Acquisition of Organizational Resources on Social Return on Investment**

The multiple linear regression analysis was performed to find out the effect of acquisition of organizational resources on social return on investment. The social return on investment is the dependent variable. There are two independent variables included in acquisition of organizational resources, which affect on the social impact. Those independent variables are acquisition of financial resources and acquisition of human resources. The multiple linear regression model for the affect of acquisition of organizational resources on social return on investment is:

$$W_i = b_0 + b_1Z_{1i} + b_2Z_{2i} + e_i$$

Whereas:  $W_i$  = Mean of social return on investment for  $i^{\text{th}}$  respondent and  $Z_{1i}$  and  $Z_{2i}$  are as mentioned previously.

The results of analysis relating the effect of organizational resources on social return on investment are shown in Table (4.18).



**Table 4.18 Effect of Acquisition of Organizational Resources on Social Return on Investment**

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.880	.326		5.771	.000	
Financial Resources	.162*	.095	.217	1.704	.094	1.677
Human Resources	.397***	.096	.525	4.124	.000	1.677
R						.684
R Square						.468
Adjusted R Square						.449
F Value						24.184***
Durbin Watson						1.909

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
\*\* Significant at 5 percent level  
\* Significant at 10 percent level

As shown in Table (4.18), social return on investment is effected by all variables. The regression coefficient of financial resources (0.162) is significant at 10 percent level. The regression coefficient of human resources (0.397) is significant at 1 percent level. The Durbin- Watson value of 1.909 is around 2 and each Variance Inflation Factor (VIF) is less than 5. These results show that serial correlation of residuals and multi-collinearity problems are not included in this analysis. The results suggest that of the two variables present in the model, all variable have a significant effect on social return on investment.

It means that the organization has ability to raise sufficient funds causes implement the new projects. Respondents perceived that their can raises fund from donors and supporters lead to improved services for the various target group. Most of the respondent perceived that more expert employees who exist in organization can implement new project for beneficiaries. The respondents assumed that their employees' competency was crucial not only to accomplished goals of the organization but also positive impact to community.

**4.6 Summary of Results**

In order to understand the broad picture of the empirical research, the variables, which effect significantly on other variables in the study, were summarized in Table

(4.19). The Table indicates that the effect of independent variables on dependent variables.

It can be seen that among all the variables of social entrepreneurship, proactiveness significantly affect on almost all variables, such as social capital and social network, acquisition of financial and human resources, and social return on investment. Although mean values of social entrepreneurship skills expressed that those Myanmar social entrepreneurs have well-defined social intention and social mission; they are skillful in social innovation, proactiveness, and risk taking. However, proactiveness is the critical entrepreneurial skill for the Myanmar social entrepreneurs.

Table 4.19 Summary of Results

Independent	SC	Trust	Network	PSE	OR	FR	HR	SROI
Dependent								
SE								
Intention				.687*			-.274*	-.299**
Mission								.316**
Innovation		.296*						
Proactiveness	.352**		.576***		.631***	.417**	.844***	.581***
Risk Taking								
SC								
Trust								.520***
Network								.492***
PSE								
OR								
FR								.162*
HR								.397***

Source: Survey Data (2018)

Note: \*\*\* Significant at 1 percent level  
 \*\* Significant at 5 percent level  
 \* Significant at 10 percent level

It can be interpreted that Myanmar social entrepreneurs always need to initiate in building social capital, encouraging social network, organizing organizational resources, and generating social return on investment. Because of their education background and exposure, they initiate to adapt the idea of social enterprise and introduce this to target communities. They find the innovative way to create products, provide services, and organize the activities. They are activists in engaging and encouraging networks with community members, other social networks, and the public sector. They proactively introduce the proposal of their business or social projects to the donors for fund raising. This result is consistent with discussions in focus group discussion.



Table (4.19) also displays that social innovation has significant effect on trust. It can be explained that building trust requires socially innovative way to approach the respective parties. Since diverse groups from private sector, social sector, and public sectors are needed to interact with social enterprises, different subtle ways should be applied to approach them and develop their confidence.

It can be seen in the Table (4.19), social intention has significant effect on public sector engagement. This result reflects the real situation. Regarding with engagement of public sector it is necessary to approve whether social enterprises are good enough to be supported. If the social intention of the social enterprise would be aligning with the priority of local authorities and national policy, the development of social enterprises will be well recognized and encouraged.

It can be seen in Table (4.19), social intention has negative significant effect on acquisition of human resources and social return on investment. Even if the lack of social intention lead to increase human resources and social return on investment because of employees' competency was outstanding the social situation. They can solve the social problems without difficulty.

Last but not least, proactiveness, trust, social network, and acquisition of human resources significantly affect on social return on investment. It shows that the performance of organization and its impact on society members comes from the human ability. The ability of being proactive, social skills for building trust and strengthening social network, and ability to pursue the qualified human resources of the Myanmar social entrepreneurs determined the social return on investment of their organizations.

## **CHAPTER 5**

### **CONCLUSION**

The main purpose of the study is the analysis of the social entrepreneurship in Myanmar. A focus group discussion was conducted for exploring the insights understanding of social entrepreneurship developed in Myanmar social enterprises, how do they build social capital, how did they acquire the resources for their enterprises, and what outcomes and impacts were generated by their activities. In order to investigate the effect of social entrepreneurship, social capital, the acquisition of organizational resources on social return on investment, and quantitative research were carried out. In this chapter, findings of research works are interpreted and discussed. This chapter includes a brief findings and discussions of the researches, suggestions for the development of social enterprises, recommendations on requirements of further studies.

#### **5.1 Findings and Discussions**

Social enterprises in Myanmar are in very primitive stage but they are emerging. There are difficulties in formalization of their ownership forms because their business model is rather novel in Myanmar. Therefore, they are established in other forms of organization, such as, INGOs and NGOs, associations, cooperatives, foundations, and business entities. The success of the social enterprises relies on building social capital with community and entrepreneurial and managerial skills of the leaders of organizations.

This study applied focus group discussion and questionnaire survey for objective one. It was discovered that participants in both research works have two common demographic characteristics, higher education background and younger age. According to the interviews, they have international exposures and extended education from seminars and workshops held by international and local institutions. Focus group discussion discovered the social entrepreneurial skills of discussants. It was found that all enterprises have the strong social intention and well-defined mission. Their intention wants to promote the welfare and qualification of beneficiaries, develop their region,



create job opportunities, and improve health care of the people. They agreed that the social innovation and proactiveness are the vital factors for long term survive for their enterprises. Especially, their proactiveness is really important for setting social mission, social innovation, building social capital, and seizing organizational resources. They initiated in expanding of social networks for promoting the development of social entrepreneurship. NGOs in the discussion organized seminars and workshops in order to promote the development of social entrepreneurship to public sector at the policy maker level. Although, at the organizational activities, they did not receive significant support from public sector. The achievements of organizations are found out. Their organizational output and outcome create the positive impact to the beneficiaries and the society. According to the results of the questionnaire survey, the mean values of social entrepreneurship, social capital, the acquisition of organizational resources, and social return on investment expressed positive perception of respondents on social entrepreneurship.

Regarding the hypothesis one, the results of the study showed that among the variables of social entrepreneurship, proactiveness significantly affects on social capital and social network. When the effect of social entrepreneurship on social capital was examined, the finding shows that the proactiveness of social entrepreneurs has a positive effect on social capital. This means that the social entrepreneurs initiate building social capital. With proactiveness, social entrepreneurs can generate the valuable social capital, such as trust from stakeholders, extended social networks, and engagement with public sector.

According to the findings, social innovation has a positive effect on trust. Social innovation can be seen as a valuable property to increase good reputations to the stakeholders. This reputation is built from the performance of the social entrepreneurs such as offering innovative products and services, introducing new problem-solving ways, and initiating new approach to improve the welfare of beneficiaries. As social entrepreneurs have to interact with private sector, social sector, and public sectors, socially innovative ways to approach diverse groups can also construct the trust of stakeholders in those sectors.

In additions, among the component of social entrepreneurship, social proactiveness has a positive effect on social network. The result indicated that one



dimension of social entrepreneurship (social proactiveness) directly influence on social network. The results mentioned previously indicated that social intention has a positive effect on public sector engagement. It means that the virtuous social intention can lead to be recognized by the local authority. The missions of social enterprises in the study related to the government agencies' plans for improving social welfare. The respondents perceived their social intentions look forward the engagement and commitment between social enterprises and public agencies. If the social intention of the social enterprise would be aligned with the priority of local authorities and national policy, the development of social enterprises will be well recognized and encouraged.

For hypothesis two, it was discovered that the effects of social entrepreneurship on the acquisitions of organizational resources, findings show that proactiveness is a significant factor for acquisition of both financial resources and human resources. One of the variables of social entrepreneurship, social intention has negative effect on human resource. Organizational resources would be seen as a fundamental infrastructure of social enterprises to provide the need of beneficiary. However, possessing valuable organizational resources, such as sufficient funds and capital, and qualified human resources for the organization depends on the proactiveness of social entrepreneurs.

Regarding the hypothesis three, while the effect of social entrepreneurship, social capital, and organizational resources on social return on investment, proactiveness, trust, social network, and acquisition of human resources have positiveness impact on social return on investment and social intention has negative effect on social return on investment. All these factors represent the acquisition and qualification of human resource. Therefore, it can be concluded that the performance of organization and its impact on society members can be generated from the human ability.

According to both focus group discussion and survey result, the participants in the discussion and the respondents of survey perceived the proactiveness is the vital factor for initiating social enterprise, building social capital, and acquiring organizational resources. Social return on investment was achieved because of proactive entrepreneurs, trust and social network gained from the different sectors, and acquisition of human resources. Finally, it can be concluded that the initiative qualified



people are the dominant factor for the performance of organization and its impact on society. The entrepreneurial skills of being proactive, social skills for building trust and strengthening social network, and ability to pursue the qualified human resources of the Myanmar social entrepreneurs determined the social return on investment of their organizations.

This study is an exploratory research of the new academic area in Myanmar. It conveys the fruitful knowledge of social enterprise for conducting business and serving the needs of society. The findings and discussions of the study can contribute well for the sustainable development of business community, society, and the nation.

## **5.2 Suggestions and Recommendations**

Based on the results of analyses, suggestions and recommendations are made for the development of social enterprise in Myanmar. Based on the discussions of focus group, the following factors are recommended in this study. Social entrepreneurs need to realize that the social enterprise should be designed as a responsible business model. They should consider their enterprise as sustainable business rather than one-time social project. They need to emphasize on business-oriented practices such as proper income generation, strong financial management, good business management, and expansion of their business operations. The body of knowledge and implementation plans need to be generated and transferred. They need to adopt a highly-cautious approach in dealing with risk. Good risk can lead to retaining and accelerating performance variation in the long term. They should continually examine both their company business plan and their social enterprise business plan and use this review to give feedback to their operation systems.

As social capital became important asset for the social enterprises, it is imperative for entrepreneurs to encourage and strengthen social capital for their enterprises. To promote trust of stakeholders, social entrepreneurs should have integrity, build reputation, and hold high moral standards. In addition, their activities have to be transparent to the interested parties. By using social media and engaging social activities can enlarge the social network, which is also important for the social entrepreneurs. Social capital stems from the relationship between friends, and networks to get opportunities to use their resources. Through networks, social enterprises need to



involve themselves in the environment. Government and private or public organizations promoting social entrepreneurship should enhance awareness and knowledge in this area and improve of capabilities of social enterprise. These enterprises should collaborate with universities and academic institutions to create the opportunities for young students for improving social network. Social entrepreneur should conduct forums and seminars for developing effective solutions for current social problems. By doing so, social entrepreneur can enhance their knowledge. Government should design and implement the effective policies for social enterprise in order to facilitate their operations. On the other hand, social entrepreneurs need to communicate their activities regarding how to contribute the community development to policy makers.

Organizational resources are the sum of resource acquisition that an organization gets over time and they extend to how an organization mobilizes its resources. Social innovation is the key driver for increasing the organization's resources. Therefore, social enterprises should practice new processes and management methods, as well as launch new products which are different to the existing ones. In order to realize income opportunities, social entrepreneurs should behave like business entrepreneurs. These characteristics will help them to generate enough funding. Social enterprise should arrange the marketing campaigns for promoting the public awareness in order to increase their sale revenue and to meet their objectives. They can have the adequate budget when their revenue increases. Social enterprise's resource capacity can improve their social innovation power. Increase innovation of social enterprises can improve the social impact on their community. Social enterprise should invite the volunteers for performing their projects. Social entrepreneurs should recognize their volunteer efforts to improve their desire level for ongoing their actions. Social entrepreneurs can build their training platform based on the social citizenship mindset for improve their staff capacity. They should train their employee well to become more skillful and creative for long term growth and sustainability of their social enterprises.

Performance measures can be empirical proof for their activities that can promote their motivation, confidence from donors, and trust of stakeholders. Although social entrepreneurs perceived that their performance generates positive impact to the society, effective measurements on their performance and social impact should be designed. Social entrepreneurs should set their performance measurement criteria that lead to long-term survival. Social entrepreneurship and social enterprises should be



promoted for the purposes of encouraging responsible business community, improving social welfare, and reassuring public sector engagement.

### **5.3 Needs for Further Research**

The area of research mainly emphasized on social entrepreneurship of the social enterprises. When the research works were carried to study the social entrepreneurship, the study was focused at the organizational level. As this area is relevant to whole society and nationwide issues, it would recommend doing the further research at the macro level of social and economic sectors.

Due to time and resource limitation, the focus group discussion was carried out only one section. It would recommend if the further studies conduct focus group discussion, it should be done more sections with different groups to explore the insight knowledge, which can comprehend complete picture of social entrepreneurship in Myanmar.

Since there is no legal registration for the social enterprises in Myanmar, the sampling frame is based on the list of social enterprises from Impact Hub Survey. Therefore, this study cannot categorize and emphasize on the specific areas of social enterprises due to the small population size in each area. There are some other areas of social enterprises, for example microfinance and community base tourism, which worth enough to do research to discover fruitful knowledge in specialized areas. If it is possible, further research should try qualitative research methods like case study and in-depth interview, which are more suitable with small number of study units.

Finally, and most importantly, development of social entrepreneurship can significantly support to the development missions of Myanmar, such as, poverty reduction, environmental protection, upgrading welfare of society, and sustainable economic development. Therefore, more research works in this area can be worthwhile to foster the policy makers in public sector for the recognition and enabling environment for the development of social entrepreneurship in Myanmar.

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**Appendix A**  
**The Questionnaire**

This questionnaire is intended to study the social entrepreneurship in Myanmar. You are required to answer the questions in the questionnaire. Data collected from the questionnaire will be used only for the research conducted for the PhD Degree offered by Yangon University of Economics. All information given will be strictly confidential. Thank you for your participation.

**Organization's Name** .....

**Part 1. General Information about Respondents and Organization**

Please mark ✓ or X in the check box that the best describes your answer.

**General Information about Respondents**

1. Gender
  - ☐ Male
  - ☐ Female
2. Education
  - ☐ Below Bachelor
  - ☐ Bachelor
  - ☐ Master
  - ☐ Doctorate
3. Present Title
  - ☐ Owner
  - ☐ President
  - ☐ Board Committee Member
  - ☐ Manager
  - ☐ Other (Please specify).....

**General Information about Organization**

1. Organizational Type
  - ☐ Company
  - ☐ Foundation
  - ☐ Association
  - ☐ Other (Please specify).....
2. Age of Organization ..... Years
3. Related Mission
  - ☐ Children/ Youth/ Women/ Elderly Environment
  - ☐ Product Industry
  - ☐ Disabled
  - ☐ Animal Service Industry



- ☐ Healthcare
- ☐ Other (Please specify).....

4. Sources of Income

- ☐ Sale of Products and Fees and Charge for Services
- ☐ Donated by Individual
- ☐ Donated by Government
- ☐ Donated by Private Organizations
- ☐ Donation from Abroad
- ☐ Membership Fees
- ☐ Interest
- ☐ Other (Please specify) .....

## Part 2: Social Entrepreneurship

Please mark ✓ or x in the space that best describes your answer.  
 1 = Strong disagree, 2 = Disagree, 3 = Neither agree nor disagree,  
 4 = Agree, 5 = Strongly agree.

### Social Intention

No.	Statements	1	2	3	4	5
1.	Our organization is always monitoring difficulties and needs of clients.					
2.	Our organization is always exploring the approaches to solve the social problems.					
3.	Our organization aim to solve the social problems effectively.					
4.	Our organization has willingness to solve the social problems.					
5.	Our organization likes to improve moral development of clients.					
6.	Our organization wants to develop the capacity to solve the social problems.					
7.	Our organization wants to develop the qualified members to solve the social problems.					

### Social Mission

No.	Statements	1	2	3	4	5
1.	Our organization established clear and sound mission.					
2.	Our mission is to explore the social problems.					
3.	Our mission is to catalyze the social change.					
4.	Our mission is satisfying the target group's needs and solving the target group's problems.					
5.	Our mission emphasizes on satisfying the interest of disadvantaged people and poor.					
6.	Our mission is considering the welfare of society.					



## Social Innovation

No.	Statements	1	2	3	4	5
1.	Our organization's dominant goal is initiating in major social change.					
2.	Our organization is a leader in social problem-solving projects.					
3.	Our organization has more new programs and service development compared to other organization in our field.					
4.	Our organization always finds new solutions for social problem solving.					
5.	Our organization can offer the new products, new services for community.					
6.	Our organization emphasizes on continuous improvement in its methods of operation.					
7.	Our products or services are differentiated from traditional product or services.					
8.	Our organization gives priority on innovation.					
9.	Our organization has sufficient resources for innovation.					
10.	Our organization has qualified people for innovation.					

## Proactiveness

No.	Statement	1	2	3	4	5
1.	Our organization responds rapidly to social or member needs					
2.	Our organization initiates our activities to expand new areas of operations or new target group.					
3.	Our organization effectively compromise among the conflicting demands of the different stakeholders we serve, including donors, clients, government, board members, etc.					
4.	Our organization initiates to invest in new technology for solving problems and fulfilling target group's needs.					
5.	Our organization has readiness to serve different needs for various groups.					
6.	Our organization has abilities to hunt the qualified human resources.					
7.	Our organization always requests and appreciates the advice of business partners.					
8.	Our organization always initiates to find the sources of funds from donors.					



## Risk Taking

No.	Statements	1	2	3	4	5
1.	Our organization takes risks in seizing and exploiting new opportunities.					
2.	Our organization tries to compete with other in the same field.					
3.	Our organization makes large, bold decision despite uncertainty.					

## Part 3: Social Capital Trust

No.	Statement	1	2	3	4	5
1.	Our organization has good reputation in society.					
2.	Our organization has positive image through media.					
3.	Achieved people's recognition.					
4.	Most of the clients are confidence in our organization.					
5.	Trust building provides our organization to gain competitive advantage.					
6.	As having the trust, we can easily explore the clients need.					
7.	As having the trust, our operation can do smoothly and eliminate the negative consequences.					

## Social Network

No.	Statements	1	2	3	4	5
1	Our organization has external alliances.					
2	Our organization members have diverse social networks in many areas resulting in a positive effect for the organization.					
3	Our organization has informal networks.					
4	When our organization needs help, we can count on other members of the network.					
5	Our organization plays a significant role in networks.					



## Public Sector Engagement

No	Statements	1	2	3	4	5
1.	Our organization plays an important role in proposing policy or procedures for social problem solving.					
2.	Our mission is aligned with government development plans.					
3.	Our organization supports for government agencies.					
4.	The organization has networks with government decision-makers.					
5.	Our organization has recognized by local authorities.					

## Part 4: Organizational Resources

### Financial Resources and Human Resources

No.	Statements	1	2	3	4	5
1.	Our organization has the ability to raise sufficient funds to accomplish our mission.					
2.	Our organization raises sufficient revenue from product/ service sales.					
3.	Our organization can raise funds from donors or supporters.					
4.	Many volunteers work in our organization.					
5.	Adequate budget is available for the operations each year.					
6.	People in our organization works effectively.					
7.	Our profit is delivered for a better society.					
8.	Our organization has more expert than other organizations in the same industry.					
9.	Our employees' competency is outstanding.					

## Part 5: Social Return on Investment

No.	Statements	1	2	3	4	5
1.	Increased number of beneficiaries					
2.	Increased investment for new projects					
3.	Improved services for the various target groups					
4.	Increased qualification of beneficiaries					
5.	Increased economic well-being of beneficiaries					
6.	Increased social well-being of beneficiaries					
7.	Improved the quality of life of beneficiaries					
8.	Accomplished goals of organization					
9.	Achieved positive impact to community					



## Appendix B

**Table: The Profile of Respondents**

Participants	Particulars	Positions/ Organization
Dr. Moe Moe Khaing	Moderator	Professor. (Retired)
Dr. Thu Kywe Khant Soe	Assistant Moderator	British Council Consultant
Ma Sandar Htwe	Reporter	Researcher
U Mo Lwin	Male 30 Years old Master of IT (Australia)	President Social Enterprise Development Association Myanmar (SeDAM)
U Myo Kihn	Male 45 Years Old B.Sc	Executive Active Citizen Program, British Council
Salai Hmung Pi	Male 29 Years Old B.E	Founder Backyard Travels and Tour
Daw Khin Myat Hlaing	Female 38 Years Old MBA	Mentor Myanmar Business Executive
Daw Min Min Myat	Female 38 Years old BC.Sc	Founder, Product Designer, and Managing Director YK Collection
Daw Ei Pwint Rhi Zan	Female 26 Years Old M.E	Founder Third Story Children Books Project
U Kyaw Swar Hein	Male 25 Years Old B.A (BM)	Member. Yangon Bakehouse
Dr. Swan Saung Oo	Male 29 Years Old MBBS	Founders Trust Oo Healthcare

Source: Survey Data (2018)

## Appendix C

**Descriptive Statistics**

	Mean	Std. Deviation	N
MEAN SOCIAL CAPITAL	3.9736	.40664	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.708 <sup>a</sup>	.502	.454	.30053	1.651

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN SOCIAL CAPITAL

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.729	5	.946	10.471	.000 <sup>b</sup>
	Residual	4.697	52	.090		
	Total	9.425	57			

a. Dependent Variable: MEAN SOCIAL CAPITAL

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

**Coefficients<sup>a</sup>**

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	1.241	.433		2.865	.006	
	MEAN INTEN	.169	.128	.207	1.320	.192	2.559
	MEAN MISSION	-.022	.130	-.026	-.172	.864	2.339
	MEAN INNO	.078	.136	.090	.576	.567	2.551
	MEAN PROACTIVE	.352	.129	.434	2.720	.009	2.651
	MEAN RISK	.091	.095	.118	.959	.342	1.588

a. Dependent Variable: MEAN SOCIAL CAPITAL



### Descriptive Statistics

	Mean	Std. Deviation	N
MEAN TRUST	4.1330	.35487	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.628 <sup>a</sup>	.395	.337	.28905	1.883

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN TRUST

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.834	5	.567	6.783	.000 <sup>b</sup>
	Residual	4.344	52	.084		
	Total	7.178	57			

a. Dependent Variable: MEAN TRUST

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	1.896	.416		4.552	.000	
	MEAN INTEN	.080	.123	.112	.649	.519	2.559
	MEAN MISSION	.126	.125	.165	1.003	.321	2.339
	MEAN INNO	.296	.131	.388	2.253	.028	2.551
	MEAN PROACTIVE	.056	.124	.079	.451	.654	2.651
	MEAN RISK	-.026	.091	-.038	-.283	.779	1.588

a. Dependent Variable: MEAN TRUST

Descriptive Statistics

	Mean	Std. Deviation	N
MEAN NETWORK	4.1828	.44372	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.579 <sup>a</sup>	.335	.271	.37889	2.168

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN NETWORK

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.758	5	.752	5.235	.001 <sup>b</sup>
	Residual	7.465	52	.144		
	Total	11.223	57			

a. Dependent Variable: MEAN NETWORK

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	2.638	.546		4.832	.000	
	MEAN INTEN	-.261	.162	-.292	-1.615	.112	2.559
	MEAN MISSION	-.019	.164	-.021	-.119	.906	2.339
	MEAN INNO	.057	.172	.060	.330	.743	2.551
	MEAN PROACTIVE	.576	.163	.650	3.530	.001	2.651
	MEAN RISK	.046	.120	.055	.388	.700	1.588

a. Dependent Variable: MEAN NETWORK



Descriptive Statistics

	Mean	Std. Deviation	N
MEAN PUBLIC SECTOR ENGAGEMENT	3.6034	.80393	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.613 <sup>a</sup>	.376	.316	.66475	1.633

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN PUBLIC SECTOR ENGAGEMENT

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.861	5	2.772	6.273	.000 <sup>b</sup>
	Residual	22.979	52	.442		
	Total	36.839	57			

a. Dependent Variable: MEAN PUBLIC SECTOR ENGAGEMENT

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	-.812	.958		-.848	.400	
	MEAN INTEN	.687	.284	.424	2.423	.019	2.559
	MEAN MISSION	-.173	.288	-.101	-.601	.550	2.339
	MEAN INNO	-.120	.302	-.069	-.397	.693	2.551
	MEAN PROACTIVE	.427	.286	.266	1.491	.142	2.651
	MEAN RISK	.255	.210	.167	1.212	.231	1.588

a. Dependent Variable: MEAN PUBLIC SECTOR ENGAGEMENT

Descriptive Statistics

	Mean	Std. Deviation	N
MEAN OR	3.9548	.49807	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.750 <sup>a</sup>	.562	.520	.34503	1.796

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN OR

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.950	5	1.590	13.356	.000 <sup>b</sup>
	Residual	6.190	52	.119		
	Total	14.140	57			

a. Dependent Variable: MEAN OR

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	.646	.497		1.299	.200	
	MEAN INTEN	-.153	.147	-.153	-1.041	.303	2.559
	MEAN MISSION	.119	.150	.112	.795	.430	2.339
	MEAN INNO	.235	.157	.220	1.499	.140	2.551
	MEAN PROACTIVE	.631	.149	.634	4.243	.000	2.651
	MEAN RISK	-.017	.109	-.018	-.155	.877	1.588

a. Dependent Variable: MEAN OR



Descriptive Statistics

	Mean	Std. Deviation	N
MEAN FR	4.0000	.55441	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.600 <sup>a</sup>	.360	.299	.46419	1.654

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN FR

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.315	5	1.263	5.862	.000 <sup>b</sup>
	Residual	11.205	52	.215		
	Total	17.520	57			

a. Dependent Variable: MEAN FR

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	.868	.669		1.297	.200	
	MEAN INTEN	-.031	.198	-.027	-.155	.877	2.559
	MEAN MISSION	.034	.201	.029	.169	.867	2.339
	MEAN INNO	.289	.211	.243	1.372	.176	2.551
	MEAN PROACTIVE	.417	.200	.377	2.087	.042	2.651
	MEAN RISK	.058	.147	.055	.396	.694	1.588

a. Dependent Variable: MEAN FR

**Descriptive Statistics**

	Mean	Std. Deviation	N
MEAN HR	3.9052	.54778	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.769 <sup>a</sup>	.592	.552	.36651	2.228

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN HR

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.118	5	2.024	15.065	.000 <sup>b</sup>
	Residual	6.985	52	.134		
	Total	17.103	57			

a. Dependent Variable: MEAN HR

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

**Coefficients<sup>a</sup>**

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	.427	.528		.808	.423	
	MEAN INTEN	-.274	.156	-.249	-1.755	.085	2.559
	MEAN MISSION	.199	.159	.170	1.253	.216	2.339
	MEAN INNO	.184	.166	.156	1.104	.275	2.551
	MEAN PROACTIVE	.844	.158	.772	5.347	.000	2.651
	MEAN RISK	-.094	.116	-.090	-.808	.423	1.588

a. Dependent Variable: MEAN HR



### Descriptive Statistics

	Mean	Std. Deviation	N
MEAN SROI	4.0803	.41432	58
MEAN SENTERPRISE	4.1350	.38777	58
MEAN SOCIAL CAPITAL	3.9736	.40664	58
MEAN OR	3.9548	.49807	58

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.699 <sup>a</sup>	.489	.461	.30429	1.970

a. Predictors: (Constant), MEAN OR, MEAN SOCIAL CAPITAL, MEAN SENTERPRISE

b. Dependent Variable: MEAN SROI

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.785	3	1.595	17.225	.000 <sup>b</sup>
	Residual	5.000	54	.093		
	Total	9.785	57			

a. Dependent Variable: MEAN SROI

b. Predictors: (Constant), MEAN OR, MEAN SOCIAL CAPITAL, MEAN SENTERPRISE

### Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	1.272	.455		2.796	.007	
	MEAN SENTERPRISE	.095	.154	.089	.617	.540	2.183
	MEAN SOCIAL CAPITAL	.216	.143	.212	1.508	.137	2.088
	MEAN OR	.394	.117	.474	3.370	.001	2.088

a. Dependent Variable: MEAN SROI

Descriptive Statistics

	Mean	Std. Deviation	N
MEAN SROI	4.0803	.41432	58
MEAN INTEN	4.2660	.49664	58
MEAN MISSION	4.2615	.46737	58
MEAN INNO	4.1810	.46621	58
MEAN PROACTIVE	4.0302	.50072	58
MEAN RISK	3.9368	.52781	58

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.668 <sup>a</sup>	.446	.392	.32297	2.370

a. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

b. Dependent Variable: MEAN SROI

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.361	5	.872	8.361	.000 <sup>b</sup>
	Residual	5.424	52	.104		
	Total	9.785	57			

a. Dependent Variable: MEAN SROI

b. Predictors: (Constant), MEAN RISK, MEAN INTEN, MEAN INNO, MEAN MISSION, MEAN PROACTIVE

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	1.781	.465		3.828	.000	
	MEAN INTEN	-.299	.138	-.359	-2.173	.034	2.559
	MEAN MISSION	.316	.140	.356	2.257	.028	2.339
	MEAN INNO	-.025	.147	-.028	-.172	.864	2.551
	MEAN PROACTIVE	.580	.139	.701	4.172	.000	2.651
	MEAN RISK	-.001	.102	-.001	-.008	.993	1.588

a. Dependent Variable: MEAN SROI



### Descriptive Statistics

	Mean	Std. Deviation	N
MEAN SROI	4.0803	.41432	58
MEAN TRUST	4.1330	.35487	58
MEAN NETWORK	4.1828	.44372	58
MEAN PUBLIC SECTOR ENGAGEMENT	3.6034	.80393	58

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.720 <sup>a</sup>	.519	.492	.29530	1.577

a. Predictors: (Constant), MEAN PUBLIC SECTOR ENGAGEMENT, MEAN NETWORK, MEAN TRUST

b. Dependent Variable: MEAN SROI

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.076	3	1.692	19.402	.000 <sup>b</sup>
	Residual	4.709	54	.087		
	Total	9.785	57			

a. Dependent Variable: MEAN SROI

b. Predictors: (Constant), MEAN PUBLIC SECTOR ENGAGEMENT, MEAN NETWORK, MEAN TRUST

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	-.083	.566		-.147	.884	
	MEAN TRUST	.520	.119	.445	4.359	.000	1.171
	MEAN NETWORK	.492	.095	.527	5.192	.000	1.157
	MEAN PUBLIC SECTOR ENGAGEMENT	-.012	.056	-.024	-.217	.829	1.332

a. Dependent Variable: MEAN SROI

### Descriptive Statistics

	Mean	Std. Deviation	N
MEAN SROI	4.0803	.41432	58
MEAN HR	3.9052	.54778	58
MEAN FR	4.0000	.55441	58

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.684 <sup>a</sup>	.468	.449	.30767	1.909

a. Predictors: (Constant), MEAN FR, MEAN HR

b. Dependent Variable: MEAN SROI

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.578	2	2.289	24.184	.000 <sup>b</sup>
	Residual	5.206	55	.095		
	Total	9.785	57			

a. Dependent Variable: MEAN SROI

b. Predictors: (Constant), MEAN FR, MEAN HR

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			VIF
1	(Constant)	1.880	.326		5.771	.000	
	MEAN HR	.397	.096	.525	4.124	.000	1.677
	MEAN FR	.162	.095	.217	1.704	.094	1.677

a. Dependent Variable: MEAN SROI



Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SI1	58	2.00	5.00	4.2759	.64327
SI2	58	3.00	5.00	4.2241	.59362
SI3	58	2.00	5.00	4.2241	.72652
SI4	58	2.00	5.00	4.3621	.74217
SI5	58	1.00	5.00	4.1724	.90103
SI6	58	2.00	5.00	4.1897	.86768
SI7	58	3.00	5.00	4.4138	.62223
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SM1	58	2.00	5.00	4.4483	.62611
SM2	58	2.00	5.00	4.2414	.70860
SM3	58	3.00	5.00	4.2759	.61539
SM4	58	3.00	5.00	4.1724	.65260
SM5	58	3.00	5.00	4.0172	.68803
SM6	58	3.00	5.00	4.4138	.67628
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SIN1	58	2.00	5.00	4.0862	.80097
SIN2	58	2.00	5.00	3.8793	.83933
SIN3	58	2.00	5.00	4.2759	.74441
SIN4	58	2.00	5.00	4.0517	.78186
SIN5	58	2.00	5.00	4.3276	.65929
SIN6	58	3.00	5.00	4.2931	.62150
SIN7	58	3.00	5.00	4.3276	.65929
SIN8	58	3.00	5.00	4.4138	.64982
SIN9	58	2.00	5.00	4.0345	.91700
SIN10	58	2.00	5.00	4.1207	.72735
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
P1	58	2.00	5.00	3.9138	.62924
P2	58	3.00	5.00	4.1207	.53238
P3	58	3.00	5.00	3.8966	.66727
P4	58	1.00	5.00	4.0690	.91502
P5	58	2.00	5.00	4.2069	.76683
P6	58	2.00	5.00	4.0345	.87791
P7	58	3.00	5.00	4.1552	.67021
P8	58	2.00	5.00	3.8448	1.00528
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RT1	58	2.00	5.00	4.0172	.60673
RT2	58	1.00	5.00	3.8621	.75969
RT3	58	2.00	5.00	3.9310	.79167
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ST1	58	3.00	5.00	4.2759	.58619
ST2	58	3.00	5.00	4.0690	.64515
ST3	58	3.00	5.00	4.1034	.64044
ST4	58	3.00	5.00	4.2241	.53124
ST5	58	3.00	5.00	4.2931	.59260
ST6	58	3.00	5.00	4.0172	.54584
ST7	58	1.00	5.00	3.9483	.63308
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SN1	58	2.00	5.00	4.2931	.62150
SN2	58	2.00	5.00	4.2241	.72652
SN3	58	3.00	5.00	4.1897	.54473
SN4	58	2.00	5.00	4.1379	.66089
SN5	58	3.00	5.00	4.0690	.64515
Valid N (listwise)	58				



Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PSE1	58	2.00	5.00	3.7931	.87376
PSE2	58	2.00	5.00	3.5172	.88340
PSE3	58	1.00	5.00	3.4828	.99545
PSE4	58	1.00	5.00	3.5862	.97395
PSE5	58	2.00	5.00	3.6379	.89243
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FR1	58	2.00	5.00	4.0000	.77233
FR2	58	2.00	5.00	4.1724	.70432
FR3	58	1.00	5.00	3.6207	1.22586
FR4	58	2.00	5.00	4.0862	.77876
FR5	58	2.00	5.00	4.1207	.72735
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
HR1	58	2.00	5.00	3.9483	.75909
HR2	58	2.00	5.00	3.8448	.72067
HR3	58	2.00	5.00	3.9655	.72464
HR4	58	2.00	5.00	3.8621	.84704
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
OU1	58	3.00	5.00	4.2069	.58516
OU2	58	2.00	5.00	4.0000	.79472
OU3	58	3.00	5.00	4.2241	.67650
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
OC1	58	2.00	5.00	3.7759	.75028
OC2	58	3.00	5.00	4.0345	.70001
OC3	58	3.00	5.00	4.1034	.51943
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
IM1	58	3.00	5.00	4.3103	.65446
IM2	58	2.00	5.00	4.0345	.81576
IM3	58	2.00	5.00	4.0345	.74846
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MEAN INTEN	58	2.71	5.00	4.2660	.49664
MEAN MISSION	58	3.00	5.00	4.2615	.46737
MEAN INNO	58	3.00	5.00	4.1810	.46621
MEAN PROACTIVE	58	2.75	5.00	4.0302	.50072
MEAN RISK	58	2.00	4.67	3.9368	.52781
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MEAN TRUST	58	3.14	5.00	4.1330	.35487
MEAN NETWORK	58	3.20	5.00	4.1828	.44372
MEAN PUBLIC SECTOR ENGAGEMENT	58	1.80	5.00	3.6034	.80393
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MEAN FR	58	2.60	5.00	4.0000	.55441
MEAN HR	58	2.50	5.00	3.9052	.54778
Valid N (listwise)	58				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MEAN OUTPUT	58	3.00	5.00	4.1437	.55536
MEAN OUTCME	58	2.67	5.00	3.9713	.48076
MEAN IMPACT	58	3.00	5.00	4.1264	.50273
Valid N (listwise)	58				



## **Focus Group Discussion Questions**

### **I. Social Entrepreneurship**

#### **1. Social Intention**

- Which target groups are you interested in?
- What are their social needs or social problems?
- How did you recognize their social need and problem?

#### **2. Social Mission**

- What is the mission of your organization?
- What values are included in the mission of your organization?

#### **3. Social Innovation**

- What is your product or service?
- How did you develop your product or service?
- How is your product or service different from traditional product or service?
- What technology do you use?
- How did you create / receive training for using this technology?
- How would you provide training for using this technology?

#### **4. Proactiveness**

- To what extent of your organization is responsive to anticipate in solving social problems and fulfilling social needs?
- How much do you initiate to help technology for fulfills social needs and solving social problems?

#### **5. Risk Taking**

- What kinds of risk are involved in your operations?
- Do you have any contingency plan for occurrence of unforeseeable situation?

### **II. Social Capital**

#### **1. Trust Building**

- How did you build the confidence of community to the leadership of your organization?
- How did you build the reputation of your organization?

## **2. Social Network**

- How did you established the network with your stakeholder?  
(Government, Media, Community, Domestic and International Association etc.)

## **3. Public Sector Engagement**

- How would you receive official recognition of authority?
- How would your organization support in policy making for economic and social development?

## **III. Organizational Resources**

- How would you get your financial resources?
- How would you acquisitive and develop your human resource?

## **IV. Social Return on Investment**

- How would you measure the output of your organization?
- How would you measure the outcome of your organization?
- What is the impact of your organization to beneficiaries and to the society?