

Table of Contents

I INTRODUCTION	1
1.1 Background.....	1
1.2 The Context of the Philippines	2
1.2.1 Current Environment of Social Enterprises in the Philippines.....	3
1.2.2 Identified Challenges and Opportunities	4
1.3 Problem statement.....	4
1.4 Purpose	5
1.5 Perspective	5
2 LITERATURE REVIEW	6
2.1 Social Entrepreneurship	6
2.2 Social Entrepreneurship in Developing Countries.....	8
2.2.1 Institutional Voids.....	9
2.2.2 Hybridity.....	10
2.2.3 Social Capital and Local Embeddedness.....	11
2.2.4 External Support Environment.....	13
2.3 Entrepreneurial Ecosystem.....	14
2.3.1 Social Entrepreneurial Ecosystem	15
2.4 Social Entrepreneurship Research in the Philippines.....	18
2.4.1 The Support Environment in the Philippines	19
2.4.2 Policy Environment.....	20
2.5 Summary Literature Review.....	21
3 METHODOLOGY / EMPIRICAL RESEARCH.....	23
3.1 Research Philosophy	23
3.2 Research Design	24
3.2.1 Research Approach	25
3.4 Literature Review.....	25
3.5 Primary Data Collection	26
3.5.1 Qualitative Interviews.....	27
3.5.2 Observations	32
3.5 Data Analysis	33
3.6 Ethics	35
3.6.1 Broader Ethical Concerns for Society.....	36
3.7 Research Quality	36
4 EMPIRICAL FINDINGS.....	38
4.1 Identified Categories.....	38
4.2 Enabling Factors.....	38
4.2.1 Entrepreneurs	39
4.2.2 Ecosystem Actors	42
4.2.3 Summary of Enabling Factors.....	44
4.3 Challenges.....	44
4.3.1 Entrepreneurs	44
4.3.2 Ecosystem Actors	47
4.3.3 Summary of Challenges.....	48
4.4 Opportunities/Overcoming Challenges	49
4.4.1 Entrepreneurs	49

4.4.2 Ecosystem Actors	51
4.4.3 Summary.....	53
4.5 Additional Contextual Influences	54
4.5.1 Government	54
4.5.2 Collaboration.....	56
4.5.3 Culture	56
4.5.4 Summary of Contextual Influences.....	58
4.6 Summary Findings	58
5 ANALYSIS.....	59
5.1 Enabling factors	59
5.1.1 Intersections as a gateway.....	60
5.1.2 Network as a facilitator	61
5.2 Growth Vacuum	63
5.2.1 Resource and Expertise as Constraints	63
5.2.2 Government and Cultural Constraints	64
5.3 Opportunities	65
5.3.1 Collaboration.....	66
5.3.2 How to Foster Collaboration through Intersections	67
6 DISCUSSION.....	69
6.1 The Growth Challenge	69
6.2 Managing Multiple Partnerships	70
6.3 Diversifying the Ecosystem	70
7 CONCLUSIONS & IMPLICATIONS.....	72
7.1 Practical and Theoretical Contributions	73
7.2 Limitations and Future Research	74
LIST OF REFERENCES	76
APPENDICES	83

List of Figures, Tables and Abbreviations

List of Figures

Figure 1. Entrepreneurial ecosystem.....	14
Figure 2. Ecosystem actors in the Philippines.....	20
Figure 3. A general inductive approach to analysing qualitative data.....	34
Figure 4. Process of analysing the data.....	35
Figure 5. A relational model of ecosystem influences on social enterprises.....	60
Figure 6. The Manila Model: the reciprocal micro and macro ecosystem.....	66

List of Tables

Table 1. Summary literature review.....	21
Table 2. Interview summary.....	28
Table 3. Overview entrepreneurs.....	30
Table 4. Overview ecosystem actors.....	31
Table 5. Overview of observations.....	32
Table 6. Identified categories.....	38
Table 7. Summary findings.....	58

List of Appendices

Appendix 1 – Challenges.....	83
Appendix 2 – Ecosystem Actors.....	84
Appendix 3 – PRESENT Bill.....	86
Appendix 4 – Topic Guide Entrepreneurs.....	88
Appendix 5 – Topic Guide Ecosystem Actors.....	89
Appendix 6 – 2nd Level Codes.....	90
Appendix 7 – Informed Consent.....	91
Appendix 8 – Proposal Letter.....	92

Abbreviations

NewGen SE
SEPPS

New generation social enterprises
Social enterprises with poor as primary stakeholder

I Introduction

Ten years after the financial crisis the global economy is in a buoyant mood; displaying evidence of robust, resilient and continuous growth. Nonetheless, widespread inequality and poverty are still stark realities in countless of places around the world. According to the United Nations (2015), nearly 800 million people live below the poverty line, whereas income and wealth are more unequally distributed than ever (World Inequality Report, 2018). Consequently, "Ending poverty" and "Reduce inequality" are two of the sustainable development goals, also known as Agenda 2030, set up by the United Nations to address these pressing issues (United Nations, 2015).

By nature, such monumental challenges are often complex and multifaceted and need to be approached in various ways, involving many actors. As expressed by Muhammad Yunus, Nobel laureate and Grameen Bank founder, *"Aid alone cannot be our response. Global sustainability and the nature of the economy will be shaped by entrepreneurship and the terms on which we create and do business with each other"* (Think Global Trade Social Report, 2015: 2). This quote directly refers to the concept of social entrepreneurship, which has lately gained wide recognition as a promising and effective avenue to develop sustainable solutions to improve lives of the poor and marginalised (Think Global Trade Social Report, 2015).

Particularly in developing countries, often suffering from weak governments and limited welfare systems, social enterprises can play significant roles where state and other institutions have failed to make a substantial difference. One such nation is the Philippines, seemingly encapsulating both the economic challenges and the simultaneous opportunities for social entrepreneurship – hence making it an intriguing setting for this study. While showcasing strong economic growth, the country is ceaselessly plagued by social challenges such as, widespread poverty and huge inequalities (World Economic Forum, 2018; World Bank, 2017). Social enterprises are rising to the challenge of solving these problems. However, as emphasised in an OECD report (2015), their success is arguably hinged on the presence of a significant support system, also known as an entrepreneurial ecosystem, that among other actors include financiers, networks, enablers as well as appropriate policies and regulations that encourage social enterprises to scale and make significant impacts.

I.1 Background

In today's society, the private sector mostly consists of for-profit ventures with a purpose of maximising shareholder value. However, in the past decades, the same private sector has experienced a rise of organisations with an embedded social goal (Austin, Stevenson & Wei-Skillern, 2006; Dees, 2007). Entrepreneurial activities with a primary focus that is social rather than financial can be classified as concepts of "social entrepreneurship" or "social enterprises" (Austin et al. 2006). These two terms will be used interchangeably throughout the thesis since the entities carrying out social entrepreneurial activities are generally classified as social enterprises. This new global phenomenon has challenged the status quo of how social problems are addressed and financed by governments, non-profits, and businesses. A prominent example

is the Grameen Bank started by Muhammad Yunus in 1983, a microcredit institution offering small loans and other financial services to the impoverished previously excluded from the financial markets (Yunus, Moingeon & Lehman-Ortega, 2010). By providing microloans and business education, many people were able to set up micro-entrepreneurial ventures, and in that way work themselves out of poverty, while contributing to the local economy through taxation and job creation. Driven by the fact that these social entrepreneurs have proven to be robust social transformers in our society, research has started to dedicate significant attention to the phenomenon of social entrepreneurship and social enterprises (Peredo & McLean, 2006; Short, Lumpkin & Moss 2009).

From the perspective of a developing country, social enterprises operate under different circumstances in comparison to the ones in a developed country. Many of these emerging markets, like the Philippines, suffer from insufficient governance and social unjust regarding poverty, inequality and financial exclusion (Kolk & Lenfant, 2015). Therefore, the purpose of many social enterprises is to contribute to the alleviation of poverty and inequality (Seelos, Ganly & Mair, 2006; Dacanay, 2012). To address the issue of poverty and inequality, the social enterprise movement in the Philippines has gained support, and is today among the leading countries in Asia when it comes to promoting social entrepreneurship and social enterprises (Ballesteros & Llanto, 2017).

Despite the increased interest in the field, knowledge of the broader socio-economic, cultural, and political factors that influence what type of social enterprises that will emerge in a particular context remains infantile (Hazenberg, Bajwa-Patel, Mazzei, Roy & Baglioni, 2016). As explained by Hazenberg et al. (2016), the types of enterprises that emerge differ depending on the institutional context present in a given country. As a result, in each “ecosystem”, institutional and stakeholder networks influence social enterprises differently. Due to political and economic struggles in developing economies like the Philippines, the local ecosystem is likely to influence social enterprises differently in comparison to ecosystems in developed nations.

1.2 The Context of the Philippines

The Philippines is an archipelago made up of over 7,000 islands with a tropical climate and great access to natural resources. Despite its notion as a paradise, it frequently experiences natural catastrophes such as typhoons, earthquakes and volcano eruption, having caused widespread destruction in recent history. The Philippines today has a population of around 104 million people (BBC, 2018). During the last 300 years the country has been colonised by both Spain and America until became independent after the World War II in 1945. The Spanish and the US influences remain strong until today, especially in terms of religion and language where the majority of people are Christian, and English is their second language. Their current president is Rodrigo Duterte who took the presidency in June 2016.

The Philippines is one of East Asia’s top growing economies. According to the World Bank (2017), the GDP has since 2012 grown at an average rate of 6,5%, and is estimated to grow at

by 6,9% in 2018. Despite recent growth, the World Bank estimated in 2015 that around 22% of the population was living in poverty. To tackle this problem, the country is aiming for inclusive growth to increase household consumption as well as reducing poverty in the country. According to the government's sustainable development plan 2017-2022 (2017), the goal is to reduce poverty to around 14% by 2022 - equivalent to about 6 million people that would be lifted out of poverty. Furthermore, in the same development plan, the government has also acknowledged that social enterprise business models should be more promoted as a tool to fight poverty and inequality in the country. However, even though the aspirations are high for an inclusive growth, there is still a significant wealth gap in the country. In 2016 it was reported that the 50 wealthiest Filipinos (Chung, 2017) accounted for 24,4% of the nation's entire GDP, and they together have a cumulative value of US\$73.9 billion (Dela Paz & Schnabel, 2017). According to the same article, the same people are also expected to grow richer under the presidency of Rodrigo Duterte, indicating that the wealth gap will remain high in the country. Thus, social enterprises can play a pivotal role in promoting more inclusive growth in the country.

1.2.1 Current Environment of Social Enterprises in the Philippines

In the report "Reaching the Farthest First", hereafter referred to as "RFF Report, 2017", published in collaboration between the European Union, British Council, United Nations ESCAP, CSO-SEED and Philippine Social Enterprise Network (PhilSEN) it was estimated that the total amount of operating social enterprises in the country today is over 164,000. The previous number reported was 30,000 back in 2007. Even though these measurements are just an estimation, it indicates that it is a fast-growing scene. However, as outlined in the next section, it is worth to mention that social enterprises in the Philippines take many shapes and forms and the study only provides an overview of the sector as a whole and do not differentiate between the different types.

In a study conducted by the Institute for Social Entrepreneurship in Asia (ISEA) and Oxfam in 2015, they identified five different forms of social enterprises, namely: social cooperatives, microfinance institutions (MFIs), fair trade organisations (FTOs), trading development organisations (TRADOs) and finally, new generation social enterprises (NewGen SE). Social cooperatives are organisations that are composed of the poor while also serving them. MFIs are corporations or NGOs offering financial services such as insurances and microcredits to the poor. FTOs are enterprises guided by fair trade principles that through partnerships aim to provide access to markets and improve conditions for poor producers. TRADOs are non-government development organisations (NGDOs) engaged in economic activities such as trading and marketing of goods, or provision of development services. Lastly, NewGen SE are enterprises commonly initiated and led by the youth. What characterises this type of social enterprises is their goal to design scalable solutions aimed at alleviating poverty. Further, in contrast to some of the previously mentioned forms, NewGen SE tend to come from business-related backgrounds and thus emphasise commercialisation faster (Ballesteros & Llanto, 2017). Currently, this is one of the fastest growing segments of social enterprises in the Philippines, yet literature on these is limited (ISEA & Oxfam, 2015; Ballesteros & Llanto, 2017). Their

potential to scale and create widespread impact make them highly interesting, both from a practical and theoretical viewpoint. Therefore, for this study, we have chosen to focus on NewGen SE.

Not only the amount of social enterprises has increased significantly in the Philippines during the past decades, but also the number of actors from different support segments, which further contributes to the development of the sector (Ballesteros & Lianto, 2017). These actors are considered to make up a majority of the physical elements of the existing ecosystem and play different roles in supporting and influencing social ventures at the various stages of their life cycles.

1.2.2 Identified Challenges and Opportunities

As manifested in the RFF Report (2017), there exists a sense of progress and optimism about the social entrepreneurship sector in the Philippines. However, it is also evident that social enterprises face substantial barriers to growth. Looking at the statistics of the RFF Report (2017), it can be concluded that there are three major challenges currently preventing social enterprises to reach their full potential (Appendix 1). The number one challenge is the limited supply of capital, which appear to stem from several underlying issues such as unrefined business plans and a lack of professional contacts, ultimately hindering access to finance. The second challenge relates to human resources, as accessing, attracting and retaining skills and talent, both technical and managerial, are reported as factors preventing social enterprises to grow. Thirdly, the government and the policy environment put up hurdles for social enterprises in the form of policies, taxation, red tape and regulation compliance.

As highlighted in the RFF report (2017), there is a pressing need for the government to formally recognise social enterprises and their business activities that so actively contribute to economic inclusion and social cohesion in the country. This is in line with the view of Poon (2011), who argues that the political and legal environment play a crucial role in providing opportunities and support for social enterprises. However, as the RFF Report (2017) concludes, also the private sector has a vital role to play in supporting and facilitating the integration of social enterprises into the market. Poon (2011) argues that social entrepreneurs require a range of supporting institutions to conceptualise ideas, provide resources and execute business plans into eventual success. These different institutions, together with government and individuals, make up the ecosystem in the Philippines. As acknowledged by Poon (2011), the ecosystem has potential to assist social enterprises in overcoming identified challenges in the form of financing, expertise and networking opportunities. Despite its promising existence in the Philippines, there appears to be a gap between the potential of the ecosystem and the current effectiveness of the social enterprise sector.

1.3 Problem statement

The continuous global problems of exclusive development, poverty, and inequality indicate that there will be demand and necessity for social enterprises to operate in the marketplace as creators of both financial and social wealth (Doherty, 2014). As suggested by Dacanay (2012),

social enterprises in developing countries have the potential to act as catalysts together with state and market actors to provide sustainable, positive change. However, scrutinising the literature shows a geographical bias towards the West (Doherty, 2014). As a result, there is limited knowledge how different institutional frameworks and contexts influence the development of social enterprises. Therefore, the same author strongly suggests additional research in Africa and Asia because of the high potential of social enterprises in those regions. The RFF Report (2017) referred to in the background, and later in the literature review, does provide an initial, comprehensive understanding and mapping of the ecosystem supporting social enterprises in the Philippines, while also concluding that the sector is both promising and challenged. With a significant portion of the recent upsurge attributed to the increasing number of NewGen SE, the research on this particular type of social enterprise is still in its infancy. Moreover, the report is merely an overview and does not offer an in-depth analysis of the interaction between social entrepreneurs and actors within the ecosystem. The factors of the ecosystem that influence development and scalability of NewGen SE are yet unexplored.

1.4 Purpose

The purpose of this study is to explore how the development of New Generation Social Enterprises (NewGen SE) is enabled by the surrounding ecosystem in the context of the Philippines. It further aims to identify factors constraining the progress of NewGen SE, and how the ecosystem can be enhanced to better support these enterprises.

To clarify the terminology in the purpose of our research, *development* refers to a number of different aspects. Firstly, it refers to the birth and initiation phase of an enterprise. Secondly, it refers to the growth and scale of the enterprise in terms of tangible measures such as revenue and number of customers. Lastly, it refers to the expansion of intangible measures such as knowledge. Based on our purpose, we aim with this study to answer the following three research questions:

1. *How does the ecosystem enable NewGen SE to develop?*
2. *What are the constraining factors hindering NewGen SE to develop?*
3. *How can the ecosystem be improved in order to assist NewGen SE to overcome challenges and better support the development of NewGen SE?*

1.5 Perspective

Considering the purpose of our study, we have chosen to take a double-sided perspective of both the social entrepreneurs and the various supportive players in the ecosystem. We believe that the social entrepreneurship scene exists and develops in symbiosis with all actors, and therefore deem that both viewpoints are equally important and relevant.

2 Literature Review

This chapter aims to provide a comprehensive theory-based research framework to deepen the understanding of the topics related to our purpose. To set the scene, we first dive deep into the phenomena of social entrepreneurship by critically analysing some of the most influential work in the research field. Secondly, we introduce the social entrepreneurship concept in the context of developing countries. Thirdly, we introduce the concept of entrepreneurial ecosystems before critically analysing it in relation to social entrepreneurship. Finally, the current state of social entrepreneurship literature in the context of Philippines is presented. Here, we decided not only to limit ourselves to theoretical work as we found substantially important work outside the scope of academic literature.

2.1 Social Entrepreneurship

The concept of Social Entrepreneurship is said to have its roots in the early 1990s when Bill Drayton popularised the idea after establishing the social entrepreneurship organisations ASHOKA (Light, 2006). Despite its growth during the same decade, it did not become a scholarly phenomenon until the late 1990s. Since then, many notable scholars have adopted a keen interest in the field (Short, Moss & Lumpkin 2009). Nonetheless, the research field of social entrepreneurship is still a novel and underexplored area. Although the volume of research produced has increased significantly, much of the published literature has been conceptual work trying to define the concept (Short et al. 2006). As a result, different opinions from different scholars have emerged, and the establishment of a unified definition of social entrepreneurship is still lacking (Mair & Martí, 2006; Short et al. 2009; Dacin, Dacin & Matear, 2010). Even though opinions on how to define the phenomenon are widespread, there seems to be an agreement that social entrepreneurship differs enough from commercial entrepreneurship regarding motivation and mission to deserve its existence in the literature (Austin et al. 2006, Weerawardena & Mort, 2006; Santos, 2012).

In contrast to traditional entrepreneurship, many scholars argue that it is the motivation and commitment to provide social over economic value that makes social entrepreneurship unique (Dees, 1998; Mair & Marti 2006; Peredo & McLean, 2006; Zahra et al., 2009). For example, Peredo and Mclean (2006) argue that social entrepreneurship is different because it involves sacrificing profits to achieve a social mission. Further, economic value creation should only work as a by-product (Mair & Marti, 2006) to ensure that a venture can sustain its social mission (Dees, 1998; Dacin, Dacin & Tracey, 2011). Weerawardena and Mort (2006) argue that because of its mission, social enterprises face different types of obstacles in contrast to the ones faced by commercial enterprises. Additionally, Austin, Stevenson and Wei-Skillern (2006) highlight that opportunities exist for both social and commercial entrepreneurship, but due to the large volume of social problems in society the opportunities for social entrepreneurship are much greater than the capacity of social ventures. Further, social entrepreneurship also lacks an infrastructure for access to capital, especially during the development stages (Sharir & Lerner, 2006). Despite these differences, some researchers believe that there is no need to distinguish social entrepreneurship from conventional entrepreneurship (Chell, 2007; Dacin et al. 2010). For instance, Chell (2007) argues that both

social and commercial entrepreneurs recognise and pursue opportunities regardless of the resources available to them. Similarly, Dacin et al. (2010) state that social entrepreneurship is indistinguishable from commercial entrepreneurship as it also involves profit making by innovatively pursuing a mission.

After reviewing some of the most cited articles on the topic, it is easy to confirm the lack of a unified definition. In an attempt to review the literature Dacin et al. (2010) identified over 40 different articles trying to define the concept. They suggest that definitions holding the most promise focus on either the mission of the social enterprise or the processes and resources utilised.

As mentioned in the beginning, many scholars have defined social entrepreneurship based on its primary mission to provide social value (Dees, 1998; Mair & Marti 2006; Peredo & McLean, 2006; Zahra et al., 2009). Dees (1998) states that it is the mission of the enterprise that determines whether it is a philanthropic activity or a commercial business. Thus, in the pursuit of a social mission, some authors have disregarded the economic activity in their definitions (Weerawardena & Mort, 2006), whereas some authors include it although it is not the primary mission (Mair & Marti 2006; Zahra, 2009). For instance, Zahra et al. (2009) state that social entrepreneurship *"encompasses the activities and processes undertaken to discover, define, and exploit opportunities to enhance social wealth by creating new ventures or innovatively managing existing organisations"* (Zahra et al., 2009: 522). This definition embraces the fact that enterprises have distinctive ways of attending to social problems whilst ensuring the creation of both social and financial wealth. Santos (2012) challenges the mainstream view that social entrepreneurship should address social problems by pursuing a social mission. He argues that a *"rigorous definition of social entrepreneurship should avoid using the word social"* (Santos, 2012: 336). Instead of addressing so-called 'social problems', social entrepreneurship should focus on addressing neglected problems that the market and government have failed to address. He defines social entrepreneurship as *"addressing neglected problems with positive externalities"* (Santos, 2012: 337). Externalities refer to the spillover effect that is created because of economic activity (Rangan et al., 2006). Instead of creating products or services that may have negative externalities such as over-consumption or increased wealth gap, a social enterprise ensures positive externalities (Santos, 2012). Although social enterprises can play a crucial role in a country's economic development while solving neglected problems, these enterprises are much more likely to face challenges when acquiring resources needed for growth (Santos, 2010).

The processes utilised by entrepreneurs are interlinked with the organisation's capability to manage resources to address a specific social problem (Dees, 1998; Mair & Mair, 2006; Peredo & McLean, 2006; Chell, 2006; Sharir & Lerner, 2006; Dacin et al., 2010). Due to the difficulty of acquiring right resources, some authors describe social entrepreneurship as the ability to take action without being limited to resources currently at hand (Dees, 1998; Sharir & Lerner, 2006). Further, Mair and Marti (2006) state that it involves the innovative use and combination of resources. The process of social entrepreneurship involves the distinction of whether social

entrepreneurship should focus on economic value creation or social value creation (Mair & Marti, 2012). Some authors place social entrepreneurship as social mission driven organisations within the non-profit sector, purely focusing on solving a problem (Weerawardena & Mort, 2006). Other authors do not distinguish the “mission” of creating social value over different sectors. Instead, it can occur across government, business or the non-profit sector (Austin et al., 2006; Dacin et al., 2011). Moreover, Zahra et al. (2009) argue that social enterprises aim to create ‘total wealth’, which is the sum of social and economic wealth created, where the social wealth is the dominator. Similarly, Santos (2012) highlights that social enterprises engage in both activities but emphasise value-creation (mission) over value-capturing (economic return). Even though many authors agree that defining the concept based on its primary mission accompanied by the processes and resources utilised is promising, few authors outline the contextual factors that influence social entrepreneurship.

Similar to commercial entrepreneurship contextual factors will affect the nature and outcome of any social initiative. These contextual factors may include the macro economy, regulatory framework including taxes and the socio-political environment. Austin et al. (2006) argue that if social enterprises are more aware of the contextual factors they are much more likely to have a successful outcome. Depending on the geographic location, contextual factors are likely to affect social enterprises in different ways. For instance, Dacin et al. (2010) stated that contexts with strong institutional resources, which include political and legal aspects, could enhance the organisational development. However, these contexts are present in developed countries where social problems are minimal in comparison to many developing countries where social problems are at large (Mair & Marti, 2009). After reviewing the social entrepreneurship phenomenon, it is evident that a majority of the most influential articles published on the topic look at the concept in the context of developed countries. Thus, there is a geographical bias in the current state of the literature (Doherty et al., 2014).

2.2 Social Entrepreneurship in Developing Countries

Noting the importance of context when reviewing the phenomenon of social entrepreneurship, we chose to narrow the search by focusing social entrepreneurship in a “developing country”. 32 articles were deemed relevant. Clearly, this is still a very broad context, as developing countries can possess vastly different characteristics. However, we concluded social enterprises would address somewhat similar problems in such settings, regardless of geographical location. We observed that a majority of those studies that explicitly state where the study was performed come from India, Bangladesh as well as various African countries.

Many scholars argue that one of the major reasons why the definitional debate lingers within social entrepreneurship research is because the concept is inherently dependent on contextual factors (Chen, Saarenketo, Puumalainen, 2016; Sengupta & Sahay, 2017; Zhao & Lounsbury, 2016). In their literature review, Sengupta and Sahay (2017) call for more qualitative research on how different contextual factors influence social enterprises from achieving their financial goals and social missions. In one qualitative study conducted in Egypt, Ghalwash, Tolba and Ismail (2017) emphasise the importance of understanding the socio-cultural and economic

context to fully grasp the phenomenon of social entrepreneurship. Similarly, in a quantitative study by Zhao and Lounsbury (2016), an institutional logic approach is used to highlight the influences of economic and cultural forces that the social venture is locally embedded in. It has further been noted that social enterprises are perceived to address different issues depending on the context. In a comparative study between India and Australia, it was observed that social enterprises in a developing country focused primarily on raising living standards for the poor at the bottom of the pyramid. In contrast, in a developed country setting, social enterprises address matters such as the environment and healthy eating (Haski-Leventhal & Mehra, 2016).

To further examine social entrepreneurship in a developing country context, we note that the literature broadly looks at this phenomenon through four different lenses; namely institutional voids, hybridity, social capital and local embeddedness, and the support environment.

2.2.1 Institutional Voids

A significant difference compared to developed countries is the level of institutional support, which is argued to influence the development of social enterprises (Ault, 2016). It has been identified numerous times in the literature that developing countries are frequently characterised by so called ‘institutional voids’, where market institutions are either absent, weak or fail to accomplish their role (Roy & Karna, 2015; Ghalwash et al., 2017; Mair & Marti, 2009;). Perhaps most relevant from an entrepreneurial perspective are formal and informal *commercial* institutions that support business activity. Those include, but are not limited to capital markets, banking regulations, legal systems, educational systems, and labour markets (Dutt, Hawn, Vidal, Chatterji, Mcgahan, & Mitchell, 2016). Institutional voids are said to hamper market access, development and functioning, resulting in operating challenges for entrepreneurial actors (Mair & Marti, 2009; Chen et al., 2016). As identified by Dutt et al. (2016), when gaps are left by commercial institutions, problems related to regulation compliance, financing and corruption take hold – ultimately protecting established, often politically connected, companies. Additionally, it can also negatively influence behavioural patterns and hinder progress on a larger scale, as “*dysfunctional institutions imprison societies in webs of self-fulfilling expectations that not only create but also reinforce the cycles of poverty*” (Khavul & Bruton, 2012: 288).

However, it has also been noted that institutional voids can in fact promote and encourage social entrepreneurship. In such an environment, characterised by inefficient governments and the absence of influential NGOs, the result is unsatisfied social needs and hence, the emergence of more social entrepreneurial opportunities (Chen et al., 2016). Put differently, Diochon and Ghore (2016) agree that perceived barriers do not necessarily have to be a constraining factor, but can rather stimulate social entrepreneurs to act on an opportunity. Consequentially, entrepreneurial ventures are more likely to be socially oriented in developing countries due to failures from state and market to address such issues (Chen et al., 2016). Through innovation, social entrepreneurship presents a viable method to reduce institutional inefficiencies and develop new capabilities (Rao-Nicholson, Vorley & Khan, 2017). Because of their prosocial motivation, social entrepreneurs act where others would not, to introduce solutions that remove

barriers and hence facilitate access to markets for others (McMullen & Bergman, 2017). To summarise, it appears that the negative effects on social entrepreneurship activity, due to dysfunctional or absent institutions, coexist with the positive effect on social entrepreneurship activity such an environment brings (Chen et al., 2016).

Much of the literature seems to agree that social entrepreneurship has the potential to bridge the gaps left by inefficient markets and institutions. While acknowledging this, Hackett (2016) warns that one must also appreciate the limitations to alter deeply entrenched political and economic realities that characterise developing countries. This was concluded after a study on a well-established social enterprise, Grameen Shakti in Bangladesh, which further highlights the difficulties. Zhao and Lounsbury (2016) dwell even further into the challenges involved. While recognising the need to develop a strong market logic, with free market solutions to create a favourable business climate and encourage capital flows, they proceed to stating that fertile markets for social enterprises are not just determined by political and economic policy, but also elements such as culture and religion. They claim that markets are social institutions in themselves, are intertwined with other social institutions, and need to be understood on a fundamental level.

This inevitably leads to the question posed by Mair and Marti (2009): *How do entrepreneurial actors overcome such institutional challenges and impairments for market access and participation?* Roy and Karna (2015) also recognise this challenge and propose that social entrepreneurs need to leverage the institutional environment as well as resources to enhance effectiveness of the business model and increase their impact on society. Correspondingly, Mair and Marti (2009), in an attempt to answer their own question, noted that entrepreneurs apply strategies of bricolage to create something out of what is at hand, while refusing to accept the current situation as unchangeable. Further, the subsequent sections below discuss other ways for social enterprises to deal with contextual as well as other challenges.

2.2.2 Hybridity

To successfully scale their social mission and, simultaneously, reach financial sustainability, social enterprises must adapt their structure, processes and business models in both areas (Battilana & Lee, 2014). Consequently, they often apply a multiple stakeholder structure in which they navigate through different contexts and take on different organisational forms and identities (Easter & Dato-On, 2015). The multitude of coexisting objectives and institutional logics are said to be characteristics of a hybrid organisation (Pache & Santos 2013; Huybrechts, Nicholls, & Edinger, 2017). Thus, it has been suggested that social enterprises are naturally associated with issues of hybridity given their mix of organisational objectives and activities that traditionally either belong in a business setting or the world of non-profits (Battilana & Lee, 2014; Holt & Littlewood, 2015). It has further been suggested that ‘hybrid organisation’ is a broader term than ‘social enterprise’, as it embraces a wider heterogenic spectra of various legal forms, missions, contexts and business models (Holt & Littlewood, 2015). ‘Social franchising’ is one example of such a business model appearing in the literature (Bradley et al, 2012; McKague, Wong & Siddiquee, 2017). In a case study from Bangladesh, the franchisor

provided market coordination and support systems to small enterprises in rural areas, which allowed them to widen their social impact while simultaneously, build entrepreneurial capacity in previously neglected areas (McKague et al., 2017).

It appears in the literature that hybridity is particularly well suited, and often essential, in a developing country context. A case study in sub-Saharan Africa found hybridity that was deployed to deal with the complexity of multi-sector partnerships. Building relationships with various partners were needed to overcome the numerous gaps in resources, skills and knowledge (Holt, & Littlewood, 2015). In another study by Kistruck, Beamish, Qureshi and Stutter (2017), focusing on fair trade oriented social enterprises; the authors investigated their willingness to cooperate with commercial actors. Some, labelled as “sector solidarity”, exclusively chose to deal with likeminded, socially focused organisations. On the contrary, those labelled as “active appropriation”, embraced hybridity and were open to also build relationships with purely commercial actors. Although unethical practices occurred within those mainstream businesses, the advantages were judged to outweigh the negative aspects as awareness and visibility of fair trade grew, as well as sales - which ultimately benefited their producers and contributed to their social mission. However, a potential risk with this approach is the so-called “mission drift”, where social enterprises over time lose focus of their social mission in exchange for a more profit-driven business model (Ault, 2016). The same author claims that this is more likely to happen in for-profit social enterprises. Also, the relatively higher cost of serving the poor in nations with weaker institutions make mission drift more likely to happen in developing countries (Ault, 2016).

One type of partnership social enterprises need to develop is the one with local communities. Here, Manning et al. (2017) emphasise the importance of context and introduce a concept they call ‘community based hybrids’, where organisations rely on resources from local communities in which they are deeply embedded in. While benefiting those communities they also serve clients locally, regionally and potentially internationally. However, the authors also highlight the importance of community organisations, often filling the roles of intermediaries, to facilitate the extraction of resources the hybrid firm needs. Navigating such a varied landscape described in this section is challenging for the social enterprise, with risks of losing reputation, legitimacy, and “license to operate” if doing it wrong (Holt & Littlewood, 2015). Much of the literature concerning hybridity highlighted the importance of building relationships with a variety of actors to fulfil its mission. As a way to accomplish this, the next section will proceed to build on the aspects of social capital and local embeddedness.

2.2.3 Social Capital and Local Embeddedness

The concept of social capital has been described as the potential and actual benefits that can derive from a person’s social connections (Maas, Seferiadis, Bunders, & Zweekhorst, 2014). It can be accessed within the organisation but also through external links to other individuals, organisations and communities – often referred to as bridging social capital (Easter & Dato-On, 2015). It has been pointed out that in environments with scarce resources the importance of social capital increases (Bhatt & Altinay, 2013; Maas et al., 2014). Building on that notion,

the same authors suggest that social entrepreneurs in a developing country context are dependent on social capital to a higher degree than their developed country counterparts. Khavul and Bruton (2012) provide an explanation stating that in environments where institutions are absent or not providing enough support, the importance of the local network increases as reciprocity among individuals provide a sense of safety and trust. For instance, in a qualitative case study in India, it was observed that social capital was leveraged by social entrepreneurs to mobilise resources and overcome limited access to finance (Bhatt & Altinay, 2013). Further, in a longitudinal case study in Bangladesh, necessary resources such as capital, labour and ideas appeared to be readily available in the local environment, but networking was a key ingredient to ultimately stimulate entrepreneurial activity. Thus, it is suggested that entrepreneurial opportunities are not merely found, but rather embedded and created (Maas et al., 2014).

We note that a significant portion of the literature tends to focus on a social enterprise's ability to build social capital with those who would potentially benefit from the social mission. Communities in developing countries are often characterised as “tight-knitted” and are subject to social norms, which determines daily life to a higher degree than in western countries (McMullen & Bergman, 2017). Therefore, it is vital for the social enterprise to understand the environment in which the target group is embedded in (Khavul & Bruton, 2012). Operational models in such a setting need to *“reflect, be adapted for, and address the opportunities created by specific local environmental conditions”* (Holt & Littlewood, 2015: 121). If local context and local networks are ignored it becomes difficult for social entrepreneurs to make an impact even if the initial intention was good (Khavul & Bruton, 2012). Expanding on this idea, it is suggested that a more profound engagement of beneficiaries - those who benefit from the activities of social enterprises - through stages of implementation, development, and scaling, increases the chances of a successful social innovation (Bhat & Altanay, 2013). Similarly, it is argued that social enterprises addressing poverty cannot only connect to individual consumers, but also need to involve families and the surrounding communities to make a sustained impact (Khavul & Bruton, 2012). To succeed as a social enterprise, Roy and Karna (2015) propose that a previous, personal, affiliation to the underlying cause of the problem is crucial. Only by doing this, awareness and expertise about the subtleties of culture and social dynamics can be developed. Manning et al. (2017) agree by stating that origin does play a role, as locally grown firms can more effectively use resources through their established community ties.

It appears most of the literature suggest a correlation exists between the level of success and the level of local embeddedness of the social enterprise. However, in a case study conducted in Vietnam by Easter and Dato-On (2015,) it was proposed a higher degree of local embeddedness reduces the ability to effectively function and manage social ties in other contexts to scale their social impact – simply because insufficient connections and expertise had been developed outside the immediate boundaries. On a related note, Maas et al. (2014) found that strong ties, from friends and family in the immediate context, had negative effect on

entrepreneurial activity in the beginning. On the contrary, so called weak, or bridging ties, provide links to other actors which had a positive effect on the development of the business. This leads us to the next section, which focuses on the influence of an external support system.

2.2.4 External Support Environment

In congruence with authors in previous section, Lan, Zhu, Ness, Xing and Schneider (2014) observe that connections and support from internal stakeholders and cooperation with local communities are vital to grow the social enterprise. However, equally important is the network with external stakeholders that can provide support in terms of knowledge, financing, policy advice and marketing. Maas et al. (2014) especially highlight its importance when facing scepticism from the direct environment, as external actors can play an essential role in providing support and building linking networks. Following that logic, it has been observed in the literature that social entrepreneurs, just like conventional entrepreneurs, cannot act singlehandedly in the pursuit of an opportunity (Diochon & Ghore, 2016; Rao-Nicholson et al., 2017). It is further pointed out that social entrepreneurship is not a linear process but one that requires detours, adaptation and support from various actors (Diochon & Ghore, 2016). Kolk and Lenfant (2015) also emphasise the need to look beyond one's immediate environment. They identify cross sector collaboration as a way to overcome challenges such as the lack of governance and trust, which is often lacking in weak states. These partnerships can help set "the rules of the game", promote respect for contractual agreements, facilitate relationship building and create a culture of trust – thus fostering social capital. Rao-Nicholson et al. (2017) agree that this is important to support and encourage social innovation, but emphasise these partnerships must involve both private and public actors to successfully overcome institutional voids. Another form of support are so-called 'intermediaries', which tend to emerge when market institutions are absent (Dutt et al., 2016). The authors outline two types; firstly, market infrastructure development intermediaries which focus on services that support general commercial activities, and secondly, business development capability intermediaries which focus on the support and improvement of specific organisations. The role of mindful governmental support in emerging economies has further been underlined in the literature, where policymaking should strive to legitimise, acknowledge and facilitate operations of social enterprises in their quest to address social problem and build institutions (Roy & Karna, 2015; Hall, Matos, Sheehan & Silvestre, 2012)

Examples of actors that could support social enterprises seem plentiful; Lan et al. (2014) mention both public and private institutions, but also corporations, scholars and NGO's as potential avenues to obtain capital, capability building, training, technical skills, business advice and mentoring. It can be argued that these actors, combined with contextual characteristics and social networks, make up a support environment necessary for social enterprises to thrive. This is also referred to as an entrepreneurial ecosystem, which will be further reviewed below.

2.3 Entrepreneurial Ecosystem

The concept of an entrepreneurial ecosystem, as a group of actors that support and facilitates new ventures in a specific community, was first introduced in academia in 2006 by Boyd Cohen (Alvdalen & Boschma, 2017). Nonetheless, the idea of entrepreneurship as a system made up of different actors was introduced much earlier (Dubini, 1989). Much of the current literature on entrepreneurial ecosystems has focused on identifying and understanding different types of actors that support the development of new ventures (Roundy, 2017; Alvdalen & Boschma, 2017). For instance, Baharami and Evans (1995) highlight the importance for a new venture to have access to venture capital firms, skilled labour, a service infrastructure, educational and research institutions as well as an entrepreneurial spirit. More recently, Isenberg (2010) identified that an entrepreneurial ecosystem where new ventures can thrive consists of six essential domains: supporting policies and leadership, encouraging culture, availability of financial capital, skilled human labour, venture-friendly markets for products and services, and lastly, different types of institutional and infrastructural support (Figure 1).

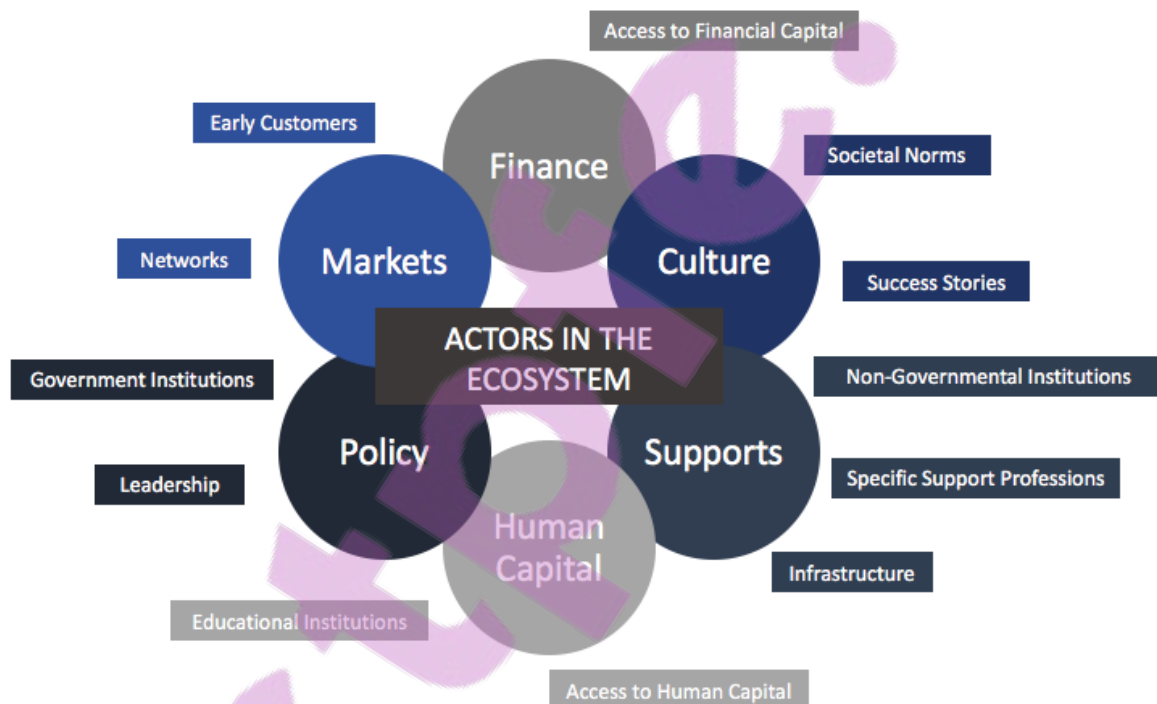


Figure 1. Entrepreneurial ecosystem (source: adopted from Isenberg, 2011)

Isenberg (2010) outlines that although each ecosystem is unique and has its own features and elements, it still consists of general factors that make up the socio-cultural (e.g., institutional support) and economic capabilities (e.g., availability of venture capital firms), which determine the nature of the ecosystem.

Even though Isenberg's model (2011) has received a significant portion of attention, other scholars have also attempted to conceptualise the idea of an entrepreneurial ecosystem. For instance, Stam (2015) outline that an entrepreneurial ecosystem is structured around two types of conditions: systemic conditions and framework condition. The systemic conditions are at the heart of an ecosystem, and consist of the entrepreneurs own network, leadership, finance, talent, knowledge, and support services. Stam (2015) argue that it is the presence and interaction between those elements that determine the success of an entrepreneurial ecosystem. The framework condition consists of four different social and physical components: formal institutions, culture, physical infrastructure, and demand. These conditions are either enabling or constraining the interaction between humans within an ecosystem. Although the concept has been popularised in the academic field of entrepreneurship, the literature looking at it from the perspective of social entrepreneurship is still limited (Roundy, 2017).

In an attempt to review the current state of the literature on social entrepreneurial ecosystems, we identified 11 articles that were relevant. All articles were published after 2016, indicating that the topic is on the rise but still very limited. After reviewing these articles, three key themes evolved: A few articles were concerned about the definition and the design of a support system for social enterprises. Other articles looked at the factors influencing a social entrepreneurial ecosystem. Lastly, some articles analysed the role of collaboration and interaction between actors within the support environment.

2.3.1 Social Entrepreneurial Ecosystem

As already established, social enterprises pursue missions that are different to those of traditional businesses. Hence, different types of stakeholders and support institutions make up the environments in which they operate in (Hazenberg et al., 2016; Barraket et al., 2017; Surie, 2016). Similar to Isenberg's (2011) view on the entrepreneurial ecosystem, Barakett et al. (2017) identified six domains of the ecosystem in their study on the social enterprise sector in Australia, namely: communities, NGOs, governments, entrepreneurs themselves, intermediaries, and educational institution. Even though there are some overlapping domains, differences exist. For example, they outline NGOs as a crucial actor because of their involvement in, and knowledge of, communities where social problems are present (Barraket et al., 2017).

2.3.1.1 Defining and Designing a Social Entrepreneurial Ecosystem

In two articles, it was identified that a social entrepreneurial ecosystem could be divided into macro and micro levels (Hazenberg et al., 2016; Surie, 2016). In her study on social innovation ecosystem in India, Surie (2016) argues that to design a social entrepreneurial ecosystem efficiently, different aspects on both the macro and micro level need to be considered. Firstly, formulating an ecosystem on the macro level involves the establishment of specific government institutions, favourable policies, and institutional support to facilitate the sharing of knowledge and capabilities. Secondly, attention on the micro level should be directed towards facilitating the entry of social entrepreneurs into the ecosystem, enabling access to additional resources through the creation of stronger links with external for-profit organisation, and lastly, creating

a technology platform where the exchange of skills and collaboration can be promoted (Surie, 2016). Similarly, Jha, Pinsonneault and Dubé (2016) outline that an information and communication technology (ICT) based platform in an ecosystem enables better performance to solve complex social problems.

Hazenberg et al. (2016) takes this idea further and add two more layers: the *statist* and *private* level. In their study on ecosystems in ten different European countries, they identified four types of social entrepreneurial ecosystems: statist-macro, statist-micro, private-macro, and private-micro. These types vary on the different levels of state, third party, and private sector support combined with the geographical placement of the ecosystem, either national, regional or local (Hazenberg et al., 2016). Barakett et al. (2017) outline that in its infancy, state support is crucial in establishing a social enterprise sector as interest from merely the private sector is insufficient. Contrary, Hazenberg et al. (2016) state that for instance, in a private-macro ecosystem, the support from the state is inadequate and social enterprises are reliant on private sector support through social investors, businesses and other actors. Even though similarities exist between commercially focused ecosystems and socially focused ecosystems, different factors influence the performance of social enterprises within an ecosystem, which will be explored in the next section.

2.3.1.2 Factors Influencing a Social Entrepreneurial Ecosystem

Roundy (2017), in an attempted to conceptualise the interrelationship between an entrepreneurial ecosystem and social entrepreneurship, argues that on the one side of the spectrum, there are factors of an ecosystem that have an impact on the effectiveness of social entrepreneurship. These factors include the diversity in resource providers support infrastructure, a conducive culture, and opportunities for vicarious learning (Roundy, 2017). Similarly, Hazenberg et al. (2016) outline that the diversity of stakeholders is crucial in shaping the development of an ecosystem. Nonetheless, lacking some of these factors can also have negative consequences. For instance, Scheuerle and Schmitz (2016), in their qualitative study on increasing impact of social enterprises in Germany, found that it is difficult for social organisations to establish themselves in a market if there is no supporting culture in the sector. Further, the same authors identified three features of an ecosystem in their study that enable social impact to be scaled up. Firstly, the *willingness* of stakeholders to provide support. Secondly, the *ability* to access resources needed. Thirdly, *admission* from the formal and informal institutional environment, meaning that both provide a favourable environment for scaling. In their study, what hindered the scaling process was that stakeholders were hesitant to provide capital, there was a tight budget of local municipalities, and they operated in a sterile institutional environment (Scheuerle & Schmitz, 2016).

On the other side of the spectrum, Roundy (2017) also outlines that there are factors of social entrepreneurship that have an impact on the effectiveness of an ecosystem. He argues that a diverse set of social enterprises increases the diversity of support actors participating in the ecosystem. Similarly, Surie (2016) argues that the more diversity of social enterprises present, the more significant the impact on the ecosystem will be as it increases the availability of

resources for social enterprises. Further, Roundy (2017) also proposed that a higher density of social entrepreneurial organisations increase the attractiveness and attention of the ecosystem.

With preliminary evidence that social enterprises can be useful in both addressing social problems while remaining profitable, the sector has seen an increased interest from stakeholders such as private and institutional investors as well as policymakers (Irene, Marika, Giovanni & Mario, 2016). However, from the perspective of these stakeholders, the objectives of supporting social enterprises are different. On the one hand, social investors are concerned with both the social and financial impact created by the social enterprise. On the other hand, policymakers and government bodies are concerned with indicators that assess the total contribution to communities and people. For instance, how social impact created by a social organisation can lead to savings for the government. Thus, there is a lack of shared and recognised indicators to assess social enterprises, which hinders the growth of the sector (Irene et al., 2016). Whereas there are many factors influencing the establishment of an ecosystem, the willingness of actors within the system to collaborate is crucial in order to sustain and grow it.

2.3.1.3 Collaboration within the Ecosystem

A central feature of a social entrepreneurial ecosystem is to foster collaboration and partnerships to improve the capacity of social enterprises to ‘act’ and thus create more social impact (De Bruin, Shaw & Lewis, 2017). Although this is a critical element for providing social value to a community, the research on how, why and when collaboration takes place (De Bruin et al., 2017), or how partnerships are formed within a social entrepreneurial ecosystem is still limited (Slimane & Lamine, 2017). In a resource-constrained environment, the ecosystem tends to be very weak. Thus, it is challenging for social ventures to accomplish both its social and financial mission (McKague, Wong & Siddique, 2017). As a result, social enterprises are in those circumstances likely to try and form partnerships with external stakeholders, such as social accelerators. Pandey, Lall, Pandey and Ahlawat, (2017) identified in their qualitative study on social accelerators that the likelihood of a successful collaboration is dependent on the founding teams’ human capital. For instance, they identified that founding teams with task-specific human capital (e.g. accounting, management and organisational skills) in comparison to teams with generic human capital were less enthusiastic about collaboration. Instead, they were only using the social accelerator to access funding (Pandey et al., 2017). Another way to build capacity through partnerships in a resource-constrained environment is through social franchising as it allows enterprises to make use of an already existing and more robust ecosystem (McKague et al., 2017). However, for social entrepreneurial ecosystems to sustain, certain aspects need to be fulfilled. Slimane and Lamine (2017) outline that a social entrepreneurial ecosystem is based on the continuous and repeated interaction between different actors. For continuous collaboration and partnership to exist within an ecosystem, trust and shared values need to be established among its members. As a result of this, new actors can be “*co-opted by an existing member who vouches for the newcomer*” (Slimane & Lamine, 2017: 238). Lastly, as mentioned previously, the introduction of a technology-based

platform can also increase the participation and collaboration between different actors within a social entrepreneurial ecosystem (Jha et al., 2016; Surie, 2016).

2.4 Social Entrepreneurship Research in the Philippines

The concept of social enterprises in the Philippines has been around for quite some time and can be traced back to have its roots in the early 1990s (Dacanay, 2017). During this time, the Philippines experienced a substantial growth of NGOs engaging in income activities due to the limited availability of donations and grants (Dacanay, 2004). The increase of economically active NGOs combined with the heightened global attention to the social enterprise movement sparked the sector in the Philippines. As a result, new organisations supporting social enterprises in the country were established such as the Philippine Social Enterprise Network (PhilSEN) and ISEA. Also, educational institutions started to include the concept in their curriculum (Japanese Research Institute, 2016, hereafter referred to as “JRI, 2017”). Since then, social entrepreneurship has gained recognition as a way to reduce poverty and inequality in the country. However, there is still no official definition of the concept in the country (JRI, 2016; Ballesteros & Llanto, 2017).

Dr. Lisa Marie Dacanay (2012) argues that social enterprises in the Philippines often consider the poor as beneficiaries, and refers to these as Social Enterprises with Poor as Primary Stakeholders (SEPPS). She defines SEPPS as follow:

“SEPPS are social-mission-driven, wealth-creating organisations that have at least a double bottom line (social and financial), explicitly have as principal objective poverty reduction/alleviation or improving the quality of life of specific segments of the poor, and have a distributive enterprise philosophy” (Dacanay, 2012: 51).

Dacanay (2012) explains that there are three critical aspects describing the nature of SEPPS. Firstly, SEPPS are social-mission driven corporations that have an explicit aim to alleviate poverty or to improve the quality of life for the poor. The poor themselves are involved in a variety of ways, either as workers, clients, suppliers or as partners in a social enterprise value chain. Secondly, SEPPS are also wealth-creating organisations with both a social and financial mission. Just like any for-profit company, SEPPS are engaging in economic activities with the intention of achieving financial sustainability. Lastly, SEPPS have a distributive enterprise philosophy, meaning that the goal of the company is to generate economic and social value for the poor as their primary stakeholders. SEPPS are, therefore, using any surplus profit to either reinvest it into the enterprise to sustain its social mission or to distribute it to their stakeholders (Dacanay, 2012). However, all SEPPS are not alike and some differ regarding initiatives, organisational form or type of services provided to the poor.

Dacanay (2012) identifies that SEPPS assist the poor by providing transactional and transformational services to foster both transactional and transformational roles. On the one hand, social enterprises offer transactional services such as providing loans, sharing new

technologies, or providing necessary training so that the poor can take the role as workers, clients, suppliers or owners. On the other hand, transformational services include activities aimed at empowering the poor to take the role as change agents to lift themselves out of poverty or improve the quality of life in their communities. These services typically include leadership training and organisational development as well as experiential learning opportunities (ISEA, 2015; ISEA, 2017). Further, Dacanay (2017), in a cross case-analysis of SEPPS, suggested three models of stakeholder engagement with the poor: control, collaboration, and empowerment. Out of these three models, the empowerment model was discovered to have the most significant qualitative impact on the poor to escape poverty. The rationale of this model is to provide transformational services to engage the poor as transformational partners. Thus, Dacanay (2017) suggests that it is crucial for SEPPS to provide transformational services to increase their impact.

Even though SEPPS have received a significant level of recognition within the social enterprise sector, some actors define the concept differently (Ballesteros & Llanto, 2017). For instance, PhilSEN, define social enterprises with marginalised sectors as their primary stakeholder rather than the poor (Padong, 2018). They define the concept as:

“A social mission driven organization that conducts economic activities providing goods and services directly related to its primary mission of improving the well-being of the poor, basic and marginalized sectors and their living environment.”
(PRESENT Bill, 2017: 1).

This definition considers the broad aspects of social enterprises as it includes not only corporations with a social mission but also non-profits and NGOs with income-generating activities (Padong, 2018). Contrary to both definitions, Ballesteros and Llanto (2017) argue that current definitions are too broad and consider too many different types organisations, and as a result, the concept is muddled. Despite the fact that there is no set definition of the concept, the popularity of the social enterprise sector is continuously increasing, and more and more actors are joining the movement.

2.4.1 The Support Environment in the Philippines

Historically, social enterprises and the surrounding ecosystem have primarily focused on poverty alleviation efforts initiated by NGOs, cooperatives and microfinance institutions. More recently, the same sector has experienced a rise of young entrepreneurs with more traditional business mindsets (JRI, 2016). As a result, there has been a growing number of intermediaries offering business-related services and other types of support. In an effort to map out the ecosystem the RFF report (2017) identified eight different types of actors that were considered as leading supporters of the sector (see figure 2 & appendix 2).



Figure 2. Ecosystem actors in the Philippines (source: Adopted from RFF Report, 2017)

In a quantitative study conducted by ISEA and OXFAM (2015) on poverty reduction and women economic leadership in Asia, four types of stakeholders need to be engaged in building a vibrant social enterprise sector: Civil society organisations, education and research institutions, business sectors and social investors, and lastly, local and national government bodies. This is supported in the RFF report (2017) where it is stated that there is a need for increased private sector and government involvement. However, Ballesteros and Llanto (2017) in their case study on NewGen SE argue that definitions need to be harmonised before enabling government bodies to provide incentives for social enterprises. Further, the same authors suggest that additional support is needed to provide incentives for mixed financing. For instance, a more conducive environment for grant makers, international aid, CSR, and social investors should be fostered. In a country analysis report made by JIR (2016), two gaps in the existing ecosystem were identified: lack of human capital with business-related skills such as financial or management skills, and lack of access to capital for each stage of social enterprise development. After reviewing these articles, it became evident that substantial attention was given to the policy environment in which the social enterprise sector operates in, and will be further examined in the next section.

2.4.2 Policy Environment

Previous research describes the current policy environment in the Philippines as unresponsive to the nature and potential of social enterprises to address and solve societal problems such as poverty and inequality (ISEA, 2012). By tailoring policies, social enterprises would be enabled to fully maximise their potential and reach more of their beneficiaries (RFF Report, 2017). As written in the report from ISEA and Oxfam in 2015, there is no official recognition of the social enterprise sector in the Philippines and its ability to play a critical role in fighting poverty.

Instead, the government differentiates between the size and number of employees of the firm. For micro, small and medium-sized companies (MSMEs) there are various policies and programs in place to promote and support such businesses. These incentives are primarily made available through the 2008 law named "Magna Carta for MSMEs" and the "Barangay Micro Business Enterprises (BMBEs) Act" of 2002. However, social enterprises are primarily classified as any other conventional firm and do not receive any additional benefits, incentives or support (ISEA, 2012; Ballesteros & Llanto, 2017). As a result of this weak policy environment, a proposed bill for social entrepreneurship development, labelled "Poverty Reduction through Social Entrepreneurship" or "PRESENT Bill," is debated in Congress (see appendix 3) (ISEA & Oxfam, 2015). The PRESENT bill has been an ambitious work in the making since 2012 when social entrepreneurs joined forces with practitioners, academe, NGOs, institutions, and advocates to form the PRESENT coalition (ISEA & Oxfam, 2015; Ballesteros & Llanto, 2017). Since then, the coalition has been engaged in discussions, promotion, and lobbying to make the bill successfully go through the legislative process. Essentially, the bill aims to support and incentivise social enterprises serving marginalised groups as primary stakeholders, but also to recognise them as major vehicles for poverty reduction (ISEA & Oxfam, 2015). Examples of provisions proposed in the bill include benefits such as; financial and program support, preferential treatments in government procurement, tax incentives, increased ability to obtain non-collateralised loans, initiation of development fund to distribute resources for capacity development and the establishment of an insurance system to protect social enterprises affected by natural disasters (Senate Bill No. 176; Ballesteros & Llanto, 2017; ISEA & Oxfam, 2015). Furthermore, the bill is seeking to raise awareness of social enterprises among the general public.

2.5 Summary Literature Review

To get a clear image of the relevant topics for our purpose, the table below summarizes the main areas discussed in the literature review.

Table 1. Summary literature review

Topics Covered	Summary
Social entrepreneurship	Although the research on social entrepreneurship has increased significantly in the past decade, there are still disagreements of how the concept should be defined. The most influential work come from western countries disregarding contexts in developing countries.
Social entrepreneurship in a developing country	Many scholars argue that the reason for why the concept has not yet been appropriately defined is because social entrepreneurship is different depending on the context in which it works.
Institutional voids	On the one hand, institutional voids harm social enterprise as it often makes it more difficult to acquire the necessary resources. On the other hand, it promotes social entrepreneurial activities as the demand increases due to weak or insufficient institutions.
Hybridity	A challenge for many social enterprises is to balance its hybridity. At the same time as social enterprises are a non-profit organization solving social issues, they are also for-profit organisations concerned with financial sustainability.

Social capital & local embeddedness	Social capital and the social connections within an entrepreneur's network is an essential factor to overcome resource constraints. Building social capital is fundamental when working with smaller communities as it can have positive effects on trust.
External support environment	For social enterprises to grow and make a sustained impact the support from local stakeholders is crucial. As a social entrepreneur, it is imperative to look beyond the immediate environment for support.
Entrepreneurial ecosystems	It refers to the social and economic environment surrounding enterprises within a specific region. Typically, an ecosystem consists of formal support actors as well as a culture and network that influences social enterprises.
Social entrepreneurial ecosystems	Although similar to an entrepreneurial ecosystem, social enterprises are likely to operate in environments with different actors.
<i>Defining and designing an ecosystem</i>	A thriving social entrepreneurial ecosystem must consider aspects on both the macro- and micro-level. Driving forces behind an ecosystem are either private or state actors.
<i>Factors influencing an ecosystem</i>	If there are more diverse resource providers, it will have a positive influence on social enterprises. Similarly, if there are more diverse social enterprises the more attractive the ecosystem will be.
<i>Collaboration</i>	Collaboration within an ecosystem is an important factor to increase the success of social enterprises. With the use of technology, the collaboration between social enterprises and external actors can be increased.
Social entrepreneurship in the Philippines	Although the concept has been around for quite some time, there is still no official definition of the concept in the country. Definitions so far consider social enterprises as serving the poor or marginalized communities.
Support environment	With the rise of young social entrepreneurs in the country, there has also been an increased amount of actors trying to support these entrepreneurs. However, social enterprises are still struggling to access financial and human capital.
Policy environment	The government so far has not been active in creating a conducive environment for social enterprises. As a result, private actors are now pushing for a Bill to give social enterprises recognition but also incentives.

3 Methodology / Empirical Research

This section aims to explain our methodological reasoning in relation to our purpose. First, we explain our research philosophy and elaborate on why we have chosen to follow an interpretivist research paradigm. After that, we continue to clarify the exploratory nature of our study and the reasoning for choosing an inductive approach as well as outlining why we have chosen qualitative semi-structured interviews as our primary method of collecting our data. Furthermore, we comprehensively outline the steps taken to collect and analyse our data using a general inductive approach. Lastly, we discuss the ethical considerations of our study and how we can assure the quality of our research.

3.1 Research Philosophy

Upon embarking on our quest for knowledge we must first establish our philosophical standpoint regarding how we view the world and how knowledge is developed. Our values and beliefs can have a big impact on the research, and clarifying our perspectives is critical if we are to make any meaningful contributions to the field (Easterby-Smith, Thorpe & Jackson, 2015; Saunders, Lewis & Thornhill, 2009). The set of basic beliefs that represents a worldview and guide research is often referred to as a research paradigm, and consist of ontological, epistemological and methodological assumptions (Guba & Lincoln, 1994). Here, we embrace a research paradigm often referred to as interpretivism. Consequently, we reject the notion of positivism which seeks to unveil universal laws and explain behaviour through external causes (Easterby-Smith et al., 2015; Guba & Lincoln, 1994). We firmly believe the nature of our research topic within the realm of entrepreneurship is too complex to be explained in such ways. Rather, we place focus on the meaning people assign to their experiences, the way they think and feel, and how this is communicated. The main goal is to understand and appreciate different experiences people have in the context our study is conducted (Easterby-Smith et al., 2015).

In our study, we are primarily concerned about social enterprises in the Philippines and *how* the entrepreneurial ecosystem enables these organisations, and *how* their support can be improved. We firmly acknowledge there is not a singular answer to this question. For example, we believe there are various ways to view, interpret and define an effective entrepreneurial ecosystem. Translating this to an ontological point of view, we approach the research through the lens of relativism. Hence, according to definition, we believe multiple truths exist (Easterby-Smith et al., 2015). As Saunders et al. (2009) state, ontology deals with inquiries about the nature of reality and existence. Since the entrepreneurial ecosystem, the social enterprises and their beneficiaries are made up of a wide range of groups and individuals, we adhere the belief that this reality is dependent on social actors and that people continuously contribute to this social phenomenon – therefore embracing the view that reality is in fact socially constructed (Wahyuni, 2012; Saunders et al., 2009; Guba & Lincoln, 1994). We believe that depending on context, background and previous experiences, people will have shaped different views of the world and assigned different meanings to things. Consequently, they will possess different perspectives and provide different answers to our research questions.

The next question to contemplate concerns the sources of knowledge, also known as epistemology (Easterby-Smith et al., 2015). Alternatively, epistemology can be explained as the study of the criteria which we, as researchers, use to classify what and what does not constitute as acceptable knowledge (Hallebone & Priest, 2009; Wahyuni, 2012). Here, we take a subjectivist stance. Since we have previously acknowledged that reality is socially constructed, we simultaneously accept that truth and knowledge lie within the human experience. In accordance with Chilisa and Kawulich (2012), we approach our research with the mindset that knowledge is bound to culture, dependent on history and influenced by context. Accordingly, we conclude that the phenomenon of social entrepreneurship in the Philippines is shaped by a multitude of factors, making it unique in its own sense. As a result, the only way to fully develop an understanding, and draw out knowledge, of this subjectively formed reality is to take the standpoint of the individuals who are participating in it (Scotland, 2012). Further, the subjectivist stance means that interaction between humans and their world is what constructs reality and knowledge (Crotty, 1998). It is therefore assumed that our potential findings will be created through the actual interaction between us as researchers, and the object of investigation (Guba & Lincoln, 1994).

3.2 Research Design

Considering the nascent nature of the topic in the developing country context of the Philippines, no clearly defined problem has previously been formulated. Therefore, we have opted for a qualitative exploratory research design where the predominant aim is to gain a deeper understanding of the phenomenon at hand, a style often used where little research has previously been conducted (Saunders et al., 2009). A qualitative study tends to be oriented towards discovery and exploration, and is likely to focus on description, search for meaning and theory building (Rudestam & Newton, 2014). This seems to align with our context-specific setting where limited research has been performed. Further, it appears scholars agree there is a need for such studies, considering that contextual factors heavily influence the field of research. As identified in their recent literature review, Sengupta and Sahay (2017) call for qualitative efforts to explore the phenomenon of social entrepreneurship within specific local and regional contexts to generate conceptual frameworks and general theories. As we strive to gain a deep understanding of the environment in which social enterprises operate, we must “tune in” to multiple actors to gain different perspectives, and closely investigate their stories and the meaning they assign to them. We conclude that semi-structured interviews are the best way to do this, which we will expand upon in the method section below. It has been noted that exploratory research does not aim to provide conclusive answers to research questions, but rather seek to form an initial base that subsequent research can build upon (Saunders et al., 2009). Sandhursen (2000), differentiate exploratory research from conclusive research, which aim to identify a singular solution to an existing research problem. On the contrary, we set out to explore our research questions to find a range of alternative options how the ecosystem enables and can better support social enterprises to develop. To accomplish this research purpose, we find it suitable to look at what is happening, seek new insights, ask questions and assess the phenomenon in a new light - all features of an exploratory study (Robson, 2002). This logic is shared in a study by Mair and Schoen (2007), where they

identify features and patterns among successful social enterprise business models. An exploratory research approach was deliberately chosen because of the limited knowledge of the topic.

3.2.1 Research Approach

Following our choice to conduct a qualitative exploratory study, the research approach is consequentially determined. Generally, it is said that research approaches can be divided into two distinct categories; deductive and inductive (Trochim, 2006). To further clarify, a deductive approach starts at the top from theory, and then proceeds to formulation and testing of hypotheses and propositions, to finally examine whether to validate or contradict the theory. Considering the fact that limited research and theory building has been made concerning our research question, a deductive approach is deemed unfeasible. In contrast, an inductive approach starts at the bottom to identify patterns and build broader themes of a phenomenon using the participants' views, and through that generate theory and conceptual frameworks by interconnecting the themes (Thomas, 2006; Cresswell & Plano Clark, 2007; Bryman & Bell, 2015). As we are exploring how the ecosystem is enabling NewGen SE in the Philippines to develop and grow, a novel phenomenon in a specific context, we have chosen an inductive research approach. This allows us to explore the topic open-mindedly with a rather blank canvas as the starting point, and throughout the research process paint a picture of the current situation. However, as pointed out by Saunders et al. (2009), this does not disregard the fact we have used theory and literature, both prior to and throughout the process, to draw insights about the research topic.

3.4 Literature Review

The research process began by conducting a literature review with the aim to gain a deeper understanding of the topic. Easterby-Smith et al. (2015) outline two types of literature reviews: traditional literature review and systematic literature review. In a traditional literature review, sources are included based on what the reviewer considers to be relevant. Contrary, in a systematic literature review, the reviewer does not choose the sources but rather appraise and synthesise all relevant sources on a specific topic. Typically, systematic reviews consist of only peer-reviewed articles, which are found by doing searches using databases such as Web of Science (Easterby-Smith et al., 2015). Our initial strategy was to conduct a purely systematic literature review. However, upon analysing the literature it became evident that social entrepreneurship takes different forms depending on context, and differ to conventional entrepreneurship in terms of support needed from their surrounding environment. Therefore, we limited our systematic approach to two out of four sections. In the remaining two sections, a traditional approach was used by identifying articles we deemed relevant (Easterby-Smith et al., 2015).

In the first section, where we talk about social entrepreneurship in general, we included 13 articles. 11 of these were selected based on an analytic examination of the most influential articles in the field of social entrepreneurship conducted by Stanford Social Innovation Review

(Hand, 2016). The remaining two articles were selected based on their high number of citations and their significant relevance to our topic discussion. In the second section, where we examine social entrepreneurship in a developing country context, we followed the logic of a systematic review and used the following search query in Web of Science: *"social enter*" OR "social entr*" OR "social business*" OR "social innovation*" AND "developing* count*" OR "trans* econom*" OR "emerging mark*" OR "developing market*" OR "developing nation*" OR "emerging nation*" OR "emerging econom*"*. After conducting the search, we filtered it to only include business and management articles. However, due to recentness of the topic we included all relevant journals on management, entrepreneurship, social entrepreneurship, and economics without regards to their impact factor. This resulted in 45 articles, and after reading the abstracts of these articles we deemed 32 articles to be relevant. After examining these articles in depth by reading their purpose, method and findings, 25 articles were chosen to be included.

The third section looks at the topic of social entrepreneurial ecosystems. To introduce the phenomenon, we first included a section on ‘entrepreneurial ecosystems’ as this is crucial to understand before attempting to understand a ‘social entrepreneurial ecosystem’. Here we examined recent literature reviews as well as influential work on the topic to gain a holistic overview. We then proceeded to conduct our second systematic search of the literature review, this time on ‘social entrepreneurial ecosystems’ where we used the following search query: *"social venture*" OR "social enter*" OR "social entr*" OR "social business*" OR "social innovation*" AND "entrep* ecosystem*" OR "entrepr* system*" OR "ecosystem"*. For this search, we used the same filtering options as for the previous search on social entrepreneurship in a developing country perspective, which resulted in 15 articles. After carefully reviewing these articles by reading their abstracts, purpose, method and findings, 11 were chosen to be included in the literature review. Finally, in the fourth section, we included literature in relation to social entrepreneurship and ecosystems that has been produced in the context of the Philippines. In addition to academic literature, we also chose to complement the literature with country specific reports. These reports assisted us in mapping out and deepen our understanding of the current sector as a whole, through identifying social enterprises as well as actors within the ecosystem.

3.5 Primary Data Collection

The most common forms of primary data collection in qualitative research are interviews, observations, and fieldwork (Myers, 2013). In this study, two different approaches have been used to collect data. Firstly, we have used in-depth, semi-structured interviews as our main approach to collect data as it allows researchers to get insights and unfold new dimensions (Esterby-Smith et al., 2015). Secondly, as a complement to the interviews, observations have also been made by attending events and immersing ourselves in a practitioner setting. Further, interwoven in the observations are the numerous informal conversations (Merriam & Tisdell, 2015) we have held with both practitioners and ecosystem players throughout our stay in the Philippines.



3.5.1 Qualitative Interviews

Interviews are one of the most important and widely used techniques when collecting data in business research (Myers, 2013). Through interviews, the researcher can gather data from people in various roles, settings, and situations. In comparison to conversations, interviews follow a set of questions around a particular theme to explore topics or experiences in-depth (Charmaz, 2014). Easterby-Smith et al. (2015) outline three situations when qualitative interviews should be applied. First, when a researcher aims to develop an understanding of the interviewees 'world'. Second, when the goal is to understand the constructs of the respondents' opinions and beliefs about a particular phenomenon. Lastly, if the subject matter is sensitive or confidential, in which the participant may not be comfortable in other than face to face interviews. In our case, the first two situations apply to our research, as we aim to understand and gain a holistic overview of what factors of the ecosystem act as enablers. Thus, the use of in-depth interviews is a relevant method for us to apply (Easterby-Smith et al., 2015).

Depending on the nature of the research, there are different types of strategies to utilise when conducting interviews. These strategies can be classified into three different types based on the needed extent of structure in the interviews: highly-structured, semi-structured, and unstructured interviews (Easterby-smith et al., 2013; Myers, 2013). Saunders et al. (2009) argue that when embracing an exploratory approach where flexibility is crucial, it is more beneficial to either make use of semi-structured or unstructured interviews as it allows for more open answers than highly-structured interviews. Furthermore, these two approaches also allow the interviewer to identify nonverbal cues, which may be useful in making sense of the participant's answers. Considering that we are taking a double-sided perspective, it could be argued that some degree of consistency is vital as we aim to compare and contrast the views of the entrepreneurs and the ecosystem actors. Therefore, we chose to make use of semi-structured interviews as it allows for some consistency while being flexible to adapt if new questions emerge during the interview. Semi-structured interviews typically involve the use of pre-formulated questions without strict adherence to them. These pre-formulated questions tend to be outlined in a so-called interview schedule or topic guide (Easterby-smith et al., 2015).

Before commencing with our interviews, two different topic guides were created: one for social entrepreneurs and one for actors in the ecosystem (Appendix 4, 5). As suggested by Esterby-Smith et al. (2015), there are three things a researcher should consider when designing a topic guide. First, it is crucial to formulate questions that promote open-ended answers as it allows the participant to reflect and report on experiences. Second, to keep conversations natural, researchers may organise topics around stories. Lastly, to create a shared understanding, a topic guide should include the clarification of any complex concepts used (Esterby-Smith et al., 2015). These three aspects were incorporated in our topic guides. First, to keep a steady flow of our interviews, we decided to break down the topic guides into five different parts: *formalities, social enterprise, the ecosystem, challenges, and opportunities*. The part including formalities was used to ensure mutual understanding of the research by providing informed consent as well defining the concepts of NewGen SE and ecosystem. Then, we moved on to the social enterprise part, which was used to provide 'icebreaker' questions around the specific

social enterprise or social enterprises in general, depending on the participant. The three subsequent sections in the interview were more directly related to our research questions. First, the ecosystem section was related to our first research question about enabling factors. Second, the section of challenges was related to our second research question. Lastly, the opportunities section was directly linked to the third research question while also including closing questions. To ensure the quality of answers and allow participants to reflect, we only asked open questions. When needed, ‘probing’ techniques were used to extract further information by asking follow-up questions (e.g., can you tell me more about that?) (Esterby-smith et al., 2015). Further, to establish a natural conversation each section included at least one question framed in a way that the participant could answer it with a story (e.g., can you tell us about a time when you received/given support from/to the ecosystem/social entrepreneur?).

To summarise, we conducted twenty different interviews with ten different social entrepreneurs and ten different ecosystem actors (see table 2). In total, we managed to collect over 23 hours of qualitative data using semi-structured interviews. All interviews were done face to face. Apart from taking notes throughout the interviews, we also recorded each interview with our smartphones. After each interview was conducted, we made extensive summaries by looking over our notes and re-listening to the recordings, and then taking out the most relevant parts of each interview. However, to ensure the quality of our participants we had to first establish some criteria, which will be expanded upon in the next section.

Table 2. Interview summary

Organisation	Position of Interviewee	Date	Length of Interview
Entrepreneurs			
Big Mike Bike Solutions	Founder & CEO	02-21-2018	64 min
Good Food Community	Founder & CEO	02-22-2018	52 min
MAD Travel	Founder & CEO	03-12-2018	62 min
Habi Footwear	Founder & CEO	03-23-2018	108 min
Kalsada Coffee	Founder & CEO	03-16-2018	47 min
CITIHUB	Founder & CEO	03-07-2018	60 min
Tsaa Laya	Founder & CEO	03-12-2018	102 min
Human Nature	Founder & CEO	02-23-2018	77 min
Hapinoy	Founder & CEO	03-19-2018	68 min
Messy Bessy	Founder & CEO	03-10-2018	84 min
Ecosystem actors			
Bureau of Small to Medium Enterprise Development, - DTI	Managing Director	03-06-2018	67 min
Office of Senator Bam Aquino	Director for Programs	03-21-2018	72 min
Impact Hub	Brand Specialist	02-28-2018	50 min
GK Enchanted Farm	Co-founder	03-02-2018	80 min
British Council	Regional Business Manager	04-04-2018	66 min
Bayan Academy	Head of Consultancy & Research Technologies	03-22-2018	93 min
Xchange	Director	03-06-2018	60 min
Ateneo Centre for Social Entrepreneurship (ACSENT)	Director	04-05-2018	89 min
Ateneo De Manila University	Professor	03-22-2018	71 min
BPI Foundation	Associate Director	03-19-2018	61 min

3.5.1.1 Selection of Participants

Easterby-Smith et al. (2015) outline two different types of sampling designs: probability and non-probability sampling. In probability sampling, each member of a population has the same given chance of participating in a study. The selection of participants is mostly based on randomisation techniques, which is commonly used when making statistical inferences. Contrary, in non-probability sampling, participants are not selected randomly, and only some members of a population have a chance to be selected for participation. Rather than being selected on a random basis, the selection is based on accessibility and judgement of the researchers. Because of the nature of our research, we have therefore chosen to adopt a non-probability sampling design. There are many different types of strategies to use in non-probability sampling, but we mainly focused on two types of strategies: purposeful and convenience sampling. Purposeful sampling is a strategy that relies on the judgment of the researchers when it comes to selecting whom to include. Typically, for participants to be selected, they must meet the pre-defined eligibility criteria set by the researchers. As a part of this strategy, researchers can also utilise the maximum variation sampling strategy, which is a technique used to capture a wide range of perspectives related to the topic (Easterby-Smith et al., 2015). Before going to the Philippines, we established clear criteria what type of entrepreneurs and actors to include in our study. Additionally, to get as many perspectives as possible, we chose to include enterprises at various development stages (start-up, growth & maturity) and actors from widespread areas of the ecosystem. Convenience sampling is referred to the selection of participants based on the ease of access (Easterby-Smith et al., 2015). Due to our limited time frame, network and knowledge of potential units in the Philippines we also had to choose participants based on the ease of access. The following two sections will go into more depth of the samples of entrepreneurs and ecosystem actors selected for this study.

3.5.1.1.1 Entrepreneurs

Considering the broadness of the social enterprise sector in the Philippines and the lack of a unified definition, it is challenging to pinpoint what characterises NewGen SE. Even though these enterprises tend to be established and operated by the youth, it is not necessarily limited to it. What mainly distinguishes them from other social enterprises is that they often have a more traditional business mindset. Therefore, we did not limit our criteria to a certain age. Instead, we used criteria based on their structure and mission as outlined below:

- The social enterprise should be registered as a company
- Should either be financially sustainable or have the ambition to become so
- Should in some capacity address problems of poverty and inequality

As previously mentioned we aimed to get participants throughout all the stages of the business development. Our goal was to have at least three social enterprises in each development stage.

After setting our criteria, we had to rely on our small number of influential contacts in the Philippines to identify potential participants. As a result, we received the contact details to 18 founders of different social enterprises. Five of these social enterprises were considered to be in the start-up phase, six in the growth stage, six in the maturity stage and one in the early stage start-up with an uncertain future. After contacting the social enterprises that we deemed to be most relevant concerning our criteria and ease of accessibility, nine agreed to participate in our study. Four of these enterprises were in the start-up, two in the growth and three in the maturity stage. Additionally, we managed to acquire one more participant in the growth phase after referral from one of our other participants. Our final list of participants included ten different entrepreneurs including enterprises at all stages of development (see table 3).

Table 3. Overview entrepreneurs

Name	Founded	Stage	Descriptions
Big Mike Bike Solutions	2015	Early-stage start-up/ uncertain future	They enrich lives of people living in marginalised communities by giving them access to electricity and clean water through manufacturing a low-cost bike that generates electricity while cleaning dirty water. Currently, they have piloted the project in several marginalised communities around the Philippines.
Good Food Community	2011	Start-up	They aim to create a more sustainable society that benefits small-scale farmers and consumers through a system known as Community Shared Agriculture (CSA). Through this system, they connect consumers and producers within a value chain of food production through a subscription of harvest from a particular small-scale farmer.
MAD Travel	2015	Start-up	They empower and inspire marginalised communities by offering tourists to make a lasting impact through authentic and unique travel experiences.
Habi Footwear	2011	Start-up	They promote responsible fashion by offering footwear made by mothers in low-income communities using upcycled materials.
Kalsada Coffee	2015	Growth	They produce and sell coffee while building trust and partnership with local communities by offering them machinery and equipment to produce quality coffee. To increase the livelihood of these farmers they pay them \$1 more per pound than fair trade prices.
CITIHUB	2016	Growth	They aim to reduce the living expenses for low-income workers by providing safe, clean and affordable housing in central areas of Manila. They do so by creating dormitories built with recycled shipping containers.
Tsaa Laya	2012	Growth	They tap into the indigenous tea culture of the Philippines by combining different types of herbs, fruits, and tea leaves into unique mixtures. When producing the tea, they also benefit rural communities where livelihood is minimal by making them business partners to produce the tea.
Human Nature	2008	Mature	This is arguably the most prominent and well-known social enterprise in the Philippines. They offer a wide variety of organic beauty and personal care products sourced with local ingredients from the Philippines. They work hard to employ low-income individuals from rural communities to produce their ingredients.
Hapinoy	2009	Mature	It is a program that enables small community stores to provide necessary goods and services to the base of the pyramid. They also empower these store owners to become successful micro-entrepreneurs by providing capital, training, and infrastructure.

Messy Bessy	2007	Mature	They are selling natural and chemical free household cleaning products made by at-risk teenagers coming from disadvantaged communities in Manila. These teenagers are offered work-training, mentorship, value formation, personal development as well as education through high-school or college diplomas.
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3.5.1.1.2 Ecosystem Actors

Our initial aim was to include actors from all the eight different areas that were identified by the RFF Report (2017) in the literature review (see figure 2). First, we established a list of essential actors that we assumed relevant for our study. This list consisted of 15 different actors that we were interested in contacting, including all identified areas except industry associations. To ensure the relevance of these actors, and to increase our chances for a successful connection, we shared our list with our network in the Philippines. As a result, we received names and contact details to representatives for 12 of these organisations. Apart from using our network, we also identified three other actors that were brought up through interaction with individuals within the social enterprise scene. In total, we contacted 15 different support organisations where ten agreed to participate in our study, as seen in the table below.

Table 4. Overview ecosystem actors

Organisation	Type of Actors	Descriptions
Bureau of Small to Medium Enterprise Development, - DTI	Government Institution	They are an attached agency to the department of trade and industry. Their mission is to promote and develop micro-, small- and medium-enterprises (MSME) in the Philippines. They mainly initiate different types of programs addressing the needs of MSME.
Office of Senator Bam Aquino	Government Institution	Sen Bam Aquino is a former social enterprise and co-founder of Hapinoy. His office mainly supports the development of MSMEs in the country, and he was the first senator to push for the PRESENT Bill.
Impact Hub	Incubator/Accelerator	It is a global incubator with 81 offices around the world. They support social enterprises in the country by offering incubation programs, education, co-working space, and access to an extensive network and community.
GK Enchanted Farm	Incubator/Accelerator	Gawad Kalinga (GK) is a community development foundation that aims to end poverty for five million Filipinos. The GK enchanted farm offers incubation for social entrepreneurs as well as education to students coming from rural areas lacking an opportunity to be educated in the big cities.
British Council	Research & Support Organisation	Their support to the sector include government engagement and policy, capacity building through funding and business help, educational curriculum and lastly international development.
Bayan Academy	Research & Support Organisation	Bayan Academy is a social development organisation offering entrepreneurship education, mentorship as well as training programs and services for social entrepreneur's development organisations, cooperatives, NGOs, and MSMe.
Xchange	Social Investor	This is an incubator and impact investor for early-stage social enterprises. They are an active investor that closely work together with their portfolio organisations. Currently, they have 14 organisations in their portfolio including some of the most prominent ones in the country.

Ateneo Centre for Social Entrepreneurship (ACSENT)	Educational Institution	It is the university centre for social entrepreneurship from Ateneo De Manila. Their main priority is to support the ecosystem by providing the sector with programs in research, education and training, advocacy, and incubation.
Ateneo De Manila University	Educational Institution	Ateneo University offers bachelor students the opportunity to create a social enterprise as a part of their thesis course. It is a voluntary course, but many students each year decide to take it instead of writing a classic thesis.
BPI Foundation	Foundation	BPI Foundation is the social development arm of the Bank of the Philippines Islands. They are the sponsor of the BPI Sinag event, which is the most significant social entrepreneurship competition in the country.

3.5.2 Observations

As explained by Saunders et al. (2009), observations are a neglected part of research but have the potential to enrich the collection of data. When exposed to a new setting, observations can help the researchers to acclimatise and get a better understanding of a new environment. Therefore, to gain a deeper understanding of social entrepreneurship and the surrounding ecosystem within the context of the Philippines, we utilised observational methods as a complement to our semi-structured interviews. Easterby-Smith et al., (2015) outlined two areas of observational methods depending on the involvement of the researcher: complete observation and participant observation. As a complete observer, the researchers maintain a distance and avoid exposing their role as a researcher. In the latter, the researchers accept their role as researchers while actively participating or engaging in the field (Easterby-Smith et al., 2015). The social entrepreneurship community within the Philippines is a very tight-knit community making it challenging to observe and interact without exposing your role as a researcher. Further, since we were exposed to a whole new setting, we looked to immerse ourselves in the community. Thus, we mostly took the role of a participant as observer (see table 5). The nature of our observations was rather informal, and it did not involve extensive note-taking.

Table 5. Overview of observations

Type of Observation	Host	What	How we interacted	Time Spent Observing
Events	ACSENT	Pitch Event	- Observation with participation - Informal conversations	2 Hours
	MakeSense	Panel Discussion: Tech x Agriculture	- Observation with participation - Informal conversations	2 Hours
	ISEA	Round Table Discussion: Financial Institutions as Catalysts for Women's Economic Empowerment	- Observation without participation - Informal conversations	3 Hours
	Impact Hub	Fuck up night: entrepreneurs talking about failures	- Observation with participation - Informal conversations	2 Hours
Field Trips	True Manila	Visiting slum areas of Manila	- Observation with participation - Informal conversations	6 Hours

	Good Food Co.	Visiting rural farmers/beneficiaries	- Observation with participation - Informal conversations	12 Hours
Co-working space	Impact Hub	Working in their co-working space	- Observation with participation - Informal conversations	6 Hours
	Roots Katipunan	Working in their co-working space	- Observation with participation - Informal conversations	6 Hours

Even though observations were not our primary method for collecting data, they had a positive impact on the qualitative interviews as it helped us to foster a deeper understanding of the phenomenon in the Philippines. For instance, it allowed us to understand and relate to certain context specific associations made by either actors or entrepreneurs during the interviews.

3.5 Data Analysis

Conducting qualitative research tend to result in large volumes of data, which can at times be overwhelming for the researchers. Unsurprisingly, spending over 23 hours interviewing people, and making extensive summaries of each interview (as mentioned in section 3.5.1), we naturally ended up with large amounts of data. To make the process of analysing less intimidating, Easterby-Smith et al. (2015) highlight that it is first essential to prepare and organise the data adequately. The same authors suggest a systematic approach where all data should be labelled consistently so that essential fragments can be identified. After having done our interviews and written the extensive summaries, we created two separate documents where we in one gathered all the data from the entrepreneurs, and in the other all the data from the ecosystem actors. Each interview in both documents was structured similarly, using labels that followed the logic of our topic guides.

Although the design of our study is closely linked to the concept of grounded theory, the goal of our research is not to identify a new theory but rather understand and explore the phenomenon. Thus, instead of using a grounded analysis where the aim is to go from codes to a theory we have chosen to adopt “*an inductive analysis of qualitative data*” (Thomas, 2006: 241). This approach aims to uncover core themes or categories relevant to the purpose of our research and create a framework or model with the most relevant categories. Similar to a grounded analysis, the categories are derived from the development of different codes. As suggested by Thomas (2006), the inductive analysis consists of five different steps (see Figure 3): initial reading of the text, identification of specific text segments related to the objectives, labelling each segment to create first-level codes, reducing the overlaps and redundancy among the codes, and creating a model or framework incorporating the most important categories.

Initial Reading of the text	Identification of specific text segments related to the objective	Label the segments of text with different codes	Reduce the overlap and redundancy among the codes	Creation of a framework or model incorporating the most important categories
Many pages of text	Many segments of the texts	30-40 codes	15-20 codes	3-8 categories

Figure 3. A general inductive approach to analysing qualitative data (Source: Adopted from Thomas, 2006)

We started off by carefully familiarising our self with the data by first skimming through the texts followed by a more extensive read through while taking notes and keeping our research purpose in mind. To make the process of extracting text segments simpler and ensure relevancy of data, we first created an Excel document with two different sheets, one for the social enterprises and one for the ecosystem actors. We grouped the enterprises based on their development stage (Start-up, growth or mature) to potentially identify particular themes amongst the different development stages. We decided to not make any separations amongst the ecosystem players since we had a wide variety of actors that were all very different. We also created three columns (top-level categories) that are linked to the objectives of our study: enabling factors, development challenges, and opportunities for the future/ how to overcome challenges. Further, after skimming through our material, we identified a lot information that might not fit under any of our three top-level categories, but still relevant in terms of understanding the broader context. Therefore, we added the fourth top-level category: additional contextual influences, where we put all other text segments that were of interest, and influencing the development of NewGen SE.

Once this document was structured and prepared, we could continue with our analysis. As illustrated in figure 4, we started off by extracting the most relevant information and placed it where it belonged in the excel sheet. Once these text sections were identified and extracted we complemented them with our own informal observation when necessary. After having extracted the most important sections from each interview we created our first line of codes by shortening the sections to one short sentence (figure 4, 1st code). This resulted in around 100 different codes. After, we went through all of the codes and reduced the number of codes by removing the irrelevant ones and grouping overlapping codes together under new codes (1 to 2 sentences). As a result, during our second stage of coding, we ended up with 37 different codes across all interviews and top-level categories (see Appendix 5). Finally, we went through all of our codes and seven different key themes emerged from our analysis: *network, collaboration, expertise, culture, intersections, resources, and government*.

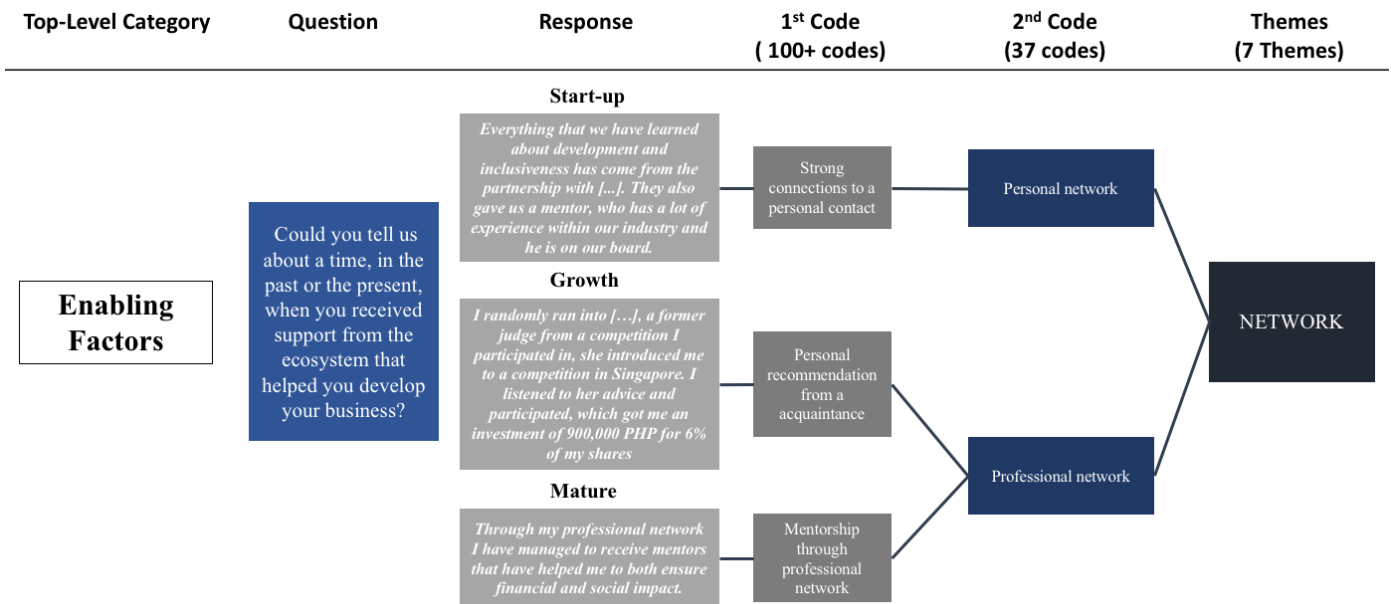


Figure 4. Process of analysing the data

3.6 Ethics

When conducting a research study, ethical issues appear at a variety of stages. These issues cannot be ignored and need to be taken into consideration by the researchers (Easterby-Smith et al., 2013). To guide us through the process of ethical consideration we followed ten well-defined principles proposed by Bell and Bryman (2007) that deal with the protection of participants as well as the integrity of the research community.

In order to ensure the protection of the research participants, several measures were taken into account. Firstly, to ensure no harm of the research participant we always made sure of not asking any questions that may be offensive in any way. Secondly, to protect the interviewee's privacy, anonymity and to respect their dignity, a document describing their rights as a participant was sent to every participant prior to each meeting (appendix 7). Further, this document also ensured a fully informed consent, which was signed by both parties before commencing the interview. Lastly, to ensure the confidentiality of the data, the transcriptions have been kept in cloud storage only accessible by the researchers.

Regarding the last four principles that deal with the protection of the research community, we also considered some measures. First, to avoid any deception about the nature of our research, a brief outline of our study was sent for review to our contact person in the Philippines (appendix 8). Once it was reviewed and confirmed, we used it as a template to contact our potential interviewees to establish a mutual understanding. Second, to ensure that there was no conflict of interests, we declared in the proposal our affiliation with ISEA, and that our study is partly funded by SIDA. Third, both the informed consent and our research outline were designed in a way to ensure honesty and transparency about our research. Lastly, to avoid any misinterpretation or false reporting, all interviews have been recorded and transcribed. Hence,

if any doubts arise regarding the content of this study, we have the possibility to go back and review the original statements.

3.6.1 Broader Ethical Concerns for Society

One of our key drivers and motivations to conduct our study within the field of social entrepreneurship was our conviction about its incontestable positive effects. As the research has progressed, it is still our firm belief that it has enormous potential to create long-lasting positive outcomes in society. However, while being excited about the progression of social entrepreneurship, we must also acknowledge some of the negative aspects of the phenomenon that our study indirectly could promote and contribute to. For example, in the past there have been several scandals in the Philippines involving NGOs and other socially oriented organisations, which involved deception and corruption (Francisco & Geronimo, 2013). Ultimately, this led to the intended beneficiaries being worse off than before, and trust was eroded from communities. Our study could potentially have implications for policy, perhaps in the shape of governmental incentives for social enterprises such as tax breaks and preferential treatment in procurement processes. There exists a risk that opportunistic companies and individuals would try to take advantage of such incentives to start social enterprises, engage communities, and then leave whenever they find it suitable –without ensuring a long lasting positive impact has been made. To avoid this, we have been diligent in trying to gather as many opinions as possible. Hence, if policy makers or others choose to make decisions based on our study; we have to our full ability tried to deliver results that represent a nuanced picture of the current situation.

3.7 Research Quality

Much of the criticism of qualitative research concerns the difficulty of replicating and generalising the study, and therefore not being trustworthy. To address these issues, Guba (1981) developed four criteria for qualitative research to ensure trustworthiness: *credibility*, *transferability*, *dependability*, and *confirmability*. When conducting our research, we have applied these criteria to ensure quality and trustworthiness.

First, as mentioned by Shenton (2004), *credibility* is a crucial criterion to fulfil in qualitative research as it ensures that the findings of a study are coherent with its intention. To fulfil the issue of credibility, Guba (1981) suggested researchers to use triangulation methods, which involves retrieving data from several sources and using a wide range of informants. Apart from only relying on interviews, we also gathered information from our observations. Further, to ensure that experiences and realities were gathered from different viewpoints we included a wide range of enterprises and actors differing in size, scope, development stage and objectives.

Second, *Transferability* is dealing with how well and in what ways a qualitative study can be generalised to different contexts or situations (Shenton, 2004). According to many scholars, findings of a qualitative study are specific to only a small number of individuals and particular environments and therefore, cannot be transferred into different contexts. However, Denscombe (2014) is offering an opposing view by suggesting that, although findings are

unique to a specific context, they can also be an example in a broader setting. Thus, transferability in qualitative research should not be disregarded. Lincoln and Guba (1985) argue that only a reader can make the transfer of a qualitative study to different contexts. To allow a reader to make such transfer, the researchers must provide the readers with enough contextual information about the fieldwork. Some authors add to this by stating that it is also crucial to give the readers sufficient information regarding the boundaries of the study (Shenton, 2004). Further, as outlined by Guba (1981), purposive sampling can also be used to address the issue of transferability, as it tends to result in more in-depth information given by the participants. To ensure transferability, we included extensive contextual information about the Philippines as a country in general, as well as the current social entrepreneurship environment. Further, upon agreement with all interviewees, we included necessary information about each participating organisation as well as the length of the interviews. Lastly, by adopting a purposive sampling strategy, we were able to interview individuals with extensive knowledge and experiences in regards to our topic. Based on these facts, we believe that this study provides enough information in order to be generalised into similar contexts.

Third, *dependability* corresponds to the act of ensuring reliability in a qualitative study (Wahyuni, 2012). It takes all changes that may occur and how it affects the research into account. Overcoming issues of dependability require researchers to disclose enough information that the study could potentially be replicated (Shenton, 2004; Wahyuni, 2012). To ensure dependability, we have included a detailed description of all the processes that we have gone through during our research. Further, the topic guides including questions for both entrepreneurs and actors is also fully disclosed in the study (Appendix 4).

Lastly, *confirmability* refers to the extent to which an external person can confirm findings of a study and ensure objectivity (Wahyuni, 2012). Similar to overcoming issues of credibility, researchers may here also apply triangulation methods to reduce the potential for investigator biases (Shenton, 2004). As previously mentioned, we applied several triangulation methods to reduce the potential for bias.

4 Empirical Findings

This section presents an overview of the empirical findings from our data collection. Firstly, we explain the categories that emerged during the analysis of our data. After that, the findings are presented similarly to how our interviews were carried out: enabling factors, challenges, opportunities for the future, and additional contextual influences. Each section present the categories of most relevance from the perspectives of both entrepreneurs and ecosystem actors. However, as the last section was added to fit information relevant to understanding the overall context, the categories chosen there are presented without making any separation between entrepreneurs and ecosystem actors. Finally, we conclude the chapter by including a summary of our empirical findings presented in a table.

4.1 Identified Categories

As previously mentioned in the method section seven different key themes emerged throughout our analysis (see table 6). We identified that the information we gathered were both directly related to the ecosystem but also to the broader context in which the ecosystem is located. Thus, we decided to separate our categories into two different levels: the micro and macro levels.

Table 6. Identified categories

	Category	Description
MICRO	Network	The human contacts and connections used to exchange information and experiences. This involves both the personal as well as the professional network.
	Collaboration	The formal, and mutual, relationships, agreements and partnerships that chiefly aim to enhance the performance of the organisation. This cooperation can occur within the ecosystem but also with a multitude of external actors.
	Expertise	The wide range of skills within a particular field such as business skills and soft skills. It also refers to the possession of knowledge within certain areas deriving from exposure and experience. Lastly, it also refers to the transfer of this knowledge through mediums such as education and mentorship.
	Resources	The financial means, human capital, technology and other assets that can be utilised by an organisation in order to function more effectively.
	Intersections	The physical or virtual spaces, events and other forums that accommodate interaction between different people and facilitate the exchange of ideas, expertise and resources.
MACRO	Culture	The intangible factors that directly and indirectly influence behaviour, mindset and attitudes. Elements of social capital such as trust and reciprocity are good examples, but also success stories and societal norms shapes culture and therefore impact the ecosystem.
	Government	The policy environment and support structures that are imposed by the state and its lawmakers. It also includes governmental incentives and programs especially targeted to social enterprises.

4.2 Enabling Factors

From the perspective of the entrepreneurs, this section looks at the most critical support that the entrepreneurs have received from the ecosystem that has enabled them to develop their

ventures. Here, five factors were identified as significant, out of which *network* was considered the most important. From the perspective of the actors within the ecosystem, this section look at the factors that have enabled these actors to support social enterprises, as well as other underlying factors that enable social enterprises from their perspective. Three factors were identified as important enablers for the ecosystem actors, out of which *collaboration* seemed to be the most important.

4.2.1 Entrepreneurs

It was evident that across the three different stages of development the *network* of the entrepreneurs was the most significant factor that had a positive influence on their development. The other four factors identified as important were *expertise*, *intersections*, *resources* and *collaboration*.

4.2.1.1 Network

Start-up

The enterprises currently situated in the start-up phase mainly outlined that their network assisted in introducing them to other actors and people that could support them. For instance, one of the start-ups said, *“When we need support, we use the personal network we have to get connected with players that could be useful, which has been working well for us so far”*. Another enterprise mentioned that *“As a result of our involvement in [...] we were introduced to one of our current board members who have much experience in our industry”*. Lastly, one enterprise mentioned that *“A family member of mine acted as a small equity investor in the initial stages when we were in need of capital”*.

Growth

From the growth enterprises, three out of three companies stated that the network played a crucial part in their development, where one of them mentioned that it helped them to secure funding whereas another used it for business support. One of the enterprises mentioned that *“After I randomly ran into [...], she recommended me about competition in Singapore. I listened to her advice and participated, which got me a significant equity based investment”*. The other venture stated that *“I do not need any external actor to help me with business skills; I have enough people in my network that give me advice when I get confused”*. Lastly, one entrepreneur mentioned that *“Because of my previous working experience in the industry I already have a useful network that have helped me a lot”*.

Mature

All mature enterprises highlighted that their network has been crucial in their development. For these enterprises, the network mainly allowed them access to mentorship, and foster collaboration. One of the enterprises stated that *“Through my professional network I have managed to receive mentors that have helped me to both ensure financial and social impact”*. The other enterprise stated that *“Because my father was the founder of [...] we were able to identify communities to work with”*. Further, the same enterprise also stated that *“I am also a member of Ashoka and Schwab foundation”*. Similarly, the last entrepreneur also stated that

“We are also a member of the Schwab foundation, and they have provided us a lot with personal support”. The same entrepreneur also stated that the industry of choice was based on previous experience, *“Because of my experience and network within the [...] we naturally decided focus on this industry since I saw a lot potential of how we can make an impact here”*.

4.2.1.2 Expertise

Growth

All the growth enterprises outlined that some form of expertise is helping them or have helped them in developing their ventures. The form of support received from these companies included expansion of network as well as business model refinement. For instance, one enterprise mentioned that *“Apart from helping to expand our network outside the borders of the Philippines, [...] also helped us to structure ourselves so that we can show these people how we can have a social impact while generating revenue”*. Another enterprise stated that *“After winning a competition we received mentorship from [...] and [...] and they have mainly helped us to stay on the path and balance our social mission with financial sustainability”*. Lastly, one of the enterprises mentioned that *“The most important thing about the mentorship that we have received is the connections and referrals to other people”*.

Mature

From the mature companies, two out of three highlighted that expertise in the form of mentorship and advice have helped them along the way to balance the social and financial mission of being a social enterprise. One explained that *“I have a few mentors that have been very helpful along the way by helping me to ensure that I am reaching both my social and financial goals”*. The other enterprise said, *“In terms of our social mission the advice we got from [...] was of great importance. They gave us a new perspective to think long-term when it comes to working with our communities”*.

4.2.1.3 Intersections

Start-up

From the enterprises located in the start-up phase, competitions seemed to help them in various ways, including exposure to a network and getting their confidence level up. One of the participants highlighted that because of a competition she became emotionally attached to her idea and decided to pursue it further. That person stated that *“We were a couple of friends that came together at school to participate in the Hult Prize Competition, we won the competition and what started as a dream to go abroad turned into a passionate mission”*. Another entrepreneur outlined the importance of competition regarding receiving initial funding and advice; this person stated that *“Winning the British Council I am a change maker got us initial funding and introduced us to a jury member who became our mentor, and without this guy, we probably would have never continued to pursue our mission”*. Further, one of the enterprises highlighted that participating in a competition was the initial exposure to a larger network; this person said, *“After participating in a competition abroad we gained much confidence after various people we met saw potential in our model. Apart from confidence, we were also through this competition connected to a person who eventually gave us a very beneficial loan”*.

when we needed it". Lastly, one enterprise highlighted the importance of access to online platforms to generate funds and market themselves; this person stated that *"We also tried the local crowdfunding platform SPARK Project where managed to raise initial capital as well as getting our name out there"*.

Growth

From the growth enterprises, two out of three outlined that competitions played a crucial role in their development, especially regarding receiving extra benefits after winning. One enterprise mentioned, *"Winning the British Council I am a change maker and receiving 100,000 PHP, helped me to get started and become serious with the development thanks to the initial funding and confidence it gave me"*. Similarly to the previous founder, and to those in the start-up phase, another stated that *"Participating in and winning the BPI Sinag helped us with the capacity building since we received 500,000 PHP, but the most important thing was that we also received mentorship afterward"*. Further, the same enterprise also outlined the positive effects of attending networking events, *"I am also a member of Impact Hub in Manila where I have attended many networking events, and many of my team members were found through these events"*.

4.2.1.4 Resources

Start-up

As mentioned in the previous section, participating in the competition and receiving initial funds was an essential factor in the early stages. For example, one entrepreneur said it *"Allowed us to get enough funding to start and register the company"*. Another enterprise mentioned that even though they believe it is not sustainable to rely on grants, *"The grants are beneficial for us when working on developing the communities which we work for rather than developing ourselves as a business"*.

Growth

For the growth enterprises, access to resources mainly helped them with capacity building. One of the enterprises stated that *"The investment from [...] helped us to provide our communities with the necessary machinery needed to produce"*. Further, another enterprise also highlighted that *"Access to financial capital has for sure been the biggest factor for me during my development as it has allowed us to make machinery investments as well as engaging more with our partners"*. Apart from capacity building, one enterprise highlighted that resource acquisition through the use of online platforms was an important enabler for them; this person said that *"We used both Kickstarter and Kiva to raise money for investments in machinery"*.

4.2.1.5 Collaboration

Growth

For the growth enterprises, it was identified that some form of collaboration helped them to access markets or resources. One of the enterprises explained that *"To access land we made joint-ventures with property owners, and together with them we also have a shared revenue"*. The same entrepreneur also highlighted that they are currently looking into a partnership that

will lower their costs significantly; *“We are now looking to partner with [...] because they have over 17,000 abandoned containers which could be used for our operations”*. Another entrepreneur highlighted the importance of having a partnership with big corporations to access bigger markets; this person said, *“We are working together with some big corporations here and in total we have over forty cafes and hotel in the country selling our products. We have noticed that these companies are interested in the trend sourced locally”*.

Mature

All mature enterprises mentioned that collaboration or partnerships had been a crucial enabler. One of the enterprises pointed out that *“Our collaboration with a microcredit bank has allowed us to identify many community members to work with”*. Another enterprise highlighted the importance of collaboration both from the social and the business aspect; this entrepreneur stated that *“Our partnership with universities makes it easy for us to work with our students since they are so flexible and accommodating with our student’s needs”*. Further, the same entrepreneur said, *“Through collaborating with big companies we have received many volunteers that help us with our financial side of our business”*. Further, it was outlined that *“Our international partnership with [...] have been beneficial since they helped us to define our impact measurement”*. Lastly, one entrepreneur mentioned that *“Thanks to our collaboration with [...] we have been able to increase our impact and focus on transformational rather than transactional services.”*

4.2.2 Ecosystem Actors

From the perspective of the ecosystem it was evident that *collaboration* was the most critical aspect that enabled the actors to support social enterprises. Even though not as consistent, many actors highlighted their *network* and *expertise* as critical enablers.

4.2.2.1 Collaboration

Seven out of ten ecosystem actors highlighted that collaboration was a critical aspect. Many respondents stated that the collaboration between different ecosystem actors is important when serving social enterprises as it allows for more diversity and access to more resources. For instance, one actor mentioned that *“We are trying to establish an ecosystem ourselves by bringing different actors together with the same mission of supporting social enterprises in the country”*. Similarly, another actor also stated that *“When we are running our programs we are always trying to combine different actors and work together with a variety of partners to get diversity as well access to more resources”*. Further, one other actor also highlighted the importance of diversity when serving social enterprises; this person said that *“For some of our programs we are collaborating with [...] since they are located in the city, and we focus more on the rural. This creates an ‘exchange’ of opportunities, which we believe is important”*. Another actor who is also operating in more rural areas highlighted the importance of collaborating with local government bodies to access more resources; this person said *“We have created a collaboration with DTI in this region. They have been supporting us by providing technical support to some of the enterprises, which we are working together with”*.

Lastly, one respondent mentioned that *“One of our strengths as a small actor is that we know our limitations. We know that we can only achieve things in collaboration with others”*.

Some actors also mentioned that they are dependent on partnerships with other actors to sustain their operations. For instance, one actor mentioned that *“Our main source of income comes from the partners whom we are collaborating with on certain programs”*. Another actor stated that *“Since we are a small actor we naturally try to establish partnerships with big private actors to access more financial resources”*. Apart from accessing resources through collaboration some actors also mentioned it as an important factor to create more awareness and education about social entrepreneurship as a concept. For example, one actor mentioned, *“Together with [...] we create case studies on all the participants in the competition that we use for educational purposes for the following years batch”*. Lastly, one respondent stated that *“We have to collaborate with media for our competitions as it is important to get the stories out there and create more awareness”*.

4.2.2.2 Network

Some actors emphasised their network as important when it comes to supporting the social enterprises. It was evident that the networks enabled the social enterprises in various ways. For instance, two actors highlighted that their network gave social enterprises access to a stable market. One of the actors said the following about one of the social enterprises that they are working with; *“By introducing them to our network, they now have a strong collaboration with Robinsons Supermarkets”*. The other actor mentioned that *“With our wide network of communities and farmers we help our entrepreneurs to develop their supply chain and give them access to a market.”* Some other actors stressed the importance of their network as a way to connect social enterprises with financial capital, where one of the actors stated that *“Even if we are not looking to invest in a company, we are always trying to connect them with other potential investors within our network”*. The same actor also mentioned that *“Our network is something that we have nurtured for an extended period and without it, it would be challenging to help our partner social enterprises to scale”*. Lastly, one actor stated that *“To work with government requires patience and that you have to know the right people”*, highlighting the importance of having an influential governmental network if you are looking for state support.

4.2.2.3 Expertise

Lastly, when speaking about NewGen SE, many actors identified expertise as an enabling factor when developing the enterprises. It was suggested that many of them have obtained it from previous experience, with one saying that *“Almost all of the “successful” social enterprises are coming from corporate backgrounds”*, and subsequently reflected, *“Maybe that it is the learning curve of a social entrepreneur”*. Another actor said, *“My view is that most entrepreneurs that have developed social enterprises either come from the corporate world or as a newly graduated from University”*, and another adding that *“Some of them have already had contact with entrepreneurship. They are all educated and have previous working experiences”*.

4.2.3 Summary of Enabling Factors

After looking at it from both perspectives, it is evident that the *network*, as well as *collaboration*, play the most important roles. From the perspective of entrepreneurs, the network allowed them to reach out and connect with other people who might be beneficial for their development. Further, through observation and conversations we noticed that the mature enterprises had a much more comprehensive professional network both within the Philippines and abroad including big corporations and well-established NGOs. Apart from being larger and having operated for a more extended period, the mature enterprises were run by entrepreneurs who all had previous corporate experience and connections to the development sector. Further, it was apparent that from the perspective of the entrepreneurs, collaboration was a crucial factor in the development to access a market and to lower the cost of operations. Similarly, the same factor was an obvious enabler also for the ecosystem actors as it contributed to more diversity while also allowing them to tap into more resources when supporting social enterprises. Although not explicitly stated, we observed and understood that collaboration and partnership were often accessed through the networks of the entrepreneurs or the actors. Lastly, an additional interesting finding was that intersections enabled start-ups and growth enterprises to get exposure to the ecosystem in terms of generating contacts, but also as a source of gaining expertise and raising initial funds.

4.3 Challenges

From the perspective of the entrepreneurs, this section outlines the most significant challenges faced in terms of developing their enterprises. Three significant challenges were identified, out of which access to *resources* and the lack of *expertise* were seen as the two major hurdles. Further, the *government* was also identified as a constraining factor. From the perspective of the actors within the ecosystem, this section looks at the perceived challenges hindering individual enterprises from developing, but also challenges faced by the sector as a whole. Similarly, they also highlighted lack of *expertise* as a critical challenge. However, equally important to many actors were some of the *cultural* aspects surrounding the social enterprise sector in the Philippines.

4.3.1 Entrepreneurs

Apart from access to *resources* and the lack of *expertise*, the growth and mature stage enterprises also highlighted the *government* as an obstacle.

4.3.1.1 Resources

Start-up

From the start-up perspective, accessing and retaining human capital was outlined as the primary challenge, with all four of the enterprises emphasised it. Many of the enterprises outlined the difficulty in competing with higher salaries from traditional companies. One entrepreneur said: “*We have many people that are willing to help out but not ready to commit since we cannot compensate them*”. Another entrepreneur similarly stated that “*Keeping quality people in the team is a hard challenge because for them to stay, we need to pay them*”.

well.” Further, one entrepreneur also mentioned that *“Hiring people with the right mindset and low expectancy of salary is challenging for us”*.

Growth

Two out of three enterprises in the growth stage outlined both human and financial resources as significant challenges. One of the growth enterprises who had not yet received any investments highlighted the challenge of accessing financial capital, whereas the other one who was already invested in, outlined the difficulty of accessing skilled human capital. The first entrepreneur stated that *“One major problem is access to funding because we cannot lend from banks and it is difficult to get good deals with impact investors”*. The other entrepreneur said that *“It is expensive to employ mid-level managers and to compete with other firms that can pay better. Many likeminded people want to work with us, but few with the talent required”*.

Mature

From the perspective of the mature enterprises, two highlighted human capital as their biggest challenge. Similar to the start-ups, one of the entrepreneurs stated that it is challenging to compete against traditional corporations when it comes to salaries. This entrepreneur stated, *“We require people with certain skills and experience, but it is difficult to compete with salaries of bigger companies”*. The other entrepreneur emphasised that sustaining human capital is more difficult than attracting it by stating *“We are lucky that we have managed to attract that many people that are likeminded, but the question is for how long we can sustain them”*.

4.3.1.2 Expertise

Start-up

All four start-ups highlighted that working and dealing with partner communities were big challenges. Some of the enterprises mentioned that due to their lack of experience and knowledge they were struggling to maintain and build relationships. For example, one of the entrepreneurs said that *“Since we started out without any knowledge of how communities work – going there and trying to build a relationship was difficult, and we have had to quit some community partnership because of this reason”*. Another entrepreneur said that they were struggling to *“Establish partnerships with communities since it is difficult to communicate with them sometimes”*. However, one entrepreneur highlighted that *“It is less demanding if we work in a community where an NGO is present because they already have the know-how of working with that particular community. Whereas, when we work with communities without NGOs it is tough to build relationships with them”*. Lastly, one former student who started the social enterprise during the time at university pointed out the challenge to earn trust from communities as a young person. This person said that *“Failures of so many projects have eroded trust from the community. They think: here is another student who gives hope but does not act”*.

Growth

The three growth enterprises mentioned that there was mainly the lack of some business skills that are hindering them or have hindered them in the past to develop their ventures further. One of the entrepreneurs explicitly stated that *“Since my background is in development work, efficiently making informed business decisions is a huge challenge for me”*. Further, one of the

entrepreneurs also mentioned that *“During the years 2012 and 2014 we were struggling a lot with the development of our product”*. Another entrepreneur added to this by also highlighting the difficulty in having the expertise needed for both the social and financial mission, which can make it difficult to attract investors. This person stated that *“A traditional enterprise only has to measure one thing, and that is profit. We as a social enterprise have to continuously measure two things, social and financial, which has been difficult for us and during talks with potential investors this question always comes up, how do we ensure both financial and social success?”*.

Mature

From the perspective of the mature enterprises, it was evident that one big challenge they are facing is the lack of soft skills such as leadership and communication skills. For instance, one of the entrepreneurs stated that *“We have now a sales team in the field with over 30 people and just managing them and teaching them our culture is a big challenge for us”*. Another entrepreneur stated that *“Managing the well-being of our staff can be quite challenging at times, since you as an employee absorb a lot of emotional stories from kids, so it is easy to get attached to issues, and it affects you”*.

4.3.1.3 Government

Growth

All of the enterprises within the growth stage outlined that dealing with the government is a challenge. The two enterprises who are operating under the Food and Drug Administration (FDA) mentioned that complying with government regulation is tough. One of the entrepreneurs said, *“If we want to export it is very intimidating to fulfil all requirements set by the government, and FDA is not straightforward”*. The other entrepreneur confirmed this by also saying that *“Bureaucracy is a big challenge here in the Philippines compared to in America. If we want to export the regulations are very tough and it is difficult to comply”*. Lastly, one entrepreneur mentioned that bribery is a big challenge. This person pointed out that *“For us to be able to build, we need to have a permit and if we do not put in a bribe, the permit will take ages until it is approved”*.

Mature

Out of the three mature enterprises, the two of them who are involved in production pointed out rules and regulations set by the government as a challenge. One of the enterprise mentioned that *“Instead of working with us it seems like the government sometime is working against us, and when you as a social enterprise is growing the government makes it difficult for you to comply with everything.”* The same entrepreneur also said that *“It is complicated to get products accredited”*. The other entrepreneur similarly highlighted that *“The government is not very supportive, they are rather bureaucratic and make it tough to comply”*. The same person also mentioned that another issue with the government is that they have not recognised social enterprises as a company form yet. As a result, she explains that *“A big challenge for us is the lack of recognition. Often, people and companies do not understand what we do since we are*

not a charity nor a traditional business. Because of this, it can be tricky to find good partnerships or get people to sponsor money for our foundation”.

4.3.2 Ecosystem Actors

From the perspective of the ecosystem, it was evident the lack of specific *expertise* and a non-supportive *culture* were the two most significant challenges faced by social enterprises. Moreover, the actors also mentioned the lack of *resources* and dealing with the *government* as other challenges.

4.3.2.1 Expertise

When talking about the lack of expertise, some actors highlighted the lack of specific business skills as a prominent challenge hindering the social entrepreneurs. One of the actors mentioned that *“Social entrepreneurs are brave, but they often don’t know how to bring a product to market, they lack basic business skills such as the four P’s”*. Another actor stated the same but also linked it to the difficulty to access funding; this person said that *“We often hear that there is a lack funding here in the Philippines. However, there is a lot of funding available out there, but SE often lacks basic skills such as comprehend a financial statement”*. Rather than lacking business skills some actors also highlighted that the entrepreneurs are lacking certain soft skills, which are hindering them from developing. One of the supporters mentioned that *“Most entrepreneurs possess the right business skills through mentorship and education, but the soft skills are still lacking and this is very important for social entrepreneurs”*. Another actor added to this by pointing out that *“The social entrepreneurs tend to be shy and are afraid of interviewing people, also they try to avoid honest feedback”*. These skills could be attained if there were more opportunities to learn, with one actor stating that *“Social enterprises do not have enough opportunities to receive mentorship, training, and education”*. Lastly, one more actor also said that *“There is a lack of programs focusing on best practices for social entrepreneurs”*.

4.3.2.2 Culture

It was evident that many of the actors argued that the mindset of individual entrepreneurs and their families are hindering the development of more social enterprises in the country. For example, one actor pointed out that *“It is challenging for students to commit to their social enterprises after they finish their education because of the pressure from parents to get employment and start supporting the family”*. Another actor mentioned that *“If they are facing troubles when scaling, many social entrepreneurs tend to give up and go corporate instead”*. Further, one actor who is operating outside the borders of Manila outlined that many social entrepreneurs in these regions lack self-confidence. This person said, *“One reason why many of the social enterprises in the Autonomous Region in Muslim Mindanao (ARMM) does not take part in activities or competitions is because they lack the self-confidence to compete with students coming from the well-educated backgrounds in Manila”*. Apart from the mindset being one challenge, one actor also highlighted that after being successful in competitions many entrepreneurs become caught up in the fame and change focus. For example, this person stated

that *“We have had a problem with winners of competition who receive free professional mentorship for an extended period not showing up for meetings and take the help given”*.

4.3.2.3 Resources

Some players within the ecosystem highlighted the lack of financial resources as a factor hindering the development of social enterprises in the country. More specifically, a few outlined that throughout the growth stage, this is particularly tricky. For instance, one actor mentioned that *“During the development stages access to financial capital tend to be the most difficult. The reason for this is because at this stage they need to invest for the future, but often they cannot obtain bank loans without collateral, or they are not yet appealing enough for social investors”*. The same issue was also highlighted by another actor who pointed out *“Opportunities for funding in the growth stage are insufficient, there are not enough social investors and many enterprises have to little assets which makes lending tougher”*. Some players did not think of this issue as specific to one particular stage but rather that *“Access to capital at all stages of the venture is a challenge”*. Lastly, one actor also pointed out that *“If you do get funded through loans, the interest rates are too high, considering that you as a social enterprise considers a triple-bottom-line and not only focusing on profit”*.

4.3.2.4 Government

Similar to the entrepreneurs, a few of the actors emphasised that complying with specific government regulation is a struggle. One player highlighted that *“Complying with the regulatory framework is very difficult for many social enterprises that are producing and selling fast moving consumer goods (FMCG)”*. Another actor also pointed out that *“As a small social enterprise you do not have the time and resources to comply with all regulations. Even if you have a great product and a sustainable process you still need to prove to the government that you are complying. Otherwise, you get penalised”*. Further, one player also stated that *“The policy environment is currently framed in such a way that social enterprises have to compete on the same terms as traditional corporations, which is not fair”*. Some actors also outlined the lack of commitment from government bodies to show support for the sector. For example, one of the actors mentioned that *“[...] take part in some discussions when we invite them, but they still show limited interest and appreciation for social enterprises”*.

4.3.3 Summary of Challenges

In summary, according to both the entrepreneurs themselves and the ecosystem actors, it is evident that the lack of particular expertise seemed to be the most significant challenge hindering social enterprises to develop. Interestingly, we have seen that the mature enterprises outlined soft skills as a challenge in comparison to most of the enterprises in the start-up and growth phase. These enterprises mainly outlined the lack of specific business skills and dealing with communities as their biggest challenge. Additionally, both entrepreneurs and actors also highlighted that access to resources and the government are two other challenges hindering the development. However, as seen in the findings majority of the actors highlighted that lack of financial capital was the biggest resource constraint facing social enterprises that are trying to

grow. Contrary, the entrepreneurs themselves highlighted the lack of human capital as the most significant challenge. Another interesting finding, was that the entrepreneurs who highlighted the government as a challenge were mostly enterprises within the FMCG or production segment. This was also strengthened by some of the actors who also mentioned that complying with regulation is difficult.

4.4 Opportunities/Overcoming Challenges

This section is presenting various avenues of opportunities to develop the ecosystem in order to provide better support for NewGen SE. Both entrepreneurs and ecosystem actors elaborated on ways to overcome previously identified challenges and general improvements of the sector. The *government* was identified by both entrepreneurs and ecosystem actors as important to overcome some of the challenges in the sector. Additionally, *collaboration* showed the second most relevance in relation to overcome challenges and provide more opportunities for development.

4.4.1 Entrepreneurs

In addition to *government* and *collaboration*, the entrepreneurs from the start-up and growth stages also emphasised the need for more *intersections* to facilitate their development.

4.4.1.1 Government

Start-up

All four companies in the start-up phase mentioned the government as one of the keys to develop the ecosystem further. From a policy perspective, one entrepreneur said, *“If there were more incentives for social enterprises, maybe more people would get involved”*. Exemplifying one type of incentive, another entrepreneur said that *“I would like if the government could support us by giving free machines”*, while also acknowledging that – DTI (Department of Trade and Industry) is now increasing market access opportunities which can encourage more people”. Another one stated that *“It would be useful for us to have a different governmental body where we could seek help with business skills such as accounting and other financial skills”*.

Growth

Two out of three companies mentioned the role of the Government. One entrepreneur reflected on the fact that *“Social enterprises naturally do not make as much money as a regular business”*. Hence, incentives such as tax breaks would be useful, further arguing that *“The government should see this as a way of boosting the economy. Because if they invest in more companies like this, they will have to spend less money on problems”*. Another entrepreneur thought back to the difficulties and costs involved in complying with regulations, such as export requirements. As a way to facilitate this *“It would be very good to have some (governmental) program set up where SEs can share the cost and get advice how to follow regulations”*. Also, to facilitate access to funding, a proposition was made to *“Try to pass a bill for equity crowdfunding in the Philippines, as it currently only allows reward-based crowdfunding”*.

Mature

All three companies in the mature stage brought up different aspects of Government activity that could help the sector. One entrepreneur emphasised that *“We need champions in government and industry”*. Consequently, this could inspire *“More recognition and a strong citizen movement where the difference between social enterprises and others are clarified”*. Another entrepreneur highlighted the potential for government to facilitate collaboration by *“Creating a regulatory framework that makes inclusive businesses more interested in working together with social enterprises”*. Another entrepreneur also mentioned *“Recognition and a clear definition”* as important, but also suggested the government or private actors to set up a *“Social stock exchange where people can invest”*, or *“An equity fund where change should be primary focus, and returns secondary focus. Perhaps where donations are changed to equity”*.

4.4.1.2 Intersections

Start-up

All start-ups brought up the importance of having more available intersections to provide more opportunities to further develop their business. One entrepreneur said: *“It would be good if there was a common platform between all actors. This would facilitate the connection and collaboration, and would expose us to more actors, and the actors would be able to better see what social enterprises to support”*. A second entrepreneur also suggested a platform listing all actors in the ecosystem, which could be used to *“Match government resources with needs from social enterprises”*. Similarly, another one stated that *“I want to have a one-stop shop in the ecosystem where all the enterprises can get access to a market, getting a network, information, and experiences. Also, a forum where you can identify key actors who can help you with the right thing”*. Furthermore, it was also stated that *“It would have been very useful to increase the amount of workshops sessions, and have more places where likeminded entrepreneurs can meet and discuss particular topics”*.

Growth

Also among the growth stage companies, everyone mentioned things related to intersections. Reflecting back to the beginning of the entrepreneurial journey, one said *“I think if I knew who to connect with ecosystem early on as an outsider it would have helped a lot”*. Elaborating further, the same entrepreneur said *“Having nodes around the city and create smaller hubs where people can meet, and not just limited to central Manila, because If you do so many young and small-scale initiatives might be left out from the network and support they need”*. Another entrepreneur also suggested more physical spaces, where *“Like-minded social entrepreneurs can connect, share, gain market access, network”*. A third entrepreneur suggested to form an association among entrepreneurs where *“You get to meet monthly or quarterly where you share experiences. And when we want to lobby for something we can have a more significant voice”*.

4.4.1.3 Collaboration

Start-up

Three out of four enterprises in this phase mentioned collaboration as a key to further grow and develop. One entrepreneur spoke in general terms about the need to *“Streamline the*

collaboration between farmers, SE and the government institutions". Others spoke more specifically about identifying partnerships with other businesses, both other social enterprises but also private corporations. One entrepreneur said *"Working with a big company in the real estate business could potentially allow us create more awareness of social problems in the wealthier areas"*. Another spoke at length about a recent shift in focus to B2B, as *"More corporations are getting more interested in funding social enterprises; they might not be able to impact us, but they can enable us"*. Elaborating on this, the same entrepreneur said that some companies want to move beyond CSR and rather *"Want to integrate social entrepreneurship aspects in their value chain"*, concluding that *"social procurement"* is a great opportunity for the future.

Mature

All mature companies brought up the importance of collaboration. The topic was not just discussed in regard to potential benefits for their own sake, but also for the sector as a whole. One entrepreneur said *"Social enterprises need practical advice and access to bigger markets, we need to open up our value chains to give them opportunities"*. For example, the same entrepreneur said *"We want to nurture other social enterprises and become a platform for scaling up, as they can use the existing infrastructure of our company"*. The motivation behind this is simply that *"We can't change poverty by ourselves, we need other actors"*. Another entrepreneur described this as a *"Netflix strategy, where we sell our content and products by others. Social enterprises help facilitate others while promoting themselves"*. Another entrepreneur described a different type of collaboration between social enterprises, *"We focus more on young entrepreneurs through workshops. We teach design thinking, and how their business can be more inclusive. We are happy to share our tools and knowledge, and it is a way for us to make some money as well – a type of social replication"*. On the other hand, it was also identified that collaboration need to happen with mainstream businesses too, with one explaining that *"It is clear to me that large businesses can become very purposeful because of their resources and scale. But they do not always have the right intention and passion as the social enterprises have to address social problems"*. Therefore, there are opportunities to complement each other and *"We must find ways for these two actors to work more effectively together"*. One of the entrepreneurs identified one way to do this: *"Create a group of business owners. Look at what core business they have and identify social enterprises within similar area"*.

4.4.2 Ecosystem Actors

In addition to *government* and *collaboration*, the ecosystem actors emphasised the importance of *expertise* within social enterprises but also increasing the awareness of sector as a whole.

4.4.2.1 Government

Similar to the entrepreneurs, also the ecosystem players repeatedly mentioned the government as crucial to further develop social enterprises. Overall, it was highlighted by eight out of ten actors. Some focused on the importance of being better recognised, with one saying that *"Social enterprises need to become recognised by the government so that they can get benefits"*

from doing the governments job in addressing the social problems here in the Philippines”, and another stating that “The concept needs to find a unified definition”. A third one said, “I would love if there was a special division under the DTI for social enterprises, to have one voice from the government”. Others rather highlighted their role to provide support and incentives. One actor expressed: “I would like to see a one stop shop for all governmental services for all you need to do for compliance”. To facilitate access to finance, another wishfully said: “The government could have a special budget only for social enterprises similar to the maGIC in Malaysia”.

Others recognised the fact that there is already support in place. One example is the GoNegosyo centres scattered around the country; “The aim of GoNegosyo act was to increase the mentorship and training towards entrepreneurs as well as giving them access to a market through the use of a network”. Similarly, another one said “There is a lot of support and grants available. Each department can help in some way. There are also incubation/accelerators through government”. However, as exemplified by one actor, “There are incentives even now but it takes time to implement and for people to be aware. The PRESENT bill would help with this, more people would be heard”. As the definitional debate continues, “Government could look into designing new policies that are not limited to a definition”. Hence, there were also legislative suggestions that would enable more social enterprises to develop. Three such examples were: Firstly, “An inclusive business bill. This could influence big corps to have a more inclusive value chain”. Secondly, “A social value bill exactly similar to the one in the UK. This would allow the government to be a market for social enterprises”. Thirdly, “A bill that would aim to unlock other forms of collateral. This would make it easier for social enterprises to access loans to their business”.

4.4.2.2 Collaboration

Also among the ecosystem players, the notion of collaboration turned out to be a frequent discussed topic as seven out of ten actors brought it up. There were a few different focus areas with some talking about the importance for social enterprises to work closely together through the sharing of resources. One actor said, “We want an environment where you can mutualise as many resources as possible. Shared services needed on marketing, logistics, accounting, design etc.” Another one further explained saying that “Hiring one accountant is very expensive. If 15 social enterprises could share one accountant it is much more affordable- Since most are small they would not need too much time each”.

Most actors, however, focused on the collaboration with conventional companies. One actor said “The social entrepreneurship ecosystem has to gel with mainstream ecosystem. It is not a separate galaxy”, and later added that “It would be great if social enterprises could be linked with big players and add value to their product and value chain“. It was also pointed out that connections to mainstream business is important since “Corporates are the ones that have the power to make a big difference”. The reason to do this was further elaborated on by an actor, saying that “Try and be part of a bigger company’s supply chain. You’ll get economies of scale and can help more people - Once you get more capacity you can start producing more and sell

to more”. An additional avenue to explore is CSR as it is becoming more and more important for big companies; *“Social enterprises can fill a role there”*.

Some also looked at the bigger picture and recognised the need for wide collaboration in the private sector. One actor said *“We need to have a much more collaborative atmosphere where everyone is supporting everyone. We want to really find ways of collaborating with other actors so that everyone can do a little bit more to help the social enterprises to scale”*. Another one gave an example of how to do this, saying that *“There needs to be an umbrella organisation for organisations interested in investing in social enterprises. In these organisations there should be a diverse group of people included not only practitioners but also beneficiaries”*.

4.4.2.3 Expertise

Five out of ten ecosystem actors brought up the importance of expertise. Most of them spoke about this in relation to creating knowledge and awareness of the concept itself, and there seemed to be an agreement that educational institutions are the best avenue to promote this. One actor said, *“There is a need that we have more faculty with real life experience that can pass on knowledge”*. Another one said, *“Education is the key to create awareness of social enterprises, so it is crucial that educational institutions starts teaching students about the benefits of SE at early stages”*. One actor explained what the outcome would be; *“If we can get more young people to choose this path it can have a big effect on the sector in the future because the government will have to create a space for them”*. Furthermore, one actor further reflected that *“Young people are needed to make more noise. Then more actors, like us, can easier provide technical expertise and help them scale up so they reach a phase of financial sustainability”*.

Others also highlighted the need for technical and personal support from experts. One actor reflected on the fact there is not a lack of resources out there, *“But entrepreneurs are the ones who have to do it themselves. They can’t be handheld, but they need help and support to be put in right direction”*. Another actor pointed out that *“Personal and professional mentorship is needed. You need right balance between taking care of yourself and the company. We have to teach and prepare entrepreneurs”*. The same actor continued saying that social enterprises have different needs, and operate from a different standpoint than other companies. Therefore, there must be *“Easy access to subject matter experts that can understand your subject and needs through the eyes of social enterprises”*.

4.4.3 Summary

As understood in the previous section regarding challenges, the government and the policy environment are seen as constraining factors. However, as seen in our findings in this section, both entrepreneurs and ecosystem actors acknowledge, perhaps wishfully, that the government also have potential to play an important role in unlocking many opportunities for the social enterprise sector. Entrepreneurs want to see more incentives and support whereas the ecosystem actors to a higher degree seem to recognise that the government in fact does provide some support. However, they all agree that dealing with government could be easier through

gathering their services, for example in a “one-stop shop”. Also, a wider recognition of social enterprises is crucial to bring the sector forward. Many also identify the promising opportunities in enhancing collaboration within the sector through, for example, the sharing of services. Interestingly, mature stage enterprises showed a great willingness to help younger companies by sharing both knowledge and infrastructure. Both entrepreneurs and ecosystem players also spoke about the importance of collaborating more with mainstream businesses, as this could provide plenty of opportunities to scale up operations and increase their impact. Also, the need for more intersections were identified, especially by the younger companies, as they offer opportunities to exchange knowledge and experience, and find potential partners to work with. The ecosystem actors rather focused on the need to develop the sector as a whole, by facilitating the access to expertise through both educational institutions and service providers.

4.5 Additional Contextual Influences

As two outsiders, initially unaware of the local context in the Philippines, we soon realised that developing a deeper understanding in which the social entrepreneurs operate was important. Hence, this section will focus on the contextual factors that we observed, and often expressed by our interviewees that directly or indirectly influence the development of NewGen SE as well as the supporting ecosystem in the Philippines. Here, we have gathered voices from both entrepreneurs and ecosystem actors to gain a collective view of the context they operate in. Broadly, influencing factors related to *government*, *culture* and *collaboration* seemed to be of the highest relevance.

4.5.1 Government

The role of social enterprises

One of the more notable impressions of the social enterprise movement in the country is the ongoing struggle to define the concept itself. One ecosystem actor said “*The definitional aspect of social enterprises is something that has been the problem for many year*”, and another, “*There is still a lot of questions about the definition of what a social enterprise is*”. Similar opinions were found among the entrepreneurs, one saying that “*There needs to be a clear definition and recognition of social enterprises*”.

A few interviewees went one step further, trying to explain why the definitional debate continues. To exemplify one of the issues with defining the concept, an ecosystem actor said, “*There is a mindset among some people that you should not make money from a social enterprise*”. Others appeared to boil it down to different opinions how a social enterprise should operate. One mature-stage entrepreneur identified two positioning strategies; “*Firstly, bring solutions to markets where failure exists. Second, you go to already established markets with a social purpose*”. An ecosystem actor fully agreed with the first proposition, stating that “*Social enterprises should focus on areas where supply is low. In markets already saturated by mainstream businesses there is no real need for social enterprises*”. On the same topic, a mature-stage entrepreneur reflected upon the difficulty to define the concept because “*Many businesses could call themselves social just by hiring from local communities*”, but continued

saying that *“For me that is more of an inclusive business, which includes almost all companies in the Philippines are. You need to do more”*.

Policy environment

Both entrepreneurs and ecosystem actors, link the definitional issue about the role of social enterprises to the government. One entrepreneur said, *“The government is unaware of the concept and there is no policy program for social enterprises”*. An ecosystem actor also stated that *“The policy sector is still lagging behind”*, and another entrepreneur saying that *“Nothing separates us legally from other for-profit companies”*. An ecosystem actor reflected on the state of the social entrepreneurship scene saying that *“There is enough happening to create the spark, but not to get magnitude. For this to happen it is crucial to get Government on board”*.

In all interviews we asked about the PRESENT Bill (Appendix 3) which, if passed, would provide a clearer definition, formal recognition and potentially some incentives for social enterprises. Although some seemed more engaged than others, eight out of ten entrepreneurs think such a law would be beneficial, whereas the remaining two do not think it would have any noticeable impact on their operations. Some were not so engaged saying *“Not too much to say. Would be good but It depends on the incentives we could receive. It is all about implementation”*, and *“I don’t know much about it but I think it potentially could influence us yes, especially concerning being recognised as an SE as it gives us the legitimacy”*. Others were more convinced saying *“I think it would have a positive impact, I hope that this can help to mainstream us”* and *“If there is some recognition of what a social enterprise is it could help us to work easier with other companies”*. One ecosystem actor identified that *“Governmental bodies have different lenses when looking at a social enterprise”*, which make it harder to pass the law. Another one highlighted the aspect of unfairness in the marketplace as an obstacle, because *“If a social enterprise enters a market with a similar product that is already existing, and they are to get incentives it is not a fair playing field with mainstream businesses”*. The same actor continues saying that *“The main issue is with the definition and distinction. How do you make sure these social companies are what they claim to be?”*. Another hurdle appears to be the nature of politics as expressed by two ecosystem actors, *“Of course in politics there is more than one agenda”*, and another *“It is a struggle to get attention when there are so many other priorities”*.

Steering the conversation away from the definitional debate, there were also general thoughts on the support from the Government. One ecosystem actor observed a lack of prioritisation as *“The Government need to develop a deeper understanding of social enterprises; it seems like they focus mostly on micro/small enterprises with traditional business models”*. However, it was also expressed that there is in fact support available; *“Local government units are offering incentives but people are not aware of it”* and, *“There is a goldmine out there, but social entrepreneurs are just waiting for things to happen”*. Although many expressed the opinion that governmental support is still lacking, there was a noticeable positivism about the development of the sector as a whole among all interviewees. One entrepreneur said, *“Government are still behind in the development of the social enterprise sector, but in the past*

decade, there are more private 'actors that are starting to take interest'. Similarly, an ecosystem player expressed that *“there is not so much focus, but there are for sure some players who are pushing it”*, and another saying *“there is an increased interest from multiple stakeholders”*.

4.5.2 Collaboration

Although there exists much positivism around initiatives from the private sector there is also a general recognition that a lack of coordinated collaboration exists. One entrepreneur said, *“I am happy to know that it is growing, but the ecosystem is still very young”*, and because of that, continued saying that *“Social enterprise need to be more creative in finding ways to acquire resources”*. An ecosystem actor said, *“The ecosystem is very young and needs to be developed”* and another said *“At the moment there is too little support for social enterprises in the Philippines and we need more people that support the fact that business should have more than just an economic purpose”*. Despite the fact support is limited, one entrepreneur highlighted the sense of goodwill in the sector saying that *“There is a lot of people and actors that want to help and support new generation social enterprises”*, but simultaneously said, *“There is a lack of matching support with social entrepreneurs who are in need”*. Along the same lines, another entrepreneur said, *“There is support and money available, but in the space between accelerators and incubators there are few actors”*.

There were also some opposing views about the characteristics of the ecosystem, which influence the collaboration between entrepreneurs and actors. Most interviewees described it as rather small and only concentrated to certain districts of the capital city, Manila. One entrepreneur said it is *“A small and tightknit community where everybody knows everybody”*. Another entrepreneur said, *“I believe that the ecosystem is very limited to Manila which is unfortunate since there are many other places that would benefit from our micro ecosystem”*. However, an ecosystem actor also described the sector as *“fragmented”* and that *“there is no one voice”*.

4.5.3 Culture

Attitudes and mindset

The rise of NewGen SE seem to reflect changing attitudes in society and a shift in mindset among the youth. Five out of ten ecosystem actors mention these aspects when describing NewGen SE, with one capturing this well saying *“They have just evolved and I think it has a lot to do with the time that we live in. We mentor a lot of younger local founders who want to make an impact with their ventures and that have big beliefs that they can earn from doing good”*. Another ecosystem actor said, *“More and more young people are looking for purpose. Social Enterprises might provide an answer to that”*, and continued saying that *“Our generation is starting to challenge CSR, and people start to realise that the social aspect actually can be successfully implemented in the business model from the beginning, not after you have been profitable”*. As expressed by another ecosystem player, *“The NewGen SE are younger, have vision and try to address problems in more creative and innovative ways”*, whereas another highlighted their *“Willingness to risk a lot of time and energy and youthful*

years to test their social models to see what is possible". However, it was also mentioned that the image of social entrepreneurship might not match reality, with one actor saying that *"Social entrepreneurship is sometimes romanticised. At the start, you go to events and competitions and you meet a lot of people"*, and another adding that *"Many NewGen SE think it is good enough to merely include BoP, but there must be more efforts to let them know what exactly it involves"*.

In general, it seems like these entrepreneurs have little difficulty to stay true to the social aspect of their businesses. It was indicated that many have the right attitude and willingness to do something good, but are perhaps lacking the knowledge, skills and structure to do so. One ecosystem actor said, *"We see that young people are more socially oriented and very idealistic, they want to make a difference"*, and later added that *"NewGen SE seem very committed to their social mission and they keep going despite facing challenges"*. Another ecosystem actor reflected on what differentiate these entrepreneurs from others and concluded that *"They normally tend to have much more passion and drive for their solutions"*. Also, because these enterprises are generally started by younger entrepreneurs it was identified that *"When you are young there is no urgent need to make money, you can focus more on helping others"*. Consequently, the same person continued saying, *"Perhaps, there is even too much focus on impacts and less on the financial side"*. Following this, another ecosystem actor firmly cemented the position that running a NewGen SE is not the same as running a charity; *"A social enterprise is still an enterprise, they have to make money. It cannot just be a passion - If they don't make money, they won't solve problem. Most people do it out of pity but it can't be like that"*. Another ecosystem actor concluded that *"So in general, they tend to have the right mindset but lack the knowhow"*.

Personal background and social norms

The challenge of balancing the social mission with financial viability seem to influence the overall characteristics of the social entrepreneurs in the country, with one ecosystem actor explaining that *"Most of the successful SE come from wealthier backgrounds where families can provide financial resources if necessary"*. Another ecosystem player added that *"coming from wealthy backgrounds means you won't starve if your venture does not succeed"*. On the other hand, it was also identified that coming from a certain socio-economic background could have a deterring effect in pursuing a social venture. This was exemplified by one ecosystem actor, saying that *"There is a lot of interest but many hesitate to continue. People rather choose to get a corporate job to make money. There is also pressure from the family to provide"*, and another one further explaining this phenomenon stating that *"Parents who invest in their kids and put them in good Universities expect them to start paying all bills once they graduate"*. Further, the same actor pointed out that *"At the top universities most students are shaped in similar ways – they are not exposed to the real problems in the country and instead shaped to have a corporate mindset"*.

4.5.4 Summary of Contextual Influences

Evidently, there is a lot of enthusiasm and interest surrounding the social enterprise sector in general, and the NewGen SE in particular. We observed that knowledge about the concept is spreading and Universities are starting educational programs on the topic. However, one ecosystem actor neatly summarised the current state of the sector, expressing that “*what we have noticed is that even though the number of social enterprises and actors supporting have increased the amount of successful enterprise have not changed. The stories are the same, and the same people that were the role models five years ago are still the same role models. So, we are yet to experience more successful social entrepreneurs*”. Put in other words, there are many promising signs but so far it does not quite equate to an abundance of successful social enterprises in the pipeline.

4.6 Summary Findings

Our empirical findings are summarised in the table below. It shows the relative importance of categories that have been mentioned in regard to enabling factors, challenges, opportunities as well as additional contextual influences. The green colour (x) indicates that the category has been of significant importance. The table also sheds light on the differences between the various stages of enterprise development (start-up, growth and mature), and the eco system actors.

Table 7. Summary findings

	Micro					Macro	
	Network	Expertise	Resources	Collaboration	Intersections	Government	Culture
Enabling factors							
Start-up	x		x		x		
Growth	x	x	x	x	x		
Mature	x	x		x			
Actors	x			x			
Challenges faced							
Start-up		x	x				
Growth		x	x			x	
Mature		x	x			x	
Actors		x	x			x	x
Opportunities/overcoming challenges							
Start-up				x	x	x	
Growth					x	x	
Mature				x		x	
Actors		x		x		x	
Additional contextual influences							
All interviewees				x		x	x

5 Analysis

This section is devoted to examining our findings in relation to the theoretical framework. Through analysing the data from various angles and perspectives, we aim to produce an understanding of the social entrepreneurship phenomenon in existence of a larger ecosystem within the Philippines. First, we introduce and discuss the factors of the ecosystem influencing and enabling social enterprises. After that, we analyse both micro and macro challenges hindering social enterprises from developing. Finally, in light of our findings, a suggestion for how the ecosystem can be improved to better facilitate the development of social enterprises in the country is provided.

5.1 Enabling factors

As seen in figure 5, our empirical findings suggest that from a macro perspective the *government and the culture are simultaneously influencing and being influenced by the ecosystem*. On the one hand, the culture, and government are affecting the ecosystem in a sense that it can either enhance or hinder the performance of the social entrepreneurship sector as a whole. On the other hand, the performance of the sector can impact the development of a culture or influence actions from the public sector. From a micro level perspective, our findings suggest that the networks of the ecosystem actors and the social enterprises are the most crucial features that allow social enterprises to grow and develop. Therefore, network has been placed at the centre of our model (see figure 5). As outlined by many, *the network appeared to be an essential enabler to foster collaboration, to access resources and to retrieve necessary expertise*, which are other enablers for social enterprises. Further, as depicted in figure 5, our findings also suggest that during the initial stages of the social enterprise development, *intersections are essential enablers as they expose enterprises to the ecosystem* as well as allowing access to primary resources and expertise needed to develop their enterprises further. Although these micro factors were all considered important enablers, they influenced social enterprises differently depending on the enterprise development stage, which will be further discussed later in the analysis.

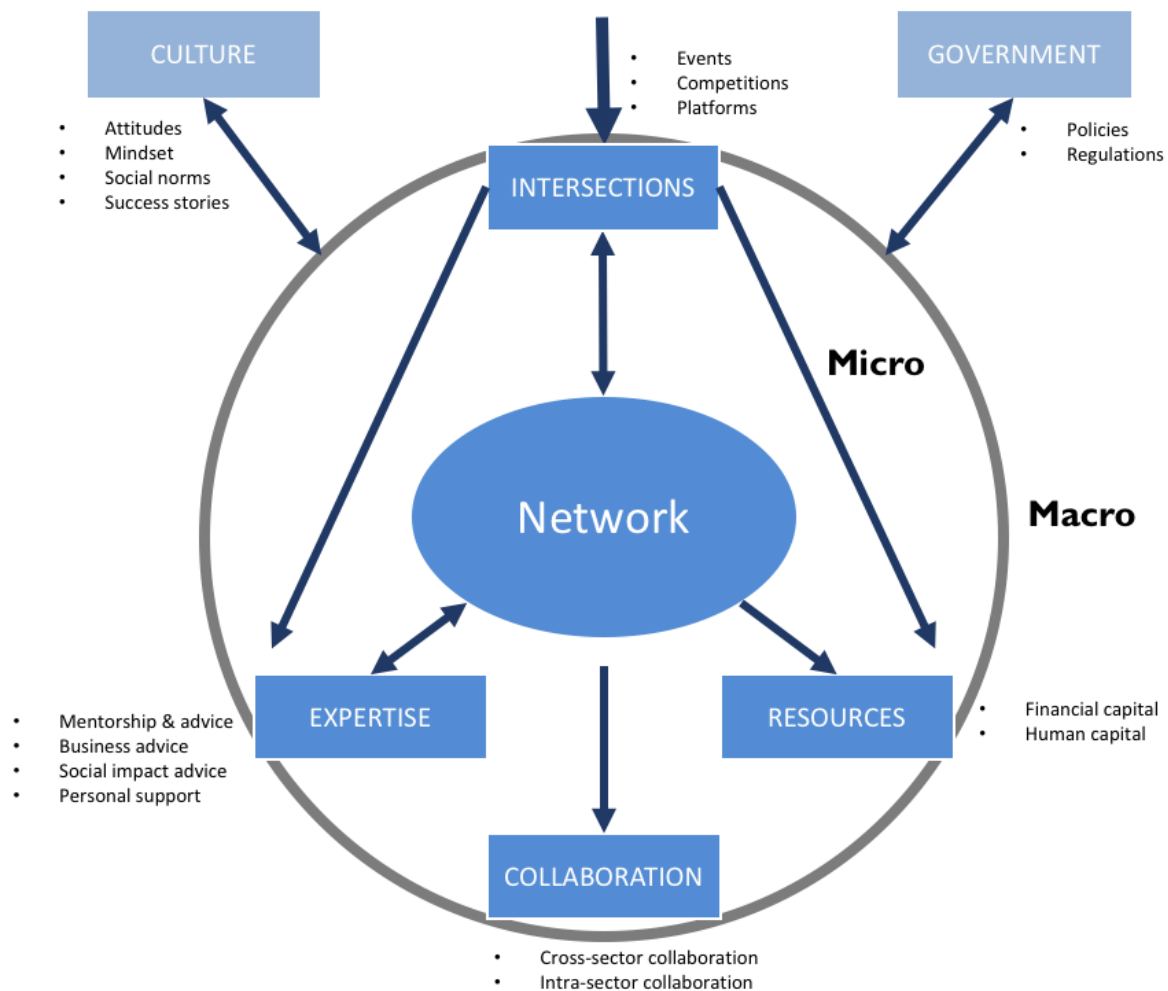


Figure 5. A relational model of ecosystem influences on social enterprises (Source: Authors)

5.1.1 Intersections as a gateway

Intersections include many different things such as events, physical and online spaces, and business plan competitions. In particular, our findings identified business plan competitions as an enabling factor. Similarly, as outlined by both Isenberg (2011) and Stam (2015), the presence of business plan competitions is a vital support factor in an entrepreneurial ecosystem. However, neither Stam nor Isenberg explain the relationship between business plan competitions and other aspects of the ecosystem. Our findings highlight that participating in business plan competitions exposes entrepreneurs to a broader network of people and actors within the existing ecosystem. Correspondingly, Motoyama and Knowlton (2018) identified in a recent case study on the start-up ecosystem in St. Louis, USA, that business plan competitions enhanced the interaction between competing entrepreneurs and other support actors. Further, our findings also showed that intersections enabled enterprises in the early stages to access necessary resources and expertise needed to develop their ventures further. Therefore, our results suggest that intersections in the context of Philippines could be considered as a gateway for social enterprises in the initial stages.

Currently, the Philippines is experiencing a shift in mindset among people in the younger generations. As highlighted in our findings, younger citizens today are increasingly looking for purpose and social impact instead of conventional careers, and many see that social entrepreneurship could provide an answer to those calls. However, while many have plenty of passion, many of them also seem to lack the know-how. Further, as previously identified, NewGen SE is the fastest growing segment of social enterprises (ISEA & Oxfam, 2015; Ballesteros & Llanto, 2017). These two facts highlight the importance of an ecosystem to be able to facilitate the entry of early stage enterprises and aspiring entrepreneurs. Surie (2016) mentioned that on the micro-level, easing the access for social entrepreneurs is a crucial aspect of building a thriving ecosystem. Thus, our findings suggest that intersections as gateways are essential to successfully integrate new social entrepreneurs into the ecosystem, allow them to expand their network, and provide easier access to resources and expertise.

5.1.2 Network as a facilitator

As mentioned by Maas et al. (2014), networking is a valuable tool to address challenges for social enterprises in a resource-constrained environment. The first and the most evident insight gathered from our findings supports this idea since the network showed the most relevance among both entrepreneurs and ecosystem players to be a critical enabler. Lan et al. (2014) identified that a network of external stakeholders that can provide support concerning knowledge, financing, policy advice, and marketing is imperative to enable growth in a developing country. Similarly, many of our interviewees highlighted that their network allowed them to access resources, gather outside expertise, and lastly to foster reciprocity with external actors through collaboration. From the perspective of an entrepreneurial ecosystem on the micro-level, Stam (2015) state that networks are one out of six factors centred at the heart of an ecosystem. Our findings support this argument but suggest that the network is the central factor that enables other mechanisms of the ecosystem. Thus, our findings correspond with Lan et al. (2014) and suggest that from a social entrepreneurial ecosystem perspective the network is the facilitator that enables other relevant growth factors such as access resources, foster collaboration, and access to outside expertise.

Our results showed that enterprises in the growth and start-up phase were enabled by access to resources such as financial and human capital build to capacity. Similarly, both Isenberg (2010) and Stam (2015) highlight that the availability of resources is naturally a central enabler for an entrepreneurial ecosystem. However, they did not outline how entrepreneurs access resources within an entrepreneurial ecosystem. Our findings highlight that during the start-up and development phase resources were accessed either through intersections like events, competition or online platforms, or as a result of their network. Interestingly, the mature enterprises did not highlight access to resources as an actual enabler. As discovered in our literature review, Maas et al. (2014) state that in an environment where resources are scarce the importance of social capital increases. Further, Bhatt and Altinay (2013) highlight that entrepreneurs with strong social connections have a better chance of flourishing under resource constraints. Therefore, we can assume that as a result of the mature enterprises' strong personal

network they already had access to many resources. Thus, resources like financial capital were not clearly identified as an enabler, but rather perceived as given.

As discussed in our theoretical framework the impact created by social enterprises can be increased through collaboration between and across sectors (Kolk & Lenfant 2015; McKague et al., 2017). Our findings support this argument as almost all of the ecosystem actors highlighted that for them to successfully help social enterprises, collaboration with different actors is crucial. Further, from the perspective of the entrepreneurs, the more established enterprises argued that collaboration is crucial to access markets and increase social impact, whereas the start-ups did not mention collaboration at all. De Bruin et al. (2017) stated that although it is clear that collaboration is crucial to provide social value to a community, the research on how and when collaboration takes place is still lacking. Our empirical results show that in many of the growth and mature enterprises, collaboration took place as a result of connections within someone's network. Thus, our findings suggest that collaboration is more likely to happen during the later stages when the enterprise has established a broader network.

Access to expertise or certain knowledge was found to be essential for social enterprises. Typically, this included mentorship and advice. From an entrepreneurial ecosystem perspective mentorship commonly includes business advice and access to financial capital (Isenberg, 2010). Although the business advice is a fundamental enabler for social enterprises, our findings indicate that mentorship from a social entrepreneurial ecosystem works differently. Rather, focus is not limited to business advice but to ensure a balance between the social and the financial mission. Further, as identified by the mature enterprises, some of the most useful advice for social entrepreneurs are often less formal and more on a personal level. Another function of mentorship is to provide entrepreneurs with networking opportunities (Isenberg, 2010). Our findings confirm this since it was mentioned to be significant by both the actors and entrepreneurs. However, as already established, networks and intersections also enable mentorship to occur. Our findings indicate that the start-up and growth ventures mainly received their mentorship for a specified timeframe as a result of participating in a competition. Contrary, the mature enterprises mainly received mentorship and advice from their network. Therefore, our findings suggest that the mentorship received by the mature enterprises seemed to be more on a mutual and personal level. Thus, the network is a crucial enabler to receive impactful outside expertise, as showcased by the mature enterprises.

Although evident across at all stages that the network played an essential part in enabling other support mechanisms, the effect it had for the mature enterprises appeared to be more influential. Seemingly, the network of the more mature enterprises is much more comprehensive as a result of their previous corporate background and already established connections within the development sector. Therefore, our findings suggest that to grow and make an impact on a larger scale the social connections within a network is imperative.

5.2 Growth Vacuum

We found that the above enabling factors have allowed social enterprises to develop. However, it was simultaneously evident that the rising interest and the current support within the ecosystem have not translated into a significant increase in the number of successful social enterprises. Thus, we suggest that the spark is there, but few initiatives manage to grow out of the early stages to create the impact they initially promised. Hence, a *growth vacuum* seemingly exists. Several challenges seem to contribute to this current state of the sector. Firstly, although resources and expertise were seen as important enablers, it was also identified that acquiring these proved challenging. Secondly, aspects regarding government and culture further contributed to challenges faced by social enterprises.

5.2.1 Resource and Expertise as Constraints

On the micro level, our findings showed that the lack of resources and expertise were posing the biggest challenges for both entrepreneurs and ecosystem actors to develop. Confirming the RFF report (2017) and JIR (2016), two of the biggest challenges identified for the entrepreneurs were the difficulty in accessing resources such as financial and human capital. Interestingly, across all stages, the challenges of acquiring and retaining talent showed higher relevance than the challenge of obtaining funding. This may be explained by the fact that the majority of interviewees already had received some financial capital through various sources, and thus rather perceived that as an enabler. However, funding appeared to interlink strongly with the challenge of human capital, as it was often mentioned in relation to the difficulty to pay employees competitive salaries.

Further, our findings also identified the lack of expertise as a hindering factor for social enterprises to develop. Interestingly, the type of expertise lacking differed across the stages. For the start-up companies, working with partner communities posed several challenges, thus correlating with Roy and Karma (2015), who say that expertise and understanding of the local context and social dynamics in communities is crucial for a social enterprise. Hence, this explains why their lacking experience and knowledge to build relationships with the communities could have a negative effect on their development. However, as seen previously, a more expansive network, as showcased among the mature enterprises, could have the potential to provide the bridge to overcome this challenge. Additionally, start-ups, alongside growth companies, faced challenges in regard to business skills, thus confirming the findings in the RFF report (2017). Further, many ecosystem actors also emphasised that early stage NewGen SE often lack refined business plans and essential business skills such as basic accounting, making it harder to acquire resources and develop the enterprise. Lacking these skills may be explained by the fact that the entrepreneurs in these stages neither had the same corporate experience nor the comprehensive network as the mature enterprises. Interestingly, the mature enterprises rather emphasised the lack of soft skills as a minor barrier, suggesting that the lack of expertise regarding business skills, or community knowledge, were not significant challenges for them.

5.2.2 Government and Cultural Constraints

On the macro level, both government and cultural factors appeared to influence development of NewGen SE. Our findings show that the government seems to have a constraining effect, most notable as the lack of support through institutions, policy, incentives and recognition. As discussed in the literature, such gaps could be linked to ‘institutional voids’, commonly said to hinder progress of social enterprises (Mair & Marti, 2009; Dutt et al., 2016). Generally, these voids are characterised by a low accessibility to capital markets and human labour, and a non-friendly policy environment, thus correlating to the identified challenges of low access to resources and an unsupportive government.

5.2.2.1 State Inactivity

Although an acknowledgement exists that the government provides some support, the general opinion is that it is not sufficient, and it is difficult to access. Evidently, in the absence of a supportive government, the private sector has taken several initiatives and currently makes up the core of the ecosystem. The reliance of private actors to provide support for social enterprises corresponds with the “private-macro” entrepreneurship ecosystem identified by Hazenberg et al. (2016). We found the ecosystem to be passion-driven and gradually growing, but it is still small, tightknit and rather limited to the capital, Manila. This restricted reach could potentially limit the engagement of ambitious social entrepreneurs outside this sphere.

To maximise the impact of the private sector in a “private-macro” ecosystem, it is also highlighted that government should strive to adopt policies that facilitate the operations of social enterprises (Roy & Karna, 2015; Hall, Matos, Sheehan & Silvestre, 2012). The need to clarify the concept in the country has previously been identified, which was also mentioned in our literature review (Ballesteros & Llanto, 2017). Correspondingly, we found a clear lack of mutual agreement about firstly, what constitutes a social enterprise, secondly, the role of social enterprises in the marketplace, and thirdly, whether social enterprises should be treated differently to mainstream businesses. Hence, this sense of vagueness mirrors the discussions in the literature, because the notion of social enterprises inherently seems to be a difficult concept to pinpoint, contributing to the challenge of creating a legal framework. Although many actors would certainly appreciate incentives such as tax breaks and preferential treatment, the main concern was found to be the lack of clarity, acknowledgement and recognition. As a result, there is lower understanding of the concept among actors in mainstream markets and the general public, thus leading to the ambiguous context social enterprises operate in.

5.2.2.2 Norms and Success Stories

As mentioned earlier, cultural changes regarding attitudes may have a positive effect on attracting young people to social entrepreneurship. However, culture could also be a constraining factor. We found that there is significant pressure, especially if time and money have been spent on good education, to pursue corporate careers to meet expectation from both family and society. Also, providing for your family, regardless of the educational level, is of utmost importance to many people in the country. Hence, many hesitate to fully commit to

the notion of social entrepreneurship, since it usually means less stability and less income. This may be one of the reasons why the mortality rate among early social enterprises is considered high.

Moreover, another limiting factor appears to be a lack of “success-culture” within the sector. In fact, only a handful companies have managed to reach any substantial scale, and the success stories from half a decade ago are still the same today. The three mature stage companies in this study make up a significant portion of these. As mentioned by both Isenberg (2011) and Stam (2015), the presence of success stories is a crucial aspect in fostering a conducive culture within in an ecosystem.

5.3 Opportunities

The current status of NewGen SE can be analysed in two ways. On the one hand, the social enterprise scene has been gaining momentum for several years, suggesting that the social entrepreneurs are less concerned with lacking resources and expertise, definitional ambiguity, policy environment and cultural obstacles. They are rather more interested in things they can directly influence. Similar to what Mair and Marti (2009) expressed, they are capable of looking beyond the apparent constraints and deploy strategies of bricolage to make the most out of the current situation. On the contrary, as mentioned, it seems abundantly clear that success stories are limited and few manage to further develop past the initial phases. Our findings suggest that the few companies who have managed to scale did so mainly through their own ability and personal network, rather than extensive support from external actors. Thus, we suggest areas of improvement within the ecosystem should focus on addressing the problem of the growth vacuum in order to enable more enterprises to make impact on a larger scale.

As identified by Surie (2016), a social entrepreneurship ecosystem can be developed on two levels. Firstly, on a macro level, it involves the establishment of government institutions and favourable policies. Across all stages in our findings, government was identified as an important key in unlocking new opportunities for the sector, and through that develop the ecosystem and enhance the support for NewGen SE. This top-down approach would certainly be a favourable scenario in which the sector would get a significant push in the right direction. However, substantial governmental reforms in the country seem to take more time than social problems can afford to wait. As long as definitions are not harmonised in the country, Ballesteros and Llanto (2017) explain that the government is limited in their ability to provide sufficient support, and thus efforts should be focused in other areas to create a conducive environment. Hence, many have voiced the need for a bottom-up approach. This leads to the micro level, the second layer of the ecosystem. Here, Surie (2016) highlights the importance of creating an easily accessible infrastructure and a collaborative environment with both internal and external actors. If enough momentum is created on this level the attractiveness and attention of the ecosystem will increase (Roundy, 2017). Hence, we hope this could eventually influence the macro level. As seen in figure 6, we propose this would most effectively be done through focused efforts in fostering collaboration. We believe this can be one way to create a

strong pipeline of successful social enterprises that create both economic and social wealth, and through that, as seen in figure 6, positively impact the existing culture and government.

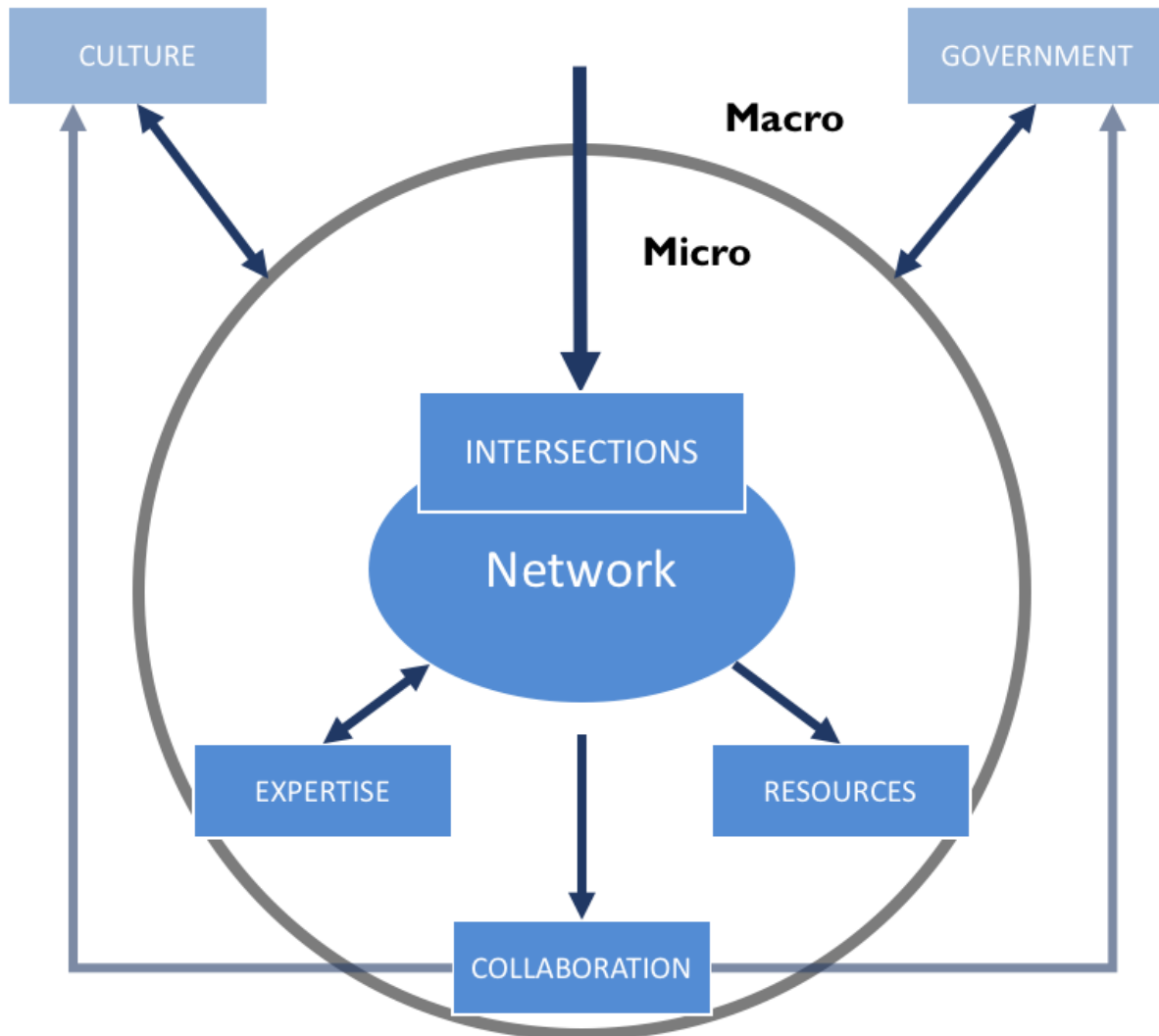


Figure 6. The Manila Model: the reciprocal micro and macro ecosystem

5.3.1 Collaboration

Collaboration was identified as both as an important enabler and a promising opportunity to overcome challenges. Thus, we suggest that the formation of more collaboration offer a fruitful avenue to propel social enterprises through the growth vacuum into more fertile pastures. Shown in our findings, we identified two types of collaboration that could create the much needed momentum for social enterprises to leave their peripheral existence behind, and make a more substantial impact. Firstly, intra-sector collaboration could increase the density of social enterprises, and secondly, cross-sector collaboration could increase the diversity – both argued to be crucial in a social entrepreneurship ecosystem (Roundy, 2017).



Intra-sector collaboration

Intriguingly, we found that within the social enterprise community there is a lot of transparency, goodwill, and an eagerness to help others. Creating this type of “altruistic culture” is said to increase the possibility of success, both for the individual enterprise and the overall ecosystem (Roundy, 2017). Going even beyond this, we observed that some of the mature enterprises actively take the role in helping start-ups to develop by sharing their infrastructure, resources and expertise with them, thus removing many of the identified hurdles. Further, some have also opened their sales channels to younger social enterprises, therefore giving them access to already established markets. This openness, possibly stemming from similar motivation and the common objective of doing good, relates to the importance of trust and shared values in a collaborative ecosystem, identified by Slimane and Lamine (2017). As suggested by both the same authors and our findings, this results in a willingness by mature companies to vouch for newcomers in the ecosystem and take them under their wings. Evidentially, this has a positive effect on their development and could contribute to a higher density of social enterprises which consequentially leads to an increased attractiveness of the ecosystem (Roundy, 2017).

Cross-sector collaboration

Kolk and Lenfant (2015) emphasise cross sector collaboration as a way to overcome resource constraints as a result of insufficient governance. Similarly, we found a tendency among some to look beyond the borders of the social enterprise sector, and engage in cross sector collaboration with more mainstream businesses. This is a good example of “active appropriation”, coined by Kistruck et al. (2017), in which relationship building takes place with actors that are not explicitly labelled as socially oriented. In accordance with the same author, we found that such collaboration benefitted the operations of the social enterprise and contributed to an increased awareness of their social mission. More specifically, corporations have the potential to provide infrastructure and expertise in areas such as technology, marketing and accounting, but also give the social enterprise legitimacy in the commercial market place (Domenico, Tracy & Haugh, 2009). Hence, it offers an interesting opportunity to overcome some of the identified challenges. Apart from benefits to the individual enterprise, it could also contribute on a wider scale as it relates to the idea of diversity within the ecosystem highlighted by Roundy (2017). When a larger variety of actors get involved, it increases the awareness of the sector and could potentially attract new types of ecosystem participants such as investors. Ultimately, this could further contribute to the development of social enterprises. From the other perspective, collaborating with a social enterprise could have positive effects on reputation and trustworthiness of the corporation. Moreover, they can draw on social capital built up by social enterprises in communities to increase local demand for the products and services (Domenico et al., 2009). Hence, mutual benefits seem to exist with this type of partnership.

5.3.2 How to Foster Collaboration through Intersections

The two types of collaborations outlined above are currently implemented by only a few enterprises, and on a relatively small scale. As seen in our findings, a common problem was to identify the people they could forge prolific partnerships with. Consequently, a need was

expressed to strengthen relationships both inside and outside the sector through associations, groups or co-working opportunities. Here, because of their wide range of knowledge and skills, the ecosystem could play a crucial role in facilitating that matchmaking process, both inside the sector and with external actors, through the development of more intersections.

Earlier, we discussed intersections as an enabler for early stage social enterprises. Here, we suggest that intersections should not only act as a gateway into the ecosystem, but rather, it should also be physical as well as virtual spaces where already established players can come together, share ideas and connect. Hence, we share the opinion of Surie (2016) about the importance to develop such infrastructure to facilitate collaboration within an ecosystem. Moreover, as previously established, intersections offer opportunities to expand one's network, which was identified as the key enabler to develop NewGen SE. A frequent suggestion brought forward was the notion of having a technology based platform aimed specifically for the social enterprise sector. This was supported in the literature where the implementation of such a platform could enhance participation and collaboration both within the ecosystem, and create stronger links to external actors (Jha et al., 2016; Surie 2016). Sharing information about both the offer and the current needs would simplify the process of identifying suitable people to work with. Thus, a platform could be one way to increase collaboration and overcome the challenges of lacking expertise and resources.

Consequently, as seen in figure 6, we suggest that intersections should be located as a central feature in the ecosystem as it offers wide possibilities to facilitate the development of one's network which could lead to fruitful collaborations and partnerships. Consequently, this could result in more social enterprises leaving the growth vacuum, and collectively bring the sector forward.

6 Discussion

The broad nature of our research questions allowed us to explore a wide range of factors influencing the development of NewGen SE. Looking beyond the immediate impact of the ecosystem we identified three themes that seem to especially characterise and influence the social enterprise sector. Firstly, the identified growth vacuum is discussed in relation to the assumption that enterprises should aim for scale. Secondly, we dwell into the challenges and implications of managing multiple partnerships. Thirdly, the perceived need for diversity within an entrepreneurial ecosystem is discussed in relation to the current situation. Although mentioned in the Analysis, we wanted to further explore these themes as they influence our research purpose.

6.1 The Growth Challenge

The success of conventional businesses is typically determined by tangible measurements such as profits, revenues or market share. For social enterprises, defining success is arguably more difficult as they also consider additional intangible aspects such as social wealth creation (Zahra et al., 2009), and value-creation (Santos, 2012). Hence, our findings pose some intriguing questions since we identify what we label a “growth vacuum” in the sector and the need for more “success stories”, indicating social enterprises and the ecosystem should focus on scaling up. To fulfil the promise of social entrepreneurship to solve complex issues such as poverty and inequality (Dacanay, 2012; Think Global Trade Social Report, 2015), it seems relevant to reflect on the notion of growing and scaling and whether they are the most effective ways to achieve that.

Weber, Kröger and Lambrich (2015) make the interesting point that scaling a social venture do not necessarily have to adhere to the same principles as a conventional business. In the traditional arena, scaling may focus on improving efficiency and reach economies of scale. However, it can be argued that benefits from increased efficiency do not necessarily apply to complex social issues. Therefore, scaling within the realm of social entrepreneurship put more emphasis on increasing social impact rather than the relative growth of the enterprise itself (Weber et al., 2015). Thus, by embracing this notion it seems there is no obvious contradiction between scaling and ensuring positive, social change.

As mentioned in the literature review, scaling is said to be facilitated after certain preconditions have been established, namely *willingness*, *ability* and *admission* (Scheuerle & Schmitz, 2016). Here, relating this to our observations of NewGen SE, and their common characteristics (Ballesteros & Llanto, 2017), there seemingly exist a willingness to scale among the founders. The last two conditions relate to our identified growth vacuum, as NewGen SE may want to grow but lack ability because of the shortage of expertise, resources and capability, both within the organisation and through the supportive ecosystem. Moreover, our identified macro influences, government and culture, may contribute to an environment which does not allow admission to scale.

6.2 Managing Multiple Partnerships

In our quest to understand the interactions between NewGen SE and the ecosystem, a picture slowly emerged characterised by a complex web of relationships. Undeniably, social enterprises cannot act in isolation in the pursuit of an opportunity (Diochon & Ghore, 2016; Rao-Nicholson, et al., 2017). Rather, to fulfil their social mission while achieving financial sustainability, social enterprises need to engage a multitude of different stakeholders, often belonging in very different contexts (Ester & Dato-on, 2015; Battilana & Lee, 2014). At a glance, it seems like a cumbersome undertaking indeed. Social enterprises must firstly deal with coexisting identities inside the organisation in their pursuit to satisfy objectives belonging both in the for-profit and non-profit world (Holt & Littlewood, 2015). Moreover, our findings advocate the need to build and nurture different types of relationships with a variety of external actors, further adding to the complexity of their existence. For example, establishing a relationship in a rural community require a vastly different approach than developing a partnership with a multinational corporation.

It certainly poses an intriguing query into how social enterprises can manage their hybrid nature, as they straddle such a multitude of relationships and objectives simultaneously. As pointed out, navigating through such a broad spectrum is challenging as the social enterprise risk losing reputation and legitimacy among stakeholders if you cannot fulfil both social and business obligations (Holt & Littlewood, 2015). Additionally, how do you establish that trust in the first place without any prior experience? Our findings offer an interesting insight into how to overcome such challenges. During the formation of a collaboration, Bryson, Crosby and Stone (2006) note that the existing network is seen as an important enabler as it is often through these networks that potential partners judge the trustworthiness and legitimacy of others. Further, building legitimacy is often facilitated by the backing of a credible individual, or organisation. Here, the ecosystem can play an important role in facilitating this process. Firstly, a social enterprise can leverage the network established through the ecosystem to form partnerships. Secondly, if interaction between the potential partners is initiated by a credible actor in the ecosystem, perhaps through an intersection, legitimacy can be gained more easily. Therefore, the ecosystem has the potential to enable the relationship building and act as a bridge between social enterprises and their wide spectrum of partners.

6.3 Diversifying the Ecosystem

Further exploring the notion of Roundy (2017) that diversity among social entrepreneurs enhances the performance of the ecosystem, provided reason to contemplate the current situation according to the perception we had gained. A pattern started emerging as it gradually became clear that most founders were educated at top institutions and came from stable backgrounds, suggesting a certain level of homogeneity exists among the entrepreneurs. This image was reinforced as the ecosystem was frequently described as a “tight-knit” community and “very concentrated” to Manila. At the same time, the majority of the social enterprises were community-based and operated in rural areas. Hence, it proposes an interesting case of investigation if linked to the view of Manning et al. (2017), that the effectiveness of community

partnerships is enhanced if the social enterprise is locally grown. Hence, it could be suggested that the development of fruitful relationships with communities in our study is hindered due to the origin of the founders. To some degree this was mirrored in the findings as start-up mentioned this as one of their major challenges.

Firstly, this poses a rather controversial suggestion, that solving social problems through social entrepreneurship is exclusive to those with more affluent and educated backgrounds, where your family's financial position provide the necessary stability to develop your enterprise without the risk of going bankrupt. Secondly, limiting the ecosystem to Manila could have the consequence that plenty of potential is wasted. Aspiring entrepreneurs living in other areas, perhaps with a more profound understanding of the social issues and therefore higher capability to build trust and social capital, may not get the support needed to develop a business. Therefore, returning to the notion of diversity, it seems to be of vital importance to promote and support social entrepreneurship not just at the top universities in Manila, but also on a grassroots level across the nation. Roundy (2017) speaks of the positive feedback loop: the more social entrepreneurs that emerge, the more attention will be drawn to the ecosystem. The attention will lead to a higher diversity of interested actors, such as impact investors. Thus, as the pool of resources increases, it will attract a more diverse set of entrepreneurs into the ecosystem.

7 Conclusions & Implications

To begin with, this section provides a conclusion of our thesis by summarising our findings in relation to our research purpose and questions. It then proceeds to present the theoretical and practical implications this study has. Finally, the chapter and thesis are concluded by highlighting the limitations, and giving recommendations for future research.

Both social entrepreneurship and entrepreneurial ecosystem literature have been receiving scholarly attention in the past years. Despite the increased interest in both phenomena previous scholars have mostly looked at the topics from individual lenses. Moreover, a majority of literature on these topics are conducted from a developed country's perspective, therefore disregarding the contextual differences present in developing countries. As such, we took upon us to explore how a new breed of social enterprises, NewGen SE, are influenced by the surrounding ecosystem in the context of the Philippines. We aimed to gain a holistic overview of how the local ecosystem is enabling NewGen SE to develop (RQ1). Further, our aim was also to explore how an ecosystem can be enhanced (RQ3) to overcome challenges hindering the progress of NewGen SE in the region (RQ2).

First, to answer RQ1, the initial development of NewGen SE is enabled by intersections such as competitions or networking events whereas the growth social enterprises are mainly enabled by the entrepreneurs' and ecosystem actors' own network. Firstly, the intersection exposes entrepreneurs to a broader network and allows access to resources and expertise. Further, changing attitudes and mindsets amongst young adults to engage in more purposeful careers are also stimulating the development of social enterprises. Secondly, the networks of the entrepreneurs and ecosystem actors are enabling social enterprises to grow. The network allow enterprises to foster collaboration, access resources, and retrieve the necessary expertise, which were considered to be the other top enabling factors.

Second, to answer RQ2, there are both micro and macro factors constraining the growth of NewGen SE in the Philippines. As outlined by both entrepreneurs and ecosystem actors on the micro-level, limited resources and lack of expertise are significant barriers for social enterprises. Regarding resources, the entrepreneurs highlighted human capital as their biggest constraint, whereas the ecosystem actors perceived funding to be the biggest challenge. Although perceived differently, funding and human capital are interlinked, since human capital often was mentioned in relation with not being able to compete with salaries of mainstream businesses. Concerning the lack of expertise, different stages of development are facing different types of challenges. During the initial and growth stages, enterprises have limited business skills and lacking the knowledge of how to form relationships with beneficiaries. The more established enterprises are often lacking certain soft skills such as social and leadership skills. On a macro-level, the state inactivity is making it challenging for social enterprises to compete with mainstream businesses. Furthermore, cultural aspects such as pressure from family and society to pursue corporate careers, and the lack of successful social enterprises, are hindering the growth of social enterprises. Influenced by these macro and micro challenges,

only a handful of enterprises have been able to grow and make an impact on a larger scale. Hence, we identified a growth vacuum that currently characterise the overall sector.

Finally, to answer RQ3, the ecosystem should focus on addressing the problem of the growth vacuum to enable more social enterprises to scale. To do so, collaboration within the sector but also across different sectors should be increased through the development of more intersections. These new intersections should be located at the centre of the ecosystem to fill the gap of limited networking opportunities to facilitate the connection between enterprises, actors and mainstream businesses. By doing this, we hope that NewGen SE can fulfil their promise as vehicles for societal change by implementing new solutions on a wider scale. We believe this will eventually influence the macro level, here referred to as culture and government, which is imperative for the sector to reach magnitude.

7.1 Practical and Theoretical Contributions

We hope our findings will add to the existing research on the topic and prove beneficial to the further development of NewGen SE and the surrounding ecosystem in the Philippines. In a best-case scenario, entrepreneurs and ecosystem actors could draw upon the knowledge we have collected, analysed and compiled to develop their current operations, and ultimately enhance their societal impact. Moreover, we also hope that our study will be relevant in contexts beyond the borders of our host country, perhaps most particularly in other developing countries. Although the study took place in a very specific context, we have attempted to provide rich information about our research setting to improve the transferability (Lincoln & Guba, 1985), and thus give practitioners in other countries the chance to judge its relevance.

As identified in our study, specific factors of an ecosystem contribute to the successful development of social enterprises. Besides, our study also argues that there are ways to improve the ecosystem to better support the development of social enterprise. Thus, our study has theoretical implication on ecosystem literature from the perspective of social entrepreneurship in a developing country context. Furthermore, our study also has implications for practitioners including the entrepreneurs themselves, and the actors within the ecosystem.

This thesis has attempted to shed light on social entrepreneurship as part of an ecosystem from a developing country's perspective. As such, firstly, our study contributes to the emerging stream of literature on social entrepreneurship in the context of a developing country, particularly in the Philippines. Building on the previous work of the RFF Report (2017) our research extends the mapping out of the ecosystem by looking at relationships between aspects of the ecosystem, and how they enable social enterprises to develop and grow. Furthermore, considering the limited research on NewGen SE (Dacanay, 2017), our study contributes to the conceptualisation of this new breed of social enterprises. Secondly, our study also contributes to the literature on entrepreneurial ecosystems from the perspective of social entrepreneurship. The majority of literature on both commercial and social entrepreneurial ecosystems have looked at general factors affecting enterprises, disregarding the different stages of development (Roundy, 2017). Our study looks at this phenomena through the lenses of enterprises at

different development stages. As expected, our findings indicated that social enterprises at different stages of development need different types of support from the ecosystem.

Our research suggests several practical implications for both entrepreneurs as well as ecosystem actors. First of all, entrepreneurs and actors with the goal of strengthening the ecosystem should direct support to social enterprises that have the ability to scale. As identified, an increased number of successful social entrepreneurs could enhance the performance and diversity of the ecosystem, and ultimately, also positively influence the macro-level. Furthermore, for entrepreneurs in the development stages it is also suggested to seek collaboration with mainstream businesses as they can provide access to markets and allow social enterprises to build capacity. To do so, however, more opportunities to foster collaboration are needed. Considering the extensive knowledge, skills and network that many of the ecosystem actors possess, they can play a crucial role in facilitating this matchmaking process through the creation of physical and online intersections.

7.2 Limitations and Future Research

Although we believe that conducting our research as outsiders in the context of the Philippines had many advantages, it also posed some significant limitations. Due to our limited knowledge of the social entrepreneurship scene in the Philippines, we solely relied on the judgement of our network when selecting participants for our study. Although the contacts we had established prior to departure were reputable and reliable, we cannot guarantee that the placement of enterprises in different stages are accurate, or whether all social enterprises actually make a positive societal impact. Furthermore, during our research we did not interview any beneficiaries. As a result, it is difficult for us to evaluate to what degree the support that social enterprises received from the ecosystem actually contributed to social impact for their beneficiaries and society at large. This would require researchers to gather deeper insights of the operations of social enterprises. Therefore, a first suggestion for future research would be through single or multiple case studies assess how support received from the ecosystem is translated into social impact.

Considering our limited time frame and budget constraints we only focused on social enterprises and actors located within a close proximity of Manila. As a developing country with widespread inequality, regions outside Manila may differ significantly in terms of accessibility of resources, personal background of entrepreneurs, and availability of institutional support. Hence, a more geographically diverse sample group is likely to have generated different results. Therefore, a second suggestion for future research is to conduct similar qualitative studies focusing on other regions of the country to identify what enables NewGen SE to develop, and how their needs for support are different compared to those in Manila.

Considering the identified need for increased collaboration between social enterprises and mainstream businesses, we believe it would be interesting to examine the outcomes of such partnerships. Therefore, a final suggestion for future research would be to take a multisided perspective to see how the social enterprise impacts the mainstream business, and vice versa.

Additionally, it could also be explored how these types of partnerships influence customers' perceptions towards both enterprises.

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Appendices

Appendix I – Challenges

Access to Finance

Firstly, access to finance is one of the major obstacles for social enterprises. This difficulty cannot merely be explained by the lack of available cash and funding, but can instead be described as a collection of several challenges. While 56% of the surveyed enterprises stated that limited supply of capital is the primary constraint of financing, 34% mentioned that unrefined business plans as the underlying problem for obtaining finance and 31% said that their restricted network gives them poor accessibility to investors. Other issues reported include limited track record of firm, insufficient generation of revenue to attract equity investors and difficulties in obtaining a loan - often due to collateral requirements from banks (RFF Report, 2017).

Human Resources

Secondly, related to human resources there is a reported shortage of skills and talent. 28% of the social enterprises say they lack technical skills, while 20% claim there are insufficient managerial skills. Furthermore, 20% of the firms report that difficulties in recruiting new personnel is a barrier to growth (RFF Report, 2017). This view was confirmed in an interview with Ana Tan, director of Ataneo university Centre for Social Entrepreneurship (ACSENT) as she stated there is a lack of skills and courage among many social entrepreneurs. The problem of holding onto employees was also identified, as many seek new opportunities after a few years of involvement. Interestingly, but perhaps not surprising, Ana linked the problem of accessing finance to the relatively low level of skills among entrepreneurs and other employees. Although there are funds available, the process of matching an investor or lender with a social enterprise often becomes more difficult due to the shortfall in necessary skills.

Policy Environment

Thirdly, the policy environment dictated by the Government poses several challenges for social enterprises in the Philippines. In the report, 20% mention government policies as barriers to growth. Furthermore, 25% say taxation is a significant hurdle while another 15% state that government regulations and red tape hinders possibilities to scale up their operations. As concluded in the RFF report (2017), there is a pressing need for the government to formally recognise social enterprises and their business activities that so actively contribute to economic inclusion and social cohesion in the country. This is in line with the view of Poon (2011), who argues that the political and legal environment play a crucial role in providing opportunities and support for social enterprises

Appendix 2 – Ecosystem Actors

Incubators & Accelerators

These are actors focus on giving early-stage social enterprises support regarding business advice, equipment, network and space to work. The main difference between incubators and accelerators are the stages in which their services intend to support the enterprises as well as the timeframe of their support (Pauwels et al. 2016). Accelerators tend to focus on early start-ups during a short period whereas incubators tend to have longer time frames. In the Philippines, there are several of organisations offering incubation and acceleration, which of the majority located in Manila (RFF Report, 2017).

Social Investors

Under the genre of social investors in the Philippines, there are two types of investors namely impact investors and social investors. Impact investing like conventional investing involves the lending of financial resources for a financial return (Global Impact Investing Network, 2017). However, the return is not the sole objective; instead, the goal is to strike a balance between social impact and financial return. Social investments are similar, but the focus tends to be more on the social impact, and financial returns should only cover inflation rather than generating commercial returns (Ashta, 2012).

Non-profits & NGOs

NGOs and non-profits are devoted to supporting the promotion of the population in the Philippines. Regarding fighting poverty and inequality, they are critical actors for social enterprises as they provide information, knowledge, and support (RFF Report, 2017).

Business/Industry associations

Within an ecosystem or support environment, business/industry associations should be designed to promote local sustainable economic activities through different programs and services. They can also play an important role when it comes to shaping the policy of the social enterprise sector (RFF Report, 2017).

Educational Institution

The goal of entrepreneurship education is to prepare students with the fundamental knowledge needed to develop new businesses or grow existing ones (Tracey & Philips, 2007). In the context of social entrepreneurship education, an institution should teach students to combine social and commercial objectives. In the Philippines today there are multiple educational institutions offering students the fundamental knowledge of social entrepreneurship (RFF Report, 2017).

Research and Support Organisations

These institutions are essential actors in both providing social entrepreneurs with education and training but also providing both practical and theoretical information that helps to develop the sector as a whole in the Philippines.

Forums and Networks

In the Philippines these actors are helping to build capacity through different types of services such as consulting, business development or assistance in financing, they also help to connect social enterprises with financial resources. Many of these actors are very important for the growth of the sectors because of their strong support to initiatives aimed at poverty reduction (RFF Report, 2017).

Government Institutions

The role of the government is to provide social entrepreneurs with a favourable environment that supports the growth of social enterprises (Shockely & Frank, 2011). However, to create such a situation there is a need for specific policies to be in place, which has been a significant challenge of the development of the sector in the Philippines.

Appendix 3 – PRESENT Bill

SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



SENATE
S.B. No. 176

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT
INSTITUTIONALIZING THE POVERTY REDUCTION THROUGH SOCIAL ENTREPRENEURSHIP
(PRESENT) PROGRAM AND PROMOTING SOCIAL ENTERPRISES WITH THE POOR AS PRIMARY
STAKEHOLDERS

EXPLANATORY NOTE

This measure provides the framework for the planning and implementation of a National Poverty Reduction Through Social Entrepreneurship (the "PRESENT") Program. The PRESENT Bill provides a nurturing environment for the growth and burgeoning of strong and innovative Social Enterprises as tools to reduce poverty.

A "Social Enterprise" or "SE" as defined in the proposed bill, refers to a social mission-driven organization that conducts economic activities providing goods and/or services directly related to its primary mission of improving the well-being of the poor, basic and marginalized sectors and their living environment. A social enterprise explicitly declares and pursues poverty reduction as its principal objective by purposefully rendering both transactional and transformational services. An SE engages and invests in the poor to become effective workers, suppliers, clients and/or owners and ensures that a substantive part of the wealth created by the enterprise is distributed to or benefits them.

In addition to reinvesting its surplus or profits back to the enterprise to sustain the fulfillment of its social mission, a SE also uses its surplus or profits and mobilizes other resources to assist the poor to become partners in SE or value chain management and governance and to become partners in community, sectoral and societal transformation.

This is in line with Article XII, Section 1 of the Philippine Constitution which states:

Section 1. The goals of the national economy are a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the under-privileged.



The challenge for Social Enterprises is how to become an effective poverty reduction tool. In the face of this challenge, government must play a supportive role to ensure that the appropriate systems, structures, and resources needed to support Social Enterprises are put in place. Government must help these new breed of entrepreneurs to acquire resources, build successful organizations, and achieve significant positive impact.

A nation's economy is not stagnant - new social investment models, ways of doing business, and impact measurement tools continually arise. These changes at times distort and blur the once clear boundaries among the traditional nonprofit, for-profit, and public sectors. It is time that a Social Enterprise be officially recognized and defined in order for the government to be able to give it adequate support.

In view of the foregoing, approval of this bill is earnestly sought.


Senator Paolo Benigno "Bam" A. Aquino IV

Appendix 4 – Topic Guide Entrepreneurs

Table 8 Topic guide social entrepreneurs

Topic	Questions
Formalities	<ol style="list-style-type: none"> 1. Introducing ourselves 2. Ask for permission to record the interview <p>Introduction of topic:</p> <ol style="list-style-type: none"> 3. Our definition of the Ecosystems and NewGen SE here in the Philippines
Social Enterprise	<ol style="list-style-type: none"> 1. Please tell us about your social enterprise, how did you come up with the idea of starting your social enterprise? <ol style="list-style-type: none"> 1. If not answered: what was your personal motivation? 2. How is your business helping in solving the social issue of <ol style="list-style-type: none"> 2. If not answered: How do you measure this impact? 3. How have you financed your business activities? (dependent on the stages of the venture – start-up, growth, maturity) <ol style="list-style-type: none"> 3. How has it changed over time? Or How will it change in the future?
Ecosystem	<ol style="list-style-type: none"> 1. What is your current understanding of the ecosystem? 2. Could you tell us about a time, in the past or the present, when you received support from the ecosystem that helped you develop your business? <ul style="list-style-type: none"> ● If not answered: Was this the only support you have received? or have you received support multiple times? ● How did it happen, who approached who? 3. How have these actors helped you in reaching your social mission & financial mission
Challenges	<ol style="list-style-type: none"> 1. Could you tell us about a time, in the past or present, when have you faced a challenge that hindered you in the development of your business? <ul style="list-style-type: none"> ● Has this been your main challenge? Have there been others? ● What are your current challenges? 2. If you could wish, what support from the ecosystem do you need in order to overcome these challenges?
Opportunities	<ol style="list-style-type: none"> 1. If it was up to you to design the support environment to better help you in growing/developing your business and other NewGen SE, how would you do it? 2. Are you aware of the PRESENT Bill? <ul style="list-style-type: none"> ● How do see this influencing your business 3. How do you see the general sector of social enterprises evolve in the future here in the Philippines?

Appendix 5 – Topic Guide Ecosystem Actors

Table 9 Topic guide ecosystem actors

Topic	Questions
Formalities	<ol style="list-style-type: none"> 1. Introducing ourselves 2. Ask for permission to record the interview <p>Introduction of topic:</p> <ol style="list-style-type: none"> 3. Our definition of the Ecosystems here in the Philippines as well as introducing the concept of new generation social enterprises.
Social Enterprise	<ol style="list-style-type: none"> 2. How do you perceive the new generation social enterprises to be? <ul style="list-style-type: none"> ● If not answered: what makes them different from other types of social enterprises in your opinion? 1. Please tell us about your organisations role in the social enterprise ecosystem, how did it start?
Ecosystem	<ol style="list-style-type: none"> 1. What is your current understanding of the ecosystem? 2. Could you tell us about a case when your organisation have helped NewGen SE to develop and grow? <ul style="list-style-type: none"> ● How is your organisation assisting NewGen SE to achieve their social mission? <ul style="list-style-type: none"> ○ If not answered: How do you ensure that impact is being made? ● How do you assist NewGen SE in achieving financial sustainability? 3. How does the collaboration with NewGen SE work? 4. What other actors within the ecosystem are you collaborating with to enhance the support for NewGen SE? <ul style="list-style-type: none"> ○ if not answered: How does this collaboration work?
Challenges	<ol style="list-style-type: none"> 1. In your opinion, what is the most difficult challenge NewGen SE is facing that hinders growth? 2. What are the main challenge for you as an organisation when assisting or collaborating with NewGen SE? <ul style="list-style-type: none"> ● What would be your advice to overcome these challenges? <ul style="list-style-type: none"> ○ If not answered: How would you change processes in your organisation or collaboration with entrepreneurs?
Opportunities	<ol style="list-style-type: none"> 1. If it was up to you, how would you design the ecosystem to better support NewGen SE to develop and grow? 2. Are you aware of the PRESENT Bill? <ul style="list-style-type: none"> ● How do see this influencing the future of SE Enterprises 3. How do you see the general sector of social enterprises evolve in the future here in the Philippines?

Appendix 6 – 2nd Level Codes

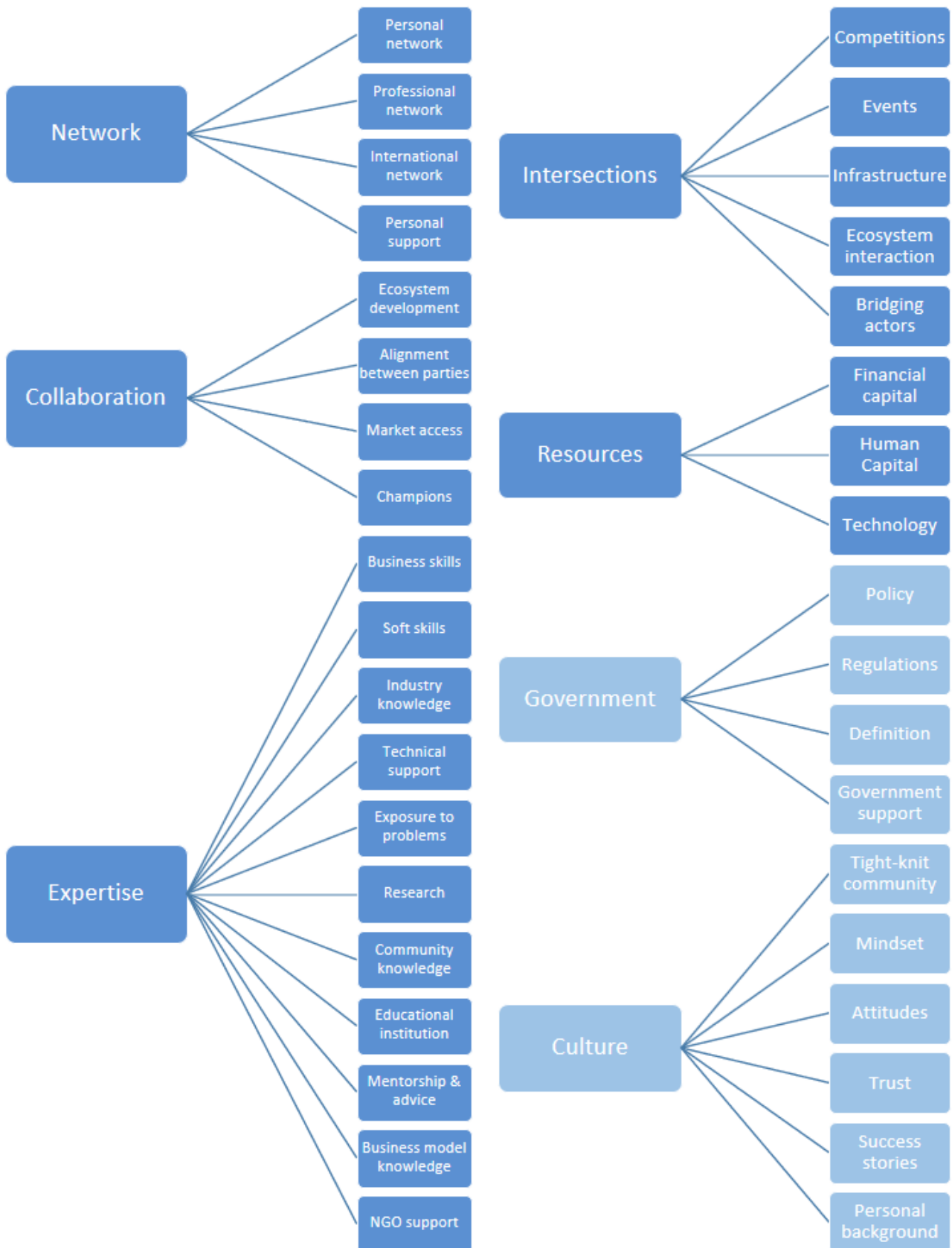


Figure 7 2nd level codes

Appendix 7 – Informed Consent

Consent for participation in a research interview

New Generation Social Enterprises and the Surrounding Ecosystem in the Philippines

Funded by: SIDA – Swedish International Development Cooperation Agency,

Contact Person in the Philippines: Dr. Lisa Marie Dacanay (ISEA)

I agree to participate in a Master Thesis project led by two students Axel Lundberg and Jonathan Lennstrom Nystrom from Jönköping International Business School, Sweden. The purpose of this document is to specify the terms of my participation in the project through being interviewed.

1. I have been given sufficient information about this research project. The purpose of my participation as an interviewee in this project has been explained to me and is clear.
2. My participation as an interviewee in this project is voluntary. There is no explicit or implicit coercion whatsoever to participate.
3. Participation involves being interviewed by researchers from Jönköping International Business School. The interview will last approximately up to 1 hour. I allow the researchers to take written notes during the interview. I also allow the recording by audio tape of the interview. It is clear to me that in case I do not want the interview to be taped I am at any point of time fully entitled to withdraw from participation.
4. I have the right not to answer any of the questions. If I feel uncomfortable in any way during the interview session, I have the right to withdraw from the interview whenever I want.
5. I have been given the explicit guarantees that, **if I wish so**, the researcher will not identify me by name or function in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure.
6. I have been given the guarantee that this research project has been reviewed and approved by supervisors and teachers at Jönköping International Business School
7. I have read and understood the points and statements of this form. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study
8. I have been given a copy of this consent form co-signed by the interviewer.

Participant's Signature Date

Researcher's Signature Date

Researcher's Signature Date

For further information after the interview please do not hesitate to contact us at any time:

axel.lundberg91@gmail.com/jonathan.lennstrom.nystrom@gmail.com

Appendix 8 – Proposal Letter

Dear

Our names are Axel and Jonathan, two master-level business students from Jönköping University in Sweden. This letter is endorsed by the Dr. Lisa Dacanay and the Institute of Social Entrepreneurship in Asia (ISEA). We were recommended by them to contact you in order to conduct our research study on the topic of Social Entrepreneurship in the Philippines.

Our research will focus on “New Generation Social Enterprises” in the Philippines, or in other words; Social Enterprises led by the youth. We will look at the main features of the ecosystem that supports the development of new generation social enterprises. By ecosystem, we refer to supporting actors such as Government, Universities, private institutions, investors and incubators. The aim of the study is to see how the ecosystem can better support and develop new generation social entrepreneurs who are addressing challenges in society such as poverty and inequality.

We are contacting _____ because _____ and it would be very interesting to hear your views on _____.

The focus of our master program at Jönköping University is “Strategic Entrepreneurship”, and during this time we have specifically developed a passionate interest for social entrepreneurship. We are excited about the possibilities and opportunities within this field, especially in a developing country setting where social enterprises have the potential to make a big difference in addressing social challenges. We received a scholarship from SIDA, Sweden’s International Development Cooperation Agency, in order to collect data for our master thesis during a 2-month period in the Philippines. We are based in Manila and will be here between the 7th of February and 6th of April.

We write you to respectfully inquire about your availability to participate in an interview for above mentioned research purpose. Your time would be much appreciated and we would be grateful for any assistance you might be able to provide us. The length of the interview will be approximately 1 hour, and confidentiality is of course kept upon request. In terms of geographical location we are very flexible, interviews can be done either at ISEA’s office at Ateneo University in Manila or at a location of your choice.

Thank you so much for your time - any help is greatly appreciated. We look forward to hear back from you, either by email or phone. Please see contact details below

Contact details:

Email: axel.lundberg91@gmail.com / jonathan.nystrom.lennstrom@gmail.com

Phone (whatsapp): +46739960273 / +46731570854

Phone (local number): +639560070468 / +63956 0070469

Best regards,

Axel Lundberg & Jonathan Nyström Lennström