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For the People, for the Planet

How Social Entrepreneurs in the Global South and Facilitators from the Global North
Construct Legitimacy for the Field of Social Entrepreneurship in a Development Context

In efforts to leverage private sector approaches for achieving the Sustainable Development Goals (SDGs), social entrepreneurship has gained popularity drawing on a hybrid approach of business-minded strategies for pursuing a social mission. Legitimacy construction serves to justify resource allocation by facilitators from the Global North and pitch for resource acquisition by social entrepreneurs in the Global South. However, legitimacy construction is complicated by the hybrid nature of social entrepreneurship and the multiplicity of stakeholders from different institutional contexts. This study investigates how legitimacy is discursively constructed for social entrepreneurship as an organizational field. It helps shed light on the under-researched context of the Global South, exploring social entrepreneurship in Sub-Saharan Africa. Giving voice not only to facilitators, but also to social entrepreneurs contributes to a holistic picture of legitimacy construction of the field. The study draws on qualitative linguistic interview and visual social media data from both groups and analyses legitimacy construction through multimodal discourse analysis. The main finding is: Pragmatic, moral and cognitive legitimacy are constructed on a continuum. Discourses of value creation and return on investment on the pragmatic and an idealized private sector on the cognitive end of the spectrum frame discourses of empowerment through local solutions and glorification of social entrepreneurship. The inherent tension between business and social spheres helps to discursively construct legitimacy by simultaneously catering to a variety of stakeholders. Underlying all accounts is a perceived failure of previous efforts by charity organizations and the public sector. Alignment of social entrepreneurs' and facilitators' accounts suggests the spanning of a meta-institutional context of social entrepreneurship that helps bridge discrepancies between Global North and Global South. Practitioners should not shy away from conflicting ideas when discursively constructing legitimacy since tensions are essential for a field under formation.

Keywords: Social Entrepreneurship, Legitimacy, Discursive Institutionalism, Global South, Sub-Saharan Africa.

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Table of Contents

| | |
|---|-----------|
| Acknowledgements..... | i |
| List of Figures..... | iv |
| List of Tables..... | v |
| List of Abbreviations..... | v |
| Glossary..... | vi |
| 1. Introduction..... | 1 |
| 2. The Empirical Field: Social Entrepreneurship in the Global South..... | 3 |
| 3. Theory..... | 5 |
| 3.1. Macro Level: Neo-Institutional Theory & Discursive Institutionalism | 6 |
| 3.2. Meso Level: Legitimacy Theory | 7 |
| 3.3. Area of Application: Legitimacy of Social Entrepreneurship | 9 |
| 3.4. Gaps Identified and Addressed..... | 12 |
| 3.5. Theoretical Framework..... | 14 |
| 4. Methodology..... | 15 |
| 4.1. Overall Research Approach..... | 15 |
| 4.2. Choice of Linguistic and Visual Texts: Data Origin and Sampling | 16 |
| 4.3. Linguistic Data Collection: Interviews..... | 17 |
| 4.3.1. Semi-Structured Interviews..... | 17 |
| 4.3.2. Pilot Interviews | 17 |
| 4.3.3. Interview Setting | 17 |
| 4.3.4. Data Documentation..... | 18 |
| 4.4. Visual Data Collection: Social Media Images..... | 18 |
| 4.5. Data Analysis: Multimodal Discourse Analysis..... | 18 |
| 4.6. Quality Considerations | 20 |
| 4.6.1. Credibility..... | 20 |
| 4.6.2. Transferability | 20 |
| 4.6.3. Dependability | 21 |
| 4.6.4. Confirmability | 21 |
| 5. Results and Preliminary Analysis..... | 21 |
| 5.1. Discursive Strategies | 21 |
| 5.1.1. Basic Entities..... | 21 |
| 5.1.2. Agents..... | 25 |
| 5.1.3. Discourses | 27 |
| 5.1.4. Synthesis..... | 29 |

| | |
|---|-----------|
| 5.2. Types of Legitimacy | 29 |
| 5.2.1. Social Entrepreneurs | 29 |
| 5.2.2. Facilitators | 33 |
| 5.2.3. Synthesis..... | 36 |
| 6. Discussion..... | 37 |
| 6.1. A Continuum of all Three Types of Legitimacy | 37 |
| 6.2. Five Discourses as Strategies for Legitimacy Construction | 41 |
| 6.3. An Integrated Model of Legitimacy Construction | 44 |
| 7. Conclusion | 47 |
| 7.1. Overall Empirical Findings | 47 |
| 7.2. Theoretical Contribution..... | 47 |
| 7.3. Practical Implications | 48 |
| 7.4. Limitations and Future Research | 48 |
| Bibliography | 50 |
| Appendix | 57 |
| Appendix A: List of Facilitators Interviewed | 57 |
| Appendix B: List of Social Entrepreneurs Interviewed..... | 58 |
| Appendix C: Organizations' Websites and Social Media Sites | 59 |
| Appendix D: Semi-Structured Interview Guide for Social Entrepreneurs and Facilitators . | 61 |
| Appendix E: Sustainable Development Goals (SDGs) | 63 |
| Appendix F: Evidence for Substantiating Results | 65 |
| Basic Entities and Agents | 65 |
| Discourses in Linguistic Texts..... | 66 |
| Discourses in Visual Texts..... | 68 |
| Three Types of Legitimacy | 70 |

List of Figures

| | |
|---|----|
| Figure 1. Overview of previous research reviewed..... | 2 |
| Figure 2. Social Entrepreneurship Framework (Austin et al., 2006, p. 17)..... | 4 |
| Figure 3. Overview of research gaps addressed in this thesis. | 13 |
| Figure 4. Theoretical Framework. | 14 |
| Figure 5. Overview of methodological approach and methods adopted in this study. | 16 |
| Figure 6. Overview of systematic approach to data through discourse analysis..... | 20 |
| Figure 7. Social entrepreneurs receiving cheques – Bond’Innov..... | 22 |
| Figure 8. Awards received – BRCK and Reach for Change. | 23 |
| Figure 9. Products displayed by BRCK, Quintas Energies and Impact Water. | 23 |
| Figure 10. Addressing poor living conditions | 24 |
| Figure 11. Social entrepreneurs and their products – EcoBrick Exchange and ReAfric. | 25 |
| Figure 12. Happy customers – Impact Water, ReAfric, ignitia, BRCK..... | 26 |
| Figure 13. Overview of basic entities, agents, discourses and textual features. | 29 |
| Figure 14. Juxtaposition of ‘the problem’ and ‘the solution’ – Traveler. | 30 |
| Figure 15. Exchange value creation for customers – GIVEWATTS and ignitia. | 30 |
| Figure 16. Highlighting participation – EcoBrick Exchange and Social Enterprise..... | 31 |
| Figure 17. Quantification of social impact – QuizRR and GIVEWATTS..... | 32 |
| Figure 18. Showcasing products and solutions – Siemens Foundation and SNV..... | 33 |
| Figure 19. Social entrepreneurs’ enthusiasm captured during workshops | 34 |
| Figure 20. Interlinkage of People and Planet – AFD. | 34 |
| Figure 21. ‘Woman’s social enterprise creates jobs in low-income community’ | 35 |
| Figure 22. ‘Building a sustainable future, together, is our priority’ – UBS Optimus Foundation. And image by Reach for Change. | 36 |
| Figure 23. The continuous nature of legitimacy construction. | 37 |
| Figure 24. Integrating three types of legitimacy with five dominant discourses. | 45 |
| Figure 25. Strategic legitimacy construction by social entrepreneurs and facilitators..... | 45 |
| Figure 26. Permeation of business and social spheres: outside-in and inside-out. | 46 |

List of Tables

| | |
|---|----|
| Table 1. Overview of tripartite categorization of legitimacy by Suchman (1995)..... | 8 |
| Table 2. Evidential quotations for five legitimating discourses | 28 |
| Table 3. Overview of facilitators including organization’s description. | 57 |
| Table 4. Overview of social entrepreneurs including organization’s description. | 58 |
| Table 5. Sources for descriptions and social media data. | 59 |
| Table 6. Overview of SDGs and their description..... | 63 |
| Table 7. Representative quotes for basic entities and agents. | 65 |
| Table 8. Representative quotes for discourses..... | 66 |
| Table 9. Discourses represented in social media images..... | 68 |
| Table 10. Representative quotes for three types of legitimacy..... | 70 |

List of Abbreviations

| | |
|-------------|--|
| AFD | Agence Française de Développement |
| BoP | Base or bottom of the pyramid |
| C | Cognitive legitimacy |
| CDA | Critical discourse analysis |
| IAP | Innovations Against Poverty Fund |
| IMF | International Monetary Fund |
| M | Moral legitimacy |
| NGOs | Non-governmental organizations |
| ODA | Official development assistance |
| P | Pragmatic legitimacy |
| ROI | Return on Investment |
| SDGs | United Nations Sustainable Development Goals |
| SE | Social entrepreneurship |
| Sida | Swedish International Development Cooperation Agency |
| SMEs | Micro, small and medium-sized enterprises (also abbreviated ‘MSMEs’ in interviewees’ accounts) |
| SNV | SNV Netherlands Development Organisation |
| SVP | Social value proposition |
| UN | United Nations |

Glossary

| | |
|---|--|
| Cognitive legitimacy | Legitimacy based on necessity, encompassing comprehensibility and taken-for-grantedness of an entity (Suchman, 1995). |
| Development challenges | Issues targeted by the United Nations Sustainable Development Goals (SDGs). |
| Discourse | Set of interrelated ‘texts’ that are shaped and shape reality. A multimodal understanding of discourse is adopted referring to different semiotic systems including linguistic and visual ‘texts’ (O’Halloran, 2004). |
| Discursive institutionalism | A fourth type of neo-institutionalism proposed by Schmidt (2008) that re-introduces agency, dynamism and sources of action as not only exogenous, but also endogenous to actors. Institutions are seen as shaping and shaped by discourse. |
| Discursive legitimization strategies | The deliberate choice and utilization of communicative practices based on imagery and linguistic frames as a powerful means for constructing legitimacy (Fortmann, 1995; O’Halloran, 2004). |
| Global North, Global South | Global North and Global South are here not understood as geographical and static, but as dynamic and geo-political entities, based on socio-economic inequalities, resulting in a division of richer and poorer countries (Hollington, Salverda, Schwarz & Tappe, 2015). |
| Institutions | Humanly devised structures that simultaneously enable and constrain meaning construction (Schmidt, 2012). |
| Legitimacy | The perception of an entity’s or approaches’ rightfulness against a system of institutionalized norms (Suchman, 1995). It is understood as socially constructed (Berger & Luckman, 1966). |
| Moral legitimacy | Legitimacy based on a positive normative evaluation and perceived societal contribution (Suchman, 1995). |
| Multimodal discourse analysis | Analysing discourse in an action-oriented way, investigating discourse not as a neutral meaning-conveying device, but as strategies employed for certain effects (Bell & Bryman, 2015). Both visual and linguistic texts are analysed, constituting multimodality. |
| Organizational field | A recognized area of institutional life encompassing organizations that share similarities in geography, industry or purpose among others (DiMaggio & Powell, 1983). |
| Pragmatic legitimacy | Legitimacy based on self-interests of stakeholders, foregrounding exchange elements (Suchman, 1995). |
| Social entrepreneurship | Hybrid approaches combining entrepreneurial techniques with a central social mission (Austin, Stevenson, & Wei-Skillern, 2006), referred to by SE. The term ‘social business’ is used synonymously. |

1. Introduction

In efforts to achieve the Sustainable Development Goals (SDGs), private sector approaches to societal and environmental problems have been promoted in recent years (Scheyvens, Banks, & Hughes, 2016). Reflecting the hope to ‘leverage’ private finance, a 2012 Eurodad report found that in Sweden “aid to the private sector has increased by seven times [...] since 2006” (Kwakkenbos, 2012, p. 10) – a growth rate by far exceeding overall official development assistance (ODA). High hopes are placed on the power of micro, small, and medium enterprises (SMEs)¹ in particular as they are estimated to create 90 percent of new jobs globally (International Finance Corporation, 2017). More specifically, governments of developed economies promote social entrepreneurship, or “entrepreneurial activity with an embedded social purpose” (Austin, Stevenson, & Wei-Skillern, 2006, p. 1), as a vehicle for social innovation in developing countries (G20 Development Working Group, 2015). The rise of heroic figures such as Muhammad Yunus, founder of the micro-finance institution ‘Grameen Bank’, influential catalyst organizations such as Ashoka, but also impact investors has contributed to and illustrates the heightened attention to the field of social entrepreneurship (SE) for development. Yet, a large finance gap remains in the region with arguably the greatest potential for development in the future decades. It is estimated that SMEs in Sub-Saharan Africa lack \$331 billion in necessary finance (International Finance Corporation, 2017).

Legitimacy, the perception of an entity’s or approaches’ rightfulness against a system of institutionalized norms, has been proposed as a central factor to resource acquisition and organizations’ survival (Chen & Roberts, 2010). The multiplicity of stakeholders as well as the hybrid or even triadic nature of social enterprises, simultaneously pursuing social, (environmental) and economic objectives, present challenges for legitimacy construction in the field (Borzaga & Defourny, 2004). The purpose of this thesis is to shed light on SE in a development context by investigating a typical constellation in the field: Social entrepreneurs operating in the Global South, more specifically in Sub-Saharan Africa, and financial or technical facilitators from the Global North, more specifically from Western Europe. Legitimacy construction in this context is complicated by different institutional contexts that have to be bridged and persistent power imbalances between Global North and Global South.

Increased channelling of funds to SE signals the increased legitimacy of the approach. Yet, a considerable finance gap remains, which illustrates the importance to further investigate how legitimacy is and can be created by social entrepreneurs and facilitators. In terms of research, three specific research gaps can be identified. First, previous academic writing largely focused on exploring the phenomenon in the context of the Global North, leading to the need to look at “social entrepreneurship in countries and contexts about which we know relatively little, e.g. African nations” (Doherty, Haugh, & Lyon, 2014, p. 429). Secondly, *how* legitimacy is created and maintained is hitherto under-researched (Nicholls, 2006). Thirdly, although the importance of discursive strategies has been identified in this context (Cieslik, 2018), the focus so far has been on powerful actors such as funders or associations, neglecting social entrepreneurs and relations between the two.

¹ SMEs are here understood according to the European Commission’s definition: “The category of micro, small and medium-sized enterprises (‘SMEs’) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million” (European Commission, 2003).

To address these gaps, this thesis sets out to answer the following research question:

Overall Research Question: How do social entrepreneurs operating in the Global South and facilitators from the Global North construct legitimacy for the organizational field of social entrepreneurship?

Global North and Global South are here not understood as geographical and static, but as dynamic and geo-political entities, based on socio-economic inequalities. Within the resulting “division between rich(er) and poor(er) countries” (Hollington, Salverda, Schwarz & Tappe, 2015, p. 2), (Western) Europe would be subsumed under the former, Sub-Saharan Africa under the latter.²

To answer the research question, first, the role of SE in the Global South and its definition are introduced (Chapter 2). Legitimacy theory as a meso theory is mobilized in the broader framework of discursive institutionalism as macro theory and applied to the empirical field of SE (Chapter 3). The theoretical framework is built upon these four elements (see Figure 1). Gaps are addressed and the overall research question is broken down into two sub-questions. Chapter 4 presents the overall qualitative research approach based on pragmatic constructivism and abductive reasoning. Multimodal discourse analysis serves to make sense of linguistic data from interviews with facilitators and social entrepreneurs and visual data from participants’ public social media accounts. Subsequently, results are presented in Chapter 5 and discussed against the background of previous research in Chapter 6. Chapter 7 draws a conclusion regarding the overall research question how legitimacy is constructed for SE in a development context, outlining theoretical contributions, practical implications and areas of future research.

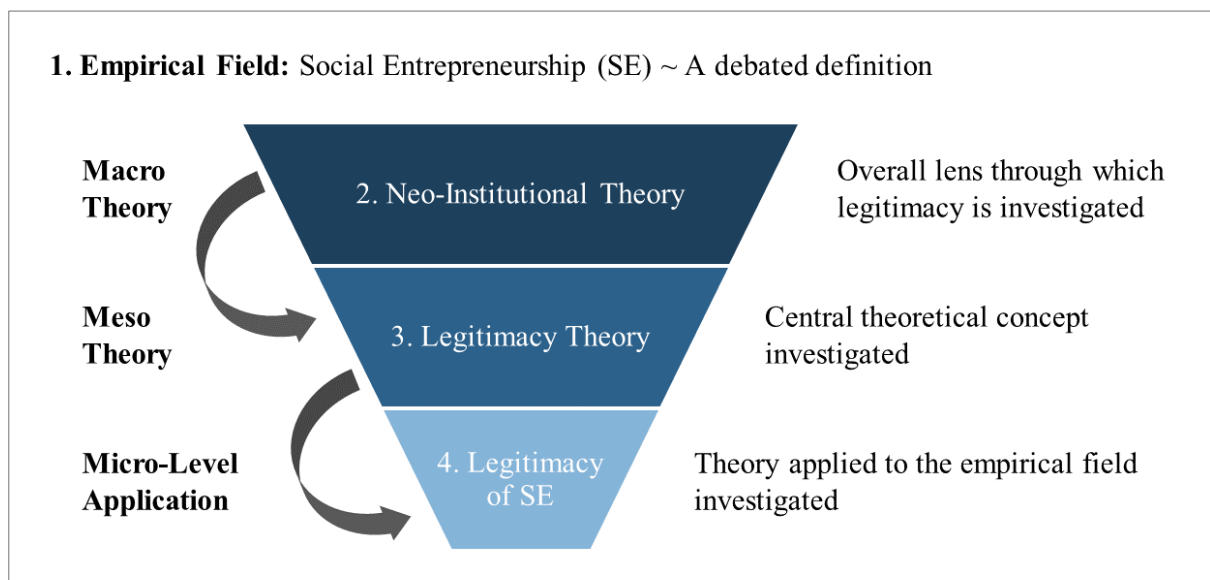


Figure 1. Overview of previous research reviewed as a basis for the theoretical framework.

² It is suggested that in contrast to terms such as ‘Third World’ or ‘Developing Countries’, the term ‘Global South’ carries an empowering connotation “resisting hegemonic forces” (Hollington, Salverda, Schwarz & Tappe, 2015, p. 2). However, it should be noted that the dichotomous division is far from perfect, concealing the considerable diversity within the two categories.

Owing to the multitude of actors in the field, types of facilitators involved are heterogeneous. To delimit the scope, the focus here is on public development agencies and private foundations as facilitators of SE. Impact investors and local governments were intentionally excluded. A second delimitation is the concentration on Europe and Sub-Saharan Africa for the interviewee sample of facilitators and social entrepreneurs respectively to ensure comparability within-group. Choosing actors from the Global North and the Global South at the same time allows for insights into interactions across different institutional contexts. This interlinkage is central to the field of SE and illustrates the aptness of investigating legitimacy construction from an institutional viewpoint. Lastly, the concept of legitimacy is approached from the perspective of discursive institutionalism, thus focusing on *discursive* legitimacy construction.

2. The Empirical Field: Social Entrepreneurship – Definition and Relevance in the Global South

This section outlines the empirical field of SE. It first discusses the contested definition of the concept. Subsequently, SE, its impact and the challenges faced by social entrepreneurs will be contextualized against the background of the Global South.

Well before World War II and even as early as the 19th century, third sector organizations – i.e. organizations neither belonging to the private nor the public sector, such as mutual societies or cooperatives – played an important role for social welfare in Europe (Defourny & Nyssens, 2010). Academic and policy interest in SE, however, only arose in the 1990s, originating in Europe and the US. While the term or signifier may be young, the concept or signified has a long tradition.

Despite the increased academic attention to the field of SE (Saebi, Foss, & Linder, 2019), no agreement on a shared clear and coherent definition has emerged. However, as a least common denominator and broad understanding adopted in this thesis, SE is seen as “entrepreneurial activity with an embedded social purpose” (Austin et al., 2006, p. 1). The social enterprises resulting from this activity are characterized by a hybrid nature or double bottom line, focusing both on financial or economic sustainability and social purpose (Doherty et al., 2014). Challenges arise as these requirements often pull social entrepreneurs in opposing directions (Mason et al., 2007). Some authors have extended this to a triple bottom line, ‘requiring’ social enterprises not only to pay attention to economic and social, but also to environmental sustainability (Certo & Miller, 2008; Nicholls, 2009, p. 758; Zahra, Gedajlovic, Neubaum, & Shulman, 2009). However, this conceptualization leads to overlaps and potentially confusion with terms such as sustainable entrepreneurship (Cohen & Winn, 2007).

Rooted in classical studies of entrepreneurship (Schumpeter, 1947), social entrepreneurs have been depicted as innovation-generating and opportunity-seeking, undertaking “activities and processes [...] to discover, define and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organisations in an innovative manner” (Zahra et al., 2009, p. 519). Building on this, particular attention has been paid to the financial self-sustainability of social enterprises as a delimiting feature and advantage to non-governmental organizations (NGOs) or charities (Nicholls, 2009). However, researchers warrant that excessive focus on financial goals can distract social entrepreneurs from their social mission and marginalize political sustainability (Cieslik, 2018). Thus, it is important that financial or economic aspects play a different role for social enterprises than they do for ‘conventional’ for-

profit businesses. Revenue-generating activities strive for full-cost recovery, but not for personal or shareholder wealth, prioritizing value creation over value capture (Santos, 2012).

Rather than seeing commercial and social entrepreneurship as dichotomous, researchers have advocated conceptualization on a continuum from pure social to pure financial focus (Austin et al., 2006; Mason, Kirkbride, & Bryde, 2007). The degree to which social enterprises are business-focused varies, hence not confining them to a specific legal form. Austin and colleagues suggest that social enterprises exist across “the nonprofit, business, or governmental sectors” (2006, p. 2). Others see a certain consolidation of the field of SE as it moves from a wide conceptualization of innovative social initiatives or ‘social innovation’ to revenue-generating business models following a market logic with a social mission at its core (Dart, 2004).

Still, what unites researchers theorizing on a definitional framework is that the social mission is at the heart of SE. They have equally highlighted the multi-dimensional nature of the phenomenon as well as its contextual embeddedness (Austin et al., 2006; Weerawardena & Mort, 2006). The model by Austin and colleagues (2006) is centred around the Social Value Proposition (SVP). This model sees opportunity as the initiating point with people and capital resources as enabling factors in an environment defined by tax-related, regulatory, sociocultural, macroeconomic, political and demographic factors (see Figure 2).

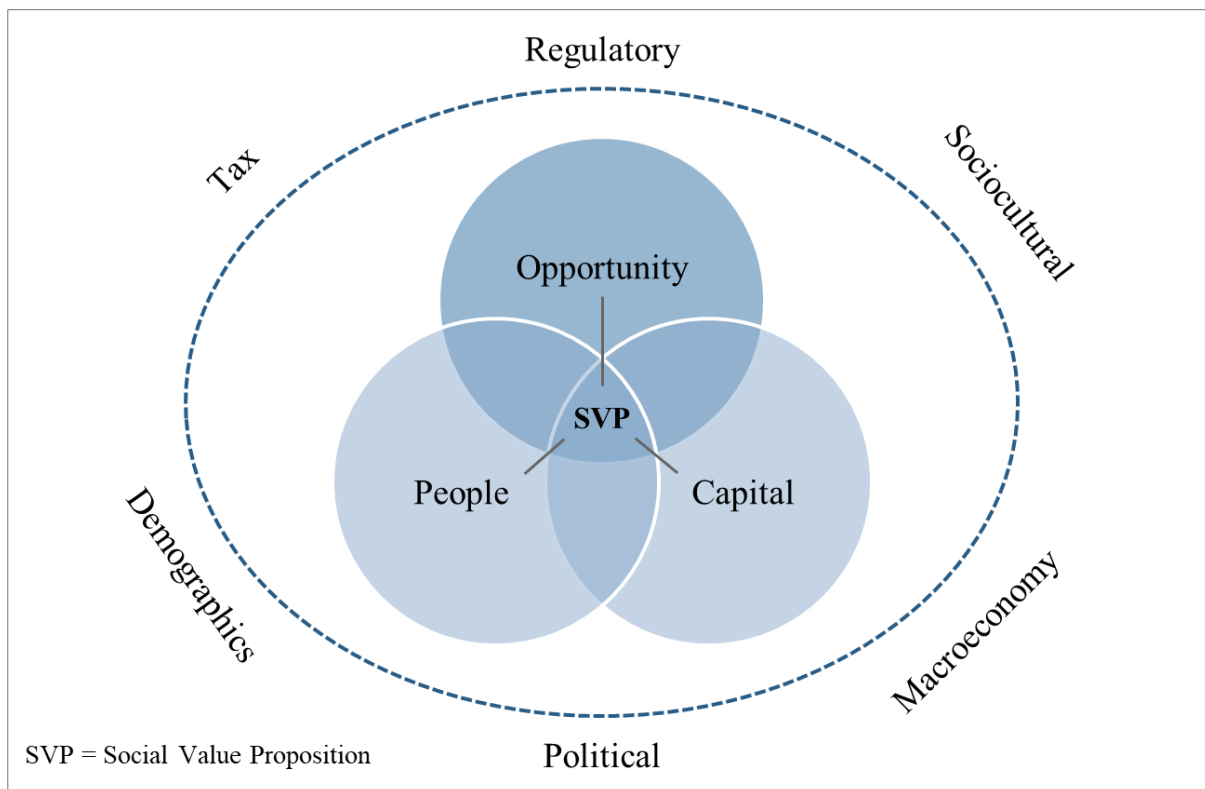


Figure 2. Social Entrepreneurship Framework (Austin et al., 2006, p. 17).

This model is useful as a starting point for placing SE in the context of the Global South. What might be constraints for conventional businesses are opportunities for social entrepreneurs: Market failures resulting in social needs neither addressed by NGOs, nor (conventional) businesses nor governments (Mark-Herbert & Prejer, 2017). In this regard, ample opportunities exist in the Global South, especially in the areas of health, education and finance, where the requirements of disadvantaged groups (such as poor or socially excluded population segments)

in terms of access, quality and affordability are not met (Seelos & Mair, 2005). At the same time, the model helps understand the challenges (social) entrepreneurs are facing in the Global South. Human and financial resources are among the most common operating constraints for businesses in Africa (AfDB / OECD / UNDP, 2017). On the people side, skill requirements are especially high in social and inclusive businesses because they require hybrid competencies spanning from business to political and social skills (Dees, 2008). This is particularly problematic given the prevalent overall shortage of high-skilled personnel in this context. On the capital side, the so-called “pioneer gap” is especially relevant in the context of SE in the Global South (Dichter, Katz, Koh, & Karamchandani, 2013). This financing gap makes it extremely difficult for social enterprises that are too big for microfinance, yet too small and / or not lucrative enough for commercial (impact) investors to acquire the necessary financial resources for scaling up.

Although there are many challenges, an increased interest in SE in the Global South by a variety of stakeholders from impact investors to public development agencies exists, arising from the impact associated with it (Dorsey, 2015). SE has been connected with poverty alleviation (Alvarez, Barney, & Newman, 2015; Tobias, Mair, & Barbosa-Leiker, 2013), inclusive growth (Ansari, Munir, & Gregg, 2012), women’s empowerment (Datta & Gailey, 2012) and institutional change (Nicholls, 2010, p. 625). However, Saebi and colleagues criticize that existing research “largely describe[s] *possible* effects of SE but is little suited to draw more definite conclusions on the *actual* impact of [...] social ventures” (2019, p. 81 – emphasis added). Studies going beyond *assumed* impact in both Global North and Global South are scarce, with the majority of writings focusing on best practice cases around heroic entrepreneurs, thereby reifying rather than substantiating the approach (Dacin, Dacin, & Tracey, 2011). Focus on social entrepreneurs and idealized versions of efficiency-driving business strategies marginalizes discourses around communitarianism and social justice (Butzin et al., 2015).

Fundamentally, Cieslik suggests that there are two ways of conceptualizing SE and its impact: Those who see social enterprises “as mitigation and focus on their corrective function in addressing the state/market failures (the mainstream, hegemonic narrative) and those that see its function as a disruptive/creative systemic transformation (the emergent alternative)” (2018, p. 365). The latter orientation is fundamentally centred around empowerment as the dominant logic of action in SE (Santos, 2012). Bottom-up approaches allow for local solutions to local problems. Especially in the context of the Global South, SE thus becomes inherently political and influenced by power relations unlike the de-politicized accounts often conveyed (Dey & Steyaert, 2010). These characteristics make institutional theory and the discourse analytical approach adopted as a theoretical framework in this study (see next section) applicable and desirable.

3. Theory

The theory section proceeds from a global perspective to the specific area of application. First, neo-institutional theory – and more specifically discursive institutionalism – as a macro theory serves as the lens through which the concept of legitimacy is investigated in the specific empirical field (3.1). Secondly, previous research on legitimacy serves as a meso theory (3.2). Finally, the specific application of legitimacy construction to SE is explored (3.3). This three-level literature review allows identifying research gaps, further specifying the research question and building a theoretical framework that guides the investigation.

3.1. Macro Level: Neo-Institutional Theory & Discursive Institutionalism

Strategic Versus Institutional Approaches to Legitimacy

Legitimacy has been approached from a strategic and a neo-institutional perspective. The strategic tradition considers legitimacy an operational resource that an organization utilizes to reach its objectives (Dowling & Pfeffer, 1975; Pfeffer, 1981). This perspective conceptualizes managers to have considerable control over the process of legitimation “through a variety of substantive and symbolic practices” (Ashforth & Gibbs, 1990, p. 177). Institutional approaches, in contrast, consider “the source of action as existing exogenous to the actor” (Wooten & Hoffmann, 2017, p. 55). Furthermore, stakeholder support and resource acquisition are seen as a “by-product” of legitimation (Suchman, 1995, p. 576). Dart (2004) argues that although legitimacy is not a resource in itself, resources play a central role in institutional theory with legitimacy conceptualized as a means for resource acquisition and maintenance. This is reflected in the neo-institutional literature seeing legitimacy as crucial for organizations’ resource acquisition and survival (Deephouse, 1996; Scott, 1995; Zucker, 1977). Legitimacy is seen as constructed through conformance with larger societal rules, norms and values: “external institutions construct and interpenetrate the organization in every respect” (Suchman, 1995, p. 576).

Organizational Fields and Social Entrepreneurship

Unlike strategic views that largely consider legitimacy on an individual organization level, neo-institutional views consider entities’ legitimacy to be highly interdependent and embedded in their institutional context. Hence, organizational fields have become the primary unit of analysis (Goins & Gruca, 2008). Organizational fields consist of “those organizations that, in the aggregate, constitute a recognized area of institutional life” (DiMaggio & Powell, 1983, p. 148). In response to resource-based pressures, organizations within an organizational field adopt increasingly similar structures, a phenomenon that has been termed organizational isomorphism (ibid). This alignment of organizational structures with the institutional context is rewarded by legitimacy (e.g., Meyer & Rowan, 1977; Scott, 1991).

Neo-institutional approaches have, however, been criticized for neglecting actors’ agency and prioritizing structure over dynamic change (Lawrence & Shadnam, 2008). This criticism is reflected in Suchman’s (1995) call to integrate strategic and institutional perspectives in legitimacy research. He cautions that rather than being mutually exclusive frameworks, the two streams of research represent merely different points of view, an inside-out view of managers and an outside-in view of society. Following this call, Fligstein and McAdam (2012) advocated introducing strategic action to actor’s interactions within institutional fields.

Discursive Institutionalism

Relevant in this debate is a fourth type of neo-institutionalism proposed by Schmidt (2008) that re-introduces agency, dynamism and sources of action as not only exogenous, but also endogenous to actors. Discursive institutionalism allows for a single integrated theoretical grounding while taking a “middle course between the strategic and the [traditional] institutional orientations” (Suchman, 1995, p. 577). Schmidt (2008) criticizes the three ‘old’ strands of neo-institutionalism that arose in the 1980s for over-emphasizing structure over agency, based on exogenously-determined rules according to rationalist calculations of self-interest (rational choice institutionalism), path dependence (historical institutionalism) or norm appropriateness (sociological institutionalism). Discursive institutionalism advocates a balance between

structure and agency, building on ideas of Wendt conceptualizing the two as “mutually constitutive” (1987, p. 335).

Originating from a political science tradition, discursive institutionalism draws attention to political communication and coordination: “this approach is not only about the communication of ideas or ‘text’ but also about the institutional context in which and through which ideas are communicated via discourse” (Schmidt, 2010, p. 4). The fourth strand of neo-institutionalism builds on two central categories: Background ideational abilities based on Searle (1995) and foreground discursive abilities based on Habermas’ concept of communicative action (1990). Background ideational abilities allow agents to manoeuvre institutional contexts thanks to their knowledge and capacities (Searle, 1995). While background ideational abilities allow for creating and maintaining institutions, discursive abilities allow agents to act not only inside, but also outside of institutional structures. By critically communicating about and challenging institutions, agents can maintain but also change institutions which in turn frame action (Schmidt, 2008). In this respect, contestation and interaction of top-down and bottom-up influences are integral to legitimacy: “a process of ongoing contestation in deliberative discursive processes” (Schmidt, 2008, p. 320, referring to Seabrooke, 2006).

As Schmidt (2008) herself acknowledges, discursive institutionalism subsumes a fragmented body of literature. Critics argue that discursive institutionalism is not a standalone theoretical approach and superfluous as a concept because agency can be re-introduced by modifications to previous streams of neo-institutionalism (e.g., Bell, 2011). In this context, it has also been argued that introducing yet another term contributes to the further fragmentation of institutional literature. Despite this criticism, Schmidt’s moderate approach seeing “institutions as simultaneously constraining structures and enabling constructs of meaning, that are both external to and yet internal to sentient agents” (2012, p. 707) is highly useful for the purpose of this study. By taking discourse into consideration, this approach highlights the centrality of linguistic processes to subjectively constructed, but objectively perceived institutions and legitimacy (Berger & Luckmann, 1966).

3.2. Meso Level: Legitimacy Theory

Definition of Legitimacy

The afore-mentioned subjective-objective dualism (Berger & Luckmann, 1966) is reflected in the definition of legitimacy by Suchman as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (1995, p. 574). Legitimacy is seen as socially constructed in human interaction facilitated by language (Berger & Luckmann, 1966). Whether legitimacy is granted is dependent on the observing audience. This broad and inclusive definition will be adopted in this thesis.

Typologies of Legitimacy

Different typologies of legitimacy have been suggested among which three play a most prominent role. A broad twofold distinction is made between cognitive and socio-political legitimacy (Aldrich & Fiol, 1994). In their study on the challenges of acquiring legitimacy as an entrepreneur in an emerging field, cognitive legitimacy refers to “how taken for granted a new form is” and socio-political legitimacy depends on “the extent to which a new form conforms to recognized principles or accepted rules and standards” (Aldrich & Fiol, 1994, p. 645-646). A tripartite division into regulative, normative and cognitive dimensions of

legitimacy has been proposed by Scott (1995). Regulative legitimacy arises from conformance with regulative rules that restrict and promote behaviour through legal sanctions and rewards. The normative pillar is based on binding expectations that encourage conformance to moral standards. Lastly, cognitive legitimacy is based on constitutive schemata that are comprehensible, recognizable and culturally supported.

Suchman (1995) distinguishes between three types of legitimacy: Pragmatic, moral, and cognitive. Pragmatic legitimacy arises from fulfilment of actors' self-interests. These can be stakeholders such as customers who benefit directly, but also indirect beneficiaries such as funders (Dart, 2004). Moral legitimacy refers to normative judgements of what 'should be done' according to a set of norms and values in the social environment (Suchman, 1995). Lastly, cognitive legitimacy is the most deeply embedded and hence least available type of legitimacy, evoking a taken-for-granted nature of the organization or field (Zucker, 1987). Table 1 provides a more detailed overview of the tripartite division which will be taken as a basis for the exploration of legitimacy construction in this study.

Table 1. Overview of the tripartite categorization (including sub-types) of legitimacy as suggested by Suchman (1995).

| | Pragmatic Legitimacy | Moral Legitimacy | Cognitive Legitimacy |
|--------------------|---|--|---|
| Definition | "rests on the <i>self-interested calculations</i> of an organization's most immediate audiences" (p. 578) | "reflects a <i>positive normative evaluation</i> of the organization and its activities" (p. 579) | "acceptance of the organization as <i>necessary or inevitable</i> based on some taken-for-granted cultural account" (p. 582) |
| Basic logic | <i>Interests</i> | <i>Evaluation</i> | <i>Cognition</i> |
| Subtype 1 | <i>Exchange:</i> Immediate value creation for stakeholder | <i>Consequential:</i> Outputs and consequences are evaluated against socially defined standards | <i>Comprehensibility:</i> Organizational form and activity appear predictable and plausible in reference to established cultural models |
| Subtype 2 | <i>Influence:</i> Responsiveness to stakeholders' larger interests (e.g. by ceding / sharing authority) | <i>Procedural:</i> Techniques and procedures are evaluated based on whether they are socially acceptable | <i>Taken-for-granted:</i> It is unthinkable for things to be different – organizational characteristics and actions perceived as inevitable and permanent |
| Subtype 3 | <i>Disposition:</i> Allow for identification with the organization based on 'good character' | <i>Structural:</i> Categories and structures are evaluated against a larger taxonomic order | – |
| Subtype 4 | – | <i>Personal:</i> Leaders and representatives are evaluated according to their individual charisma | – |

Criticism

Most studies do not present the more fine-grained systematization of the tripartite legitimacy typology into sub-types that Suchman (1995) proposed. As a result, it is frequently ignored that, as conceptualized by Suchman (1995) and Aldrich and Fiol (1994), cognitive legitimacy exists on a continuum. It ranges from a relative degree of comprehensibility in reference to pre-established cultural models and knowledge to complete taken-for-grantedness in which alternatives become unthinkable.

Moreover, attempts to bring together the different typologies can be problematic. Whereas Dart (2004) considers moral and socio-political legitimacy synonymous, Nicholls (2010) sees pragmatic, moral and cognitive legitimacy types as sub-categories of socio-political legitimacy. Nicholls further considers Scott's (1995) and Aldrich and Fiol's (1994) terms synonymous: "regulative/pragmatic, normative/moral, and cognitive legitimacies" (Nicholls, 2010, p. 615). While equalisation of typologies may be applicable in the cases of normative/moral and cognitive dimensions, it is over-simplified in the case of regulative and pragmatic legitimacy. While regulative legitimacy does encompass self-interests, it focuses mostly on the legal sanction of conformance to regulative rules.

Although it might seem reductive and simplifying at first sight, there are three reasons for presenting the typologies separately instead. First, Nicholls' (2010) strategy omits important arguments that distinguish regulative and pragmatic legitimacy. Secondly, the clear separation may avoid confusion due to the term 'cognitive' used in all three conceptualizations. Thirdly, this approach offers researchers three different perspectives from which to systematically scrutinize legitimacy. Valuable to all applications of different categorizations, however, is Scott's remark that although one type of legitimacy may come to dominate in a given context, all are important and "more often [...] work in combination" (2001, p. 56).

3.3. Area of Application: Legitimacy of Social Entrepreneurship

Introducing Social Entrepreneurship as an Organizational Field

SE, despite the heterogeneous service and product offer, has been conceptualized as an example of an organizational field in a "pre-paradigmatic stage" (Nicholls, 2010, p. 611) and "an emerging institutional domain" (Hervieux, Gedajlovic, & Turcotte, 2010, p. 39). Organizational fields hence do not have to be conceptualized as geographically bound industry sectors (cf. the investigation of the U.S. steel industry by Fligstein, 1996), but can be clustered according to other commonalities. Actors in the field of SE do not only comprise social entrepreneurs, their suppliers and their customers, but also wider circles of stakeholders including governments and (other) funders (Wooten & Hoffmann, 2017).

Building new ventures is challenging in itself, but entrepreneurs who found start-ups in a newly emerging field face particular difficulties in gaining legitimacy (Aldrich & Fiol, 1994). The multiplicity of stakeholders as well as the dual or even triple mission of social enterprises further complicate legitimacy construction in the field (Borzaga & Defourny, 2004). Lack of clarity and debate about the delineation of SE as outlined above equally hamper legitimization (Saebi et al., 2019).

Isomorphism and Social Entrepreneurship

SE has been found to be less perceptible or largely immune to isomorphic pressures since the controversies around its definition have led to a lack of unitary normative logic on which

legitimation processes could build (Nicholls, 2006). Retaining its flexibility and adaptability, SE remains “diverse, locally rooted, and [a] structurally non-isomorphic field” (Hammack & Heydemann, 2009, p. 22). Cieslik (2018) in contrast lists the transfer of the for-profit model to the social sector as an instance of organizational isomorphism. However, in contrast to the aforementioned authors, this is not isomorphism in the traditional sense as leading to increasingly similar structures within an organizational field (e.g., DiMaggio & Powell, 1983). Rather it is the spreading of a market-based logic across fields, permeating multiple spheres of activity.

The debate about the existence of isomorphism in SE is so far inconclusive. Sud, VanSandt and Baugous (2009) simultaneously acknowledge the heterogeneity of the field and the existence of isomorphic pressures through increased academic scrutiny, more institutionalized investment mechanisms, and ‘labels’ through awards such as nominations as ‘Ashoka Fellows’. However, the authors agree with Nicholls that social entrepreneurs “defy the traditional isomorphic forces that often constrain and categorize organizational innovation [...] preferring instead constantly to challenge the status quo by reconfiguring accepted value creation boundaries (public/private, for-profit/not-for-profit, and economic/social)” (Nicholls, 2006, p. 11). This has led Nicholls to suggest a new type of isomorphism, coining the term reflexive isomorphism. Operating reciprocally on field and organizational level, “this type of isomorphic pressure privileges agency over structure by suggesting dominant organizations can shape the legitimacy of an emergent field to reflect their own institutional logics and norms” (Nicholls, 2010, p. 617). Power relations influence agents’ differential capacities to bring about change. Nicholls points to the capacity of “resource-rich actors to shape its [the organizational field of SE] legitimation discourses in a self-reflexive way” (2010, p. 625). These actors can be foundations, consultants, academic researchers (Hervieux et al., 2010), the state (Suddaby & Greenwood, 2005) or the media (Lamertz & Baum, 1998; Vaara, Tienari, & Laurila, 2006).

Discursive Strategies in Social Entrepreneurship

According to Lounsbury (2007), the contestation of who is entitled to assign legitimacy and what is considered legitimate takes place in rhetorical, discursive and technical institutional arenas. The discursive arena of legitimation has been explored in the context of SE by several researchers (e.g., Cieslik, 2018; Hervieux et al., 2010; Nicholls, 2010). Although not explicitly employing discourse in their theoretical frameworks by using discourse analysis as a methodology, these accounts allocate explanatory power to the performative nature of language and communication. Discursive strategies conceptualized here as the deliberate choice and utilization of communicative practices based on imagery and linguistic frames³ are considered powerful means for constructing legitimacy (Cieslik, 2018; Fortmann, 1995; Phillips, Nelson, Lawrence, & Hardy, 2004).

While debates about the concept of SE can present barriers to the field’s legitimacy, Hervieux and colleagues argue that legitimacy is discursively constructed by “‘theorizing’ on the SE concept” (2010, p. 43) and granted if the dual logic is observable, i.e. an organization pursues a social mission through commercial techniques. This view of legitimacy being achieved through consensus of theoretical definitions might be especially important to delineate a new field, but legitimacy construction goes well beyond compliance with a definition. A more

³ This definition builds on Fortmann’s (1995) application of the concept and combines it with ideas from multimodal discourse analysis seeing discourse as not restricted to linguistic spheres but including visual images and other semiotic sources (O’Halloran, 2004).

theoretically grounded approach that explores different dimensions of legitimacy may provide further insights into legitimacy construction in the field of SE. Furthermore, the authors focus exclusively on written texts by academics, funders and consultants, which requires future research not only to further empirically investigate their theorizing, but also to explore social entrepreneurs' role in co-shaping discourses legitimizing SE as a field.

Nicholls (2010) equally neglects social entrepreneurs, focusing on government, foundations and network organizations. The author's analysis revealed three pre-dominant discursive strategies, namely "narrative logics based on hero entrepreneur examples; ideal type organizational models based on business; and logics based on communitarian values and social justice" (Nicholls, 2010, p. 612). This equally highlights the hybrid nature of SE, merging business with philanthropic logics.

However, discursive legitimation strategies tend to over-emphasize financial or economic sustainability over social (and/or environmental) sustainability (Cieslik, 2018). An overly commercial focus may divert attention from and endanger the social mission (Tuckman, 1998; Weisbrod, 2004). Donors and investors may further emphasize or actually initiate the financial focus through their reporting mechanisms (Bruck, 2006). This will certainly influence legitimacy construction for resource acquisition. Emphasizing commercial purpose over social mission may be counter-productive in the legitimation of SE as it is exactly the balanced mix of the two that has made SE distinctively legitimate (Hervieux et al., 2010).

The field's legitimacy builds on entrepreneurial success stories as "discursive fodder" (Lounsbury & Strang, 2009, p. 72). This reification or idealization has contributed to the global diffusion of SE. Centred around efficiency, creativity and innovation, the underlying logic is rooted in archetypical US American values and an idealized version of modern capitalism that approaches philanthropy from an individualistic and business-minded perspective. This model shifts attention to and favours elites instead of representing social entrepreneurs' reality on the ground. Unlike this narrative genre makes us believe, success stories are the exception: The majority – up to 90 percent – of start-ups fail (Patel, 2015; Singh, Corner, & Pavlovich, 2007).

Legitimacy Construction of Social Entrepreneurship in the Global South

Limited research exists on legitimacy of SE in the Global South. According to one of the few studies, legitimacy of SE in the Global South is constructed against the backdrop of disillusionment with the welfare state, disappointment with outcomes from donor-funded initiatives, and decreased donor funding in combination with a heightened belief in entrepreneurial approaches (Cieslik, 2018). Drawing on findings from a South African context, Fury finds SE progressively acquired legitimacy by reference to its comparative advantage "over government – in efficient delivery of services; over conventional business – on trust, accountability, and purpose; and over charities and NGOs – due to financial sustainability and access to capital" (2010, p. 3). The first point alludes to pragmatic legitimacy in reaching objectives efficiently; the second point to moral legitimacy in complying with ethical norms; the last point may be pointing to cognitive legitimacy in that it builds on the universal understanding that action requires funding. However, neither Fury (2010) nor Cieslik (2018) refer to legitimacy theory; both fail to define legitimacy and its proposed multiple dimensions, instead mentioning the term in passing, assuming universal understanding.

Relevance of Suchman's Tripartite Typology of Legitimacy for Social Entrepreneurship

Dart (2004) as the only scholar to my knowledge, in contrast, builds on Suchman's (1995) approach to scrutinize legitimacy of SE systematically. However, the limited transferability to this study should be noted as it neither focuses on the context of the Global South nor on legitimization strategies. Dart (2004) discusses all three types of legitimacy, but considers its moral dimension as pre-dominant and most relevant for SE.

Pragmatic legitimacy would arise from social enterprises providing direct value to beneficiaries or indirect value to funders "because such [social-enterprise] activities offer innovative solutions to social problems" (Dart, 2004, p. 417). However, studies measuring impact and value social enterprises deliver are scarce. Indeed, the field has been criticized for excessively relying on best practice cases with limited transferability and overreliance on descriptive accounts rather than theory generation (Hervieux et al., 2010).

Moral legitimacy is highlighted due to its potential "to explain both the emergence and the likely trajectory of social enterprise" (Dart, 2004, p. 418). SE draws legitimacy from the increasing permeation of the social sector by business- or market-focused values (for critical discussions see e.g., Kuttner, 1999; Mintzberg, 1996). While intuitively plausible as moral legitimacy "usually reflect[s] beliefs about whether the activity effectively promotes societal welfare" (Suchman, 1995, p. 579), the purely conceptual argument lacks empirical back-up. This is exemplary to criticism of the "polarizing of social entrepreneurship scholarship into either empirical work drawing repeatedly on a small set of the same case examples or theoretical work that lacks empirical support" (Nicholls, 2010, p. 613).

Dart argues that the field is too premature to engage in discussions of cognitive legitimacy which he considers "theoretically excessive and unwarranted" (2004, p. 421). This would certainly be a reasonable objection if SE were radically different from all pre-existing phenomena. However, SE has widely been conceptualized as a hybrid field that builds on pre-existing logics of business/for-profit and philanthropic/not-for-profit sectors (Austin et al., 2006). Nicholls further points out that society grants social purpose organizations a "cognitive legitimacy 'surplus'" (2009, p. 758). This shows that it is not too early to consider cognitive legitimacy, but rather too early to rule out any type of legitimation in the discussion of SE.

3.4. Gaps Identified and Addressed

Although the body of literature on SE is growing, research is still skewed towards descriptive accounts and best practice cases rather than theory exploration and building (Hervieux et al., 2010). This study will add to the theoretical and empirical investigation of SE and thereby help address several gaps. First, research has so far largely focused on European or US contexts, neglecting "the developing world" (Terjesen, Hessels, & Li, 2016, p. 316). This thesis will address the need to look at "social entrepreneurship in countries and contexts about which we know relatively little, e.g. African nations" (Doherty et al., 2014, p. 429). Considerable differences certainly exist between African countries; drawing on data from the Sub-Saharan African countries Cameroon, Ghana, Kenya, Nigeria, Mauritius, Uganda, South Africa and Zambia will provide a broad picture.

Originating from new institutionalist theory, legitimacy has long been treated with a focus on structure rather than agency. Critics have increasingly acknowledged dynamic change and room for purposeful action in the field (Jackson, 2010). This is particularly important in a newly emergent field that has been found to escape (traditional) isomorphic pressures (Hammack &

Heydemann, 2009; Nicholls, 2010; Sud et al., 2009). With the increasing acknowledgment of dynamic aspects and room for purposeful action, the importance of the process or the *how* of legitimacy creation has been emphasized (Lawrence & Shadnam, 2008). The second gap is reflected in calls for in-depth research on how legitimacy is created and maintained (Nicholls, 2006). More specifically, two dimensions of the process of legitimation require further research. First, there is a need to investigate “the extent to which the social entrepreneurship context leads individuals to make trade-offs between different forms of legitimacy” (Dacin et al., 2011, p. 1207). Secondly, “strategies employed in social entrepreneurship to manage legitimacy needs” are under-researched (ibid).

Studies addressing how actors shape legitimacy through discourse mention legitimacy in passing rather than explicitly defining and systematically approaching it (e.g., Cieslik, 2018; Schmidt, 2008). Further, they focus on powerful actors such as academics (Cieslik, 2018), associations (Fury, 2010), governments, foundations and network organizations (Nicholls, 2010). With this focus they perpetuate what they criticize, that is “the relative marginalization of social entrepreneurs [...] from the processes of legitimation at the discourse level” (Nicholls, 2010, p. 626). Despite the criticism, these strands of previous research substantiate this study’s choice of *discursive* strategies and supporting bodies from government and foundations. Investigating discursive strategies on *both* the level of facilitators and social entrepreneurs will address the third gap calling for “further research [...] on micro-discourses in SE, those of social entrepreneurs” (Hervieux et al., 2010, p. 61). Knowledge is lacking to what extent discourses of resource-rich actors are reflected in or adopted by social entrepreneurs and how discursive strategies at the two levels may differ. The next section will present the theoretical framework that will help address the aforementioned gaps (see Figure 3).

| Existing Gaps | | How the Gaps are Addressed |
|---------------|--|--|
| Gap 1 | SE in an African Context | Building on empirical data collected from Cameroon, Ghana, Kenya, Nigeria, Mauritius, Uganda, South Africa, Zambia |
| Gap 2 | The <i>How</i> of Legitimacy Construction for SE | a) Investigating discursive strategies to construct legitimacy |
| | | b) Investigating combination of different types of legitimacy |
| Gap 3 | Micro-Level Legitimacy Construction for SE | Focusing on <i>both</i> facilitators and social entrepreneurs |

Figure 3. Overview of research gaps addressed in this thesis.

3.5. Theoretical Framework

The following theoretical framework (see Figure 4) represents an integration of SE, legitimacy theory and discursive institutionalism. This allows for a multi-faceted exploration of SE embedded in institutional contexts of the Global North and Global South, acknowledging the field's political dimension and power relations. The central concept is legitimacy construction, acknowledging both the socially constructed nature of legitimacy and actors' ability to purposefully influence and shape legitimacy. The research question how social entrepreneurs operating in the Global South and facilitators from the Global North construct legitimacy for the organizational field of SE, is further broken down into two sub-questions:

First sub-question: How do social entrepreneurs and facilitators combine different types of legitimacy?

Second sub-question: How do they employ discourses as strategies to construct legitimacy for SE?

The focus on *discursive* strategies builds on the theory of discursive institutionalism (Schmidt, 2008). While multiple typologies of legitimacy exist, following Dart (2004), the second sub-question will be addressed through Suchman's (1995) tripartite categorization of pragmatic, moral and cognitive legitimacy. Legitimacy is an important construct because it allows facilitators to justify resource allocation and serves as a means for social entrepreneurs to acquire resources (Deephouse, 1996).

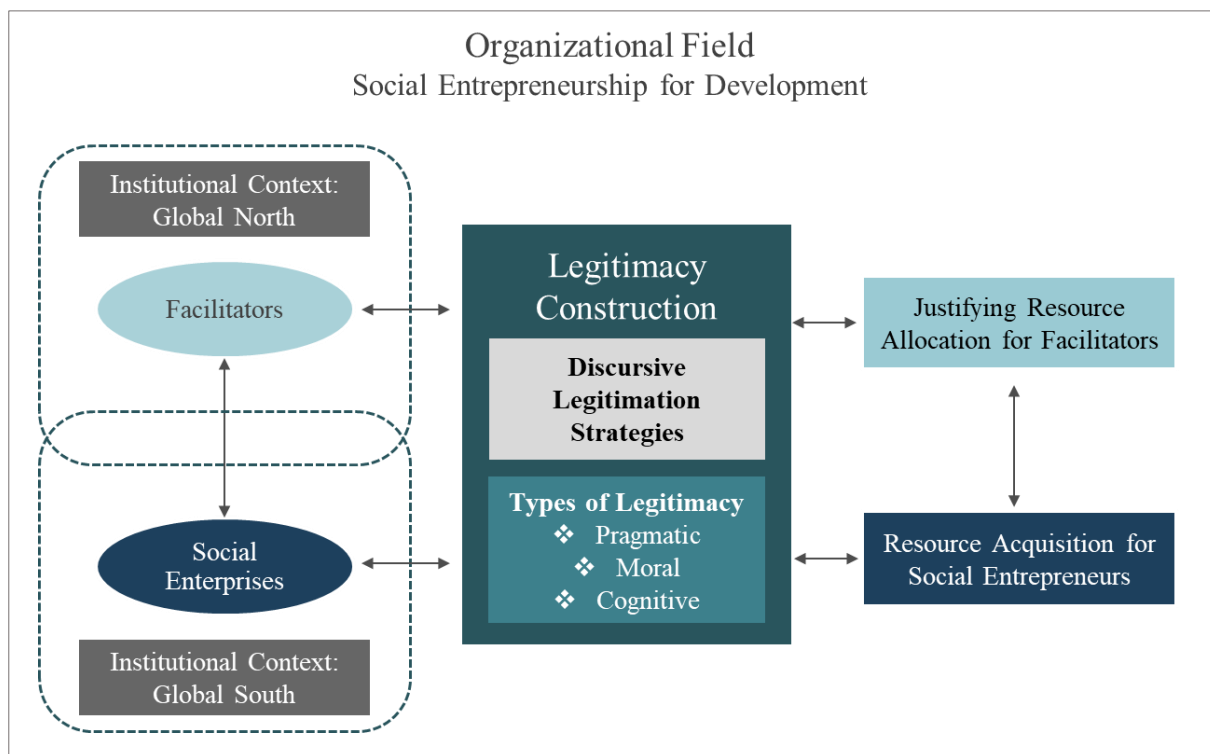


Figure 4. Theoretical framework.

4. Methodology

This thesis will adopt a pragmatist epistemology embedded in a constructivist ontology. The qualitative research design is outlined in this section, outlining context and sampling for both interview and social media data sources. Subsequently, procedures for linguistic and visual data collection will be explained separately. Multimodal discourse analysis serves as the method of analysis. The section will conclude by investigating four quality criteria, namely credibility, transferability, dependability and confirmability.

4.1. Overall Research Approach

Given its explorative nature, this study adopts a qualitative research design relying “on textual or visual rather than numerical data” (Maxwell, 2012, p. viii). This approach fits the study focus of a socially constructed phenomenon based on a performative view of language (Ormston, Spencer, Barnard, & Snape, 2014). Following Haas and Haas (2002), this thesis adopts a pragmatist epistemology embedded in a constructivist ontology. While conceptualizing legitimacy as socially constructed through discourse in an institutional framework, empirical observations and previous theory are pragmatically combined to reach the ‘best’ possible state of knowledge in practice. Pragmatism allows seeing discourse and language as both constitutive of reality and constituted through action (Franke & Hellmann, 2017).

The overall methodological approach builds on this stance of pragmatic constructivism: Abductive reasoning is employed as a holistic way “of capturing the dialectical shuttling between the domain of observations and the domain of ideas” (Atkinson, Coffey, & Delamont, 2003, p. 149). As evident in the previously presented theoretical framework, the hypothesis that discourse on SE will contain ideas of pragmatic, moral and cognitive legitimacy is not adopted for confirming or verifying its truthfulness, but to present a starting point for investigation – characteristic of abductive reasoning (Douven, 2011). This broad frame of analysis takes advantage of the large body of previous research on legitimacy. However, the abductive approach also leaves room for surprise findings, which is crucial given the newness of the concept to the field of SE in the Global South. It allows for continuous advancement of the initially developed framework in light of the insights gained from the analysis of qualitative empirical data.

In qualitative research, triangulation has been advocated as a way to both facilitate the discovery of findings and increase accuracy (e.g., Denzin, 1978; Dubois & Gadde, 2002; Jick, 1979). ‘Between-method’ triangulation is used by combining interviews and social media material for data collection. ‘Within-method’ triangulation is reached by interviewing both facilitators from private foundations or public development agencies from the Global North and social entrepreneurs in the Global South. Diversifying contextual features provides rich insights into different stakeholders’ perspectives in the organizational field and their common collective construction of legitimacy – be it as a consensual or dialectic process. Multimodal discourse analysis will be applied to both textual interview data and visual items retrieved from organizations’ social media accounts. Figure 5 below provides an overview.

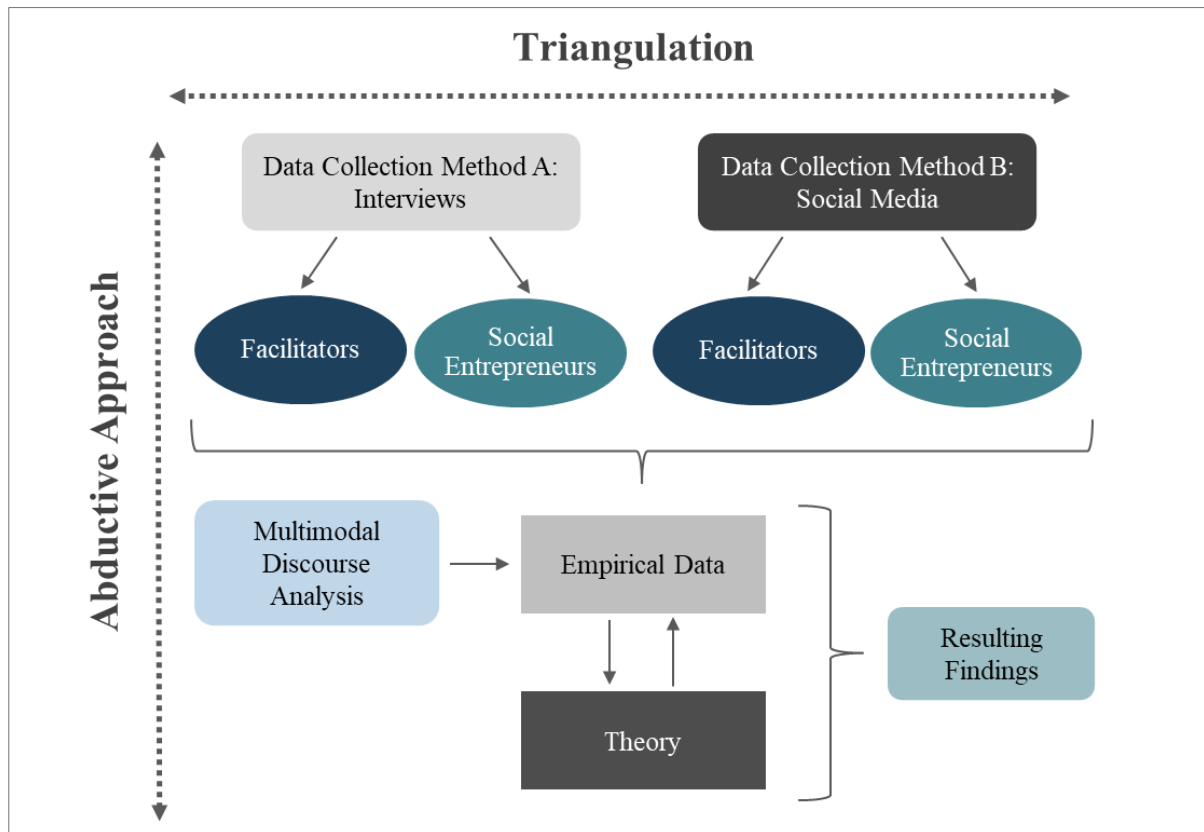


Figure 5. Overview of methodological approach and methods adopted in this study.

4.2. Choice of Linguistic and Visual Texts: Data Origin and Sampling

The choice of texts is a crucial step of discourse analysis (Jones, 2014). Funders and other support organizations have been identified as central to SE discourse (Hervieux et al., 2010) while views of social entrepreneurs have been largely neglected. This thesis adopts a multi-level approach to gathering rich and diverse data so as to allow identifying not only similarities, but also divergent views. To allow for an integrated analysis of linguistic data collected through interviews and visual data derived from social media, data for both comes from the same organizations in Europe and Sub-Saharan Africa respectively.

On the one hand, funding and support organizations from the Global North have been purposefully selected from among private foundations and public development agencies in Europe. An exemption is Bond’Innov, an incubator – however, as they are implementing partner to Agence Française de Développement (AFD), their views are highly relevant. All social entrepreneurs operate in Sub-Saharan Africa (although one has operations mostly in Asia, with some activity in Mauritius). Limiting data to Europe and Sub-Saharan Africa ensures relative homogeneity within the institutional contexts.

Potential interviewees were approached via email asking for their participation in the study. 24 of those contacted agreed to be interviewed. Three of the 24 were originally chosen for pilot interviews. However, given the interesting insights and limited changes to the questionnaire necessary, they were included in the analysis. 12 individuals representing facilitators were identified based on their affiliation with an organization based in the Global North and their previous experience with SE in a development context. 12 social entrepreneurs were identified from facilitators’ portfolios or following recommendations from facilitators or social entrepreneurs. They were chosen based on whether they addressed ‘development challenges’.

Development challenges were operationalized according to the SDGs⁴. Appendix A and B provide detailed overviews regarding participant sampling of staff from facilitating organizations and social entrepreneurs respectively while Appendix C lists organizations' web- and social media sites. Due to the political nature of the research topic, confirmation of quotes was sought from interviewees. Where requested, data was anonymized, replacing participants' and organizations' names with pseudonyms (in the following marked by an asterisk) to follow ethical standards (Kvale & Brinkmann, 2015).

4.3. Linguistic Data Collection: Interviews

4.3.1. Semi-Structured Interviews

Semi-structured one-on-one interviews were used as the primary method for data collection. Open questions elicit extensive elaboration by participants and allow them to highlight the most salient aspects in their life-world (Saunders, Lewis, & Thornhill, 2009). To ensure focused attention of both interviewee and interviewer (Adams, 2015), the qualitative interviews or 'conversations with a purpose' (Burgess, 1988) lasted between 25 and 70 minutes. A flexible approach that allowed for probing and spontaneous follow-up is particularly useful for exploring novel areas of investigation (Adams, 2015), such as the legitimacy of SE in the Global South. In addition, discourse analysis requires "techniques which allow diversity" (Potter & Wetherell, 1987, p. 165) instead of fully standardized approaches.

Diversity in answers was facilitated through broad questions such as "What role does social entrepreneurship play in Sub-Saharan Africa?". Questions on four key thematic areas were asked: 1) Background information on organization and interview partner, 2) Cooperation with stakeholders, 3) Definition of SE including the distinction from other organizational forms, 4) Critical reflection on SE and its challenges. Finally, participants were asked about their wishes for the future development of the field. Interview guides for facilitators closely resembled those for social enterprises – for some minor differences, see complete interview guides in Appendix D. Note that initially only a broad overview of the topic was given to the participants so as not to steer their answers in any direction. To follow ethical standards, the full purpose of the interview was revealed in the last question of the interview (Kvale & Brinkmann, 2015).

4.3.2. Pilot Interviews

Piloting is particularly important for semi-structured interviews as they require the researcher's strong familiarity with the questions (Kvale & Brinkmann, 2015). Three pilot interviews were conducted to test the comprehensibility and relevance of the interview guide. One was conducted with a representative of a development agency and two with social entrepreneurs to test both versions of the interview guide. Subsequently, minor adjustments were made. The question "What does social entrepreneurship mean for you?" was for instance not understood by pilot participants and hence changed to "How would you define social entrepreneurship?". However, as the interview guide proved to be relevant and did not have to be altered fundamentally, the content of the pilot interviews was included in the overall data analysis.

4.3.3. Interview Setting

Interviews were conducted via phone, Skype or in person in February and March 2019. One pilot interview per communication channel was carried out to ensure the researcher's familiarity

⁴ A full list and description of all 17 SDGs can be found in Appendix E.

with all situations. Face-to-face interviews were set in the participants' office to maximize convenience, but also minimize the stress-level through a familiar environment. However, the majority of interviews was conducted on the phone or via Skype, given the participants' spread over Europe and Africa. As this study analyses language, material in a uniform language was necessary to avoid loss of meaning through translation. Hence, all interviews were conducted in English, regardless of participants' mother tongue.

4.3.4. Data Documentation

During the interviews, the researcher took notes on aspects considered particularly relevant. Upon completion, a brief report was written on the overall impression of the interview and potential modifications for subsequent interviews. The recorded audio material was transcribed within 24 hours, aided by the automated speech processing software Sonix. Participants were asked whether they would like to receive the transcript for approval and the material was distributed accordingly. As emphasis is a feature that is important in interactive material for discourse analysis (Potter, 2004), respective words or phrases were italicized. Parallel to transcription, analytic notes relating to the research question(s) were taken. This complemented the brief reports summarizing the overall initial impression directly following the interviews.

4.4. Visual Data Collection: Social Media Images

Interview data was supplemented by visual data from social media for three reasons. First, this broadens and substantiates findings through triangulation in collection methods. Secondly, interviews were conducted from Sweden and mainly via phone, thus lacking visual stimulation. Including images helped immerse the researcher in the context. Finally, social media has been identified as a powerful communication channel for legitimation (Colleoni, 2013). To allow for an integrated analysis and discussion of linguistic and visual data, images were derived from Facebook sites of the organizations interviewed. Social media images published by social enterprises were purposefully selected according to three criteria: a) Representing core activities and social mission, b) Showing key subjects, and c) Being published within the last 12 months. Images from facilitators were similarly filtered according to three criteria, a) Containing the keyword "social enterprise", "social entrepreneur", "social entrepreneurship" or "social business", b) Showing interaction around enterprises' activities, c) Being published within the last 12 months.

4.5. Data Analysis: Multimodal Discourse Analysis

Following the linguistic turn, discourse analysis has gained popularity in the social sciences (Phillips & Hardy, 2002). Discourses may be defined as a set of interrelated 'texts' "that construct objects and an array of subject positions" (Parker, 1994, p. 245). Originally focusing on language, more recent approaches have highlighted the importance of multimodality of discourse, necessitating analyses that "make use of multiple semiotic resources; for example, language, visual images, space and architecture" (O'Halloran, 2004, p. 1). This broad understanding of 'texts' will be adopted here.

Discourse analysis recognizes the performative nature of language and other 'texts' in that discourse is considered to play a major role in constructing reality and shaping people's perceptions (Potter, 2004). It is action-oriented in that it sees discourse not as a neutral meaning-conveying device, but as "strategies they [people] employ in trying to create different kinds of effect" (Bell & Bryman, 2015, pp. 535). This prioritization of process over outcome through

“emphasis on action, rhetoric and construction” (Hardy & Bryman, 2009, p. 611) makes the discourse analytic method suitable for the research question investigated in this study.

Discourse analysis is interested in “discursive performances that either work for or against power” (Kvale & Brinkmann, 2015, p. 262). However, critical discourse analysts often focus on the ‘negative’ aspects of power: “in our opinion CDA [critical discourse analysis] should deal primarily with the discourse dimensions of power abuse and the injustice and inequality that result from it” (Van Dijk, 1990, p. 252). As this thesis does *not* adopt a radical approach, it will not directly draw on CDA. Power will be taken into consideration, but through a moderate stance by looking at *both* sides of the coin, focusing not only on top-down power exertion (i.e., dominance / oppression), but also on bottom-up power challenging (i.e., empowerment).

Given the emerging character of discourse analysis, there is no universally accepted step-by-step guide to approaching data (Phillips & Hardy, 2002). On the contrary, it is often argued that too much structuring is counterproductive and inappropriate as discourse analysis should be seen as “a craft skill, more like bike riding or chicken sexing than following the recipe for a mild chicken rogan josh” (Potter, 1997, pp. 147). Others underline the need to display analytic rigour through systematic approaches to data (Van Dijk, 1990).

However, some consensus exists on the necessity to first identify key entities (including concepts, objects and agents) and then explore the relationships discursively established between them, paying particular attention to stylistic devices (Dryzek, 2013; Jones, 2014; Phillips & Hardy, 2002). Building on and combining the three authors’ approaches, Figure 6 visualizes the four broad analytical steps that were conducted in this study.

Interview data was coded using the qualitative software programme NVivo, based on the four elements of basic entities, agents, discourse and textual features. Following Sayago (2015), a three-step process of tagging, desegregation and reaggregation was conducted: Interview data was sorted into categories, extracted from the text and then re-assembled to create new texts that bring to the fore contrasts and similarities. Similar to linguistic texts, images contain components (objects, subjects) and display relational meaning (cf. O'Halloran, 2008). This allows for integration of visual data into the four-element analysis.

The analysis was first conducted for the second part of the research question, namely the exploration of discursive strategies to initially bracket the different types of legitimacy in order to remain open for emergent themes. Building on the basic entities, agents and relationships identified, the data was then re-coded and re-examined using the pre-defined categories of pragmatic, moral and cognitive legitimacy to address the first dimension of the research question. Textual features and stylistic devices employed were analysed in both stages.

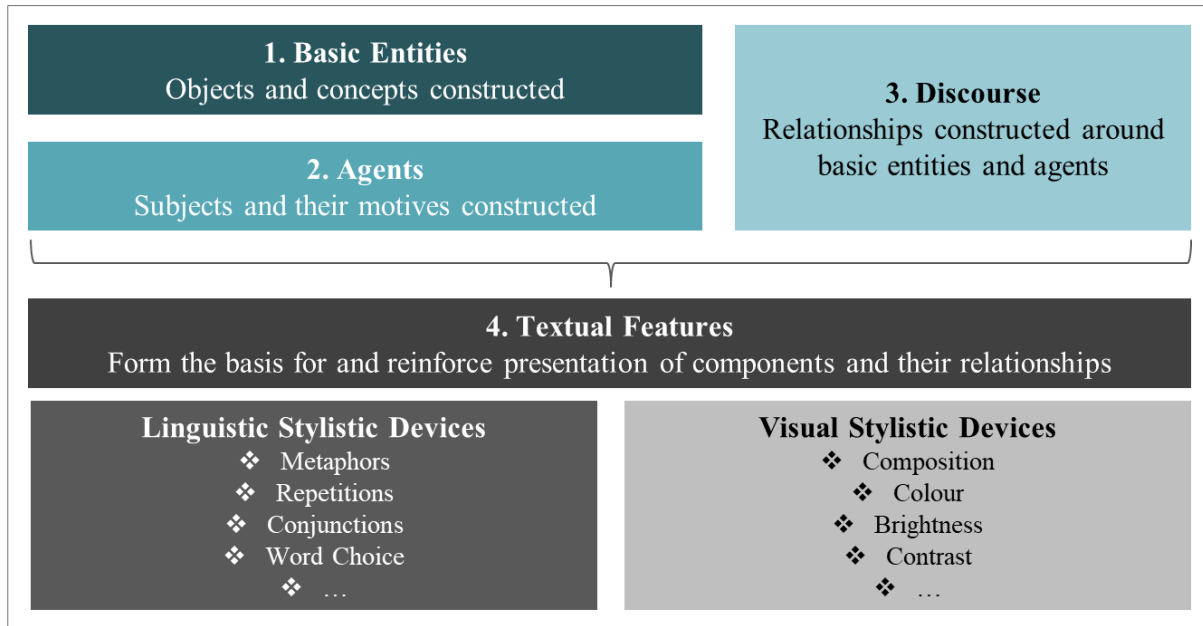


Figure 6. Overview of systematic approach to data through discourse analysis.

4.6. Quality Considerations

4.6.1. Credibility

Closely paralleling internal validity applied to quantitative research, the credibility criterion refers to how trustworthy the researcher’s connection of empirical observation and theorizing is (Bell & Bryman, 2015). Respondent validation was employed (by obtaining participants’ confirmation of the parts of the transcripts utilized) to ensure interviewees feel represented by the quotes included. Between-method triangulation allows to compare depiction in interviews to the portrayal of SE through social media channels. Furthermore, similar themes and ideas emerged from different participants, reaching saturation in data (Merriam & Tisdell, 2015). Conversely, the data also contains deviant and contradictory views – paying attention to *both* coherence and deviance enhances discourse analysis quality (Potter, 2004). Finally, presenting rich empirical evidence (e.g. through the frequent use of quotes) helps to follow the reasoning, contributing to the findings’ credibility.

4.6.2. Transferability

Closely paralleling external validity, transferability refers to the extent to which findings “hold in some other context, or even in the same context at some other time” (Guba & Lincoln, 1985, p. 316). To increase representativeness in the sample, different kinds of support organizations – including public development agencies and private foundations – were selected, highlighting the multi-stakeholder environment. Reflecting the heterogeneity of social enterprises, organizations with different focus areas were chosen while still ensuring consistency by evaluating their mission against the SDGs. Within-method triangulation also allowed to cross-check answers between the two types of participants, i.e. facilitators versus social entrepreneurs. For instance, facilitator interviewees were asked why SE is important for their organizations. This question was mirrored for social entrepreneurs asking why they think SE is an important area for development agencies and foundations.

4.6.3. Dependability

Closely paralleling reliability, dependability refers to how likely it is that findings can be reproduced (Marshall & Rossman, 2014). This criterion is particularly problematic in qualitative research that typically relies on small samples and non-standardized interview guides that elicit very different responses from individual participants. Although this cannot be completely eliminated, the semi-structured interview guide used here ensured that the same topics were touched upon with each participant. A detailed description of the procedure and analysis helps future researchers to build on the findings of this study and scrutinize its ‘replicability’. Finally, there is the risk of ‘participant bias’, i.e. interviewees’ focusing exclusively on positive aspects (Flick, 2015), especially given the study’s political context. Offering participants the option of anonymity was beneficial to mitigating this effect and creating an environment in which critical remarks could be made.

4.6.4. Confirmability

Closely paralleling the objectivity criterion in quantitative research, confirmability is concerned with the researcher’s potential biases in data collection and analysis: Researchers’ interests, views, socio-demographic background and previous experiences can influence qualitative data interpretation (Maxwell, 2012). Discourse analysts acknowledge the researchers’ role as “ideological in that they produce, not just re-produce meaning” (Tseëlon, 1991, p. 299). Recognizing that this bias cannot be completely eliminated, awareness and reflexivity around the researcher’s position and role are recommended for mitigation (Cieslik, 2018). My own background and position as a German student in Sweden created both congruent (in the case of facilitators from Europe) and incongruent (social enterprises in Sub-Saharan Africa) interview settings. The potential impact on interviewees’ responses must be reflectively considered when analysing and discussing the findings. Reading against the grain, i.e. deliberately looking for alternative readings and potential contradictions in the data, will help mitigate influences of the researcher’s position and counter overall issues of confirmability (Potter & Wetherell, 1987).

5. Results and Preliminary Analysis

This section presents empirical data from interviews and social media accounts. Findings on the two sub research questions appear in reversed order, mirroring the analytical process of starting with inductive reasoning so as not to be biased by deductive analysis of the legitimacy typology. First, discursive strategies building on basic entities (money, awards, products & services, poverty) and agents (social entrepreneurs, facilitators, customers, NGOs, local governments) are analysed. Five discourses employed to legitimize SE are identified: Value creation and Return on Investment (ROI), empowerment, glorification of SE, the idealized private sector and failure of previous approaches. Secondly, regarding the first sub-question, a continuous pattern emerges, linking pragmatic, moral and cognitive legitimacy.

5.1. Discursive Strategies

5.1.1. Basic Entities

The data shows a consistent picture of money, awards, products & services and poverty as fundamental basic entities constructed.

Money

All but two interviewees talked about money. Social entrepreneurs addressed it more than facilitators. Money was framed as both a challenge due to restricted financial means in Sub-Saharan Africa and the means to solving social problems. Money is ‘good’ and necessary because it allows addressing problems and decreases dependence on donors:

If there's a business case and you're solving the challenge, there should be a profit. Otherwise, if there's no profit, there is no need of you putting money in it. And if you can't put money in something, then you can't solve the problem. (Social Enterprise – Brian)*

Money in the form of large profits is foregone in pursuing the double bottom line of social and economic sustainability. Social entrepreneurs presented themselves, and were presented, as not interested in maximizing personal gain, but in selective-profit orientation driven by societal contribution (*)⁵. The pivotal role of financial resources was highlighted by the variety of neologisms of compound words: ‘big money’, ‘learning money’, ‘impact money’, ‘social innovation money’, ‘cheap money’. The rhetorical paradox ‘free money’ was used for grant funding; it is however criticized for the strings attached:

You have to satisfy the money. So, while it's free money, it's not really free because sometimes it's in another direction than the business goes. (Traveler – Arnold)

Facilitators as providers of financial resources display their grant-giving activities on social media:



Figure 7. Social entrepreneurs receiving cheques – Bond’Innov.

Awards

Awards and competitions are presented as central for acquiring funding, but also to increase recognition and formalize the positive normative evaluation:

To acquire funding, we entered social innovation awards and competitions. And when we won, it gave us momentum. It also gave us credibility. (EcoBrick Exchange – Ian)

These awards are often run by international organizations, which look for “innovative technologies that support living conditions for people in developing regions, [...] focusing on the social aspects but also on the business side” (Siemens Foundation – David). Through the selection process, facilitators have the power to legitimize and grant visibility. As awards and consequent grants often come with strings attached, facilitators are also able to influence the

⁵ Appendix F provides additional interview data pointed to by ‘(*)’.

further path, not necessarily aligned with the company's vision (*). Social entrepreneurs highlighted though that some organizations such as the Siemens Foundation allow them to define their own milestones. Furthermore, facilitators show readiness to learn and adapt throughout the process:

While reading those applications we receive every year for our SEED Award, we actually realized that business ideas don't have to be necessarily super innovative or disruptive in order to create impact but there are a lot of tested and proven business model solutions already out there. (SEED – Christine)

Award ceremonies and reception are featured both in social entrepreneurs' and facilitators' social media accounts:

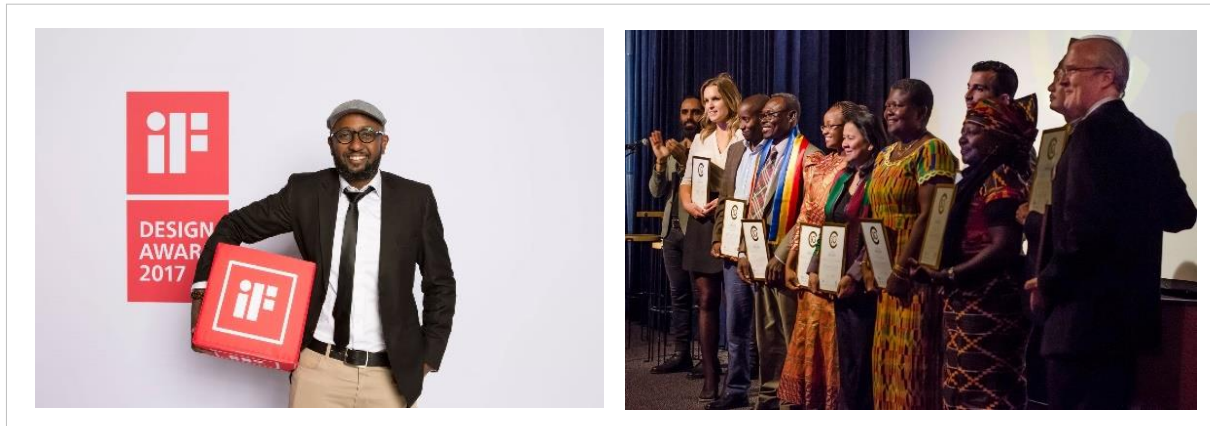


Figure 8. Awards received – BRCK and Reach for Change.

Products and Services

The high frequency of using the terms 'products', 'services', 'goods' and 'solutions' exemplifies the business vocabulary 'imported' into the space of social welfare. Social entrepreneurs highlight the quality of their products and services:

I believe that we have created a really clever, value-adding program and they [customers] see that what we do is not necessarily something that is being done somewhere else. (QuizRR – Jens)

Products play a central role not only verbally, but also visually in social media accounts:

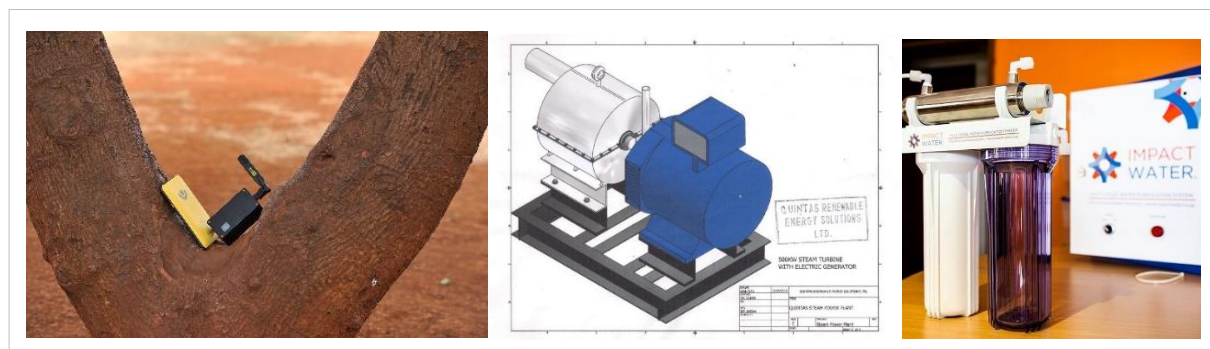


Figure 9. Products displayed by BRCK, Quintas Energies and Impact Water.

Prototyping and testing provide a track record of customer experiences and feedback loops (*). This legitimizes not only SE per se, but also the required long-term focus. A central argument in legitimacy construction is that goods and services are produced *locally*, creating jobs (*).

The local context, however, presents challenges to revenue-driven models as low-income customers do not have the means to pay for the products and services to which they lack access. Hence, social enterprises often run a two-sided model with both paying clients and free offerings to ‘poor’ segments:

In the townships, we don't really have clients to pay for our services. So when we sell our services to our corporate clients, we have a one-for-one model. (EcoBrick Exchange – Ian)

Poverty

Poverty is an entity with ambivalent relevance for legitimacy. On the one hand, it is used as an argument why SE is needed in Sub-Saharan Africa:

We have such a big picture of it, as it can really go to address the SDG 1 which is to reduce extreme poverty. (Quintas Energies – Omotayo)

SE is rhetorically personified, attaching to it agent-like characteristics, including the ability to ‘address’ the SDGs. This highlights the action-elements and allows people to relate to and identify with the concept. The high hopes echo or are echoed by facilitators:

The prime focus is on social impact. The social enterprise most likely reaches through the intervention poor segments of society. Or in some ways maybe not economically poor but vulnerable segments of society. (UBS Optimus Foundation – Anita)

As pointed to in the previous quote, the focus is on multi-dimensional poverty that includes aspects beyond income, such as access to education and health. Using the capacity to address poverty as an element in legitimacy construction is perceived as a slippery slope as it quickly legitimates all entrepreneurs rather than social entrepreneurs specifically. Both social entrepreneurs and facilitators question whether the differentiation is relevant on the ground:

Social entrepreneurs are not defined or identify themselves as such in developing countries. They are to me entrepreneurs. (Sida – Carmen)

In line with this critical perspective, but in contrast to hopes for poverty reduction, on the other hand, SE’s limited impact on the poorest segments of society is highlighted:

The difference between a social enterprise and just a do-good organization is that behind doing what we are doing, we might not be hitting the poorest in the community. No business I think can, and very few NGOs can as well. (GIVEWATTS – Jesper)

Poor conditions serve as the visual backdrop against which solutions to improve the circumstances are presented. Bleak colours dominate pictures displaying context without solutions (see Figure 10). Pictures with products contrast through bright colours, thereby highlighting social enterprises’ positive contribution.

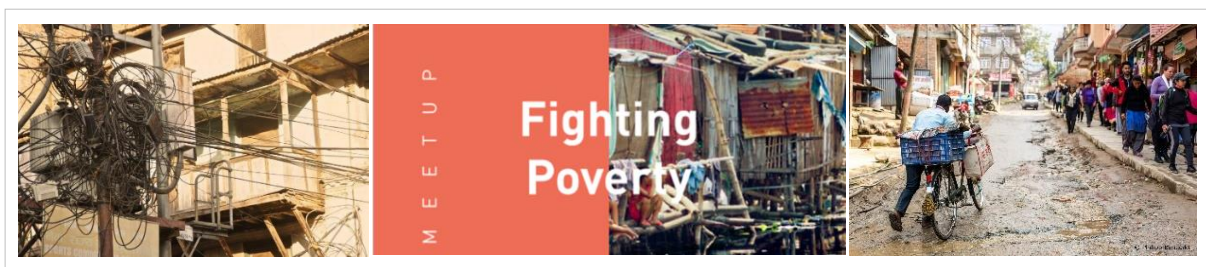


Figure 10. Addressing poor living conditions – BRCK, BMW Foundation, Development Agency.

5.1.2. Agents

Across accounts of social entrepreneurs and facilitators, five groups of actors emerged as most central to discourses: Social entrepreneurs, facilitators, customers or beneficiaries, NGOs or charities and local governments.

Social Entrepreneurs

The category of social entrepreneurs arises from heightened interest and prestige in doing well *and* (or *by*) doing good. Social entrepreneurs are presented and present themselves as inspirational change-makers, centrally driven by a feeling of responsibility:

I was fully passion-driven to focus and build on what I am driving. [...] Sometimes I only go with a cup of strong tea for the whole day to survive because the community is on my neck and I have to give them my best and my all. (ReAfric – Julius)

The last sentence may have been a hyperbole addressed at me as an interviewer – due to my European origin, I was automatically seen as a potential supporter. Still, it highlights the ultimate wish to contribute and support the community (*). Facilitators equally attach considerable power to social entrepreneurs:

You need leaders that can carry this flag and take it to that level of success where you have a proper case to sell, and for others to replicate. (SNV – Javier)

Inspiration and altruistic willingness to contribute is not sufficient though. Almost all social entrepreneurs interviewed had tertiary education combined with previous relevant experience. Education and acquired skills, especially on the business side, are considered key (*). In their social media accounts, social entrepreneurs are visually presented as central to the products or service offered:



Figure 11. Social entrepreneurs and their products – EcoBrick Exchange and ReAfric.

Facilitators

Funding and skills consistently emerged as the biggest challenges for social entrepreneurs in Sub-Saharan Africa; hence ample need exists for both financial and technical supporters. This includes (mostly foreign) foundations, development agencies, angel and impact investors, incubators, among others. One type of funder that is *not* interested are commercial banks:

They really do not like this kind of model because they believe they might lose their money. (Maishatap – Dennis)

As these commercial investors have lost legitimacy and trust in the financial crisis, their disinterest raises legitimacy for the field of SE ex negativo. Positive associations with investors that *are* interested in SE speak to the characteristics of SE overall with an interest in long-term endeavours going beyond purely financial returns:

Generally, our investors are people who care about making the world a better place but also want to see a return on their investment. (BRCK – Erik)

One type of financial supporters driving (and profiting from) the trend of SE are impact investors. The increase in available funds bespeaks the increasing interest and legitimacy (*). The inherent risk in low-income markets also calls for early-stage funders who are even less interested in quick financial returns than impact investors, such as foundations or development agencies (*). The omnipotent discussion around funding, however, does not undermine the underlying ideal of financial sustainability and independence:

I have learned that a successful social enterprise for me starts at that moment where he is able to say no to a donor. And he does not just follow foreign missions. (BMW Foundation – Markus)

Customers

Customers are central to SE discourses – their demands and characteristics drive the supply of solutions. Social entrepreneurs and facilitators alike highlight the fact that client orientation enables the provision of well-adapted solutions serving actual needs. However, in the context of Sub-Saharan Africa, customers often have more needs than money:

As a social enterprise, the most important stakeholder you have is your customer – are you addressing a problem or a need that they have? But in this context, it's a problem. They will have 150 needs but have to prioritize between them because they are quite poor. (GIVEWATTS – Jesper)

However, it is argued that the financial exchange is central because it creates accountability and partnership rather than dependence:

'Your machine is no longer working, send your people to come and fix it.' That is the mentality for NGO projects generally, but with a social enterprise, it's a partnership. (Impact Water – Zacch)

In this account, the fact that it is a social enterprise that is not purely profit-driven is seen as a gateway to customer trust that the offered solution is genuine. At the same time, however, it does not necessarily matter for customers whether an enterprise is labelled 'social' or not:

For them it is not necessarily a social enterprise. If somebody is selling you a cheap affordable water filtration system, for you as a customer, it's a water filter. You do not care if it is a social business, it is a water filter. It will help you get clean water much like solar cells provide you energy. (Siemens Foundation – David)

Social media images present happy customers and beneficiaries (see Figure 12), enthusiastically presenting the products or completing their work seemingly worry-free. Raised hands construct a metaphor of 'up', signifying 'happy' or positive connotations.



Figure 12. Happy customers – Impact Water, ReAfric, ignitia, BRCK.

NGOs

When asked about advantages and disadvantages of social enterprises to NGOs, interviewees were critical of NGOs' role in Sub-Saharan Africa. The most common negative argument is NGOs' lack of financial sustainability which is juxtaposed with social enterprises, thus creating legitimacy for the latter:

I realized, an NGO which is only giving out handouts is not sustainable; at one point it will not work with the very dominating lifestyle in this current era. (ReAfric – Julius)

The word choice 'lifestyle', however, suggests that the criticism goes beyond the argument of sustainability, likely referring to capitalism as the dominating economic and political system. Three views expressed by other interviewees buttress this interpretation. First, critical views based on economic terms see NGOs and other forms of 'charity' as market-distorting:

The problem with NGOs in Africa is that they are trying to take part in all parts of the economy [...] which just makes it more difficult for people to actually build things that last. (BRCK – Erik)

Secondly, albeit connected, NGO projects are said to lack ownership or identification because no financial transaction is involved (*). Thirdly, and building on that, Hatoumata from Bond'Innov who also founded an NGO, observes a lack of recognition for this organizational form, mentioning that some people parallel NGOs' mode of operation with communism:

Our personal choice was to found 'One, Two, Three...RAP!' as an NGO so that participants would not have to pay for knowledge. In the perception of some this qualifies as a 'communist' approach [laughs]. (Bond'Innov – Hatoumata)

Local Governments

Local governments are constructed as mostly passive. Yet, paradoxically, they play a central role. Through their lack of action or failures, they create the necessity, but also the opportunity for social entrepreneurs to get involved:

The government was failing to take care of their big, huge power nets; and now there is a start-up that is providing power to people quickly. (Social Enterprise – Brian)*

Other accounts express a certain complementarity of social entrepreneurs helping the government – directly by providing solutions and indirectly by sparking conversation (*). Governments are also displayed as taking increasing interest in the area of SE, creating policies targeted at social enterprise promotion and hence institutionalising their legitimacy:

We also work with the Ministry of Trade and Industry to actually implement, originally a social enterprise policy, and now it is essentially integrated into an overall MSME [micro, small and medium-sized enterprises] policy. (Reach for Change – Roisin)

It should, however, be noted that this account may be specific to the Ghanaian case where governance is comparatively well-established. Interestingly, in many other accounts, local government is absent, potentially pointing to the lack of faith in their effective contribution (*).

5.1.3. Discourses

Five discourses, largely consistent across social entrepreneurs and facilitators, serve as strategies to legitimate SE in a development context. First, it is argued that SE creates more value and better returns on (donor) investments (ROI), particularly in comparison to charity organizations. Secondly, SE is constructed as desirable because of its potential for empowerment through local solutions and community engagement. Thirdly, the associated

societal contribution places high hopes on SE, leading to a glorification of the approach. Fourthly, an idealized image of the private sector is constructed building on innovation, efficiency and financial sustainability. Lastly, disappointment with previous approaches, especially by local governments and NGOs, legitimizes a new actor's involvement. Table 2 provides an overview of representative quotes for each discourse (see Appendix F for additional evidence from interviews and social media). The five discourses will be discussed in more detail in Chapter 6.

Table 2. Evidential quotations for five legitimating discourses (in bold) with subcategories.

| Discourse | Quote |
|--|---|
| Value creation and ROI | "People want a better return on their contribution. I can talk to any large development aid organization; they are shifting more and more of their resources to support social businesses mainly because their one dollar can continue to evolve." (Impact Water – Mark) |
| Empowerment | "Social enterprise has a very strong part to play because we all could be part in our own development. And when you are in control of your own fate, and your own development and developing solutions for the issues, you do it in a way that makes sense and fits the context and actually works for the people that you are working with." (Reach for Change – Roisin) |
| Local solutions | "We social entrepreneurs are trying to develop home-grown technologies to solve home-grown problems. [...] This permits also to develop our own skills, our own abilities, to catch up with the rest of the world." (Traveler – Arnold) |
| Community | "I find that the opposite of that is doing skills development and not giving people ideas but waiting for a community to have an idea themselves and then support them in the steps of implementing that idea." (EcoBrick Exchange – Ian) |
| Glorification of SE | "I just know that as we keep creating awareness, most people will get enlightened and social entrepreneurship will become one of the biggest world changers in the future." (Maishatap – Dennis) |
| The idealized private sector | "Social and inclusive business models really challenge the enterprise to an optimal business model that is at the same time addressing a need around poverty." (SNV – Geertje) |
| Innovation through creativity and adaptability | "Innovation is a central point when we talk about social entrepreneurship and inclusive business because that is really what drives this whole sector. You have to do things differently." (SNV – Javier) |
| Efficiency | "It is different than with NGOs and public sector. They tend to keep on talking instead of acting. On the other hand, private sector actors really try to make it happen because of their result-driven orientation." (SNV – Geertje) |
| (Financial) Sustainability | "Our financial sustainability will also make sure that there will be an implementation of it and continuity past any project time." (ignitia – Liisa) |
| Failure of previous approaches | "It has been realized over the last couple of years that business as usual [focus on NGOs and government as the only drivers of sustainable development] is not a sustainable path towards the future." (SEED – Christine) |
| Public sector | "We would not have been doing this if the government had already solved the problem." (ignitia – Liisa) |
| NGOs | "The value of NGOs is limited. They are very short-sighted. They bring in too many external people and most of their projects die after they leave or stop funding it." (BRCK – Erik) |

5.1.4. Synthesis

The results highlight that discourses are interconnected, building on the previously described basic entities and agents. Figure 13 presents an overview of basic entities, agents and discourses reinforced through textual features. The discussion in the following section will address the connections in greater depth against the background of prior theory.

| 1. Basic Entities | | | | 3. Discourses | |
|------------------------------------|--------------|---------------------------|--------------------------------------|-------------------------------------|--|
| Money | Poverty | Awards | Products & Services | Value Creation & ROI | |
| 2. Agents | | | | Empowerment Through Local Solutions | |
| | | | | Glorification of SE | |
| | | | | The Idealized Private Sector | |
| | | | | Failure of Previous Approaches | |
| Social Entrepreneurs | Facilitators | Customers / Beneficiaries | NGOs / Charities | Local Government | |
| 4. Textual Features | | | | | |
| Linguistic Stylistic Devices | | | Visual Stylistic Devices | | |
| Business Vocabulary and Neologisms | | | Focal Elements Placed in the Centre | | |
| Rhetorical Questions | | | Contrasting Bleak and Bright Colours | | |
| Paradoxes | | | Light as Hope | | |
| Hyperboles | | | Metaphor 'Happy is Up' | | |

Figure 13. Overview of basic entities, agents, discourses and textual features.

5.2. Types of Legitimacy

5.2.1. Social Entrepreneurs

Social entrepreneurs draw on all three types of legitimacy suggested by Suchman (1995), i.e. pragmatic, moral and cognitive legitimacy (cf. detailed typology in Chapter 3.2.).

Pragmatic Legitimacy

Pragmatic legitimacy is built around the interests of social entrepreneurs themselves, of customers, governments, suppliers and facilitators. As salaried employment is limited, self-employed work often is considered the (only) way to cover the cost of living, including education:

I had to look at the best way to support my school fees. [...] And practical life experiences challenged and motivated me to see an opportunity out of the very existing problems. (ReAfric – Julius)

Central to all accounts were personal experiences of practical problems that social entrepreneurs wanted to help solve. This is reinforced by social media accounts, juxtaposing visually ‘the problem’ and ‘the solution’ (Figure 14).



Figure 14. Juxtaposition of ‘the problem’ and ‘the solution’ – Traveler.

Social entrepreneurs legitimized their enterprises’ existence by identifying an opportunity that could then be seized to generate revenues. Key to these opportunities is targeted communication to stakeholders (including media and government) as well as value creation for customers and suppliers (*). Customer focus appeared paramount, also communicated through social media accounts presenting customers’ appreciation of products and services:



“The lamp is financially convenient as one can enjoy it without any extra expenses.”

“We really appreciate your service a lot. If not because of the forecast, we would have run at a loss at the end of the farming season”

Salifu Issaka, Farmer, in Savelugu

Caption: Mwanatamu Nambarayo from Kilifi County is a shop keeper and a widowed mother of 6 children. The solar lamp she purchased helps her children to study longer and enables her to extend her business hours into nighttime, in order to earn more income for her family.



Figure 15. Exchange value creation for customers – GIVEWATTS and ignitia.

Access to funding has consistently emerged as the major challenge to (social) entrepreneurs in Sub-Saharan Africa. Hence, legitimacy creation is mainly targeted towards funders. These profit from the ‘disposition’, i.e. allow for identification with the enterprises based on the social impact they create (*). Some even claim that there is no fundamental difference between conventional and SE, but the label ‘social entrepreneurship’ is used for branding a business in line with expectations by facilitators in the Global North:

The concept is spread by the money. When people come and say well, we have impact money or social innovation money, entrepreneurs say well, they are social entrepreneurs. (BRCK – Erik)

Moral Legitimacy

Positive normative evaluations are threefold. First, they are consequential in nature, highlighting the contribution to society:

Maishatap was basically to help. Basically, a social impact innovation to help people get access to medical facilities. (Maishatap – Dennis)

Secondly, procedural moral legitimacy highlights the empowerment aspect of local SE:

Let us have our voice heard. Let not people come with their own or pre-occupied mindset or concepts of what innovation or a social enterprise should look like in Africa. (Social Enterprise – Brian)*

The participatory aspect is also highlighted in social media presences. Many images display interaction and discussion, both in the immediate context of solutions as well as at more formal occasions such as presentations with audience-involvement:

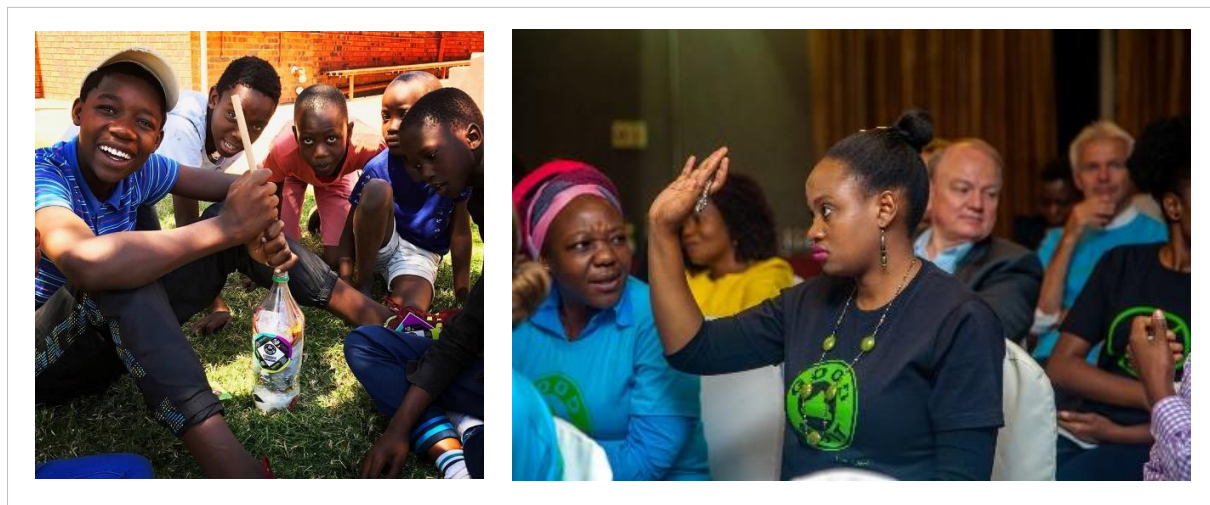


Figure 16. Highlighting participation – EcoBrick Exchange and Social Enterprise.

Cognitive Legitimacy

One aspect that has become taken for granted, at least in circles of development cooperation, is the need for financial sustainability (*):

In order to do good, you need to do well. And I just see more and more charities and they just fault because they are completely donor-dependent. (EcoBrick Exchange – Ian)

The phrase ‘In order to do good, you need to do well’ evokes parallels to natural laws of a universally accepted truth. The use of exactly the same wording by several interviewees, from both the social entrepreneur and facilitator side, shows the deep embeddedness of this ‘mantra’. This principle is complemented with a deep faith in market mechanisms (the ‘invisible hand’) and the private sector’s consequent efficiency emphasized by a rhetorical question:

In a private sector setting, that sorts itself out. If the new way is more efficient, or better, or has a higher margin, or is more popular, it will win, right? And then the old way of doing it will be replaced. It feels like a safe thing to find better things; something better will win. (GIVEWATTS – Jesper)

These results highlight that social entrepreneurs construct all three types of legitimacy. However, the data also showed that they do not exist in clearly separated silos but are tightly interlinked.

From Pragmatic to Moral Legitimacy

Data showed a tight interlinkage of pragmatic and moral legitimacy. The pragmatic aspect, and starting point, of sustaining one's own livelihood is connected to the wish of contributing to the community and society:

One, I had to look at the best way to support my school fees. Second, how best at my teen age can I mobilize youths who have been hopeless. (ReAfric – Julius)

Social impact is seen in exchange terms. This is most pronounced in the case of Impact Water which finances itself partly through carbon credit:

For everyone trying to solve the global warming problem by introducing some innovative solution to the needs of society that reduces carbon emissions, there is a marketplace where we have buyers and sellers. (Impact Water – Zacch)

Quantification of social impact highlights the tight linkage of exchange elements with positive evaluations:

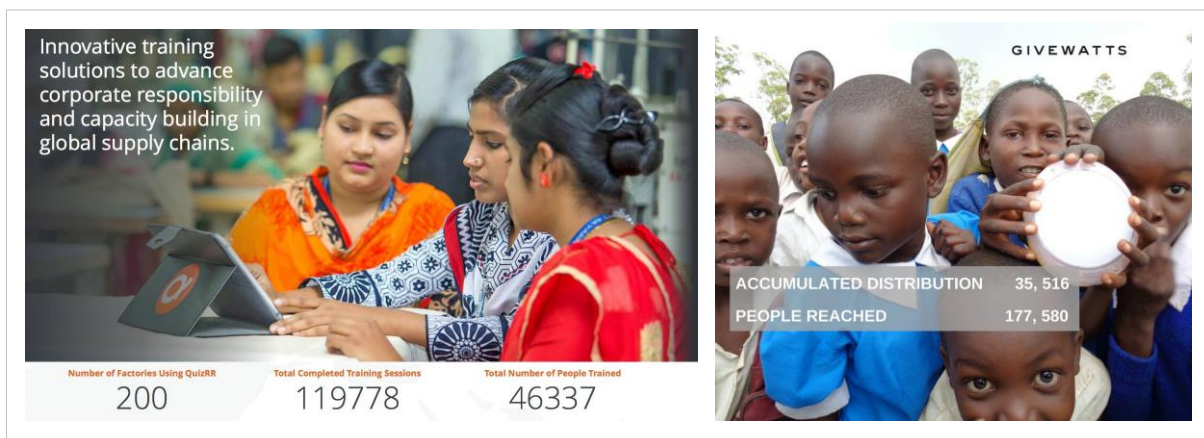


Figure 17. Quantification of social impact – QuizRR and GIVEWATTS.

From Moral to Cognitive Legitimacy

Contribution to society or a social mission is central for social entrepreneurs. They appeal to comprehensibility by presenting revenue-generating models as more sustainable and less donor-dependent than charity approaches. Further, the positive normative evaluation of business approaches is lifted to a cognitive pattern of modern life:

*That is not how the world works. **We all** want to have jobs, **we all** want to feel that we are doing something meaningful, but there needs to be a driver. This continues somehow by itself; it is driven by something else than just the thought of it being good. (ignitia – Liisa)*

Societal impact is linked to the 'universally accepted' premise that job creation leads to income, leads to better livelihoods – this connects moral legitimacy stemming from societal impact with cognitive elements of necessity (*). From a moral legitimacy perspective, the importance of local solutions is highlighted and presented in a logical chain with financial viability, thus rendering it universally comprehensible, if not taken for granted that SE is the 'right' approach:

If you are here, you know the exact problem, you can now put your own resources, the resources of your organization, plough your profits back and solve the problem you want to solve and at the same time still find it sustainable financially for you to go ahead. (Quintas Energies – Omotayo)

5.2.2. Facilitators

Pragmatic Legitimacy

Similar to what social entrepreneurs expressed, facilitators highlighted the exchange element in interaction with stakeholders, primarily customers:

They [successful social entrepreneurs] have reached the point at which they act with you like in the corporate world. They give you something, and you pay for something because they offer you a great service or product or whatever. (BMW Foundation– Markus)

Accordingly, in their social media accounts, facilitators showcase these ‘great services or products’:



Figure 18. Showcasing products and solutions – Siemens Foundation and SNV.

One central idea expressed by interviewees was that the private sector, subsuming social entrepreneurs, can leverage the (development) funds invested, thus multiplying the impact. Importantly, development agencies as one prominent category of funders are interested in social entrepreneurs helping them to achieve national goals:

We typically start the conversation with potential partners mapping out our respective priorities. [...] As for the Swedish development assistance you have the bilateral country strategy, for example between Sweden and Tanzania. (Christopher – Sida)

Moral Legitimacy

Similar to social entrepreneurs, facilitators highlight the social impact, i.e. consequential moral legitimacy:

It receives more legitimacy from the public, or from the people actually because social entrepreneurship is focusing more on impact and is much easier, much better to sell. (Development Agency – Michael)*

This quote also demonstrates how business logic, here exemplified by the commercial term ‘sell’, is not reducing, but rather enhancing the social acceptance and positive normative evaluation of SE. This public trend is complemented by admiration of social entrepreneurs because of their personal commitment beyond profit maximization. Consequential and personal moral legitimacy are constructed in unison:

If you now can say: ‘Look, I’m an entrepreneur and my business does not grow too fast, but the reason for that is I am doing something that is socially interesting or has a big social impact which results in a lower profit margin or it may be growing slowly, but it’s growing steadily.’ Now that’s something that people are really interested in. (Siemens Foundation – David)

Pure personal elements are emphasized by presenting social entrepreneurs as inspirational role models (*). The inspirational power, energy and enthusiasm social entrepreneurs bring to the table are visualized by group photos during workshops organized by the facilitators. Again,

raised hands represent a metaphor of ‘happy is up’ (see Figure 19). This shows the enthusiasm of entrepreneurs, their power for positive change and the paralleled trajectory of social impact as upwards-vectoring.



Figure 19. Social entrepreneurs’ enthusiasm captured during workshops – SEED and AFD.

As social entrepreneurs are celebrated, so is the potential of their efforts. Facilitators mentioned the increasing public pressure for socially and environmentally responsible practices:

The basic is: Companies are made out of people, they work for people, with people, for the planet, with the planet. This awareness is growing. (Marie-Anne – AFD)

The tight interlinkage of human and environmental elements in the positive evaluation of SE is also present in AFD’s social media campaigning:



Figure 20. Interlinkage of people and planet – AFD.

Cognitive Legitimacy

Social enterprises, in the argumentation subsumed under SMEs and private sector more generally, are presented as central and the very basis of economic development:

SMEs in developing countries in general are the backbone of the economies as they provide a lot of jobs as well as goods and services which are very much needed. (SEED – Christine)

Job creation is also highlighted in facilitators' online presence:



Figure 21. “Woman’s social enterprise creates jobs in low-income community” – SNV.

What is particular to the context of European facilitators is the paralleling of SE to social market economies, which makes the approach appear comprehensible and somewhat natural:

If you talk to a German medium-sized company about social entrepreneurship, the owners very often in the third generation they would laugh, they would say, ‘But that’s what we have been doing for 50 or 100 years.’ (BMW Foundation – Markus)

Lastly, and this closely parallels social entrepreneurs’ argumentation, sustainability and long-term potential are highlighted:

The beauty of working with the private sector, as a difference to working with civil society organizations or public sector actors, probably is that you can really achieve results that can last in time, right? (SNV – Javier)

The rhetorical question, ‘right?’ emphasizes the assumed collective understanding of the advantages or superiority of the private sector over civil society and public sector actors. It is presented as comprehensible and necessary.

From Pragmatic to Moral Legitimacy

The close connection of pragmatic considerations with moral elements is also reflected in facilitators’ statements, mirroring social entrepreneurs’ experiences:

When talking to waste management enterprises, they might have never heard about a concept talking about eco-inclusive entrepreneurship or social entrepreneurship or even the sustainable development goals because these concepts are difficult to understand, and it is just not directly relevant for their daily work. (SEED – Christine)

Further, development agencies’ priorities or ‘self’-interests are inherently social in nature (at the surface) although often following national strategic focus areas. This fundamentally blurs the line between pragmatic and moral legitimacy:

As per Sida’s mission, our support cannot be provided if the intervention does not have a clear poverty focus. (Sida – Carmen)

Foundations, depending on the closeness of ties to the founding and funding private companies, demonstrate the increased interest of companies’ clients in social impact. This raises a fundamental question: Where does altruism start and where does self-interest end?

UBS Optimus Foundation is a client-facing foundation, with the idea of helping UBS clients maximize the impact of their philanthropy. (UBS Optimus Foundation – Anita)

From Moral to Cognitive Legitimacy

Including moral aspects in considerations is increasingly common for entrepreneurs:

There is a growing momentum for creating economic projects but also answering social-related issues. Everywhere in the world but especially in Africa. And some specialists in this field even go as far as saying that tomorrow's enterprises in Africa are either going to be social or inclusive or they will not exist at all. (Bond'Innov – Hatoumata)

Public evaluations of what is considered ethically ‘good’ are integrated in reporting procedures, thereby being mainstreamed and increasingly taken for granted (*). The SDGs function as an evaluative system for consequential moral legitimacy. The necessity of involving the private sector, and especially SMEs and social entrepreneurs, in multi-stakeholder efforts to reach the SDGs (or 2030 Agenda) adds a cognitive layer to the social impact dimension:

The private sector, and as such, entrepreneurs, is an actor that has an enormous potential both for job creation, and a force for change in order to achieve the 2030 Agenda. We need all actors on board. (Sida – Carmen)

The SDGs feature prominently in facilitators’ social media presence:



Figure 22. “Building a sustainable future, together, is our priority” – UBS Optimus Foundation. And image by Reach for Change.

The necessity for job creation is complemented by the necessity of engaging multiple stakeholders, leveraging the private sector, for economic development. The cognitive nature is illustrated by a shift from private sector as the ‘bad guys’ to being evaluated positively. The private sector has moved to now being an integral part of development cooperation:

The work with the private sector at Sida, is no longer under one unit, but has been mainstreamed through different private sector advisors – recognizing this way its key role and importance. (Sida – Carmen)

5.2.3. Synthesis

Rather than finding that one type of legitimacy dominates, this study finds that all three types of legitimacy are closely interwoven. Figure 23 below illustrates the elements of this ‘continuous’ legitimacy construction from pragmatic (P), to moral (M), to cognitive (C) legitimacy which will be further discussed in the following section.

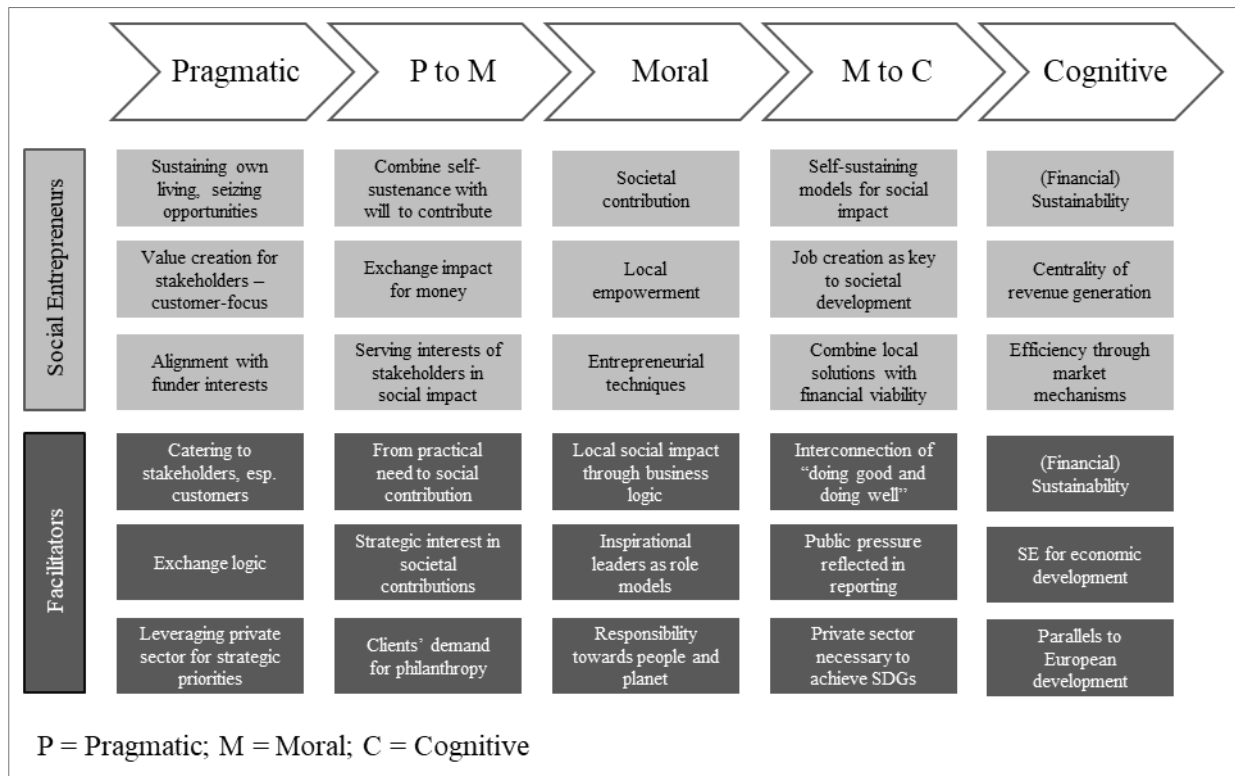


Figure 23. The continuous nature of legitimacy construction.

6. Discussion

This study set out to address the research question how social entrepreneurs operating in the Global South and facilitators from the Global North construct legitimacy for the organizational field of SE. This overall research question is further broken down into two sub-questions: First, how do they combine different types of legitimacy? The continuous pattern from pragmatic, to moral, to cognitive legitimacy construction is discussed. Secondly, how do they employ discourses as strategies to construct legitimacy for SE? Data showed five distinctive, yet interlinked discourses. Lastly, I will discuss the sub-questions in conjunction to develop a model illustrating the ‘how’ of legitimacy construction.

6.1. A Continuum of all Three Types of Legitimacy

Continuous Nature of Legitimacy Construction

This study has found all three types of legitimacy, i.e. pragmatic, moral and cognitive legitimacy (Suchman, 1995), ‘working’ in unison. Social entrepreneurs and facilitators alike construct legitimacy across the continuum, thereby producing a versatile promotion of the field. For social entrepreneurs, this means that earning one’s living is coupled with the will to contribute to society and the country’s overall development, universally recognizing that this requires sustainable (financial) models. For facilitators, it means fulfilling strategic priorities, using private sector as a ‘lever’ to contribute to societal ends, focused equally on (financial) sustainability, drawing parallels to the economic development of Europe. These empirical findings contrast with Dart’s (2004) suggestion that one particular type of legitimacy, more specifically moral legitimacy, dominates the legitimating discourse of SE. Rather than societal contributions, Dart (2004) argues for moral legitimacy based on a positive normative evaluation of a ‘pro-business’ stance. This certainly was reflected in praises of entrepreneurial techniques.

However, broader arguments of market-based logics and a centrality of money and revenue for financial sustainability are lifted to a cognitive status in empirical accounts of social entrepreneurs and facilitators. It remains an open question whether the different interpretation in this study is due to disagreement of data with Dart's (2004) theoretically built theses or is owed to the fact that the research was published 15 years ago – enough time for morally legitimating accounts to become cognitively embedded.

Overall, constructing legitimacy on a continuum and creating intermediate categories serves as a strategy to simultaneously cater to multiple stakeholders – a particular challenge in the context of SE (Borzaga & Defourny, 2004). Following theories of confirmation bias (Nickerson, 1998), heterogeneous legitimacy construction allows for people to 'pick and choose' arguments in accordance with their world view or institutional frame.

Three Types of Legitimacy Investigated

Interestingly, accounts of social entrepreneurs and facilitators are not fundamentally different, but to a large extent consistent (as reflected in similar elements in Figure 23). This raises the question against whose "socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574) legitimacy of SE is evaluated. Partly implicitly, partly explicitly, Europe's path to development is taken as the ideal to strive for and close the gap in material wealth between Global North and Global South. Essentially, legitimacy is largely evaluated against institutions originating from the Global North. These "humanly devised constraints that structure political, economic and social interaction" (North, 1991, p. 97) make deviation costly and incentivize conformance. Matching formally institutionalized guidelines in facilitators' strategic priorities with (social) entrepreneurs' missions serves to legitimize not only SE per se, but also the fund allocation to the respective enterprises. Social entrepreneurs consciously tap into facilitators' interests by adapting communication, *actively* conforming for the purpose of resource acquisition. These calculative considerations reflect strategic usage of pragmatic legitimacy.

Framed in between pragmatic and cognitive economic considerations are accounts attaching personal moral legitimacy to social entrepreneurs as charismatic changemakers assuming responsibility towards people and planet. The power of SE is tightly bound to the power of social entrepreneurs as change agents to enable local empowerment and societal contribution through entrepreneurial techniques. This foregrounds personal moral legitimacy in which leaders and representatives are evaluated according to their individual charisma. This represents a peculiarity of legitimacy construction of SE as this form, "evaluations of leaders and representatives, is [commonly] rarer" (Suchman, 1995, p. 579). Personal moral legitimacy is often transitory, rather instable and only weakly institutionalized. However, this is overcome by creating ideal type actors that go beyond one individual social entrepreneur and thereby can project legitimacy on SE as a whole.

Moving from evaluation to necessity, relating to deeply institutionalized norms provides the basis for cognitive legitimacy. In the context of the Global South, community contribution of businesses is mentioned as an instance of informal institutions, deeply embedded in customs and traditions. The same level of self-evidence, although more formally institutionalized in laws, is the social market economy in (Western) Europe. Thereby, interviewees interlink institutional contexts of Global South and Global North and at the same time refute Dart's claim that consideration of cognitive legitimacy is "theoretically excessive and unwarranted" (2004, p. 421). It should be noted, however, that Europe forms a particular institutional context with

limited generalization to the Global North. Interviewees point out that adherence to strong social standards contrasts with ‘hardcore capitalism’ associated with the US.

Linguistically reinforced by rhetorical questions, financial sustainability is the red thread that connects facilitators’ and social entrepreneurs’ accounts. It serves as a justification for allocating funds to social entrepreneurs based on the rationale that they will not perpetually depend on external funding. At the same time, it is a powerful argument put forward by social entrepreneurs to acquire funds by presenting themselves as distinctively legitimate from NGOs. The power of this argument is underlined by the observed development of NGOs increasingly complementing donations with self-generated funds “raise[d] through commercial activity” (Nunnenkamp & Öhler, 2012). Interviewees highlight the fact that customers or beneficiaries are often part of the so-called ‘base’ or ‘bottom of the pyramid (BoP)’, conceptualized as the global population segment living at or below \$1,500 (expressed in purchasing power parity) per year (Kolk, Rivera-Santos, & Rufin, 2014). Customers or beneficiaries are characterized by particular “specificities” (AFD – Marie-Anne) of low and irregular income as well as intersectionality of multiple marginalization concerning education, health and gender (Saatcioglu & Corus, 2014). Ensuring access and affordability while at the same time achieving full cost recovery hence presents a challenge that in reality many social enterprises fail to meet. It is more the strive for or belief in rather than the actualization of breaking even that underlies cognitive legitimacy construction.

Intermediary Categories as Magnifying Glasses

The continuous nature of legitimacy construction produced intermediate categories that exhibited characteristics from two types of legitimacy. These intermediate categories can help shed light on the significance of the ‘continuum pattern’ of legitimacy.

The close interlinkage between pragmatic and moral legitimacy likely results from the hybrid nature of social enterprises on the one hand, and the Sub-Saharan African context on the other. Pursuing both a social mission and financial objectives is complicated by the shortage in funding and need to ensure one’s own livelihood in countries with high levels of informal employment, such as Nigeria, Ghana and Zambia (Medina, Jonelis, & Cangul, 2017).⁶ As such the material reality forms the backdrop “in response to which agents may conceive of their interests” (Schmidt, 2008, p. 318). While the moral aspect appears dominant in the presentation to the public, customers are more interested in pragmatic aspects. For funders and other facilitators lines between societal contribution and strategic interests are blurred. Discourses by or directed at facilitators are accordingly characterized by a strong interlinking of pragmatic and moral legitimacy. Discursive institutionalism problematizes the concept of ‘interests’ and thereby helps explain the observed interlinkage. If interests are – as proposed in discursive institutionalism – seen as “subjective and norm-driven” (Schmidt, 2008, p. 318), then a blurring of pragmatic and moral legitimacy is inevitable.

Another strategy for constructing legitimacy is evoking unquestionable positive characteristics of SE and linking them to societal contributions and positively evaluated entrepreneurial techniques. The need for sustainability is presented as a necessity for ensuring long-term solutions to social issues. Although often only the word ‘sustainable’ or ‘sustainability’ is used, essentially interviewees refer to *financial* sustainability. Financial reasons are also the basis for

⁶ The IMF Working Paper cited classifies High-Size Countries as a proportion of the informal economy larger than 40%. Kenya, Uganda and Cameroon as Middle-Size Countries (20 – 40%). South Africa categorized as low-size country (0 – 20%).

arguing that the private sector – explicitly including social enterprises – needs to become involved if the SDGs are to be reached. The SDGs as an institutionalization of morally legitimate objectives to be achieved serve as a backdrop against which private sector finance mobilization is made *comprehensible*. Another bridging function is linking economic development and societal impact, including poverty alleviation. This taken-for-granted logical chain constructs legitimacy building on the assumption that economic development benefits all. However, linking economic development to poverty alleviation fails to acknowledge inequalities in wealth distribution and governance ensuring a redistributive tax system (McCloskey, 2015). This ignores the structural causes of poverty that may potentially delegitimize SE.

The specific institutional context of the Global North versus the Global South also broadens the scope of what can be framed as SE. In the Global North, utility providers would not be classified as social enterprises, yet, in the Global South they often are, especially when concerned with renewable energies. This provides a much larger, but at the same time more elusive space for legitimacy construction in a development context. The “cognitive legitimacy surplus” (Nicholls, 2009, p. 758) associated with social purpose organizations expands in the institutional context of the Global South where government shortcomings broaden what ‘social mission’ means.

Synthesis

By arguing across the range of different types of legitimacy, social entrepreneurs and facilitators construct their own meta-institutional context which transgresses geographical boundaries and essentially connects facilitators and entrepreneurs. This is evident in several entrepreneurs and facilitators mentioning their ‘circles’ or ‘bubble’ in which businesses’ contributions to social welfare are universally accepted. It reflects the forming of a “recognized area of institutional life” (DiMaggio & Powell, 1983, p. 148) or organizational field. Constructing a new institutional context on a positive definition of what SE is rather than saying it is *not* charity and it is *not* a purely profit-oriented business constructs legitimacy. The identification of an increasing number of actors with SE builds legitimacy by fully merging the social and the business aspect. This merging and close interlinking, however, blurs the line between ‘entrepreneurship’ and ‘social entrepreneurship’. The central issue is the definition of ‘social’. Interviewees proposed that every business is inherently solving a social problem, such as the invention of cars providing a faster and more convenient mode of transport than horse carriages. Santos (2012) points to the particular difficulty of drawing the line regarding the connotation of ‘social’ in the context of the Global South: If helping low-income segments is ‘social’ (in contrast to helping high-income people), then what threshold do we set for ‘poor’ people? How do we determine what product affects whom? Given these difficulties, Santos proposes defining SE, consciously refraining from tautologically using the adjective ‘social’, “as addressing neglected problems with positive externalities” (2012, p. 337). This broad understanding appears to underpin interviewees’ perception. It builds a wide discursive arena that allows for a variety of lines of argumentation working in unison to construct pragmatic, moral and cognitive legitimacy.

Paradoxically, the approach is legitimized even where the label ‘social entrepreneurship’ is not used. Pragmatic considerations of income generation on the part of social entrepreneurs, and job creation on the part of facilitators integrate social aspects into business ‘by default’ owing to the specific institutional context of the Global South. This is contrasted with accounts that

highlight SE's 'newness' as an approach in development cooperation. Morally argued, interviewees advocate for bringing a more social orientation to business – hence questioning an 'automatic' addressing of social issues. Arguing in the opposite direction, cognitive considerations focus on the necessity to bring in business approaches to social welfare to achieve financial sustainability. These tensions will be taken up again in section 6.3.

6.2. Five Discourses as Strategies for Legitimacy Construction

The more inductive or explorative part of this study found five discourses serving as strategies for legitimacy construction: Value creation and ROI, empowerment and local solutions, glorification of SE, the idealized private sector and failure of previous approaches. These are built around basic entities of money, poverty, awards and products and services. Actors playing a role in the legitimation of SE are not only social entrepreneurs and facilitators, but also customers, NGOs and local government.

Value Creation and Return on Investment (ROI)

Monetary aspects are central to the value creation and ROI discourse. Facilitators expect a 'leverage' effect, multiplying social impact per unit invested. This legitimizes both SE per se as well as fund or support allocation specifically. Language drawing on quantification of results (how many jobs are created, how many lives are saved, how much plastic is kept out of the ocean) draws parallels between financial and social returns. This brings business terminology into the social sphere. The fundamental idea of calculating the benefits gained from an investment can be seen as based on "knowledge of how the world works and how to cope with it" (Schmidt, 2008, p. 315). This can be regarded as legitimacy construction through conformance. However, there is also an active element in this discourse, allowing for agency and dynamic change.

Creative combination of elements from background ideational abilities serves to form something new. Social entrepreneurs and facilitators draw on NGOs' social focus, yet challenge the lack of exchange elements because of a 'charity' focus. Meanwhile, a purely monetary view of returns is equally rejected, defining ROI in *both* financial and social terms. Thereby, social entrepreneurs and facilitators use foreground discursive abilities to actively shape institutions and critically engage with and alter conventional business concepts. The result evokes ideas of effective altruism, an approach that has gained popularity in recent years (Gabriel, 2017). Although the concept is focused around effective support of philanthropic organizations, the associated utilitarian calculations for maximizing welfare per monetary unit reflect the legitimating discourse of ROI and value creation. However, this raises concerns about neglecting "equality, urgency and rights" (Gabriel, 2017, p. 457).

Value creation, in this discourse, is also seen from a pragmatic perspective. It is about catering to needs of customers and beneficiaries through high-quality products and services. At the same time, SE is framed as a way through which social entrepreneurs themselves can sustain their lives and finance their education. In the institutional context of the Global South, hence, the line between value capture and value creation as suggested by Santos (2012) is somewhat blurred. On the one hand, value capture is restrained by charging 'fair' prices sufficient for sustaining the social enterprise and funders who do not impose high return expectations. On the other hand, value capture by social entrepreneurs is welcomed; where they are part of low-income populations, value capture is discursively turned into value creation, thereby further legitimating SE as a field. Value creation hence is framed as going beyond customers or

beneficiaries. It expands to social entrepreneurs and their employees: Job creation is framed as a particular contribution in the context of low-income population segments. This could potentially de-legitimize SE by blurring the line towards ‘conventional’ businesses. However, in a development context, SE gains legitimacy from the expanded space of what comes to be perceived as ‘social’. Essentially, the result is a spectrum of types of ‘social’ impact – ranging from job creation to catering to basic needs to, as the next discourse shows, empowerment through local solutions.

Empowerment Through Local Solutions

A counterweight to the business-dominated discourse around ROI is the socially focused discourse on empowerment and local solutions. Connected to community participation, these aspects legitimize SE by highlighting its power to supersede top-down influence by bottom-up initiatives that fully understand the local institutional context. Social entrepreneurs rhetorically underline this by using the first-person plural pronouns ‘we’, ‘us’ and ‘our’. Facilitators address the empowerment aspect by consciously not contrasting ‘them’ and ‘us’ but advocating that one should not “distinguish too much between there and here” (Geertje – SNV). Thereby, this discourse as conceptualized in discursive institutionalism goes beyond representation of ideas towards “interactive processes by which ideas are conveyed” (Schmidt, 2008, p. 309). It constructs legitimacy by presenting SE as a way for cooperation at eye level, both at the level of interaction with customers (speaking of a ‘partnership’) and at the level of facilitator-entrepreneur interaction. This, however, is not consistent throughout all accounts – there is a three-level gradation of facilitators pointing to social entrepreneurs’ lack of knowledge and social entrepreneurs pointing to the need to educate customers.

Negatively interpreted, this could express feelings of superiority, likely influenced by facilitators’ position in the Global North and social entrepreneurs’ comparatively high education levels. Positively seen, the effort to educate and learn from each other may contribute further to personal and societal development. Touching on multi-dimensional aspects of poverty, developing skills and capabilities are mobilized as elements to empowerment.

Customers or beneficiaries are not treated as objects or subjects, but agents to be involved. Again, this discourse builds on contrasts to NGOs in particular. Advantages over NGOs go beyond the financial sustainability that Fury (2010) pointed to – it is criticized that foreign solutions provided for free by charity organizations lack local ownership and distort the market. This ties back to the fifth discourse *Failure of previous approaches*, strategically constructing legitimacy through contrast. At the same time, it points to the potential of SE to challenge power imbalances between Global North and Global South. It advocates giving more space to the institutional context of the Global South through agents that are best familiarized not only with problems or needs ‘on the ground’, but also embedded in and thus knowledgeable of local norms, values and beliefs. These high hopes give rise to the next discourse, namely glorification of SE.

Glorification of Social Entrepreneurship

Glorification of SE draws on the other discourses: Idealization of the private sector, other approaches’ shortcomings and a better ROI combined with empowerment aspects form the backdrop for a glorified account of SE. This shows the interconnectedness of discursively constructed legitimacy. Glorification raises SE to a level where impact measurement is not necessary due to the belief attached to it. This constructs legitimacy by overcoming the constraint that research “largely describe[s] *possible* effects of SE but is little suited to draw

more definite conclusions on the *actual* impact of [...] social ventures” (Saebi et al., 2019, p. 81 – emphasis added). The enthusiasm is celebrated through awards, materializing legitimacy and thereby building momentum for the approach. Awards are typically received by the social entrepreneurs rather than the whole team, thus providing a stage for displaying success stories with inspirational leaders as role models. This is reflected in narratives of best practice cases around heroic entrepreneurs, promoted particularly by intermediary organizations such as Ashoka or the Schwab Foundation (Dacin et al., 2011).

Legitimation in this discourse comes as much from the content as it does from the mode of presentation. Glorification here should not be understood condescendingly, but as reflecting the enthusiasm with which facilitators and social entrepreneurs alike promote the close interlinkage of entrepreneurial and social elements. The tone reflects a positive outlook and hope. The energy thus communicated helps me as an interviewer as well as the larger audience to which the statements are implicitly addressed to get on board with SE as beneficial to development and poverty reduction. It emphasizes how (spoken) discourse can be a powerful driver of change, and how institutions in discursive institutionalism are not only given, but also “contingent as the results of agents’ thoughts, words, and actions” (Schmidt, 2008, p. 314).

The Idealized Private Sector

The private sector is constructed as an ideal-type actor with considerable power, drawing parallels to what drove Europe’s re-emergence after World War II. Innovation through creativity and adaptability as well as efficiency enable the provision of needed products and services (basic entities). Financial sustainability ensures their longevity. Foregrounding business or private sector nature suggests that in the perception and legitimacy construction of the social entrepreneurs and facilitators interviewed for this study, there is a consolidation to a narrower definition of SE as a revenue-generating business model following a market logic with a social mission at its core (Dart, 2004). Idealization is set against a background of shortcomings of the public sector (both local and foreign governments) and the ‘third-sector’ including NGOs (see next section). This further substantiates that the views here expressed are not as wide as suggested by some academics as social enterprises existing across “the nonprofit, business, or governmental sectors” (Austin et al., 2006, p. 2). It may reflect an isomorphic tendency of the field where alignment of organizational structures with the institutional context is rewarded by legitimacy (e.g., Meyer & Rowan, 1977; Scott, 1991). This in turn qualifies social entrepreneurs for facilitators’ awards, thus providing the basis for funding acquisition.

Although this discourse shone through many accounts, there were also tensions and somewhat contradictory trends expressed. On the one hand, a changed perception of the private sector towards a more positive evaluation was mentioned by facilitators. On the other hand, corporate scandals and the financial crisis have eroded public trust. Paradoxically, both accounts construct legitimacy. The first by appealing to the business aspects of SE, the second by highlighting the social aspect of SE.

It should also be noted that this idealization tends to mask the high-risk nature of entrepreneurship with 9 out of 10 start-ups failing (Patel, 2015; Singh et al., 2007). In the context of the Global South where the own business may be crucial for a family’s sustenance, it may produce legitimacy at a price.

Failure of Previous Approaches

Failure of previous approaches to eradicate poverty and incapacity to achieve the SDGs without private-sector involvement construct legitimacy for SE. This discourse builds on the conversion of market failures into entrepreneurial opportunities: These opportunities arise from social needs neither addressed by NGOs nor governments (Mark-Herbert & Prejer, 2017). This legitimizes SE across many different industries. Although a certain consolidation can be seen in differentiation to government and NGOs, one of the reasons why SE may defy traditional isomorphic pressures may be that it is framed as an approach that ‘jumps’ into niches where the absence of other actors has created a vacuum. As long as it fulfils the minimum common denominator of presenting itself as ‘different’ to these, it can construct legitimacy.

Money as a basic entity plays a central role, again touching on financial sustainability, to decrease donor dependence and increase long-term impact. This builds on the idealization of private sector approaches as SE is described as more efficient in serving needs than government and more financially sustainable than NGOs, in line with Fury (2010). Advantages over conventional business are not as pronounced as over government and NGOs. This mirrors not only the identification of SE as a private sector approach, but also the increasingly positive evaluation of business- or market-based logics (Kuttner, 1999; Mintzberg, 1996). As this ‘market sphere’ comes to dominate other spheres in society such as the ‘social welfare sphere’, this endangers the balance that is the very groundwork for complex equality (Walzer, 1983). It further limits the extent to which interactive processes of legitimacy construction are discursively “carried out by different agents in different spheres” (Schmidt, 2008, p. 309). This is beneficial to legitimacy as it produces coherence and consistency; however, it may endanger the critical reflection that first led to the rise of SE.

6.3. An Integrated Model of Legitimacy Construction

Heterogeneity of accounts is reflected in three different types of legitimacy and five different discourses. A certain conflict is seen between the five dominant discourses where arguments of empowerment are constructed alongside arguments of efficiency-driven private sector approaches. First, this reflects the hybrid nature of SE (Doherty et al., 2014). Secondly, this can be seen as a process on the path to legitimacy where legitimacy is reached once a consistent narrative will be chosen. This is characteristic of SE as an organizational field in a “pre-paradigmatic stage” (Nicholls, 2010, p. 611) and “an emerging institutional domain” (Hervieux et al., 2010, p. 39). Thirdly, in contrast, the accounts appear paradoxically coherent when considered in their entirety and a pattern emerges that maps the discourses across the continuum of legitimacy types (see Figure 24 below). Pragmatic arguments evolve largely around exchange elements and value creation for entrepreneurs, customers and funders or other supporters, highlighting the ROI. Morally positive evaluations rest on a glorification of SE, highlighting SE’s capacity for local impact and empowerment. Cognitively, the inevitability of involving the private sector, idealized in the process, is stressed. Across the continuum, all elements are underpinned by the perceived failure of and resulting disappointment with previous NGO and government approaches: Pragmatically, customer focus and accountability through exchange are highlighted; morally, empowerment through bottom-up instead of top-down approaches presents SE as superior; cognitively, financial sustainability legitimizes private sector and SE in explicit contrast to NGOs and public sector endeavours.

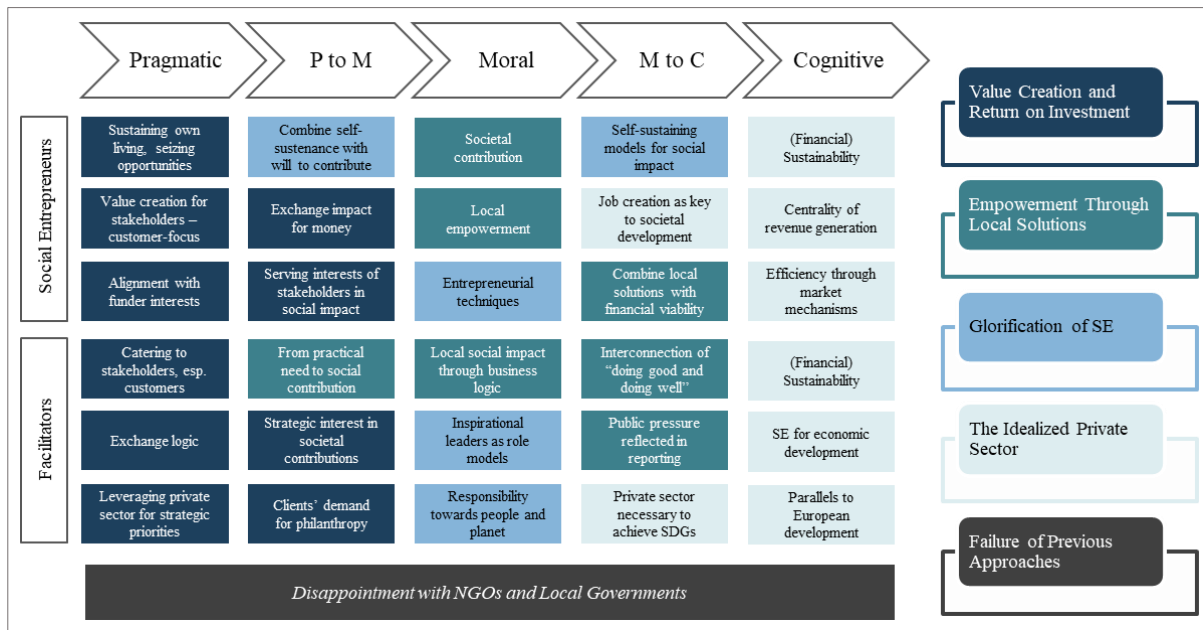


Figure 24. Integrating three types of legitimacy with five dominant discourses.

The pattern arising from mapping discourses with types of legitimacy results in the following: Discourse around value creation and ROI on the pragmatic side and an idealized private sector on the cognitive side come to frame discourses around a glorified version of SE and empowerment through local solutions. Both on the pragmatic and on the cognitive side, business-focused arguments dominate, mutually reinforcing legitimacy construction (signified by the arrows in Figure 25). On both ends, monetary or financial aspects play a considerable role: On the pragmatic side through exchange elements of receiving ‘good value for money’ and on the cognitive side through the necessity of financial sustainability.

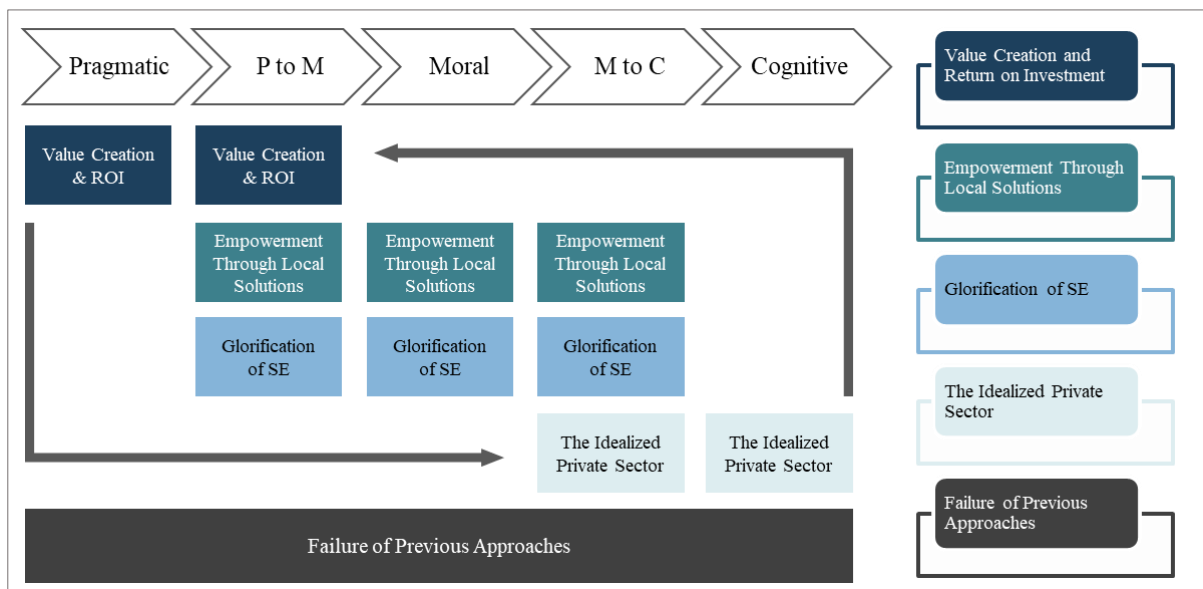


Figure 25. Strategic legitimacy construction by social entrepreneurs and facilitators.

This opens up two lines of argumentation (see Figure 26). On the one hand, this can be interpreted as top-down or outside-in pressure, forcing business logic into the social space and essentially limiting empowerment and marginalizing discourses around communitarianism and social justice (Butzin et al., 2015). Legitimacy in this case is derived from finance- and

efficiency-driven discourses. Conversely, one could adopt a stance of seeing societal contribution at the core, emanating social logic and empowerment bottom-up or inside-out. Thereby, concerns associated with utility maximization in business-focused discourses are balanced. Parallels can be drawn to Cieslik's (2018) findings in the academic space. The mainstream narrative focusing on SE's power to efficiently correct market failures remains in the discursive space of market and business mechanisms. The social space is consolidated with the business space. The emergent account focuses on the disruptive power of SE towards systems change, moving the 'social' elements into the 'business' sphere.

In contrast to Cieslik (2018), however, I argue that rather than existing separately, in the practical sphere here investigated, these accounts are working in unison. Data collected through interviews with social entrepreneurs and facilitators shows a co-existence of both accounts. Abstracting from individual accounts, multi-dimensional legitimacy for the overall field of SE is constructed through interaction and tensions. Contestation and interaction of top-down or outside-in and bottom-up or inside-out influences are integral to legitimacy construction embedded in discursive institutionalism: "a process of ongoing contestation in deliberative discursive processes" (Schmidt, 2008, p. 320). This bouncing back and forth constructs multi-dimensional legitimacy (pragmatic, moral and cognitive) across five discourses. Discursive strategies are reinforced by an idealistic undertone of "taking the best elements from each side" (Reach for Change – Roisin) "for people, with people, for the planet, with the planet" (AFD – Marie-Anne). Thereby, legitimacy construction allows facilitators from the Global North to justify resource allocation and social entrepreneurs operating in the Global South to 'prove' eligibility for resource acquisition across institutional contexts.

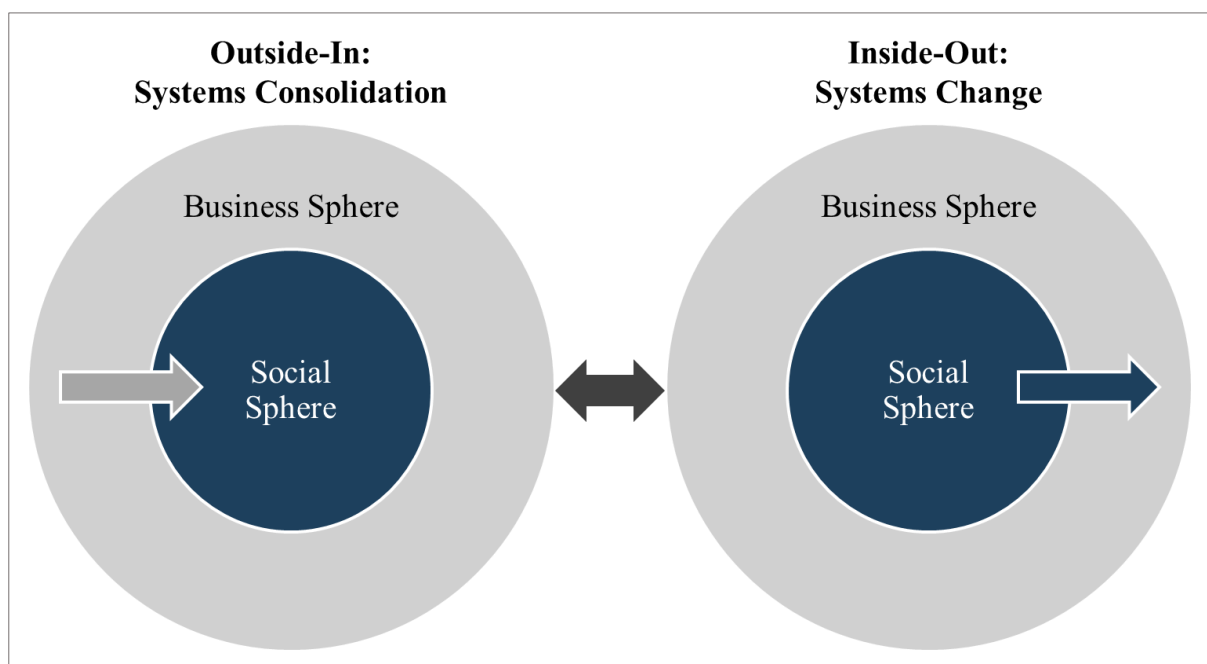


Figure 26. Permeation of business and social spheres: Outside-in and inside-out.

7. Conclusion

7.1. Overall Empirical Findings

Increased development finance is channelled to the private sector in efforts to reach the SDGs. The purpose of this study was to shed light on SE in a development context by examining the research question how social entrepreneurs operating in the Global South and facilitators from the Global North construct legitimacy for the organizational field. Linguistic interview and visual social media data from both social entrepreneurs and facilitators were analysed to address two sub-questions.

First, the study found that rather than drawing on one dominant type of legitimacy, social entrepreneurs and facilitators alike construct legitimacy across the continuum of pragmatic, moral and cognitive legitimacy based on stakeholders' self-interests, positive normative evaluations of societal contribution and a perceived necessity for financial sustainability.

Secondly, the study found that legitimacy is constructed through five different discourses: Value creation and ROI, empowerment through local solutions, glorification of SE, idealization of the private sector and failure or shortcomings of previous approaches, most notably government and NGOs.

Combining the two sub-questions allows conceptualizing an integrated model of legitimacy construction for SE. Business-focused discourses of value creation and ROI on the pragmatic, and an idealized private sector on the cognitive side are mutually reinforcing. They frame discourses around a social logic, namely empowerment through local solutions and glorification of SE. This pattern can be interpreted in an outside-in fashion of the business sphere permeating the social sphere, representing systems consolidation. Conversely, it can also represent an inside-out logic where the social sphere permeating the business sphere can lead to systems change. The data showed a co-existence of both accounts. Dynamic tensions helped discursively construct legitimacy and bridge the institutional contexts of Global North and Global South. Multi-dimensional legitimacy construction across heterogeneous discourses enabled catering to the multiplicity of stakeholders, a particular challenge in the context of SE.

7.2. Theoretical Contribution

The study's findings contribute to academic research on SE in three ways. First, examining SE in Sub-Saharan Africa answers Terjesen and colleagues' (2016) call for research into contexts other than Europe and the US. In the institutional context of the Global South, what is perceived as 'social' is broadened compared to its delineation in the Global North. This provides an expanded space for legitimacy construction of *social* entrepreneurship: In contrast to its European counterpart, a utility provider in Sub-Saharan Africa is framed as a social entrepreneur, thereby opening scarce channels for resource acquisition.

Secondly, the thesis addresses the research gap into the *how* of legitimacy construction. It expands the work by Suchman (1995) and Dart (2004) to demonstrate the tight interlinkage of pragmatic, moral and cognitive legitimacy. Mobilizing the three types of legitimacy on a continuum allows catering to a multitude of stakeholders, most prominently customers and facilitators. The study further explored which discursive accounts construct legitimacy, thereby addressing the call for research into strategies employed (Dacin et al., 2011). Building on

Cieslik's (2018) work, the fundamental tension between business and social sphere was found to contribute to legitimacy construction in the framework of discursive institutionalism.

Thirdly, the study went beyond accounts of the most resourceful actors, incorporating social entrepreneurs' views. Interestingly, accounts of social entrepreneurs and facilitators differed as much or as little among them as between them. This suggests the spanning of a meta-context that brings together the two groups and thereby helps bridge the two institutional spheres.

7.3. Practical Implications

Widely positive responses to my interview requests mirror the heightened interest in the field of SE and the perceived need to contribute with research on the Global South. In their efforts to promote the field overall and their organizations specifically, drawing on multiple dimensions of legitimacy is beneficial. At the same time, one should not shy away from contestation and foregrounding the tensions arising from permeation of business and social spaces. Sparking conversation increases visibility and authenticity, thereby constructing legitimacy.

The perceived alignment of institutional fields in Global South and Global North can on the one hand be seen positively for overcoming power discrepancies, following calls *not* to "distinguish too much between there and here" (SNV – Geertje). However, it also poses the danger to mask fundamental differences between the contexts. Facilitators must be careful to draw milestones together with social entrepreneurs to respect their vision and social mission and embrace their superior knowledge of the local context.

This also leads to the need to consciously seek social entrepreneurs that lack visibility because they do not conform with the meta-institutional context spanned for SE. Discursive elements are central to a possible selection bias as interviewees highlight the need to master the language of investors and other supporters including public development agencies and private foundations in order to acquire funding. Rather than 'forcing' social entrepreneurs in the Global South to speak the language of facilitators in the Global North, facilitators should further try and adapt themselves – like many already strive to do.

One can construct legitimacy as much from the content of discursive strategies as from the mode of presentation. The enthusiastic and optimistic outlook helps convince people of the significance of SE as well as entrepreneurship more broadly. However, one must be careful not to overly simplify matters, failing to address underlying systemic issues, particularly when it comes to poverty reduction. It is crucial to allow room for accounts of failure going beyond operational mistakes at the surface. Interviewees mentioned that both the social entrepreneur and the facilitator side see failure as challenging the field's legitimacy and hence resource allocation and acquisition. Failure can be eclipsed in a focus on success stories, thus dangerously masking start-ups' high failure rate of 90%.

7.4. Limitations and Future Research

Similar accounts of social entrepreneurs and facilitators did not allow to mobilize Global North – Global South institutional contexts as proposed in the theoretical framework to the extent initially sought for. The alignment of legitimacy construction for the field may have arisen from the sampling based on selecting social entrepreneurs largely from facilitators' portfolios. This restriction may have been overcome by data collection on the ground with a tighter connection to the ecosystem and referral through entrepreneurs rather than facilitators. While it exceeded

the scope of this thesis, future research may also include customers in an investigation of micro-discourses. This may help shed light on the different institutional contexts as facilitators and customers in most instances lack direct interaction and hence the possibility to align accounts to the extent as social entrepreneurs supported by facilitators (e.g. through education and incubation programs).

Two further points attracted attention when researching online for potential interview partners operating in the Global South. First, a considerable proportion were international rather than local social entrepreneurs or had an education background in the US or Europe. This raises questions of visibility and selection bias that may be further explored. Secondly, all but one of the social entrepreneurs interviewed were male reflecting the proportion of those contacted overall. Future research should look into the gender dimension and its particular significance in the Global South.

Lastly, although briefly touched upon, systems change theory could be mobilized to shed light on the possibilities and future trajectory of SE. The fact that NGOs feel pressured to become more business-minded and commercially driven in their approach may be contrasted with businesses to become more socially minded. This could help further examine the here proposed opposition of systems consolidation versus systems change in the context of addressing development challenges. Will hybridization lead to ‘one-size-fits-all-purposes’ organizations where neither side of the social-business-spectrum is being fully served?

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Appendix

Appendix A: List of Facilitators Interviewed

Table 3. Overview of facilitators including organization's description.









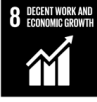















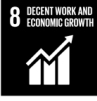





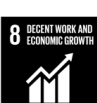





| Name | Organization | Country | Description |
|----------------------------|---|------------------|---|
| Marie-Anne | Agence Française de Développement (AFD) | France | Funds, supports & accelerates transitions to fairer and more sustainable world. Focus on climate, biodiversity, peace, education, urban development, health and governance. |
| Markus | BMW Foundation Herbert Quandt | Germany | Aims to promote achievement of the SDGs through its Responsible Leadership programs, global network, & impact investments. |
| Hatoumata | Bond'Innov | France | Incubator whose mission is to facilitate the creation of innovative enterprises. Special program: Afric'Innov for social enterprises in Africa. |
| Christine | SEED – Promoting Entrepreneurship for Sustainable Development | Germany | UNDP initiative that supports eco-inclusive enterprises across sectors that generate positive environmental, social and economic impacts. |
| Carmen | Swedish International Development Cooperation Agency (Sida) | Sweden | Government agency working on behalf of the Swedish parliament and government, with the mission to reduce poverty in the world. |
| Anita | UBS Optimus Foundation | Switzerland | Foundation to drive impactful philanthropy for solutions to pressing social issues. Section for social finance solutions: Mobilize private capital in new & more efficient ways. |
| Michael⁷ | Development Agency | European Country | Funds projects and programmes to improve living conditions in developing countries. Focus on combatting poverty, ensuring peace and preserving the environment. |
| Roisin | Reach for Change | Sweden | Find and support local early stage social entrepreneurs who work towards one or more of the SDGs. Entrepreneurs are supported to scale innovations through capacity building, networks & funding, all in partnership with multiple sectors. |
| David | Siemens Foundation: empowering people. Network | Germany | The 'empowering people. Network – Technologies for Basic Needs' aims to make promising low-tech solutions accessible and further their successful implementation through sustainable entrepreneurship models. |
| Geertje | SNV Netherlands Development Organisation (SNV) / Innovations Against Poverty Fund (IAP) | Netherlands | Not-for-profit international development organization, working in Agriculture, Energy, and Water, Sanitation & Hygiene. Implementing Partner of Challenge Fund IAP for private sector innovative solutions that can contribute to the fight against poverty and climate change; specific focus on the inclusion and empowerment of women and youth. |
| Javier | | | |

Sources: Organizations' websites see Appendix C.

⁷ Name was changed because interviewee preferred quotes to be anonymized.

Appendix B: List of Social Entrepreneurs Interviewed

Table 4. Overview of social entrepreneurs including organization's description.

| Name | Organization | Operating in | Description | SDG Contribution |
|--------------------------|------------------------------------|--|--|---|
| Liisa | ignitia | Ghana, Nigeria | Tropical weather forecasting services helping small-scale farmers reduce risk and increase profits. |    |
| Jens | QuizRR | Mauritius, Bangladesh, China, Thailand | Digital training solutions for employment rights and responsibilities in garment factories. |     |
| Julius | ReAfric Enterprise | Social Kenya | Footwear from waste materials, providing work and scholarships for youth. |    |
| Arnold | Traveler | Cameroon | App monitoring system for road safety / emergency teams and families showing a traveller's location in case of accident. |   |
| Brian⁸ | Social Enterprise | Zambia | Constructs and operates toilets and showers, converting waste into fertilizer / bio-fuel and recycling water. |     |
| Jesper | GIVEWATTS | Kenya | Modern and efficient energy solutions, incl. solar lamps, solar home systems and energy-efficient stoves. |     |
| Omotayo | Quintas Renewable Energy Solutions | Nigeria | Integrated clean energy generation (solar, biomass) and management for rural / sub-urban usage. |    |
| Erik | BRCK | Kenya | Hard- & software provider creating rugged, self-powered mobile routers to increase internet connectivity. |     |
| Dennis | Maishatap | Kenya | Mobile & USSD platform connecting people to health services, SMS notifications in case of an emergency. |   |
| Ian | EcoBrick Exchange | South Africa | Env. awareness raising, construct preschools using EcoBricks: Un-recyclable plastic waste on PET-bottles framed by insulating building material. |    |
| Zacch | Impact Water | Kenya | Safe drinking water solutions for schools & health-care centres through modern water purification systems & long-term payment plans. |     |
| Mark | Impact Water | Nigeria | | |

Sources: Organizations' websites see Appendix C.

⁸ Name was changed because interviewee preferred quotes to be anonymized.

Appendix C: Organizations' Websites and Social Media Sites

Table 5. Sources for descriptions and social media data.

| Category | Organization | Website | Social Media |
|--------------------------|---|---|---|
| Facilitator | Agence Française de Développement (AFD) | https://www.afd.fr/en | https://www.facebook.com/AFDOfficiel/ |
| Facilitator | BMW Foundation Herbert Quandt | https://bmw-foundation.org/who/about-the-foundation/ | https://www.facebook.com/BMWFoundation |
| Facilitator | Bond'Innov | https://www.bondinnov.com/ | https://www.facebook.com/Bondinnov-1569413476628213/ https://www.facebook.com/AfricinnovPAI/ |
| Facilitator | SEED – Promoting Entrepreneurship for Sustainable Development | https://www.seed.uno/ | https://www.facebook.com/SEED.uno |
| Facilitator | Swedish International Development Cooperation Agency (Sida) | https://www.sida.se/English/ | https://www.facebook.com/SidaSverige/ |
| Facilitator | UBS Optimus Foundation | https://www.ubs.com/microsites/optimus-foundation/en/who-we-are.html | https://www.facebook.com/UBSglobal |
| Facilitator | Reach for Change | https://reachforchange.org/en/who-we-are/about | https://www.facebook.com/ReachForChangeSweden/ |
| Facilitator | Siemens Foundation: empowering people. Network | https://www.empowering-people-network.siemens-stiftung.org/en/about/ | https://www.facebook.com/SiemensFoundation/ |
| Facilitator | SNV Netherlands Development Organisation / IAP Fund | http://www.snv.org/ http://www.snv.org/project/innovations-against-poverty-iap | https://www.facebook.com/SNVworld/ |
| Social enterprise | ignitia | http://www.ignitia.se/ | https://www.facebook.com/IgnitiaWeather/ |
| Social enterprise | QuizRR | https://www.quizrr.se/why-quizrr | https://www.facebook.com/quizrr/ |
| Social enterprise | ReAfric Social Enterprise | https://www.facebook.com/reafric/ | https://www.facebook.com/reafric/ |
| Social enterprise | Traveler | https://www.empowering-people-network.siemens-stiftung.org/en/solutions/projects/safe-travel/ | No social media site, thus images from Siemens Foundation: https://www.empowering-people-network.siemens-stiftung.org/en/solutions/projects/safe-travel/ |
| Social enterprise | GIVEWATTS | http://www.givewatts.org/about-us | https://www.facebook.com/GIVEWATTS/ |
| Social enterprise | Quintas Renewable Energy Solutions | http://www.quintasenergies.com.ng/ | No social media, thus images from website: http://www.quintasenergies.com.ng/ |
| Social enterprise | BRCK | https://www.brck.com/about/ | https://www.facebook.com/brcknet/ |

| | | | |
|--------------------------|-------------------|---|---|
| Social enterprise | Maishatap | http://maishatap.nupola.com/ | https://www.facebook.com/maishatap.platform |
| Social enterprise | EcoBrick Exchange | https://www.ecobrickexchange.org/ | https://www.facebook.com/EcoBrickExchange/ |
| Social enterprise | Impact Water | http://www.impactwater.co/ | https://www.facebook.com/IWuganda/ |

Appendix D: Semi-Structured Interview Guide for Social Entrepreneurs and Facilitators

| <i>Questions on the left</i> | <i>Questions on the right</i> |
|---|--|
| For social entrepreneurs | For facilitators |
| Social entrepreneurship in Africa: Semi-structured interview | |
| M / F | |
| Social entrepreneur / Foundation / Development agency | |
| Organization: | |
| Region: | |
| Qualitative interview introduction | |
| Introductions + thank interviewee for participation. | |
| Ask for permission for recording. <i>Start recording.</i> | |
| Thank for permission to record. | |
| Length: 30 – 60 minutes. | |
| Primary goal: Learn more about the importance of social entrepreneurship in a development context and cooperation with private and public funders / supporters. | |
| Intended use for interview data: Master thesis at Stockholm School of Economics. I will not share raw data with anyone and will not use data for any other purpose than the thesis. | |
| Information on anonymization and consent. | |
| 1. Background information | |
| Could you just tell me a little bit about yourself? <i>[Background, previous experience, your organization, job responsibilities etc.]</i> | |
| How did you become a social entrepreneur? <i>[What made you launch X?]</i> | How did you come to work on SE in development cooperation? |
| How would you present your social enterprise? ~ <i>Prompt for differences between audiences, e.g. foundations vs. dev. agencies.</i> | How would you summarize your organization's engagement in SE? ~ <i>Prompt for differences btw. audiences when presenting activities.</i> |
| 2. Cooperation | |
| How do you interact with your customers? | How do you interact with social entrepreneurs? |
| How do you work together with funders / support organizations? | |
| What feedback have you got from your customers? | What feedback have you got from social enterprises you work with? |
| Where have you got funding from so far? → How easy or difficult was it to find investors? | How easy or difficult do you think it is for social enterprises in Africa to find investors? |
| Why do you think is social entrepreneurship important for foundations / dev. agencies? | Why is social entrepreneurship an important area for you as an organization? |
| 3. Social Entrepreneurship ~ Definition and Delineation to other organizational forms | |
| Do you remember how / when / where you first heard of 'social entrepreneurship'? | |
| How do you define social entrepreneurship? <i>Prompt for differences to a) traditional charities / NGOs and b) conventional business.</i> | |
| How widely known do you consider social entrepreneurship as a concept? <i>[Europe vs. Africa]</i> | |
| In circles outside of the 'SE scene', how easy or difficult is it for you to explain what you do? | |

4. Critical reflection on social entrepreneurship and its challenges

What role does social entrepreneurship play in low-income countries / Sub-Saharan Africa? ~ *Prompt for impact.*

What advantages / disadvantages does SE have compared to (conventional / traditional) charities?

What advantages and disadvantages does SE have compared to (conventional) businesses?

How do you feel attention to SE in Africa has developed over the last years? [*How do you explain the increasing prominence of SE as an approach to solving “development issues”?*]

What are the challenges of social entrepreneurship in Africa? ~ *Prompt for both challenges for themselves & for field (specific context-related issues in Global South).*

Are there / can you think of any areas where you think social entrepreneurship is not applicable? [*Negative effects / downsides?*]

In this study, I want to look specifically at how social entrepreneurship is gaining legitimacy in a development context. What are your views on this?

5. Wrapping up

Do you have any wishes for the future? ~ *Prompt for both ‘wishes’ for their organization as well as for the field of social entrepreneurship as a whole.*

Anything else? Is there anything you feel is relevant in the context of SE in ‘developing countries’ that we haven’t touched upon?

Do you have any questions to me?

Can I contact you later should I have any additional or clarifying questions?

Would you like me to share the transcript of our conversation for you to review once completed?

Would you like to receive the thesis once completed? ~ Mid-May









Thank you very much for your valuable time – your insights have been extremely helpful.










Appendix E: Sustainable Development Goals (SDGs)

“The [Sustainable Development Goals](#) are a call for action by all countries – poor, rich and middle-income – to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.”

Note that impact evaluation according to SDGs should not be seen as cumulative in the sense that the more SDGs addressed, the greater the impact. Instead of magnitude, the listing should provide a general overview of areas impacted and so operationalize development challenges addressed.

Table 6. Overview of SDGs and their description.

| Goal | Description |
|---|---|
|  | End poverty in all its forms everywhere. |
|  | End hunger, achieve food security and improved nutrition and promote sustainable agriculture. |
|  | Ensure healthy lives and promote well-being for all at all ages. |
|  | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. |
|  | Achieve gender equality and empower all women and girls. |
|  | Ensure availability and sustainable management of water and sanitation for all. |
|  | Ensure access to affordable, reliable, sustainable and modern energy for all. |
|  | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. |

| | |
|---|--|
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. |
| 10 REDUCED INEQUALITIES  | Reduce inequality within and among countries. |
| 11 SUSTAINABLE CITIES AND COMMUNITIES  | Make cities and human settlements inclusive, safe, resilient and sustainable. |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | Ensure sustainable consumption and production patterns. |
| 13 CLIMATE ACTION  | Take urgent action to combat climate change and its impacts. [Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.] |
| 14 LIFE BELOW WATER  | Conserve and sustainably use the oceans, seas and marine resources for sustainable development. |
| 15 LIFE ON LAND  | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. |
| 16 PEACE AND JUSTICE STRONG INSTITUTIONS  | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. |
| 17 PARTNERSHIPS FOR THE GOALS  | Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. |

Source: United Nations (2015). Transforming our world: The 2030 Agenda for Sustainable Development A/RES/70/1. Retrieved 04.03.2019, from <https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

Appendix F: Evidence for Substantiating Results

Basic Entities and Agents

Table 7. Representative quotes for basic entities and agents.

| | Category | Quote | Signification |
|-----------------------|-----------------------|--|---|
| Basic entities | Money | “We do charge money for our services, but we charge the least that we need to charge for us to be able to sustain ourselves. So that the charge is not necessarily to make huge profit and for shareholders to go away smiling home.” (Impact Water – Zacch) | Selective profit-orientation instead of overall profit maximization. |
| | Awards | “The problem with awards is, while it doesn’t have financial strings attached, sometimes the milestones you have to attain to get the next tranche of the money, it may not be in the interest of the company, but you have to because otherwise you don’t get the money.” (Traveler – Arnold) | Funding comes with strings attached. Milestones can sometimes differ from the company’s own vision. |
| | Products and services | “It helps build our brand. You know, getting more users out there. [...] We can get testimonials that we can use in our marketing materials and we can better understand our products.” (Impact Water – Mark) | Importance of prototyping. Customer track records help build legitimacy. |
| | | “These goods and services are in most cases produced locally which means that in addition to the jobs that the enterprise itself generates it also has a lot of direct and indirect impacts along their value chain by including the economy.” (SEED – Christine) | Benefits of local production. |
| Agents | Social entrepreneurs | “The average persons say they are in business and they are looking at it from the profit point of view, so they cannot see the bigger picture. Social enterprise is a much bigger picture than the ordinary, conventional business.” (Quintas Energy – Omotayo) | Social entrepreneurs highlight the will to contribute to a “bigger picture”. |
| | | “Certainly not everyone is an entrepreneur. It takes a very certain skillset” (Reach for Change – Roisin) | It takes a certain skillset to be an entrepreneur. |
| | Facilitators | “The impact investing market is very much interested in that and [...] before you could say hundreds of millions were moving around this topic. Today it's in the hundreds of billions that is available in this topic. And tomorrow it's going to exceed a trillion.” (SNV – Javier) | Increased funds from impact investors. |
| | | “So that is where the development cooperation, Sida’s funding comes in. With funding mechanisms, such as challenge funds, we aim to de-risk the market for future investors.” (Sida – Carmen) | High-risk environment of Global South calls for funders less interested in quick financial returns. |

| | | |
|-------------------|--|---|
| Customers | “I think nobody in Europe would consider energy providers to be social enterprises because they have a social impact. For them it's just an organization.” (Siemens Foundation – David) | Different conceptualization of SE in Global North. |
| NGOs | “Or just think about child trafficking or prostitution. It is really difficult to think about the business model that would address that.” (UBS Optimus Foundation – Anita) | There are areas where economic models are inapplicable. |
| | “Nobody's taking care of it because they didn't really spend their own money. So, there's no sense of ownership. So very often, they refer to the project as that NGO's project.” (Impact Water – Zacch) | Lack of accountability regarding NGO service provisions. |
| Local governments | “As long as we create social impact, we are helping the government.” (Impact Water – Mark) | Social enterprises help local governments directly. |
| | “Say hey, whatever state is involved, look at this, providing basic services is supposed to be part of our duty and now businesses are getting involved. Maybe it can help spark conversations in different countries.” (Bond'Innov – Hatoumata) | Social enterprises help local governments indirectly by sparking conversations. |
| | “I think in Kenya it's really hard to get support from the government due to issues, so many issues like even corruption” (Maishatap – Dennis) | Absence of government and prevailing corruption. |

Discourses in Linguistic Texts

Table 8. Representative quotes for discourses.

| Discourse | Social Entrepreneurs | Facilitators |
|-------------------------------|--|---|
| Value creation and ROI | “People want to, they want a better return on their contribution. Like I can talk to any large development aid organization, they're shifting more and more of their resources to support social businesses mainly because their one dollar can continue to evolve.” (Impact Water – Mark) | “I think that part of the answer is that there has been some disappointment about how the aid money is spent and what the value of that money is in terms of how much impact it has generated.” (UBS Optimus Foundation – Anita) |
| Empowerment | “Let us have our voice heard. Let not people come with their own mind, or pre-occupied mind, or mindset or concepts of what innovation or a social enterprise should look like in Africa. That's what's very fundamental.” (Social Enterprise – Brian*) | “Social enterprise has a very strong part to play because we all could be part in our own development. And when you're in control of your own fate, and your own development and developing solutions for the issues, you do it in a way that makes sense and fits the context and actually works for the people that you're working with.” (Reach for Change – Roisin) |
| Local solutions | “By always having our trainings in local language, with local actors and local directors we ensure that the tonality in the solution is correct.” (QuizRR – Jens) | “I think these local companies they have a really great insight into local conditions obviously and they really try to solve challenges and problems. And this is what I really like about social entrepreneurs” (Development Agency – Michael*) |



| | | |
|--|---|--|
| Community | <p>“I find that the opposite of that is doing skills development and not giving people ideas and just waiting for a community to have an idea themselves. And then support them in the steps of implementing that idea.” (EcoBrick – Ian)</p> | <p>“People are very community-minded. Almost all businesses or companies that are making a certain amount of money would always do something in their community – whether it's strategic or part of that business model or not. So, whilst they haven't been using the terminology social enterprise for a long time, there has been a lot been existing. And so that, that helps people I think get on board with the concept.” (Reach for Change – Roisin)</p> |
| Glorification of SE | <p>“I just know that as we keep creating awareness and most people will get enlightened and social entrepreneurship will become one of the biggest world changers in the future.” (Maishatap – Dennis)</p> | <p>“I do believe that we need to take it to the next level and that is aiming to reach millions of low-income people and for that systemic changes are needed. For those systemic changes you need to work with multi-stakeholders that can create such change.” (SNV – Javier)</p> |
| The idealized private sector | <p>“It's taking the best practices of running a business so the discipline you need the energy, the creativity to bring your product to market and persuade people to adopt whatever it is the service or product that you're introducing at a sustainable rate while achieving social good.” (Impact Water – Mark)</p> | <p>“So, to get to an optimal business model, it really challenges the enterprise to an optimal model that is really addressing a need around poverty.” (SNV – Geertje)</p> |
| Innovation through creativity and adaptability | <p>“And we ask ourselves if we don't become more innovative, do we think we will break even in the next three years in the next four years. So, we are challenged to think more innovatively in a manner that enable us to break even much earlier.” (Impact Water – Zacch)</p> | <p>“Innovation I think it's a central point when we talk about social entrepreneurship and inclusive business because. That's, really what drives this whole sector is innovation. You have to do things differently.” (SNV – Javier)</p> |
| Efficiency | <p>“And at the end of the day it is all about efficiency, private sector brings in more efficiency and they are able to, to also identify risks and pivot quickly. Governments and NGOs take so much time.” (Social Enterprise – Brian*)</p> | <p>“It's different than with NGOs and public sector. They tend to keep on talking instead of acting. On the other hand, private sector actors really try to make it happen because of their result-driven orientation.” (SNV – Geertje)</p> |
| (Financial) Sustainability | <p>“The main difference we are both doing social good, NGOs are solving social problems, social enterprise are also solving social problems. The main difference with our approach is in the social enterprise method we look at long term sustainability that is not donor dependent.” (Impact Water – Zacch)</p> | <p>“It changed from just a pure donation and implementation of a project to funding for sustainable concepts and in order to make them sustainable it most likely has to have some entrepreneurial background.” (Siemens Foundation – David)</p> |
| Failure of previous approaches | <p>“NGOs and profitable, kind of conventional businesses, cannot change our, our situations in the very low-graded, I mean, economical, I mean, environmental areas like the slum communities.” (ReAfric – Julius)</p> | <p>“We need to look at new ways and new solutions other than just business as usual, but we also find new creative ways how to tackle the challenges and how to achieve the SDGs, I am quite convinced. And I think, here, social entrepreneurs can play a very crucial role because they have much more creative approaches, obviously.” (Development Agency – Michael*)</p> |

| | | |
|---------------|---|---|
| Public Sector | <p>“Very often, our government will launch a water project, they bring the press, make so much noise and then they open the tap, water will flow that morning. And then everybody goes away, it makes the headline in the newspapers and then three months down the line, go to the same community, water is not flowing again.” (Impact Water – Zacch)</p> <p>“We wouldn't have been doing this if the government would have already solved the problem” (Ignitia – Liisa)</p> | <p>“By definition you have limited resources in companies and that forces you to prioritize maybe a little bit harder than in the public sector.” (Sida – Christopher)</p> <p>“Take for example an energy solution, we really need both public and private parties: The public sector can do the initial stage of addressing a solution, but for a longer-term sustainable model driven by the market we need the private sector. To reach scale and thus real impact you need the private sector.” (SNV – Geertje)</p> |
| NGOs | <p>“The value of NGOs is limited. They're very short-sighted. They bring in too many external people and their projects most of them die after they leave or stop funding it.” (BRCK – Erik)</p> | <p>“In the past there was a big focus on funding NGOs who would then provide products and services that are needed by communities for free, which kind of distracted or damaged the market that enterprises of course need in order to sell their products, providing market-based solutions for sustainable development.” (SEED – Christine)</p> |

Discourses in Visual Texts

Table 9. Discourses represented in social media images.

Social media images equally show the idealisation of the private sector, value creation and return on investment, empowerment through local solutions and glorification of SE.

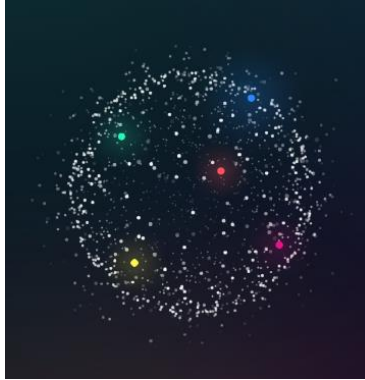
| Category | Image | Signification |
|--|---|---|
| <i>The Idealized Private Sector</i> |  <p>Quintas Energies</p> | Private sector displayed as having the power to reach a green future. |
| <i>Value Creation and Return on Investment</i> |  <p>GIVEWATTS</p> | Quantification of social impact as computable return on investment. |

Glorification of SE



Providing light paralleled with providing hope in the dark.

GIVEWATTS



Augmenting role of social entrepreneurs as change agents: “All good stories start with a dream and when you follow it you can create change.”

Reach for Change

Empowerment Through Local Solutions



Addressing empowerment by building community.

SEED



Presenting solutions that provide people with freedom and opportunity illustrated through metaphor ‘up’.

UBS Optimus Foundation

Three Types of Legitimacy

Table 10. Representative quotes for three types of legitimacy.

Social entrepreneurs

| Type | Quote | Significance |
|--------------------------------|--|--|
| Pragmatic | “We present ourselves based on who the client is, or who is in front of us, who our audience is.” (Traveler – Arnold) | Customer focus and adaptation. |
| | “You need to, as a social enterprise, bring enough value to your customer and to your suppliers, if you have those, to justify your existence.” (GIVEWATTS – Jesper) | Value creation for customers. |
| | “So basically, we can capture this data and our funders, or our clients, receive impact reports which we then send with our final invoice. So, the way we work is usually 50 percent booking deposit and then the remainder of the payment is due after we’ve done our service.” (EcoBrick Exchange – Ian) | Sometimes, the line between funders and clients is blurred. |
| Moral | “It’s actually employing techniques or principles of entrepreneurship to solve social problems. And if you’re solving social problems, it means you’re putting the society first, then money second.” (Maishatap – Dennis) | Procedural moral legitimacy: Valuing entrepreneurial techniques. Structural: Valuing business forms. The altruistic component added in social entrepreneurship highlights that the social mission instead of profit maximization is the priority. |
| Cognitive | “ Everyone is beginning to realize that we need to sustainably use our resources and as much as we want to give away, we need to see the impact or the result of our money, and ensure the enterprise survives and we can tell a story of how it started.” (Live Clean – Mwila). | Need for financial sustainability |
| From pragmatic to moral | “As a social enterprise, once the economy of society improves, their spending ability improves, and your own business improves on the other side too. With the funds you receive from them, you’ll be able to do more and at the same time you are ensuring that they are benefitting from what you are selling.” (Quintas Energies – Omotayo) | a) Concrete and immediate value creation for stakeholders (pragmatic legitimacy) b) Responsiveness to society’s larger interests, connected to positively evaluated outputs (consequential moral legitimacy). |
| From moral to cognitive | “If you’re talking about like what do you need for a country to develop, it mostly comes down to that this is about earning or about wealth generation. So jobs. And NGOs are just not that helpful in the long term for those things.” (BRCK – Erik) | Societal impact is linked to the ‘universally accepted’ premise that job creation leads to income leads to better livelihoods |

Facilitators

| Type | Quote | Significance |
|--------------------------------|---|---|
| Moral | “The social entrepreneurs are playing a key role in that because they are [...] very much inspiring other leaders so they have a key role.” (BMW Foundation – Markus). | Personal moral legitimacy of social entrepreneurs as inspirational leaders. |
| From moral to cognitive | “I think that the investment market within the next 20 years will totally switch in this direction, also through regulation and public pressure if you just see how the SDGs start to be a part of the reporting systems of huge corporates.” (BMW Foundation – Markus) | Public evaluations of what is considered ethically ‘good’ are integrated in reporting procedures. |