**Exploring the potential and limits of social enterprise as a path to addressing structural injustice**

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**Abstract**

This study considers how Social Enterprises (SEs) contribute to addressing structural injustice faced by people in marginalized groups, identifies the basic needs met by SEs and the supports SEs need to make broader social impacts. Exploring the potentials and limitations of SEs also reveals the ways that the state can support and initiate local development by SEs and other community development organizations. By developing a Peace and Conflict Studies (PACS) influenced understanding of the 'social' in social enterprise, this analysis also explores the link between peacebuilding and development studies, which scholars in the field often do not consider beyond post-peace accord environments. These research objectives were accomplished through the analysis and interpretation of data about the Manitoba SE sector drawn from multiple sources, although the major focus was on the qualitative data. Twenty SE managers and business developers in Winnipeg participated in an interview for this study. This study also carried out a descriptive, exploratory analysis of data from a survey conducted by the Mino Bimaadiziwin partnership team with 169 individuals entering Work Integration Social Enterprises (WISEs) in First Nation and non-First Nation communities near Winnipeg. Secondary sources like the Manitoba Social Enterprise Strategy (MSES) and reports on SEs in Manitoba are also used in this study.

The study produced four key findings. First, Work Integrated Social Enterprises (WISEs) contribute to positive peacebuilding by meeting their employees' economic needs and facilitating their socioeconomic inclusion if appropriately designed to accomplish these objectives. Second, SEs contribute to the eventual transformation of the inequitable socio-economic structure of society irrespective of whether they frame their work as transformative or compensatory. Third, SEs must collaborate with other SEs, government, community development organizations and even for-profit businesses to expand their social impacts. Fourth, that SEs require supports from the public, for-profit and non-profit sectors to expand their social impacts. Such supports can range from providing SEs with supported income (whether in the form of funding, grants or payment for social outcomes) and advocating for them, to promote an interest in SEs through education and developing a separate legal designation for SEs.

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## Dedication

For my friend, Oluwaseyi Odunaro (1993-2015).

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## Acronyms

| | |
|---|---|
| CCEDNET | Canadian CED Network |
| CED | Community Economic Development |
| MFI | Microfinance Institution |
| MSES | Manitoba Social Enterprise Strategy |
| PACS | Peace and Conflict Studies |
| SE | Social Enterprise |
| WISE | Work Integration Social Enterprise |

# Chapter 1
# Contextualizing social enterprises

## 1.0 Introduction

This study considers how social enterprises (SEs) contribute to addressing structural injustice faced by people in marginalized groups to identify the basic needs met by SEs and the supports SEs need to make a broader social impact. In this way, this study seeks to add to critical scholarship on SEs by identifying the roles of SEs, and how state and non-state actors can support them in this process. In the social economy and community development understanding, basic needs are those essential human needs of marginalized individuals that are unmet by the private and public sector, and that are left to the social economy to attend to (Hudson, 2009; Moulaert & Ailenei, 2005). Understanding the benefits and limitations of SEs can shed light on the roles the state should play in both supporting and initiating local development (Friedmann, 1992; Moyo et al., 2016). Identifying the roles of the state will allow SE service providers and others involved in community development work to ensure these roles are not ignored because they have purportedly been transferred to SEs and other community development organizations (Bryden, 2010; Kerlin, 2006). This inquiry also seeks to further explore the link between peacebuilding and development studies, by considering the role SEs can play in positive peacebuilding endeavours designed to address structural injustice.

To enhance readers' understanding of the study, the rest of this introductory chapter presents the research questions and objectives guiding the study, conceptualizes SEs and highlights the potential for community development through an inclusive SE process. The final section presents an overview of the eight chapters in this study.

## 1.1 Research questions and objectives

The major research question that this study answers is, how much do social enterprises contribute to addressing structural injustice faced by members of marginalized communities? This question was designed to accomplish two major objectives: to identify (1) the basic needs met by SEs; and (2) the supports SEs need to make a broader social impact. In other words, determining the benefits and limitations of SEs may provide a useful lens to understanding the roles the public, private, and non-profit sectors should play in both supporting and initiating local development

designed to challenge structural violence or hidden institutional injustices. The phrase "social impact" as used in this study refers to a wide-range of human and societal effects of a given intervention, which can include social, economic, political and environmental impacts (Vanclay, 1999).

The second question answered in this study is, how is the 'social' in social enterprise defined? This seemingly trivial question is intrinsically political; yet it is often taken for granted. Most literature on SEs focuses on the entrepreneurship or enterprise aspect, leaving the issue mostly in the realm of business studies, where the 'social' is almost always treated as an established concept with a widely accepted definition. Yet, the 'social' is fundamentally contested and political since scholars often express different conceptions of what development[1] should entail or what is best for society (Cho, 2006). Hence, this study identifies and explores some of these conceptions of the 'social' to identify the potential for transformative change through SEs.

As chapter three of this study considers in more detail, the study addresses these questions using multiple sources, including interviews, surveys and secondary sources. In-depth, semi-structured interviews were conducted with 20 SE managers and business developers in Winnipeg. The survey, which the Mino Bimaadiziwin partnership team carried out, was completed by 169 individuals entering four Work Integration Social Enterprises (WISEs) primarily located in First Nation and non-First Nation communities near Winnipeg, Manitoba. These WISEs train at-risk youths to become integrated into the mainstream workforce. Some secondary sources consulted include policy documents on SEs like the Manitoba Social Enterprise Strategy (MSES); an impact assessment of the MSES by Social Enterprise Manitoba (2018); annual reports of community economic development organizations like the Canadian Community Economic Development Network (CCEDNET) and Community Futures; and reports on SEs in Manitoba

### 1.2 Conceptualization of Social Enterprises

Social Enterprises (SEs) are a prominent type of organization in the social economy, alongside other forms of social economy organizations such as non-profits, cooperatives, credit unions and mutual associations. Many of these organizational forms sometimes overlap in different

[1] This work uses the terms 'development' and 'peacebuilding' interchangeably because, as chapter 2 will show, this study conceptualizes the process of addressing structural violence through positive peacebuilding as a critical part of any development process external actors carry out with marginalized communities.

ways and SEs can register as cooperatives as they often do in Europe (see Defourney & Nyssens, 2010). Defourny (2001) defines social economy in two major ways; according to the kind of organizations that exist within the social economy, and according to the normative principles that these organizations subscribe to. The normative principles typically shared by SEs and other forms of organizations in the social economy include:

- the aim of serving the organization's members and the larger community, which forms a core part of the organization's mission right from when it was established;
- production of goods and services;
- social objectives, which lead SEs to value their people over capital and are evident in the way they distribute income;
- distribution of mutual aid or assistance among members/participants; and
- encouragement of civic engagement through voluntary participation in a democratic decision-making process (Quarter *et al*., 2017; Defourney & Nyssens, 2010; Defourny, 2001).

The social objectives of SEs are important elements that distinguish them from regular businesses, and scholars often describe this using the multiple bottom line concept. Besides making a profit, SEs should ensure that their activities have positive effects on people and the environment, a concept known as the 'triple-bottom-line' (Murtagh, 2016; Bratt, 2012). In addition to this concern for people, planet and profit, is 'purpose'. These organizations should "care for, support and develop the people who are associated with it," including employees, volunteers, beneficiaries and the local community at large (Pearce, 2009, p. 24). The intent is not just to do no harm but to also contribute to development, and this commitment makes SEs into quadruple-bottom-line organizations.

Quarter *et al*. distinguish SEs from other organizations in the social economy by noting that while "social enterprises generally earn a portion of their revenues from the market, and in contrast to social economy businesses, they usually require extraordinary assistance during the start-up phase and during subsequent operations" (2017, p. 107). However, this argument does not necessarily indicate a significant distinction since SEs do not constitute a specific organizational form; they can and have been organized using various models such as the cooperative, microfinance, and the social movement models. Alvord *et al*.'s (2004) classification of the

different approaches to social entrepreneurship[2] provides an understanding of the somewhat complex relationship between SEs, cooperatives and microfinance.

The first approach to SE that Alvord *et al*. (2004) identify is the *capacity-building approach*, which involves identifying and building on local actors' capacities to solve their problems. This form of SE incorporates the cooperative model and involves building the capacity and abilities of local actors so that these improved skills can help them to address their challenges with minimal involvement from external actors. An example of an SE that does this is the Bangladesh Rural Advancement Committee (BRAC). While BRAC has some microfinance programs, the organization has also focused on community development by creating cooperatives at the village level. A second approach to SE identified by Alvord *et al*. (2004) is the *package dissemination approach*, which involves creating and distributing innovative products required by marginalized groups. The provision of microcredit loans to individuals for starting or maintaining small businesses by Grameen Bank in Bangladesh is an example of a package dissemination approach to social entrepreneurship. The third approach to SE identified by Alvord *et al*. (2004) is the *movement approach*, which involves the development of a grassroots movement to challenge repressive institutions such as the Self-Employed Women Association's campaigns against police abuse of vendors in India.

*Innovation and SEs*

Alvord et al's classification of SEs considered above emphasizes the development of innovative products and services as most studies on the 'entrepreneurship' side of the social enterprise versus entrepreneurship debate do. One can conceive of this social innovation school of thought (Defourney & Nyssens, 2010) as one branch or conception of social enterprise. Other SEs which place less emphasis on innovation can be divided into two broad groups in terms of the kind of services they provide. There are SEs there provide training or employment for disadvantaged groups who face significant barriers to finding employment (such as youths from poor

[2] For the sake of simplicity and in the interest of avoiding theoretical arguments not relevant to this discourse, this section conflates the terminology 'social entrepreneurship' into 'social enterprise.' Social entrepreneurship is a strand of social enterprise, which may differ from other forms of SE in its emphasis on innovation by individual entrepreneurs as essential to creating social change.

communities and differently-abled individuals) and those SEs that provide social services (Borzaga & Santuari, 2001; Defourny, 2001).[3]

Westley et al. note that social innovation comes about "when an individual or group of individuals identifies a societal need and responds creatively with a novel solution that transforms the system in which the innovation occurs" (2014, p. 235). Forms of SE that value and even privilege innovation tend to be individualistic in the way that they position social entrepreneurs as "passionate and creative individuals…solving 'the unsolvable,'" structural problems of society (Praszkier et al., 2010, p. 155). Such literature is typically grounded in Western narratives and is more focused on recounting the individual experiences of handpicked social entrepreneurs, rather than focusing on the team and community work done to accomplish such lauded endeavours (Battle Anderson & Dees, 2006). The problem with these individualist accounts of SE is that they can, and often do become tools of exclusion; disenfranchising those who may seem not to possess the 'special' skills required of successful social entrepreneurs.

Scholars (such as Praszkier & Nowak, 2011; Praszkier et al., 2010) should avoid a portrayal of the SE model as an individual-driven organization, to escape the trap of neoliberalism which explains away economic inequality because of people earning what they deserve. Further, such exclusive understandings of SE can even hinder progress in that the emphasis is centred on only those who launch new ventures largely on their own with little assistance, working in "relative isolation and obscurity for decades, hoping for scale-up and full impact" (Light, 2006, p. 29).

There is also the question of whether innovation is essential to creating structural changes in society. As Chapter two of this study will show, the form of innovation promoted by social entrepreneurship is more the kind that disrupts well-established technologies and techniques, yet this does not automatically translate into transforming problematic political or economic systems that produce inequality. Such disruption *can* be transformative but must be balanced with a participatory process that brings in other stakeholders either from the very beginning of the project or over time as an intervention unfolds (Nicholls & Cho, 2006). According to Ziegler, while this active engagement of stakeholders and citizens in the process of implementing social innovation is typically not an easy one to implement, it is necessary to produce equitable outcomes and "gain emancipation from imposed development" (2017, p. 349). The emphasis on inclusion becomes

[3] The former kind of SEs, commonly referred to as Work Integration Social Enterprises (WISEs) are the primary focus of this study.

especially relevant for SEs working with marginalized groups who various institutions and systems have typically already excluded. Continuing to perpetuate such exclusion can undercut the positive peacebuilding and development objective of SEs.

Finally, the rate at which SEs grow can also impact their focus on innovation. In this regard, Westley et al. note that when organizations have significantly expanded the area and number of people they serve and are experiencing barriers to further growth, they begin to seek out ways to identify "opportunities and barriers at broad institutional scales, with the goal of changing the system that created the social problem in the first place" (2014, p. 237). This description of innovation as a feature that comes with the growth and outward expansion of a SE seems to be the most inclusive approach, amenable to any form of SE, even one that starts without necessarily using any 'new' or 'unique' techniques.

### 1.3 Community development through an inclusive SE approach

This section conceptualizes community development as an inclusive process that allows stakeholders (that is, those who would be impacted by the development when it is implemented) to authentically participate in the process of positive peacebuilding and development.[4] The inclusion of participants is a critical part of any attempt at transformative development that seeks to genuinely improve people's capability (Sinclair et al., 2019). Several theoretical bases exist for emphasizing the inclusive nature of development as much as the economic inequality that it seeks to address because democratic freedoms can be activated by a participatory development process. According to Amartya Sen (1999), political and civil freedoms (expressed through participation in decision-making) are important and play a critical role in advancing economic freedoms and development. Similarly, Friedmann (1992) notes that there is a link between political and economic exclusion, and that building a politically inclusive approach to development that empowers local stakeholders to be involved in designing and managing the development of their community (within a supportive environment created by the state) is a critical path to also addressing economic exclusion.

[4] This is only one of the ways by which positive peacebuilding and community development are conceptualized in this work, and chapter two considers how they can be generated through economic development that addresses structural violence (by addressing basic human needs and modifying institutions that breed inequality).

Some scholars and practitioners promote the SE model as one that allows for inclusion through the active participation of members in the decision-making process, a key feature that distinguishes SEs from charities and other non-profit movements that seek to better the lives of individuals (Defourny, 2001). Hence, this section explores what this inclusion entails, first by considering the link between social capital and economic development to understand the role played by participatory processes. The subsequent sub-sections then consider: the case study of a SE that has sought to be inclusive of Indigenous peoples; an inclusive, dialogical model of SE; the roles of external actors in an inclusive approach to SE and; ways of measuring the impacts of inclusive SEs through social accounting.

*Social capital and economic development*

One factor undergirding the emphasis on inclusion of stakeholders in SEs is the belief that an inclusive process can, among other things, facilitate the development of social capital. According to Evers, social capital "refers to elements like trust, civic spirit, solidarity, and the readiness to associate, and to build and maintain communities" (2001, p. 297). Social capital generated through inclusion is important in and of itself, and can also contribute to economic development by allowing "a more free-flowing exchange of information, reduces the uncertainty and inefficiency of transactions, and increases the incentives for producing wealth and creating jobs (rather than diverting wealth from others)" (Chataway, 2004, p. 67). In other words, social capital improves productivity in the way that the trust and sense of community generated allows development projects to run more easily and efficiently. Besides this increased economic productivity, social capital also has a more personal impact on individuals who can participate in development projects. In Finland, labor cooperative SEs (set up to help unemployed people who are young or differently-abled to find jobs) see their roles as not just helping these individuals to gain skills and experience that they need to get jobs. Rather, they also see themselves as providing an opportunity for them to interact with others, to "reduce the depressing effects of unemployment" (Pättiniemi, 2001, p. 97).

Some scholars have critiqued the framing of social capital as an inherently positive feature that automatically produces significant economic impacts. DeFillipis argues that social capital only creates tangible economic impacts when "social networks that allow individuals to realize capital… (and) retain some control over the capital" are created (2001, p. 799). That is to say, the

so-called trust, networks and relationships that are built through inclusion do not by themselves result in economic development, but must be accompanied by a form of organization that provides participants with the means and skills they need to see tangible improvement in their economic condition.

This is what many SEs seek to do by improving the economic conditions of disadvantaged groups (for example, by helping them find jobs), while also developing social capital which can then intensify the improvement of economic conditions (Borzaga & Defourny, 2001). In other words, one critical way SEs can be inclusive of marginalized people is by hiring these individuals, thereby providing them with useful work experience and an opportunity to participate in the process of rendering essential services (Kerlin, 2006). Yet, this process of inclusion is not always an easy one. Inner-City Renovation, an SE in Winnipeg developed to create quality jobs for the mostly Indigenous inner-city residents who were unemployed and on social assistance, found the process of recruiting candidates challenging because more people were interested in being hired than there were available positions (Donkervoort, 2013).

Ultimately, as Chataway (2004) notes, the focus on social capital is critical because the *process* of bringing about economic development matters. Development that is brought about through an inclusive process tends to be more effective because the participatory process improves a community's capacity to maintain any such development.[5] Oftentimes, individuals may need to be substantially empowered for them to have the capacity to be authentically included in the process of determining how peacebuilding and development unfold. The aspects of this empowerment vary widely, from formal institutional empowerment (through a formal commitment to sharing power) to personal empowerment (through the provision of necessary knowledge, skills, and material resources) (Chataway, 2004).

*A case study of inclusion through SEs*

This sub-section considers the example of a context in which SEs have tried to be inclusive of marginalized groups in positive peacebuilding, to see an approach to carrying out inclusive SE endeavors. The case considered below involves SEs working with Indigenous peoples of Canada

[5] Chapter two considers more exhaustively how locally owned (inclusive) positive peacebuilding and development processes are more likely to be sustainable than peacebuilding that external actors impose.

and begins by considering the history of structural violence that carried out against Indigenous peoples under the pretext of development.

Forced development in Indigenous communities of Canada

Colonialism and the direct and indirect/structural violence produced by colonialism significantly harmed Indigenous communities of Canada in ways that are still evident today. Direct violence is purposely perpetrated by individuals, while structural violence emerges from a given condition, and individuals do not necessarily carry out structural violence on purpose. According to Galtung (1969), structural violence refers to societal structures that prevent individuals from achieving their potentials. Structural violence was rife in colonial Canada. Two of the many ways in which structural violence manifested was through the forcible enrolment of Indigenous children at residential schools and the forced relocation of entire Indigenous communities out of their traditional lands (Truth and Reconciliation Commission, 2015; Bussidor & Bilgen-Reinart, 2000). Both practices were justified as efforts at 'developing' these communities.

The Canadian government justified residential schools as a way of bringing civilization to Indigenous children and their communities. However, these schools were only part of the tools of colonial leaders to control Indigenous peoples, their land, and resources. Unsurprisingly, these schools negatively impacted many Indigenous children who attended them. For example, the failure to implement and enforce policies on discipline, health, and educational curriculums resulted in Aboriginal students in residential schools being abused, overworked, underfed, and often receiving subpar educational instruction (Truth and Reconciliation Commission, 2015). Powerful actors continue to carry out violent interventions today in the name of 'saving' groups of people. Yet, as evident in Power's (2013) analysis, such interventions are rarely ever done in situations where truly needed, suggesting that these involvements are motivated by the selfish interests of the interveners.

Of course, an alternative to such paternalistic kinds of intervention would be to empower the local people to be included in deciding on development projects best suited to their contexts, making direct external intervention only a last resort. The Truth and Reconciliation Commission, (2015) report suggests that Indigenous people had asked, through the Treaties, for assistance (agricultural supplies and skills training) that would allow them to continue to control their

destinies and retain their culture. Instead, Indigenous people were given residential schools, showing that the colonial government never intended to help them. The idea behind residential schools was to assimilate Aboriginal people into the broader Canadian society and erase their cultures.

Besides residential schools, another purported attempt to develop Indigenous communities in Canada was the forced relocation of entire communities, which was justified as a way of improving the lives of the members of the communities relocated. One example of such communities forcibly moved is the Sayisi Dene people of Northern Manitoba, who were relocated from their traditional lands to Churchill. The extensive negative impacts of relocation on the Sayisi Dene as outlined by Bussidor and Bilgen-Reinart (2000) are quite like that of residential schools on Aboriginal children that attended residential schools. The Canadian government dispossessed the Sayisi Dene of their right to self-determination by forcibly moving them to a place where they could no longer engage in their traditional hunting, trapping, and fishing to sustain themselves. They spent the small funds they got from the government on drinking and engaged in actions that negatively affected their families and communities (Bussidor & Bilgen-Reinart, 2000).

An SE seeking to be inclusive in Indigenous communities in Canada

The negative effects of residential schools and the forceful relocation of Indigenous communities show that purported development projects riddled with structural violence done *to*, and not *with* Indigenous communities have had devastating impacts on these communities. Hence, Indigenous communities participate in development projects carried out by SEs to avoid the negative impacts of non-inclusive interventions. Furthermore, inclusion and local ownership of development projects are in line with the wishes of Indigenous peoples as outlined in the report of the TRC, where one of the central recommendations is for the "recognition of the Aboriginal right to self-determination" by the government (2015, p.228). SEs are a particularly relevant mode for such a process on the path to reconciliation because they are not focused solely on gaining profit, but also on the development of members of society, engaging in environmentally safe practices, and becoming involved in activities that give purpose to both employees and consumers.

Although SEs are most commonly promoted as the path to development in Global South countries, they have also been increasingly created to address the needs of groups within developed countries like Canada (such as disabled people, at-risk youth, and Indigenous communities in

remote areas) that have historically experienced economic injustice. Scholars and practitioners have endorsed the SE model as an important means of addressing the plethora of structural oppressions facing Indigenous peoples such as food insecurity, unemployment, poor health facilities, inadequate housing, and lack of access to sources of adult education (Bratberg, 2013; Tapsel &Woods, 2010; Harris, 2018; Harper & Thompson, 2017).

One example of such SEs is Aki Energy and its subsidiary, Aki Foods – businesses that work in and with First Nations communities in Manitoba to produce renewable energy and food solutions, while also providing employment opportunities to members of these communities. Although Aki Foods is still in the early stages of achieving the objective to build strong, sustainable local food systems, Aki Energy has seen considerable success in providing affordable renewable energy to First Nations reserves, while also training and employing people from these communities (Loney & Braun, 2019). As at 2018, Aki Energy had installed "$8 million of it [geothermal heat pumps on First Nations] – 428 homes retrofitted with the energy-saving, job-creating technology – using no government funding" (Loney & Braun, 2019, p. 53).

The model used by Aki Energy is the Community-Driven Outcomes purchasing model, which as described by Loney and Braun (2019) involves working with the Indigenous communities concerned to determine what are the priority projects that need to be implemented in their communities. When the community determines the priority, the SE then works to "convince investors to make an upfront commitment so they can cover the costs (of the program) up front and *when it works*, governments can pay them back a tiny portion of the savings" (Loney & Braun, 2019, p. 22). The advantage of this model is that it empowers the community involved because they participate in determining how the program is to be implemented. Hence, the SE model can allow members of Indigenous communities to be involved right from the time the SEs are developing the projects they seek to implement in these Indigenous communities. As the foregoing discussion has shown, the history of the Indigenous peoples of Canada is already significantly punctuated with government interventions which at their worst produce negative outcomes and at their best, disempower the members of the community. Hence, in a bid to avoid the repeat of this negative history, Aki Energy and Foods seek to implement development projects based on the Community-Driven Outcomes purchasing model.

*The process of inclusion through a dialogical model of SE*

Promoters of SEs often stress that they can develop businesses that address the structural challenges in disadvantaged communities while also allowing the people to have significant input in the process of improving their community. However, how the members of these communities will be genuinely included in this positive peacebuilding and development process is usually not specified. For example, while Loney and Braun (2019) mention several times in their book that Aki Foods and Aki Energy consider Indigenous community members' perspectives when developing projects to be implemented in their communities, they do not specify exactly how these perspectives are collected and collated. This is important because oftentimes such projects that claim to be determined to involve local actors end up involving only local elites (Hasselskog & Schierenbeck, 2015). Hence, this sub-section seeks to rectify this by outlining the tenets of a dialogical model of SE that allows members of marginalized communities to be included in the process of positive peacebuilding and development.

Dialogical approaches are those that allow external actors[6] to aid and empower local actors, typically left out of such processes, to create context-specific peacebuilding projects (Oloke et al., 2018). Organizations like SEs that seek to accomplish social purposes are often associated with the concept of subsidiarity; the idea that those at the bottom of society should be involved in making decisions that affect their communities, and that "power is only delegated upwards when there is a clear benefit from doing so and when the community is agreed it is for the best" (Pearce, 2009, p. 25). This is particularly important since some SEs find it challenging to ensure full participation of their trainees or employees in the organizational decisionmaking process (Donkervoort, 2013). A dialogical approach is a stable and concrete path by which SEs, especially when externally funded, can fulfill the principle of subsidiarity in the communities where these SEs operate. The local ownership of positive peacebuilding that emerges from this allows for the development of sustainable peace within communities since individuals are typically interested in seeing the success of processes they were involved in developing.

A dialogical approach intends to create an emancipatory approach to peacebuilding that represents both external and local perspectives (Richmond & Franks, 2009). In the context of SEs, the overarching SE model designed to facilitate cooperative involvement would be the approach

[6] 'External actors' in this sub-section and in subsequent sections refer to both SEs and the foundations or government organizations that fund them.

developed by the SE and its investors (which together constitute the external actors) and upon consultation with local actors, the external actors could adapt this to the local context. The following brief illustration explains this approach.

An SE has identified the emergence of Type 2 diabetes among children under 18 years old in a remote community[7] as a major developmental challenge, and after carrying out extensive research, finds that lunch and breakfast in schools could contribute to a reduction in the occurrence of Type 2 diabetes in the children. This SE can then go to the community, present its ideas and allow the community to decide whether this idea will work for them, identify the resources the community can contribute to the implementation, and how the SE and local actors should implement this idea. This process of determining context-specific SEs based on the interactions of local actors with external actors follows the dialogical approach. For example, external actors can use interviews and focus groups conducted with local actors representing various subsets of the society to elicit concrete suggestions on what the SE program should center on. Surveys can confirm that these views are shared by other members of the community and do not represent only the experiences of a select few. In such a dialogical approach, external actors amend the general measures of an SE model to incorporate local concerns and create appropriate structures or institutions in the local context.

The four elements of Paulo Freire's (1970) dialogical theory—cooperation, unity for liberation, organization, and cultural synthesis— are evident in this dialogical approach to social entrepreneurship. The principle of *cooperation* between the external and local actors is evident as external actors come to the local actors with a general idea of SE and how this can address the peculiar challenges facing the given marginalized community if appropriately designed to suit their context. This cooperative endeavor can create internal *unity for liberation* among the members of these communities, a process that advances their desire to achieve self-determination. The principle of *organization* describes conditions where external actors bring the financial resources and professional understanding of how the overarching SE model works to the local group which they genuinely include in the decision-making process. As Freire notes, "the fact that the leaders [external actors] do not have the right to arbitrarily impose their word does not mean that they must take a liberalist position, which would encourage license among the people [local actors]"

[7] A dialogical approach may work most effectively in isolated, bounded communities where 'local' actors are easy to identify.

(1970, p. 178). *Cultural synthesis*, which seeks to bring together the views of both external and local actors, is the essence of the dialogical model. The model is essentially a synthesis of the generally established way of doing SE with culturally specific values and methods.

*External actors in an inclusive approach to SE*

A significant challenge of the SE dialogical model is that the power to allow the approach to genuinely involve local actors lies substantially with the external actors because they provide most of the financial resources and expertise. This challenge is not unique to SEs, and other approaches that seek to ensure local ownership of development often end up seeming like "a form of intervention by powerful actors in weaker societies" (Newman, 2011, p. 1747). Although the purpose of inclusion and local ownership is to allow marginalized communities to achieve self-determination, the dialogical model briefly discussed above suggests that achieving this autonomy requires the involvement of outside donors. This may seem counterintuitive, and even scholars in the field of SE (particularly in the social entrepreneurship strand) consider reliance on external assistance as detrimental to the entrepreneur's autonomy and success. Instead, these specialists believe profit derived from selling goods and services ('earned income') is the best form of revenue for social entrepreneurs because such income allows entrepreneurs to be truly independent to accomplish their social purposes (Anderson & Dees, 2006).

Yet, Anderson and Dees argue that the view of donations (and in this case, funding) as an impediment to achieving self-sufficiency may be unfounded, as even conventional businesses which survive on earned income are never fully independent; they must depend on buyers to purchase their goods or services, "suppliers for key inputs, on labor markets for talent, and often on bankers or investors for capital" (2006, p. 147). New enterprises frequently rely on funding from external actors such as banks, investors, government, and private companies to stabilize themselves economically, and this then provides a necessary springboard for such entities to become self-sufficient (Anderson & Dees, 2006).

BRAC, an organization in Bangladesh that engages in development activities, has realized this process of gaining self-sufficiency through support in practice, in the sense that BRAC's earnings are greater than the donations the organization receives. While solely dependent on grants when the organization was formed in 1972, a 2016 report shows that only 17.4 percent of BRAC's total income was from donor grants (BRAC, 2017). The integrated cooperative system adopted as

part of peacebuilding in post-war regions of Italy and Spain saw similar success, in that cooperative enterprises which relied on external funding at the onset became so self-sufficient that they developed a fund to assist the development of new cooperatives (Bateman, 2007).

Hence, a dialogical approach to SE does not call for the external actors to suspend their values or ideas of what SEs look like or of the goals they should seek to accomplish. Donors would likely not provide resources for projects that they know nothing about, and which will be determined entirely by the recipients. Instead, the idea inherent in the word 'dialogical' is that there is a general understanding or framework of what an SE looks like, which the external actors in question then combine with the local context-specific intervention. Praszkier et al. (2010) argue that context-specific SE approaches should be rooted in the culture to be sustainable. However, everyday traditional practices are not inherently the most suitable, and if they are not feasible, communities can develop and adapt to new approaches (Mac Ginty, 2008). Ultimately, an SE dialogical approach provides a means by which SE projects can allow for the authentic inclusion of local actors, while also empowering external actors to have inputs in the development of such projects.

Having established that external assistance is not a barrier and is often a necessary step to achieving autonomy both for individuals and communities, a dialogical approach to SE can even represent a means of challenging oppressive structures and institutions that keep individuals and groups marginalized (Murtagh, 2016). This is best accomplished in a situation where local actors are involved in designing projects that are beneficial to the community and its members, and not just the 'free' market and local elites get to determine economic and political processes.

Another challenge that becomes evident from the inclusive approaches to SE is that given the aforementioned circumstances required to set them up, it may take a substantial amount of time and patience for the model to begin to show results, and external funders may not have these in abundance. Interveners must adopt efficient strategies to ensure that local elites do not control a project and exclude those at the bottom of society (Hasselskog & Schierenbeck, 2015). Nonetheless, external actors who desire to see the sustainable peace that comes with inclusive peacebuilding projects may be willing to embrace these challenges and give the necessary time and energy to ensure the success of a dialogical approach to SE.

Another challenge that an SE working with disadvantaged people who have suffered structural violence may face is that people often do not want to go through the stress of

participation in meetings and other processes geared at generating inclusion because they have other pressing matters going on in their lives or simply feel uncomfortable in such meetings. This situation was so chronic that one Work Integration Social Enterprise that employed marginalized individuals had to ultimately cancel employee involvement in meetings (Donkervoort, 2013). This highlights the need for SEs working with disadvantaged people to develop practical forms of participation that do not intrude upon these peoples' lives, which may have already been disrupted through issues generated by structural violence like substance abuse or indiscriminate incarceration.

*Measuring the impacts of inclusive SEs through social accounting*

While Cho (2006) rightly criticizes literature on SEs for often failing to outline what the 'social' in SE means[8] and treating the concept as an established one, the literature on social accounting has done some work on conceptualizing what the social good is in their bid to account for the non-monetary, social benefits that accrue from the activities of SEs. Social accounting processes and platforms are widely varied, measuring the social outcomes from SEs and other organizations which can emerge at multiple levels (such as individual, local, regional). Such outcomes from the activities of SEs can include social integration in a neighbourhood, stimulation of local action groups, and participation in boards and planning forums (Evers, 2001). Pearce's (2002) conception of social accounting also emphasizes the importance of inclusion in the process of identifying the social contributions of SEs, noting that social accounting should include the input of key stakeholders in the community when assessing social impact.

Haugh suggests that the social impact of inclusion accomplished by SEs, which often surpasses the economic impacts they may have, is "of equal, if not greater, importance" than more tangible economic impacts like employment (2006, p. 188). While authors like DeFilipis (2001) rightly criticize such a separation of social impacts like inclusion from economic impacts, social accounting is critical for SEs and allows SEs to identify the additional contributions they make to society beyond the goods and/or services these organizations provide. This may be a competitive advantage that allows customers to choose these SEs over their for-profit competitors (Evers, 2001). Social accounting allows SEs to outline the social contributions that ensue from their activities to show why these activities are important when done by their form of organization rather

[8] Chapters 5 and 6 consider this issue of defining the 'social' in more detail.

than by other private or public institutions (Evers, 2001; Irene et al., 2016). Such a description of social contributions should take into consideration the specific interests of various stakeholders who may have different areas of social impacts that they are particularly interested in (Irene et al., 2016).

In measuring social impact, we must distinguish between social outcomes and program outputs, where the former refers to factors such as the rate of unemployment reduced by the activities of a WISE and the latter refers to factors like the number of clients served (Leviner, 2006). Most social accounting methodologies focus on social outcomes, and by identifying their wide array of social impacts, SEs can earn income from different partners for achieving different goals (Evers, 2001). This is like what Loney and Braun call the Community-Driven Outcomes purchasing model, where it is "the job of non-profits to convince investors to make an upfront commitment so they can cover the costs (of the program) up front and *when it works*, governments can pay them back a tiny portion of the savings" to the government from the SE's social outcomes (2019, p. 22).

For example, an SE which is trying to address the emergence of Type 2 diabetes among children under 18 years-old in a given community has decided through consultation with the concerned community that lunch and breakfast in schools could contribute to a reduction in the occurrence of Type 2 diabetes. Such SE would implement this feeding program with funding from investors. As the program is underway and producing results, the SEs could then sell some of the outcomes that come with reducing Type 2 diabetes to the government. Such outcomes to be sold to the government could include a reduction in what the government would have spent on medication, dialysis treatment, and other medical costs for children who would have developed Type 2 diabetes if not for the breakfast and lunch program.[9] The advantage of this model is that the community involved is empowered because community members participated in determining how the program is to be implemented. In this way, SEs promote a special kind of social capital because they allow citizens to intervene in everyday life problems (Laville & Nyssens, 2001), and measuring their social outcomes allow SEs to show how they produce social impact. Some challenges with social impact assessments include difficulties in coming up with objective

[9] This is a simplistic description of an outcomes purchasing model provided strictly for the purpose of illustration, as it might be difficult for an SE to show that the reduction of Type 2 diabetes among children in a community is *solely* due to a breakfast and lunch program being carried out by the SE in schools in the community.

assessments that identify the non-quantifiable social wealth produced by an SE, and in identifying the specific individuals who enjoy these social benefits (Nicholls & Cho, 2006; Zahra et al., 2009).

## 1.4 Overview of the chapters

This research study is divided into eight chapters. The first two chapters explore and develop analytical insights around SEs using relevant literature while the last six chapters present the research methods, findings, and recommendations. More specifically, there are two broad sections in chapter two, and the first grounds the SE model in PACS by highlighting SEs' capacity to address both structural and direct violence in the context of major PACS theories and concepts. The second part of chapter two contributes to the development of a critical theory of SE by building on critical theory in other fields such as media, politics, and economics. Chapter three presents the research methodology used in the execution of this study and considers the research context. The findings presented in chapters four and five are strongly tied to the theoretical framework developed in chapters two. The fourth chapter uses the understanding of transformative and compensatory approaches to SE explored in chapter two as a theoretical casing for the findings of the interview data collected for this study. Chapter five uses the framework developed in chapter two that proposed ways by which SEs can address direct and structural violence as a theoretical casing for the interview data. Using interview data, chapter six explores the imperatives around skills, financing, and government support that emerge from the hybrid nature of SEs that causes them to balance both commercial and social objectives. Chapter seven carries out an exploratory analysis of the opportunities that exist for SEs and other organizations within the public, private, and non-profit sectors to support the process of addressing the structural barriers facing Indigenous communities of rural and Northern Manitoba. Chapter eight concludes this study by presenting the four overall key findings from this study and suggesting areas where further research could expand on these findings. Chapter eight also uses study findings and the Manitoba Social Enterprise Strategy (MSES) to develop recommendations on how various actors can better support SEs.

## 1.5 Conclusions

This preliminary chapter has explored various perspectives on the definition of SE and the role of innovation within the SE model. The chapter also considered how inclusive approaches to SE can promote positive peacebuilding and community development. This was done by exploring

the link between social capital and economic development, to understand the role of inclusive processes; the case study of an SE that has sought to be inclusive of Indigenous peoples; an inclusive, dialogical model of SE; the roles of external actors in an inclusive approach to SE and; the process of measuring the impacts of inclusive SEs through social accounting. Using the basic understanding of SE that has been developed through the contextualization carried out here, the next chapter grounds the SE model in PACS theories to highlight the capacity SEs have to address both structural and direct violence.

# Chapter 2

# Theoretical framework: A peace and conflict studies (PACS) and political-economy analysis of social enterprises

## 2.0 Introduction

This theoretical chapter has two substantially broad parts discussing the various theoretical insights that influence this study. The first part explores the relationship between the SE model and PACS, to show the potential that the model must address structural injustice. The second part develops a critical theory of SE to understand the dominant ideological, political, and economic contexts that underpins relationships between SEs and the state.

## 2.1 Grounding the SE model in peace and conflict studies (PACS)

People often express surprise when they come across a study which explores SEs in the context of PACS, wondering how the SE model is relevant to PACS. Such expressions of surprise are a reminder of how scholars typically view the PACS discipline as being primarily concerned with ending wars and other direct forms of violence (Byrne et al., 2019). Meanwhile, this is a very limited understanding of the task of peacebuilding, which Galtung (1969) notes is closely linked to development studies, since development studies provides a concrete path to carry out positive peacebuilding to address both structural and direct violence.

Despite this emphasis by Galtung, PACS scholars rarely consider the link between peacebuilding and development studies beyond the context of post-peace accord environments (Oloke et al., 2018), and this gap is one that this study intends to fill. In situating the SE model squarely in PACS where the approach belongs, this section conceptualizes the SE model as a path to accomplishing positive peacebuilding and development. This process of grounding the SE model in PACS is carried out by highlighting SEs' capacity to address both structural and direct violence in the context of major PACS theories and concepts. The goal is not just to justify the analysis of the SE model in PACS. Rather, insights from the critical PACS analysis of SE carried out in this study can also improve the understanding, expectations, and use of this model whose analysis has been mostly limited to the field of business studies. Dees and Anderson argue that academic inquiry should explore "innovations that blend methods from the worlds of business and philanthropy to create social value…[because this will] *force us to acknowledge the intimate*

*connection between social and economic realities*" (2006, p. 40). This study explores this socio-economic link by emphasizing the connection between positive peacebuilding and tangible economic development. The findings of this chapter also form the framework for the conceptualization of the 'social' in SE developed in chapter five based on the findings of interviews with SE managers.

In this vein, this section is divided into the following three major sub-sections that consider how locally-owned sustainable peacebuilding can be implemented through inclusive SE models; how structural violence can be addressed through SEs that tackle economic needs and; how a cooperative model of SE can address intergroup divisions in post-conflict societies.

***Locally owned sustainable peacebuilding through inclusive SE models***

In understanding how SEs can constitute sites for local ownership, this section considers: what is meant by the 'local'; the patterns of exclusion that exist within the generic neoliberal peacebuilding approach; how local ownership can produce sustainable peace and; the SE model's capacity for local ownership of peacebuilding and development.

*Conceptualizing the 'local'*

A significant amount of criticism (and discourse even among scholars who subscribe to the concept) surrounding the concept of local ownership of peacebuilding is related to the issue of defining exactly what constitutes the 'local.' Hence, the following discussion considers important discourse around the local to determine the potential the SE model has for facilitating local ownership. First, *scholars and practitioners alike can use normative definitions of what constitutes the good or bad local to further political agendas and shape peacebuilding outcomes* (Hirblinger & Simons, 2015). Scholars have been involved in this task of attaching normative values to the local while ignoring how the purported local is produced and who this production benefits. The examples of South Sudan and Burundi provided by Hirblinger and Simons (2015) show that definitions of the local in terms of who makes up the 'local' and what the appropriate actions that should be carried out by this local are, are very subjective and can be used to exclude or include certain groups considered worthy or unworthy by external actors. In South Sudan, international and national actors argued that tribal, ethnic, and regional loyalties were problematic features of the local that needed to be mitigated. In Burundi, a new local/traditional legal system was

implemented by external peacebuilders to replace the existing systems. Both the new and existing institutions kept trying to 'remake' themselves by adopting the language of liberal peacebuilding, to gain legitimacy as a part of the authentic local that could at the same time, function within the international peacebuilding framework (Hirblinger & Simons, 2015).

This attempt of individuals and groups to position themselves as the authentic local when donors need actors to serve as the gatekeepers to communities and legitimize externally driven intervention projects is what Kappler (2015) describes as the process of relocalization. Kappler (2015) further argues that actors are typically not victims of politically oriented attempts to label them as 'local' or 'international' during peacebuilding, but they take on different identities at various times when they consider such a change beneficial to themselves. These local actors can also delocalize themselves (detach from their local identity for example, by employing only foreign-educated people) in such situations where having a more international perspective will allow external actors to choose them as 'local' contacts.

A second issue surrounding the concept of the local, based on Hasselskog's and Schierenbeck's (2015) discussion of the locally owned peacebuilding projects implemented by the Rwandan government, is that *nationally owned reform does not necessarily translate to local ownership*. While the Rwandan government's actions were part of the local turn away from the imposition of agendas by external donors to locally owned peacebuilding processes, there was little citizen participation in both the planning and implementation of these projects. The project had been designed to empower citizens at the local level to fight poverty and participate in the process of planning and managing development projects, but the residents claimed that their ideas were not taken into consideration, the leaders were often absent, inaccessible, and made decisions with little or no input from residents (Hasselskog & Schierenbeck, 2015).

Ultimately, one way of avoiding normative and subjective definitions of the local is to conceive of the local, not as a place, institution or group of people, but as the capacity that communities possess "to reconcile, stabilise, negotiate, resist, make peace and engage in conflict and inequality" (Mac Ginty, 2015, p. 848). The local here is not simply the place people are, but the everyday acts that depict emancipation carried out by a wide range of individuals, not just the select elites typically consulted in liberal peacebuilding (Leonardsson & Rudd, 2015). Similarly, Paffenholz (2015) notes that instead of framing the local as a homogeneous entity that is either 'good' or 'bad', interveners should consider the local as a society that has both forces supporting

and opposing peace. The utility of this perspective of the local is that it allows external actors to consider the various capacities and institutions that exist within a society and harness these in peacebuilding (Hyde & Byrne, 2015). Likewise, Schirch (2013) emphasizes the need for interventions to identify the drivers and mitigators of conflict during the conflict assessment process, because each factor driving and mitigating conflict may lead to a different kind of peacebuilding effort. Determining exactly what actions cause and mitigate conflict is a challenging and considerably normative process but a meaningful outcome can be produced if the positions and beliefs of all the sides to the conflict are considered.

*Exclusion in neoliberal peacebuilding*

Neoliberal peacebuilding, the standard approach to peacebuilding promoted by Western states and international organizations, is primarily concerned with the process of statebuilding. 'Statebuilding' denotes the development of institutions in conflict-affected states that can implement neoliberal principles of human rights, democracy, and economic liberalization (Richmond, 2014).[10] Neoliberal peacebuilding, being a top-down statebuilding process, is typically carried out with the cooperation of local elites and excludes the rest of the society. The neoliberal peacebuilding process often fails to produce economic growth and the inequality created by benefiting local elites at the expense of other local actors worsens the tensions that led to conflict in the first place, and sometimes leads to fresh conflict. El Salvador, Namibia, Cambodia, and BiH experienced such failed neoliberal peacebuilding endeavors (Richmond, 2014).

Neoliberal approaches to peacebuilding tend to focus on building state capacity by developing economic, political, and social institutions through top-down policies and processes (Richmond & Franks, 2009). External actors often carry out this form of peacebuilding through state institutions, either because they consider the government neutral or simply because it is easier to implement projects through already existing institutions (Duffield, 2010; Burke, 2012). Such top-down peacebuilding processes are particularly problematic in situations where marginalized ethnic minorities conflict with the state, and external actors can only intervene to the extent that the government allows them (Burke, 2012). This often leaves such external actors limited to carrying out interventions that continue to perpetuate the marginalization of those who the state

[10] De Coning (2018) suggests that the predominance of neoliberal peacebuilding is coming to an end and more context-specific approaches to peacebuilding are replacing neoliberal peacebuilding.

may have already oppressed. This is the political corollary of neoliberal economic approaches that emphasize free-market ideals as the path to economic development while ignoring those who continue to suffer high levels of poverty despite the purported economic growth associated with neoliberal policies. Top-down peacebuilding that is not inclusive affects the efficiency and sustainability of the peacebuilding process, as those who feel excluded from the peacebuilding process may try to sabotage the process.

Further, the nature of neoliberal peacebuilding is such that external actors who fund these projects such as the World Bank, Western states, and international NGO's tend to impose their ideas of what peacebuilding entails, with little or no input from local actors (Murtagh, 2016; Galtung, 1996). Such externally led processes usually result in the development of approaches that do not address the systemic issues that gave rise to conflict in the first place. This is not to say liberal peacebuilding approaches have not tried to create local ownership of peacebuilding projects. Scholars have described the renewed interest in the local as the "local turn" in peacebuilding, in which external actors have indicated an interest in involving local actors based on the belief that local ownership makes for sustainable peacebuilding projects (Kappler, 2015). However, interventions that have sought to maintain local ownership in Rwanda (Hasselskog & Schierenbeck, 2015), Guinea Bissau (Kohl, 2015), Guinea (Arandel et al., 2015), and Afghanistan (Thiessen, 2013) have failed to do so, and end up being controlled by elites at the international, national and local levels, with little or no input from the locals. The situation is the same, if not worse, in cases where the involvement of the local is not an explicitly stated objective of the project like in Northern Ireland (Creary & Byrne, 2014) or in South East Asia (Burke, 2012). Hence, the so-called local turn in neoliberal peacebuilding is mostly rhetoric, and external actors tend to dominate such processes with their aid, technology, bureaucracy, rules, and knowledge

Even in situations where external actors have attempted to revive traditional practices of the local community for use in peacebuilding, these practices are transformed in such a way that they virtually become creations of external peacebuilders and no longer resemble traditional processes (Mac Ginty, 2008). Oftentimes, external actors barely have contact with local actors, and the 'uncommitted spaces,'—neutral locations like hotels, supermarkets, and restaurants—where the expatriates mingle typically do not admit local actors and or are priced beyond their reach (Kohl, 2015). Yet, when such externally controlled peacebuilding projects fail, those in charge mostly blame the local actors for the failure (Galtung, 1996; Paffenholz, 2015).

Another way in which neoliberal peacebuilding takes place without local ownership is by making the process tend towards ignoring alternative local orders that can contribute to peacebuilding. Some of these alternative local orders include customary law, Indigenous/traditional societal structures, and other local institutions that can play critical roles in addressing both structural and direct violence (Brown et al., 2010). However, instead of engaging with such local institutions and actors, they are typically tagged as 'spoilers' of the neoliberal peacebuilding endeavor. The terminology of 'spoilers' as conceptualized by Stephen Stedman (1997) refers to individuals and groups who seek to destabilize peace emerging from negotiations. The term 'spoilers' is subjective and inherently condemnatory because this term can be used to describe anyone who does not approve of a given peace offer as an enemy of progress. Mac Ginty notes that "while it is possible to identify violent spoiling behavior, the term 'spoiler' is too much of a broad brush and risks labelling an actor or group of actors as 'anti-peace' regardless of whether the opposition is to a particular peace at a particular time or anti-peace per se" (2008, p. 117). Hence, Schirch (2013) and Byrne (2001) argue that peacebuilding processes must include these so-called spoilers and identify the specific effects they have on the conflict process to address these effects. When neoliberal peacebuilding promotes the involvement of external actors and only select local elites in the peacebuilding processes, this can lead to resistance from local actors, thereby further generating conflict (Lee, 2015).

*Sustainable peacebuilding through local ownership*

There are two major ways by which local ownership of peacebuilding and development projects can produce sustainable peace. One of them is that *local ownership can allow a fragile state or community to become stronger and more resilient*. This was the case with Faisons Ensemble, a donor-funded project in Guinea that worked to improve service delivery at the local level by creating structures that allowed for citizen-government cooperation. This form of local ownership that allowed community members to collaborate with their local government to improve their societies served to improve these community members' support for the state, and they paid their taxes more often (Arandel, Brinkerhoff & Bell, 2015).

Furthering the narrative that local ownership builds sustainable peace is De Coning's (2016**)** argument, that the local is a complex system that can build resilience and sustainable peace when there is minimal external intervention. This is based on complexity theory, which posits that

in a complex system, all the parts are important, and influence how the system operates" (De Coning, 2016). Hence, while liberal peacebuilding inherently assumes that external or international actors possess the knowledge required to efficiently embark on peacebuilding projects, members of the system must be involved in improving upon the system in ways that allow it "to adapt and evolve, so that it can find new ways to pursue its goals and reach its objectives, despite obstacles, stressors and constrains" (De Coning, 2016, p. 173). The parts of the local system in this sense include the various social institutions (such as markets, media, and NGOs)[11] which can either enhance or hinder the process of local development in various ways. The strength and resilience created by local ownership of peacebuilding can in turn ensure that the peacebuilding process becomes more sustainable.

Hence, the local system is important, and external solutions that have not been internalized will likely not be sustainable or address underlying concerns because they have not been used to improve the system's resilience, that is, its ability and capacity to adapt to stress, tension, and conflict (De Coning, 2016; De Coning, 2018**)**. Also, hybrid conceptions of local ownership – which consider that not just local, but also external actors play a critical role in peacebuilding and development projects – believe that to be sustainable, peacebuilding should involve collaboration with actors beyond the local level. The need for multi-sectoral actor collaboration is clear in the peacebuilding planning process laid out by Schirch, which emphasizes the need to coordinate "programming by multiple actors in multiple sectors and multiple levels of society to address conflict drivers and support local capacity for peace" (2013, p. 26). This form of multi-sectoral planning is based on the systemic view of conflict and focuses on designing peacebuilding in a way that links micro peacebuilding efforts to macro changes to the system.

Ultimately, local ownership contributes to the sustainability of peacebuilding in the sense that when communities are involved in the peacebuilding process in authentic ways, they tend to be more dedicated to ensuring the success of such reconstruction efforts (Reimer et al., 2015). Participation in local peacebuilding also increases the chances that community members will be satisfied with the development process and consider the process successful, which in turn increases the legitimacy and stability of the agreement reached (Bercovitch, 2009; Thompson et al., 2012). Similarly, Leatherman and Griffin (2009) suggest that when governments take part in the planning stage of interventions and NGOs are accountable to the communities where they operate, the

[11] See Sen (1999, p. 297) for a list of institutions that can exist within a local system.

capacity of development aid to be sustainable is increased. The legitimacy and sustainability of peacebuilding processes that local ownership can bring about is analogous to the situation in the international system. As Gallant (2009) explains, one of the major reasons states follow international regulations despite the absence of international police to monitor or enforce compliance is because they are usually involved in the formation of these regulations.

*The second benefit of local ownership is that the political freedom (sometimes expressed through democratic involvement) it produces can also generate economic freedom (address economic inequality) if genuinely implemented*. Authentic inclusion in local peacebuilding is not restricted to just political or economic concerns; both forms of inclusion work together to influence each other and produce true freedom. As Amartya Sen notes,

> the exercise of basic political rights makes it more likely not only that there would be a policy response to economic needs, but also that the conceptualization – including comprehension – of 'economic needs' itself may require the exercise of such rights…The reach and effectiveness of open dialogue are often underestimated in assessing social and political problems (Sen, 1999, p. 153).

This suggests that political inclusion, which gives people at the local level a voice, provides people with the capacity to clamour for policies that address their economic needs. Equally, economic freedom attained through the satisfaction of basic human needs also provides people the capacity to participate in democratic processes (Thiessen & Byrne, 2017). Further explicating the importance and interconnectedness of political and economic inclusion, Friedmann notes that capitalism has essentially excluded several poor people from effective economic and political participation since "to be economically excluded is to be politically excluded" (Friedmann, 1992, p. 20).

The foregoing discussion suggests that economic exclusion goes together with political exclusion in local development processes. Amartya Sen (1999) has described this condition as a lack of freedom; and Friedmann (1992) regards it as undemocratic. Galtung goes further by conceptualizing both political and economic exclusion as structural violence, based on his definition of violence as being "present when human beings are being influenced so that their actual somatic and mental realizations are below their potential realizations …[violence is] the cause of the difference between the potential and the actual, between what could have been and what is" (1969, p.168). Galtung's definition essentially describes structural violence as unjust societal structures that cause individuals to achieve below their potentials (Byrne & Thiessen,

2019). Negative peace then becomes the absence of direct violence and positive peace the absence of structural or hidden violence. Positive peace focuses not just on stopping overt violence against persons, but also on facilitating development process by addressing human needs (Galtung, 1969). Hence, authentic local ownership has the benefit of addressing both economic and political inequalities.

*The SE model's capacity for local ownership of peacebuilding and development*

The SE model possesses the capacity to facilitate local ownership of peacebuilding. This assertion is particularly true given that the model is typically designed in a way that the primary role of the external actors administrating the SE is to provide those participating in the SE with resources they require to develop their capacities and improve their economic and social conditions. This process has a strong capacity for inclusion as outlined in the SE dialogical approach considered in Chapter one of this study. Dialogical approaches allow external actors to give help in a way that empowers local actors typically excluded from such processes by involving these local actors in a process of creating context-specific SE projects. To allow for the authentic involvement of local actors in a development project, SEs looking to promote an emancipatory peace can begin with an extensive investigation of local experiences through ethnographic research to determine what projects the people would like to see undertaken and in what form. This evaluation process, described by Freire as a 'thematic investigation,' is conducted to understand the specifics of the situation in the recipient communities from the local actors' perspectives (Freire, 1970). This process of inclusive evaluation also involves understanding the local actors,' "dreams, pains, desires, prejudices, history, needs, and areas of potential" to determine what capacities they have and how external actors can collaborate with them to refine these capacities (Praszkier & Nowak, 2011, p. 509).

Emphasizing the need for developing context-specific approaches does not mean investigators go in blind and donors do not know what they are funding. Prior research by the SE may have revealed some specific concerns, and the thematic investigation carried out with the community members will reveal if the results of the prior research are a correct representation of their challenges, and then investigators can add or remove themes as necessary. External actors can use methods like interviews, focus groups, and surveys to assess the concerns of local actors. The themes uncovered in this assessment can then be codified and presented back to the local

actors to ensure that the theme is a correct representation of what they want before the findings are implemented by the SE.

This process of developing context-specific approaches is akin to a hybrid peacebuilding framework that allows for both statebuilding and locally-owned processes, with the focus on authentically involving local actors to ensure that they gain the benefits of peacebuilding in their everyday lives (Richmond & Franks, 2009). Such attempts within liberal peacebuilding to ensure local ownership typically end up dominated by either the external donors and/or local elites. To avoid this pitfall and ensure the authentic involvement of local actors in the process, the four elements of Freire's dialogical theory – cooperation, unity for liberation, organization, and cultural synthesis – can serve as important guiding principles. Stakeholders must also define exactly who the local is, to ensure that local elites do not co-opt the process (Hasselskog & Schierenbeck, 2015). One way to do this is to define the local as the "specific population to which the project itself claims to provide experiences" (Millar, 2014, p. 37). Ultimately, such a dialogical approach to SE can avoid the problems of lack of sustainability and resistance from local actors that externally imposed development projects experience.

The intent of the dialogical approach to SE is to create an emancipatory peacebuilding approach that represents both external and local perspectives (Richmond & Franks, 2009). The specific pattern of inclusion varies according to the SE, and could range from simply providing the targeted population with employment to having them fundamentally involved in developing how all participants will carry out the project. Inclusion in Work Integration Social Enterprise (WISE), the specific kind of SE considered in this study, often takes the form of either providing members of disadvantaged groups with employment or training them so they can join the mainstream workforce.

Ultimately, the SE approach is not inherently inclusive and the SE implementing inclusion must make intentional efforts to ensure that the organization's approaches are engineered to promote local ownership. Social entrepreneurship is a variant of SE that emphasizes innovation and sometimes ignores the essence of local ownership.[12] Discussions around social entrepreneurship sometimes overlook the fact that SEs can take various organizational forms (whether microfinance, cooperatives, or otherwise). Instead, such narratives portray SEs as naturally having the benefits that can come from cooperative organizations. Such benefits of

[12] See Chapter one for more details of this.

cooperation include the empowerment of societies suffering economic injustice and the involvement of members of such communities in the development process. Yet, the package dissemination approach to social entrepreneurship named by Alvord et al. (2004), which involves external actors supplying community members with products such as micro-loans, is an example of a form of SE which is not necessarily inclusive.

SEs that focus on giving out microloans are particularly emblematic of the individualism promoted in the neoliberal era, since their major argument is that given minimal incentives such as small loans in a free market, hardworking, motivated and gifted individual entrepreneurs would be rewarded by the market (Giroux & Giroux, 2008; Palley, 2012). The microcredit approach to SE suggests a more individualistic process of local development since individuals focus on repaying their loans and this usually puts them in harsh competition with other members of their community who may be engaged in a similar business. Hence, the SE approach is not automatically inclusive of local actors and individuals setting up a SE must purposely engineer the organization to include participants authentically. SEs that are not inclusive and exclude employees from the decision-making process can become ultimately involved in perpetuating injustices through structural violence in the way that mainstream for-profit organizations do. This potential for exclusion remains a weakness of social enterprise, particularly the social entrepreneurship strand where the emphasis is often on one individual entrepreneur running the organization (Oloke et al., 2019. If this exclusive tendency is not curtailed, it can shift the organization to emphasizing profitmaking and exploiting the surplus value produced by the SE employees. Yet when so designed, the SE approach provides various opportunities for "vulnerable communities and individuals" to be involved in the process of designing approaches to address the underlying injustice and inequities in their society, such as "cooperative methods and communication, the pooling of resources and physical labor" (Bratberg, 2013, p. 43).[13]

The foregoing shows that while practitioners face challenges when trying to ensure local ownership of peacebuilding initiatives, engaging communities in peacebuilding processes also produces benefits that overshadow these challenges. Hence, local ownership and democratic participation play critical roles in peacebuilding though this does not mean that community participation through inclusive processes like SE is the solution to all development problems. Community members must effectively utilize such local ownership (Sen, 1999) to get the benefits

[13] See the final section of Chapter one for an extensive discussion on the nature of inclusive SEs.

of sustainability and economic freedom that authentic local ownership can produce. Externally funded interventions can improve their contributions to peacebuilding by focusing on creating a gradual process of decentralization within communities that allows citizens to be involved in authentic ways (Arandel et al., 2015). Moreover, since a productive hybrid relationship does not conceive of the local as the opposite of the external, the values of local and external actors influence each other in various ways to accomplish a hybrid peace (Mac Ginty & Richmond, 2016). Thus, the dialogical SE model has the potential to develop such a hybrid peace.

***Addressing structural and direct violence through SEs that tackle economic needs***

Johan Galtung in his 1969 seminal work on *Violence, peace and peace research* emphasized the existence of a close link between peace research and development research. [14] Galtung believed this link was critical to theorizing and developing positive peace to address structural violence and is also often relevant to negative peacebuilding that seeks to end direct violence. While PACS work on development issues often focuses on how meeting economic needs can help to address direct violence or maintain peace after fighting has ended, the discipline must also consider how development processes are carried out in contexts where direct violence may have not taken place in the recent past, yet structural violence exists. In this sense, this work draws heavily on Galtung's (1969) conceptualization of structural violence as societal structures that prevent individuals from achieving their potentials. Hence, development would involve addressing these institutional barriers people face, and this sub-section considers how SEs can serve as instruments of development towards this goal. This sub-section does this by conceptualizing basic needs according to the community development perspective; considering how neoliberal peacebuilding contributes to direct and structural violence; economic needs met by SEs can address direct violence and; how economic rights promoted by SEs can address structural violence.

*Basic human needs in the community development perspective*

Human needs are fluid, often changing over time and ranging from the need for protection from social and professional risks (e.g., disease, unemployment) to the provision of essential basic needs (Moulaert & Ailenei, 2005). More specifically, basic human needs include "food and water, adequate shelter and clothing, medicine and health care, appropriate sanitation, and electricity,"

[14] Development work here refers to that which emphasizes the process of addressing economic needs.

(Simanis et al., 2008, p. 59). Community development organizations, particularly those in the social economy, typically meet these needs by helping marginalized individuals gain needed income, work experience and other skills required to participate in the mainstream economy (Moulaert & Ailenei, 2005). Social entrepreneurs often develop creative and empowering ways to meet the needs of those excluded from the mainstream economy through the provision of employment, training, and connections (Defourny & Nyssens, 2013; Hudson, 2009).

Having said this, in social economy and community development scholarship, human needs are not seen as just a set of necessities but are often conceived normatively as critical barriers to the development of individuals' capacity that must be removed (Cace et al., 2011). These barriers are a result of needs that have been unmet by the private and public sector and are left to the social economy to address (Moulaert & Ailenei, 2005). Basic needs of marginalized individuals are often unmet because they are not profitable enough for the private sector to be interested in or politically strategic enough to be part of the state's concern (Hudson, 2009). This is in line with Galtung's (1969) view of structural violence as institutions and structures that do not meet the essential needs of marginalized individuals, thereby hindering the fulfilment of these individuals' potential for personal development. Hence, organizations involved in community development are often seeking to address needs caused by structural violence.

Cace et al. (2011) noted that community development organizations are not just concerned about meeting human needs, as they are also interested in transforming the inequitable socioeconomic system that failed to meet such needs in the first place. Because individual community development organizations may be unable to meet these needs by themselves, they must see themselves as part of a movement seeking to have a broader impact (Cace et al., 2011). Ultimately, the foregoing discussion suggests that organizations in the social economy are explicitly set up to meet people's unmet needs. Hence, in the social economy and community development sphere, human needs are underserved areas that need to be positively transformed. As part of the roll-out phase of neoliberalism conceptualized by Peck and Tickell (2002), governments have been supporting organizations in the social economy to meet people's needs unmet by the mainstream economy and social policy (Hudson, 2009).

*Neoliberal peacebuilding's contributions to direct and structural violence*[15]

Neoliberalism is a worldview embodying both political philosophy and economic theory, based on the assumption that market economies produce roughly efficient economic outcomes when they are without government intervention (Palley, 2012). Neoliberalism has been the dominating worldview in most Global North states since the emergence of the neoliberal era in the 1980s (Evans & Smith 2015; Mair, 2013). While there is no single 'cause' of violence since conflict usually emerges out of a complex combination of factors (Mac Ginty, 2008), neoliberal ideas and practices are oftentimes part of the complex factors that create new conflict and/or exacerbate existing conflicts in various ways.

*Economic inequality* is a principal outcome of neoliberal policies which contributes significantly to direct violence and is also a sign of structural violence. This economic inequality was a fundamental part of the liberal capitalist states out of which current Western liberal democracies emerged, where the government's role was to protect the rights of the wealthy, propertied class to own their property (Louw, 2010). This was a system of both economic and political inequality, and due to struggles by the working class supported by external factors such as divisions within the ruling class, the state extended the right to vote to non-propertied classes (Macpherson, 2011). The democratic right to vote, at least in rhetoric, took away political inequality. Yet the economic inequality inherent in capitalism remained such that workers retain only a fraction of the profit made from the goods they produced and the owners of the means of production keep the rest (Elson, 2000). This form of inequality is an essential part of capitalism considered critical to economic development because it encourages innovation and productivity (Richmond, 2014). In the neoliberal era, there has been an intensification of this idea of inequality playing an important role in economic development.

Economic inequality is an outgrowth of the central neoliberal policy of economic liberalization and unfettered markets, which leading economists consider the best macroeconomic strategy which supposedly allows for the development of factors critical to economic growth; competition, entrepreneurship, and innovation (Harvey, 2005). While economic liberalization may bring some of these positive outcomes, liberalization also brings about substantial inequality. Such inequality is typically considered a useful trade-off for economic growth, and so neoliberalism is

[15] In evaluating the impact of commercialized microfinance in developing countries, Chapter 3 provides more details on how neoliberal peacebuilding can contribute to structural and direct violence.

promoted by international development and financial institutions like the International Monetary Fund (IMF) and the World Bank. These international organizations ensure that weaker states adopt neoliberal policies like rolling back on the welfare state and privatizing public institutions before they receive aid (Duffield, 2010). The neoliberal peacebuilding approach often promotes such inequitable policies and ignores the economic, class, and ethnic inequities that result from policies of economic liberalization. While the state's ability to provide substantial social welfare services to poorer citizens may mitigate such inequality in Global North societies, this is not the case in poorer, multi-ethnic and potentially fragile states, where such inequalities may inflame ethnic hatred (Chua, 2003, Selby, 2008).

In this situation, the inequality that emerges because of neoliberal peacebuilding's attempts to bring development worsens "the social tensions that resulted in violent conflict in the first place" (Newman, 2011, p. 1748). When these neoliberal peace approaches ignore the inequality they produce, in which specific ethnic groups and classes benefit more than the others, such inequality can hinder the peacebuilding process negatively. Inequality can result in the start of entirely new conflicts or citizens' apathy and disillusion with the system when they realize the system works only in favor of elites (Pugh, 2011; Smith, 2010; Selby, 2008; Thiessen, 2011). Economic inequalities engendered by neoliberal ideals of unburdened economic liberalization have resulted in inter-ethnic conflict in several states in Southeast Asia, Latin America, and South Africa (Chua, 2003). Such conflict is contrary to the claims of those organizations and institutions that support the export of neoliberal free-market ideals and democracy across the world based on the belief that the prosperity generated by this system will bring an end to all forms of intergroup conflict, including interethnic conflict (Chua, 2003). Richmond notes that "signs that this neoliberal version of peacebuilding, statebuilding, and development would not work were present even in the very earliest post-Cold War peacebuilding missions, as in El Salvador, Namibia, Cambodia or BiH" (Richmond, 2014, p. 461).

Another related neoliberal idea that contributes to conflict is *the logic of 'self- help,'* which essentially portends that individuals should be solely responsible for their development with minimal aid from the state. The logic of self-help may not lead to a total breakdown of society in Western states where the social welfare system diminishes the biting effects of poverty. However, emphasis on self-help does contribute to structural violence against excluded members of society who may not possess enough economic, cultural, or even social goods to improve their lives (Sen,

1999). Even in developed countries like the US, the neoliberal 'small government' ideology has increasingly diminished the welfare state. Political rhetoric has shifted from "social rights to welfare" toward "social responsibilities to work, cost containment and privatization" (Gilbert, 2002, p. 42). Moreover, the logic of self-help is especially problematic in fragile states where peacebuilding geared towards the development of a neoliberal state typically promotes policies of rolling back on the welfare state and replacing it with a government that creates a conducive atmosphere for self-help. Citizens in these already divided communities question the purpose of the state which cannot supply social safety nets (Newman, 2014). The absence of social welfare can also weaken the state's legitimacy and produce conflict since non-state armed groups performing resistance against such ineffective states may have a greater pool of disaffected citizens to recruit from (Petrasek, 2000).

*SEs can address direct violence by meeting economic needs*

Economic needs can contribute to the causes of direct violence in two major ways, because of 'greed' and grievance. The greed thesis, as popularized by Paul Collier, conceives of conflict as being caused by profit-seeking elites who use violence as an opportunity to generate profit, and "encourages a cautious approach to explanations of conflict based on ethnic superiority, identity claims and historical grievances" (MacGinty, 2008, p. 70). Those who subscribe to the greed thesis believe non-state armed groups are motivated by their economic interests, and so focus particularly on those who engage in criminal activities to finance their organizations.[16] Although the greed thesis has been widely criticized for methodological inadequacies and ignorance of the political and social dynamics that underlie most armed rebellions, this explanation remains popular among influential organizations like the World Bank (Jones & Johnston, 2013, Mac Ginty, 2008). The popularity of the greed thesis can be attributed to the fact that it is a politically convenient explanation which "allows for military intervention in quite a wide range of circumstances" and allows non-state actors' legitimate concerns to be ignored" (Keen, 2010, p. 768).

However, economic causes of conflict are not necessarily in the form of 'greed,' but can result from legitimate injustices (grievances) in the form of economic inequality within and among groups. Several theories can explain how economic inequality contributes to a non-state armed group's use of violent strategies. Burton's (1990) basic human needs theory sees the denial of both

[16] See Boeke, 2016, for a list of those who hold these perspectives.

material and non-material needs as resulting in violence due to an attempt to force the system to meet these needs. Hence, when material needs are unmet, armed groups could resort to using a violent strategy. The relative deprivation theory supports the human needs theory, and proposes that absolute or relative deprivation can cause violence whether such deprivation is in the form of poverty, income inequality or unequal distribution of revenue from natural resources (Kett & Rowson, 2007). This pattern was clear in the Russian terrorism of the 19th and 20th centuries, which protested the inequality generated by the feudal system (Ternon, 2016). Similarly, in 19th century Spain, inequality and economic backwardness created a favorable environment for terrorists to operate (Hubac-Occhipinti, 2006).

A situation of relative deprivation or poverty can also initiate and/or sustain terrorism (or any other form of uprisings against the state), in the way that poverty creates a favorable environment for the recruitment of economically discontented individuals into the group, and the Boko Haram group in Nigeria is a visible example of this. Boko Haram appeared at a time when the poverty level in Northern Nigeria was two times higher than that of Southern Nigeria (Alozieuwa, 2012). The high poverty level of Northern Nigeria created an adequate environment for Boko Haram to recruit disillusioned young men – including university graduates who were unable to find employment – into the group with the promise of reward (Marchal, 2012). Boko Haram, in addition to recruiting adults, originally began as a boarding school for extremely poor, homeless children in Northern Nigeria. These were children who begged on the streets to survive (Forest, 2012). These children and the economically discontented adults were ready tools for Boko Haram in the fight against the state and attempt to form a new society based on Islamic law (Forest, 2012).

SEs seek to empower people socially and economically in a way that can contribute to diminishing economic inequality. It is important that SEs address economic inequality, especially when such inequality is part of the underlying causes of direct violence in such societies. Not all grievances presented by non-state armed groups are legitimate or reasonable, such as ISIS's goals to transform the entire world into an Islamic caliphate. Yet, through organizations like locally run SEs, interveners may still identify and address underlying grievances that allow such an organization to get new members to perpetuate violent actions. Although addressing grievances may not totally incapacitate the group's recruitment capabilities, it can at least reduce the pool of those available to join the terrorist group. Burton sees terrorism as one of the areas of conflict

where there can be no resolution but there can be 'provention', which involves removing the structural causes of conflict and creating new structures that facilitate peace (1990 cited in Burrowes, 1996). Likewise, organizations like SEs that address economic needs are potential interventions against structures that perpetuate economic inequality.

*SEs can address structural violence by upholding economic and social rights*

Critical and local peacebuilding literature have considered the issue of positive peacebuilding to counteract structural violence, although these scholarly areas rarely explore such considerations to their logical end. One such critical work that focuses largely on post-violence or peace accord peacebuilding and can also contribute to the understanding of positive peacebuilding to address structural violence is the human security approach. The human security approach as conceptualized by Newman (2011) challenges the focus of neoliberal peacebuilding on statebuilding and the maintenance of civil and political rights at the expense of economic and social needs and the inequality they breed because this typically results in unsustainable interventions that ignore local conditions. Neoliberal peacebuilding often ignores economic rights since this perspective considers socio-economic inequality a necessary outcome of economic growth (Cahill-Ripley, 2016).

This contrasts with the human security approach, which envisions peacebuilding as a process of empowering individuals to address the inequalities that have contributed to conflict by first securing their economic and social needs (Newman, 2011). The human security approach also goes beyond 'needs' language to conceptualize economic concerns as essential rights peacebuilding must first secure to succeed (Cahill-Ripley, 2016). Moreover, the human security approach considers economic and social rights as critical to the accomplishment of the political and civil rights typically touted as the totality of human rights in the neoliberal statebuilding approach. Citizens cannot genuinely fulfil political rights such as the right to vote or contest in elections when they do not have access to socio-economic rights like the right to food or health care. Fulfilling economic and social rights empowers individuals to be more authentically engaged in political and civil processes (Richmond, 2014; Sen, 1999).

Even though this conception of human security focuses on post-peace accord or post direct violence peacebuilding, the perspective is relevant to understanding the contributions SEs can make to addressing structural violence. This is because the SE model often focuses on meeting

human needs at the individual level, a concern shared with the human security approach. The SE approach also shares with the human security approach to peacebuilding the focus on upholding economic and social rights by addressing issues of poverty and economic inequality. Hence, SEs are an attempt to put human security ideals into practice, in that they look to empower people socially and economically in a way that contributes to addressing structural injustice by diminishing economic inequality.

The essence of the human security approach is that concerns affecting people and their safety in all dimensions are not glossed over in the focus on state security. Social economy organizations and other community economic development approaches can be used to ensure the protection of individual social and economic development at the local level (Thompson et al., 2011). Richmond (2014) argues that to create a truly emancipatory peace, peacebuilding and statebuilding endeavors must address the socioeconomic inequality generated by neoliberalism. The SE model looks to do this, although some practitioners have cautioned that any SE working in societies facing either direct or structural violence should not necessarily market the enterprises based on the injustices they address. Donkervoort (2013) notes that this is because in specific sectors, particularly service sectors, people tend to assume work done through SEs is "more expensive, lower quality and less dependable…[Hence, it is important to] market the enterprise on quality, dependable service and competitive pricing" and not necessarily based on the social justice issues being addressed (Donkervoort, 2013, p. 100). Ultimately, SEs are involved in positive peacebuilding to address structural violence and to promote community development.

***Addressing intergroup divisions in post-conflict societies through a cooperative SE model***

The contents of this subsection fall into two parts. The first part provides a basic understanding of cooperatives to show how they intersect with and diverge from SEs and provide a fundamental understanding of what a cooperative SE model entails. The second part considers how this cooperative SE model can function as a platform for addressing intergroup divisions in post-conflict contexts.

The International Cooperative Alliance (ICA), representing over a billion individual members worldwide, defines a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise" (1995, p. 1). Principles of cooperatives

identified by the ICA include voluntary and open membership; autonomy and independence; education, training, and information; cooperation among cooperatives; concern for community; democratic control and member economic participation principles. Cooperatives are a distinct organizational form considerably different from SEs, in that they often draw members from various segments of society, and do not limit their activities to only marginalized individuals or groups. Despite this marked difference between cooperatives and SEs, the cooperative model of SE alluded to in this study combines features of both organization forms such that they are essentially SEs organized as cooperatives (in that they adopt the democratic and participatory principles of cooperation) and their sphere of operation is limited to the marginalized groups they serve. Because SEs are generally hybrids that combine profitmaking and social objectives (Doherty et al., 2014), a SE that adopts cooperative values is still a SE if it is limited to serving only disadvantaged individuals since this is a restriction that co-operatives do not share.

The emphasis in this cooperative model of SE, which essentially combines the attributes of social cooperatives and SEs, is particularly on two of the seven principles of cooperation identified by the ICA (1995); the democratic control and member economic participation principles. The primary goal of adhering to these principles is to facilitate the economic inclusion of the members of these marginalized groups who experience socioeconomic exclusion. Hence, the cooperative model is particularly useful to SEs seeking to be inclusive because, as Paz (2015) notes, the model can facilitate local ownership of community development equitably. As the following discussion considers, the values of "democracy, transparency, equitability, inclusion, and social justice" make cooperatives a suitable site for peacebuilding in areas that have experienced conflict (Ramnarain, 2015, p. 206). Therefore, the cooperative model by itself (irrespective of whether it is organized as a SE) is a suitable site for meeting the needs of marginalized groups in the process of community development (McPherson, 2015; Ramnarain, 2015; Raz, 2015). The capacity for economic empowerment that cooperatives possess does not mean that they are set up to serve marginalized individuals like SEs are – the membership of cooperatives remains diverse and cuts across various sections of society.

Unlike the typical American conception of SE as a largely individual-driven approach to community development, SEs in most European countries except for the UK have essentially adopted the cooperative model as their dominant organizational form. These SEs operating a cooperative model emphasize the participation of those they serve in various ways, particularly in

terms of the management of the SE through a democratic process (Kerlin, 2006). Scholars in the Emergence of Social Enterprise in Europe (EMES) Research Network, which draws members from the 15 European Union (EU) countries, outline certain criteria to identify SEs in Europe. Most of the criterion pertaining to the social side of SEs identified by EMES follow the principles of cooperatives. These criteria include that SEs often have: an explicit aim to benefit the community, decision making power not based on capital ownership, limited profit distribution, and are an initiative launched by a group of citizens (Defourny, 2001).

Despite the fusing of the SE and cooperative organizational forms in Europe in organizations adopting a cooperative SE model, SEs differ from cooperatives in other ways such as in terms of SEs' emphasis on innovation and their objective of accessing income from various sources, that is, funding for their social activities and profit for their business activities (Borzaga and Defourny, 2001). Hence, while SEs can adopt cooperatives principles, they remain a separate organizational form distinct from cooperatives.

*Intergroup divisions and the cooperative SE model*

Intergroup competition and divisions are a major form of grievance that can cause direct violence. Social identity theories suggest that the existence or creation of artificial borders of in-group virtues and out-group vice is a crucial first step towards such group identity-based conflict. The process of intergroup division typically begins with the formation of mirror images, where both groups develop parallel images of the Self and the Other, in which their self-image is positive and their image of the Other is negative (Kelman, 2009). The formation of mirror-images then comes from an individual's desire to see their group in a positive light, a need for distinction from the outgroup, and a need for inclusion in a group (Korostelina, 2009). An organization like the Islamic State takes such mirror-image formations to the extreme in that they consider the Other – those who do not subscribe to extremist Islamic beliefs – as enemies and infidels who should not exist (Jabareen, 2015). The Other can even include members of the same group who do not subscribe to the same beliefs, so organizations like the Islamic State and Boko Haram have mostly Muslim victims, targeted because they hold moderate Islamic beliefs.

The construction of artificial borders between identity groups also makes groups increasingly conscious of being denied fundamental human and/or collective needs, thereby escalating conflict. Korostelina notes that the negative estimation of the outgroup results in "the

underestimation of the economic and social position of the in-group and perception of relative deprivation" compared to the outgroup (2009, p. 102). This feeling of relative deprivation – whether real or imagined – of human needs results in competition, worsened hostility and the use of direct violence. However, while there is no single cause of conflict and group dynamics by themselves may not be enough to make individuals use violence (Victoroff, 2005), inter-group divisions can still play an important role in causing conflict. As the foregoing discussion has shown, neoliberal peacebuilding approaches may worsen such divisions during direct violence and after violence has ended because of the economic inequality these approaches often produce.

Hence, sustainable post-conflict peacebuilding will often need to address the structural and underlying divisions that may still exist long after the killing and maiming has ended. Unlike negative peace, which involves bringing an end to direct violence, positive peace comes about through the development of stable institutions and conditions that address underlying, invisible, and hidden structural problems that can create conflict (Galtung & Jacobsen, 2000). The cooperative SE model described above can contribute to such post-conflict positive peacebuilding processes by bridging intergroup divisions within societies. SEs organized in cooperative forms do this by improving local actors' capacity to collaborate and be authentically involved in the planning and implementation of development projects. These cooperative features can also lead to the development of a sense of community, and mitigate the individualism that can emerge in social entrepreneurship projects, since cooperative SEs are "owned and controlled by the community or the constituency they sought to benefit" (Pearce, 2009, p. 29).

One prominent example of a cooperative SE which has helped to address intergroup divisions within a community is Peace Basket. Peace Basket was started after the Rwandan genocide of 1994, in which the Hutu majority ethnic group sought to eliminate all members of the Tutsi minority ethnic group to gain state power (Bratberg, 2013). Peace Basket was set up as a poverty alleviation process where extremely poor villagers came together to make and sell traditional weaving baskets. Peace Basket brought together people from the opposing ethnic groups, who began building peaceful relationships with those previously considered enemies while making baskets (Sentama, 2017). Peace Basket has not only served to bring the community together, but has also found economic success in domestic and international markets, although there is still room for more productivity (Shange, 2015).

Another instance in which social enterprise was able to bring divided groups together was in Inner City Renovation (ICR), an SE developed in Winnipeg, to create quality construction jobs for inner city residents – mostly Indigenous peoples – who were unemployed or on social assistance (Donkervoort, 2013). Unlike in Rwanda where the society had suffered direct violence, a significant amount of the violence facing Indigenous peoples in Canada is structural violence. ICR was able to help to heal rifts between the organization's Aboriginal and non-Aboriginal workers because it provided an opportunity for these two groups of employees to both work and socialize together (Donkervoort, 2013). By building social capital through a gradual process, cooperative SE and community development approaches aid in the creation of an environment conducive to peace (Praszkier & Nowak, 2011; Harris & Mcleod Rogers, 2014).

More broadly, the general cooperative model can bridge societal divisions as seen in the example of the integrated cooperative financial model successfully employed in regions of Italy, Portugal, Spain, and Ireland as part of the post-World War II reconstruction period. The cooperative financial institutions in this model primarily supported cooperative businesses because they believed these cooperative businesses had the best structure to engender collaboration in a society that had recently been devastated by war (Bateman, 2007). These cooperatives facilitated an equitable distribution of earnings and social benefits. The cooperatives also allowed people to genuinely participate in the development process, a factor that was "hugely important in establishing a culture of democracy, equity, tolerance, and cooperation *outside* of the cooperative" (Bateman, 2007, p. 44). In Finland, where labour cooperatives are typically established by people who have been unemployed for one to two years "labor co-ops contribute to local and regional development by providing means for people to develop their skills, participate and form social communities to reduce the depressing effects of unemployment" (Pättiniemi, 2001, p. 97).

Also, a prominent feature of cooperatives is the tendency of cooperation of not just members within cooperatives but also cooperation among several co-operatives, a useful feature in societies that direct or structural violence has divided. Restakis (2010) notes that the success of the Emilia Romagna co-ops of Italy is largely due to the collaboration that exists among several smaller co-ops in industrial production, research, product development and so on. This cooperation allows them to achieve levels of scale that would ordinarily have been available only to large corporations. Hence, a cooperative model, irrespective of whether the organization adopting this

model is organized as an SE, can be used in a positive peacebuilding process that seeks to address intergroup divisions in post-conflict societies.

*Section summary*

This first broad section of this chapter has attempted to situate the SE model and the model's sub-types within PACS theories and concepts. This was done in three major parts, by considering how: locally owned, sustainable peacebuilding can be implemented through inclusive SE models; structural violence can be addressed through SEs that tackle economic needs and; a cooperative model of SE can address intergroup divisions in post-conflict societies. This discussion situates this study's analysis of SE in the context of PACS and supplies an understanding of the various ways by which SEs can be organized to carry out specific goals of peacebuilding and development within given contexts. This understanding can aid in determining what general form of SE is best to fulfil a certain goal, and this general form of SE can then be adapted to meet local needs. Building upon this discussion, the following section develops a critical SE theory by considering the relationship between the state and SEs looking to carry out the forms of peacebuilding and development outlined in this section.

## 2.2 The political economy of social enterprises and other components of the social economy

This section borrows widely in the search of a critical theory of social enterprise (SE); from analyses of the critical political economy of the media to critiques of social impact bonds and microfinance (which are also instruments and organizations in the social economy alongside SEs). The critical theory of SE developed in this section based on relevant principles derived from these contexts is not so much a critique of the SE model. Rather, the critical theory of SE is a critique of the political-economic state structure that has increasingly placed responsibility for social policy, particularly policy that targets marginalized groups, on organizations like SEs.[17] Understanding the role of the state vis-a-vis SEs is about social policy and not just about supports government provides to or should provide to SEs.[18] The state is more capable of handling such social policy

[17] The usage of neoliberalism in this Chapter focuses particularly on the way that this concept encourages state retreat from social policy designed to address structural injustice (particularly of the economic kind) faced by members of marginalized groups.

[18] Social policy in this study refers to actions (social welfare or services) designed to address 'wicked' societal problems of a structural nature that impact the economic, political and social welfare of members of a community (see Cheyene et al, 1997).

because non-government organizations do not possess the economic capacity and political mandate to effectively deliver social goods. Hence, this section has two main parts that present a critical theory of SE and consider the nature of the relationship between the SE model and the state.

### *Critical SE theory*

In developing a critical theory of SE, this sub-section explores the neoliberal political-economic context within which SEs are promoted as the major path to development by considering: the SE model and state retreat from creating social policy in the neoliberal era; relevant principles drawn from critical political economy analyses of the media and; the difference between the levels of social impact that SEs can seek to have – whether compensatory or transformative – to see what understandings of SE are more amenable to neoliberalism.

#### *SE and state retreat from social policy in the neoliberal era*[19]

To understand the significance of state retreat from the provision of certain social goods, this sub-section begins by considering how the welfare state emerged in Western liberal democracies and then considers how SEs gained prominence in the neoliberal era. Western liberal democracies emerged as liberal capitalist states where the role of the government was to protect the rights of the wealthy propertied class to own property (Louw, 2010; Macpherson, 2011; Zakaria, 2003). This liberal capitalist system was a system of both economic and political inequality and evolved into a liberal democracy when nineteenth-century oligarchs (the elite propertied class who alone could vote) incrementally reformed political processes and extended the right to vote to other members of the population, albeit without losing control of the machinery of the state (Macpherson, 2011; Therborn, 1977). The struggles by the working class and external factors like divisions within the ruling class were the major factors that propelled the state to extend the right to vote to the non-propertied classes (Macpherson, 2011; Therborn, 1977).

In this narrative, not only was democracy added to the liberal state because the lower classes who felt excluded from the political process demanded it, but democracy was also admitted

[19] This study does not claim that it is only SEs that are amenable to this process of state retreat from welfare, and section two of this Chapter considers two other instruments and models of the social economy (social impact bonds and microfinance) which can also be used in this process.

on competitive liberal grounds. The right to vote was the logical completion of the market society and Western liberal oligarchies, facing the threat of revolution from the underclass, reformed themselves into democracies to prevent action by the disenfranchised that might threaten the capitalist economy (Louw, 2010). In this process of creating liberal democracy, the welfare state was also developed to serve the economic needs of the newly enfranchised masses and prevent them from revolting against property owners. The democratic right to vote, at least in rhetoric, took away political inequality, but the economic inequality inherent in capitalism remained, such that workers retain only a fraction of the profit made from the goods they produced and the owners of the means of production keep the rest (Elson, 2000). The ruling class introduced the welfare state to meet the economic needs of the workers enough to prevent them from protesting through violent actions. Yet, the welfare state did not eradicate economic inequality because, as the foregoing discussion has noted, inequality is an essential outgrowth of the capitalist system.

Despite this critical role welfare provision played in liberal democracies, as the neoliberal era unfolded in the late 1970s, the state in many developed nations began to retreat from the provision of essential social welfare services. Neoliberalism has been the dominant worldview in most Western states since the emergence of the neoliberal era in the 1980s. Neoliberalism embodies both a political philosophy and an economic belief that markets produce roughly efficient economic outcomes when they can operate with minimal government intervention (Palley, 2012). Mainstream economics considers the central neoliberal policy of economic liberalization and unfettered markets the best macroeconomic strategy because this policy supposedly allows for the development of factors critical to economic growth; competition, entrepreneurship, and innovation (Harvey, 2005).

While economic liberalization may bring some of these positive outcomes, it also brings with them substantial inequality. Supporters of economic liberalization typically consider inequality a useful trade-off for economic growth, and so neoliberalism is promoted by international development and financial institutions like the IMF and the World Bank (Duffield, 2010). As explored in the first section of this Chapter, another major concept that undergirds neoliberalism is the logic of 'self-help,' which essentially portends that individuals should be solely responsible for their development with minimal assistance from the state.

As part of the neoliberal policy of downsizing the state championed by political leaders like Reagan and Thatcher, Western states in the 1970s and 1980s began to promote development

as a fundamentally local affair, hoping to save money and improve the efficiency of public programmes by passing responsibilities to local government and voluntary organizations (Bryden, 2010). SEs emerged as part of the range of local organizations that filled the gap left by government cutbacks on welfare provision in Canada, the US, and Europe (Hulgard, 2010; Zahra et al., 2009). SEs began responding to emerging needs such as "housing for increasingly marginalized groups; childcare; new services for the elderly given the rapid aging of the population and changes in family structures; urban regeneration initiatives; employment programs for the long-term unemployed…" (Kerlin, 2006, p.110).

There was a somewhat opposite movement in Italy, where private owners ran social welfare institutions until the end of the 18th century when they were then transformed into public institutions (Borzaga & Santuari, 2001). In the neoliberal era, as other Western nations started to incorporate privately-run social welfare, they were also re-introduced in Italy.[20] Regardless of this unique situation in Italy, most Western states moved from a public welfare system to the more private forms. Various institutional forms of the social economy, prominent among which is the SE model, emerged to fill in the gap created by the state's retreat from welfare. Gilbert (2002) notes that both sides of the political spectrum accepted the use of these organizations as a near replacement for the state's provision of social welfare because the entrenchment of non-government institutions suited the political Left's fascination with civil society and the Right's emphasis on the idea of a free market.

Other issues that led to a broader acceptance of SEs as part of the organizations that took over some of the welfare state's functions include the "persistence of structural unemployment in many countries, the need to reduce state budget deficits and to keep them at a low level…" (Defourny, 2001, p. 1). SEs and other social economy organizations were not the only non-governmental organizations tasked with the provision of social welfare. Rather, there was a mix of public and private for-profit organizations involved in the process (Defourny, 2001). Governments have become increasingly interested in SEs as they seek to reduce spending on social problems, and although "advocates of social enterprises do not view themselves as being motivated

[20] This was a particularly interesting situation since the reason behind the conversion of social welfare from being privately run to being publicly run at the end of the 18th century was likely part of the development of the liberal democratic states as discussed above, where the state turned to providing services to placate the masses and address some of their economic needs without addressing inequality. One could argue that the fact that it was no longer necessary to continue this charade of economic inclusion in the neoliberal era represents a slide towards a less democratic system where there is no need to even pretend to address economic needs of the masses.

by the neoliberal agenda of small government, the influence of these policies is a stimulus for the development of this form of organization" (Quarter et al., 2017, p. 108).

The 'small government' ideology of neoliberalism that minimizes the critical role the state's provision of essential social services plays often even co-opts the idea of local ownership of peacebuilding and development projects as a reason to diminish the welfare state. As Friedmann (1992) notes, approaches to alternative development often frame the state as an obstacle to development. Some proponents of SE take part in this process of emphasizing the state's ineptitude. The implication of studies like Dees (1998) and Monllor and Attaran (2008) is often that the ineffective state needs to move out of the provision of essential services and allow SEs that can do the work more efficiently to do so. There is also a distinct group of SEs that depend on state funding to provide public services which Borzaga and Defourny argue "often pay more attention to the interests of their employees than to the benefits to the community and/or to the participation by the beneficiaries" (2001, p. 354).

The foregoing discussion highlights how government retreat from social welfare in the neoliberal era was accompanied by the devolution of such social welfare provision roles to non-state organizations. Peck and Tickell (2002) reported that Western states shifted from the roll-back neoliberalism of the 1980s that emphasized deregulation to the roll-out neoliberalism of the 1990s which involved state involvement in the development of financialized social policy. This shift to social policy that emphasizes social workfare and job readiness over welfare was an attempt to address the failures of the neoliberalism of the 1980s (Peck & Tickell, 2002). Consequently, SEs were somewhat part of the organizations "rolled-out" to respond to the failures of the 1980s neoliberalism and put the onus for self-help on marginalized individuals. Hence, SEs inadvertently participate in the privatization of public services even as they seek to meet the needs of marginalized individuals facing barriers to the fulfilment of their potential

*Towards a critical political economy of SEs*

The tenets of the critical SE theory considered here are arranged in a concentric circle whose parts each supply an insight into the unfolding discourse (Ely et al., 2003). At the broadest, outermost level of the circle is critical theory; positioned within that framework is Marxist theory as improved upon by the anti-oppressive theory of Indigenous and feminist approaches; and nested within this approach is Critical Political Economy. Broadly speaking, *critical theory* problematizes

mainstream ideas, knowledge, and/or power structures to reveal existing inequalities and transform problematic conditions (Kemmis et al., 2014). As a form of critical theory, *Marxists* believe that the ideological function of knowledge is such that a dominant form of knowledge is used to legitimize a specific perception of societal relations and they seek to expose this dominant form of knowledge (Lather, 1991). In the context of this discussion, neoliberalism is the dominant conception of social relations that legitimizes the notion of the SE model as a crucial path to community development.[21] This study follows critical scholarship that argues that both the national and international development community promote the SE model as the path to development for underdeveloped groups because of the model's neoliberal underpinnings[22] and because its legitimization prevents radical alternatives to neoliberalism from emerging (Fernando, 2004; Bateman & Chang, 2012).

Moosa-Mitha (2005) criticizes Marxism for not adequately considering difference (race, gender) in its critique of capitalism. To avoid this pitfall, this study embeds *anti-oppressive tenets* into Marxist theory, a process which is possible because "anti-oppressive theories do not signify separate and 'alternative' theorizations; rather, they engage in a conversation with other social theories that is dialectical in nature…" (Moosa-Mitha, 2005, p. 36). Combining anti-oppressive principles with Marxist theory allows us to avoid economic reductionism and consider the role of factors before neoliberalism, such as colonialism in Indigenous contexts, and how they have retarded development in marginalized communities.

The final theory in the theoretical concentric circle is *Critical Political Economy* (CPE), which is primarily used for media analysis and considers how the ways of organizing the media can affect its practices, output and how this output is received (Hardy, 2014). In this way, CPE examines how media organizations' practices are affected by the capitalist nature of the society in which these media are enmeshed to see how this may impact the nature of the content they produce and whether these "promote or undermine democratic values" (McChesney, 2003, p. 37). This approach considers the relations of economic organization, political, and social life to understand how "particular micro-contexts are shaped by general economic dynamics and the wider structures they sustain" (Golding & Murdock, 2000, p. 73). In sum, understanding the political-economic

[21] Ultimately, mainstream business programs have significantly studied the SE model, perhaps even more than the social sciences, so it is not very surprising that the neoliberal ideology underlies popular conceptions of SE.
[22] Some of the neoliberal underpinnings of SE include the way that it can minimize the role of the state, values individualism and elevates the free market.

environment within which media creates content and how this impacts the nature of such content is important to CPE.

Hence, the first application of the CPE theory of media systems to SEs is based on the idea that the nature and pattern of operation of the neoliberal political economy can influence how SE practitioners conceive of their organization and the roles these SEs play in society. The discussion below on compensatory vs. transformative conceptions of SE provides some insight into how the SE community may view SEs' roles in the neoliberal system. While the transformative approach to SE seeks to create structural change by transforming the whole global capitalist system into a more democratic one that facilitates equity, a compensatory approach to SE seeks to address failures within the neoliberal system without necessarily changing problematic structures (Newey, 2018).

Another concern of CPE theorists is to appropriately balance capitalist enterprise with public intervention in the media industries because the market system has some deficiencies which can only be rectified by public intervention, although there is no agreement on the form this intervention should take (Golding & Murdock, 2000). This critique is related to another major concern of this study explored more deeply at the end of this Chapter – that local development through organizations like SEs is no substitute for an enabling developmental state that creates a supportive context for local development to flourish. This is as CPE theory suggests that there are marked deficiencies in the form of structural injustices that SEs (and other instruments or organizations in the social economy) alone cannot address but which the state and other competent entities must be able to tackle.

The major critics of CPE theorists accuse them of economic reductionism, in that this perspective purportedly reduces the content of the news media to the economic structure and the interest of those who control the media (Schudson, 1989). Hardy (2014) argues that this criticism is largely a critique of CPE's Marxist foundations, which in the most 'vulgar Marxist' form sees the media as a tool that the capitalist media owners and advertisers use to advance their economic and political interests. Golding and Murdock (2000) argue, however, that CPE does not consider the media as simply a tool for capitalists to control the flow of information but as an entity whose political-economic context impacts the media's functions and outputs. The same response applies to those that critique the CPE analysis of SE as reductive and prone to economic determinism. The argument is not that the SE model is not capable of accomplishing important goals of addressing

gaps in social policy. Instead, the point is that the neoliberal state can use SEs to avoid responsibility to challenge structural injustice and improve citizens' lives.

*SE theories of change*

Different schools of SE have produced their theories of change, which show the level of impact they believe SEs should make and the role of the state in this process. This sub-section explores these theories of change to see what understandings of SE are more amenable to neoliberalism. This is done using the classification provide by Newey (2018), who believes SE can seek to accomplish two main forms of impacts: **compensatory SE**, which "seeks to compensate for market failures in the global system. It conforms to prevailing neoliberal norms and may not consider them a source of social ills"; and **transformative SE**, that seeks to transform the whole global capitalist system into a more democratic one that allows for the "equitable development of human capabilities" (Newey, 2018, pp. 14-15). SEs that pursue social change and impact within the neoliberal system mostly subscribe to the compensatory theory of change. Transformative SEs seek to address the structural problems of society and emancipate those affected by inequalities using both business and activism methods (Newey, 2018; van den Broek, 2012).

Other typologies of SE developed by scholars apart from Newey (2018) also contain elements of the compensatory and transformative SE classifications. For example, in Alvord et al.'s (2004) classification of three different approaches to social entrepreneurship discussed in Chapter one, the *package dissemination approach* involves creating and distributing innovative products (for instance, microloans) required by marginalized groups. The package dissemination approach fits best into the compensatory approach to SE that works within the existing neoliberal system and looks to remedy the failures of the state. The discussion on microfinance below considers this trajectory of microfinance in more detail. The *movement approach* to SE that Alvord et al. (2004) name, which involves the development of a grassroots movement to challenge repressive institutions, is more amenable to the transformative SE model that seeks to reform structures that produce inequality. The third approach to SE named by Alvord et al. (2004) is the *capacity building approach*, which involves identifying and building on local actors' capacities to solve their problems. This capacity-building approach seems to exist somewhere between transformative and compensatory SE approaches, since building capacity to facilitate local

ownership may not necessarily involve addressing the fundamental structures that produce inequality.

Like Alvord et al. (2004), Hockert (2006) sees three explanations for the emergence of social purpose business ventures: *activism, self-help, and philanthropy*. Self-help and philanthropy fall within a compensatory SE approach, while those SEs founded due to activism would often operate more as transformative SEs that seek to overhaul problematic structures. Zahra et al.'s (2009) typology of SE focuses more on the entrepreneurs themselves, but their descriptions ultimately resemble the ones above and can be grouped under transformative and compensatory approaches to SE. Zahra et al. (2009) posit that there are three types of social entrepreneurs: *social engineers*, who recognize systemic social problems and seek to address them by creating revolutionary change; *social bricoleurs*, who focus on discovering and addressing small-scale local needs with whatever resources can be readily harnessed; and *social constructionists*, who create innovations in response to market failures by filling gaps to underserved clients. Social engineers seem more amenable to a transformative idea of SE that seeks to create structural change. Social bricoleurs and constructionists may fit more within a compensatory approach to SE given that they seek to address failures within the system without necessarily changing problematic structures.

This discussion has included package dissemination and self-help approaches to SE, operated by social bricoleurs and constructionists under the compensatory model of SE. These compensatory approaches to SE essentially involve the SE working within the existing neoliberal system to empower local actors to address their own challenges with minimal involvement from external actors. While this sounds inspiring, this reasoning also sounds very similar to the neoliberal logic of self-help, which posits that the way out of poverty and economic inequality is for the poor to pull themselves out of poverty. The discourse that positions the SE model as essentially an individualistic endeavor further emphasizes the amenability of SE ideology to neoliberalism. Despite the successes of SEs organized as cooperatives, Pearce (2009) notes that scholarly discourse has moved away from more cooperative and community-based SEs, to more 'entrepreneur'-led organizations in the neoliberal era. In such perspectives, the focus tends to be on the exceptionalism of individual social entrepreneurs, and this can lead to a view of the SE approach as something that only a select few can successfully carry out (Robinson, 2006). Such perspectives draw on Schumpeterian conceptions of entrepreneurship as the purview of a gifted

few and can be exclusive of members of marginalized societies who do not purportedly possess such requisite skills.

While the foregoing discussion suggests that SEs seeking to be transformative usually have elements of activism within them, some scholars and practitioners have stressed the need to be cautious about the emphasis placed on activism. Focusing particularly on the strand of SE that emphasizes innovation, Light notes that social entrepreneurs that put their identity as activists before that of being entrepreneurs "may miss important opportunities for change, particularly the opportunities that involve financial gains and market tools that they deem as secondary or unimportant" (2006, p. 24). This suggests that SEs that put the objective of activism at the forefront of their operations may need to be content with sacrificing expansion in some contexts if the condition does not align with their activist values. Similarly, some practitioners have suggested that an SE operating in a society facing either direct or structural violence should not necessarily market itself based on the injustices the SE is trying to address because customers may consider SEs' work to be of a lower quality (Donkervoort, 2013).

***The social economy and the state***

Cho (2006) notes that there is a paucity of critical literature on SEs that closely examines both the meaning of the 'social' in SE and the context within which these organizations operate.[23] This non-critical discourse around SE is problematic because such discourse treats the 'social' as an agreed upon concept. Yet, as the discussion differentiating compensatory approaches to SE from transformative approaches has shown, the definition of the social can be quite political and is in no way a foregone conclusion. While some may conceive of a SE as an institution that supports the neoliberal state and papers over the inequalities the system produces, others see SEs as activist organizations designed to dismantle structures that produce inequality. Hence, this sub-section seeks to contribute to the development of a critical SE theory by exploring critiques of social impact bonds and microfinance and their contributions to state retreat from welfare in the neoliberal era. The purpose of considering social impact bonds and microfinance in this study is

[23] Cho (2006) also notes that many definitions of SE are monological, rather than dialogical, in the sense that they often provide for only the SE to determine what kind of project the SE will implement in a context, with little or no input from local actors.

because they are conceived of as instruments that exist in the social economy alongside SEs since they are purportedly designed to address challenges faced by disadvantaged groups in society.[24]

*Critiques of Social Impact Bonds as an instrument of social policy*

Having explored the minimal critical discourse that exists in the context within which SEs operate, this part considers Social Impact Bonds (SIBs) as part of the process of developing a critical SE theory. It is important to note that while the intentions of their founders might be alike, SIBs are a financing mechanism that are not exactly like SEs which are organizations. SIBs are considered here because they are one instrument of the social economy that has been somewhat properly critiqued, at least compared to SEs, for their contributions to both state retreat from social policy and the marketization of social welfare.[25] Popularized in the United Kingdom where they were first used in 2010 before their usage also spread to the United States, SIBs as their name suggests rely significantly on the measurement of social outcomes and impacts. They are essentially performance-based contracts between governments and private investors, typically developed by a non-profit organization that recruits private investors to fund an innovative social service program (Nicholls & Tomkinson, 2013). The private investors receive their capital back (plus profit) from the government if the program successfully carries out the social outcome the program is designed to do (Berndt & Wirth, 2018).

Hence, SIBs are like SEs in the way that they are concerned about and designed to not just make a profit, but to also have positive social impacts on communities. Initiators of SIBs often promote them as a means of seeking local solutions to local problems while also empowering local actors (Berndt & Wirth, 2018). Despite this narrative of local ownership, Warner argues that "SIBs give no voice to the consumer…primary voice is given to the external evaluator and the private investor in a process shielded from direct citizen input" (2013, p. 308). Furthermore, SIBs' capacity for local ownership is diminished because they – and the non-profit organizations that develop them – are often framed as a more economical and effective means of addressing social issues, rather than as a platform for advocating for the needs of the marginalized (Joy & Shields, 2013).

[24] They are also considered here because they have been far more critiqued compared to SEs, perhaps because their flaws are evident.
[25] See Berndt and Wirth (2018) for a significant review of literature in support and critical of SIBs.

One obvious challenge with how SIBs work is the mode of measuring their targeted outcomes. While some argue that SIBs promote innovation, the fact that development programs supported through SIBs are often selected in the first place *because* of their documented ability to deliver proven results diminishes the argument that these instruments can produce transformative social change (Warner, 2013; Joy & Shields, 2013). The selection of SIB programs based on their track records also further diminishes the input that stakeholders that the SIB is designed to impact can have in the formulation and implementation of the social policy. Another significant factor that limits the transformative capacity of SIBs is that they focus on changing the *individuals* affected by social problems as "opposed to transforming the social, political and economic *structures* that create such social problems in the first place" (Dowling, 2017, p. 303). For example, a SIB that sought to reduce reoffending among prisoners in the US focused on rehabilitating previous offenders, rather than exploring more deeply the causes of high incarceration among the specific community concerned. As Sinclair et al. note, this tendency of SIBs to focus on the symptoms of problems and not their structural causes make them particularly "unsuited to deal effectively with wicked (complicated) social problems which require transformational interventions" (2019, p. 2). This inability of SIBs to address structural issues is a challenge that some SE models also share, particularly those organized based on a compensatory approach to SE that operates within the existing neoliberal system and seeks to remedy the failures of the state.

While SIBs have received significant criticism from both politicians and scholars, they are attractive to politicians on both sides of the political spectrum. In America, "the Republicans like this [SIBS] because it lets the private sector get access to public social welfare dollars and the Democrats like it because it might increase public investment in social welfare" (Morely, 2017, p. 3). Similarly, Gilbert (2002) as quoted above suggested that individuals on both sides of the political spectrum accepted the use of non-state organizations like SEs as a replacement for the provision of social welfare for ideological reasons. This shows that even relatively progressive elements accept instruments and institutions in the social economy – whether they are SIBs, microfinance or SEs – due to immediate benefits they may bring, without much consideration of the ways they may be coopted by an inequitable socio-economic system.

Further, while proponents often argue that SIBs address the gaps of a failing, wasteful, and inefficient state that is unable or unwilling to oversee whether social programs work, the state remains involved as an investor that defines and oversees targeted impacts. As Berndt and Wirth

note, the "state is both absent and present at the same time; it is intervening 'from a distance'" (2018, p. 34). In other words, state retreat is not a total retreat, just like the situation where the state funds SEs to provide services. This is also another manifestation of the roll-out phenomenon of neoliberalism as explicated by Peck and Tickell (2002), where the state partners with private institutions to develop aggressively financialized approaches to restrain those marginalized by neoliberalism. Such state involvement in the process of administering SIBs – and by extension SEs – is important especially when marginalized groups are the target recipients of the SIB, which likely cannot make their voices heard if problems arise during the implementation of the SIBs (Warner, 2013). Therefore, while some narratives often frame the state as an inefficient party to be discarded of in the social economy, the state should play a regulatory role particularly in hyper-commercialized contexts like that of SIBs where the emphasis is on producing return on investment through social programs.

Yet, McHugh et al. (2013) note that SIBs significantly diminish public accountability since the process of developing and implementing approaches to solving social problems no longer occurs within the public sphere. In other words, SIBs exemplify a process of de-democratization when only the select private investors in the SIB have the opportunity to shape social policy using the wealth they possess (Dowling, 2017).[26] For Sinclair et al. (2019) the fact that those who would be impacted by such social policies have little to no input on how these policies are implemented is a major reason why SIBs are limited in their ability to fundamentally transform structural problems. Similarly, more individualistic forms of SE provide limited room for the involvement of targeted stakeholders because proponents argue that these SEs can only be successfully run based on the ideas of a few experienced people. Yet, the more cooperative forms of SE considered in the first section of this chapter possess the capacity to avoid such narratives, since they often allow for stakeholders who the SE's activities would impact to be involved in the process of implementing such actions.

Related to the issues of accountability and inclusion is the charge of the commercialization and commodification of the third sector and of social policy that SIBs have received.

[26] This idea that approaches like SIBs contribute to rolling back democratic rights to determine social policy is evidently based on a considerably idealistic view of the nature of the democracy that currently exists within Western liberal democracies as being one that fundamentally allows for the involvement of citizens in determining social policy. Hence, it is important to be cautious in blaming approaches like SIBs for diminishing such rights, as one might rightly argue that most of the masses in these societies have no real influence in determining the pattern of social policy, with or without the existence of SIBs.

Commercialization refers to the process by which the major emphasis in an activity (the activity in this context is social policy) shifts from public service to profit-making (Mosco, 2009). Similarly, commodification refers to "the process of transforming objects, products and commodities into things that can be bought and sold for money" (Hardy, 2014, p. 136). First, the commodification of SIBs occurs in the sense that their dependence on private investment transforms social policy into commodities. These commodity-like social policies are then designed to attract investors based on the intervention`s perceived ability to net a profit rather than as a source of addressing structural injustice faced by citizens.

SIBs are also involved in the process of commodifying welfare policy because they "exemplify the political philosophy that the role of government is not to develop and deliver social and public services but to purchase or broker them from private and third sector organisation," and in this way transform citizens into consumers (Sinclair et al., 2019, p. 8). Finally, SIBs are attractive to governments because they create the appearance of saving costs since SIBs reduce the initial cost of social service that appears on their books (Berndt & Wirth, 2018). Further, as part of the process of the commodification of the welfare state, the SIB process is essentially a process of transferring public wealth to private investors, since whatever cost is saved on the social intervention is paid to investors in the SIB (Dowling, 2017). Commercialization and commodification are significant challenges that have also plagued the microfinance model in the neoliberal era as will be discussed below, and these examples serve as a caution for what could happen when a hyper-commercialized political-economic context pushes an SE to significantly predominate profit-making objectives over social ones.

*Critiques of Microfinance as a path to development*

Separated from its hyper-commercialized form, microfinance is an instrument within the social economy designed to not just make a profit, but also to have social impacts. Although popularized much earlier, the microfinance approach was like SIBs used to promote the rolling back on the state's provision of social goods. Hence this part considers the example of microfinance to show that emphasis on individual or small group led development at the local level is not enough to address structural injustices. Rather, structural injustices often require interventions with greater scale and impact.

Microfinance, which encompasses financial services like microcredit and micro-savings, is an approach to development at the local (micro) level centered on providing financial services to the poor that enable them to create or maintain small-scale businesses. Microfinance aligns with the neoliberal worldview because it promotes self-help, in the sense that people are expected to pull themselves and their communities out of poverty through their hard work and with little or no support from the state. Hence, developed countries often promote microfinance as the path to development for Global South countries. Yet, as several critical development scholars have noted, this free-market model of development is nothing like the developed countries' own model of development. Most developed countries essentially experienced a state-led process and included measures such as state ownership of industry, industrial policy, export promotion policy, innovation policy, and so on[27] (Desai, 2011; Patnaik, 2016; Moyo et al., 2016). Simply put, microfinance as a microeconomic version of neoliberalism that promotes self-help is the antithesis of the state-led processes through which Global North countries reached their own development (Bateman, 2007).

Microfinance promotes the "deindustrialization and infantilization of the local economy" by preventing the improvement of the industrial sector and ignoring critical practices that facilitate growth such as the development of new technology, innovation, scaling up productive processes, and enhanced training to improve production (Bateman & Chang, 2012, p. 25). Hence, whatever minimal positive economic and social effects microfinance typically has when first introduced into developing countries does not typically last long (Bateman, 2007). Despite this, because the microfinance model aligns with the neoliberal conception of microeconomic development as facilitated through processes of self-help, the model remains popular within the international development community. Mohammed Yunnus` claims of microfinance`s contribution to development in Bangladesh led to the model`s popularity in the 1980s. Yunnus saw local development as the process of using credit to help poor entrepreneurs uncover their potentials for success in the market (Fernando, 2006; Weber, 2006). The acceptance of microfinance in the international development community is clear in the declaration of the year 2005 as the year of microfinance by the United Nations Economic and Social Council. Also, Yunnus and his Grameen

[27] Besides state-led development projects, another important feature that contributed to development in many Western countries were the benefits these Western countries derived from their colonies through their imperial economic expansion.

Bank received a joint Nobel peace prize a year later for "their efforts to create economic and social development from below" (The Nobel Prize, 2006, para 1).

The legitimization of microfinance within development study and practice has served to prevent the emergence of other radical approaches to local development, which may have challenged the neoliberal idea of self-help by providing the state with a greater role (Bateman & Chang, 2012). Hence, microfinance is part of the narrative that depoliticizes poverty because it positions the way out of poverty as through only the sheer hard work of innovative individuals, rather than any form of state-led industrialization and provision of social safety nets (Brigg, 2006). This was part of the attraction of microfinance for Latin American governments in the 1980s and 1990s, who were eager to frame the way out of poverty as an individualistic endeavor that required less government support and more credit support (Butcher & Galbraith, 2015).

A fundamental problem of microfinance is the way it ignores the importance of the economics of scale; the microenterprises funded by microcredit are generally small, operating far below the scale necessary to be efficient in competitive markets (Bateman & Chang, 2012). The focus of Microfinance Institutions (MFIs) on microenterprises limits the likelihood of industrialization which requires the existence of middle and large-scale enterprises. Instead, MFIs' high-interest rates and short maturities policies typically mean that they give loans to only the simplest microenterprises considered most likely to repay the loans (Bateman & Chang, 2012). The existence of several microenterprises does not address this problem of scale or signify development, as many underdeveloped Global South states have more microentrepreneurs than anywhere else (Bateman & Chang, 2012).

Instead, several microentrepreneurs carrying out the same small-scale business hinder the advancement of that business sector because the amount of available business between new and existing micro-enterprises becomes fragmented, and this can result in already existing businesses losing a substantial amount of their profit (Bateman, 2008). This happened in the dairy sector in Bosnia and Herzegovina, where "thousands of poor individuals were encouraged to access microfinance in order to purchase one or two cows and generate a little additional income from the sale of raw milk" (Bateman, 2008, p. 251). Not only does this form of fragmentation hinder the development of sectors, but such fragmentation also impedes the building and development of much-needed social capital that would have been useful in strengthening the sector and creating social cohesion (Pearce, 2009).

Based on the foregoing therefore, microenterprises do not constitute a meaningful path to development since most focus on specific issues or markets. On the contrary, microenterprises may constitute using a "microeconomic solution for a macroeconomic problem," that is, focusing on local approaches to development when a structural transformation from the top is required (Nega & Schneider, 2014, p. 373). Rather than promote development in the way claimed, microfinance can keep most recipients in poverty and most of the credit received typically goes to consumption spending rather than the development of microenterprises (Bateman, 2012). Six studies that reviewed microfinance in six countries – Ethiopia, Mongolia, Morocco, BiH, India, and Mexico – found that businesses that received microcredit saw some increase in business activity yet there was little evidence of the transformative effects of microfinance (Banerjee et al., 2015).

How the commercialization of microfinance resulted in structural and direct violence

Commercialization is another critical neoliberal ideal[28] that has affected the management of Micro Finance Institutions (MFIs). The commercialization of microfinance in the neoliberal era effectively made these credit-providing organizations add profit-making concerns to their goals. The shift towards profit-making designed to make MFIs independent ultimately encouraged them to engage in predatory behavior to attain maximum profit. While organizations, agencies and governments originally subsidized MFIs, the World Bank and USAID promoted the commercialized version of microfinance to ensure MFIs did not stay dependent on external support from organizations like theirs for long (Bateman, 2015). The concern for financial survival that commercialization bred effectively overshadowed the social objectives of addressing underdevelopment that MFIs were purportedly developed to address (Bateman, 2007).

Commercialized MFIs spread across the Global South in the neoliberal era, from Bangladesh to Bosnia, Mongolia, Cambodia, Nicaragua, Sri Lanka, Peru, Colombia, Mexico, and India, and ultimately went bust in most of these countries (Bateman, 2015). Widespread criticism of commercialized microfinance did not begin until 2007, with the Initial Public Offering (IPO) process of the Mexican MFI**,** Compartamos. The IPO process of Compartamos revealed the significant level of organizational capture that had taken place among the CEOs and senior officers

[28] Neoliberalism supports commercialization and other privatization processes based on the argument that free markets in which individuals pursue profit with minimal state regulation is what brings about economic growth.

of the organization, who paid themselves profit running into millions, a strange process for an organization purportedly seeking to reduce poverty (Bateman & Chang, 2012). Across Latin America, senior MFI officials enriched themselves and engaged in questionable practices ranging from misrepresentation of organizational performance to concentration in unregulated markets, executive use of the company for personal gain and secrecy (Butcher & Galbraith, 2015).

The effect of commercialized microfinance was even more disastrous in India and South Africa, where microfinance programs led to widespread structural and direct violence. The pursuit of financial reward by MFIs in India led to a situation where MFIs eagerly pushed "out as much microcredit as they could, irrespective of the significant damage they were causing to the economic and social structures in the poorest communities," and this consequently resulted in tragedy (Bateman, 2012, p. 1396). Political and logistic support from the Indian state coupled with IMF structural adjustment lending supported the microfinance explosion in the region of Andhra Pradesh (Mader, 2013). Bateman (2012) likens the outcome of this situation to the sub-prime crisis in the US where the relentless search for profit by financial institutions inflated the system's growth, causing housing and financial institutions to ultimately crash when people could no longer repay the loans they had taken.

The effect of commercialized MFIs in South Africa was similar. MFIs worsened poverty and underdevelopment among the poor, financially illiterate, black miners, whom bankers and lawyers had exploited into continuous indebtedness as they constantly took new loans to repay old ones (Bond, 2013). Based on the pattern of social relations— in which the victims were all poor blacks and the lawyers as well as the bankers were the rich whites, — Bond (2013) describes the system as a continued, liberalized form of the apartheid regime with an uneven, racialized development process. Like in India, unregulated loans bankers offered loans to poor South African miners who relied on the formal economy as their only primary source of income (Bond, 2013).

A particularly devastating effect of the commercialization of MFIs was how ruthless the desire to make profit made these organizations in the pursuit of loan repayment in Global South countries from India, to Bangladesh and South Africa. Positive claims of how MFIs successfully get their loans promptly repaid do not typically consider what the MFIs do to accomplish these high repayment rates (Fernando, 2006). In Bangladesh, Grameen Bank loan repayments were typically exacted from the mostly female recipients by shaming them (Wilson, 2015). This system of shaming reinforced the patriarchal culture, and was contrary to the claims of women

empowerment made by the microfinance defenders (Wilson, 2015; Fernando, 2006). In South Africa, MFIs offered miners 'unsecured credit' tied not to their property, but to "stop-payment systems arranged by the mines" and other harsh debt-collection tactics (Bond, 2013, p. 580). The frustration around this situation was one of the issues that culminated in a strike by over-indebted Marikana mineworkers in August 2012. This initial strike catalysed many strikes elsewhere and led to the worst police massacre in South Africa since the 1970s, with 34 miners killed when police attacked the striking miners (Bond, 2013).

In India, as the microfinance boom in Andhra Pradesh went bust, there was violence in various directions: between borrowers, by MFIs against borrowers, and by borrowers against MFIs (Mader, 2013). There were various allegations, ranging from "instances of kidnapping children and the forced prostitution of young girls to coerce their parents into repayment, as well as abundant reports of MFIs' agents pressing clients to commit suicide so that life insurances could repay the loans" (Mader, 2013, p. 55). The government of Andhra Pradesh eventually intervened and announced an Ordinance to protect borrowers from harassment by MFI agents. Government intervention led most of the financiers of the MFIs to pull out for fear that the Ordinance would encourage people not to repay their microcredit loans and leave the MFIs insolvent (Mader, 2013). Hence, mainstream accounts often blame unnecessary government intervention in a healthy microfinance sector for the microfinance crash in Andhra Pradesh. The fact that the loans were insufficient to solve fundamental developmental problems and that agents used nefarious tactics to ensure the loans were repaid is often ignored (Mader, 2013)

The examples of Bangladesh, India, and South Africa show that the commercialization of MFIs did not only lead to economic retardation, but also to widespread structural and direct violence that destroyed lives and families. This is an example of how the ideals of profitmaking and self-help in local development can have devastating impacts when carried to the extreme.

Positive impacts of microfinance

Palma's (2016) critique of the Latin American critical development tradition for ignoring the productivity of capitalism in their analysis and focusing only on the injustice and inequality capitalism breeds reminds us to mitigate criticism of microfinance by exploring whatever positive, developmental attributes the approach may have. Banerjee et al. (2015) note that their evaluation of microcredit in six Global South countries did not find any meaningful structural developmental

outcomes occurring because of microfinance. Yet, these authors found "some, if not entirely robust, evidence of effects on occupational choice, business scale, consumption choice, female decision power, and improved risk management…if microcredit's promise were increasing freedom of choice it would be closer to delivering on it" (Banerjee et al., 2015, p. 14). Similarly, Roodman (2012) finds that microfinance has had some success in providing the freedom to make occupational choices or be more self-reliant. Moreover, other studies have found that both "micro-credit and micro-savings have a generally positive impact on the health of poor people, and on their food security and nutrition, although the effect on the latter is not observed across the board" (van Rooyen et al., 2012, p. 2258).

The microfinance critiques here have focused on the commercialized version of the model that emerged in the neoliberal era where MFIs in their unmitigated search for profit engaged in unscrupulous lending and repayment practices. Ultimately, many critical scholars agree that whatever positive impacts they may have, both micro savings and microcredit are not the path to economic development or poverty reduction and have not performed well in this regard (Bateman, 2015; Fernando, 2006, Van Rooyen et al., 2012, Roodman, 2012). The purported positive effects of micro savings or microcredit such as occupational freedom or improved health and nutrition "do not increase micro-credit clients' ability to repay their loans and the diversion of finances to such long-term goals may lead to acute debt and increased poverty" (van Rooyen et al., 2012, p. 2260).

*Support for the social economy from an enabling developmental state*

The foregoing discussion on SEs, cooperatives, and microfinance in this Chapter has shown how organizations in the social economy can contribute to development. However, these social economy organizations cannot make a significant impact by themselves and cannot replace an enabling developmental state that directs macroeconomic affairs as a critical path to development for marginalized groups. This is because social economy organizations do not do well in specific sectors like the industrial sector since they cannot scale up their actions by themselves to create systemic change. Further, the discussion has shown that developed countries that argue for local development alone as a path to development for Global South countries reached their development through the involvement of a strong state implementing various microeconomic policies.

Hence, this study questions the view of SEs (and other organizations or instruments in the social economy) as a near replacement for state involvement in social policymaking and implementation under the guise of promoting self-determination. Significant input from the state is critical to accomplishing macro level development. Even the micro-development that the social economy can facilitate requires the support of an *enabling* state that creates an empowering and supportive environment.[29] In other words, all enterprise benefits from government support and the role of an enabling state supporting SEs particularly constitutes the focus of the analysis in this study. Restakis' (2010) discussion of the critical role the regional government of Emilia Romagna played in facilitating the success of the cooperatives in this Italian region, by partnering with the cooperative to develop strategies to improve the system, clearly shows the need for locally-owned initiatives to partner with the government. Besides collaborating with the cooperatives and other relevant stakeholders to develop industrial policy, the regional government also created an economic planning and development agency that facilitated the success of the Emilian cooperatives (Restakis, 2010). The increasingly popular arms-length governmental approach to social welfare does not seem efficient or democratic. While SEs play an important role in addressing social issues, they may function better as a complement for government efforts and not a replacement.

Cho argues that using SEs as a substitute for, rather than a complement to state action is problematic, and may worsen conditions of inequality because "SE is a means to an end; it is not itself capable of defining social needs or assessing whether the burdens of meeting these needs are being shared equitably" (2006, p. 49). This suggests that SEs do not possess the political mandate to develop and implement social policy by themselves. Similarly, Lubberink et al. (2018) suggest that the idea of a single visionary who creates social change is problematic and should be mitigated by an idea of development that takes stakeholders' expectations and demands into consideration. This is because "social innovations inherently have a profound impact on the public sphere, the development of these innovations should follow a public political process" (Lubberink et al., 2018,

[29] The emphasis here is on the *enabling* nature of the state; this study does not argue that the state is always a perfect empowering environment for local development. In fact, it emerges out of the understanding that often the nature of the state is such that its institutions are sometimes prone to actively avoid responsibility for marginalized groups and they may even directly carry out violence against such groups (see the discussion in Chapter one regarding the Canadian government and the forced 'development' projects it has carried out against Indigenous peoples of Canada). Hence, the point of this study is to identify what a state seeking to be enabling (or that citizens are demanding support from) needs to do to create a conducive environment for development.

p. 68). Most approaches to local ownership tend to position the state as the problem and development as a process that a near-perfect local community carries out against the inefficient state (Friedmann, 1992). Yet, the process of building local capacity for development requires collaboration with the state (Friedmann, 1992).

Enabling, developmental states can support local actors in determining their priorities, build their capacity to implement these priorities and adopt supportive policies at the national level (like pricing, policies, and subsidies) that create a favourable environment for local development projects (Friedmann, 1992). Hence, while some work on SEs tends to fall into the neoliberal trap of regarding states as essentially obstructions to development, the role of the state in the social economy is to create an appropriate environment for local development through SEs and other community economic development organizations to take place. Even though neoliberal ideals can coopt SEs as a tool to diminish the welfare state, SEs still contribute to local development given their inclusive and emancipatory features. The role of the state here is not just as a passive receiver of whatever is set by the non-government sector. Instead, "public officials must articulate the policy choices, clarify the roles of the state and the private enterprise, develop a comprehensive package of family-friendly policies…" to ensure the effective and proper running of such organizations (Gilbert, 2002, pp. 189-190). The role of local ownership here is significant, as some have argued that the state sponsoring a bottom-up process is inherently contradictory (see Bryden, 2010). Nevertheless, local ownership of the development project can address contradictions caused by state involvement.

Those who argue against states providing social welfare believe that welfare produces a lazy and unproductive citizenry that has no sense of personal responsibility (Sen, 1999). Amartya Sen however argues that social welfare and, by extension, other forms of social policy implemented by the state, do not erode personal responsibility. Rather than replace personal responsibility, the role of social policy is to provide people with the support that they need in expanding their social and economic freedoms so that they are then able to take on personal responsibilities (Sen, 1999).

To reiterate, this study does not criticize SEs (and other organizations in the social economy) and the important roles they can play. Rather, the focus is on the neoliberal underpinnings of the environment within which social economy organizations often operate and the tendency of this context to minimize the critical role played by a developmental state. Hence,

despite their "limited potential for structural transformation and poverty alleviation," inclusive forms of SE can mobilize resistance against neoliberalism and "refocus development efforts under a democratic, developmental state" (Nega & Schneider, 2014, p. 368). Moreover, while SEs may operate within the neoliberal system, this does not translate to support for how that system operates.[30] SEs may just be trying to do the best they can to maximize the number of people who benefit from their activities, as findings in Chapter four suggest. When supported by states, "social enterprises, though privately owned and managed, can pursue a redistributive function," improve social cohesion and social capital, and produce a better development process that is more inclusive and addresses economic inequality (Borzaga & Santuari, 2001, p. 357).

Further, in response to the critique that more compensatory forms of SE perpetuate the existence of the neoliberal state by papering over its cracks, these SEs acknowledge that addressing problems neglected by the state is better than leaving them unsolved (Cho, 2006). This response is accurate since compensatory approaches to SE do provide some relief from problems that stem from inequality. If SEs are to be considered as essential to addressing structural injustice that the state refuses to address, promoting more community-owned forms of SE would be necessary. Cooperative SEs are at least a step up from individualist ones because they allow for local ownership of development projects that involves consultation with local actors to determine what constitutes the greater good within their context.

It is important to consider a few arguments against the idea of an enabling developmental state leveled against previous versions of this study. First is the critique that SEs allow for a measure of independence, unlike government support which is inherently antithetical to the objective of self-determination that marginalized groups may be seeking to accomplish (e.g. see Loney & Braun, 2019). Nonetheless, as Chapter one has argued, the view of funding impeding achieving self-sufficiency is considerably unfounded, as even conventional businesses that survive on earned income are never fully independent. Businesses must depend on buyers to purchase their goods or services, "suppliers for key inputs, on labor markets for talent, and often on bankers or investors for capital" (Battle-Anderson & Dees, 2006, p. 147). Businesses frequently use funding from external actors such as banks, investors, governmental and private companies to stabilize

[30] Even the transformative SEs discussed in the previous section still operate within the neoliberal system like the compensatory SEs, the difference is that the transformative approach seeks to somehow transform structures that produce inequality within these systems.

their economic state and acquire what they need to become self-sufficient. What matters then, is that funders properly include stakeholders in the process of determining how to use such funding.

As to the argument that the state is unable or unwilling to provide support for marginalized groups that organizations within the social economy can provide, the argument here is not that the state is perfect. The goal here is to point out the gaps in the way the state deflects social policy to organizations that may not be fully capable of implementing these policies. Such an analysis identifies what concerned individuals can demand from the state to support local development.

*Section summary*

In exploring the political economy of SEs, this Chapter has explored two major concerns including a critical theory of SE and the relationship between the SE model and the state. Analysis of these themes has suggested that social economy instruments and organizations like social impact bonds, SEs and microfinance can contribute to local development to varying degrees but by themselves are insufficient to solve significant structural challenges faced by marginalized groups. To accomplish this, a developmental state must be involved in providing an enabling environment for these instruments and organizations to properly operate. In sum, focusing only on the state or only on the work of SEs at the local level is unnecessary since both spheres are equally important in facilitating positive peacebuilding and development to address structural injustice.

## 2.3 Conclusions

This chapter consists of two broad parts that consider the theoretical influences on this study, namely theories and insights drawn from PACS; and critical theory of SE. The first part argues that when appropriately and intentionally designed, SE models can fulfil specific peacebuilding and development objectives. The second part found that macroeconomic development by the state and community-owned, local development by organizations like SEs are both important. This discussion also found it critical to ensure the state does not unnecessarily devolve its responsibilities to organizations in the social economy. In sum, this discussion facilitates an analysis of SE from various literary sources and forms an important basis for considering the data in the analysis chapters of this study, particularly in Chapters four and five. Having laid out a theoretical basis for this study from this Chapter and the previous one, Chapter three presents the research methods employed in addressing the questions posed in this study.

# Chapter 3

# Research methodology

## 3.0 Introduction

Chapter three presents the procedures that guided the data collection and analysis of this study in the following sections: researcher background, research approach, research design and instruments, research location and participants, data collection, data analysis and interpretation, ethical issues, and limitations of the study. The purpose of this discussion is to provide context for how the data for the study were collected and analyzed.

## 3.1 Researcher background, identity, and role

Subsequent discussion in Chapter three will show that this study is influenced by two critical methodologies – feminist and Indigenous methodologies – and one essential feature of these methodologies is their emphasis on reflexivity. Not only do these methodologies reject the assumption that the researcher can be so objective as to not influence the research process, but they also honour reflexivity, that is, the researcher's values and biases and how they can influence their perception of the research participants, process, and outcome (Custer, 2014). Reflexivity also involves identifying biases and concerns held by the researcher at all stages of the research (Potts & Brown, 2005; Tracy, 2010). One primary concern that I had going into the study is that I did not want study participants to misconstrue me as critical of SEs and their operations. I was acquainted with several individuals working in the field before going into the study and I had observed that they were passionate people genuinely trying to effect positive change in society by meeting the basic needs of their participants. And so, I was concerned as to how they would react to my questions around the limits of SE and that I would need to constantly reiterate during the interviews that I was not being critical of SE; rather, I was interested in exploring how SEs could be positioned as a replacement for the state. However, I was relieved to find that the interview participants' reactions to the interview questions about the limits of SE were not defensive. Rather, many of the SE managers saw these questions as an opportunity to discuss the supports they believed their organizations required to have greater social impact and meet the basic needs of their participants.

Furthermore, the outlook of being open to surprising findings that this study embraces, as the following methodological discussion will show, calls for the researcher to be aware of the

participants' perspective on issues related to the study under consideration (Timmerman & Tavory, 2012). Based on the critical orientation undergirding this study as outlined in Chapter two, I commenced the study with some expectations of finding that the impacts of SEs are overstated and their limitations understated to frame them as a means of avoiding government responsibility. Notwithstanding, as noted in Chapter six, because I was determined to be open to new findings that did not align with my assumptions, I did discover such findings that did not support my perspectives. To accommodate these findings, I modified the study's second research objective from one designed to understand the limitations of SEs to one that focused on exploring the supports required by SEs to expand their impacts.

Finally, following the recommendations of Tracy (2010), some of my reflections and perspectives about the research findings will be interspersed through the analysis chapters to facilitate transparency and resonance. In this vein, I will use first-person pronouns where necessary while discussing my interpretation of the data to ensure there is transparency and remind readers of "my presence and influence in participating [in] and interpreting the scene (Tracy, 2010, p. 842).

### 3.2 Research approach: Critical research methodology

The critical SE theory developed in Chapter two informed the research methodology that guided the process of data collection, analysis, and interpretation. Flowing from this critical theory is a critical research methodology, which is not bound to any given research method. Instead, the goal of the critical research approach is to engage in "rigorous, exacting and thorough-going methodological self-examination" to determine the most suitable research method for answering the question under consideration (Yanchar et al., 2005, p. 29). Hence, I analyzed data collected through mixed methods to enhance the rigour of this study.

Two critical methodologies, feminist and Indigenous methodologies, influenced this study. The influence of these critical methodologies is evident in two major aspects of the research design for this study, beginning with the nature of the first question that this study sought to explore. These critical methodologies often seek to produce knowledge that challenges dominant narratives, which may posit negative social issues within marginalized communities as being a result of the intrinsically flawed nature of these communities (Smith, 1999). Hence, the first research question for the study, how much SEs contribute to addressing structural injustice facing

marginalized individuals, is not framed as though the inherently problematic nature of marginalized communities causes structural violence. Rather, the research question frames structural violence because of unjust structural conditions which SEs can contribute to addressing by meeting the basic needs of those they serve.

Another feature of feminist and Indigenous methodologies that influences this study is their emphasis on the fact that the researcher should be open to surprising findings during the research process that may differ from their prior assumptions and previously existing theories (Potts & Brown, 2005). The openness of the researcher is important because it increases the researcher's chances of encountering ideas that may be useful in improving problematic conditions. The openness of the researcher also facilitates the advancement of knowledge, as these surprising findings often form the basis of developing new theory (Timmerman & Tavory, 2012; Ely et al., 2003). As the first section of this Chapter where I explored my standpoint as a researcher shows, I did encounter such surprising findings that were so significant that I had to change the study's second research objective from what I had originally hoped to accomplish using the qualitative data.

### 3.3 Mixed methods research design and instruments

A mixed methods research design was used to execute this research study because multiple data sources are critical to providing rich data and gaining a holistic understanding (Baxter & Jack, 2008) of SE that advances the objectives of this study. Hence, this study answered the question of how much SEs contribute to addressing structural injustice faced by people in marginalized groups using data drawn from multiple sources, including interviews, surveys, and secondary sources. A mixed-methods design was useful for this study because this design allows for triangulation across methods and for results from one method to be used in exploring, expanding, interpreting, and clarifying results other methods (Caracelli & Greene, 1993). The use of a mixed-methods design in this study is based on the understanding that "the world and what we seek to understand about it is not only lived and experienced, but is multi-dimensional, contingent, relationally implicated and entwined" (Mason, 2011, p. 78).

As the following discussion shows, the primary intersection between the interviews conducted for this study and the Mino Bimaadiziwin partnership survey data used as a secondary source is in terms of the experiences of the participants and the province where they are located.

Moreover, as the data analysis chapters will consider, many of the SE managers interviewed spoke about the barriers to employment faced by beneficiaries of their organizations raised in communities in rural Manitoba like where the Mino Bimaadiziwin partnership survey respondents were drawn from. Interview participants also mention how this sometimes affected such beneficiaries' abilities to find employment when they moved to Winnipeg. Certainly, the combination of data from the interviews with SE practitioners in Winnipeg and the Mino Bimaadiziwin partnership survey of WISE participants from First Nation and non-First Nation communities near Winnipeg allowed for a balance of perspectives both from those who start SEs and those SEs are designed to serve. The findings from the descriptive, exploratory analysis of the Mino Bimaadiziwin partnership survey also provide an opportunity to present recommendations to interested stakeholders in the Manitoba WISE sector about how they can support SE development in northern Manitoba. While I did not interview WISE participants in Winnipeg, this study incorporates other reports on Winnipeg SEs that have interviewed WISE participants (such as Brandon & McCracken, 2016; SiMPACT Strategy Group, 2016; Social Enterprise Manitoba, 2018).

### 3.4 Location

Participants in the interviews and surveys used for this study lived in the province of Manitoba, Canada. Manitoba has a population of about 1.2 million people, with about 75 percent of these living in the province's capital of Winnipeg. All the individuals interviewed lived in Winnipeg. The Mino Bimaadiziwin partnership survey involved respondents in First Nation and non-First Nation communities near Winnipeg. Most participants were drawn from three remote Indigenous communities of rural and Northern Manitoba (Garden Hill, Wasagamack, and Brokenhead).

*Survey participants location*

The three First Nation communities where Mino Bimaadiziwin partnership survey participants were drawn from are Garden Hill, Wasagamack, and Brokenhead. To provide context for the data, the following is a brief description of these communities using the following indicators: population, level of education, level of income and employment and labour market

participation rate. This discussion also briefly considers the effect of colonialism on the condition of these communities.

Garden Hill First Nations is a fly-in community located 500 kilometers northeast of Winnipeg on the North Shore of Island Lake. The native language is the Island Lake dialect, Oji-Cree. As of February 2015, Garden Hill had a registered population of 4,567 with 3,918 members living on reserve (Four Arrows Regional Health Authority, n.d.). The level of education in the community is quite low. Of 1550 people aged 15 years or older, 1160 have no high school diploma or equivalent certificate (Statistics Canada, 2018b). 275 of these residents have only a high school diploma or equivalent degree, while 120 people have a postsecondary certificate, diploma or degree (Statistics Canada, 2018b). The level of income earned by those employed is also low compared to that of the whole province of Manitoba. According to Statistics Canada (2018b), the median income of the reserve in 2015 was $10,693 and the average income was $17,097. This is significantly lower than the median total income of Manitoba in the same period ($35,706) and the average total income of $46,029 (Statistics Canada, 2017). Garden Hill also experiences a significantly low rate of unemployment and participation in the labor force. Of the 1550 people aged 15 years or older, only 34.2 percent participate in the labour force compared to Manitoba's participation rate (67.4 percent) while 17.9 percent are unemployed in Garden Hill compared to Manitoba's 6.3 percent.

The Wasagamack First Nation is located on the western shore of Island Lake, about 607 kilometers northeast of Winnipeg. The native language is the Island Lake dialect of Oji-Cree. Wasagamack and Garden Hill, alongside two other First Nations, were combined under a single Island Lake First Nation until 1969. Hence, the conditions in Wasagamack are like those of the larger neighboring community of Garden Hill. As of December 2014, the registered population of the Wasagamack First Nation was 2,017, of which 1,823 lived on reserve (Four Arrows Regional Health Authority, n.d.). Like in Garden Hill, the level of education in Wasagamack is quite low. Out of 825 people aged 15 years or older, 640 have no high school diploma or equivalent certificate (Statistics Canada, 2018c). 120 of these people have only a high school diploma or equivalent degree, and 60 have a postsecondary certificate, diploma or degree (Statistics Canada, 2018c). According to Statistics Canada (2018c), the median income of the reserve in 2015 was $11,499 and the average income is $ 17,018. Hence, like in Garden Hill, the median income is significantly lower than the median total income of Manitoba in the same period. There was also a similarly

low rate of unemployment and participation in the labour force. Of the 825 people aged 15 years or older, only 23.6 percent participate in the labour force compared to Manitoba's participation rate (67.4 percent) while 20.0 percent are employed and 12.8 percent are unemployed (Statistics Canada, 2018c).

Brokenhead Ojibway Nation extends north to the shores of Lake Winnipeg and to the south of Winnipeg. As of December 2019, the total population of the community is 2,112 of which 799 live on-reserve (Southeast Resource Development Council Corp, n.d). Educational outcomes in Brokenhead are as poor as those of the above communities. Out of 375 people aged 15 years or older, 235 have no high school diploma or equivalent certificate (Statistics Canada, 2018a). 60 of these people have only a high school diploma or equivalent degree, and 80 have a postsecondary certificate, diploma or degree (Statistics Canada, 2018a). Income levels in Brokenhead are a little higher than in the two Island Lake communities considered above, but still significantly lower than the Manitoba rate. According to Statistics Canada (2018a), the median income of the reserve in 2015 was $15,424 and the average income was $19,106 compared to the Manitoba total median income of $35,706 and average total income of $46,029. Participation rate in Brokenhead (57.3 percent) is also somewhat higher than the Island Lake communities and comparable to Manitoba's participation rate (67.4 percent). However, the unemployment rate of 20.9 percent remains much higher than Manitoba's 6.3 percent unemployment rate (Statistics Canada, 2018a).

Puzyreva (2017) suggests that the large number of those unemployed and not participating in the labor force in the Island Lake communities live on social assistance, as is typical of Manitoba reserves where about half of the residents live on welfare. This dependence on social assistance in Manitoba First Nations is higher compared to the rest of Canada, where one-third of people living on-reserve are on welfare (Rabson, 2015). The poor economic condition of Manitoba First Nation communities that has led to low education, income, employment and labor market outcomes is a direct effect of colonialism and associated issues. The history of "colonialism, assimilation and the legacy of residential schools have shaped the egregious conditions of poverty that many on-reserve residents struggle with every day" (Puzyreva, 2017, p. 1). These colonial acts of direct and structural violence are manifested in the Manitoba First Nations not just in the low education and labour outcomes considered above, but also in the loss of traditional livelihood, the housing crisis, the health crisis, and food insecurity that impact these communities (Harper & Thompson, 2017; Puzyreva, 2017). Further, continuing patterns of colonialism impoverish these First Nation

communities in Manitoba. The process of returning treaty land to First Nations is moving slowly and is critical for First Nations which need the substantial revenue from reclaimed land to develop and gain self-sufficiency (Rabson, 2015).

*Rationale for selecting Manitoba as research site*

While Manitoba was primarily chosen as the research site because of accessibility to the researcher, the SE ecosystem in the province has seen significant development that makes it an appropriate site for this study. First, Manitoba has a generally vibrant community economic development sector. Canadian Community Economic Development Network (CCEDNET)– the national network of organizations practicing community economic development – has the majority of its national membership in Manitoba. Further, the government of Manitoba in collaboration with CCEDNET made some steps to articulate and implement an approach towards developing SEs via the Manitoba Social Enterprise Strategy (MSES). This strategy lasted from 2015-2018 and sought to "develop, evaluate and prioritize action items for non-profit, public and private sectors" in the process of accomplishing the goal of serving the disadvantaged groups in society (MSES, 2015, p. 7). Hence, alongside Ontario and Nova Scotia, Manitoba is one of the provinces in Canada that has had such a formalized approach to supporting SEs set out by the government in consultation with the sector. This makes Manitoba an appropriate location within which to explore the contributions of SEs.

Manitobans experience a significant level of poverty, with the province ranked fourth in both overall poverty and child poverty in 2016 and seeing significant increases in poverty levels in both areas in 2018 (Manitoba report card, 2020). Unemployment is a major cause of poverty in Manitoba, and this is a reason why the work done by Work Integration Social Enterprises (WISEs) in particular is considered an important aspect of the province's poverty reduction interventions (Social Enterprise Manitoba, 2018). Hence, according to the MSES (2015), most SEs in Manitoba are WISEs, which are SEs focused on providing members of disadvantaged groups experiencing poverty and facing various barriers to finding mainstream employment with work experience and/or training. The disadvantaged groups served by Manitoba's WISEs mainly include Indigenous people, newcomers, people with disabilities, people with mental health challenges, single parents, single seniors and women (MSES, 2015). According to Social Enterprise Manitoba (2018), most WISEs in Manitoba:

- provide both classroom training and employment, providing more training than employment;
- are operating within the employment services, restaurant or catering and trades sectors (services to buildings and dwellings; specialty trade contractor; retail trade); and
- hire and train more men (76 percent) than women (24 percent).

### 3.5 Research participants' recruitment and profile

The individuals interviewed for this study were selected based on recommendations from professionals within the SE sector in Winnipeg (purposive sampling). SE professionals recommended people who fit the desired sample of those who have worked with a social enterprise as a leader, employee, civil servant or consultant. I asked interview participants to recommend others who they consider potentially useful sources for this study (snowball sampling). This process of selecting participants followed the tenets of theoretical sampling, "the purpose of which is to collect data from places, people, and events that will maximize opportunities to develop concepts in terms of their properties and dimensions, uncover variations, and identify relationships between concepts" (Strauss and Corbin, 2008, p. 143). I was acquainted with six of the 20 interview participants before the study having met them at a few SE networking meetings. The reality that we have not interacted beyond these meetings led me to believe that our relationship was not close enough to have impacted their responses in any substantial way.

I decided to stop recruiting participants when new contacts kept recommending individuals who I had already contacted for an interview. Three of those contacted for an interview declined, stating that they were too busy to participate because they and their organizations were overwhelmed with responding to the COVID-19 pandemic. About eight other individuals contacted did not respond, presumably because they too were dealing with the fallout of the pandemic. However, this does not mean that the data collected from the interview is skewed in some way towards those who were not impacted by the pandemic. The pandemic affected the individuals interviewed and their organizations in various ways, some of which Chapter six of this study explores.[31]

[31] In fact, one interview participant had been working for 24 hours non-stop to respond to the impact of the pandemic on those that their organizations serves on the day of the interview, and had spent the night at work, but decided to make time for the interview while eating lunch.

As part of a national research study, Professor Shirley Thompson and the Mino Bimaadiziwin partnership team recruited survey respondents through the WISEs where they worked or trained. Dr. Thompson and the Mino Bimaadiziwin partnership team selected these WISEs using convenience sampling, since they fit the requirement of organizations that are non-profit and had contracts from government agencies to train at-risk youth for the job market. The WISEs surveyed also had a stable track-record and were willing to participate because they wanted to find out how effective their programs are in integrating their trainees into the workforce. These organizations provided a point of access to individuals who fit the recruitment profile of people aged between 17 to 35 entering a training program that would help them get job and life skills. The Mino Bimaadiziwin partnership received Ethics approval for the survey from the University of Manitoba and participants were recruited through a consent driven process where informed consent was sought and obtained from all individual participants before data collection.

*Participants' demography*

As aforementioned, I collected data for this research study from 20 open-ended semi-structured interviews with professionals who have worked with SEs in various capacities. I also used descriptive data from a Mino Bimaadiziwin partnership survey with 169 individuals trained or employed by WISEs. The demographic information for interview participants presented below includes their gender, relationship with or role at SEs, the SE sector their organizations operate in and the marginalized populations that these organizations provide employment, training and support to. Out of the 20 individuals interviewed, nine are women and eleven are men. Thirteen of these worked as managers/executive directors of SE while one has founded several SEs. Six participants provided business development services[32] to various SEs (these services include advocacy, coaching, consulting, financial support, and general SE sector development activities). The 20 people interviewed were drawn from 17 different organizations, and fourteen of these organizations are SEs while three provide business development services to SEs. Of the 14 SEs that participants were drawn from, 12 are Work Integration Social Enterprises (WISE), which provide employment training and experience to marginalized groups facing multiple barriers to

[32] The relatively high number of business development professionals interviewed is not necessarily a reflection of the size of the SE sector in Winnipeg as all but one of the business developers interviewed serve other community development organizations besides SEs.

employment. One SE does not directly provide employment but provides support with finding and maintaining employment to the group of people that SE supports and one is primarily focused on environmental issues.

**Table 1: Profile of interview participants**[33]

| Participant ID | Group served |
|---|---|
| SE-MAN1 | Indigenous people, low-income individuals |
| SE-MAN2 | People with mental health illness |
| SE-MAN3 | People with developmental disorders |
| SE-MAN4 | Disadvantaged youth |
| SE-MAN5 | Indigenous people |
| SE-MAN6 | Newcomers, Indigenous people, people with disabilities, people with experience in the justice system, people coming of social assistance and addictions counselling |
| SE-MAN7 | Environment |
| SE-MAN8 | Individuals experiencing homelessness |
| SE-MAN9 | Indigenous people |
| SE-MAN10 | People with developmental disorders |
| SE-MAN11 | Disadvantaged youth |
| SE-MAN12 | Disadvantaged youth |
| SE-MAN13 | Newcomers |
| SE-DEV1 | SEs and other CED organizations |
| SE-DEV2 | SEs and other CED organizations |
| SE-DEV3 | SEs |
| SE-DEV4 | SEs and other CED organizations |
| SE-DEV5 | SEs and other CED organizations |
| SE-DEV6 | SEs |
| SE-FOU1 | SEs |

Among the 20 SE professionals in Winnipeg interviewed for this study, four worked in SEs that provide training in the construction sector, six are engaged in SE development (that is, business development, founding SEs). Two of them worked in SEs that trained individuals in retail, three worked in SEs that provided employment opportunities to their targeted population in food services; one worked in a financial institution that provides supports to the SE sector and the rest work in SEs in diverse sectors ranging from property maintenance services (snow clearing, grass cutting, moving service and the like) to the technology sector. Of the 20 professionals interviewed,

[33] The sector of individual participants is not included in the table to mask the participants' identities, as providing each individual participant's sector alongside the group served would make it easier for them to be identified from the relatively small pool of SE professionals in Winnipeg.

five were involved with SEs that provided employment and/or training to primarily Indigenous people, six provide business development services to SEs themselves, two provided supports to individuals with developmental disorders, and others worked with other different targeted populations like youth, newcomers and people experiencing homelessness.

The demographic information for the Mino Bimaadiziwin partnership survey participants is presented alongside the data analysis in chapter seven.

### 3.6 Data collection

This study explored the question of how much SEs contribute to addressing structural injustice faced by people in marginalized groups using data drawn from multiple sources, including interviews, surveys, and secondary sources. I conducted one-on-one semi-structured interviews[34] with 20 individuals who have had experience working with various SEs in Winnipeg in various capacities. I invited these individuals to share their experiences with and perspectives on SEs in these in-depth interviews, which accessed information about the participants' "motivation, beliefs, meanings, feelings and practices" (Pugh, 2013, p. 50). Following the tenets of theoretical sampling (Strauss & Corbin, 2008) which guided the data collection process, I added questions to the interview guide based on findings from earlier interviews. The bulk of my findings relate to the qualitative data.

All but one of the interviews took place virtually, primarily through the Zoom video-conferencing software, following the university and the Province's social distancing requirements that were in place during the research period from April to June 2020. The single participant who was not available for a virtual interview opted to have the interview questions emailed and thereafter emailed their responses back to me. The interviews lasted an average of approximately 45 minutes and each interview generated rich information on the perspectives and experiences of the respondents within this timeframe. The interviews were audio-recorded and transcribed. I sent interview transcripts to participants who consented to receive their transcripts to ensure that participants had no concerns about the content of the transcript.

This study also used descriptive data from the Mino Bimaadiziwin partnership team's baseline[35] survey of a longitudinal (5-year) survey designed to collect data from youth facing

[34] See interview guide in Appendix B
[35] See survey questions in Appendix C.

barriers to employment WISEs train to be work-ready. A team of researchers at the University of Toronto designed the survey as part of the nationwide research study titled: WISE Project for Training at Risk Youth. The survey was designed to determine if the youth trained at WISEs are successfully integrated into the workforce; obtaining jobs, a higher income, and experiencing social benefits. The Mino Bimaadiziwin team conducted the Manitoba component of the survey with 169 individuals from four WISEs that train at-risk youth for workforce integration. The youth surveyed are primarily located in three communities in rural and Northern Manitoba (Garden Hill, Wasagamack, and Brokenhead).

Besides the interview and survey data, secondary sources were also conducted for this study. These include policy documents on SEs like the Manitoba Social Enterprise Strategy (MSES); an impact assessment of the MSES by Social Enterprise Manitoba (2018); annual reports of community economic development organizations CCEDNET and Community Futures; the aforementioned reports on research carried out on SEs in Manitoba; and news articles from various media organizations. All these documents are publicly accessible through the websites of the concerned organizations and provide an important context and understanding of the SEs ecosystem in Manitoba. Like other texts, policy documents can provide useful background information to contextualize a study (Bowen, 2009). Yet, potential concerns surrounding policy documents include that they are typically political in nature, underlined by political concerns and struggles that may not be present in the text (Maguire and Ball, 1994; Fulcher, 1989). To mitigate these concerns, critical analysis of policy documents must consider how the context around the policy document shaped the text as well as the distance between policy objectives and policy outcomes (Taylor, 1997). Hence, the study's analytical chapters consider the context out of which the major policy text used in this study (the MSES) emerged and the extent to which its propositions were implemented in reality.

### 3.7 Data analysis and interpretation

Data from the interviews and surveys were first analyzed separately, and Chapters four to six present only data from the interviews given that the interview data was significantly more than the survey data and that the study focuses more on the qualitative data. Then, in line with the process of carrying out an integrative approach to analyzing data collected through mixed methods, data from both sources were analyzed together using the data transformation approach (Caracelli

& Greene, 1993) and are presented in Chapter seven. The qualitative data from the interviews was analyzed using different approaches. The simple act of transcribing the audio interviews facilitated significant data familiarization, as I began to identify themes in the data through this process and record them in analytical memos (Ely et al., 2003).

I constantly updated the question guide to incorporate themes from the interview data that I needed further clarification or perspectives on. This is following the tenets of theoretical sampling, which recommends that analysis of the data begins "the first day after data gathering" so that important themes highlighted in the data collected can be further explored in subsequent data collection (Strauss & Corbin, 2008, p. 143). For example, about halfway through conducting the total number of interviews I intended to do, one participant made perhaps the most surprising assertion I encountered in the process of data collection – that organizations that received any form of funding should not be classified as SEs. In line with the tenets of theoretical sampling, I incorporated a question into the interview guide that asked subsequent interviewees their opinion on the argument that SEs should not receive funding. This question generated essential data regarding how supported income (whether in the form of funding, grants or payment for social outcomes) is an essential source of income that SEs merit because of their hybrid nature.

I coded interview data using an approach that allowed me to reduce the data into manageable proportions by sorting information into broad categories based on their themes so that information could be easily retrieved (Coffey & Atkinson, 1996). To accomplish this, I developed codes for each theme based on key concepts I identified in my first reading of the transcripts as well as in the literature (Attride-Stirling, 2001). I carried out the coding manually using an excel spreadsheet, where I ascribed each code into an individual column and copied data from each transcript into the proper spreadsheet column. After all data from all the transcripts was fitted into the relevant thematic column in the spreadsheet, I copied each theme and the relevant quotes under it into a word document (an analysis master document) and from this document, participants' quotes were then pulled into the appropriate chapters. The process of copying excerpts of the data from the transcript to the spreadsheet, then to the analysis master document and then to the relevant chapters helped my familiarization (Ritchie et al, 2003) with the data. This is because the analysis provided me with an opportunity to interact with and think about the data (Coffey & Atkinson, 1996).

I carried out an exploratory data analysis (Behrens, 1997; Hand et al., 2001) of the descriptive data to identify patterns in the Mino Bimaadiziwin survey data. Chapter seven presents findings from the exploratory analysis of the descriptive data through charts and descriptive statistics (mean value and standard deviation). The data transformation approach to mixed methods research (Caracelli & Greene, 1993) guided the exploratory analysis of the survey data. The data transformation approach to integrating qualitative and quantitative data involves "the conversion or transformation of one data type into the other so that both can be analyzed together" and qualitative data is either numerically coded or quantitative data transformed into narratives in this approach (Caracelli & Greene, 1993, p. 197). The latter approach was employed in this study. Data from the Mino Bimaadiziwin survey was transformed into a narrative format and presented alongside relevant interview data in Chapter seven of this study. Ultimately, this study emphasizes the qualitative data over the quantitative data used in the exploratory analysis of the Mino Bimaadiziwin survey, with the latter used as a source of triangulation for the former

*The rationale for using mean values*

Appendix C shows that a significant part of the survey data for this study (collected from the set of questions that asked respondents to rate their satisfaction with various aspects of their life) can be classified as ordinal data, given that they were collected using a 5-point Likert-scale where 1=very dissatisfied with the item under consideration and 5=very satisfied. Scholars often argue that such ordinal data cannot yield mean values because the interval or distances between values (such as very satisfied or satisfied) cannot be meaningfully measured and interpreted (Mertler, 2009, Jamieson, 2004). However, other scholars have suggested that means can be calculated for ordinal scales if such data is appropriately utilized and not used to make greater claims than the data is suited to, such as comparing different groups' relationship to a variable (Marcus-Roberts and Roberts, 1987; Norman, 2010). Following this recommendation, as Chapter seven outlines, this study uses mean values modestly as a way of describing the data and comparing how the same group of respondents answered the different questions. Hence, this use of mean values allows for a clearer description of the survey data set and Chapter seven takes into consideration the limitations on the use of means to describe ordinal data.

Overall, grounded theory guided the process of data analysis and interpretation in this study. Grounded theory advocates the development of concepts to explain the patterns or themes

identified in the data (Glaser, 2002). These concepts are then placed beside the data to see the instances in which they can be observed in the data. Hence, the following analysis chapters will present concepts developed from the data and then consider the relevant themes under each concept. Moreover, the analyses and presentation in chapters four and five are deductive, using concepts from theories explored in chapter two of this study as casings (Timmerman & Tavory, 2012) for interview findings. The analyses in chapters six and seven are more inductive, interpreting patterns observed in the interview and the Mino Bimaadiziwin survey data.

*Credibility and resonance*

Credibility is one of the ways of assessing the quality of qualitative research and refers to the "trustworthiness, verisimilitude, and plausibility of the research findings" (Tracy, 2010, p. 842). This study tried to achieve this by triangulating data from the multiple instruments employed in the study – that is, interviews, surveys, and secondary data – to identify areas where they converge and diverge. Resonance is another way of determining the quality of a study and refers to the study's potential to generate knowledge that is transferrable to other contexts or situations (Tracy, 2010). I sought to enhance the resonance of this study primarily through the development of concepts, given that an essential feature of concepts is that they possess a 'grab' that allows them to be applicable in different contexts irrespective of time, place or people (Glaser, 2002). I developed concepts by asking questions that allowed me to move from the specific to the generic/abstract. For example, how more abstract are the themes that I am seeing? Is there something under these diverse representations that is more common? I then compared concepts that emerged from one data source to other data sources and available scholarly literature to ensure that they are not simply novel perspectives or experiences that are not transferable across contexts. Despite this attempt to maintain resonance, this study is in keeping with the nature of qualitative research, which typically samples a limited number of cases to gain an in-depth perspective (Haugh, 2006). Hence, the perspectives identified here are not representative of that of all, or even most SE practitioners.

## 3.8 Ethical issues

The University of Manitoba's Joint Faculty Research Ethics Board approved the interview carried out for this study. I informed all interview participants of the purpose of the research in an

informed consent form, which they signed and returned to me by email before the interviews began. All the data collected was electronic and I maintained the participants' anonymity and confidentiality by ensuring that all interview transcripts were coded. I did this by removing direct identifiers from the data and replacing them with a randomly generated code number, to ensure that the participants' identity could not be determined from the transcript. I kept the list that allows the participants to be relinked to their data if necessary in a folder separate from the coded transcripts. The consent form, coded transcripts and list that linked coded transcripts to participants were all stored on my personal computer, which was password-protected and only accessible to me. The list that linked coded transcripts to participants will be kept until it is no longer necessary to link participants to their data, after which I will permanently delete the list. The consent form and interview transcripts will be kept for up to five years after the completion of this study after which they will then be permanently deleted.

The Mino Bimaadiziwin team was responsible for undertaking ethics and obtaining consent for their survey. The Mino Bimaadiziwin survey is securely kept as part of a dataset stored online. The online host for the survey and data is Survey Monkey, a US company that is widely used in Canada but is subject to US laws including the power to access the records of internet service providers. The security and privacy policy for Survey Monkey is on the company's website.

### 3.9 Limitations of the study

The fact that I only interviewed WISE managers and not the trainees or employees that their organizations serve is a limitation of this study, in the way that these important stakeholders were excluded. However, several recent studies have interviewed those employed or trained by WISE in Winnipeg, which I consulted during this study (e.g. Brandon & McCracken, 2016; Social Enterprise Manitoba, 2018; SiMPACT strategy group, 2016). Another limitation of this study is that it is an exploratory analysis of descriptive data from the Mino Bimaadiziwin survey, which is a baseline survey of a longitudinal survey fundamentally designed to generate data that can be compared to data collected at future dates. However, like Chapter seven shows, the exploratory analysis of the Mino Bimaadiziwin survey was still significantly useful in identifying the needs of the respondents and the WISE sector in rural and northern Manitoba. Also, because of significant access, travel and ethics restrictions, I could not interview the managers of these WISE programs in rural and northern Manitoba. Hence, I followed the approach of other research groups in the

WISE nationwide survey by using publicly available documents about these WISEs to get an organizational perspective, in lieu of interviews with their staff.

### 3.10 Conclusions

Chapter three has explored the critical research methodology and mixed methods design that guided the process of collecting data for this study. This data was collected through interviews I conducted with individuals who have experience working with SEs in Winnipeg and the survey of individuals trained in four WISEs in rural and Northern Manitoba that the Mino Bimaadiziwin team collected. Having provided this context for the data, the next five chapters undertake an analysis and interpretation of data collected from these sources.

# Chapter 4

# Transformative and compensatory SE theories of change

## 4.0 Introduction

This chapter provides an introduction into the context of SE in Manitoba by considering responses from interview participants using the compensatory vs. transformative dichotomy of SE impact as a theoretical casing (Timmerman & Tavory, 2012). **Compensatory SE**[36] "seeks to compensate for market failures in the global system. It conforms to prevailing neoliberal norms and may not consider them a source of social ills" (Newey, 2018, p. 14). Compensatory SE is the most common theory of change SEs that pursue social impact within the inequitable socio-economic system subscribe to. **Transformative SE** seeks to transform the whole global capitalist system into a more democratic one that allows for the "equitable development of human capabilities" (Newey, 2018, p. 15). Also, transformative seeks to address the structural problems of society and emancipate those affected by inequalities using both business and activism methods (Newey, 2018; Van den Broek, 2012).

In this light, the current chapter explores where the perspectives of the SE practitioners[37] in Winnipeg interviewed fall into in this dichotomy. This analysis is based on practitioners' discussion of the roles SEs play in the process of responding to the needs of the marginalized groups facing barriers to employment that these SEs serve. Several participants articulated systemic causes of the needs of SE employees[38] and even used 'systems' and 'structure' language. Participant responses show that most SEs professionals and the organizations they work with may initially seem to have a more compensatory view of SE as working to fill the gaps left by the unequal socioeconomic system. However, SE professionals are not ignorant of the problematic nature of the system. They are aware that the existing socio-economic system[39] is flawed and that filling the gaps in the system may strengthen its resilience (Westley et al., 2014).

[36] See chapter two for further discussion on transformative and compensatory theories of change of SE.
[37] SE practitioners or professionals in this study refers to SE managers, supervisor, and business developers.
[38] This study uses the word 'employee' interchangeably with 'trainee' to refer to the individuals served by Work Integrated Social Enterprises (WISEs).
[39] References to the problematic socioeconomic structure in Chapter four and in the following chapters refer to the neoliberal system and the attendant inequality that it produces as explored in Chapters two and three.

However, many SE practitioners are not content with simply sitting sit back and protesting the system and they operate within the current inequitable system while hoping to contribute to the eventual transformation of the system. As the Manitoba Social Enterprise Strategy (MSES) document notes at the beginning, "while non-profits starting businesses is not a panacea for all our social problems, this is an exciting and engaging approach where organizations shift the dynamics of traditional business to a focus on blended value, community ownership, and social impact" (2015, p. 3). In other words, while SEs are not the solution to all societal problems, those who run them do the best they can to contribute to development.

Ultimately, this study posits that the dichotomy between an SE's compensatory and transformative objective is not as clear cut as it may seem. Many who wish to see the entire problematic socioeconomic system change may not be able to do much more than contribute to fixing the system's cracks. Papering over the cracks of the system may lead to the longevity of the system as Newey (2018) and Roy and Hackett (2017) note, or may be a subtle way of gaining momentum to challenge the current system as Dey and Teasdale (2015) suggest. I argue that the data considered below shows that the latter situation is probable in the context of the SEs considered in this study. As one participant providing business development services to SE so succinctly noted, SEs are like patches that plug the leaky bucket that is the current economic structure:

> *SE-DEV4*: …We call that the leaky bucket, you know, the economy's like a bucket and it's got a bunch of holes in it through all these economic systems. And money just pours out, resources pour out *and each one of these social enterprises for me feels like a plug or a patch that's over the holes of that leaky bucket*…[40] So, like the more and more of these that there are the more we're patching up some of those holes.
>
> I hope one day that we just have a whole different economy that works better for people. But kind of on the way to that or as a measure towards it there's these really, really cool initiatives that are patching up these holes in our economy. And hopefully along the way they're teaching us that it doesn't have to be that way. It can be an economy that has strength locally, that's resilient, that circulates wealth in a better way. And that makes sure that communities have what they need to be well.
>
> So yeah, I kind of think of it as a patch sometimes or as this just brilliant kind of common-sense ideas. They blend that social and business impact so seamlessly and so matter-of-factly that they make it seem like it's common even though it's not and I think that's super cool.

[40] Quotes considered essential to the development of the surrounding argument are italicized.

SE-DEV4's response suggests that SE practitioners can and often do hold both compensatory and transformative perspectives at the same time; that is, an awareness that SE can be a patch and a desire to see the entire system transformed. This also suggests that the compensatory conceptualization of SE is not antithetical to the transformative one, and the former could be a step in the direction of the latter, based on Dey and Teasdale's (2015) conception of resistance as a gradual process of transformation. Hence, the use of the compensatory/transformative dichotomy here is not a judgment on the values of the SE professionals that participated in this study or those who hold similar ideas but to show that both perspectives of SE impact are often held by the same individuals.

Moreover, Chapter two also explored Alvord et al.'s (2004) classification of approaches to social entrepreneurship into the package dissemination approach, the movement approach, and the capacity building approach. The SE practitioners interviewed can be classified as belonging to the capacity building approach to SE, which involves identifying and building on local actors' capacities to solve their problems (Alvord et al., 2004). The capacity building approach to SE seems to exist somewhere between transformative and compensatory SE approaches. Building actors' capacity to facilitate local ownership may not necessarily involve addressing the fundamental structures that produce inequality. Nevertheless, SEs would improve the lives and larger communities whose capacities are being built. Hence, this is another reason why it is unsurprising that the discourse of the SE practitioners interviewed incorporated both transformative and compensatory elements.

A necessary first step to articulating the impact that SEs seek to accomplish within the unequal economic system is to review discourse around the current socioeconomic structure to understand how participants perceive this structure. Hence, the first section of this chapter considers the systems narrative and views identified in the interviewees' discourse. The next two sections consider the compensatory and transformative elements of the interview discourse – these sections are intertwined, but separated for clarity. The final section summarizes the key research findings from this discussion. The discussion around systems change and the role of SE therein is premised on the idea that the current economic system is unjust, and the product of this injustice is inequality. Socio-economic injustice, especially as pertaining to marginalized groups facing barriers to employment, is a form of structural violence that prevents members of these marginalized groups from achieving their potentials (Galtung, 1969, 1996). This discussion also

fulfils one of the objectives of this study in defining the 'social' in SE, by considering the seemingly contrasting transformative and compensatory visions of SE within the context of this study.

### 4.1 The socioeconomic structure and system

This section does not cover all the interview discourse around socioeconomic structures and systems as some of these considerations are linked to the transformative and compensatory SE, discussed later in this chapter (see sections 4.2 and 4.3). Hence, the intent of the brief discussion undertaken in this section is to provide some introduction to the discourse around systems that arose during the interviewees' discourse. As the section on compensatory SE shows, SE professionals more easily see only their immediate roles and impacts. In the form of SE that nearly all the respondents belong to (that is, Work Integration Social Enterprise or WISE) the role individual SEs play is the employment of individuals who belong to marginalized groups and are facing barriers to employment. However, SEs must be able to understand and articulate their broader contributions to society. A participant providing business development services to an SE that deals with food security issues notes that while SEs need to know what roles they are playing in the system, this is often lacking in the SEs that they work with:

> *SE-DEV3*: ...They [the SEs they coach] need to have an idea of what it is that they're doing to provide value, like what is it fundamentally, at the very base level that they're doing. Like if we're talking about food accessibility, that's basic needs. If we're talking about food that's familiar that's something different – that's something more emotional. When we're talking about communication skills, that's something very intangible. And so, understanding what it is they're actually providing is often lacking...

This is in line with the perspective of Nicholls (2007) that SEs should understand the value they bring to the system so that these institutions can improve their business performance and competitiveness in a way that positions these SEs as ample candidates for public procurement.

As Chapter five will show, another way that the discourse around systems commonly emerged in the research for this study relates to SEs' non-involvement in addressing the barriers to employment that marginalized people face. Another SE business developer noted that the process of addressing the systemic issues that prevent SE trainees from finding employment requires the involvement of other parties besides SEs, such as the private sector:

> *SE-DEV4*: …If what we want is people to be able to work in the private sector in a safe way and in a way that's decent and well supported. And that social enterprise is getting people towards that place, then we need the private sector and other kinds of employers to do their own work around how they make their workplaces good and better and inclusive.

Further, another participant who provides business development and advocacy services to SEs expanded this argument beyond the private sector, emphasizing that SEs are not a replacement for a supportive socioeconomic system:

> *SE-DEV1*: …So, the SE can only do so much, we need our other systems and structures to be supportive of individuals as well.

Scholars and practitioners alike hold this perspective of SE as only one of the many institutions seeking to address the substantial inequality produced by the current socioeconomic system (Borzaga & Santuari, 2001; Nega & Schneider, 2014). In this view of SE as one of many actors, the state is the major party that plays a critical role in the process of ensuring equitable development by supporting organizations such as SEs that make social impact. The section on cooperation in the next chapter will show that there are other entities besides the state that SEs can cooperate with in the process of expanding the social impact they are making.

Stakeholders often see SEs as filling the gaps within the existing socio-economic system that breed injustice and structural violence. However, as the following sections show, the understanding of whether SEs are doing this with a vision to transform the system or just to patch up the system and maintain its survival may differ (Westley et al., 2014; Zahra et al., 2009). One participant with experience managing a WISE that employs Indigenous people notes that their SE was established to fill a gap in the system:

> *SE-MAN1*: …The mainstream economy does not really create opportunities or is not very welcoming to create employment for people with various either physical or mental health challenges, or people who've had a criminal background. So, these people are basically shut out of our mainstream economy and have little opportunity to change their lives and are dependent on either social assistance systems or turning to crime. So, it [the SE] was all about really creating opportunities for people to change their lives and to become self-sufficient without having to resort to crime or without having to be dependent on government social assistance.

Similarly, another participant who provides business development services to SE recognized that these enterprises are a practical approach to addressing systemic inequalities:

> *SE-DEV4*: For me, it's like a concrete practical way to work on these really big dynamics. It takes all that theory about inequality and economic systems and justice and sustainability, those kinds of big theoretical concepts. Social enterprise is really practical so it kind of drops the theory into practice or into reality for me. And at its heart, it's like you know quite pragmatic solutions to problems that we're facing in communities using business models.

The foregoing suggests that participants who work as business developers or have worked in various SEs easily use a systems lens to answer various questions ranging from the needs of SE employees to the participants' purpose and objectives in doing their work. This perspective is not surprising since business developers typically have a broader view of the organizations they are working with and the impacts of these organizations so that the developers can support and expand them (Bateman, 2007). Whereas, individuals whose experience is limited to working in one SE are more likely to only see the impacts their SE is making because they are too busy doing their own work to observe much of what else is going on in the system. In sum, this section has briefly highlighted some fundamental understandings of how SEs operate within the socioeconomic structure. This understanding forms a basis for the following discussion that considers how participants consider the impacts of SE in compensatory and transformative ways.

### 4.2 Compensatory SE

The insights considered in this sub-section are compensatory in the way that these perspectives are limited to considering SEs' objectives and impacts centred on filling in the gaps in the flawed socioeconomic structure, without necessarily transforming this structure's flaws. It is important to reiterate that the insights in this section are not necessarily separate from those explored in the transformative section, as many of the participants who expressed views that can seem compensatory also provided insights to be explored in the transformative section. The interconnectedness of the transformative and compensatory sections supports the argument of this chapter that these two SE theories' impacts are not always easily separable. The participant

responses explored in this section are divided based on the questions responded to and display a compensatory perspective on the issues explored.

*Meeting basic needs*

Some WISEs in Winnipeg provide basic needs to those they serve simply because these are needs that must be met before providing these individuals with employment, employment training and support finding employment (Brandon & McCraken, 2016). A participant managing a WISE that employs people living with mental health illness identifies some of the ways by which their organization meets trainees' basic needs in and out of times of crisis:

> *SE-MAN2*: We also, in our normal course of business, are open to the public. We serve our community, we are a Winnipeg Harvest distribution site, we feed people, we have phones and computers available for people, and people are able to come in here and rest. They can also shower. So, now because of the COVID, we've extended these services 24/7.

Several other participants discussed how their SEs meet people's basic needs, as further discussion in this study will show, although SEs established by non-profits can typically meet most of the non-employment basic needs of the individuals they support. Besides these basic needs for food and shelter, WISEs in Manitoba also address their participants' needs for social supports (SiMPACT Strategy Group, 2016). According to a participant with experience managing a WISE that employs Indigenous people, providing social support can involve hiring a social worker:

> *SE-MAN1*: …But more importantly than that, it provides social supports. So, if you look at the book I wrote about [name of SE], I hired a social worker – Indigenous elder social worker that provided a lot of social supports. There's lots of personal problems and issues that interfere with people being able to work and if you can't work then it affects the SE. So, providing supports to deal with people's personal issues and problems…

These needs for social supports are typically a result of the barriers facing marginalized groups that exclude individuals in these marginalized groups from the mainstream economy, and so WISEs that seek to re-integrate marginalized people must be able to address their social needs.

Another basic need some SEs meet, as identified by the manager of a WISE that employed individuals from multiple marginalized groups, is the provision of extra health-benefits to

employees, which these employees would typically not be entitled to if they were working in a non-SE organization:

> *SE-MAN6*: …So, we end up implementing that sort of a change and gave everybody this *extra* thousand dollar a year [health benefit] that they can use for what they want. Well to me, that's talking about increasing our social sustainability. Because what we're really doing is saying these people who are in the marginalized community are now getting access to better packaging, better prescription drugs, better all those sort of things. So, that's how we strengthen that social piece.

The sector where this WISE operates is one in which employees do not typically get any health benefits, but because of the WISE's social bent, they provide their employees with benefits and also found a way to increase these benefits when they seemed insufficient. Finally, a somewhat basic need WISEs meet is their ability to provide their trainees or employees with a sense of purpose. As one participant who managed a WISE that employs people living with mental health illness noted:

> *SE-MAN2*: I've been in this role for three and a half years. One of the things I used to say when I first started was "how can I help you, how can I help you?" [I realized] I get way better results when I say "I need your help." And they say what, "you need my help, really?" "Yeah, I do, right." Because it's purpose, it's a sense of purpose, everybody's looking for it. We look for it. Yeah and quite often they've lost their purpose, so we just help them find it.

This suggestion that employment in an SE affords participants a sense of purpose is well confirmed by data. A Social Return on Investment (SROI) commissioned by Manitoba Housing[41] on the four Manitoba SEs that they purchase construction services from, found that the most valuable needs of SE employees or trainees SEs met was "increased life satisfaction due to having employment" (SiMPACT Strategy Group, 2016, p. 11).

The narrative on the basic needs SEs meet is compensatory to the extent that these discussions do not necessarily consider the socioeconomic environment that creates the barriers and needs that people are facing in the first place. Narratives focused on basic needs center on the

[41] Manitoba Housing is national leader in public procurement from SEs, and it purchases services from SEs to carry out both maintenance work and capital projects (MSES, 2015).

gaps in the system SEs address instead of on the fundamentally unequal socioeconomic structure that produces social gaps (Newey, 2018). However, the basic needs SEs meet are very valuable to the employees whose needs are met and even to their families and communities. The SROI found that in one year, the four SEs in Manitoba surveyed created a social and economic return on investment valued at $5.995 million from an investment of $2.56 million by government and non-profit agencies (SiMPACT Strategy Group, 2016). Hence, the discussion around the compensatory nature of the needs SEs meet is not so much about their lack of utility, and the dichotomy of compensatory and transformative needs is not to show that some ideas about SEs are more valuable than others. Rather, this discussion shows that many developers and managers of SEs can and do hold both transformative and compensatory views of the impacts of their organizations. Essentially, SEs play a critical role in addressing the barriers facing members of marginalized groups irrespective of the manager's perspective.

*How successful SEs have been in meeting their trainees' or employees' needs*

Another question asked to the interview participants that generated some discussions that reflected compensatory SE is how successful SEs are in meeting the needs of those they serve. One participant who managed a WISE, noted that their work is successful because their SE's employees are usually not willing to leave them for other employment:

> *SE-MAN6*: ...So, I don't know. I'd like to think we're pretty successful in it because people like coming back, and they like working with us, and they stick around. You know I think that one of the things that speaks to our success and our failure at the same time is that we were set up to be a place where people would come get trained, get developed, learn what they were supposed to learn and then leave us and go have jobs in the restaurant industry.
>
> [But] people don't leave us, they stick around instead, which is probably a good thing. Because it means that we're paying them a good wage and we're a good employer and all those sorts of things. At the same time, it means we're not meeting part of our mandate. Because we're not churning people through like we're supposed to. So, I don't know, I think we're doing okay.

Brandon and McCraken (2016) note that this issue of WISE trainees or employees not being able or willing to transition into private sector employment is a challenge that SEs across Manitoba face. Labour Market Intermediaries that match SE trainees to employers can help to address this

challenge of WISE trainees transitioning into private sector employment (Brandon & McCraken, 2016).

A participant who managed a WISE that employed disadvantaged youth presented their organization's success in the fact that they do not advertise their services. Instead, these services are spread by word of mouth to other members of the marginalized group that they serve:

> *SE-MAN4*: Well, I think one of the things that we're really proud of is that we've never had to advertise our services. A lot of people come to any level of our supports via word of mouth and so people are either hearing from their friends that they've connected with [name of organization]. They got housing, they got a job and then they come and see us. It's very rare that we actually have EIA workers or CFS workers calling us, because the young people seem to know about who we are, and they know how and when to access us from their own network.

Another participant that managed a WISE that employed Indigenous people took a broader lens to assess their success. This participant is content to see their organization as only one of the points that members of marginalized groups pass through in overcoming the barriers that they face:

> *SE-MAN9*: I say we've been fairly successful. There is certainly no shortage of challenges. I mean what we are up against is intergenerational cycles. In our training program, it's a six-month training program and it's hard to break intergenerational cycles in six-months. But we are getting there and what we know from social service data is that it often takes about eight times of a person cycling through social service before they actually exit it.
>
> And how long that exit from social service systems is I don't know. But if it takes that long for a person or that many times of getting up and then falling down, getting up and then falling down again to get off of that system, for us we're just another step for folks. Another set of tools that they have to get forward so when they fall down it's easier for them to get back up again.

This participants' mention of intergenerational cycles shows some awareness of systems and structures that reproduce barriers within certain marginalized groups from generation to generation. Ultimately, participant SE-MAN9's response is a somewhat individual-centric assessment that doesn't consider how structures contribute to these repeated falls on the path to personal development.

In sum, despite the various social accounting measures that SEs use to measure their social impact and gain legitimacy amongst funders and supporters (Luke et al., 2013) this discussion of

how the SE professionals assess their success suggests that there are other informal ways of determining SE success. Outside of a need to develop data to gain external support, these SEs sometimes often use perceptions of how their employees or trainees interact with the SE to determine how the organization is doing. The responses above seem compensatory in the sense that they do not engage with the wider societal impacts of the SEs (Westley et al., 2014). Yet, they show that SE professionals tend to have individual and personal ways of measuring success that must suffice as motivations to continue contributing to the improvement of the conditions of marginalized groups.

*Needs SEs do not have the capacity to meet*

I designed the interview question around the needs participants feel SEs do not have the capacity to meet to generate insights into wider systemic problems that SEs cannot solve which other entities may be better positioned to solve. However, this question still produced some responses that were more individual or group focused and compensatory. One participant who managed a WISE that employed people living with mental health illness seemed to feel their SE should have the capacity to meet most of the needs of their employees or at least be able to identify resources that can meet such needs:

> *SE-MAN2:* That's a really tough question for me because my board struggles with me all the time because I'm always. Right, like even this 24/7 [shelter housing for beneficiaries impacted by COVID-19] it was like no, we need to do it, figure out what needs to be done, let's get it done. Housing, we're looking at shipping container housing. I'm not gonna sit here and wait for anybody to do it, we're gonna do it. So, I think that this process is making them realize that we have way more capacity than they think we have. And all of the people that we serve need these services so it is services that we should be providing or ensuring that somebody else is providing…

This response portrays the mindset of a driven social entrepreneur who is determined to meet as many social needs as they can and who considers no goal or objective out of reach. This participant's response somewhat evokes the character of the exceptional SE solving unsolvable problems that critical literature has cautioned against to avoid creating an exclusive understanding of SE (Robinson, 2006). Notwithstanding, the response still shows a pointed way of viewing

challenges and lack of capacity of an SE in certain areas as obstacles to be surmounted, rather than a lack of capacity to be devolved to another entity that may be better able to handle the problem.

Another participant with experience managing a WISE that employs Indigenous people identified a gap in their SE's capacity as the fact that not all individuals hired by SEs can succeed in overcoming the barriers they face:

> *SE-MAN1*: …And that's a hard pill to swallow because I think when you're committed to setting up a SE, providing the opportunity, you're hoping that you have a 100 percent success rate which is pretty much impossible. So, you're gonna lose people along the way and it's sad, and it's too bad but that's just a fact of life and I had to kind of come to accept that. And that's still a huge success even when some people were unable to sustain that new lifestyle.

Donkervoort (2013) describes this process of losing employees to their barriers as one that taught their WISE management to learn to cope with disappointment when some of their employees were enticed back into gang culture. Interestingly, practitioners consider the fact that not all WISE trainees will acquire employment skills a gap in their WISEs' capacity since most people would typically not anticipate a 100 percent success rate in the first place. Hence, participants SE-MAN1 and SE-MAN2 above express similar desires to address all of their employees' needs. In the same vein, another SE manager identified gaps around meeting the needs of employees leaving the justice system:

> *SE-MAN5*: Well, I think that for our whole agency, we're still learning a lot more about the transitional supports people need when they're coming out of the justice system. As well as people who are gang entrenched and perhaps trying to leave the gang in a safe way…

This participant expresses concern about yet another need that they may not be ordinarily expected to address. Overall, these discussions on missing capacity presented above are compensatory in that they show a conception of the role of SE practitioners as working within the system without changing it. Yet, these discussions also show a level of passion that SE practitioners have in solving the social problems they encounter, which may be why such managers sometimes find it difficult to always focus on an overtly transformative mindset. Hence, case studies like Praszkier et al. (2010) easily applaud SE professionals that others (such as Battle Anderson & Dees, 2006; Dey &

Steyaert, 2010) may consider too simplistic and lacking academic rigour. However, Peredo and McLean's (2006) caution to resist assigning normative descriptors to SE professionals and the social impacts their organizations make remains important.

*Why SE managers think their work is important*

The question of why the participants think their work is important is another one that was aimed at uncovering underlying issues beyond how SEs meet the needs of their employees or trainees. Yet, this also generated compensatory responses. A participant who managed a WISE that employed disadvantaged youth noted that their SE is a supportive environment where employees gain the skills they need to transition to mainstream employment:

> *SE-MAN11*: The social enterprise is more of like a stepping stone because the classroom component of it is supposed to provide them with more of the knowledge and support to gain the confidence in gaining employment. But then there's also the social enterprise aspect of it which gives the technical experience and not only that, working in a supported work environment also helps boost their confidence as well. Then they jump into the next phase in their career which is again gaining employment within the community and or advancing their education…

The fundamental objective of WISEs is to serve as a steppingstone that removes barriers to employment marginalized groups face so that they can gain employment within the private sector. However, this objective is not always accomplished. Brandon and McCraken (2016) suggest that WISEs do not always have enough resources to help their trainees find employment after gaining training and work experience with them. Despite this limitation, WISEs continue to do the best that they can to accomplish this objective. One participant who managed a WISE that employed people experiencing homelessness took a more individual perspective to why the SE's work is important, identifying specific benefits to each employee and noting that:

> *SE-MAN8*: …So, we are improving lives, not just only of the individuals but their partners, their children should they have, generations to come. So, we're really making an impact on people's lives in a very key way, which is important to me personally and certainly important to the work of [name of organization].

This view is supported by the social return on investment for four SEs in Manitoba conducted for Manitoba Housing, which found that the children of SE trainees benefitted from their parent's SE attendance (SiMPACT Strategy Group, 2016). Children whose parents attended SEs perceived their parents positively and the work ethics and responsibility these parents displayed could inevitably "contribute to breaking the intergenerational cycle of poverty that many families are at-risk of experiencing" (SiMPACT Strategy Group, 2016, p. 11). The foregoing narratives of SE importance are compensatory in the way that they focus on the impacts on individuals (Newey, 2018). However, they contribute to uncovering a level of SE importance – impact on individuals and their families – which are essential steps towards improving society.

*What the word SE means to the participants*

I asked participants how they conceive of SE, and this also produced responses centred on individual participants and/or organizations and which did not necessarily consider the wider socio-economic system. One participant managing a SE that provided support finding employment opportunities for people with developmental disorders sees SE as a way for non-profit organizations to find multiple sources of income:

> *SE-MAN3*: …The idea is that you are a non-profit that can still earn revenue from the goods and services that you provide. So, we can bill employers for the recruitment fees and for the ongoing support fees, and that can be a profit that we can then use to fund the training and assessment that we provide.

While some scholars have distinguished between SEs and non-profits (for instance, Defourny, 2001) others have highlighted this idea of SE as a source of income for non-profits (Grassi, 2012). Further, a participant who provided business development services to SE provides an expanded meaning of SE as any enterprise that creates social impact, ranging widely from charities on one end of the spectrum to for-profit businesses on the other end:

> *SE-DEV2*: …So, I mean, if you ask me that what's an SE? I would say, you know, it's the combination of a business model and a social mission. It's using the sale of goods and services to increase social, environmental or cultural impact. And then I would want to broaden that to say, and that could be so many things.
>
> That can be anything from, on one extreme it could be a charity or a not-for-profit that literally bought itself a Tim Hortons franchise. And used all the money that was created in profit from the Tim Hortons franchise to help it further its mission. So, in this case, the

> franchise or the enterprise in and of itself does not have a social mission, but the funds that are created are used to further the social mission, so that's one extreme to me. And on the other end of the spectrum would be a charity that starts to sell some of its knowledge, some of its ability to create whatever impact it wants to create…

Peredo and Maclean (2006) see the utility of allowing for such a broad range of what we understand by SE. Developing a typology of organizations that qualify as SE is a subjective and pointless endeavour, and all that is really important is that SEs are promoting social outcomes[42] (Peredo and Maclean, 2006). Similarly, Light (2006) also believes we must expand the definition of SE, although they are more specific about activity that qualifies as SE unlike Peredo and Maclean (2006) who identify a wide continuum of SE. In Peredo and Maclean's (2006) continuum of SE, organizations that are exclusively driven by social goals and who may not carry out commercial acts are on one extreme and the other extreme includes those enterprises where social benefits may be used as a tool for profitmaking.

Another participant providing business development services to SEs emphasized the importance of the business side of things in the operation of SEs. They opined that:

> *SE-DEV3*: To me, SE is a business which sells something, and as a part of that operation creates social good. It has to sell, so it's not just operating on grants. It has to be earning revenue with customers with their businesses or consumers more generally. And there has to be some measure of social impact, whether it's internal. Whether like, for example hiring people with disabilities who otherwise would have a harder time getting jobs. Or if it's external, where they're donating the money that they're making to a cause who then does the work.

This participant's emphasis on the business angle of SEs is perhaps borne out of frustration with the SEs they work for not being as entrepreneurial and business-minded as they would want them to be. In sum, the discourse considered in this sub-section focuses on organizational purpose without considering the larger role of the organization in the wider socioeconomic structure in a way that seems compensatory (Zahra et al., 2009). Yet this discussion around participants' understanding of SE provides insights into why SEs are formed and the wide range of understandings of SE.

[42] Social outcomes in this context refers to a wide-range of human and societal impacts of a given development program including social, economic, political and environmental impacts.

*'Aha! Moment,' that is, when the meaning of SE crystalized for participants*

The phrase "aha! moment" (light bulb going off or eureka moment) was supplied by a participant when they tried to understand the question I asked around the moment in time that gets at their meaning of SE. This phrase became quite useful in subsequent interviews as a way to re-ask the question of when participants arrived at their understanding of SE, for those who didn't understand the question. The goal of this question was to uncover the experiences of participants that led them to conceptualize SE in a certain way. The question around participants' understanding of SE generated compensatory responses since it was centred on personal introspection. As Peredo and McLean (2006) note, definitions of SE tend to be subjective and based on personal experience. For a participant managing a WISE that employed disadvantaged youth, their 'aha! Moment' comes about when they reflect on the essence of their work:

> *SE-MAN11*: Um yes. I think you know at certain times when you just take a step back and look at what you're doing. All the processes and the procedures that you have put in place to meet the goals and objectives that you have set out, I think yeah it really gives you that aha moment. I think there's also the certain times where it seems like the business side of it can really get overwhelming. That you question again like why are you doing this, what is the point of this.

In the same vein, for another participant managing a WISE that employs Indigenous people, the meaning of SE crystalized when they saw trainees break through certain barriers because of their experiences with SEs:

> *SE-MAN9*: Yes. I think about it, a lot of it for me comes down to the people that we work with – when we have a single parent that has multiple children in the child welfare system, in custody of the state [CFS]…. They've been in and out of the corrections system, the justice system and they can't break those chains, they can't break that cycle. Then they're employed by a social enterprise that's supportive of them and flexible and meeting them where they're at, a social enterprise that is human-centred.
>
> And then suddenly you see that they're able to afford a three-bedroom apartment, by having a three-bedroom apartment they're able to get their children back… So, for me, that's the real aha. When you start seeing that just changing your purchasing practices as a government, hiring the organizations that support people in employment, that's a game-changer…

Similarly, a participant managing a WISE that employs people experiencing homelessness noted that their successes bring the meaning of SE home for them:

> *SE-MAN8*: …When I talk to the employees particularly, again recognizing the struggles and challenges they have, see how well they're doing, how grateful they are. Having them talk about having a better life because of the business, that's when it really is significant and makes an impact. It is about touching and changing lives and recognizing the benefits not just of a job but of looking at more than the bottom line.

These discussions are compensatory in that SE is not necessarily defined through a systemic lens (Westley et al., 2014). However, these perspectives provide an important insight into how practitioners come to an understanding of what SE means through the successes and challenges their SEs encounter.

*Is their meaning of SE shared with their colleagues?*

I asked participants if they felt their meaning of SE was one that their colleagues in the field shared, to understand whether there was a consensus about SE. This question produced seemingly compensatory responses. One participant providing business development and advocacy services to SEs believed practitioners are too focused on working to consider whether their colleagues share their meaning of SE:

> *SE-DEV1*: Yeah, yeah, somewhat. Like there's definitely people who disagree, but for the most part, I don't think that people doing the work spend too much time really debating the meaning of it. I think what they want to see is that the work is causing impact, whatever the mandate is, the work is resulting in the outcomes that are being sought.
>
> And that you're doing it in a way that is responsible and accountable. And so after that, I think that that'd be when you run into sort of questions about the validity of the work. I find it's less around some of these questions about incorporation and that type of thing, it's more around is the work working, and are you doing it in a way that is fair and accountable.

Yet, shared meanings of SE among practitioners do matter. One WISE manager argued that several SE practitioners in the province disagree with their perspective that SEs must be entirely self-financing:

> *SE-MAN6*: I would say that this is a meaning that the people that I've worked with on the national scale share, it's not a meaning that is understood here in Manitoba. Here in Manitoba, we like to lump all of the not-for-profits, registered charities and purpose-driven businesses into one big basket and call it SE. And again, I think this is part of the problem of there not being an actual definition.

The participants' responses, though compensatory, provide insight into some tensions over the meanings of SE. While SE-DEV1 argues that the meaning of SE is typically not important to practitioners, SE-MAN6 dispels this reasoning somewhat. Chapter six explores the disagreement over the understanding of SE hinted at by SE-MAN6 in more detail. Principally, this discourse is important because, as Nicholls and Cho (2006) suggest, not acknowledging the multiple meanings of the 'social' aspect of SE can result in a less than inclusive approach to doing SE that ignores alternative visions of social impact.

*What SE means to WISE employees*

I asked this question to determine whether WISE employees share the participants' meanings of SE. This was admittedly an individual-centred question, so it was somewhat natural that the responses were compensatory in the way that these responses focused on individual-level social impact. A participant who managed a WISE that employed people living with mental health illness suggests that if SE employees could articulate the meaning of SE, these employees would describe SE as an avenue to find purpose:

> *SE-MAN2*: I think if they could come up with a meaning,. And I think it's purpose for them, its purpose. I don't know if they could articulate that exact meaning, but I think that in their own way that they would, yeah.

A participant providing business development services to SE believed trainees see SE more as an avenue to fulfill their needs and would be less likely to take a larger view of SE impact:

> *SE-DEV2*: They would define them as…a job, or training towards a job in an environment that is supportive of their particular needs. So, I think they would know what the term SE means to them and I think that they would see it as benefitting them. So, it would be a fairly, I don't want to call it selfish, but it is directly involved in helping them deal with their own challenges.

Similarly, a participant managing a WISE that employed multiple marginalized groups noted that their employees are more focused on having their needs met than the meaning of SE:

> *SE-MAN6*: I don't think my workers care. I mean I love my staff. We have a fantastic staff of good people but I think that the major reason that they work for us is because we're good employers who are paying them reasonable wages with a good benefits plan….I think that's what matters the most to them is trying to figure out how the heck they're gonna put food on their family's table. Trying to figure out how they're going to afford the glasses that their kid needs…

Also, a participant managing a WISE that hires disadvantaged youth noted that the youth probably see the SE as a place to gain work experience instead of attaching any grand meaning towards the WISE:

> *SE-MAN4*: I think that for the store they see it more as a safe place to get retail experience….It is hard to say if they capture that full vision though, because oftentimes the folks that we're employing have a lot of other things going on in their life. So, keeping them employed is often just the important part; they showed up and that's what we celebrate.

A theme that runs through these responses is that the trainees or employees of WISEs either do not know enough about the SE's work to articulate a meaning for it or are too busy trying to address the barriers that they face to contemplate what SE means. This viewpoint is supported by Donkervoort (2013), who notes that their WISE found that attempts to involve employees in exercises beyond their basic employment and training at the WISE were often unsuccessful. While the WISE was including employees to provide them with a better sense of understanding of the work of the SE, employees often had personal issues to deal with that hindered their involvement at such a level. This discussion, albeit compensatory, provides insight into participants' perception of employees' involvement in SEs, and the next chapter explores this further.

### 4.3 Transformative SE

This section explores discussions from interviewees that exhibit transformative perspectives because these thoughts describe the social impacts of SE as designed to change the

problematic structures of society and emancipate those affected by inequality (Newey, 2018; van den Broek et al., 2012). Not all the major themes considered in the above section on compensatory SE are represented in this section simply because not all of these themes include transformative discourse. The themes included in the section above that are omitted here are around what the word SE means to the participants, their colleagues and employees, and the 'aha! moment' where this meaning of SE crystalized for participants. The absence of transformative responses to these questions is likely due to the introspective nature of the questions.

*Perspective of SE beneficiaries' needs*

The needs of WISE employees considered below, as identified by participants in this study, are transformative in the way that the discussion of needs look beyond individual employees and include others impacted by the socioeconomic barriers that produce these needs. A participant with experience founding various WISEs that invest in Indigenous people disclosed that what their employees need is a general levelling of the socioeconomic playing field:

> *SE-FOU1*: Ah, what are their needs? Well, I feel like when I compare my own experience and how easy it was for me to access the labour market and my kids, how easy it is for them to go to post-secondary education, to get a driver's license. Like my son right now is working at my brother's grocery store. I mean it's relatively seamless. So, I guess the needs of people that the social enterprises service or hire are just to kind of level out that playing field. Barry Switzer was ironically a basketball coach in the United States, and he said once about privilege that some of us were born on third base and think we hit a triple.
>
> And I think that those of us with privilege have to kind of ask ourselves, how the heck did we get to third base here so fast and or just start there. So, the levelling out the playing field means things like easy access to driver training. Eighty percent of job postings in Manitoba require a driver's license. But in northern Manitoba, where there's a lot of big First Nations, like 80 percent of people do not have a driver's license because they don't have the driver's training infrastructure.
>
> And then I think about the difference between treating people the same and injecting equity into the conversation. And I just think that Canadians can accept different outcomes, people achieve different levels of success but I think we want people to be having an equal opportunity to achieve that success. So, I think that that's the needs of the people that the social enterprises are hiring. And I think that it's that systems change that can so that every Canadian, every family, every person in Canada has the tools to be successful. I think that that's what they need.

Similarly, a participant that provided business development services to SE identified their employees' need for supported employment as emerging out of the inequality and injustice present in the current socioeconomic system:

> *SE-DEV4*: …Because there are groups of people or demographics that are really, really far away from the labour market, they're marginalized from being part of the workforce. If we understand that from a system's lens that's because of racialized poverty, it's because of colonization, it's because of discrimination in the system…

One WISE manager[43] suggested they receive minimal support from the government because the major population that they serve has been historically ignored by the system:

> *SE-MAN2*: …And the province I've asked the city, and I've asked the province for masks, that's all I wanted, was masks. Do you think they could get me masks? Nope, they have thousands of them, but they couldn't find me 20 masks. Yeah, they're just so out of touch with what's going on and the needs. And really at this point in time, I fluctuate between 75 percent and 90 percent of the people who work for us or are staying in our 24/7 safe place are Indigenous. They identify as Indigenous, Metis, or Inuit. *So just another population that they could not care less about*. Sorry, that's my….

This comment can be considered transformative and challenging to established systems in aligning with Ruebottom's (2013) conception of how SEs can gain legitimacy by framing institutions not in line with the SE's objectives as antagonists while framing the SE as the protagonist.

The conception of SE employees' needs explored above takes a step towards a transformative view in that these perspectives recognize the problematic nature of the system. Most scholars who conceptualize a transformative view of SE (Newey, 2018; van den Broek et al, 2012) believe that transformative SE must go beyond recognizing a problematic system to making concrete changes to the system through activism. However, activism is not always the necessary next step for SE practitioners who envision problems with the system. Light (2006) notes that practitioners often must determine whether the identity of the activist or that of the entrepreneur comes first. This decision is important because an emphasis on activism may cause SEs to miss out on important financial opportunities to expand their social impact (Light, 2006). The SE

[43] In situations where quotes may be potentially controversial or the content of the quotes can increase the chances of participants' being identified, extra care is taken to protect the participant's identity by omitting the sector of the SE that they work in.

professionals interviewed for this study seem to have put concerns about increasing their SE's social impact before activism. This focus on social impact allows these SE managers to recognize and state the flaws of the current system, while also advocating for support for community development organizations within the system that can help to level the socio-economic playing field.

So, instead of activism, 'advocacy' is perhaps a more accurate description of Manitoba SE practitioners' engagements. As the following sub-sections will reveal, this advocacy will have to suffice as SE practitioners' unique pathway to doing transformative SE. Advocacy can be considered transformative following the idea of 'tactical mimicry' espoused by Dey and Teasdale (2015), which suggests that the process of activism or resistance is not always through overt antagonism. Resistance can simply involve a refusal to consent to current understandings of the current system and structure in a way that also increases the possibility of more overt action by expanding the space for change (Dey and Teasdale, 2015). The process of advocating for support for resources needed to expand community development work, and advocate for the development of a more equal socioeconomic system while also recognizing the flaws of the system is a significant way that SEs seek to bring the "fundamental change to the system logic" that Newey believes transformative change involves (2018, p. 26).

*Perspective of the source of SE beneficiary needs*

Some of the discussion above identifying the needs of WISE employees have invariably identified the sources of these needs. Yet, I identified other perceived sources of the needs of WISE employees from responses to a question that directly asked, "what are the sources of your trainees' needs?" The following discussion considers some of these responses. One participant who provided business development services to SEs emphasized the need for a systems lens when understanding where the challenges faced by WISE employees come from:

> *SE-DEV4*: … The beneficiaries of that – the trainees and workers – who are being supported through the enterprise development and other people that are really deeply marginalized in the labour market… So, like for those folks, I talk about this a lot with the enterprise practitioners and with some of our government supporters that we used to use language, some people still do, where we say that they are employing people with barriers to employment. And I really don't like that language unless we change it to say people facing barriers.

> As for my perspective when we say people with barriers we kind of think of the barriers as being something that they hang on to or that are attached to them or internal to who they are. But that language is meant to change that like the barriers are not internal to those people. It might be and they might have internal barriers or limitations personally that are probably caused because of system effects that they're facing. But in reality like those barriers are put up by the employers out there in the traditional labor markets so that's societal discrimination that's built into kind of everything from micro to macro…So, I think we need a system lens on understanding where those challenges come.

In the same vein, a participant providing business development and advocacy services to SEs identified inequitable systems as the source of SE employees' needs:

> *SE-DEV1*: …It's sort of your broad systems and economic systems that tend to not pay out proportionately. There's systems that reinforce class, there's systems that reinforce gender disparity, there's systems that reinforce race disparities and so those all play out in economic terms. And those are some of the predictors as to how or whether or not you're gonna have a successful chance in our systems, economy, and in our education.

Similarly, a participant with experience founding various WISEs that serve Indigenous people, recognized that the source of their trainees' needs is systems failure:

> *SE-FOU1*: A failure of systems, like the driver's training would be one example but you know education systems are kind of geared for people like my kids to do well, right. I've also gravitated towards a very provocative statement that Jane Jacobs said – she said poverty has no causes, which is just a strikingly dramatic statement.
>
> Because I always thought that poverty had causes and that to get rid of it that we had to get to the root causes of it. And she says that darkness has no causes, it's the absence of light and cold has no causes, it's the absence of heat and poverty is nothing more than the absence of prosperity. And so, to get rid of the poverty we have to focus on the prosperity, and this is how I interpret what it is that she's observing, and that has implications for how we go about doing our work.

In the perspectives above that identify systems as the source of the barriers facing SE employees, the narrative is already on the way to seeking to create transformative impacts, since the focus will naturally be to seek for ways to change these systems and end the inequality they produce. The way that this systems change is implemented, as seen in the comment of SE-FOU1, involves looking for ways that the prosperity of the community can be expanded. Such community development can be done by beginning with the seemingly simple act of 'levelling the playing

field' for marginalized groups in society. As Seelos and Mair (2005) put it, while making social impact is only a by-product of traditional entrepreneurship that focuses on making a profit for shareholders, making social impacts is the primary objective of SEs which consider profit-making as only a secondary objective.

*Meeting the needs of SE employees*

The question of how SEs meet the needs of their employees provided some participants with the opportunity to share the ways that they think SEs contribute to addressing the flaws of the socioeconomic structure. The responses shared here go beyond simply listing the basic employee needs that SEs meet as the responses in the compensatory section did. One participant managing a WISE that employed Indigenous people maintained that SEs do not meet the needs of only their employees, but that the government and society at large are also significant beneficiaries of the social wealth created by SEs:

> *SE-MAN1*: You know, there's a financial impact to society, a net positive impact of the operation of SE. And I have three or four examples depending on whether as an independent person or a person with families. Or rather the person who is now employed at SE having been previously incarcerated. It costs about $100,000 a year to keep somebody incarcerated in Manitoba for a year which is a direct cost to government to keep people incarcerated.
>
> If that same person is actually not incarcerated and working in a SE, earning an income, paying tax, paying GST, PST, income tax, instead of being a drain on government and society, it's now a positive impact, right. So, it's not just impact on the individual person that's working in the SE, it's actually a positive impact on government and society at large, a financial impact.

Another participant who provided business development and advocacy services to SEs further notes that SEs cannot meet some important needs of their participants, which should be the government's role:

> *SE-DEV1*: …I don't know many or almost any SEs, and I'm open to being wrong on this, but I don't know any SEs that are hiring folks with barriers to employment who are able to also address questions about housing and childcare. And then you start to look at some of the mental health supports, or some of the other trauma supports that need to come along with this; that all can't come from the SE restaurant. That has to come from somewhere

> else, someone else needs to pay for that. It traditionally has been the province's role for those barrier areas, but that's all needs to be addressed…

Like SE-MAN1, other participants also espoused a view of government as a beneficiary of SE when answering other questions that will be explored later in this study. This perspective suggests a more transformative view of SE because it shows an awareness that SEs' work is significantly facilitating the maintenance of the current socioeconomic structure by filling the system's gaps. SEs, like other organizations in the social economy, have frequently been used to take over the provision of the social services that the state is unwilling or unable to provide (Defourny, 2001). The situation of SEs implementing social policy may not be transformative based on the belief that genuine development that brings structural change must be initiated and coordinated by the state (Patnaik, 2016; Moyo et al., 2016). Yet, the advocacy that SEs embark on to gain government support for their activities in diverse ways is a step towards getting the state involved in the development process. Shaun Loney, for example, who is a prominent SE developer in Manitoba advocates for governments to support the social impacts being made by SE by paying investors in SEs' project for the social outcomes and impacts created by SEs when these projects succeed (Loney & Braun, 2019). Hence, this form of advocacy is on the path to transformative change since such advocacy urges institutions of the state to take responsibility for the work of addressing barriers that SEs are doing.

*How successful SEs have been in meeting their employees' needs*

Another question that allowed participants to share broader, systemic and transformative perspectives was on how successful participants' SEs have been in meeting their employees' needs. One individual with experience founding various WISEs that serve Indigenous people noted that while their organization has been considerably successful in meeting the needs of their trainees, the impact is minimal when evaluated on a systemic basis:

> *SE-FOU1*: …So, when you're asking are we meeting the needs on an individual basis I think we do quite well but on a societal basis we've got way more work to do and that's just Manitoba. The social enterprise sector here is way out ahead of other jurisdictions. So, I feel like the answer on an individual basis is "pretty good" but like on a bigger basis, societal basis "pretty bad, but moving in the right direction but not nearly enough"… Big

> demand for what it is social enterprise do which is help people access the labour market in some ways.

Similarly, another participant who provided business development services to SE noted that SEs' activities produce some impact, though not always at the level anticipated:

> *SE-DEV4*: … It's really hard to know whether our intervention is making a difference because there's so much else involved, there's so many external factors. But I think if I put it on a scale I'd say they're kind of medium. It's not terrible and it's not maybe as high-impact as you want it to be…

A participant providing business development and advocacy services to SEs noted that their SE's major success was in lobbying a new provincial government to continue supporting social procurement practices with SEs so that these organizations could produce more jobs:

> *SE-DEV1*: When that [change in government] occurred, we were quite concerned with the work that was happening in Manitoba Housing, because we wanted to see that procurement. 200 [SE] jobs were being supported through Manitoba Housing social procurement and we wanted to see that maintained. And *so, we put a lot of focus on advocacy for that*, to educate the incoming ministers, to educate the incoming government on what was happening there, what the outcomes were from it.
>
> We brought them to the Center, we brought them to see the people doing the work and the work being done. And it was maintained as a practice, it was supported. And now it has decreased since then. They haven't maintained it as a priority. But you know, we have those instances of success that we see in advocacy that we know really benefitted quite a few people, yeah.

In sum, we see a general sense of discontent from SE-FOU1 and SE-DEV4. The participants acknowledged that their SEs were successful to a large extent in meeting the needs of their employees. However, these SEs have only met a small part of the existing needs among other members of the disadvantaged groups to which the SEs' employees belong. This narrative shows an understanding of the need for a larger-scale impact to transform unequal socioeconomic structures and is thus indicative of a more transformative view of SE impacts (Westley et al., 2014). Light (2006) believes that this passion for having a large-scale impact is an essential feature of SE, although the scale is in the eyes of the beholder. Ultimately, this may mean that SE practitioners can never be fully satisfied with the level of needs that they're meeting unless there is substantial

systems change. SE-DEV1 believed that their most notable achievement is successfully advocating for more public support for SEs to widen their impacts. This is in line with the assertion made above that advocacy might ultimately be the form of 'activism' that brings systems change through the Manitoba SE sector.

*Needs SEs do not have the capacity to meet*

Housing and homelessness seem to be major challenges facing employees and trainees of WISE that several participants identified that their SEs could not meet. One individual that has founded several WISE that employed Indigenous people developed this view by taking a wider, systems view of the housing challenge:

> *SE-FOU1*: Housing is a major challenge, we're working on that but it's a big challenge and it's not just us. I mean, you see this across the social service sector. Canada is in an affordable housing crisis, the world is in an affordable housing crisis it's not just Canada. This is everywhere so that's one piece that we need to work on…

Meeting housing needs has always been a focal point of community economic development. Ketilson and Macpherson (2001) provide examples of housing cooperatives in Saskatchewan and Ontario founded in response to the need for a decent standard of housing and a sense of community among Indigenous people in these communities. SEs have also been involved in this task and Bratt (2012) discusses how non-profit affordable and social housing organizations in the US have had to adopt the SE model to meet the burgeoning demands for social housing caused by government cutbacks.

Furthermore, just like in the discussion in the previous sub-section, one manager of a WISE that employed Indigenous people saw gaps in the scale of their WISE's impact, that is, in the number of trainees that the WISE can hire:

> *SE-MAN5*: I would really love to get some funding from our provincial government and expand our program. So, every nine weeks we hire twelve people, but for those twelve jobs we will see anywhere from 50-200 people show up. So, there are a lot of people who want to work. So, I would love to get some funding so that we could really start to meet those needs…

Overall, as noted in the previous sub-section, the awareness of the necessity for larger-scale impact to bring about genuine transformation is an element of a transformative SE perspective (Westley et al., 2014). An awareness of the need for broader impact shows that practitioners identify that their activities alone will not be enough to change problematic structures, but still seek support to expand the social impact of these activities as much as possible.

*Purpose and objectives in doing the work*

One question that elicited significant systems discourse leading towards a transformative view of SE was when I asked participants what their goals and objectives were. A participant who managed a WISE that employed Indigenous people identified a goal of eventual societal transformation through the first step of employing marginalized groups:

> *SE-MAN9*: [Name of SE]'s mission is to create training and employment opportunities for people who face multiple barriers to employment and over the long-term, our real vision is to see healthy communities, healthy families, and people employed. So, I mean our vision is really fairly grand but the way that we do that is by creating these training and employment opportunities to folks that need it the most.

Similarly, a participant providing financial support and other business development services to SEs emphasized that their organization supports SEs because SEs are part of the process of societal transformation towards a sustainable world:

> *SE-DEV5*: …So, the reason to support social enterprise for [name of organization], to go back to what [name of organization]'s vision statement is, and I'm trying to remember by heart now. But it's something like "a world where financial services in local communities contribute to a sustainable future for all." And the last five words are extremely powerful because that is the end state and that is a sustainable future for all….So, if we're gonna talk about the employment piece we know it's a lot of people out there who want to work but the gap between their resume, and their skills, and their experience, and what the labour market is demanding is too big.
>
> And so, they want to work and they're not able to find work. And yet, if we want a sustainable future for all we need to find ways for those individuals to become part of society. To get that sense of purpose and pride to be able to generate an income and be part of something whether it's their own workplace or part of the economy and social enterprises. They are able to do that and they're able to create a working environment that accepts them where they're at, and for who they are, believing that they have a lot to offer the workplace and society…

In the same vein, another participant who provided business development services to SE stated that they see SE as a tool in the larger process of societal transformation:

> *SE-DEV4*: …So, I was thinking about this and yeah, I think it's essential it's really, really important to understand enterprise as a tool in a much bigger project. And so, it's underpinned for me by a belief that the shape and the principles of our current economy are not good. Like the mainstream current economy is based on a set of principles that privileged some people and disadvantaged others, and actually caused quite a lot of harm…
>
> And so, for me, social enterprise is really important because *whether its impact is small or large in the grand scheme of things it's a really pragmatic way that people are envisioning a different way forward, a different economy*. And one that can be rooted in values and rooted in betterment of people and supporting and enabling wellbeing for people and our planet.

So again, while acknowledging that the work of societal transformation is too vast for SEs alone to accomplish, this narrative acknowledges the very practical nature of SE as one of the ways by which we can begin to move towards societal transformation in small or large ways. The practical nature of SE, in that they seek to meet the needs of their employees as best as they can, often means that SEs must work with problematic institutions. SE's processes of filling in structural gaps may even seem to be sustaining the system in a compensatory way. However, Dey and Teasdale (2015) suggest that challenging the status quo often requires the use of practical measures which may seem to be compromised at the surface level, but are instrumental in expanding the opportunities for social change. In essence, SEs expand opportunities for change by filling in the gaps in the socio-economic structure, and by engaging in advocacy with public and private sectors to encourage these sectors also support the SE's process of creating social impacts.

*Why they think their work is important*

A final question that produced transformative responses was one that asked participants why they think SE's work is important. One participant who managed a WISE that employed Indigenous people suggested that SEs are important because they create systems change at a broader level in collaboration with other entities within the societal structure:

> *SE-MAN9*: I think at a high level on the big picture what we are doing is creating systems change – We are finding solutions to society's most complex problems, to the most wicked

> policy problems that we have. And we are doing it in collaboration between the public, private and non-profit sectors… We have so many systems that are institutional systems, that aren't working or that have become so entrenched in their own path dependency in their own way of doing things that they're not changing. The longer they do things a certain way the more entrenched that way of doing things becomes. So, for us, it's part of changing that and finding a better way.

Similarly, a participant who provided business development services to SEs noted that the importance of SE is around business creating significant societal impacts:

> *SE-DEV3*: I don't see society functioning properly, or society functioning well if business doesn't have some kind of impact. If we can say these parts of life, this part of society doesn't matter. If it doesn't actually contribute towards something positive, the thing that we spend 60 percent of our waking hours doing, I don't think society as a whole benefits. And so for me, helping to promote the idea that businesses should be part of making something better.
>
> They should be part of expanding the benefit, more than just their employees that are paid to do a job or for the customers who are paying for product. If they could build in some inherent benefits, pull in some of the externalities that otherwise are just released into the world...So, finding a way beyond just government intervention to creating a better society.

SE-DEV3 seems to have a conception of SE that sees them as businesses first, and then as organizations seeking to accomplish social impacts second. The idea here is arguably one of predominating business objectives over social ones, almost in a sense of corporate social responsibility where businesses give back to society by producing social impacts. Seelos and Mair describe SE as a site to use "management and business knowledge, but in a social context" in an attempt to make the social entrepreneurship model attractive to their audience of business academics (2005, p. 245). However, this could lead to a reductive view of SE. As Peattie and Morley (2008) note, SEs are not just businesses that happen to make social impacts, they are *social* enterprises that use business methods to accomplish their social goals while ensuring that these social goals are not diminished. Chapter six further considers this issue of balancing business and social objectives that SEs do.

One participant who provided business development services to SE believed that the importance of their work is in helping SEs to see that they are not alone in their work, but that

alongside them are other SEs and organizations in the social economy that play critical roles in transforming the problematic structures of society:

> *SE-DEV4*: …I think the contribution I make which is at that second-tier level is a step away from the actual work of social enterprises. I think the contribution is that it's seeing it as something bigger than it is and helping the enterprise folks themselves understand that. That they're part of a bigger movement than just their own enterprise and that they can get help and that the work they're doing is worth help. It's worth being supported because of the ties to that bigger impact that we're hoping for. So, I think that's important because otherwise they could feel really lonely or feel like they're, it's just them for good or bad.
>
> You know they can be kind of single-purpose minded, like they, like entrepreneurs, are incredible but they're often very, very purpose-driven. They know their model, and they know their market, and they drive at it really, really in a focused way which is amazing. It's how really cool things happen. But I think we get further when we can take that sort of drive and connect it to the wider range of initiatives and ideas that are contributing to this bigger vision of really large-scale systems change. So that that's like my interjection into all of this I think.

The issue of cooperation among SEs to create broader, more transformative social impact is one that also emerges out of necessity, due to the practical needs of SEs and their unique task of balancing social and business objectives. According to Doherty et al. (2014), the hybrid nature of SE means that they typically partner with other SEs in the same sector or organizations in other sectors to increase their organization's abilities to accomplish shared goals of societal transformation. The next chapter of this study further explores this issue of cooperation with SEs and other entities in and out of the social economy.

### 4.4 Research Findings

This section discusses nine key thematic issues that resonate through the data analysis and interpretation done in this chapter. These issues are in line with the research objectives spelt out in chapter one of the study.

*First, SE practitioners can and do hold both compensatory and transformative perspectives at the same time*. Analysis of SE practitioner's perspectives presented above suggests that SE practitioners can and often do hold both compensatory and transformative perspectives at the same time. While practitioners may operate within the flawed, inequitable socioeconomic system, they can also hold the view that this flawed system is ultimately transformed into a more equitable

system. In other words, operating within the system does not negate a vision of the transformation of a flawed system. This finding negates arguments that often present transformative and compensatory mindsets as being at variance with each other and as if those who work within the socioeconomic system are automatically in support of the system's furtherance.

The primary method I used to determine whether a participant's perspective is compensatory or transformative was through the patterns and contents of participants' conversation. Specifically, I interrogated whether the practitioners frame the work of SEs as filling in the gaps of a flawed system or describe their activities as a process of working towards *changing* a flawed system. Fundamentally, the analysis reveals that the 'working within the system' that SE practitioners who align with the compensatory stance practice, is often embarked upon to meet the immediate needs of the people WISEs serve. Furthermore, those SEs seen as operating within the flawed system could be subtly contributing to the gradual transformation of the system from a flawed system into a more equitable and just system. A more surface-level assessment may perceive those who run SEs as being content to be a part of a flawed system and even advancing the existence of this system. Nonetheless, the deeper analysis undertaken here shows that SEs and their managers are interested in making changes that impact the system when there is a chance to do so. In line with this intention, SEs also help their trainees to address the barriers hindering their access to mainstream employment. Ultimately, the opportunities to support SE trainees to gain access to the mainstream economy are always more easily forthcoming, given the practical nature of this work, than opportunities to transform the problematic socioeconomic structure.

In sum, the dichotomy between compensatory and transformative objectives of SE is not as vast as initially assumed, and many SE practitioners who wish to see the entire unequal socioeconomic system change may not be able to do much more than contribute to addressing the gaps in this system. The process of addressing gaps in the socioeconomic system can either increase the longevity of the system or be a subtle way of gaining the necessary momentum to challenge the system.

*Second, 'compensatory' needs are important.* SEs are primarily set up to meet compensatory needs, needs that contribute to filling the gap left by the flawed socioeconomic system. In more humane terms, such needs may be regarded as the needs of those excluded from an inequitable socioeconomic system. Such needs include the provision of income, and the access to food, shelter and housing, which comes with having a source of income. 'Compensatory' seems

to significantly minimize the impact of meeting fundamental human needs. Yet, marginalized groups whose needs are met by employment or training at a WISE find these compensatory needs essential for survival. Without the critical support provided by organizations like SEs, many disadvantaged individuals face fundamental, structure-imposed barriers that hinder them from accessing opportunities that others participating in the mainstream economy may take for granted. Actions such as helping individuals to find food or even get their driver's license, that might seem simplistic or part of a process of maintaining a flawed system that ought to be collapsed and restructured, are the very practical ways that SEs contribute to supporting the marginalized groups that they serve.

Extant studies cited above confirm the importance of compensatory needs, showing how valuable and impactful the needs met by WISEs in Winnipeg are to their employees, families, and larger communities. Hence, meeting compensatory needs is an essential part of community development and a practical way that SEs contribute to addressing the structural barriers facing members of marginalized groups.

*Third, business developers support SE managers in developing systems view*. Data analyzed in this chapter also suggests that SE practitioners are more aware of the impact of the social mission of their specific organization only, rather than the larger SE sector. This 'organization-centric' perspective can facilitate a compensatory, less systemic view of a SE's work as only filling in the gaps of the socio-economic system, without making a significant impact. However, SEs need to understand and articulate their broader societal contributions to be able to access the supports needed to accomplish and expand the SE's social mission. Also, when SEs understand and articulate their social impacts within the socioeconomic systems, SEs can work to improve their efficacy and competitiveness.

Given the importance of a broader systems view, business developers are a useful resource that can help individual SE managers who do not have a larger view of their sector to develop one. The discussion in this chapter suggests that business developers are more likely to take a broader view of the roles that SEs are playing and the impacts that the sector is having on the broader socio-economic system. This is because business developers work to support multiple SEs and can see the way that the combination of different SEs' operations impacts the larger system and contributes a combined social value. Hence, this view of the systemic impacts of SEs is an important contribution that business developers can make to SEs to help them understand the roles

they play within the socioeconomic system and properly articulate these roles so that SEs can access required supports.

Further, we need to consider that engaging a systemic view of SE's roles in the larger system allows SEs to see the need to collaborate with other actors in the system to expand their organizations' impacts. Business developers can therefore support SEs to take this systemic view and identify other actors that these enterprises can collaborate with to expand their impacts.

*Fourth, SE practitioners often rely on personal measures of success.* There are multiple institutionalized social accounting measures that SEs use to determine their social impacts so that these impacts can be presented back to stakeholders as a representation of the value SEs contribute to society. However, many SE practitioners judge their successes through less formal, personal measures of success that are designed only for internal use. SEs sometimes use these internal assessments as a basis for planning within the organization, and to motivate internal actors by showing them the impact that the SE's work is having.

One of such internal measures of success identified by the study participants is the rate at which information about the services and supports offered by WISEs is spread among members of the groups the WISE serve, who become encouraged to attend these WISEs when they see or hear about the success others have experienced during their time at these organizations. Thus, such SEs see success in the way that their referrals come mostly from those they serve rather than through advertisements or referrals from social workers. Another internal measure of success is the rate of retention of WISE employees, that is, the extent to which employees are willing to remain at a WISE that provides permanent employment for an extended period.

However, employee retention is not always a positive measure given that most WISEs want their employees or trainees to be able to eventually transition to mainstream employment. When current employees do not transition out, the WISE's ability to assist others in seeking supported employment opportunities at their organization is diminished. Finally, study participants were also content to view success within their SE as understanding that the organization is only one of the tools that support people facing barriers to mainstream employment. Hence, WISE trainees may not immediately access employment upon exiting the WISE.

It is particularly important that SE practitioners call to mind informal measures of success, especially in situations where former participants may not immediately accomplish the intended results of gaining employment. In other words, SE managers should understand that, the inability

of their former trainees to immediately access mainstream employment or regress into unhealthy lifestyles does not indicate that that their organization failed. Rather, understanding that SEs are only one of many tools of development helps managers to recognize that their SEs have contributed their quota and that other supports can hopefully build upon the experience individuals have acquired at the WISE. Subsequently, the SE support and supports from other sources can develop individuals' capacities to the point where the barriers facing these individuals are effectively addressed. In sum, to support internal decision-making and for the advancement of their organization, SE practitioners can creatively explore different informal approaches to measuring social impact and success.

*Fifth, SE practitioners do not typically consider the needs of the individuals SEs serve as 'unsolvable' or outside the range of their organizations' capacity.* Some of the participants' responses suggest that SE practitioners possess a mindset that allows these individuals to envision themselves and the SEs they manage as having the capacity to meet many of the basic needs of their employees or trainees. Participants' responses reveal a perspective that considers no need beyond the reach or ability of their SEs. Some participants described the fact that not all their SE's employees or trainees could be integrated into mainstream employment as an unavoidable, but significant challenge for SE. Participants also note that their SE could further support their trainees and help them to succeed in finding mainstream employment if these SEs had expanded capacities. Some of the challenges that the WISE managers wished their organizations could have addressed are particularly around helping participants who have experience with gang culture or the criminal justice system not to relapse into these lifestyles. Hence, while SE managers' focus on meeting needs may seem compensatory, the fact that these individuals are also concerned about addressing challenges outside of the SE's scope suggests the existence of underlying transformative ideals.

However, acknowledging the transformational perspective held by SE practitioners is not to portray these individuals as exceptional or portray the field exclusively as one made for only a select few individuals who reason a certain way. Rather, this discussion suggests that the ability to have an expansive view of the potential capacity of SEs can be a way of expanding the impacts of these organizations.

*Sixth, practitioners have a wide-ranging conception of SE.* Studies on SE often begin by noting that the concept is a significantly contested one, and the findings of this study are no different. Study participants seemed to subscribe to varying understandings of what organizational

form constitutes an SE, and some described SEs as a means for non-profits to make an income while others view SEs as businesses that create social impact. Participants also expressed various perspectives on whether SEs must earn income. While one participant contended that SEs must survive solely on earned income, another participant believes social impact is the defining factor of whether an organization is a SE. Largely, other participants question the utility of converging on one understanding of what constitutes a SE, arguing that what matters is that the impact of the organization's work is evident.

However, SE practitioners' perspectives around how WISE trainees or employees conceive of SEs converged significantly. The general feeling was that WISE trainees, who are typically facing multiple barriers to employment, are often too busy dealing with their life situations to consider articulating a meaning for SEs. There was also a consensus that if WISE trainees did articulate a meaning, they would see SE more as an avenue to attend to their personal needs and less as an organization impacting their larger group or community.

*Seventh, transformative conceptions of SEs are not always characterized by activism and can be exhibited through advocacy instead.* This study noted that scholarly works often link ideals of transformative SE to activism, in the sense that recognizing the problematic nature of the system breeds activism that seeks to make concrete changes to the system. However, participants' responses suggest that transformative SE conceptions are not always manifested through activism but could be displayed through advocacy. Because study participants are more concerned with the practical social impacts SEs can make, even while recognizing the flaws of the socioeconomic system, they advocate for support for SEs and other community development organizations operating within the socio-economic system.

Hence, 'advocacy' rather than activism is an ampler description of the work SE managers in Manitoba are doing, and is part of their approach to transforming the flawed socioeconomic system. Advocacy is transformative in that while it is not directly confrontational in the way that activism often is, advocacy is a more covert means of resisting problematic structures and producing change that can be carried out in concert with other stakeholders. This form of advocacy is transformative in the way that SEs increase the opportunities for more overt, confrontational actions to flourish by meeting the needs of those the SE serve.

Moreover, in trying to assess the level of impact that their work is having, study participants acknowledge that a lot of their work is happening on a smaller, individual level and needs to scale

to where it could more effectively impact the wider community. One participant regarded advocacy as a way for SEs to scale their social impacts by showing stakeholders the social impact of the SE's work and how stakeholders can support the expansion of these impacts. Ultimately, while SEs may seem to be sustaining an unequal system by filling the system's gaps and ensuring its survival, SEs can still expand opportunities for social change by meeting trainees' needs and through advocacy.

*Eight, government is a major beneficiary of SE work.* Members of marginalized groups served by SEs are not the only beneficiaries of SEs' work in that the government also benefits significantly from SEs' work that addresses conditions the social policy system is unwilling or unable to address. WISEs, specifically, address barriers to employment that are fundamentally the states' responsibility. Furthermore, WISE trainees supported to enter the mainstream economy begin to pay taxes and make other contributions into the system, instead of only receiving support from the system in terms of social assistance. Hence, part of the objective of the advocacy carried out by SEs is to influence the state to take responsibility for some of the system maintenance work done by SEs by providing SEs with necessary supports to do the work that the state in fact, should be doing.

*Ninth, social enterprises are one of the many tools of systems transformation*. Discourse explored in this chapter acknowledged that SEs are only part of the tools of system transformation and cannot bring it to pass by themselves. The more individual level work that the SEs do, as noted in the participants' discussion, is important enough to the individuals SEs serve and assist. However, for the individual-level work SEs do to tend towards systems transformation, other sectors (whether public, for-profit or non-profit) must also initiate and support development processes at the macro and micro levels. SEs cannot facilitate sustainable community development on their own. SE practitioners must have this understanding that SEs are only one of the entities working towards development as this allows them to understand the need for cooperation and collaboration with others beyond the SE sector. When practitioners see development work as wide-ranging and systemic, the need to collaborate to accomplish wide-ranging goals becomes heightened. Hence, taking a systemic view of SE work allows practitioners to identify ways that they can work with other actors within the systems to make greater impacts. The following chapter considers the nature of SE's cooperation with organizations inside and outside the social economy in detail.

## 4.5 Conclusions

SEs have the potential to be part of the frameworks used by the neoliberal state to roll-out a restrictive, financialized social policy designed to contain individuals who have been marginalized by the neoliberal state (Peck & Tickell, 2002). For SEs to avoid being co-opted as a tool for the neoliberal state to avoid its responsibilities for providing social goods, those working in the field of SE must be aware of this potential for co-option (Roy and Hackett, 2017). This chapter has shown, particularly in the discussion around transformative SE, that practitioners in the Manitoba SE sector are somewhat aware of the unequal nature of the current socioeconomic system. This awareness is an important first step to avoiding being coopted as a tool for maintaining the problematic system. This chapter has also revealed that the dichotomy between compensatory and transformative conceptions of SE social impact is not as clearly delineated as is often assumed. Many of those SE practitioners who might take a compensatory view of the impacts SEs make through their day-to-day activities are also quite aware of the gaps in the system.

Also, the study argues that a transformative idea of SE impact cannot be said to be superior or more valuable than a compensatory view of SE. Extending the 'tactical mimicry' concept of Dey and Teasdale (2015), it is plausible to posit that SE work that fills the gaps in the unequal socioeconomic structure in a seemingly compensatory way still serves to expand opportunities for transformation of the system. This transformative impact is valid whether or not those SE doing this work are necessarily aiming for systemic transformation or aware that the SE's work can accomplish this. This is a more passive form of resistance to a dominant, inequitable socioeconomic structure. Hence, despite their limited, incremental impact on the transformation of problematic socioeconomic structures, SEs are a significant site of everyday resistance against unequal institutions and structures (Mendell, 2007; Nega & Schneider, 2014).

Finally, the study has also suggested, in this chapter, that advocacy, rather than activism is the major form of active resistance and challenge to the system that SEs in Winnipeg are engaged in. As Murtagh notes, "resistance, like neoliberalism, is messy, contradictory and laden with compromises, and needs to be worked at in subversive and even hidden ways" (2016, p. 120). Hence, while the passive and active forms of resistance to the dominant structure undertaken by SEs considered here may not be easily evident, they are nonetheless still a form of resistance. This chapter has fulfilled the first objective of the first research question posed at the beginning of this study, which was to identify the basic needs SEs meet. The ideas of transformative and

compensatory SE impact considered here also provide an important basis for the discussion in the following chapter, which uses a PACS lens to explore the second research question posed in this study, that is, how is the ‘social’ in SE defined?

# Chapter 5

# A peace and conflict studies (PACS) conceptualization of the 'social' in SE

## 5.0 Introduction

Chapter four used the SE theories of change considered in part two of Chapter two to discuss how interview participants presented the roles of SE. This chapter uses the framework developed in part one of Chapter two that proposed how SEs can be used to address direct and structural violence as a theoretical casing (Timmerman & Tavory, 2012) for interview participants' responses. Hence, the first part of that theoretical chapter was a process of formulating assumptions about the roles that SE can play in peacebuilding based on case studies presented in scholarly literature. This chapter uses interview findings to further explore these assumptions around the roles of SE in peacebuilding based to see how transferable the themes explored in that chapter are into other contexts.

In this vein, this chapter explores the extent to which discourse on SE's role in three aspects – facilitating economic development, maintaining local ownership, and bridging divisions – as outlined in chapter two was identifiable in the interview data. The idea of SEs meeting the economic needs of marginalized groups, which is the first role that I think SE plays, is not contested since this is typically the primary purpose SEs seek to accomplish. The likelihood that the other two roles (maintaining local ownership and bridging divisions) will be present in other contexts, is often more variable. The fact that I can identify these contributions of SE to peacebuilding in the data for this study does not automatically mean that they will be present in every other context where SEs exist. However, the fact that the SEs considered here do seem to maintain local ownership and bridge divisions does further the proposition that SEs can play these roles when these organizations are intentionally designed to do so.

Ultimately, this analysis is important because scholarly literature (Cho, 2006; Seelos & Mair, 2005; Peredo & Maclean, 2006; Westley et al., 2014) has extensively advocated the need for an analysis of the 'social' in SE to develop the field, and this chapter aims to explore this using a PACS lens. In this vein, this chapter has three main sections that discuss findings from the qualitative data in the following categories: addressing structural and direct violence through SEs that tackle economic needs; locally-owned, sustainable peacebuilding through inclusive SE; and expanding SEs' contributions to peacebuilding through cooperation. Like the previous chapter,

this discussion will serve to explore the questions posed at the beginning of this study around the needs SEs meet, and the meanings attached to the 'social' in SE.

### 5.1 Addressing structural and direct violence through SEs that tackle economic needs

It is incontrovertible that SEs, particularly Work Integration Social Enterprises (WISEs), seek to make social impact by addressing the economic needs of WISE participants. WISEs meet their participants' economic needs by providing them with a source of income during their training or employment period. Most WISEs do not intend to employ their participants on a long-term basis and the hope is often that these participants can use the training or work experience that they have received to find a job in the mainstream economy after their WISE employment or training period is over. However, Brandon and McCraken (2016) note that WISE trainees in Manitoba often find it difficult to transition to private-sector employment after their time in WISEs comes to an end. Similarly, a participant managing a WISE was quoted in the previous chapter as noting that their employees often found it difficult to leave the WISE for other employment because other organizations did not offer the kind of benefits WISEs offer.

Chapter two of this study has considered the way the current socioeconomic system engenders inequality and the exclusion of marginalized groups from the mainstream economy. The denial of a source of income and basic needs is structural violence (Galtung, 1969) and could also lead to direct violence (Burton, 1990). Transformative approaches to peacebuilding seek to create change that addresses the root causes of conflict and the environment within which this conflict occurs (Ryan, 2009). Economic needs are often a fundamental part of structural issues and building on the work of Johan Galtung, Brauer and Caruso describe peace economics as a normative endeavour that seeks "to design institutions and policies that prevent, mitigate or resolve actual and potential violence or other destructive conflict by influencing individuals' choice behavior in favor of peace-creating habits" (2013, p. 152). As institutions designed to meet the needs of members of marginalized groups excluded from the mainstream economy, SEs are involved in improving societal structures. One participant who provided business development and advocacy services to SEs noted that employment in WISE provides employees with both a source of income and a sense of purpose:

> *SE-DEV1*: Obviously, the revenue is great, it is easier to live when you have money and the community and structure that can come with that. Also, there's that sense of purpose that people get from work; two really big pieces of what it means to have a happy life. But there's still a whole other host of needs, of holistic needs that folks require. And so it's properly understanding what those are and the sort of obvious ones come forward in terms of affordable housing, accessible childcare… mental health supports, or some of the other trauma supports…

Similarly, another participant with experience managing a WISE that employed Indigenous people noted that employment in WISE is not just a source of income for the marginalized individuals WISEs hire but also provides a sense of purpose:

> *SE-MAN1*: Well, everybody needs income to provide for housing and the basic necessities of life; housing and food. So that's a very important aspect because it's not just income for basic needs, it's also income that provides you with dignity and respect that you're actually earning money with your own labour. So, it provides more than just income and it provides that kind of intangible dignity and respect…

The intersection of both income and a sense of purpose derived from being employed or trained in a WISE is a significant way by which WISEs empower their employees. As Newman (2011) notes, peacebuilding is a process of empowering individuals to address the structural barriers they face by first securing these individuals' economic and social needs, so that they can then use their political or civil rights. Hence, the empowerment that SEs provide their employees makes these organizations a part of the positive peacebuilding process.

*Sources of SE employees' economic needs*

The question that asked participants what they believe is the source (or cause) of their employees' needs produced some responses that show how the economic needs of SE employees emerge. One participant providing business development services to SE identified structural challenges that hinder SE employees from accessing employment in the mainstream economy as a major source of WISE employees' needs:

> *SE-DEV2*: So, the beneficiaries have the need for employment skills and employment. But quite often there's underlying challenges that are in the way of that. And that can be everything from coping with having been incarcerated to multigenerational unemployment

> in a home, to drug addiction problems, to lack of identification, lack of a permanent residence or permanent address, lack of a telephone…

Another participant with experience providing business development and advocacy services to SEs identified both the structural injustice done to Indigenous people and the general nature of the current economic system as the source of the barriers that WISE employees face:

> *SE-DEV1*: Yeah, that's a big question. I mean so in the MB context, our colonial legacy has lasting trauma impacts. Intergenerational trauma following the residential school system, following the sixties scoop, following the general century and a half of cultural genocide and displacement of Indigenous peoples.
>
> That's gonna take a lot of effort and a lot of work over generations to try to come back to work towards some type of reconciled place with that. And the effects of that, the economic effects of that, the social effects of that, cultural effects of that, are gonna be lasting for some time and it's just crucial for the Manitoba context, and for the Canadian context at large to acknowledge that piece of our history…

Similarly, another participant managing a WISE that employed Indigenous people noted that racist structures cause their employees' needs:

> *SE-MAN5*: The source of the needs are historic and systematic racism. I mean we work with Indigenous people exclusively these days and yeah, if you break it all down it's the historic and systematic racism against Indigenous people in Canada. That's a pretty pat answer but.

Another participant with experience managing a WISE that employed Indigenous people echoed the theme of an economy that is unsupportive for individuals facing structural barriers:

> *SE-MAN1*: …Our society is not very supportive, it's almost like, it's the survival of the fittest and we're not very supportive providing people who can't fit in, who can't manage. Poverty is a huge issue for much of this, in terms of the Indigenous community. It's our history, right, with colonialism that put people in that position.

These discourses reflect a perception that the economic needs of many WISE employees are a result of problematic socioeconomic structures that produce structural and direct violence and inequality. This is also a significant theme in peacebuilding literature which argues that genuinely

emancipatory peacebuilding must address structures that create socioeconomic inequality (Mac Ginty & Richmond, 2016; Richmond, 2014). And so SE professionals consider structural problems responsible for the needs of their employees and view their SEs as being involved in the process of transforming structures that produce inequality.

Participant responses presented in this sub-section are largely focused on the condition of Indigenous people and the lasting impact of the direct and structural violence done to Indigenous people, which is reflected in their economic condition. This is why the 91st Call to Action of the TRC calls for the corporate sector in Canada to "ensure that Aboriginal peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects" (2015, p.10). SEs are involved in this process, although the extent to which most SE would be classified as part of the 'corporate sector' that the call is directed to is limited. As Sengupta et al. argue a high proportion of SEs serve the Indigenous populations in Canada and the reason for this "strong relationship between social enterprise and Indigenous communities is that social enterprises serve marginalized populations, and Indigenous populations do face multiple forms of marginalization in Canada" (2015, p. 107).

*Meeting SE employees' needs*

The responses below, to the question of how SEs meet the various needs of their employees, illustrate how these different needs invariably lead to and emerge from their employees' economic condition. An individual that managed a WISE believed that WISE employees excluded from the mainstream economy often require a significant amount of training and management supervision, beyond what non-marginalized individuals might need:

> *SE-MAN6*: Well, I mean, so because we employ people who are marginalized, who do have specific barriers, who are a lot more barriered, the amount of training that we need to do is a lot higher….We do a lot of on-the-job training and we do a lot of progressive training, … There are a lot of people coming from countries that don't use quarters, and so we need to train cashiers who have no idea how to work a quarter to give change to people.
>
> It took us two years to figure out that this was necessary and part of the reason why we were going through so many dimes, because most other countries don't use 25 cent increments, and so people's brains work in 10 cent increments. Those kind of little barriers, where it's just like the amount of training it takes to get people over these things that have become ingrained in them because they grew up in other cultures…. So, because of who

> we employ we have all these extra barriers and extra tasks that we have to take on, we have an entire layer of management that doesn't exist in most other restaurants…

The training support WISEs in Manitoba provide to their employees often goes beyond work-related training and can cover a range of areas such as parenting, health and wellness, budgeting, financial management and so on (SiMPACT Strategy Group, 2016; Brandon & McCraken, 2016). The supportive environment where WISE employees receive extra and patient training to successfully gain transferable skills is like the process of capacity building to ensure local ownership of peacebuilding (Leonardsson & Rudd, 2015).

An individual managing a WISE that employed Indigenous people further revealed that WISE trainees need self-confidence and connections that can help them find a permanent job after their training program at the WISE:

> *SE-MAN5*: …The other thing that they need is, so they need self-confidence, they need tools to address their trauma because everybody [all the trainees] has trauma, everybody. The stories that some of the trainees bring out is just. I don't know why they're not on the roof with a sniper rifle wearing a pantyhose on their head, but they're not, they're coming to work every day and clocking in.
>
> So, they need help with that…And they need an uncle, they need an aunt to introduce them into the workforce, and that's something that [name of SE] really works hard at. Like we develop professional relationships outside of our walls with private industries so that when a trainee finishes their time, then we can make an introduction…

This comment shows the significant amount of resilience trainees display while dealing with the trauma they have experienced due to structural and direct violence. In this situation, as the participant above notes, SEs hope to assist in addressing trauma through the social supports that they provide (e.g., social worker, Indigenous elder). WISEs also address their trainees' trauma by helping them make connections that allow them to find jobs after their training so that they can continue to earn a living wage and be properly integrated into the mainstream economy. This fits in with the process of sustainable peacebuilding described by De Coning (2016, 2018), which requires building the resilience of a given system, or in this case, of an individual. By improving an individual or community's capacity to address their challenges or needs, these people would have the tools to handle such challenges should they occur again (De Coning, 2016). Hence, equipping WISE trainees who have experienced structural violence with employment skills,

contacts within the private industry and social supports to address trauma is an important way that WISEs build their trainees' or employees' capacities.

*Challenges practitioners faced in doing their work*

Another question that produced discourse around economic needs SEs meet asked participants what challenges they face in doing their work. A participant managing a SE that provided support finding employment to people with developmental disorders identified challenges around the designation of their SE and how this impacts their ability to get funding:

> *SE-MAN3*: Applying for grants, because many granting organizations require registered charity status, and we're not a registered charity, so we're just a non-profit. And so, we have to partner with a registered charity in some cases in order to be able to apply for some of the grants, but it's not as easy to do that so those are big challenges.

The following chapter considers discussions around funding and SE designation more extensively and the above response shows the importance of funding, given that it can impact SEs' ability to meet the economic needs of those they serve.

Another participant who managed a WISE that employs people living with mental health illness identified challenges around having to provide their employees with extra guidance. However, this response was likely influenced by the fact that the event being narrated happened during the interview, and the participant had just returned from attending to this issue when I asked them the question:

> *SE-MAN2*: I guess a lot of them are just regular business challenges. But then just working with people you know, to support them, to move them forward. Like for instance, one of my staff, I had to run out, because we had a homeless gentleman who just had part of his foot amputated sent to our 24/7 site. So, I gave the work credit card to one of my employees who always wants to do everything really, really fast. Right, he wants to do everything fast, and by doing things fast he makes mistakes.
>
> And he also likes to, he wants to talk all the time and he doesn't want to listen. So, he's not listening, so then he's making mistakes because he's not listening or taking direction. So, he actually gave the cabbie an $89 tip, because he was rushing…and then the cabbie went "oh, my God, you gave me an $89 tip, right?" So, it's like, you need lessons, always lessons. So, I think it's that guidance and those relationships and that trust, if that answers your question.

This comment highlights a need to sometimes be patient with WISE employees as they gain employment skills; an issue that is not necessarily specific to only employees of WISE. SE-MAN2 noted later in the interview that they had experienced similar issues with staff while in the for-profit sector. Yet, this narrative is reminiscent of Barsky's (2009) discussion of the capacity building approach to conflict resolution, where the practitioner can build trust with their clients by offering them empathy, support, education, and linkage to resources. SEs differ significantly from conventional firms in terms of staffing because while most conventional firms hire highly skilled staff, WISEs hire marginalized people who lack essential qualifications, require extra training and/or are ex-offenders (Peattie and Morley, 2008). Like one participant put it, WISEs have the 'worst' business model in the conventional sense:

> *SE-MAN5*: …Like, I mean literally, we have the worst business model in the world; we hire green people every two months. We hire a whole new cohort of brand new staff and we put them on the job site with no experience, and at the same time, we're giving our best-trained people to our competition [who hire them permanently] every two months. Argh, that is literally the worst, like everything, every job I've ever had has prepared me to not do that…

Ultimately, however, we must be careful when highlighting any differences that may exist between WISE staff and those who work in conventional businesses. One participant managing a WISE that employed Indigenous people disclosed that they often encounter people who feel that WISEs' quality of work is shoddy because of the marginalized individuals that WISEs employ:

> *SE-MAN5*: There are ideas out there about SE that are frustrating; that our quality is poor, that our timelines are poor and that we're too expensive. But consistently we've proven those things wrong where we bid against private contractors on the open market and we win. And so our timelines and our quality and our productivity and our cost, they're just market rate. So, that's one thing that, I'm sick of having that conversation.
>
> The other conversation that I'm sick of having is because we work with folks who have experience with the justice system, I oftentimes will have people say, "well, I don't know if I should hire you, why would I have your guys in my building because they've got criminal records." You gonna get me clean criminal records for everybody.… But I know for a fact that like every roofing company in Winnipeg, almost every roofing company in Winnipeg hires [our SE's] graduates, so it's the same guys…

This is why scholars and practitioners often recommend that SEs should not market themselves based on the injustices that they are trying to address, since this can be a barrier to SEs' business and is a selling point only to a small group of socially aware customers (Bird & Aplin, 2007; Donkervoort, 2013).

*Impact of trainee or employee barriers on WISE's business*

Based on comments like the one made by SE-MAN5 above, which showed frustration over the negative ways that the public sometimes regard WISEs because of the barriers facing their employees, I asked subsequent interview participants how such perspectives of employee barriers affected their WISE's business. Or at least this is what I intended to ask, but in retrospect, I framed this question very poorly. I asked most participants if the *nature* of their trainees impacted their business instead of more appropriately asking them whether the *barriers* facing their employees impacted their business. This shows that I had inadvertently fallen into the inaccurate perception of seeing marginalized groups' barriers as being internal to them rather than as being imposed on them by the system, as SE-DEV4 quoted in the previous chapter insightfully noted that people tend to do in their use of language.[44] My gaffe nonetheless, several interview participants provided enlightening responses to this question that show how WISEs meet the economic needs that their employees have due to structural and direct violence.

One participant managing a WISE that employs people living with mental health illness disclosed that they typically do not inform customers about the barriers facing their employees:

> *SE-MAN2*: I don't tell anybody what our clients [employees] are. Because many people come to us and they don't know, and they get our services, and they find out we're fantastic, and then I tell them. And then they've already had a relationship with us. Other people come to us because of what we do. So, there's no really one or the other. There's no medium, it just seems to be one or the other.

Similarly, a participant providing business development services to SEs communicated that SEs do not typically emphasize the barriers facing their employees (i.e., the social part of their work):

[44] Bird and Aplin (2007) commit the same blunder in page 7 of their report, noting that "the majority of practitioners felt that marketing using the *nature* of the disadvantaged group they worked with as a selling point was completely ineffective, except to a small and definable group of socially aware customers"

> *SE-DEV2*: Okay. So, I think the general thinking in SE is not to sell the social part, but to sell the enterprise part, and the social part becomes a nice added on story. And that's a great question, so do I want a recently released felon coming into my home to repair my home? I probably wouldn't mind because I live in this world [of SE]. But I suspect that many, many people would not be open to that, right…So, I think the answer is that the product or service has to be sold on its own merits; it is good quality painting at a reasonable price, and as an add-on there's some value socially to what's happening, I think…

Scholars and practitioners have significantly documented and advocated for this approach of not disclosing the barriers SE employees face to customers. Bird and Aplin (2007) note that most successful SE managers in their study used a mixed marketing approach, that is, they did not discuss employee barriers with the SE's wider customer base and only shared this social mission aspect with close supporters and stakeholders. Bird and Aplin (2007) also note that many of the SE managers who do not disclose the barriers facing their employees often do so out of respect for the wishes of their employees who don't want to be seen and treated differently by customers.

Further, one former WISE manager suggested that WISEs not market themselves based on social impacts, because societal perceptions of the barriers facing their employees may affect how customers interact with the WISEs business:

> *SE-MAN1*: When you are providing a service with people who have a criminal background or are perceived to be marginalized for one reason or other, then that perception is a negative perception by a lot of people in our society. So, they may not want to take advantage of your product or services so that's why I said in some cases, in many cases, don't lead with the social issue….Whereas somebody who has mental health issues or intellectual disability, this is not of their own doing, and I think a lot of people are more receptive to SE that provides employment for people with health-related issues.
>
> Addictions are probably somewhere in between, you know, alcohol or drug addiction. Some people might say "well, you did it to yourself and others" will say "well it's a disease and you couldn't help it." People have perceptions about whether or not these various people had a choice at some point in their life. Of course, which is kind of crazy right, because nobody really became a criminal because they want to go to jail right…I think most people who end up in criminal activity are because of need right, economic need.

Similarly, another participant providing business development and advocacy services to SEs noted that policies in government offices and private businesses regarding working with people who have criminal records sometimes impact the business of WISE:

> *SE-DEV1*: And so, but that's been a big piece for some policy from governments or from businesses so that they won't let folks do the work who have a criminal record. We can get into the injustice that that is when it comes to a second sentence that we end up handing out to somebody for the crime they committed...

SE-MAN1 and SE-DEV1 above highlight the injustice underlying negative perceptions of marginalized groups that contribute to their exclusion from the mainstream economy. As another participant bluntly put it, negative societal perceptions can lead the SE trainees on the receiving end of such reactions back into recidivism, if they cannot find employment due to prejudices against them:

> *SE-MAN5*: …The other thing that frustrates me is that if we don't give people jobs because they don't have [clean] criminal records, how do you think that's gonna work out for society? Because they have another skill set, we've taught them to be carpenters, but they can go back to their old job if you really want. So, that's a big frustration…

These comments suggest that socioeconomic structures can maintain inequitable relations in a way that discourages individuals subjugated by such structures from aiming for positive change because they see their situation as fundamentally conditioned by the structure to remain the same (Macleod, 2009). Within structures that maintain inequality, ex-offenders could become discouraged, resigned to a bleak future and possibly return to crime if the mainstream economy makes it impossible for them to find a job. SEs hope to interrupt the reinforcement of inequality and provide marginalized individuals with the capacity to address the barriers they face. Yet, the impact that WISE programs can have is limited by whether they can find their trainees permanent jobs after their training period at the WISE. Therefore, if the peacebuilding work that WISEs are doing is to have lasting impacts, WISEs must cooperate with the private and public sectors. The third section of this chapter explores this issue of cooperation in more detail.

Finally, in a seemingly contrary assessment, another participant with experience founding various WISEs that invest in Indigenous people suggested that it is not the *perceptions* of the systemic barriers facing WISE trainees or employees that affect them the most as the discourse above implies. Instead, this participant believed it is the barriers that are most problematic:

*SE-FOU1:* I've never seen an Indigenous bus driver [on Winnipeg Transit]. Now, is there somebody hiring at Transit that says if they're Indigenous don't hire them? I don't think that's what's happening. I think that they're saying that, they must have a class 5 driver's licence to apply for this job. And then Indigenous people might think, "well I'd be a great bus driver, it's like too bad I don't have class 5 driver's licence." Well, why don't you have a class 5 driver's licence? Well, because our driver's licencing system was built for kids who are in high school, who have parents who have cars and can take them practice driving, who have literacy levels and the kids are in school, so they can take the driver's training program.

So, I'd be interested in your perspective on this, 'cause I know this face gets me places that others, the people I work with they don't have access to I know that. Like I know that's a real thing but it's not just how I look it's what comes along with that I think that is important to distinguish. I don't deny the other, but I think that the systemic barriers are probably more of a problem…. But what do you think about that, being a black woman like does being a black woman preclude you from access to things or is it also the systemic thing of being new to Canada too?

*ME:* Yeah, I would say I'm very much privileged myself so I probably would not even be a good example for that. And so, I guess I was thinking more in terms of also the social enterprise itself like maybe you also get some of that, does it affect the business itself like people are like "oh, we don't want to hire you because you have criminal records or something like that."

*SE-FOU1:* That's very true that is true, yeah. But I don't think it outweighs even close to the marketing potential of selling our unique selling proposition, marketing our unique selling proposition, which is that we hire people with criminal records. That far outweighs the fact that some would say we don't want to hire them or have them in our house because they have criminal records….But I'm also a white privileged guy who it's impossible for me to experience that myself so that could very well be a very naïve answer, wouldn't surprise me.

There are three key points that I identify in this participant's responses. First, their argument that structural barriers facing the Indigenous groups they serve are more important than the way these barriers are perceived is one that strikes me as quite valid and indicative of the way that structural injustices play out. In other words, while more obvious kinds of inequality and injustices are the most visible, it is the unseen ones, embedded within the structures and systems of society that often cause the most significant harm. Galtung (1969) makes this assertion when distinguishing between structural violence and direct violence, noting that we focus more on direct violence because it is more visible, even though addressing both forms of violence is important. Following the example made by *SE-FOU1* above, it is typically easier to see and fight against the act of someone being denied a job because of their race rather than seeing and addressing the unequal structures that

make it difficult for that same person to acquire the skills they need to access mainstream employment.

A second key point I identify in the comment of SE-FOU1 above is that contrary to most of the literature and participants quoted in the first half of this sub-section, this participant seems to suggest that SE should aggressively market their social impacts because this is their unique selling point. The idea essentially is that government, as a beneficiary of the social outcomes created by SEs, should pay those who invest in SEs' projects for the social outcomes and impacts these projects create when they succeed (Loney & Braun, 2019). This seemingly contrary perspective can however be reconciled with the aforementioned social outcomes with the fact that those this participant says SEs' social impacts should be marketed to are not necessarily the enterprise's general customer base, but government. Hence this is in line with the view of Bird and Aplin's (2007) that SE should not market their social impact to their wider customer base, but only to supporters and stakeholders, so that customers' perceptions of these social issues do not negatively impact their business.

A third and final key point that I observe in SE-FOU1's above comment is their hesitation as to whether their perspective on what was more problematic, whether barriers or perceptions of barriers, was accurate because they are a 'white privileged guy.' This seemed to come from a concern over whether they were accurately speaking to the experiences of marginalized people based on their experience as a non-Indigenous person extensively involved in the development of Indigenous SE. This caused the participant to appeal to my perspective, presumably thinking that as a member of a visible minority who is fairly new to the country, I might be able to confirm or deny the accuracy of their assumption. However, I did not feel comfortable speaking to this matter either because I did not feel like I could be said to be excluded from the mainstream economy in any significant way given my position as an employed PhD student, and so I quickly turned the question back on the participant. This is in line with Potts and Brown's (2005) recommendations that researchers be wary of positioning themselves as 'insiders' who share similar experiences with participants or, in this case, other parties being discussed.

Ultimately, Sengupta et al. (2015) note that SEs led by non-Indigenous individuals serving Indigenous and non-Indigenous clients are the most common types of SEs that interact with Indigenous communities in Canada. These authors argue that the fact that non-Indigenous people are leading SEs serving Indigenous people suggests that the "strengths of Indigenous communities

are undervalued, and solutions from non-Indigenous origins are overvalued" (2015, p. 108). However, this is not necessarily so, and SE-FOU1 notes that SEs in Manitoba are significantly influenced by Indigenous values and an Indigenous understanding of the economy as an avenue to advance the development of the community rather than as a site where a few people can make a profit. This suggests that Manitoba SEs value the strengths of Indigenous communities and the following section considers how these values of inclusion and community interest play out within Manitoba SEs.

### 5.2 Locally owned, sustainable peacebuilding through inclusive SE

Chapter two describes the concept of the 'local' in the process of peacebuilding as the capacity that communities possess to either make peace or produce conflict and inequality (Mac Ginty, 2015). Hence, local ownership of peacebuilding is a process where capacities for making peace are developed and harnessed to improve society. Chapter two also argued that local ownership of peacebuilding processes is essential because the peacebuilding produced from local ownership is often sustainable (De Coning, 2016) and can improve the economic conditions of those included (Sen, 1999). Hence, this section considers perspectives about how SEs contribute to local ownership, otherwise referred to here as 'inclusion,' in two main parts. The first part considers discourse around how SEs contribute to the inclusion of marginalized individuals into the economy. The second part centers on the inclusion of wider communities (i.e., community ownership).

*Inclusion of individuals*

The theme of SEs serving as a platform to include those who have been previously excluded from the economy is a common one running through the interview discourse, suggesting that there is an important link between local ownership and economic development. Hence, the most common discussion around inclusion was simply that SEs provide marginalized people who have been excluded from the mainstream economy with jobs, thereby allowing them to participate in the economy. As one participant that managed a WISE that employed multiple marginalized groups noted, their WISE's work is important because it provides an entry point into the economy for individuals who have been excluded:

> *SE-MAN6*: SEs provide marginalized people with access to the economy. If the economy continues to create environments where people don't have access to the economy, we're in trouble, aren't we? You know, why is it important to actually give meaningful employment and access to benefits to marginalized people? So, that they can be part of the economy.

Another individual who managed a WISE that employs people experiencing homelessness identified specific ways by which their employees' newfound abilities to earn an income provides them with opportunities to participate in society:

> *SE-MAN8*: It's important for a number of reasons, we are changing lives, we are truly. One fellow who works for us had been in the [organization] since about in August. We hired him in September and prior to that he had not been sober for any stretch of time since he was a teenager now he's in his 50s.
>
> So, he's been sober every single day, he has a life back, he feels good about himself, he's been [indistinct comment]. He's making wise decisions, he's able to buy things. He bought for example a guitar and he bought a mandolin. So, he's being able to participate in the various benefits of society that come from working, having goals, having dreams, having the support network to help you attain those. And then the other fellow very much too, he's enjoying life he's doing well...

Similarly, another individual with experience managing a WISE that employs people living with mental health illness also identified specific ways by which their WISE facilitate individuals' inclusion into society:

> *SE-MAN2*: For sure, like this is really a gathering place, so because they're very isolated, generally, socially. So, we do a quantitative study for our funder, X organization because they just care about how many people I get in and how many people I can get off EIA. But in-house we do a qualitative study, and some of the questions we ask people is do you have food in your fridge? Do you have children? Do your children live with you? And we repeat that study every 6 months, and we find that the more someone spends time with us, whether they're a volunteer or staff member, the better they do in the long run. So, because before they were socially isolated.

The examples of what inclusion into the economy provides noted by the participants above might seem basic to those who have never encountered the barriers that disadvantaged groups have, and that is what makes the barriers that facilitate the denial of basic needs structural and 'unseen.' Hence, inclusive economic approaches such as SE are involved in the process of addressing the

dehumanizing effects of exclusion from the mainstream economic system and allowing for democratic participation (Amin et al., 2003; Roy & Hackett, 2017).

What SE means to WISE trainees or employees

One question that generated some discourse around the inclusion of individual WISE employees was the question that asked participants what the word SE means to WISE trainees or employees. This question generated responses related to individual inclusion because many of the participants felt that their employees were too busy addressing personal challenges to see any wider community impact that SEs are making. A participant who managed a WISE that employed Indigenous people expressed that trainees can more easily see the social benefits of their involvement in the economy through the SE, than a systems-level impact of SE:

> *SE-MAN5*: I don't think that they would be able to articulate a lot of the stuff that I've said because they don't see the big picture. But what they do see, and we've done some data crunching recently, is like there's a lot of like improvement in the way that they see the world, in a lot of, like when we charted out. But the biggest thing that they have an improvement on in their lives from day one to day like whatever – 180 [of being in the SE], is a sense of belonging. A sense of belonging that they haven't felt before.
>
> One of the things that we used to talk about a lot in my early days with [name of SE] was that an outcome of [name of SE]'s work was in *increasing citizenship* and no one ever understood what we were talking about. But I guess maybe that's a more tangible way, like because we have this data that shows, and it's like a massive spike, where people have felt like Jerry [Woods] said, like they didn't have a seat at the campfire. They have not been economically included, they haven't been included in, so they don't do their taxes, they don't vote and whatever. And all of a sudden, it's not just that they belong at [name of SE], but like they belong in like all the social structures.
>
> But they understand, they're paying all the taxes. You know they see a road crew and they realize that they helped pay for that road crew and all the things that we do. They can save up and buy a shitty car. They get all the experiences that we've taken for granted, a lot of us. I shouldn't say we, but a lot of North Americans, a lot of Canadians have taken for granted for whatever reason. Usually, because of societal marginalization, our trainees have not been able to not only take part but like they can't even see themselves as part of that big society machine and all of a sudden, they can. Like "oh, I'm part of that too, I bring home a paycheck, I do this-that thing, I'm a working stiff." We can all complain about the same stuff. So, they'd be very articulate and be able to talk about that. That change is very tangible, and they do talk about it.

Another participant managing a WISE that employed Indigenous people articulated a very similar view of personal inclusion being an outgrowth of SE employment that participants can articulate:

> *SE-MAN5*: The biggest impact that we have is a sense of belonging, it's people feeling connected and valued where they are, that is the biggest impact we have and that sense of belonging, we know that is. You know when we look at poverty and poverty reduction strategies, social inclusion is one of the biggest indicators for engagement in society…They're not thinking about broader systems change. But when they feel that they belong where they work, and they're able to generate an income that allows them to live a different kind of lifestyle than they may have lived before, that's pretty powerful.

The idea of economic needs being met leading to increased citizenship, as especially articulated by the first participant, is specifically the point of the human security approach to peacebuilding. This peacebuilding approach emphasizes the importance of meeting economic and social needs faced by marginalized people before democratic discussions of instituting political and civil rights can be realistically implemented (Newman, 2011). This is because individuals cannot be genuinely involved in political and civic activities when they do not have access to basic needs like food or health care. Fulfilling economic and social rights empowers individuals to be more authentically engaged in political and civil processes (Richmond, 2014; Sen, 1999). Hence meeting economic needs, as discussed in the previous section of this chapter, is an important precursor to genuine local ownership and/or inclusion into peacebuilding processes.

Another important theme highlighted in the SE-MAN5's comment above is the paraphrase from Jerry Woods that those not included in the 'campfire,' which refers to the current socio-economic structure, will burn down the teepee. This statement highlights an important knowledge from peacebuilding – people must be included in peacebuilding processes, for these processes to not be impeded by 'spoilers' (Schirch, 2013). Furthermore, the rationale for inclusion into the peacebuilding process is not just a negative peace idea of preventing 'spoilers' from ruining the process (Stedman, 1997). Rather, local ownership also contributes to the sustainability of peacebuilding in the sense that when communities are involved in the peacebuilding process in authentic ways, community members are more dedicated to ensuring the success of peacebuilding and tend to perceive the processes as successful and legitimate (Reimer et al., 2015; Bercovitch, 2009).

Moreover, one participant providing business development services to SEs suggested that the level of involvement of employees or trainees in the operations of the WISE can determine their awareness of the wider impacts of the SE:

> *SE-DEV3*: A lot of people don't understand what social enterprise actually means. Even some people who are running socially-minded businesses, people who are running B-corps, they don't necessarily understand the term social enterprise. And the beneficiaries [employees and trainees] often aren't even in the discussion which sometimes, that's a different conversation. Sometimes the beneficiaries aren't even part of the conversation, so they think it's a business, or they think it's a non-profit, they don't see it as taking that middle space.
>
> There are some who know if you're looking at places that are more service-oriented, and they're employing people to do that. I feel like the people at BUILD especially would better understand what a SE is and their point within it as far as the beneficiary but in a SE such as, if you're looking at RAY and their gift and thrift, the people who are working there, they probably see it as a program of a non-profit instead of a SE...

This suggests that employees and other stakeholders involved in WISEs' work in authentic ways gain an increased awareness of the SE's mission, and this can make these individuals important advocates for the SE's vision within their community. This kind of inclusion isn't always easy or successful, as the experience of one SE trying to get their employees involved in organizational meetings shows (Donkervoort, 2013) but it can be quite rewarding in the sense of having a set of informal advocates willingly proclaiming the SE impact. This is like the experience of another participant managing a WISE that invested in disadvantaged youth, who communicated that their organization is successful because they rarely advertise their services, which are typically spread by word of mouth among members of the marginalized groups that they serve:

> *SE-MAN4*: Well, I think one of the things that we're really proud of is that we've never had to advertise our services, you know. A lot of people come to any level of our supports via word of mouth and so people are either hearing from their friends that they've connected with [name of organization]. They got housing, they got a job and then they come and see us. It's very rare that we actually have EIA workers or CFS workers calling us, because the young people seem to know about who we are, and they know how and when to access us from their own network.

In sum, inclusion that comes from WISEs removing barriers to participating in the economy is not just about earning an income from a job, inclusion also involves the attendant personal and interpersonal experiences that the process of working a job allows SE employees to access. Socioeconomic exclusion causes marginalized groups to be disconnected from their communities, and the "location of suitable venues for self-training and work in social economy organizations, in which they are accepted and recognized as workers and citizens, can play an

important role in the recovery of those connections" (Greffe, 2007, p. 99). Regaining community connections is thus an essential part of the peacebuilding process that SEs are engaged in.

*Community inclusion and ownership*

Having considered discussions around how *individuals* are included within and through SEs above, this sub-section considers how SEs facilitate the inclusion of *communities* into the process of economic development. One participant who provided business development and advocacy services to SEs noted that the objective of their work with SEs is around addressing the gaps in the economy, while also strengthening and empowering the communities within which SEs operate:

> *SE-DEV1*: We as a philosophy are pushing to see that our economy better serves our community, that our economy is more inclusive and that our economy is more responsive to environmental pressures and concerns. And so, one of the ways that we attempt to get to that goal is by getting more of the economy owned and led, and responsive to local needs and owned and led by community members.
>
> And so, SEs are entering into the market, into the economy but being community-run, community-owned, and seeking to benefit communities, having that direction there. We see that as a way of putting the economy more into the hands of communities and ultimately strengthening communities. So, that's why we like to see that work happening for non-profits taking over sectors of the economy or participating in the economy that way.

This participant's strong emphasis on community ownership is likely because their organization's underlying goal is community economic development. Yet community inclusion in WISE, just like in other approaches to peacebuilding, is not always easily attainable due to several factors. For example, an SE working with disadvantaged people who have suffered structural violence may find it difficult to motivate its employees to participate in decision-making meetings and other processes geared at generating inclusion because these employees have other pressing issues in their lives or simply feel uncomfortable in such meetings (Donkervoort, 2013).

Hence, a SE business developer believed that the significant effort SEs need to facilitate community ownership means that sustained government support for SEs is crucial to their having deeper impacts within communities:

> *SE-DEV1*: …One of the challenges is trying to, when it comes to the interest in the past ten years in SE and the government interest in maybe spending money on SEs, make sure that it's not like a flash in the pan attempt. It's not like a venture capital approach to putting these investments in place.… The whole reason for our support of SE tends to be that we think that it's *rooting strength and power in communitie*s. And so that's not work that can be done with a quick loan fund or with a quick injection of capital.
>
> This is work that takes a long time, and community economic development at large takes a long time to do it, and requires steady investments and continued work. And so sometimes I the way that people look at SE and see some of that sort of new startup entrepreneurial spirit within it, and some of that start-up culture and that kind of thing. I think that sometimes pulls away from the long game that needs to be appreciated, the long-term work that needs to be put in...

This comment further highlights the fact that maintaining community ownership of peacebuilding is an intense process that requires deep commitments and resources to implement (Arandel et al., 2015; Hasselskog & Schierenbeck, 2015).

Meaning of SE shared by SE managers

Just like the question about how SE employees or trainees perceive the role of SE led to discourse around the inclusion of individuals, the question about how other SE managers besides the participants perceive the role of the SE also produced responses related to a more community-wide process of inclusion that SEs can facilitate. This is likely because these SE managers can take a wider view of how their work is promoting community ownership and not just the inclusion of certain individuals. The idea of community ownership within peacebuilding is fraught with tensions because, as noted in Chapter two, studies have shown that approaches designed to be locally-owned can be coopted by local elites or even external actors who use the narrative of local ownership to gain legitimacy for their interventions (Hasselskog & Schierenbeck, 2015; Hirblinger & Simons, 2015). Regardless of this, however, community ownership when effectively implemented is still immensely valued in the field of peacebuilding and Chandler believes that "transformation comes not through external cause-and-effect policy interventions but through the facilitation or empowerment of local agential capacities" (2017, p. 194).

One individual managing a WISE that employed Indigenous people noted that managers within the SE sector have a shared goal of community rather than personal development:

> *SE-MAN9*: My staff and my colleagues in the sector yes, absolutely they see the social value of doing this. I mean we are not in this to get annual bonuses for reaching profit targets or sales targets, we are in it because we believe in the work. We're not getting rich doing this. But our communities are becoming richer by us doing this, our communities are becoming more vibrant and more resilient by the type of work we do.

This perspective of creating resilience through community ownership is in line with De Coning's (2018**)** argument that community ownership is important because externally-imposed solutions that have not been internalized will likely not be sustainable or address underlying concerns since they have not been used to improve the system's resilience. Similarly, another SE business developer acknowledged that while their fellow SE practitioners' meanings of SE may differ, the SE organizing groups that they are involved in share the goal of a community-owned approach to development through SE:

> *SE-DEV4*: …It's quite contested but I think the folks involved at the Canadian CED Network and at the Social Enterprise Council of Canada; I think as organizing groups we have really shared values around that. We're interested in democracy and in ending inequality and inclusion and diversity – some of those kinds of things and rooting that in community ownership in a deep way. So, for us, I think there's real value but we also know that we're not the only ones interested in this there's a whole big spectrum.

Further, a participant with experience founding various WISEs that serve Indigenous people argued that the Indigenous understanding of the economy that the Manitoba SE sector has is the basis of the sector's shared emphasis on inclusion and community ownership:

> *SE-FOU1*: Yeah, in Manitoba it's more common because we have a very high Indigenous population and it's more of an Indigenous understanding of economy that their economy is revolved around community interest rather than profit. I used the example…of an Indian agent named William Graham and he makes this observation that he didn't understand. And that is that a hunter went out and shot a moose and then the hunter came back and told the community that he shot the moose, and the Indian agent just thought that was wrong.
>
> He says in fact how peculiar that was because what happened is that 15 women then went out, took the hide off, cut it in 15 equal pieces and brought it back to share and he thought that that was just absolutely bizarre and backward thinking. So yeah, I think that I'm influenced by Indigenous views of economy and that has kind of led me wanting to make a difference between social entrepreneur and social enterprise [i.e. privately owned vs. community owned] that I think is important.

This idea of community ownership as a core value of Indigenous enterprise is corroborated by Sengupta et al. (2015), who note that the communal approach to economic development that Indigenous communities have historically practised is reflected in the way that Indigenous SEs are run today. This is in line with the assertion of Overall et al. (2010) who note that definitions of SE which focus on the individual entrepreneur without accounting for the role of the community are not adequate descriptors of Indigenous SE. This suggests then that SE does not always facilitate community ownership, and the underlying ideology of creating community-owned developed processes must be present before a SE can bring about community ownership of a sustainable peacebuilding process.

### 5.3 Expanding SEs' contributions to peacebuilding through cooperation

The section that considered how cooperative models of SEs can address intergroup divisions in Chapter two focused on how SEs can bring together members of divided societies working within individual SEs. The emphasis there was on SEs like Peace Basket in Rwanda that brought together people from opposing ethnic groups in the process of making baskets (Sentama, 2017). I also considered Inner City Renovation, a construction SE in Winnipeg serving mostly Indigenous people which helped to heal rifts between Aboriginal and non-Aboriginal workers (Donkervoort, 2013). So, going into this study, I had assumed that SE would be explicitly identified as involved in the process of reconciliation with Indigenous people, as a medium that provides Indigenous people with access to the mainstream economy. However, there was only one clear mention of this in the interviews, when one SE business developer noted that important supports for Indigenous groups, as part of the process of reconciliation, must come from the government and not just SEs:

> *SE-DEV1*: … And then you start to look at some of the mental health supports, or some of the other trauma supports that need to come along with this; that all can't come from the SE restaurant. That has to come from somewhere else, someone else needs to pay for that. It traditionally has been the province's role for those barrier areas, but that all needs to be addressed and in particular in Manitoba in the colonial context. You know, we need to think right about reconciling and reconciliation here. And how we factor that in and so that all needs to be there as well as the SE hiring the folks, right. So, the SE can only do so much, we need our other systems and structures to be supportive of individuals as well.

While it is only this comment that explicitly frames SE as one of the tools of reconciliation, perspectives from other participants presented in the previous chapter that consider structural causes of WISE employees' marginalization did identify intergenerational trauma and injustices done to Indigenous people as major structural problems.

Ultimately, while there was no discussion of the individual-level of cooperation within SE that I anticipated, there were many discussions in the interviews centred on a secondary form of cooperation briefly highlighted in Chapter two – cooperation among organizations. I noted in that chapter that cross-organization cooperation among cooperatives is a useful practice that addresses divisions within societies. Collaboration in the process of industrial production, allows smaller co-ops to achieve levels of scale that would ordinarily have been available only to large corporations (Restakis, 2010). Similarly, the interview data also explores the cooperation that SEs engage in and should engage in with other SEs, non-profits, and private businesses to expand their impacts. In other words, co-op practices converge with SEs the most in the cooperation among SEs that work together to bid for and execute projects which may be too big to handle, sharing ideas, promoting and advocating for SEs and seeking other opportunities for collaboration rather than competition. This section highlights these cooperative endeavours to understand how cooperation can help SEs scale.

*Organizations other than SE doing community development work*

One question that generated significant discourse around how SEs cooperate with other institutions was the one that asked participants if there were any other organizations besides SE doing similar work to what SEs are doing. One participant providing business development and advocacy services to SEs, while not emphasizing the issue of cooperation, reported that there are several other organizations addressing concerns of marginalized groups facing barriers:

> *SE-DEV1*: Oh, lots. There's so many great groups and different approaches to addressing some of these questions, restoring equities in our economy and working with marginalized populations. You know, one of the big ones that sticks out for me in Winnipeg is CAHRD. I think it's the Canadian Aboriginal Human Resources Development, they do just super impressive providing training and education for Indigenous folks…
>
> That's sort of one example and I mean, there's a whole host of just non-profits and community-based organizations and neighbourhood renewal corporations that are providing a range of services for communities in needs that aren't necessarily just economic activity….They're all doing really great work, and *I think that when celebrating or when advocating for the opportunity and the success of SE, we always need to sort of*

> *check ourselves that there's a lot of other approaches and a lot of other communities that are doing high impact, successful work that aren't using that model and that's fine, that's great*.

Acknowledging that other organizations are doing similar work to SEs provides an important basis from which SEs can cooperate with similar-purpose organizations. This idea that SEs are not the only organizations addressing poverty and unemployment was also present in the MSES (2015) document. This idea especially stood out to me because this was originally one of the research questions I set out to answer in this study (i.e., what organizations other than SEs can be useful in doing this work of community development) and this objective motivated this particular interview question. In retrospect, perhaps asking individuals in the field of SE questions that would lead them to identify organizations doing community development better than SEs was not a very wise approach and the next chapter explores the change to this study that came about upon this realization. Yet, it is still interesting that this question about what other organizations are doing similar work to SEs led to discourse around organizations working *with* SEs rather than discussions that identified organizations *other than* SEs.

In response to this question, a participant managing a WISE that employed disadvantaged youth emphasized how they are working with social service organizations that do similar work:

> *SE-MAN4*: Yeah, we're very well connected with all of the social service agencies in West Broadway. We do keep our nose to the ground about what's happening in the city. So we all work together in partnership, especially during this current pandemic. We're on video calls, email chains etcetera so that we can work better together with all of this. If one agency doesn't have the supports that they need to work with someone, someone else is speaking up, able to offer something, whether it's delivering a product, giving resources or supporting that youth to maybe go to that particular agency. But we're very much a collective.

According to Kenworthy (1997), institutional arrangements that promote cooperation within and between enterprises in areas like financing, technology and marketing increase economic performance. Hence, cooperation within the social economy or among social purpose businesses is important for these enterprises to improve their economic performance and expand their social impact. In France, territorial clusters of economic cooperation are agreements where like-minded enterprises cooperate to accomplish economic goals, and the patterns of cooperation in these clusters are substantially influenced by social economy organizations and their principles (Matray

and Poisat, 2015). This suggests that when SEs are involved in cooperative endeavours with non-SE organizations, these SEs can influence other organizations to be more aware of and intentional about creating significant social impacts. Cooperation between local and external actors and even among local actors is a fundamental objective of peacebuilding processes that are sustainable (Arandel et al., 2015) and genuinely inclusive (Freire, 1970).

*Co-operation with for-profit businesses*

Another surprising theme that I identified from the data, still based on responses to the question regarding organizations other than SEs doing similar work, was the way that participants regarded for-profit businesses. Several participants considered for-profit businesses to be effective current or potential partners that SEs can cooperate with in the process of maximizing SEs' social impacts. Only one participant seemed to see for-profit businesses in a less positive light, as having the potential to take advantage of the supports extended to SEs. In the group of those advocating partnerships with for-profit business, is a WISE manager who believed SEs can cooperate with private businesses – particularly those that are still being run by their founders – to create greater social impact:

> *SE-MAN5*: Well, there are for-profit businesses that hire a lot from [name of SE], they've taken it to be kind of part of their mission like Transcona Roofing is a really good example of that. And they're from what I understand, one of the most supportive employers I've ever heard of. Yeah, I'm sure that there's lots [of organizations that do work similar to that of SE]. I'm sure that there's lots, usually I find that medium sized companies where the founder of the company still is running the show, oftentimes these companies haven't lost their heart.
>
> So, and what I mean by that is when someone starts a company, I mean some people it's just to make money, but some people, a lot of people, they start because they're like, "I see this problem and I'm tired of the way things are and I'm tired of the way the world is and I wanna make the world better and I'm gonna do it with my business, right." And if someone had shown them SE, they probably would have just started SE. But what they did is they started a company that had a lot of patience and a lot of understanding, and then those guys they die, and then their kids take over and then everything goes to hell. Because then it just becomes about money. But when I meet for-profit businesses that the founder is still running the show, and an example of that would be Transcona roofing, it's a pretty understanding employer; pretty patient, pretty good.

Given their belief in the potential for owner-run for-profit businesses to be interested in making a social impact, this participant further suggested that SEs should seek opportunities to encourage such businesses that have a 'heart' to become even more socially-minded:

> *SE-MAN5*: I think you know there's lots of opportunity for business people to start thinking creatively about this thing because they are brilliant innovators. It's just that they've never been mentored in this, this is like new. I meet business owners or founders all the time and when we talk about this stuff, they're kind of like, "why has no one ever talked to me about this kind of stuff before?" because they get it.
>
> But no one ever said it. It's the itch that everybody had but no one knew where to scratch. So, once we can activate a broader level of people who can engage, which is what [name of SE] does. We get out there and we try to be frontward facing on communicating, and talking about our business model and what we do…

This idea of engaging the private, for-profit sector in the move towards transforming the system suggests that the process of 'peace economics,' which Brauer and Caruso (2013) describe as a process of constructing institutions that prevent or mitigate violence, is not limited to any form of enterprise. Rightly motivated individuals and organizations, irrespective of whether they are organized as SEs, can contribute to peacebuilding by developing their own approaches to include marginalized groups in the mainstream economy. Moizer and Tracey (2010) argue that one of the ways that SEs can improve their impacts is by building alliances with for-profit businesses that allow them to spend less effort on generating resources and more on producing social impacts.

SE-MAN5's statement above also highlights the issue of SEs engaging in advocacy that promotes the idea of combining business with social impacts, and as discussed in the previous chapter, this kind of advocacy has the potential to transform unequal socioeconomic structures. Similarly, a participant who provided business development and advocacy services to SEs felt that SEs need to cooperate more with private businesses if they want to scale:

> *SE-DEV3*: …And then the business to business relationships I think, sort of the work that Buy Social's doing, that would be a place that, I don't know if it would necessarily be our [business developers'] role to provide that. But that still strikes me as one of the biggest bottlenecks in seeing this work scale and grow is just connecting, and getting in to supply chains and getting into sub-contracting relationships with the rest of the private sector. And so, the ability to see that grow would be quite great.

Another participant with experience managing a WISE that employed Indigenous people built on the idea of non-SE organizations making social impacts, by noting that private individuals have also cooperated with SEs to make social impacts:

> *SE-MAN1*: …There are examples of traditional, conventional businesses that have hiring practices that support people with certain challenges, right….You know, there are also individuals philanthropists who have a social conscience. So, I had social capital partners and [name of individual] in Toronto who's a big financial supporter of the work I was doing in Winnipeg. You know, Bill Gates would be another good source, right…there are people, wealthy people who make it a point in their lives to support things, you know, certain SE.

In the same vein, participants also drew attention to the Winnipeg Chamber of Commerce as a useful partner that collaborates with SEs. As the leading organization representing business in the community, support for SEs from the Chamber is a significant success for SEs in terms of cooperating with for-profit business. A participant providing business development services to SE identified the Chamber as an important supporter of SEs in Winnipeg:

> *SE-DEV4*: ...I have to say at the same time I mean I think I see other parts of the support system kind of growing like the Chamber of Commerce in Winnipeg is a big supporter of social enterprise…

Similarly, another participant explicated the significant role that the Chamber has played in uplifting SE in the city:

> *SE-DEV5:* …The role of the Winnipeg Chamber of Commerce here is a bit unique and it took them a long time to wrap their head around social enterprise. But I had a conversation with the president of the Chamber probably close to ten years ago by now, eight years ago when I was still over at [name of organization] and just kind of made the point. You know the Winnipeg Chamber needs to acknowledge social enterprises as a full and legitimate part of Winnipeg's business community. And in fact, needs to go beyond that and start to celebrate it and to their credit, they took it on, and within a year they had created the social enterprise award category which then ACU started sponsoring.
>
> Our Chamber of Commerce every year lifts up and celebrates and promotes social enterprises as a distinct category within the business community of Winnipeg. And I don't know that that happens across the country. And so that's been a hugely advantageous piece, there's certainly a lot more they can still do around that but that's probably something that should be noted.

The importance of the increasingly cooperative relationship between the SE sector in the city and the Chamber is highlighted by a participant with experience founding various WISEs that served Indigenous people, who noted that cooperating with respected partners like the Chamber is important for SEs if they want to gain government support and respect:

> *SE-FOU1*: Well, I think that there's a how do we get there [gain government support]. And to me the how we get there is by bringing partners to the table that the government respects like the Chambers of Commerce being one example. And we've been talking to the Winnipeg Chamber of Commerce and they really like what we do…

This idea of bringing an established organization like the Chamber on as a supporter of SEs to gain legitimacy is critical, given Bateman's (2007) discussion of how economic and business development support from established financial institutions was critical to the significant success that cooperatives in central-northern Italy and northern Spain had.

Despite the positive comments above emphasizing that SEs cooperate with for-profit businesses to expand their social impacts, a participant managing a WISE that employs multiple marginalized groups does not seem to support the idea of encouraging for-profit businesses to make social impacts. This participant believed attempts by for-profits to create social impact are typically not genuine and can harm SEs by reducing the supports available to SEs. This participant highlighted this in their response to a question on how government can support SEs:

> *SE-MAN6*: So, no, government has no way of supporting our business any more than it can support other businesses, like the only way that we're eligible for anything is if other businesses are eligible for it. I mean, a couple of years ago, a year and a half ago now, there's that thing where the federal govt said hey, environmental tax credits for any business that wants to access these things. For all the small businesses that want to access these things, we will give you all of the money you need to get in, to make your business more energy efficient.
>
> Shoppers Drug Mart and Loblaws ended up taking up that entire fund buying themselves new refrigerators, right. *Once you open a door that is actually gonna be available for a business like us to walk through, the big guys who have all of the lawyers and accountants and tax attorneys and all of the crazy, all of the [indistinct comment] they have are the ones who are gonna take advantage of that*. Well, congratulations federal government, you just made [indistinct comment] richer. Thanks, you did nothing for us.

This skeptical view of for-profit businesses claiming to be involved in producing social impact, particularly big business conglomerates, is not exactly unfounded. Hence, participant SE-MAN5 quoted above emphasized that it is mostly owner-run for-profit businesses that tend to be genuinely interested in producing social impact. Further, Matray and Poisat (2015) note that social economy organizations cooperating with for-profit business could withstand being pushed into a solely profit-focused realm if these socially-minded organizations maintain their independence and social goals. Partnerships with for-profits can allow SEs to expand their economic performance and social impact to the point where they can then decide to partner with solely socially-minded businesses. Moreover, even cooperation among like-minded enterprises is not always a problem-free process. Matray and Poisat note that even economic cooperation within the social economy can be "difficult to implement because of the risks of power games between the various public and private actors, even within this non-profit framework" (2015, p.3). Hence, the risks to SEs cooperating with for-profit businesses or advocating for government supports that for-profits could ultimately take advantage of may not be as devastating as the participant above presumes.

*Cooperation in providing wraparound supports – needs SE cannot meet*

Many responses to the question that asked participants what needs SE employees had that SEs could not meet identified a wide range of wraparound supports that SEs employees need which these organizations cannot meet. This is a major reason why SEs must cooperate with other organizations within and outside their sector to meet their employees' needs. One participant who provided business development services to SE noted that most SEs cannot provide wraparound supports:

> *SE-DEV2*: I don't know about most, there are some. I mean, there are certainly organizations, like significantly sized organizations. DASH is a big organization in Winnipeg, they would have all of the psychosocial people required and they run a SE….Where we normally find ourselves working though, is either with the SE only of that organization I presume that they're [SEs] all talking to one another, but I don't know. Or we work with an organization that's significantly smaller, that does not have those wraparound services available but does do the SE activity.

Hence, while some WISEs, particularly those established by non-profits, can provide wraparound supports beyond employment and training programs (Cooney, 2015) many cannot. Similarly,

another participant with experience providing business development services to SE outlined the wide-ranging needs that WISE employees and trainees can have, which the SEs alone cannot meet:

> *SE-DEV2*: …So, I think what we've learned is that most of our SEs can provide employment training. But we need to also find the kind of wraparound services, psychosocial supports. You know, we need to be able to help somebody deal with childcare, or lack of housing or addiction challenges while we help them with job skills.

Given these needs for wraparound supports that many WISEs cannot meet, WISEs need to cooperate with institutions that meet these needs to support their employees. One participant managing a WISE that employed people experiencing homelessness noted how their relationship with other community organizations allows them to get support for their WISE employees that the WISE is unable to provide:

> *SE-MAN8*: Well, the one fellow who was struggling with sobriety, one thing that we did do was we made a condition of employment that he attended some AA meetings because that's beyond our capacity. But aside from that, there's nothing that we haven't been able to do while at the same time using and networking with other agencies, government agencies and non-profits, again including [indistinct comment].
>
> This one fellow whose staying in the shelter, to help him go through the paperwork and all the stuff he needs to get his own apartment. So yeah, whatever we're lacking as far as resources we are well-connected and well knowledgeable of what is available in the community to help with various needs.

Hence, as Brandon and McCracken (2016) highlight, WISEs strive to maintain connections to organizations and sectors that have resources which they do not have, while also improving their own capabilities. Similarly, another participant managing a WISE that employed Indigenous people highlighted how they cooperate with social service personnel to support their trainees:

> *SE-MAN9*: Oh yeah, with our trainees they often have other organizations or supports that work with them. So, for example, it is not uncommon for our trainee to have a parole officer or a CFS worker or a counsellor or a social worker or some kind of support or relationship that they have. So, for us it's always really important to be able to have contact with these different supports so we can all work in chorus with each other.

What particularly stands out in this response, is that the participant seems to consider parole officers as part of the support system for employees who have experience with the justice system. To someone only vaguely familiar with the process of restorative justice (which SEs that hire ex-offenders participate in by preventing recidivism), parole officers might not be easily considered an essential part of this. However, Gavazzi et al. (2003) note that when supporters of ex-offenders cultivate an intentional relationship with parole officers, these officers can contribute positively to the process of developing plans to enhance the ex-offender's socioeconomic and behavioural skills. This shows that WISEs can find individuals and organizations to cooperate with in the process of addressing the barriers facing WISE employees in the most seemingly unlikely places, and these collaborations may be just what WISEs need to significantly expand their social impact.

*Cooperation within government and with SEs*

While the next chapter will consider the nature of the relationship between government and SEs in more depth, the foregoing discussion has briefly considered some of the ways that government and SEs may cooperate. A few participants noted that collaboration between government departments is essential if government cooperation with and support for SEs is to be effective. One participant providing business development services to SEs noted that:

> *SE-DEV4*: …Part of the recommendations there weren't just about funding certain development programs or initiatives, it was also about government taking a strategic approach to this. *So, thinking across government silos, across departments*, building strategy into the programs that they do so it's not just a one-off relationship with one enterprise but it becomes kind of the logic that's in departments more widely…

Similarly, another participant managing a WISE that invested in Indigenous people emphasized the need for collaboration within government in their approach to dealing with SEs to expand the societal impact of this cooperative endeavour:

> *SE-MAN9*: This government is much more interested in or very interested in good value for money. But yet, it's still, unfortunately, happening within silos so like one department isn't going to be interested in the benefit that another department receives because it doesn't actually show on their budget line. It's not something that they can calculate and government continues to exist in silos.

> And it's largely not collaborative and risk-averse and with a shrinking civil service, they're already overworked and overburdened. And just trying to get through their day and don't really have the time or the impetus to think about the bigger picture or how things are connected. But I think the reality is that when you do take that time to collaborate with other departments and have those conversations and recognize those shared goals, those intersection points those connection points.
>
> Those intersections between departments are leverage points and those are the points that government if they focus on those leverage points. One you see collaboration and you see innovation. But two you're able to focus resources the increasingly finite resources into those leverage points basically giving you better bang for your buck, having more outcomes with less resources expended. But government isn't quite there yet, that's where they're working towards, and that's the language that they're using but in practice, it's not happening an awful lot.

Matray and Poisat (2015) note that a significant limitation to collaboration between public institutions and enterprises in the social economy is that while government institutions are typically focused on one purpose (e.g., housing, health, employment), SEs are more likely to be focused on an 'interdisciplinary problem' such as social exclusion or poverty. This complicates the work that social economy organizations are doing because it means that organizations dealing with significant barriers must work with multiple governmental departments, typically through differently organized processes, to implement a project (Matray & Poisat, 2015). Hence intra-governmental cooperation in dealing with SEs is critical to the process of building a strong SE sector, alongside the other forms of government supports that SEs require to scale their social impacts. Social Enterprise Manitoba (2018) notes that one of the unanswered questions from the Manitoba Social Enterprise Strategy (MSES) that a second MSES strategy should consider is, what are the gaps in wrap-around supports? This intragovernmental cooperation in working with SEs is one gap that can be filled through various ways identified in the following chapters.

*Cooperation with business developers*

As noted in the methodology chapter, six of the 20 individuals interviewed for this study provide SEs with business development services that range from advocacy to coaching, consulting, and financial support. Only one of these business developers services SEs exclusively, while the other four also provide business development services to other community economic development organizations besides SEs such as cooperatives and other non-profits. Just by looking at the sheer numbers in this study (six business developers to 14 SE managers and founders), these business

developers may seem overrepresented. However, besides the valuable second-tier organization view of SEs and community development that they bring, the MSES (2015) document identifies developers as significant contributors to the SE ecosystem in Manitoba. Hence, this sub-section explores some of the discourse in the interviews around the way that business developers and SEs collaborate.

One question that generated responses around cooperation between SEs and business developers asked business developers how they meet the needs of SEs. One SE business developer noted that their financial institution collaborates with SEs by providing them with financial support, advocating for them and purchasing their goods and services:

> *SE-DEV5*: ...So, promotions, grants and sponsorships and then financing and I'd say probably the fourth pillar in terms of social enterprise is advocacy and community partnerships. And so, in this space, we would work with organizations like the Canadian CED Network to advance policies in support of social enterprise development….So, then if there's a fifth pillar it would be around purchasing. So, we do look for opportunities to purchase from social enterprises.
>
> Right now, we're in the middle of delivering food and hygiene products to community-based organizations who are still providing that frontline service in the community. And so, we're looking not only to support those organizations and provide them with what they need to support their communities but to create impact while we're doing the purchasing….So, looking to not only have impact by providing food out into the community but creating an impact by how and where we choose to do the purchasing in the process...

Most discussions around social procurement typically revolve around government purchasing goods and services from SEs. Yet this participant shows that for-profit institutions like the one they work[45] for can also collaborate with SEs by purchasing from them.

Another participant providing business development and advocacy services to SEs noted that they meet the needs of SEs by advocating for government to purchase from SE, and providing other traditional forms of business supports:

> *SE-DEV1*: So, we advocate on their behalf. So, we mentioned earlier one of the needs is money, revenues, people buying their goods and services. So, we are regularly engaged in advocacy to all three levels of government to target their spending, their procurement to

[45] This institution is unique in that while it is ultimately a for-profit business, it is community based and supports community development initiatives.

> SE that would be an ongoing source of revenues for services, so that's one way that we, on the advocacy side. And then we do business development supports. So, we have a program called [name of program], [this program] works with.
>
> Yeah, I mean it's pretty traditional business supports only we understand the non-profit context a little bit better than your traditional business support would be. But it's marketing, strategy, governance, communications, all those pieces, business development planning, feasibility studies – Those kinds of things we provide support with. And then the capacity building, so workshops on topics like SM and branding or workshops on topics like conflict management or conflict resolution.

Having these specialized business development professionals who specifically support non-profits or community development organizations supporting SEs is key. Specialized business developers' operating within the community development niche can provide SEs with the targeted supports these SEs require in their unique process of balancing social and business objectives.[46] Bateman (2007) argues that the targeted business development services financial institutions provided to cooperatives in northern Italy and northern Spain played a critical role in the rapid growth of these cooperative enterprises.

Many business developers also facilitate the work of collaboration that SEs are engaged in within and across the SE sector to increase the scale of SEs' social impact. In this vein, one participant who provided business development services to SEs framed their objective as expanding SEs' business and connections:

> *SE-DEV3*: Right, so I see my purpose being to find the people who have the information and helping to expand their reach, to take that info and spread it around. To help those conversations happen and then also to produce new resources based on the information that's out there so that they're more easily accessible. So, information first, connections second and then helping them to turn that into a viable business model that creates impact.

Cooney (2015) is optimistic about what this SE sector collaboration facilitated by WISE business developers and intermediaries will produce, believing that this is poised to be a significant way of expanding the sector's capacity to address the structural injustice marginalized individuals experience.

[46] The next chapter in this study discusses this in more detail.

*What participants would change in working with SE in Winnipeg*

The importance of cooperation between WISE is evident in some of the responses of the participants when asked what they would change about the SE sector in Winnipeg if they could do so. At least six participants noted that they would increase the level of cooperation among SEs in the city in tangible ways, and some of these responses are presented below. One participant managing an SE that addressed environmental issues highlighted the need for stronger networks among SEs, which many SEs find difficult to participate in because they're too busy:

> *SE-MAN7*: Would like to see there be a stronger social enterprise network for the organizations that are working in social enterprise I think. You know, it's there but it's more informal. If it had some funding behind it then it could have a lot more power, you know. But people get busy operating their own social enterprises and so they don't really have a lot of extra time and energy to put into trying to create that kind of unity between organizations that I think would produce a larger voice. And it would also demonstrate locally the impact the social enterprise is having on the community. So yeah, maybe a stronger kind of unified front for social enterprises.

As the previous chapter and subsequent ones show, the theme of advocating for SEs to gain more public and private sector support by promoting the value of their work is important to SE professionals in Manitoba. As the Manitoba Social Enterprise Strategy highlights, "for the social enterprise sector to be supported and celebrated by the economy and public, its success and impact must be widely known" (2015, p. 19). Yet, one important link that discussions around promoting the work of SEs often ignore, is inclusion. As the second section of this chapter has argued, involving individuals and community members in authentic ways in the work of SEs could bring some greater awareness of the important work that SEs are doing, which SEs can then leverage on for more awareness. Discourse on cooperation in the social economy such as Matray and Poisat (2015) and Bateman (2007) indicate that inclusion and cooperation are fundamentally linked as there can be no genuine collaboration if the stakeholders involved are not engaged.

Another participant managing a WISE that employed people living with mental health illness called for increased cooperation among SEs in terms of the placement of their employees:

> *SE-MAN2*: …I think there needs to be more partnership with organizations, we need to work together a lot more. We also need to work together to help our members….We need to be able to say "okay, this person should be there and this person should be there." Like

> I'm very entry-level. So, if somebody is not thriving at a more, like [name of SE] for example, which is more a full-time position, then send them back to me. Send them to me because I'm very entry-level, right. Let me build on their skills and social skills and confidence, then I'll send them back to you. Yeah.

In the same vein, a SE business developer noted that SEs must improve their level of collaboration on projects:

> *SE-DEV3*: … I think I'd like to see more collaboration. There are some SEs that do it well and a lot that just don't think about it because a lot of these SEs are really quite small. And there's been some overlapping of either doing the work in similar areas or trying to have the same kind of impact. And we could be doing better. We might be doing better if we were collaborating more, figuring out who is already doing the work who has the system in place, instead of building it from scratch.
>
> I know there's a great example in BUILD and Purpose Construction. They bid on some contracts together because they have similar kind of work that they do. But if the job is too big for any one of them, they can bid together in a cooperative bid. And I don't see that happening in very many other places in Manitoba….For example, there are at least 4 grass cutting, snow clearing kind of SEs in the city and I have not heard of them working together in figuring out how to better schedule or how to better section off areas of the city.
>
> Because like they do have distinct areas of the city that they could serve. But I know they also overlap each other, they're dotted all over the city. And they could be a lot more efficient. They could do the work better and faster if they collaborated and swapped clients. Yeah, if they made that partnership.

In sum, while the perspectives above show that there is much longing for improvement in the level of collaboration between and among SEs and other organizations in Manitoba, the level of cooperation that currently exists within the sector, according to the MSES (2015), is a significant reason for the success that the province's SE sector has seen so far.

The discussion on the intricacies and essence of cooperation between and across SEs undertaken in this section can be most effectively summed up by the comment of a participant providing business development services to SE. This participant believed that cooperation among SEs and other community development organizations is critical to these organizations scaling up their social impacts:

> *SE-DEV4*: … I think I'd love to see more conscientious partnering of the [social] enterprises with community-based organizations and grassroots activists. I'd love to see them see themselves as a spectrum of allies that are changing the economy and tackling this problem

> from different perspectives. I'd love them to really feel like they're your cousins or relatives and in that bigger vision…
>
> And I'd see sort of the levels of government bought in supporting this deeply….And eventually, I mean I think you know I want to see an economy where if the whole economy's a pie, one of the gigantic sections of it would be the social economy. I don't want it to be marginal anymore. And so, I'd actually see this working so well that existing businesses would be converting to these model kind of happily either at retirement or just because they recognize that they're better. That'd be like a little bit of vision or that's a wish that I have.

This comment brings together many of the elements touched upon in this section such as the need for SEs to cooperate with other enterprises involved in community development, gain intra-governmental support for this process, and for-profit business to collaborate with organizations in the social economy to transform inequitable socioeconomic structures. This is critical because the multidimensional nature of social problems and the need to develop significant solutions to these social problems requires collaboration across non-profit, for-profit, and public sectors (Alvord et al., 2004; Sakrya et al., 2012). Hence, the aforementioned dimensions of cooperation operating through and around WISE are ultimately aimed at producing the most efficient approach to addressing the structural injustices faced by WISE employees.

### 5.4 Research findings

This section presents eight research findings from the data analysis and interpretation undertaken in this chapter.

*First, WISEs contribute to positive peacebuilding by meeting economic needs*. The form of SEs focused on in this study – Work Integration Social Enterprises (WISEs) – contribute to positive peacebuilding by providing WISE employees or trainees with income, thereby allowing their economic needs to be met. WISE's act of meeting economic needs contributes to positive peacebuilding by removing the structural barriers that hinder individuals from accomplishing their full potentials. Also, having a source of income allows WISE participants to access basic needs like food, housing and transportation. However, WISEs' ability to meet these needs is limited by the fact that many WISEs represented in this study do not employ, or intend to employ, those they train on a long-term basis. The hope is usually that after their time at the WISE, WISE trainees can access mainstream employment and a new cohort of trainees can be admitted. Yet, this is not

always easily or quickly realized and WISE graduates often experience challenges finding mainstream employment.

However, even just the work experience WISEs provide and the needs they meet contribute significantly to the process of addressing structural injustice. From this work experience, trainees gain a source of income, sense of purpose and practical tools needed for personal and career development that subsequent interventions these trainees may access after leaving the WISE can build upon. Given that study participants acknowledged SEs as only one of the many entities involved in systems transformation, WISEs can facilitate individual capacity building while others in the for-profit sector take responsibility for making social impacts by hiring WISE graduates.

*Second, structural injustice is a fundamental cause of economic needs*. Besides the fact that meeting economic needs is a part of the process of addressing structural injustices that SEs are involved in, structural injustices are also a fundamental cause of the economic needs that those SEs serve experience. In the context of this study, structural injustices and barriers experienced by WISE participants manifest in the form of growing up in remote or underserved communities, experiencing intergenerational trauma and being a newcomer.

Structural barriers often manifest in form of challenges that keep members of marginalized groups from accessing mainstream employment such as low level of education, low access to transportation, and a criminalized past. Hence, interview participants highlighted that the economic needs of WISE employees are typically a result of problematic socioeconomic structures that produce structural violence and inequality. So, participants see SEs as being involved in the process of addressing structural challenges in a way that can potentially transform these structures that produce inequality. Participants particularly emphasized structural injustices facing Indigenous people, noting how the lasting impact of the direct and structural violence done to Indigenous people is reflected in their economic condition. This discussion also suggests that SEs can be an important site in supporting Indigenous people to access the mainstream economy, as Chapter seven considers in more detail.

*Third, positive peacebuilding by WISEs involves the provision of wide-ranging supports and training to meet their participants' needs.* The discourse in this chapter also highlights how the process of addressing the various barriers to mainstream employment facing WISE employees and trainees often goes beyond work training or the provision of work experience. WISEs also address other areas of their trainees' lives that may traditionally be considered personal, through

sites like parenting, budgeting, and financial management classes. This provision of extra and necessary supports required to be successful in the mainstream economy is part of a capacity-building process that ensures that other skills WISE trainees needed to effectively utilize the job training experience are in place.

Besides the opportunity to earn an income and gain professional licences, WISEs also contribute to the positive peacebuilding process by supporting their trainees or employees to gain a sense of self-confidence and purpose through work. WISE sometimes even provide trainees with connections that can help them to gain employment upon exiting the WISE. Some SEs also provide social supports for trainees who have experienced trauma such as social workers or Indigenous elders. All these varying supports contribute to a process of sustainable, positive peacebuilding that equips individuals with the tools they need to address current and future challenges. In sum, the process of providing WISE trainees who have experienced structural and direct violence with employment skills and training, personal improvement classes, social supports and contacts within the for-profit industry is an important way that WISEs build their trainees' capacities.

*Fourth, WISEs are careful of how they represent their employees' or trainees' challenges to non-stakeholders.* Inquiries into how the barriers facing WISE employees impact WISEs' work produced responses that highlight the care with which SE practitioners deal with the subject of their employees' challenges. The general knowledge in some of the literature identified above notes that the nature of the barriers facing WISE employees suggests that these employees would require an extra level of support and understanding in their training process. Yet, study participants did not directly mention this. While one participant identified the need to be patient and supportive of WISE employees in a firm but helpful way, they disclose that this kind of supportive environment that they provide their WISE employees is not necessarily different from the one they provided to their employees when they worked in conventional firms.

Participants emphasized that they do not disclose challenges emerging from barriers facing their WISE employees, particularly those with a criminalized past, to prospective customers and limit access to this information to essential supporters and stakeholders.[47] The idea behind this is to keep negative aspects of trainees' experiences out of the public eye to ensure that the negative

[47] One caveat that comes into play regarding SEs being restrained in their communication of the barriers facing their employees is when they are communicating the social value they produce to stakeholders, particularly the government, to gain their support for their social mission.

perceptions people may have of these trainees due to their experiences do not affect the WISE's business. While some individuals might support SEs because of the service they provide to disadvantaged groups, the experiences of these groups may repel other people who have regard for the circumstances that affected these marginalized groups. Unfortunate as this may be, it is a reality that SE practitioners sometimes must deal with, particularly when working with people who do not have much experience with the kind of work they do and who have negative stereotypes about the disadvantaged groups they serve.

Such prejudices reinforce the structural injustices that exclude marginalized individuals in the first place (particularly those with a criminalized past) from the mainstream economy and can lead these ex-offenders back into recidivism if they cannot find employment due to the prejudices against them. Ultimately, this is also one way that socioeconomic structures can keep marginalized groups in a subjugated economic position when this conditions them and keeps them from accessing the mainstream economy. While SEs hope to interrupt structures that seek to keep marginalized people subjugated and build these individuals' capacity to address the barriers they face, there is minimal impact that WISE programs can make if they cannot find their trainees permanent jobs after their training period at the WISE. Hence, as the following research findings from this chapter show, cooperation between WISEs and the for-profit and public sectors is necessary for the peacebuilding work that SEs are doing to have lasting impacts.

*Fifth, structural challenges remain more significantly damaging than the perception of these structural challenges.* The previous key finding considered how the perceptions of barriers facing marginalized groups, particularly those who have a criminalized past, can be an additional barrier that hinders individuals in such groups from accessing mainstream employment. However, this does not change the fact that the systemic barriers themselves remain as important, if not more important, than the perceptions of these barriers. For example, the structural injustices that produce lower education outcomes for certain racialized groups arguably constitute a more significant cause of unemployment among these individuals than the overt racism that may cause someone to not want to hire people from these groups. Hence, while we are easily attracted to more obvious forms of injustice like racially motivated discrimination, it is the unseen ones embedded within the structures and systems of society that often cause the most significant harm. SEs and others doing community development work address both the challenges and their perceptions through their operations. The exposure to the work done by marginalized groups in WISE is sometimes a

turning point for those who may have held negative views about individuals from these marginalized groups to see them in a more positive light.

*Sixth, WISEs facilitate their employees' social inclusion.* The access to the mainstream economy that WISEs provide to their trainees is part of the process of socio-economically including these individuals. When the economic needs of disadvantaged individuals are met, the capacity of these individuals to access and utilize their social, political and civic rights is enhanced. Hence, meeting economic needs is an important precursor to genuine local ownership of peacebuilding and community development processes. Beyond this, the social inclusion of marginalized groups also makes for a sustainable peacebuilding process because people who are included are more likely to contribute to the success of the given peacebuilding endeavour.

This is in line with the finding noted above, that denying marginalized individuals with criminalized pasts employment opportunities because of their past could drive these individuals back into recidivism. Hence, when disadvantaged individuals empowered by WISEs are included in the mainstream economy, the quality of life of these individuals is improved but the community also benefits from having individuals that are less antagonistic to and more supportive of building the community that they have become a part of. In sum, the socioeconomic inclusion of trainees and employees that WISEs facilitate is not just about earning an income from a job, it also includes the attendant interpersonal experiences that working a job allows SE employees to access. Because socioeconomic exclusion causes marginalized groups to be disconnected from their communities, WISEs are engaged in an essential form of peacebuilding that can help marginalized individuals to regain community connections.

*Seventh, SEs must collaborate with actors in and outside of the social economy to expand their impacts.* SEs need to collaborate with other actors to expand the social impact of their work. Collaboration allows SEs to access resources that they may not be able to easily acquire on their own or that would require them to expend a significant amount of effort that could be more effectively directed elsewhere. Discussions around SEs' collaboration with actors in the social economy materialized from study participants' acknowledgment that SEs frequently partner with other organizations doing similar community development work.

While collaboration with organizations in the social economy is a fairly evident path for SEs to take, one significantly surprising approach highlighted by study participants was that for-profit businesses are effective current or potential partners for SEs to cooperate with to maximize

social impacts. Only one participant seemed to see for-profit businesses in a less positive light, as having the potential to take advantage of the supports extended to SEs. Collaboration with for-profits typically takes the form of SEs bringing their knowledge and community contacts while for-profits bring much-needed resources that allow SEs to focus on producing social impacts rather than profitmaking. Furthermore, study findings also suggest that cooperation with for-profits and even conglomerations of for-profits like the Winnipeg chamber of commerce can support and lend legitimacy to the business side of the work SEs do.

Besides directly collaborating with for-profits, a participant also hinted at SEs collaborating with for-profits to show these businesses the benefits of making social impact and encourage for-profits to integrate concerns around social impact into their internal operations. This kind of advocacy that involves promoting socially-minded business to for-profits seems to be a form of the 'activism' that SEs can engage in, which as noted in the previous chapter, has the potential to transform the unequal socio-economic structures of society. A study participant particularly emphasized that for-profit businesses that are still being run by their founders have the greatest potential to be interested in making social impact, and so SEs should seek opportunities to work with and advocate to such businesses that have a 'heart' so that they can become even more socially minded.

Having said all this, not all study participants hold positive views of for-profit businesses or support the idea of encouraging for-profit businesses to make social impacts. One participant believed such attempts by for-profits to make social impact are typically not genuine and can be harmful to SEs by reducing the supports available to them. This is not an altogether unfounded view of for-profits and SEs must determine that prospective for-profit partners are genuinely interested in producing social impact. SEs must also hold fast to their social objectives to ensure that the for-profits they collaborate with do not lead them into an excessive focus on profitmaking. Nevertheless, there are potential risks to all forms of collaboration with other entities, whether they are for-profits or not, and so it is the partnering SE that must hold fast to its ideals. When SEs are involved in cooperative endeavours with non-SE organizations, they can influence these organizations to be more aware of and intentional about creating significant social impacts. Ultimately, this discussion suggests that rightly motivated individuals and organizations, irrespective of whether they are organized as SEs can contribute to peacebuilding by developing

their own peculiar approaches to addressing the barriers that exclude marginalized groups from the mainstream economy.

*Eight, cooperation with (and within) government and with business developers is also critical for SEs*. Besides collaboration with non-profits and for-profits, SEs also need to work with government and business developers to expand their social impacts. Study participants emphasized that intra-governmental cooperation is a necessary precursor to SEs collaborating with government, given that SEs usually focus on issues that cut across different departments of government (e.g., housing, health, employment) in addressing social exclusion and poverty. Hence intra-governmental cooperation in dealing with SEs is critical to the process of building a strong SE sector so that SEs can seamlessly interact with government across departments.

Besides the government, business developers also render essential supports to SEs by providing them with services that range from advocacy to coaching, consulting, and financial support. Having these specialized business development professionals who specifically support community development organizations supporting SEs is very key because their operating within the community development niche means that they can provide SEs with the targeted supports SEs require. Business developers can also facilitate the work of collaboration that SEs are engaged in within and across the SE sector to expand SEs' capacity to address the structural injustices facing their employees or trainees.

## 5.5 Conclusions

In developing a PACS conceptualization of the 'social' in SE, I have explored the representations of the three ways that I proposed that SE intersects with peacebuilding in Chapter two, against the interview data for this study. This study found that while the economic development and inclusion/community ownership features of SE were present in the ways proposed, the dimension of cooperation within SEs was not as I had imagined it would be. In the interview narratives, cooperation was not so much evident in the form of a bringing together of individuals within divided groups through SEs. Instead, discourse around cooperation focused more on the need for SEs to collaborate with other SEs, government, community development organizations, and even for-profit businesses.

Ultimately, the cautions provided in Chapter two remain valid– the SE model does not naturally accomplish any of the above-outlined contributions that it can make to peacebuilding,

and SEs must be specifically engineered to accomplish these objectives. The process of peace economics, according to Brauer and Caruso (2013), requires careful engineering to create institutions and policies that develop and maintain peace. Hence, the SE model can be a useful approach to peacebuilding that improves socio-economic conditions and maintain local ownership, if carefully designed to meet these objectives and properly attuned to the specific proclivities of each context. The developmental nature of SE suggests that the model would be most useful for peacebuilding processes that address structural violence. This means that in situations where direct violence is taking place, SEs can only function after direct violence has ended and institutional structures are being established or re-established. SE development could then be carried out alongside the process of rebuilding a stable state that can fulfil its citizens' needs. Such SEs would not be presented as alternatives to a stable state that oversees a macro-level approach to maintaining peace and development.

# Chapter 6

# Social enterprises as hybrid organizations balancing multiple institutional logics – a case for support from an enabling state

## 6.0 Introduction

Originally, based on the critical approach I employ in this study, the second objective of the first research question I posed was to identify the needs SEs cannot meet that other entities can handle better. In retrospect, perhaps it was unwise to ask practitioners in the field of SE to pontificate on the needs that SEs could not meet, in the hope that the discussion would identify other organizations or the government as better suited for community development work. Contrary to expectations, the interviews showed that most SE practitioners believed that SEs could expand their impact in improving the conditions of marginalized individuals if these SEs receive adequate support. Hence, as the interviews unfolded, I decided to change my second research objective to something more appropriate – to identify the supports SEs need to make a broader social impact. This is in line with the tenets of critical research, where research questions "usually change as the inquiry proceeds" (Potts & Brown, 2005, p. 267).

SEs engage in balancing due to their hybrid nature, i.e., SEs combine multiple institutional logics of meeting commercial objectives while also accomplishing a social mission, and profitmaking is often a way to make a social impact. Scholarly literature has considered various ways that this hybrid nature of SEs affects various aspects of their operations mostly through literature reviews (e.g., Doherty et al., 2014; Garrow & Hasenfeld, 2012; Smith et al., 2013). This chapter contributes to this body of work by exploring three major ways that the hybrid nature of SEs impacts their operations; through the need for specialized managerial skills, extra financing and government support. In this vein, the chapter is divided into five sections that consider: the balancing that SEs do; the impact of this balancing on the skills needed to manage a SE; how the hybrid nature of SEs impact their financing; why support from an enabling state is critical for SEs and; the research findings drawn from the discussion carried out in this chapter. The purpose of considering these aspects of SE hybridity is that at the end of this chapter, we may have a case for why SEs public and private institutions should support SEs.

### 6.1 Conceptualizing SE balancing

Most economic approaches acknowledge both the economic and social aspects of development, even though these approaches often express the socio-economic intersection in different ways. Capitalist perspectives such as neoliberalism are based on the idea that the economic aspect is critical and equitable development would emerge as a natural outgrowth of a well-functioning market left to operate with minimal interference (Desai, 2011; Palley, 2012). This neoliberal ideology has however produced significant inequality, as considered in Chapter two. Some socialist perspectives have arguably put the social before the economic or at least side-by-side, and this has sometimes left the economic aspect of things to suffer (Elson, 2000). Hence, economic systems are often tilted to one side in terms of emphasizing either the economic objective or the social objective over the other. Elson argues that socialized markets (not market socialism) are the better approach to systems transformations because it is not just "state regulation of markets; but going beyond that to embed market transactions in egalitarian social relations, so that they can serve democratically agreed social ends" (2000, p. 69). SEs are an approach to socializing markets in that SEs' design their profit-making endeavours to support their social mission.

However, as hybrid organizations, the process of balancing social and commercial objectives is one that SEs typically experience significant tension doing and this tension often has no easy or clear resolution. The first point that the concept of balancing emerged from in this study was the statement made by a participant managing a WISE that trained Indigenous people. This participant expressed that those who would manage SEs must be comfortable with the tension that comes from balancing multiple institutional logics:

> *SE-MAN5*: SE to me means, I mean it means a pile of different things. When I break it down, the way I think about [name of SE] is that, you know the expression double or triple bottom line, you've probably heard that batted around a lot. But I actually try to make myself really accountable to that concept, so SE to me means that I make myself equally accountable to the bank bottom line as I do to the [social] mission, and *being able to exist in that tension. And in fact, I've oftentimes said to people that if you can't live in tension, this is the wrong business for you*. So yeah, not to overly weight either one, but we have to be fully accountable to both.

The process of tension management that SEs are doing is not just about profitmaking and social mission. Tension in SEs also comes from the fact that there are often multiple stakeholders (e.g.,

employees, funders, community members, beneficiaries) that SEs are accountable to, who typically have different goals and different metrics for measuring the fulfilment of these goals (Lubberink et al., 2018; Pearce, 2002; Smith et al., 2013).

Further, a WISE may even have multiple social objectives beyond just employing marginalized groups and this increases the number of objectives the organization is balancing. One WISE manager revealed the multiple objectives their WISE has alongside employing marginalized individuals, like ensuring environmental sustainability and purchasing locally:

> *SE-MAN6*: [Our SE] has all of the values of [our parent non-profits] in it when it comes to who we employ. Employing marginalized people, creating a healthy workplace, paying living wages, giving equal access to benefits – that would have all of those sorts of cultural and social values baked into it.
>
> But at the same time, it would have to have the ability to feed the students nutritious, nutrient-dense food and then because the university was highly committed to supporting the local economy. We would have to do all of that while procuring locally and organically and using compostables and all those sorts of things. *So, it's this weird SE that instead of being single purpose, we have sort of a four-pillar sustainability model* that's about balancing all the different parts to make it work.

Although this participant seems to think their SE is significantly different from others in terms of the range of the social missions they seek to accomplish while making profit, other SEs also often have multiple social objectives. As Smith et al. report, "a unifying characteristic of these organizations is the multiple and often conflicting demands that surface through their commitments to both social missions and business ventures" (2013, p. 409). Hence, all SEs are engaged in the work of balancing and this is inherent in SEs' fundamental make-up. The local purchasing and environmental objectives of the above participant's SE can ultimately be subsumed under their social mission alongside employing marginalized individuals.

*What the word SE means to participants*

Some of the responses participants provided to the question of what the word SE means to them offer important depictions of what the process of balancing entails. One participant managing a WISE that employed Indigenous people disclosed that:

> *SE-MAN1*: …Not necessarily every SE deals with every potential social or environmental return. But they actually have some focus on some social or environmental aspect, which becomes the driving force and that differentiates the SE from a traditional enterprise. So, that's not to say that financing, being profitable is not important because you won't be able to sustain yourself and stay in business if you can't be financially viable. So, it is all about balancing financial, social, and environmental returns. That's very difficult. It's much easier to focus on maximizing one of those as opposed to balancing two or three of those.

Another response by a participant managing a WISE that employed people experiencing homelessness highlights how faithfulness to the social bottom-line can affect the business side:

> *SE-MAN8*: … It is about touching and changing lives and recognizing the benefits not just of a job but of looking at more than the bottom line. We structure our shifts such that if they're done early with the [SE work] there is some other ways that they can help out at [the parent organization] and still receive pay. So, we want to make sure that they receive their pay, that we are viable financially. But we're not just looking at eliminating their hours to make sure that we maximize our profit.

These responses emphasize the complexities that can come about from SEs ensuring that neither their commercial or social objectives suffer. Moizer and Tracey (2010) note that these dual missions of SEs are not necessarily incompatible and SE managers can maintain their organization's sustainability if they allow their social and commercial goals to interact positively. However, if one goal excessively predominates, this can have a disastrous effect on the SE. One way that SEs can effectively balance social and business objectives is by providing high-quality services to customers that allow SEs to effectively compete with other enterprises, rather than assuming that the SE's closeness to the community is sufficient to gain a good business reputation (Borzaga & Solari; 2001).

*'Aha!' moment, that is, when the meaning of SE crystalized for participants*

Another question that generated discourse around the multiple functions that SEs are balancing asked participants when the meaning of SE crystalized for them. A participant managing a WISE that employed multiple marginalized groups revealed that their 'aha!' moment came about when they realized that they were balancing various motivations during their work:

> *SE-MAN6*: …No, it's just this lived philosophy, right. It's one of those things where if you sort of are living this, it's hard because you get caught up in the weeds... My moment of really knowing what it is that SE is to me is during the work. You have to do all the things, and you don't get to just do a thing and be motivated by one thing.

Similarly, a participant who managed a WISE that employed Indigenous people expressed that the meaning of SE crystalizes for them every day as they balance their SE's social and financial objectives:

> *SE-MAN5*: Uh every day, I pull my hair out thinking about frustration with trainees, and I do the books and I look at the balance sheet. You know, it is an ongoing process, it goes on and on. I don't know if I have any good specifics. It's literally every day. A reminder to say you know, we have to kinda be a little cutthroat in business in order to make it. Like the margins in contracting, they're not huge and so nobody's riding golden ponies to their diamond yachts at the end of the day. So, *we have to be a little business cutthroat but along the way to always be checking ourselves and say "okay, but we have to be bringing the most vulnerable along with us."*
>
> There's a thousand different ways that [name of SE] could be more profitable or more efficient, but it would mean losing our heart, losing what it is that makes us who we are…That's the thing, you have to be equally accountable to the mission and to the bottom line, otherwise what's the point? I'll go back [to working in the for-profit sector] and make those stupid bonuses that I was making before.

This participant seemed to be both frustrated and excited by the dual objectives that they contend with in managing a SE. A manager's determination to be true to a SE's social mission despite financial pressures can prevent the SE from falling into a condition of mission drift, which is a process where an SE's focus on profitmaking overshadows their social objectives (Cornforth, 2014). Battilana and Dorado (2010) suggest that to prevent mission drift, a SE must have a fundamental identity focused on balancing both institutional logics, and sustain this identity by ensuring that non-barriered employees in the SE are socialized into adhering to the SE's mission.

*Challenges participants face in the course of their work*

Given the intense nature of the balancing work that SEs are engaged in, many of the responses around this issue were to the question that asked participants what challenges they faced in doing their work. One participant managing an SE that provided support finding employment to people with developmental disorders revealed that SEs must be able to deal with the concerns

and proclivities of both their clients (who are on the autism spectrum) and the prospective employers of these clients:

> *SE-MAN3*: Yeah, yeah, so the challenge with people on the spectrum is that they're not very socially interactive. So, reaching out to them once they've left post-secondary education, they often will disappear, they are functioning on their, in their basements doing whatever they do, and they don't generally reach out to others….
>
> And then convincing employers that it's okay to take a chance on these employees, that you'll be really happy with their results, is also a challenge. Like many will say, "yeah, you know we don't have the qualified supervisors for them so we can't hire them," or "sorry, we'll wait until we feel more competent." Whereas, I can come in and give you some background information and make you feel more comfortable...

Similarly, another participant managing a WISE that employed disadvantaged youth identified challenges around how the barriers that their employees face can sometimes affect their performance as a competitive business:

> *SE-MAN11*: I think from an operational standpoint one of the biggest challenges is the fact that because our participants face barriers, reliance on them coming to work on their scheduled shifts is always up in the air. You know if we have large work orders that need to be completed and we have people scheduled, we're just not too sure if everybody's going to come in because of the challenges they face.
>
> For example, you know some of our participants in our youth program, they do not have a stable home environment. So on Friday they could finish off the end of the week strong and then come Monday when they're supposed to come to work, it doesn't work out because something comes up….So, I would say attendance is one.
>
> Another thing too is really *maintaining that balance between the social aspect and the business aspect because when we look at the business side we have to compete with the private sector in terms of quality of work, and it is kind of difficult when your primary staff faces barriers*. So yeah, just really trying to find that fine balance between the two can be difficult at times as well.

In the same vein, a former WISE manager identified challenges around how the focus on multiple objectives can affect the businesses' viability:

> *SE-MAN1*: Every entrepreneur starting an enterprise has a whole set of challenges. It's not easy to start a business. I forget the number, but you can look it up; a large percentage of new businesses fail in the first year, right. And these are people, businesses who are just trying to sustain themselves economically. So, when you add social or environmental

> objectives to it, you've just created even more reasons why you might fail, because you're now not just focusing on financial survival. But you're focusing on meeting your social and environmental objectives.

SE-MAN3 quoted above suggests that the need to balance the ordinary business concerns of WISEs with barriers that their employees may be facing is an element of hybridity that can impinge on the functioning of the business. SE-MAN11 expands this by reporting that balancing social and commercial objectives affects their SE's ability to be competitive and as SE-MAN1 expresses, this can affect their survival as a business. Such circumstances are opportunities that test SEs' commitment to their mission, as it is often in situations like this that SEs can shift into a process of mission drift where they sacrifice their social mission for the survival of the business. Zahra et al. caution that too much focus on the business side of things can cause "the reduction, or even the abandonment, of the programs whose outcomes are uncertain, progress is slow, or success rates are difficult to measure" (2009, p. 528). To avoid leaving their employees entirely unserved or underserved, WISE managers must keep the goal of making social impact uppermost in their minds.

Further, the previous chapter highlighted some of the concerns of a participant that managed a WISE that employed Indigenous people, who noted their frustration around how people sometimes consider the services of WISEs to be substandard because of the barriers facing their employees. This participant emphasized that effective balancing means that WISEs are willing to forego doing business with such individuals or companies that discriminate against their employees:

> *SE-MAN5*: And yeah, there are going to be companies that will not hire us because of their racist tendencies sure, that's going to be the case. But those aren't folks that we would want to work with anyways. I mean it's a bit of a trade-off. Do you take their money or do you subject employees to potentially be experiencing abusive behaviour in the workplace?
>
> *I'd rather not take the money, I'd rather be able to have business relationships with companies that actually get it.* But the bottom line is people aren't hiring us necessarily because of our social mission. They are hiring us because we provide a quality product on time for market price, for a fair price. That has been the approach that Manitoba Housing has had with us…

This suggests that in balancing dual institutional logics appropriately, SEs may need to turn down some business, thereby undercutting their profitmaking bottom-line to ensure that the organization's social mission is intact. This is not entirely surprising since SEs are understood to be "*inherently and explicitly social* in its mission and purpose," meaning that their commercial side should be subjected to the social purpose where necessary (Wilson & Post, 2013, p. 716).

*Balancing and cooperation*

The previous chapter has considered how SEs collaborate with various individual and organizational actors to expand their social impact and the balancing that SEs do sometimes impinges on their relationship with these actors. As Doherty et al. (2014) suggest, cooperation within and outside the SE sector is critical for SEs as they seek to balance their dual institutional logics, as supports from partnerships can increase SEs' ability to accomplish their goals. A business developer that partnered with SEs disclosed that their work was to move SEs towards balancing their social and business objectives:

> *SE-DEV3*: …And I also try to help push them [SEs] towards a balance between socially-minded giving, like giving of themselves giving of the enterprise, and profit-minded business. Because if they're not earning money, they can't keep doing the work. So, I position myself to non-profits as a business person to help move them a little bit in the middle. And to anyone who is working in big business primarily, I look like I'm from a non-profit – so trying to make that a balanced view. I see that as what I give to SEs, as my role within the relationship.

Another impact of balancing on cooperation comes from a participant who revealed that their SE often finds it difficult to cooperate with non-profits and charities because these organizations do not share the local purchasing and ethical concerns that the SE considers in its operations:

> *SE-MAN6*: … So, our entire supply chain excluding Coca Cola has no forced labour in it, right. We bake everything from scratch using fair trade sugar. We use only fair-trade certified coffee or better, typically cooperatively generated, because we don't have the ability to use none ethically obtained stuff. For a soup kitchen, they don't care about that. They care about how do I get the most calories into this person. So, I don't have the efficiencies in my system that I can feed them [soup kitchens] on the kind of budget that they are able to provide us with. So again, that's where we end up with these gaps and these shortfalls.

Adhering to certain social missions not only keeps this WISE from being as big a business as they could be without these values, but it also keeps this WISE from supporting other non-profits significantly because the multiple social costs borne by the WISE cannot be covered by the remuneration that these non-profits can offer. This discussion also highlights that SEs do not just receive support, but also provide support to community organizations. SEs support other community organizations to accomplish community development as much as possible whether within or outside of the SE (Dees, 1998; Wilson & Post, 2013).

In sum, an SE is a hybrid organization in the way that it operates across the private, public and non-profit sectors and combines sometimes conflicting social and commercial institutional logics within the one organization (Newth & Woods, 2014; Tracey et al. 2011). Hence, the following discussion considers insights into the concept of balancing from the discourse around hybrid peacebuilding. A hybrid peacebuilding endeavour has multiple considerations since it strives for the involvement of both external and local actors, and the focus is often on empowering local actors to be genuinely involved in peacebuilding that improves their daily lives (Richmond & Franks, 2009).

Mac Ginty and Richmond (2016) argue that a productive hybrid relationship is one in which the local is not just the opposite of the external, but the values of local and external actors influence each other in several ways to accomplish a hybrid peace. This is similar to recommendations that SE managers not see their conflicting social and commercial institutional logics as two separate and antagonistic realms. Rather SEs should consider their commercial and social objectives as mutually reinforcing and capable of producing unique benefits when they are creatively intersected (Wilson & Post, 2013; Mair & Schoen 2007). Ultimately, the concept of hybridity in peacebuilding is fraught with tensions because some believe that the equality of actors in the peacebuilding process is exaggerated and external actors tend to predominate over the local ones in practice (Paffenholz, 2015; Visoka & Richmond, 2016). Yet, the idea of hybrid peacebuilding as an effective mediation of local and external actors in a genuine manner is one that forms a relevant basis for this discussion of the hybrid nature of SEs.

Ultimately, the task of accurately balancing their commercial and social mission is critical for SEs because the effects of mission drift can be particularly devastating. Commercialized Microfinance Institutions (MFIs), as discussed in Chapter two of this study, allowed their commercial logic to dominate their social mission to the point where representatives of these MFIs

used harsh, nefarious, and sometimes even deadly methods to recover loans (Bateman & Chang, 2012; Butcher & Galbraith, 2015). This emphasis on recouping loans from disadvantaged groups using any means necessary ultimately caused significant damage in terms of both the structural and direct violence that resulted among poor communities in Brazil, India, and South Africa (Bateman, 2012; Mader, 2013; Bond, 2013). Hence, SEs must master the process of properly managing the tension between their commercial and social institutional logics if they are to prevent the form of mission drift that MFIs experienced. The following sections consider how SEs are managing their dual tensions and the supports these organizations require to do so even more effectively.

### 6.2 Skills needed for effective balancing in SEs

In doing their unique work of balancing commercial and social institutional logics, SE managers require a specific set of relevant skills. Seelos and Mair note that the hybrid nature of SEs, which often requires innovation, means that these organizations rely "on individuals who are exceptionally skilled at mustering and mobilizing resources: human, financial and political" (2005, p. 244). The discussion here is not about 'unique' skills which only a limited set of individuals can ever hope to acquire, which discussions of the social entrepreneurship strand of SE tend to veer into (Light, 2006). Rather, this discussion is about skills required for effectively managing a SE that most individuals can acquire if given the right training. A former WISE manager noted that SEs managers must possess a range of both technical and social skills to adequately balance their SE's multiple organizational objectives:

> *SE-MAN1*: [Fulfilling both profit-making and social missions is] a huge challenge and I think this is related to your question, that the most important part to the success of a SE is competent, passionate management. You need management that has both the technical managerial skills but also the empathy and compassion. These leadership qualities are not always easy to come together in one or two management positions.
>
> A lot of social workers are attracted to running SE, so there's probably more people from social work backgrounds that start SE than people with a business background, right. Ideally, you'd want to be able to have a management team that collects those kinds of qualities. Or if it's only one person, because often you know *they're just very small enterprises with very few staff, that you try to get a leader that has as many of those qualities as possible…the empathy, the social commitment as well as some management and technical expertise…*

This response highlights the issue that many SEs may not have enough capacity to hire different people to manage either side of the technical or business skills and social skills spectrum. Battilana and Dorado (2010) found that hiring different individuals to manage each area can increase tensions within the organization if individuals on each side do not see eye-to-eye. Hence, finding managers who have both the required technical and social skills, or who can receive training to improve on the areas where they are deficient, may be a valid approach for those SEs that cannot hire several individuals to run the organization.

Similarly, a SE business developer emphasized the need for those who run SEs to possess cross-sectoral skills so that these individuals can ensure that none of the SE's institutional logics are underserved:

> *SE-DEV5*: …To run a social enterprise, you can't run it like a traditional business and you can't run it like a non-profit so you need a unique skill set and you need industry expertise. If you're running a roofing company as a social enterprise, you better know roofing. So, you need to know the industry you're in and you need to know how to run a social purpose organization, and you need to know how to run a competitive business. And so that's tricky, to find all those in one or a few people but that's super important in the social enterprise space.

This is in line with Borzaga and Solari's (2001) description of the effective SE manager as an individual with a distinct management style who considers the SE's competitive advantage as the ability to maintain social values while also efficiently delivering goods and services. The emphasis here is that there is a specific range of skills needed to efficiently run a hybrid organization to ensure that no aspect of the organizational mission is neglected.

One WISE manager revealed that they understood the meaning of SE when this individual realized that all the unique skills that they had accumulated throughout their life, on both the business and social side, were exactly what was needed to run SEs:

> *SE-MAN2*: So, I'm a contractor by trade, and I've done all kinds of really weird things in my life, different businesses and different stuff, and I could never figure out why I had done all that. So, I came upon this place and I realized all of these ridiculous skills, the ability to build a house, to get a bunch of trades together, to, you know, counsel people, and it was like aha, it's because I need to be here that's why [I have these skills].

In sum, the above discussion seems to suggest that both the social and commercial business skills must reside within one manager, Battilana and Dorado's (2010) study found that SEs that can afford it can have several individuals to manage the social and commercial areas separately. SEs that do have the staff to manage each part of their mission separately – i.e., one from a social background and one from an industry background –must be able to effectively appreciate and integrate perspectives from both sides to ensure that the SE stays on course (Battilana and Dorado, 2010).

*Lack of business skills among SE managers*

As noted in the previous section, most of the insights into the process of balancing competing institutional logics that SEs are involved in came from responses to the question that asked participants what challenges they faced in doing their work. Participants seemed to believe there are gaps in the business skills of SE managers in Manitoba because most SE managers come from the non-profit sector. One participant providing business development services to SE suggested that the biggest challenge SEs face is adopting a business mindset:

> *SE-DEV2*: Sure, so I think at the forefront, in many of the SEs, the biggest challenge is a shifting of a mindset from being a charity or not-for-profit where they're used to getting funding, getting to a mindset that says we're gonna earn money based on the sales of goods and services. And in that is just so many challenges like everything from, *we're asking them to take off the social hat and to put on a business hat, we're asking them to think about the market and pricing and costs and marketing and all of the business-y stuff that they're not used to thinking about*
>
> …And then maybe preceding all of that, would be not starting with the clarity as to why they're doing what they're doing. In other words, what I find is many not-for-profits, and charities are struggling financially. They hear of this SE thing and they think that's gonna solve all of our problems. So, not having that clarity, not having enough awareness and buy-in by the primary stakeholders...

Similarly, a participant managing a WISE that employed disadvantaged youth expressed that they sometimes find it difficult to understand the process of running a business because of their non-profit background:

> *SE-MAN4*: …Yeah, and then I think a big challenge for myself in this role is, is the financial generating of income particularly at the store, that has been a very difficult process and so

> thinking about what those goals are. As a person who's primarily worked in non-profits, my brain doesn't always go to that business side of things. So, I'm much more well versed in program development than I am in business development, and often those two don't really marry very well.

In the same vein, a participant providing business development services to SEs disclosed that SE managers often do not have the requisite business skills because they come from the non-profit sector:

> *SE-DEV2*: So, SEs that I work with are not started by business people, they're started by social people, like whether those people have a degree in social work that's got them into the work, or it doesn't matter. *So, they may have accounting skills, for sure they could have accounting skills, but they have not-for-profit and charity accounting skills, they don't necessarily have business accounting skills*. They have not-for-profit and charity organization capability, but they don't have business acumen, they didn't go to business school, they went to social school, right.

This participant emphasizes that the business skills needed to run a non-profit are different from the skills needed to run a SE since the modality of operation of both organizations are different. So, it is not that the SE managers in question do not have any business skills at all, they may just not have the particular skills suited to the SE organization form, and SE managers must acquire these skills if they are to enhance the viability of their organization (Borzaga & Solari, 2001). Ultimately, the lack of business skills or mindsets among social enterprise managers who come from a non-profit background as presented by the respondents quoted here is not novel. Sunley and Pinch (2012) also found that most SE managers tend to lack business and marketing skills partly because they come from the non-profit or public sector. Battilana and Dorado (2010) suggest that such individuals are often drawn to SEs because they are the most willing to work with the marginalized population that SEs serve. Individuals trained in non-profits are just as valuable to SEs as those with solely business experience because these non-profit individuals are often able to keep the organization from drifting away from its social mission into a focus on profitmaking (Battilana and Dorado, 2010). Yet, as previously mentioned, where it is not feasible for SEs to hire different individuals to address both commercial and social objectives, SE managers from a non-profit background would need to improve their business skills to ensure that their organizations

are performing at maximum capacity. The following sub-section considers this subject of SE managers gaining necessary business skills.

*Business training for SE managers*

Given that a significant amount of challenges facing SEs are around the absence of necessary business skills in some SE managers, it is not surprising that many participants noted that the business skills of Manitoba's SE managers need to be improved. One participant managing a WISE that employed people with developmental disabilities suggested that SEs need to work on improving their business acumen:

> *SE-MAN3*: I have heard it said that enterprises in Toronto are good on the business side and not so much in the social part. In Manitoba it seems to be we are good on the social side but not in the business side. It would be good if we were better on the business side.

Similarly, another participant managing a WISE that employed disadvantaged youth emphasized the need for business training for SE directors who are from a non-profit background:

> *SE-MAN4*: …The challenge for non-profit folks is most of us don't come with that business mind, and *most business folks won't accept the wage that a non-profit can pay*. And so, I think a little bit more variety would be great or for there to be funding for us non-profit directors or managers to be able to take some of that training so that we can learn more of the business side of things.

This perception that business people are absent from SE work may be because SEs "almost always reside in the nonprofit sector, perhaps because private foundations must give their dollars to tax-exempt public charities and therefore celebrate the grantees therein" (Light, 2006, p.18). Hence, while it is true that it is not easy to attract managers to non-profit SEs given the limited wages these organizations can offer them (Smith, 2010), it is not impossible to find SE managers who come from outside the non-profit sector (Dees & Anderson, 2003). Several SE managers who participated in this study have a background in the for-profit business world and possess significant business skills. At least four participants discussed at length about their experience in the for-profit world and how they moved into SEs because of these organizations' social mission. This is evident in the response of a WIS manager, who revealed that a desire to make a difference, coupled with

the realization that their business experience was relevant in this process led them from the for-profit world into SEs:

> *SE-MAN5*: So, I've been working at [name of SE] for just over six years and prior to working at [name of SE], I worked for an Ag company. I was the marketing manager and I've had lots of careers, to tell you the truth. I've been in management in lots of different companies and organizations... *But then I realized how unhappy I was at my previous job, and I wanted my son to see that having a job was not just a way to make a paycheck, but that you can actually make a difference and can actually be happy to go to work.*
>
> So, I spent a bunch of time looking for new work and then I got hired at [name of SE] and it turned out that like the skillset that I had, which was really kind of deconstructing things and putting them back together was, you know problem-solving, really fit. [name of SE] had lost its primary client and also at the same time had lost its primary funder and so you know, that first year was like every day coming home thinking, okay, well how are we not gonna go out of business tomorrow, and then kind of rebuilding from the ground up. And it wasn't, don't take the impression that it was all me, it was a really strong team, everybody was pitching in. I mean I'm really privileged to work with some of the smartest and best people...

Like SE-MAN2 quoted earlier, SE-MAN5 notes that their business experience contributed significantly to the SE when they joined. SE-MAN5 also possesses the necessary focus on social issues and was quoted previously as noting that they would turn down business from places that were not respectful of their trainees. Furthermore, this comment suggests that the same desire to make a difference that draws people from a non-profit background to SEs, as Battilana and Dorado (2010) note, also attracts business people to SE. Hence, the basic skills required of an effective SE manager are not just business-related ones, and Alvord et al. (2004) argue that the most successful SE managers are those able to build social connections with diverse stakeholders to facilitate the success of their SE.

Ultimately, the process of training SE managers from a non-profit or development background in business understanding is not always easy. A participant with experience founding various WISEs that invest in Indigenous people noted that a major challenge they face is around equipping non-profits with entrepreneurial skills:

> *SE-FOU1*: … I think my answer to [the question of what challenges I'm facing] has changed depending on what year I put myself in…so I feel like my biggest frustration now is actually non-profits not wanting to be more entrepreneurial, so thinking that's kind of like an addiction to funding because that's all we've ever known.

> And I think that in order to put pressure on the systems non-profits have to become more entrepreneurial and acknowledge these very lucrative [social] outcomes that they're giving away [to the government]. And I think that that is more where my focus is now is doing training and stuff for non-profits to get them into a more entrepreneurial space. But I think government is not there yet but I can see the trajectory that they're on that they're going towards becoming customers [of SEs], and we have to be their suppliers of outcomes to meet that demand.

The efficacy of this approach of training SEs to be more entrepreneurial is attested to by Battilana and Dorado, who found successful hybrid financial organizations were those involved in "converting social workers into bankers and bankers into social workers" through various training processes (2010, p. 1426). Similarly, Alvord et al. (2004) found that the most successful SEs are those committed to doing training for management and (non-barriered) staff in both the business and social aspects. While all SE managers are not social entrepreneurs, given that definitions of the latter emphasize innovation, social entrepreneurship literature has identified important skills that social entrepreneurs need which are also relevant for SE managers. Scholars note that social entrepreneurs should possess social skills such as social perception, social adaptability, persuasiveness and influencing the emotions of others are important (Baron & Markman, 2003; Baron, 2004) while "financial and managerial skills such as fundraising, results-based evaluation, continuous improvement, and strategic planning" are also equally important (Light, 2006, p. 29).

While balancing the competing institutional logics of SEs and the skills required to do this may not be easy to come by, it is exactly this element that many managers find rewarding and that keeps these managers committed to expanding their SE's social impacts as much as possible. This is evident in the statement of a participant managing a WISE that employed Indigenous people, who suggested that this sense of contributing to society is what keeps them from burnout:

> *SE-MAN9*: So, for me being in service to other people and working with my community and really just helping people has been something that I gain a great deal of personal satisfaction from. So, not being a number in a mindless corporation is nice, having impact and having some meaning to the work that I do is really important to me. So yeah, I mean that's kind of why I stick with it.
>
> I mean it's hard work and it's exhausting, and sometimes it's not uncommon in the non-profit sector to see burn out amongst employees and within staffing. But I mean this is such a fascinating and exciting subsector if you will, space in between the non-profit sector and the business sector and public sector. I mean it's really this kind of nexus or potential nexus between sectors.

Light (2006) urges us away from a conception of SE that is too exclusive in that it positions a small group of people with certain skills as being best suited to start and/or run a SE. This discussion has supported Light's view by showing that both those who come from a non-profit or development background and those who come from a business background can effectively run SEs if provided with adequate training that addresses any skill gaps that these individuals may have.

### 6.3 Hybridity and financing in SEs

The eighth participant I interviewed (SE-MAN6) made perhaps the most surprising assertion I encountered during this research study – that organizations that receive any form of funding are not SEs. This participant, who is a WISE manager, began the trajectory that led up to this assertion during the conversation we were having before the interview officially began. SE-MAN6's first comment when the interview officially began, even before I asked them any questions, seemed to reflect an underlying belief that SEs are primarily business-minded entities distinct from non-profits:

> *SE-MAN6*: …Okay, so I know here in Manitoba, to me, and again this is sort of a perspective thing, but the line between SE and not-for-profits, registered charity gets very blurred here. In other places, it seems that SE has a very different meaning than it has here, that's kind of why I was asking, sort of trying to figure out where you're at with that idea of is a registered charity also a SE. Or do you have to have a business in order for it to be a SE because apparently, it's this kind of weird term that gets switched.

Elements of this perspective were also integrated into SE-MAN6's responses to the other preliminary questions I asked. The response that seemed to capture the view this section is based on most clearly was to the question that asked what the word SE means to them. The participant responded that:

> *SE-MAN6*: …To me it [SE] means self-financing, a business that uses business practices in order to accomplish social goals, and those social goals are not necessarily. Actually, I'm gonna backtrack that, it's not even to accomplish social goals, it's to accomplish soft-targeted goals such as social, cultural, environmental, and community-based goals. *To me, you're not an SE if you are on the government dime. Like if you have to be supported by the taxpayers, you're not really a functioning business, are you? To me these people who say that they're an SE but are also grant driven and grant-based, they're not, they're charities.*

> And the world has a place for charities, and the world has a place for not-for-profits. They have their own specific goals and their own specific place, and they need to be well supported and do their thing too. But you're not a SE if you're not actually a business that's viable on its own. That's the philosophy that gets me in trouble in the Manitoba community, that's why people don't like talking to me.

In their study, Dey and Teasdale (2015) also interviewed an SE manager who maintained their organization's aversion to taking government money to maintain independence. Chapter one of this study also explored discussions around this, so SE-MAN6's perspective that SEs *must* be self-sufficient is not novel. The participant's response was only surprising because it came from someone in the Manitoba context, where SEs seem to be closely linked to the non-profit sector and funding is understood to be part of the support that SEs require (see Brandon & McCracken, 2016; Fernandez, 2015). The outlook that SEs should not receive funding is particularly predominant in the strand of SE that emphasizes innovation (i.e., social entrepreneurship) where scholars like Boschee & McClurg believe that "only earned income will ever allow a non-profit to become sustainable or self- sufficient" (2003, p.1). While earned income is important for SEs, the claim that donations and funding are an impediment to SEs becoming self-sufficient is unfounded for reasons to be explored in the discussion below (Anderson & Dees, 2006) argue.

In line with the tenets of theoretical sampling (Glaser, 2002), I formulated the above assertion of SE-MAN6 into a question that I asked the subsequent participants – how they would respond to the idea that SEs should not receive funding. All but one of the participants who were asked this question did not agree that SEs should not receive financial support and were baffled as to why anyone would think otherwise. The one participant who did not outrightly disagree also did not agree – an individual providing business development and advocacy services to SEs, they seemed to be indifferent as to whether this was an important issue:

> *SE-DEV1*: …I don't spend too much time just worrying about whether something should be classified as an SE or a non-profit or a charity. Well I mean the charity part's important because of the corporation status and the ability to hand out charitable receipts, but in terms of whether SE or non-profit, it's murky. There's a lot of things going on, like to see it that the work is causing impact, and yeah again it's accountable to a broader community.

However, other participants were not so dismissive and made important points as to why the hybrid nature of SEs means that SEs must receive funding support to maximize their social impacts. In

this vein, the rest of this section is in two main parts, and each considers an argument presented in defence of SEs receiving financial support. The first argument for SEs receiving financial support is because for-profit businesses also receive financial support, and the second is because financial support to SEs is essentially a payment for the social outcomes SEs produce.

*For-profit businesses also receive financial support*

Several participants argued that SEs should receive financial support because for-profit businesses receive various levels of support from the government. Since for-profit businesses receive government support, SEs which do not just serve their business bottom-line but also make intentional social impacts are even more qualified to receive supports. One participant providing business development services to SEs expressed that while it is important for SEs to earn income, this does not preclude their receiving grants:

> *SE-DEV3*: To me, SE is a business which sells something and as a part of that operation creates social good. It has to sell. So, it's not just operating on grants. It has to be earning revenue with customers with their businesses or consumers more generally, and there has to be some measure of social impact…I think some SEs have the ability to operate without grants – some.
>
> *A lot of businesses are out there operating with subsidies of some kind*. I don't think it's responsible to expect that it's gonna operate all on its own….It might be that grants are used for piloting instead of ongoing maintenance, but there's a place for grants. I don't think we should make that the first priority, because then we'd lost track of the SE part of it and it just becomes a non-profit. But there's definitely space for it.

Further expanding on this, a participant providing business development services to SE highlighted the various forms of financial supports for-profit businesses receive from the government:

> *SE-DEV4*: ...Like I think a lot of people think of the private sector as being that idea of the free market, and I think there's a lot of people that really believe that the market is free in some way because they don't get funded through grants the way that social sectors do. But in reality, when you look at the whole of what government does, there's a massive amount of resources going towards the private sector.
>
> They might not be in grants for programs but in tax credits, in tax loops and breaks and grants towards sector councils and other kinds of collaborative groups, sponsorships and supportive events and then actually sometimes it isn't, it's investment or it's granting. Like you hear every so often about these massive amounts of money going towards a new plant being developed in a certain town.

> I *think there's a general public understanding that the private sector does it on its own. But that's not true at all not even in the least; there's a whole system of support around business but because they're the mainstream it's kind of taken for granted*. And then for some reason grants are seen as like this huge sort of charitable thing that we do that's nice and costs government so much. So yeah, I think there's some really deeply held beliefs underneath that that cause this. Like the sense of paternalism that's given towards the social sector broadly, but certainly social enterprises included in that.

Similarly, another participant providing financial support and other business development services to SEs argued that SEs should receive grants because for-profit businesses also receive support:

> *SE-DEV5*: …I'm just trying to get the context for why someone would say [SEs should not receive grants] and no I can't state how strongly I disagree with that. In fact, I can't for the life of me wrap my head around why someone would see it that way or think that that's important or valuable or even healthy on a number of fronts….For one, the private sector gets subsidies all the time. When I started working in this field about 15 years ago I was floored by two big announcements; there was some big processing plant I think it was flax or hemp or something.
>
> Some agricultural processing plant close to Portage la Prairie that I believe was getting a hundred million dollars from the provincial government, and it was gonna create something like forty or sixty new jobs...*So, the private sector gets the handouts all the time and so for a small tiny social enterprise who's doing the work no one else is willing to do because it's too hard, to say we should never take a grant to me is just, I don't want you to say it's insane in your paper but it's, it is so limiting* – Even on a competitive business front you're already doing stuff as a business that the others won't do.
>
> You're hiring people they won't hire. You're putting an ethical lens on your business they won't do. You're already bringing in all kinds of extra costs and limitations. You're hiring people who are less productive and you're trying to compete with those companies and they're getting handouts, and you say you can't and why? Why would that be the case? In fact, to me, that's the argument for why you should be getting a subsidy, and they should not because you're taking on additional costs for the benefit of society. And so, from that perspective, I just don't understand it…

The above responses share the belief that SEs should not restrict themselves from receiving funding out of a desire to remain 'purely' self-sufficient businesses since for-profit businesses themselves have received and continue to receive supports in various ways. Similarly, Dees and Anderson (2006) argue that the claim that donations and funding to SEs impede their achieving self-sufficiency is unfounded. Even conventional businesses which survive on earned income are never fully independent; they must depend on buyers to purchase their goods or services, "suppliers for key inputs, on labour markets for talent, and often on bankers or investors for

capital" (Dees and Anderson, 2006, p. 147). For-profit businesses, which are typically considered independent and self-sufficient, often receive support from external actors such as bankers, investors, private sources, and government. Hence, receiving similar support does not make SEs less of a business. Perhaps more importantly, SE-DEV5 quoted above further argues that SEs are more deserving of financial support than for-profits because of the social impacts that they make. Therefore, the following sub-section considers how SEs require financial support for their social mission.

*Supported income is payment for SEs' social mission*

I asked a participant who has founded various WISEs that employ Indigenous people what the typical proportion of earned income to funded income in SEs typically comes to. This participant's response forms the cornerstone of this sub-section, which reflects on how the social mission of SEs means that these organizations often require supported income in addition to the income earned from commercial activity. The WISE founder described above disclosed that WISEs use supported income to finance the social portion of their work and the amount of support WISEs require varies depending on the severity of challenges facing their trainees:

> *SE-FOU1*: Well one Manitoban, John Baker, makes an observation that it can be like often *two-thirds market revenue and one third to support the social mandate, however that comes*. So, I think that that number kind of holds up. If you're employing people with more significant barriers to employment, like maybe they have mental health issues for example, those numbers might flip around. So, they might have one-third of your revenue from the market, and two-thirds have to come from somewhere to support the social needs of the people…

The claim that two-thirds of SEs' income is market revenue, while the other one third is supported income to support the social mandate, seems to hold up significantly based on participant responses. Of the ten participants who discussed how their SE's financing is divided, only three said they were solely reliant on funding while seven participants noted that their SE generates at least 75 percent of their income through business activities. The remaining 25% income that goes to accomplishing these SEs' social mission, typically comes from supports of all kinds from government, foundations and other organizations. The supported portion of WISE's income mostly covers training programs for WISE trainees or employees, who typically require significant

training to overcome barriers to mainstream employment. Training for WISE employees includes both certifications and classes needed to advance in their given trade, as well as non-work related training in areas like parenting, health and wellness, budgeting and financial management (SiMPACT Strategy Group, 2016; Brandon & McCracken, 2016). Ultimately, SEs often rely on a combination of supported and earned income to meet their organizational objectives. However, scholars and practitioners have not agreed over how much commercial activity an organization must carry out to be categorized as an SE, and the understanding often ranges from minimal to total reliance on earned income (Doherty et al., 2014; Peredo and McLean 2006).

With this important background, the rest of this sub-section further considers study participants' most common response to the question of why SEs should receive supported income – the argument that SEs should receive supported income to pay for the social aspect of their work. One participant managing a WISE that employed Indigenous people reported that WISEs need funding to be a viable business because WISE's primary social mission (support for the individuals facing barriers to employment that they hire) often diminishes their competitiveness:

> *SE-MAN9*: Well clearly, they [whoever says SEs shouldn't receive funding] don't actually understand what a social enterprise is. A social enterprise has a very difficult time or many social enterprises will have a very difficult time being competitive in the private market without some type of subsidization….*It's very difficult to be economically efficient within the market without some kind of support or some kind of subsidization or grants because if there was, the private business would be doing what we are doing. You know they're not doing it because it is less efficient from a purely economical standpoint*.
>
> When we are reaching outside of the labour market to train people in the trades, from a business person's perspective that person isn't even worth minimum wage. They're worth minus $15 an hour because they don't necessarily know what it means to show up for work on time on a daily basis. They're going to lose money on those employees and as a result, that person ends up being unemployed because they've never learned what it means to have a work ethic, because they may not have ever seen a family member work because of intergenerational poverty, because of systemic racism, because of the legacy of residential schools and colonization.
>
> So, anyone, and I actually, I recently had a senior-level bureaucrat try to tell me what a social enterprise was, and that a true social enterprise wouldn't need government money. And it was shocking to me that there was so much lack of awareness within elements of the public sector as to what was actually really happening. So, and for them they were only really looking at specific outcomes rather than seeing the myriad of other benefits that a social enterprise can provide.

An important point here then is that SEs are not just like any other business, because they deal with issues that other businesses cannot and will not tolerate. Very similarly, another participant who I did not ask the question about their perception of SEs receiving grants because this theme had not yet come up when I interviewed them, also emphasized that SEs need supported income. This participant who has experience managing a WISE that employed Indigenous people made it known that it is difficult for SEs to rely only upon earned income because of the level of barriers facing their employees:

> *SE-MAN1*: So, it's very, very difficult for SE to be completely 100 percent self-supporting from their own revenue….*It all depends on the people that you're hiring, their level of challenges. That's completely correlated to how much ongoing support a SE still needs*. The other factor would be SE would probably need more support at the outset, and less as you get going on…So, every SE has different levels, it all depends on the complexity and severity of the people that they're employing.
>
> That level of challenges and supports that they need. Almost in every case, there are there are some but very few SEs that are completely self-sufficient from earned revenue. You can imagine right, that you have higher costs, lower productivity or higher costs in terms of more management or whatever. [There's] only so much profitability that you can take away from in order to stay financially viable. So, it's a fine balancing act.
>
> So, here's another one, are you familiar with Atira property management…in Vancouver. It's a SE that provides property management but it's owned by Atira women's resource center that provides shelter and supports to women and children. The SE is a 100 percent self-sufficient and it actually has profits, makes profit that goes back to the women's resource center that owns it. So, there are some cases where the SE is not only self-sufficient, it actually has a surplus or a profit that can go back to the not-for-profit charity that owns it. But these are few and far between.

This suggests that SEs' social mission may affect their financial viability significantly. The fact that SEs need supported income to mitigate any negative impacts of their social mission on their business does not necessarily mean that SEs are bad at doing business, but that they have other bottom lines to consider. As VanSandt et al. argue "SEs externalize benefits and internalize cost more than other economic actors, making them inherently less profitable than their for-profit partners" (2009, p. 421). And so, the fact that SEs' ability to make a profit is often purposefully subordinated to the desire to be faithful to their social mission (Liu & Ko, 2012) makes supported income essential to the success of most SEs. SEs must not defer to the market as their only source of income simply because this leaves an important aspect of their work – the social aspect –

uncompensated. As Dees suggests, "markets do not do a good job of valuing social improvements, public goods and harms, and benefits for people who cannot afford to pay" (1998, p. 33).

Moreover, some participants suggest that SEs deserve support because of the inherently public nature of their work. As one participant highlights, SEs are addressing social issues that the public and private sector do not necessarily address, and should therefore receive funding to cover the social costs:

> *SE-DEV5*: …But the piece of it too is that that [the idea that SEs should not receive supported income] suggests that the most complex social challenges we're trying to solve can be 100 percent fully solved by market revenues. That the market will actually solve this problem and that's a huge problem. Man, it can't, it can't and if you want to work in the space of it being a hundred percent market funded and if you can find that place great…But if you're deciding that you're going to do something that the market hasn't figured out how to solve yet, it's probably because the math doesn't add up
>
> … *So, if you're gonna set aside the social costs from the business costs, yeah, the business costs would probably pay for themselves but the social cost there's no reason why society shouldn't cover the social cost...* Like why, why would you limit yourself when everybody else around you has all these opportunities for subsidies, has all these opportunities for some grants to pay for the social cost, why would you say yeah but I won't. To me, that just decreases the chance that your mission can be successful and if there's money available to support your mission why wouldn't you take it. Anyway, end of rant.

In the same vein, a participant providing business development services to SE stated that SEs deserve government support because they are doing work that the government should be doing:

> *SE-DEV4*: …Like I think a lot of social enterprises are doing work that's traditionally been the realm of charities or of government. And so, if that work is still good and we've found a way to do it more innovatively and to do it in a way that can diversify revenue in each of those instances then we should…*So, especially in the groups like the workforce development social enterprises, they're doing work that is deeply government in nature*.
>
> It's about education and employment support which has traditionally been publicly supported. They do really good work that reduces other challenges that we have to pay for as a public system and so why wouldn't they receive funding for that….I think it's where really crucial work happens that we're not seeing private sector or government undertake really well.
>
> And so, if that's the case, if it's as important as that to our communities then we should aim for a finite financial system that has this little shock involved. It should be able to sustain and be stable, no matter what's happening...But right now as we see you know the market isn't a foregone conclusion. So, right now massive global thing [COVID-19]

> happens that's changing markets. If you were an enterprise that completely depended on a retail market you're probably hooped right now, you're probably in real trouble.

A participant managing a WISE that trains and employs newcomers expanded this view by arguing that WISEs require supported income because they are engaged in activity that benefits private business, the wider community and government:

> *SE-MAN13*: So, if somebody is saying that a social enterprise should never receive grants I would say that that is ridiculous. I would say that *a lot of the work that a social enterprise does is work that is benefiting the community, that is increasing the taxpayer base and that is helping people to transfer off of government aid such as EIA. And so, I think perhaps we shouldn't call what we receive a grant maybe that's a misnomer. But I definitely think that the government should pay us for the work that we are doing.*
>
> And very concretely in the garment manufacturing sector a lot of the local factories do not run their own training program and do not hire new sewers. They want to hire people with 3 to 5 years' experience because to run a training program cost so much expenses. So, I do think that as far as the training program that is a cost and a social enterprise needs to be just repaid and recognized for the work that it is doing.

If SEs are doing work that is deeply beneficial not just to the individuals that they serve but also to the government as these participants suggest, then the argument that SEs must be entirely self-sufficient falls into the neoliberal self-help narrative. Governments have used the SE approach to further neoliberal aims by emphasizing earned income as a central feature of SEs while also increasingly promoting these organizations as providers of social goods that governments are retreating from providing (Roy and Hackett, 2017; Peck & Tickell, 2002). SEs create public goods while incurring private costs and this makes it extremely difficult for them to function as profitable businesses (Hockerts, 2006). Hence, as Borzaga and Solari argue, the public service SEs render by creating positive externalities for the community has caused "several authors (to) argue that social enterprises should receive at least partial support from the public sector" (2001, p. 334).

Another issue highlighted by SE-MAN13 above (see underlined portion) is the use of language, where they argue that using the word 'grant' to describe the supported income that SEs receive for the public service they perform is a poor description of their activities. Similarly, another participant took to task the language of funding, distinguishing between grants that are not tied to any specific activity and income SEs receive for producing social outcomes:

*SE-FOU1*: Well, let me answer that question [of how they would respond to the idea that SEs should not receive supported income] by saying that I think that what that is about is saying that social enterprises should operate independently of government, and I would argue that that's not very entrepreneurial. And the reason why that's isn't very entrepreneurial is because the main financial beneficiary at least in Canada of the work that non-profits do or social enterprises do, the main financial beneficiary is government… It's like what do you mean by that and it's like well, you're giving your outcomes to government and what company gives its outcomes away and is successful…

So, if you're saying, "oh well, we should do this without interacting with government" that's just, that's not an entrepreneurial answer....*So, the question you asked was it should be able to function without getting any government grants? Like I don't know what was meant by that but without any 'funding'? Well, we can talk about that but without any money from government, that's not entrepreneurial and it's not a healthy vie*w, and I would respectfully say it shows a lack of experience. Now, I used to think that [SEs shouldn't receive government money]. I should say, that when we started [name of SE], that was the idea that we would earn a lot of money, surplus.

And then we would use that surplus to pay for the things that contractors don't do like parenting and money management and paying the cost of cultural programming, drivers training, trades-based tutoring and all that stuff. But if we do that it's just, we cost ourselves out of the marketplace… I think that's where some people are in the social enterprise sector, and I think it's preventing us from being able to scale and our unique selling proposition that differentiates us from the private sector. Things like employing people that are hard to employ is really lucrative and so yeah, getting revenues coming in by, getting up from the kid's table as I say in [name of book] and selling those outcomes is how we are going to scale…

In the italicized portion of this quote, this participant seems to wonder whether those who take issue with SEs receiving 'funding' are concerned with the idea that this funding is not tied to any of the social outcomes the SEs produce. Hence, this participant emphasizes the idea of SEs *selling* their social outcomes rather than just *receiving* funding. This kind of language shift could be particularly useful for those within and outside SEs who struggle to understand how an organization can be a business and still receive what they call funding but is essentially *income* earned from social activities. This also seems like an example of the phenomenon of roll-out neoliberalism as conceptualized by Peck and Tickell (2002), which involves the need for organizations to compete over state resources to provide social welfare to those who have been marginalized by the neoliberal state.

Thus, just like they balance commercial activities with accomplishing a social mission, SEs also need to balance their income from selling their business products (whether goods or services) with the income from selling their social outcomes, irrespective of the moniker ascribed to this.

Further, Wilson and Post argue that "the idea of merging social and economic value creation—within the same organizational structure— goes beyond trade-offs or balancing acts. Rather, this merging involves fundamentally innovative and entrepreneurial approaches which can explicitly create both social and economic value in ways that are mutually reinforcing" (2013, p. 717). The approach of selling social outcomes to the government can be considered as such an innovative way that SEs transform the social value they create into economic value, by selling social outcomes to the public sector and using this income to further enhance the fulfilment of the SEs' social mission.

In sum, the arguments explored in this sub-section suggest that receiving supported income by whatever name it is called (funding, grants, payment for social outcome) does not make SEs less of a business organization. Supported income pays for the explicitly public-sector work that SEs do that many for-profit businesses working in the same sectors do not do. Hence, SEs should not deprive themselves of the opportunity to receive the supported income that their hybrid nature enables them to receive alongside income earned from commercial activities (Chertok et al., 2008)

*A real-life example of why understanding the need for supported income is important*

A good place to end this section is where it began; with the participant who argued that SEs should rely only upon earned income. Later in the interview, this WISE manager expressed their frustration over the fact that their WISE was not qualified for a government loan provided to other businesses as a relief package from COVID-19:

> *SE-MAN6*: Like right now, here I am fighting with the government. So, you know this whole loan program the government's created for COVID, emergency package for businesses, $40,000 loans…In order to qualify for that loan, your total gross payroll last year had to be less than 1.5 million dollars. Our total gross payroll last year was 1.8 million dollars. So, we won't be eligible for that loan.
>
> Why was our payroll at 1.8 million dollars? Well, if we paid people minimum wage like most [organizations in our sector] do, we would be less than 1.5 million. If only our managers had benefit plans, because those are included in that income plan, we would have been less than $1.5 million… Okay, so normally [employees in our sector], they self-disclose their own tips, at the end of the year they fill out their taxes and whatever they earned in tips.
>
> It's between them and the government and what they choose to claim and what they don't. We don't operate like that. We take gratuities. We put them on people's paychecks, we pay taxes on them. We pay the owner's portion of CPP and EI and federal taxes on it, and we record all those sorts of things. Again, if we didn't do that, if we were a shady

> workplace, if we were a shady employer like many of the places I've worked with in the past, we would have qualified for that loan…

SE-MAN6 argues that their WISE seems to have a higher payroll than other organizations in their sector, and are thus not qualified for the government COVID-19 loan, because of the social aspect of the WISE's work that causes them to give their staff higher wages and benefits. Hence, when I asked this participant if they have observed any difference between how government treats SE and other businesses, they responded that:

> *SE-MAN6*: No, like I said they do us no favours. I would love if they could find a way to but they're not going to. They assume that we are profit maximizers. They don't understand that we're not. They don't understand what that means to not be a profit maximizer.

These comments further complicate SE-MAN6's perspectives or at least the way that I understand them. This participant had emphasized throughout the interview that SEs need to act like 'real businesses' (by being fully reliant on earned income) and not receive any special treatment from the state. Yet, their WISE's experience of being deprived of loans available to other businesses because of the social aspect of their work ultimately made them feel like the social aspect of their work should be acknowledged, and their WISE shouldn't be treated the same way that 'profit-maximizing' for-profit businesses are. While the contradiction in SE-MAN6's perspectives may not be evident to them, it shows that the competing institutional logics that SEs balance is not merely a theoretical issue, but also one that affects the operation of SEs. Hence, because the state did not consider the social mission of this WISE when assessing the organization for benefits, this WISE may not receive the loans that other businesses are receiving to assist their re-opening when the COVID-19 lockdown restrictions are eased.

As mentioned earlier in this section, Dey and Teasdale (2015) also interviewed a SE manager who maintained their aversion to taking government money to maintain their independence in their first interview. In a strikingly similar turn of events, an economic downturn also ultimately led that SE manager to realize that their SE needed to take up government contracts to maintain their social mission of providing the marginalized groups their SE served with jobs (Dey & Teasdale, 2015). Dey and Teasdale (2015) argue that the decision of this SE manager to rely on the government support they were formerly against is not an issue of hypocrisy. Rather it

was a case of adopting whatever strategies were necessary for the SE to continue creating opportunities for the marginalized groups they serve. What the experience of SE-MAN6 and the participant in Dey and Teasdale's study shows is that no matter how self-sufficient an SE is, it often requires supports in one way or the other to fulfil its social mission. This need for support is not a problem because, as this section has shown, private businesses themselves receive all forms of supports. More importantly, supported income to SEs are payments for the public service SEs render to society via the fulfilment of their social missions.

Ultimately, despite the important and very public nature of the work that SEs are doing, they do not always find it easy to access supported income, and the funds available to SEs may be limited exactly because of their hybrid nature. Chertok et al. note that SEs find it difficult to raise money because:

> they do not fit neatly into either the traditional non-profit or for-profit model. Foundations and other philanthropists are used to donating money to traditional non-profits but are often uncomfortable donating money to an organization that generates a profit. Commercial investors, on the other hand, are used to investing in traditional for-profits but are often uncertain about investing in organizations with an explicit social mission (2008, p. 46).

And so, if SE managers are not aware of how they can use their SE's hybrid nature to access extra financial resources, these SEs could fail to accomplish both their commercial and social objectives. SE managers must strive to ensure that the SE's contribution to the wider society is presented clearly so that the organization can be rewarded for this. SE managers must also be able to sell both the social and business side of their work (Borzaga & Solari, 2001). SE managers must also be able to collaborate with policymakers to create supportive environments for the SE's operations to flourish and their social impacts to be significantly expanded (Cooney, 2015). The following section explores certain aspects of the process of SEs collaborating with government.

### 6.4 Why support from an enabling state is critical for SEs

Boschee and McClurg (2003) argue that because government support has been increasingly diminishing since the 1980s, non-profits should learn to become self-sufficient so that they are not left hanging when government support ceases. The 1980s were also, not so coincidentally, the period that marked the beginning of the neoliberal era when the state's involvement with social welfare started to diminish. The foregoing discussion has presented critical arguments that show how SEs' contribution to the public good means that these organizations require support. And so,

it is unconscionable that we so easily give in to the idea, as presented by those like Boschee and McClurg (2003), that state retreat from social welfare and state support for organizations like SEs is irreparable. In this vein, this final section of this chapter brings together the arguments made in the foregoing sections to consider *why* government should support SEs, and the final chapter in this study will consider *how* government can support SEs.

The discussion on the nature of an 'enabling' state (Gilbert, 2002), made in Chapter two of this study, is relevant to understand the role of government in supporting SEs. The foregoing discussion has shown some of the important roles SEs play in addressing structural barriers facing marginalized groups. Yet, SEs do not preclude and cannot replace an enabling developmental state directing macroeconomic affairs as a critical path to development for marginalized groups in developed countries or even developing countries. As Chapter two argues, significant development requires the involvement of a strong state involved in various aspects such as state ownership of industry, industrial policy, export promotion policy and so on (Desai, 2011; Patnaik, 2016; Moyo et al., 2016). Hence, the development work SEs are doing requires the support of an *enabling* state that creates an empowering and supportive environment. An enabling state typically partners with development organizations to determine priorities, develop supportive and equitable policies that facilitate development and, oversee effective implementation of these policies (Matray & Poisat, 2015; Restakis, 2010). The task of creating equitable policy is one that the state must especially be involved in to ensure that there is public input into social development processes and that SEs, which are ultimately private organizations designed to accomplish public good, are effectively regulated (Cho, 2006; Gilbert, 2002; Lubberink et al., 2018).

However, states are not inherently able or willing to create such an enabling environment for development, and statebuilding processes must specifically focus on developing the state's enabling capabilities. When supported by states, "social enterprises, though privately owned and managed, can pursue a redistributive function," improve social cohesion and social capital, and produce a more inclusive development process that addresses economic inequality (Borzaga & Santuari, 2001, p. 357). In further exploring why SEs' capacity for development should be supported by the state, this section considers: the roles played by SEs in times of crisis; the differences in the way SEs and other business are treated by the state; the unique challenges faced by SEs that require state involvement to be addressed; and the differences in approaches to dealing with SEs adopted by different governments.

*The role of SEs in times of crisis*

The ongoing COVID-19 pandemic has shown that the significant role played by a strong state in managing socio-economic affairs is critical. Many neoliberal states, including Canada, that have been rolling back social welfare have intervened to develop various economic interventions. Such economic interventions include a temporary universal income to those who have lost their jobs or seen their income diminished, wage subsidy programs to employers and loans and grants to support the continued running or reopening of businesses. As Bregman (2020) argues, expanded government involvement in the economy due to the pandemic could eradicate neoliberalism and the small state ideology that undergirds this ideal. However, lasting change can be accomplished only if activists fighting for the increased involvement of a strong state overseeing macroeconomic policy (and providing social supports) adequately seize this moment (Bregman, 2020). In the pandemic period, even the most neoliberal leaning sources like the Financial Times have begun to put forward considerably radical reforms where the state plays a larger role in the economy by overseeing social welfare and redistribution processes (Bregman, 2020). Such radical reforms have previously been the purview of only critical scholars (e.g., Flassbeck et al., 2013; Patnaik, 2016; Moyo et al., 2016).

Renowned economists from Schumpeter (1942) to Friedmann (1982) have long suggested that crises that impact critical sectors of society, within the economy and beyond, create an ample climate for ideas considered radical before the crises to become acceptable. Radical ideas that become accepted in times of crises are not always equitable, since the shift to neoliberalism came during the crises of the 1970s that were caused by inflation, oil price increases and a general tightening of the economy (Palley, 2012; Galbraith 2014). Furthermore, crises do not always lead to radical changes and the 2008 financial crises did not necessarily produce the systemic transformation of the problematic financial systems that had precipitated the crises as many critical scholars had hoped for and predicted (Bregman, 2020; Flassbeck et al., 2013; Palley, 2012; Roubini & Mihm, 2010). Hence, transformative change to problematic and unjust structures does not just come about because there is a crisis, the crisis must be properly adopted as a point of advocacy by those championing radical ideas and seeking change if these ideas are to gain acceptance.

Chapters four and five have considered how advocacy is the major form of active resistance and challenge to the neoliberal system that SEs in Manitoba are engaged in. SE promoters carry

out such advocacy by disseminating the unique contributions that SEs can make, to gain support for the work of SEs from government, community development organizations, and even for-profit businesses. In contributing to this process of SEs' advocacy, the argument here is that SEs should be part of the growth areas prioritized by the state in addressing economic inequality. The activities of SEs during the pandemic have shown that they have the capacity for community development and this sub-section considers some of the discussions around this work that arose during the interviews for this study. I did not ask participants any direct questions about how the pandemic was impacting their work with SEs to avoid suggesting it as a cause or effect, preferring instead that any information around this would emerge naturally. And discourse around COVID-19 did emerge, some of which the foregoing discussion considers. This section considers only two specific issues: how SEs have been responding to the needs of those they serve during the pandemic, and how the pandemic has impacted the work of SEs themselves. This discussion is part of the section that considers why government should support SEs because it shows the roles that SEs play in times of crisis.

SEs are increasing their assistance to employees or trainees

As previously considered in Chapter five of this study, a WISE manager identifies some of the ways their organization is meeting the needs of their employees and their wider community during the pandemic:

> *SE-MAN2*: We also, in our normal course of business, are open to the public. We serve our community, we are a Winnipeg Harvest distribution site, we feed people, we have phones and computers available for people and people are able to come in here and rest. They can also shower. So now because of the COVID, we've extended these services 24/7.

This shows that in times of crisis, community organizations like SEs step up and increase their services to their communities since crises like the pandemic tend to significantly multiply the multiple barriers facing the disadvantaged individuals served by SEs. Ethnic and racialized minorities may suffer disproportionately from the pandemic because they tend to experience a "greater disease burden, higher poverty rates, limited health care access, higher rates of jobs in service industries where they are less able to work from home…" (Laurencin and McClinton, 2020, p. 1). Similarly, Kantamneni (2020) suggests that the poverty and inequality experienced by

non-racialized marginalized groups in the United States is exacerbated by the pandemic, and those at the lowest levels of society are experiencing greater suffering. The situation in Canada is not so different and studies have shown that the economically and socially marginalized in the country will bear the brunt of the fallout from the pandemic (Collie, 2020). Hence, one participant quoted in Chapter four expressed their frustration over government's inability to provide their SE with masks to protect their beneficiaries, who are mostly from the Indigenous community, and they believe this is because the government does not care about this group of people.

The needs SEs met during the pandemic period were often as basic as food, as a participant managing a WISE that serves Indigenous people noted:

> *SE-MAN5*: .... Outside of that, right now, like we're trying to work with food. There's a lot of people who are at home [due to the pandemic] with their kids who were getting food at school lunch programs, and so we're trying to figure out a way to send food home with people, but we'll figure that out.

Similarly, a participant managing a WISE that employs people from multiple marginalized groups discussed the unique ways that their WISE continues to support their employees during the pandemic by providing them with food and support filing for employment insurance:

> *SE-MAN6*: Again, I'm in a kind of a crazy place right now because of the current situation that we're facing, right. I mean we basically had to go through the process of deciding who was gonna keep their jobs in a slowdown that we really weren't built for. And so, it's funny because we, it's funny in all the wrong ways, we had to go through this process looking at all of the jobs that we had. Again, because we're self-financing, if when the [organization where the WISE is located] closed down we kept keeping everybody employed, we'd be out of money and broke in two weeks.
>
> We'd be bankrupt, we'd be closed, right. Well, that means there's no jobs for anybody to come back to. So, when we laid everybody off for COVID here, the first thing we did was a one-on-one with each individual employee and said to them, "hey as of tomorrow, I have no hours for you, so let's stock your fridge with groceries and hope that this is a short period of time, and we're gonna help you apply for EI. We're gonna get you on whatever subsidy programs there are. We're gonna make sure that you got, you don't have internet in your house? Ok no problem, come in here and use our Wi-Fi, and we're gonna apply and get you through the system together, you know."
>
> I have a few employees who only speak Farsi. Do you know how hard it is to fill out the EI paperwork if you only speak Farsi? So, you know, we brought in a translator to get them on EI, worked with us and worked with them and did all of those sorts of things. I mean are we successful in giving them what they need at that point? I don't know. We're

> trying our hardest to help them be as stable as they can right now, at the same time what they need is a good job. But the economy just stopped.

The pandemic is an ample situation that shows how SEs are not just businesses but have social missions that constitute their uppermost concerns. And so, while the WISE SE-MAN6 quoted above manages had to let most employees go due to the crisis, the management assisted these employees as much as possible. Similarly, chapter five quoted SE-MAN4, a manager of a WISE that serves disadvantaged youth, who discussed how they are collaborating with other organizations that work with youth to better address the needs of their employees during the pandemic.

Ultimately, SEs are community organizations that step up in and out of crisis periods to meet the needs of the marginalized people that they serve, and the state should support SEs in this process. Mazzucato (2011) notes that the role of the state goes beyond simply being enabling or creating the conditions for local development organizations to function. Instead, the state must create a strategy "around a new high growth area before the potential is understood by the business community," and this is an entrepreneurial role that only the state can play well because the private sector may not have the capacity to take on such risk needed for community development (Mazzucato, 2011, p. 18). SEs are one of such potential high growth areas that, if effectively supported by the state, can contribute to addressing the inequality marginalized groups faced holistically. WISEs specifically, do this work of community development by providing trainees with employment and other important supports and training these trainees need to address the barriers to socioeconomic prosperity that they face.

Work or income diminished

Not all WISEs were able to offer extra support to their trainees or employees during the pandemic and the activities and capabilities of some smaller SEs were significantly crippled during this period. As a participant managing a SE that provides support finding employment to people with developmental disorders revealed:

> *SE-MAN3*: I have 3 current candidates who are looking for work and this is just not the right time for it with COVD-19 running. I've had to scale back everything, so we can't go

> and meet people. You can't go interview. You can't really show what you're able to do and then many are just not hiring right now. They're waiting for the worst to be over.

Similarly, an individual providing business development services to SEs notes how the pandemic has negatively impacted their business; "well first off, especially now, I'd like to have more work, but the virus is having a bit of a detrimental effect on that..." This is not unexpected, since the fundamental nature of WISEs, in that they deal with providing employment, makes them susceptible to the volatility attached to the social distancing regulations instituted to combat the pandemic.

Another participant managing a WISE highlighted how the pandemic limited their plans for expansion:

> *SE-MAN8*: So, that's what we oversee and had it not been for the virus, the goal was going to be that next month or in June, we would look to take on external contracts – Businesses that would pay us to do their laundry for them as a means of expanding the business, gaining profitability but also being able to hire more individuals.

This participant also reports how the pandemic hampered the goals of some of the members of the marginalized group they employ:

> *SE-MAN8*: …And if it wasn't for the COVID, we have another fellow who now has saved up enough for first and last rent and is ready to move out. But again, he's waiting until the new normal comes about after the virus is done doing the damage that it's doing.

As discussed above, this is another example of how a crisis can disproportionately impact marginalized groups and increase the inequality that already exists. Flassbeck et al. (2013) explain that responses to a crisis can even further exacerbate inequality, particularly when the state adopts more austere measures as a way of staving off an increased deficit. Hence, the state must support community development organizations like SEs to continue to accomplish their social mission of serving their communities, to avoid having increased inequality and poverty for disadvantaged individuals as one of the outcomes of this crisis. Exacerbated inequality can lead to an even more devastating crisis of poverty and homelessness that would be more expensive to address.

*The difference in the way government treats SEs and other businesses*

The second participant interviewed for this study stated in the course of their discussion that the provincial government views their SE as a social service agency and not a business, implying that this is why the government does not support SEs like they do other businesses. I found this assertion interesting and in line with the tenets of theoretical sampling (Glaser, 2002), I asked subsequent participants if they believe the government treats SEs and businesses differently and some participants noted that they don't observe any differences. A few participants suggested that government sees SEs as just social service organizations while others noted that that the government sees SEs as just businesses and does not factor the social impacts of SEs into their interactions with them. These opposite perspectives can be reconciled by the consideration that they could be referring to different levels of government or different governments at the same level at different times, which tend to focus on either of the logics that SEs adhere to do. The problem with the state focusing on either the commercial or social aspect of SEs is that neither understanding truly captures the value provided by SEs. Hence, both the business side and the social side must be taken together to present the true value that SEs provide, which is distinct from that provided by other kinds of organizations that provide one or the other (Wilson & Post, 2013; Loney & Braun, 2019).

In the group of those who believe the government treats SEs just like businesses is a participant managing a WISE that trains Indigenous people. This participant discloses that while government doesn't grant their SE special treatment for the social externalities they produce, government sometimes wants to unduly take credit for supporting their organization to create these outcomes:

> *SE-MAN5*: I don't wanna shame people but there are jurisdictions where we work with where they sit us down at the table, and ask us to speak and give demonstrations and presentations, and tell us they want to support us. And I believe that they want to support us, and I believe that they want things to be better and to be faster. And then they send us tenders and they just make us bid against for-profit companies and they take the lowest bid, and they don't really care about anything else….
>
> *There was one jurisdiction that we would work with, we would win a bid, and then they would ask us to say, "could you send us a report on how many Indigenous people and how many impoverished people worked on those jobs so that we can put it into our report about how great of a job we're doing." And I said "no, because you made me bid and you only cared about the lowest bidder. So, you're not doing a good job*."

Similarly, Eikenberry and Kluver (2004) note that more social service provision contracts from the public sector go to for-profits rather than non-profits because government agencies prefer to award out these contracts based on who can do the work most efficiently, which as SE-MAN5 above notes, may simply mean the organization that can work for the cheapest price. Here, the nature of the organizations rendering the social service and the additional social externalities they may provide while doing this work is often not considered. Ultimately, however, if the state wants to take credit for contributing to the social impacts that SEs are making, as SE-MAN5 notes, the state must support SEs or at the very least take into consideration the social impacts they make.

Participants also seemed to feel that government supports for-profit business more than SEs, treating these for-profits as though they contribute more to society than SEs. A former WISE manager maintained that while SEs do get some support from government in terms of procurement, businesses seem to be getting more:

> *SE-MAN1*: …You're familiar with Manitoba Housing. We've talked about it, they're now making 6 or 7 million dollars a year [in social purchasing] available to SEs in Manitoba, which is still a very small part of their overall budget. But to SEs, having 6 or 7 million dollars of revenue is significant to their business and to being able to provide employment to people. I think what many of us in the SE movement want is a kind of level playing field, right.
>
> Government still feels often that they need to support big business, that everything depends on it even though they say small and medium business are the driving force for the economy. Large multinational businesses are still getting the bulk of the government supports and handouts, and SEs are somewhere right at the bottom of the supports that are available from government.

Similarly, another participant managing a WISE that trains Indigenous people affirmed that the government seems to prefer private business:

> *SE-MAN9*: Yes absolutely. There seems to be a preference for a private business even though private business does not generate the social benefits and the social impacts that government would ultimately be the beneficiary of. So, either they will be treated with preference for the private sector or they will treat social enterprise simply as a non-profit that isn't doing business well or hasn't figured it out yet….They don't seem to be recognizing quite yet that social enterprise is that intersection of all of these sectors.

Further expanding on this situation, a SE business developer noted that the undervaluing of the work of SEs ultimately means that government treats for-profit businesses more respectfully than SEs:

> *SE-DEV4*: The word that keeps coming to mind is marginal, like I think social enterprise is not well understood probably. Um, it's conflated often with corporate social responsibility or on the other side with being like just another group looking for a handout or something, there's these kinds of minimizing ways that it's looked at… So, when the collaborative groups [for for-profit business] go to government or when their advocacy groups go to government, I think the conversation is really different than it is with ours – It's about partnership and about working together and finding solutions and tailoring solutions to what they need.
>
> And when it comes to us it's more of a paternalistic relationship where government sets the terms and we try to meet them. And government decides how much we get to do that work and then we have to try to see if we can shoehorn our ideas into the size of funding that they're willing to support…

In their study, Dey and Teasdale (2015) also observed SE practitioners' frustration at the way government displays a preference for for-profit businesses while imposing more significant rules on SEs or treating SEs as organizations that are incapable of doing business well. The discontent around lack of support for SEs from government suggests that the form of support SEs are seeking from the state at this point is not even preferential support, but a level of support that businesses already receive from the state. Understanding the balancing that SEs do means paying attention to both their social and commercial dimensions, otherwise neither dimension can be fully appreciated. The idea of the community-driven outcomes purchasing model presented by Loney and Braun (2019), which Chapter one considered, is an approach that can allow a SE's commercial and social sides to be noticeable and appreciated. What this model entails is that SEs get sponsors to invest in a specific social program that the SE undertakes, and the government pays the investors back when the program starts to produce social outcomes (Loney & Braun, 2019).

Further, one SE business developer suggested that the government's inability to create supports that consider the hybrid nature of SEs forces SE to choose between either being considered businesses or non-profits to gain access to available supports:

> *SE-DEV3*: Oh yeah, the government, especially the provincial Conservative government is absolutely more used to dealing with a standard corporation, it's the framework that they're

> familiar with. And so, when they create business supporting programs, that's who they're thinking of.
>
> They're not making SE support programs, and so SE have to decide does if they fit better in the non-profit support streams or the business support streams, and trying to navigate that becomes more complicated when you're somewhere in between.
>
> I know there's movement in the provincial government, when we're talking about Manitoba Housing, when we're talking about provisions like that, when we're talking about social procurement. There is a momentum. There is positive movement, but it's not well understood within government to my understanding.

Another SE business developer expands on how the way that government interacts with SEs often forces them to pick one of the dual logics that they're balancing as a primary identity– a choice that often does not accurately reflect their realities:

> *SE-DEV5*: … So, now when you go to government and say "we want you to purchase from a social enterprise," they say "we don't do that, that's a charity and that's wrong." And then if you go to government and say "we want you to give a grant to this charity that's a social enterprise" they say "well, no, no, no, it's a business." And so, the government hasn't always known what to do with social enterprises and it kind of says no from both sides, right…
>
> And then on top of that you know you start to get the private sector businesses complaining that the social enterprise gets unfair treatment when they get the contract… And to which the response is "you know if you're gonna hire 80 percent of your people coming out of prison go for it and then we'll talk about being the same." But again, the government in terms of their purchasing is always so nervous that someone's going to tell them that they're doing something wrong because traditionally in the mindset, like you don't purchase from charities. You just don't do that, that's just not part of the history.

This suggests that the state not considering the multiple institutional logics driving SEs in the way that they support them can drive these organizations into mission drift, where the SE focuses on profitmaking and neglects their social mission due to the lack of support from elsewhere (McKay et al., 2011; Eikenberry & Kluver, 2004).

*Challenges faced by SEs that require state support*

Some of the participant responses to the question about what challenges they face in their work identify how the unique work SEs do often requires state support to thrive. A WISE manager disclosed that the complicated nature of the barriers facing the individuals that SEs serve requires

SEs to collaborate with various government departments, and this kind of cooperation is not always easily accomplished:

> *SE-MAN9*: …*So, working with governments to collaborate not just in word but in action to work across departments* and have that type of communication is really, that's really challenging. And it ultimately links back to the work that we are doing and the people we are working with because the folks that we work with have multiple issues that crossover into many departments across social services across departments. I mean these are wicked policy problems, they're incredibly complicated and complex challenges. I mean if they were simple problems, we would have found solutions already. But there's a reason why we see so much pressure on our social systems.

As considered in the previous chapter, other participants expressed concern over the need for collaboration across government departments in working with and supporting SEs. The difficulty that SEs can have in working across different government departments was also identified by Matray and Poisat (2015). The final chapter in this study will explore the way that some of these gaps in collaboration within and across government in relation to interaction with SEs can be bridged.

Another participant providing business development services to SEs believed that a challenge faced in their line of work is that government does not recognize the significance of SEs and continues to treat them marginally:

> *SE-DEV4*: …The government is one of the biggest partners in this work and our local governments are treating social enterprise as a very marginal idea. [they treat social enterprise like] it's this little tiny sliver of something on the edge of all the other stuff that they think is important. So, there's this kind of paternalistic approach and a really minimal approach to supporting the sector… They've gotten more invested in it but it just sort of feels like they don't understand that wider vision or the bigger vision that's about reshaping the economy.
>
> They see this model as a marginal piece of work that can kind of help make sure people don't fall through some of the cracks. But beyond that it's just sort of treated as a cute thing that does some nice things. But it's not about that bigger sense that we could actually have an economy that works with that blend of impact. And that works with the centering of people and the planet that could actually be the way that the economy works as a whole and that just isn't shared…

This perspective is like that presented in the previous sub-section, where participants express that they feel like various levels of government value the work of private businesses above that of SEs. This undervaluing of the sector by government can be devastating to SEs because they often require the state's support to expand their social impact. As another participant who provided financial support to SEs revealed, there is only so much non-government supporters of SE can do to support SEs because there are some unique forms of supports that only the state can provide:

> *SE-DEV5*: …There are times when the social enterprises need a kind of financing that we can't provide. And so we have some limits as an [organization] in terms of what we can do and with lending… Let's say there's a social enterprise that wanted to take over the recycling contract from Winnipeg and needed ten million dollars to win the bid to buy the trucks and to start the whole system. But it was a new organization that nobody owned because it's a non-profit, had no history because it's just starting, and has no money right now. It doesn't exist and there's no assets, right.
>
> And they were coming to us and say can you, "we need a loan for ten million dollars but we have no security and we have no history but we're gonna be good and we're gonna do a good thing"… *This is the kind of place where government can step in and say "we'll give you the ten million dollars and if you can repay us in ten years great, if you can't we'll just turn it into a grant and we'll say good try*." *Governments do that kind of stuff, we can't because the money that we're managing is the money of people like me and you* who've put our deposits in the [organization], right…

This highlights the critical role that government must play in supporting SEs for these organizations to flourish. The government`s unique ability to provide SEs with the kind of patient capital that they need to develop that this participant identifies is akin to Mazzucato`s (2011) view of the ability of the state to take risks on innovative approaches to create a breakthrough in any given sector. And so, while non-state entities can and do support SEs, and one participant urges the Winnipeg Foundation to "get off its ass" and become more involved in the process of supporting SEs, the state means has a critical role to play in supporting SEs that other parties may not be able to play.

*Differences in approach to SE by different governments*

Fernandez (2015) noted that stakeholders were concerned that if the Manitoba provincial government changed to a different party after the 2016 election, this new party might not see any value in supporting the SE sector. Hence, I designed the question that asked participants if they

observed any differences in the previous and current provincial governments' approach to SEs to see if these concerns were realized to any extent. Some of the participants that answered this question noted that provincial support for the sector had altered in some way after the government change, although some were more vocal than others in discussing this. One WISE manager was quite vocal about the way that provincial support had diminished since the government change, although they highlight that the previous government hadn't been very effective either:

> *SE-MAN2*: Oh yeah, I don't even look to the province, they're useless, right. Like I don't know if you saw, so Community Places Neighborhoods Alive, are you aware of those grants? Ok, so those were grants that would come directly to the community to help the very, very marginalized and vulnerable… Then they completely revamped those to basically, you had to come up with 50 percent of the funding in order to access those grants, so where are you gonna get the other 50 percent of the funding if it's program-based right…
>
> And they're really gonna get it right now, especially with this COVID-19, because they do not have capacity to take care of these people at any level, and they have basically offered us nothing, nothing to deal with this, yeah… Although, having said that, the NDP spent like drunken sailors near the end because they were trying to save their government. So, I don't think what they were doing was that effective either. They were just throwing money around. Because I think they had lost, their leader was just too caught up in himself and didn't do what was best for the party and the province at the end.

Another participant providing business development and advocacy services to SEs also communicated a decrease in provincial support for SEs, but added that the decrease is not necessarily significant:

> *SE-DEV1*: Definitely, I mean both governments maintained support. Sorry, in rhetoric maintained support, and actually both governments supported the MSES stretch over that transition... And we have seen the procurement come down at Manitoba Housing. So, there was up to 6 and a half million dollars being done worth of social procurement, and then it's my understanding that the last number for last year was 3 and a half million. So, that's a decrease that's occurred. But in terms of whether or not, in terms of actual change in the government support in a dollars and cents wise, it's not a huge amount of difference.

This suggests that while support for procurement from SEs may have reduced somewhat, funding supports have essentially remained the same. As expected, with this kind of question about specific levels of government, participants chose their words carefully. One WISE manager carefully described the way that support WISE receive from the province has reduced:

> *SE-MAN5*: Yeah, ok, so, the previous government, oh boy, I don't want to get too political, because it's gonna come back and bite us in the ass. How about, "the process has been evolving over the time during the government change." In the early days, it might not have been as sophisticated under the previous government. That could be because of like just the place it was in its evolution.
>
> The ministerial level was a lot more responsive to social procurement in the previous government though, and that's I think because a lot of them had a better understanding than this government. This government is coming on board, like when we have had ministers and MLAs come through…for tours and to meet with us. The level of engagement has always increased but the learning curve wasn't as steep under the previous government.

Despite the seemingly cautious nature of their response, this participant seemed to support the previous participant's claim of a general decline in social supports. Another WISE manager provided a potential explanation for this situation – that the previous and current government straddle different poles of the social and commercial objective balancing act that SEs are involved in:

> *SE-MAN9*: Oh yes, absolutely. I mean ideologically the governments are different parties so of course, they have different focuses. So, sometimes one of the ways that I would describe it is that under the previous government they seemed to be doing it for the social reasons, for the social good because it was the right thing to do and the economic benefit was an aside. With this particular government, the economic benefits of it are primarily what they are interested in, and the social benefits seem to be something on the side.
>
> So, they're coming to it from different perspectives. I mean we are currently not funded by the province in any significant way. But we are in regular contact with them and they seem to understand the complexity of what we are doing so but I mean right now… The access to potential resources is much more finite and limited, much more competitive…

This participant's idea of government ideology impacting the state's relationship with SEs is similar to the work of Teasdale (2012) who notes that in England, the way the concept of SE was defined and used changed frequently depending on the policy emphasis of the New Labour government of the day. This government, in each of the three terms it was elected, shifted from seeing SEs as a response to market failure in it's first term, to viewing SEs as a response to state failure in the second term, and then emphasizing the need for SEs to rely on earned income in the third term (Teasdale, 2012). If the state's relationship with SEs can change so frequently even under the same government in different terms, then it is no surprise that it would change with an

entirely new government. Hence, as the final chapter of this study will argue, a standardized policy approach to dealing with SEs is necessary to create some form of stability to government-SE interactions.

### 6.5 Research findings

The section considers ten research findings drawn from the discussion carried out in this chapter.

*First, SEs must effectively balance their social and commercial institutional objectives*. SEs are hybrid organizations that balance both social and commercial objectives and experience some tension during this process that is not always easy to resolve. One study participant insists that SE managers must be comfortable with the tension that comes with balancing multiple institutional logics because this tension is such a fundamental part of SE work. In addition to managing social and commercial goals, some WISEs also have multiple social objectives beyond just employing marginalized groups that these WISE may need to balance. WISE often find it challenging to ensure that other social objectives like commitments to purchasing locally and environmental sustainability do not encroach on the objective of supporting marginalized individuals.

Despite the complexities that can come about from SEs ensuring that neither their commercial or social objectives suffer, the dual missions of SEs are not irreconcilable and can be mutually reinforcing. The dual mission of SEs can produce unique benefit's when creatively intersected; an SE may gain patronage that helps the organization's profitmaking bottom line because of their social mission, but must ensure that their products are of high enough quality to compete with other enterprises. Hence, managers must ensure that their social and commercial goals positively interact with each other, and one does not predominate over another unnecessarily.

WISEs' focus on their social mission – providing supportive employment to individuals excluded from mainstream employment – can impact these organizations' ability to function as a competitive business. Hence, WISE managers need to keep their social mission uppermost in their minds during difficult situations that test their adherence to the social mission, if they want to avoid a situation of mission drift where the organization sacrifices the social mission for the survival of the business. One study participant noted that this can play out in situations where WISEs forego doing business with individuals or companies that discriminate against their employees. In this

way, WISE can undercut their profitmaking bottom-line to ensure that they are adhering to the organization's social mission. Ultimately, SEs must master the process of properly managing the tension between their commercial and social institutional logics if they are to prevent a drastic mission drift that harms their social mission. Furthermore, SEs must collaborate with actors within and outside their sector because this form of collaboration, as outlined in the previous chapter, can increase SEs' capacity to manage the tensions that come with balancing multiple institutional logics.

*Second, SE managers require a specific set of skills to adequately balance their competing institutional logics.* The skills SE managers require to efficiently balance their organizations' commercial and social institutional logics are not necessarily unique skills that are intrinsic to only a specific number of 'special' or 'gifted' individuals. Rather, the skills SE managers need can be acquired by most individuals if provided with the right training. These skills can be broadly divided into technical or business skills and social skills, with each aspect focusing on one major part of the SE's objectives. While some of the literature explored consider that SEs can hire different individuals to tackle different aspects of the organizational goal, most SEs often need to have all or most of these skills' resident in one individual. Effective SE managers see the organization's competitive advantage in the ability to maintain social values while also efficiently delivering goods and services. Many of the SE managers study participants described as possessing the range of skills on both the social and business sides were typically those who had already worked in the for-profit sector before pivoting to work with SEs. SE managers with experience in the for-profit world have had the opportunity to acquire the seemingly more difficult half of the skills (technical or business abilities) required to run SEs while working at for-profit businesses and typically learn most of the required social skills on the job while working at SEs.

*Third, managers from a non-profit background may need to acquire business skills needed for effective balancing.* Several study participants identified a common challenge facing SEs in Manitoba – the lack of adequate business skills among SE managers that come from a development or non-profit background. This is because when non-profit's establish SEs to generate income for their organization, they typically hire those within their organization or sector to manage these SEs. The idea is that those from non-profit's do not possess the requisite business skills because the acumen needed to run a non-profit is different from that required to effectively run an SE since the modality of operation of both organizational forms are different. So, it is not that the SE

managers in question do not have any business skills at all, they may just not have the kind of skills suited to the SE organizational form and must improve acquire these skills to enhance the viability of their SEs.

Even though they may require further training to acquire essential business skills needed to grow their SEs, many SE managers from a non-profit background play important roles in ensuring that their organization does not drift away from it's social mission into a focus on profitmaking. Given that study participants identified the absence of necessary business skills in SE managers from a non-profit background as a significant challenge for the Manitoba SE sector, many ideas for improving the sector were around training and coaching the province's SE managers to acquire necessary business skills. The process of acquiring and implementing both the social and business skills required to effectively balance the competing institutional logics of SEs is not always an easy one. Yet, many SE managers find the process of acquiring social and business skills rewarding because the process facilitates SEs' expansion.

*Fourth, individuals from for-profit backgrounds also join SEs because of a desire to make social impacts.* The discourses around the paucity of business skills in the sector might suggest that business people are absent from SE work. Yet, some SE managers who participated in this study have had significant experience in the for-profit business world before becoming involved in managing SEs. These individuals noted that they moved from a for-profit career into SEs because they desired to make a difference and found SEs' social mission attractive. SE managers with a for-profit business background found that the business experience and social skills they'd drawn from their for-profit business career were valuable in advancing the work of their WISEs. This suggests that it is the same desire to make a difference that draws people from a non-profit background to SEs that also draws businesspeople in, and those individuals from the business world who succeed in WISE work can build social connections with diverse stakeholders to facilitate the success of their organizations.

*Fifth, SEs are as entitled as for-profit's to receive grants.* The hybrid nature of SEs causes them to balance commercial and social objectives and SE managers to require a special blend of skills to run SEs. This hybrid nature also necessitates that SEs acquire funding from dual sources, i.e., from grant funding for their social mission and earned income from commercial activity. The section in this chapter that focused on why SEs require multiple funding sources was inspired by

the assertion of one study participant that organizations that receive grants cannot be considered SEs but are non-profit's instead.

Many participants disagreed with this argument, raising two major points as to why receiving grants does not disqualify an organization from being considered an SE. One of the arguments in support of SEs receiving funding is that since for-profit businesses receive various forms of funding support from the government, SEs are even more justified to receive such supports because they do not just serve their business bottom-line but also make intentional social impacts. And so, while SEs need to earn income from their commercial activities, this does not preclude SEs receiving grants to support their social mission. Hence, SEs should not restrict themselves from receiving funding out of a desire to remain 'purely' self-sufficient businesses, since for-profit businesses have received and continue to receive funding supports in various ways.

*Sixth, 'Supported income' may be a more accurate descriptor of funding received by SEs.* Some study participants suggested that perhaps the manager of a struggling WISE (as most are) who was so vehemently against the idea of SEs receiving grants, feels that way because of the use of the language 'grant' to describe the supported income that SEs receive for the public service that they are performing. Study participants believe the term grants is a poor descriptor of what the financial support SEs receive is for. They also argue that perhaps those who take issue with SEs receiving 'funding' feel this way because this funding is not presented as being tied to any of the social outcomes that SEs are producing.

Hence, study participants believed it is better to frame SEs as *selling* their social outcomes, rather than just *receiving* funding. This kind of language shift could be particularly useful for those within and outside SEs who are struggling to understand how an organization can be a business and still receive what they call funding but is essentially *income* earned from the SE's social activities. Thus, 'supported income,' as a phrase encompassing everything from funding to grants and payment for social outcomes, seems to be a more suitable moniker for describing money SEs acquire from their social mission. To remain efficient, SEs must balance the income they receive from selling business products with the income from selling social outcomes, just like they balance commercial activities with accomplishing a social mission.

*Seventh, SEs require supported income as payment for their social and public mission.* Key finding five suggests that SEs should receive grants because for-profit businesses also receive various forms of funding support from the government. This key finding further suggests that SEs

also deserve supported income as payment for their social mission. Several study participants made this argument, insisting that WISEs need supported income to be viable businesses because their social mission (i.e., supported employment for the marginalized individuals that they hire) often diminishes their competitiveness. WISEs are not like any other business since they deal with issues that other businesses cannot and will not tolerate, such as the often-significant structural barriers hindering the career aspirations of those that they hire and train.

The fact that SEs need supported income to mitigate the negative impact of their social mission on their financial viability does not mean that they are bad at doing business. SEs simply have other bottom lines to consider and often intentionally subordinate their profitmaking abilities to their desire to be faithful to their social mission. Hence, SEs cannot defer to the market as their only source of income because this leaves the social aspect of their work uncompensated. Moreover, study participants highlight the inherently public nature of the work that SEs do and note that they deserve support for this work of addressing social issues that the public and for-profit sector are not necessarily addressing. If SEs do work that is deeply beneficial not just to the individuals that they serve but also to the government and the larger society, then the argument that SEs must be entirely self-sufficient falls into the neoliberal self-help narrative considered in Chapter two of this study.

In sum, receiving supported income by whatever name we call it (funding, grants, payment for social outcome) does not make SEs less of a business since these funds pay for the explicitly public-sector work that SEs are doing that many for-profit businesses do not do. Hence, SEs should not deprive themselves of the opportunity to receive supported income for selling social outcomes out of a misguided desire to be considered a 'self-sufficient' business.

*Eight, SEs also require support from an enabling state because of the roles they play in times of crisis.* The previous finding has considered that SEs should be supported because of the public mission and social roles they play during "normal" times. SEs should also be part of the growth areas prioritized by the state in addressing structural injustices because their operations during the COVID-19 pandemic have shown the capacity SEs can exhibit during crises. This chapter showed that in times of crisis, community organizations like SEs step up and increase the level of service they render to disadvantaged communities. The work of serving marginalized groups during crises is essential because society-wide crises like the pandemic significantly multiply the multiple barriers facing members of the already underserved groups that SEs serve.

Studies suggest that the socio-economically marginalized will bear a disproportionate part of the effect of the pandemic and one study participant believes this is already happening because government is not providing their SE with the supports required to protect the disadvantaged group their SE serves.

The needs of their employees and the wider community that SEs are meeting during the pandemic is often as basic as food. Even a WISE that has had to let most employees go because business was shut down for the crisis provided these employees with food and translators to support employees filing for benefit's. The pandemic has shown that SEs are not just businesses, because they have social missions that constitute their uppermost concerns. The pandemic has also shown that SEs are community organizations that step up in and out of crisis to meet the needs of the marginalized people that they serve, and should require the state's support in this process.

Ultimately, not all SEs were able to offer extra support to their trainees/employees during the pandemic and some of the smaller WISEs have seen their activities and capabilities significantly crippled during this period. This is not unexpected, since the fundamental nature of WISE, in that they provide employment, makes them susceptible to the volatility that came with the social distancing regulations instituted to combat the COVID-19 pandemic.

*Ninth, government must treat SEs as distinct, hybrid entities.* When asked whether the government treats SEs differently from other businesses, study participants provided three differing perspectives. Some noted that they do not observe any differences in the way that government treats SEs and other businesses. A few participants suggested that government sees SEs as just social service organizations and does not consider their business side while others argued that that the government sees SEs as just businesses and does not take into consideration the social impacts they make. These opposite perspectives can be reconciled by assuming that participants could be referring to different levels of government or different governments at the same level at different times, which tend to focus on either of the logics that SEs adhere to. The problem with the state focusing on either the commercial or social aspect of SEs' goals and ignoring the other, is that this does not truly capture the value SEs create. Hence, both the business side and the social side must be taken together to present the true value that SEs produce, which is distinct from the value organizations that focus on either business or social work create.

The government's inability to create supports that consider the peculiar hybrid nature of SEs leaves these organizations to choose between the identity of a business or non-profit to gain

access to supports– a choice that often does not accurately reflect SEs' realities. Hence, the state's refusal to consider the multiple institutional logics driving SEs can drive these organizations into mission drift, where the focus on profitmaking due to the lack of support could lead SEs to neglect their social mission

Further, one study participant argues that while the state often treats SEs like any other business and doesn't grant SEs any special treatment for the social externalities they produce, government sometimes wants to unduly take credit for supporting the SEs to create these outcomes. Ultimately, if the state wants to take credit for contributing to the social impacts that SEs make, they must support these SEs or at least consider their social impacts. Also, there seemed to be a general sense that government supports for-profit business more than SEs, treating for-profit's as though they provide more societal value than SEs. The discontent around the lack of support for SEs from government suggests that the form of support SEs are seeking from the state at this point is not even preferential support, but just a level of treatment that for-profit business already receives.

*Tenth, only the state can provide certain specific patient funding or support to SEs.* This chapter has shown how the unique work SEs do often requires state support to thrive. The multiplicity and complicated nature of the barriers facing the individuals that WISEs serve require these WISE to collaborate with various departments of government. Also, some study participants believe government does not recognize the significance of SEs and continues to treat these organizations marginally. The undervaluing of the SE sector by government can be devastating to SEs because they require the state's support in many ways to expand their social impact. There is only so much non-government supporters of SE can do in supporting SEs, because these organizations require certain unique supports that only the state can provide. For example, it is the state that can provide SEs with the kind of patient capital that they need to develop (e.g., loans that can be written off if they become non-performing) because other non-state actors may not have the capacity to provide this. And so, while non-state entities can and do support SEs, the unique nature of the state means that it can play a critical role in supporting SEs.

### 6.6. Conclusions

This chapter has considered how the hybrid nature of SEs means that they must balance multiple concerns around both their commercial operations and social mission. This affects all

parts of their work from the skills that SE managers must acquire to run these hybrid organizations effectively to the level of financing SEs require to effectively accomplish their mission. I argued here that SE managers do not have to come from only the non-profit or development sector or only from the for-profit business or industry sector. Individuals from either field can succeed in this work if they are willing and able to receive training that addresses any skill gaps they may have.

The section on financing also showed that most SEs cannot survive only on income earned from their commercial activities. Supported income (whether in the form of funding, grants or payment for social outcomes) received as payment for the social outcomes produced by SEs does not make them any less of a business since such funding supports the social mission aspect of SEs' work. I argued that governments that seek to receive credit for the social outcomes produced by SEs must develop a standardized approach to dealing with SEs because SEs face unique challenges that require state involvement to be addressed.

Given how challenging it is for SEs to be faithful to their social mission while trying to earn income and receive funding supports, one might be tempted to ask why the concept of balancing is so important. If an SE is so difficult to operate, why not just run it as a charity? Part of the answer to this lies in the argument that having a job provides WISE employees with a sense of purpose and may be a more sustainable process than simply providing marginalized people with charity. SEs also have the potential to contribute to system transformation through their advocacy processes, if they can encourage for-profit businesses to purposefully incorporate social externalities into their operations. If SEs are already making significant contributions despite their challenges with skill gaps and financing, then receiving support from an enabling state would allow these SEs to significantly expand their societal impacts contributions.

The following chapter considers the WISE sector in rural and Northern Manitoba from the perspectives of some of their trainees, and then the concluding chapter considers how government can effectively support SEs in their unique work.

# Chapter 7
# What about rural and Northern Manitoba? Insights from a survey of Manitoba WISE participants

## 7.0 Introduction

The Manitoba Social Enterprise Strategy (MSES) impact assessment report identified some questions that the strategy left unanswered and that a future strategy should consider. Two of these questions are around how to support the growth of SEs in rural and northern Manitoba and how connections between the SE sector and Manitoba's Indigenous communities can be strengthened (Social Enterprise Manitoba, 2018). An interview participant further expanded on the need to deepen connections between the SE sector and Indigenous communities of Manitoba. This participant, who provides business supports to SEs and other community economic development (CED) organizations across Manitoba, noted that their organization has much more work to do in terms of supporting community development in rural Indigenous communities:

> *SE-DEV1*: I know that in Winnipeg we definitely have, when I look nationally, this really incredible concentration of great social enterprises in the city and even province-wide, especially some of the Indigenous communities are really creating such cool initiatives. And so, I know that we have a sector here that's as strong or stronger than a lot of other places especially given how small a place we are compared to Toronto or Vancouver or whatever...
>
> *And I think certainly from a [name of organization] perspective, we have not created strong enough relationships with Indigenous communities or rural and remote communities and that feels like a real failing because that's some of where the greatest needs are and where some of the most innovative stuff is happening*. So, that's a big focus for us is finding out you know who's out there that's doing this work already. Can we partner with them, can we get to know them and do they have the supports they need. If not, can we make it happen...

As the following discussion shows, all the Mino Bimaadiziwin partnership survey respondents are Indigenous and many live in rural First Nations, so they fall squarely into the population that the Manitoba SE sector referenced above is seeking to strengthen relationships with. Hence, this chapter uses responses from the Mino Binaadiziwin partnership survey to identify the opportunities that exist for those seeking to support SEs and other approaches to community development in the Indigenous communities of rural and Northern Manitoba. This chapter presents

findings from the exploratory data analysis (Behrens, 1997; Hand et al., 2001) of the Mino Bimaadiziwin partnership survey using charts and through descriptive statistics (mean value and standard deviation). The study uses exploratory analysis to identify the needs of both the individuals entering WISE in rural and northern Manitoba and these WISE themselves. Identifying the needs of WISE in rural Manitoba and their trainees will allow parties in government and CED who wish to collaborate with local actors (including existing SEs) to be aware of the opportunities that exist. Hence, the goal here is to identify some of the existing needs in the rural and Northern Manitoba community development sphere, although this discussion does not necessarily outline how to meet these needs.

This analysis is limited by the fact that I use data from only the baseline survey of a longitudinal survey and this means that the respondents were only just entering their respective WISE programs when they responded to the survey. Hence, I did not run inferential statistics to compare the respondents' experiences going into the WISE as recorded in the baseline survey with their experiences after their WISE attendance as presented in a follow-up survey. This would have served to explore the impact of this WISE attendance on their socioeconomic condition and determine the exact areas that the WISEs and potentially other CED organizations in the region, require support in. Also, because of significant access, travel and ethics restrictions, I could not interview the managers of these WISE programs in rural and northern Manitoba. So, this study follows the approach of other research groups in the WISE nationwide survey by using publicly available documents about these WISEs to get an organizational perspective, in lieu of interviews with their staff.

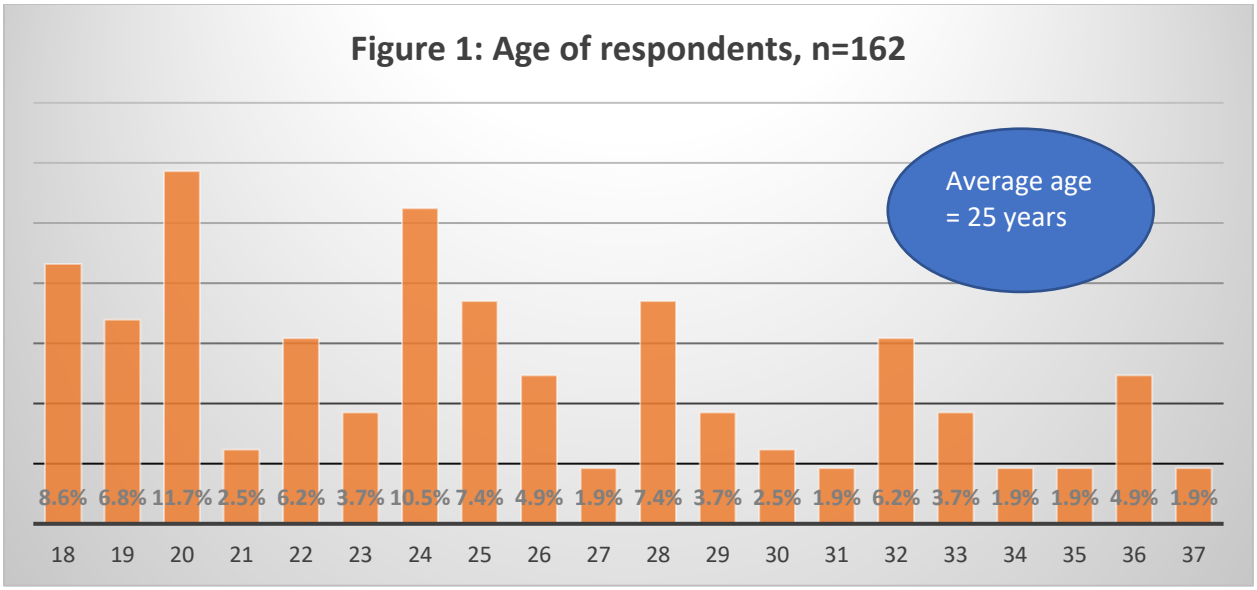
Despite these limitations, the exploratory value of this analysis, as outlined above, necessitates this assessment of the survey findings. Further, to improve the credibility and reliability of the insights drawn from the Mino Bimaadiziwin partnership survey, I explored the survey findings alongside relevant discourse from the interviews in line with the integrative, data-transformation approach to analyzing mixed methods data (Caracelli & Greene, 1993). Because this data transformation approach to mixed methods analysis allows for one data type to be converted into another so that both can be analyzed together (Caracelli & Greene, 1993), the descriptive quantitative survey data is transformed into narratives and presented alongside the interview findings and the findings from secondary sources.

In this vein, this chapter has three sections that consider: the barriers to employment faced by respondents within rural and Northern Manitoba; the socio-economic condition of the survey respondents' resident in rural and Northern Manitoba; and the research findings from the discussion undertaken in this chapter.

### 7.1 Barriers to employment facing respondents in rural and Northern Manitoba

This section considers barriers to mainstream employment facing the Mino Bimaadiziwin partnership survey respondents to explore the ways that SEs and other stakeholders can support marginalized individuals and their communities to address such barriers. This discussion begins by considering some of the participants' demographic information (age, race, level of education and sector of SE attended) to contextualize data provided in this section. Then, this section considers barriers facing survey respondents include gender, age and disability, level of education, childcare responsibilities and other constellations of miscellaneous barriers.

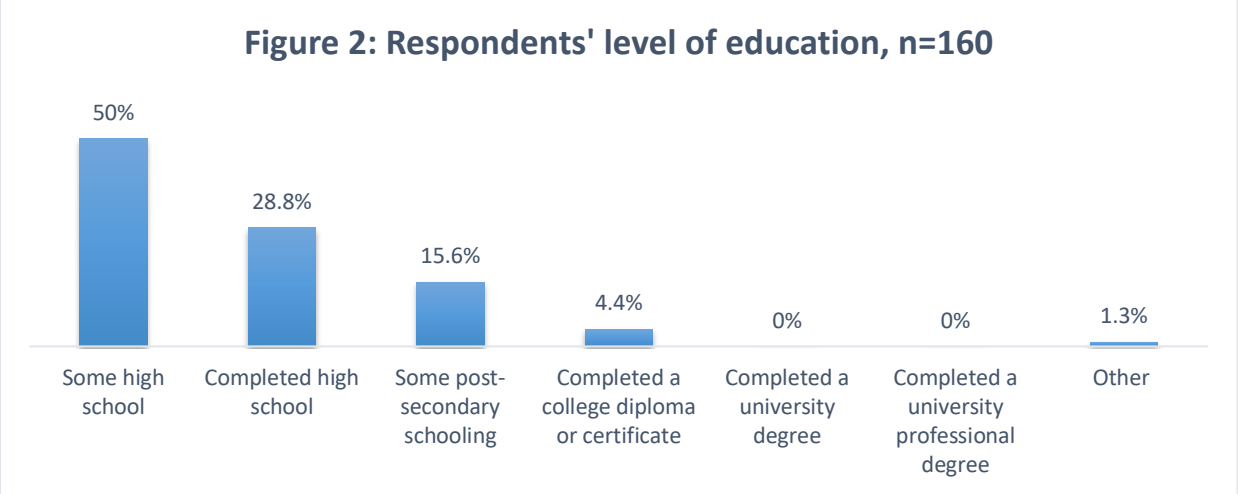
*Demographic information*




Of the 169 surveys completed, 50 were done in 2018, 98 in 2019, and 21 in 2020. Figure one shows the age distribution of the survey participants and that the average age of participants was 25 years old in 2018 when they entered their training programs or just before they entered their training program. All of the 128 respondents who responded to the question that asked them

whether or not they identify as Aboriginal identified as Aboriginal, and this is not surprising given that survey respondents were mostly drawn from First Nations communities. Hence, the participants identified as Indigenous and the average age of respondents entering the program in 2018 was 25 years. This demographic snapshot of WISE participants in rural and Northern Manitoba is like that of WISE participants in more urban areas of Manitoba like Brandon and Winnipeg. Studies have found that those hired and trained by trades-based WISEs, are typically male, Indigenous and around 26 years of age (Brandon & McCracken, 2016; Social Enterprise Manitoba, 2018; SiMPACT strategy group, 2016). Because of this demographic makeup, Brandon and McCracken (2016) suggest that attempts to expand the WISE sector in Manitoba must involve the creation of opportunities for groups that are not well represented in the sector – mainly women, older people and people with disabilities.

Figure two below shows the level of education for the 160 participants who responded to this question, showing that half of the respondents had some high school education, 29 percent completed high school, 16 percent had some post-secondary schooling and 4 percent had completed a college diploma or certificate.

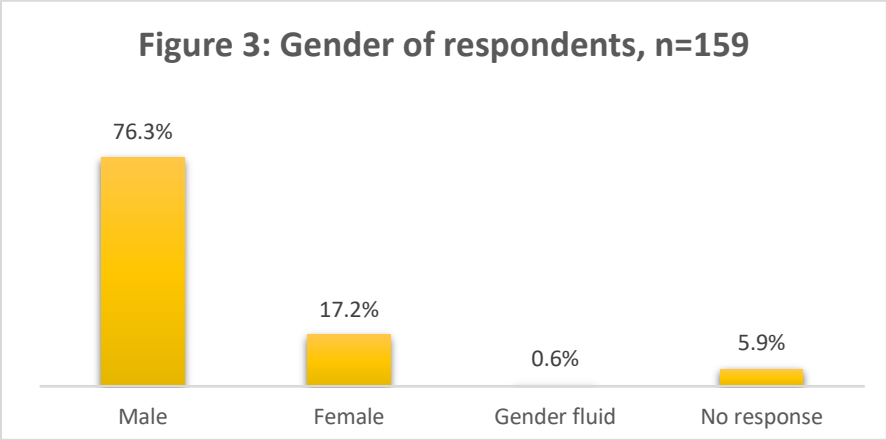



All but nineteen of the survey participants received training from three WISEs in the construction and renovation sector. The WISEs in the construction sector provided paid employment opportunities for trainees to expand their technical skills by building new homes and retrofitting old homes in environmentally sustainable ways. The construction WISEs also provided opportunities for their trainees to receive training and certification in other aspects such as

designing, introduction to other trades (e.g., plumbing and electrical), and a home maintenance education certificate. The nineteen individuals who did not attend the construction WISEs attended employment training workshops, where they learned the essentials of film production needed to pursue a career in the field.

*Gender and disability*

Figure three presented below shows that an overwhelming 76.3 percent of survey respondents are male while 17.2 percent are female, 0.6 percent are gender fluid and 5.9% did not respond to the question about their gender.




Fotheringham and Saunders (2014) identify several factors that contribute to the economic exclusion that women face (including wage discrimination, low income, lack of childcare and the supremacy of work not designed for women) and hypothesize how WISEs can address each of these challenges. The factor that seems most appropriate in the context of the SE sector in Manitoba is that the fields where many large or predominant WISE operate (construction, trades, property maintenance) are not fields in which women are significantly represented. As Brandon and McCracken (2016) note, the absence of high wage occupations, besides construction and renovation, in the Manitoba WISE sector significantly limit's opportunities available to women, older workers and people with disabilities. While WISEs in Manitoba "likely do better than the average for-profit construction sector at promoting diversity, but more needs to be done to expand these opportunities" (Brandon and McCracken, 2016, p. 34).

The MSES impact assessment recognizes the low intake of women in WISEs in Manitoba and recommends investment in this area to better meet the needs of women facing barriers to

employment (Social Enterprise Manitoba, 2018). The Mino Bimaadiziwin partnership survey data suggests that SE development in rural and Northern Manitoba must also intentionally facilitate the inclusion of women into WISE and not assume that any new SE development in these areas would automatically impact all groups facing barriers, equally. The process of extending opportunities within SEs to women in the context of rural and Northern Manitoba should incorporate Fotheringham and Saunders' (2014) recommendation to do this through a process that involves "women in the design of the social enterprise to ensure their needs are met" (p. 189).

This means that those who seek to create SEs that would have an effective and equitable impact in Northern Manitoba must consult with community members and representatives of groups that have been somewhat excluded from WISE. Furthermore, the process of ensuring that WISE in rural and Northern Manitoba hire and/or train more women would require the development of several fundamental internal policies within these WISE to succeed. Some of such policies identified by Fotheringham and Saunders (2014) include equal pay, regulated working conditions, support systems like childcare and health care and other approaches as identified in collaboration with the targeted women group.

While interview participants did not specifically discuss the considerably low number of women represented in Manitoba WISE, participants discussed the exclusion of people with disabilities from WISEs which typically happen because most WISEs cannot serve these groups as required. As a manager of a WISE that trains disadvantaged youth disclosed, their organization has limited capacity to help individuals with disabilities:

> *SE-MAN12*: Yeah, unfortunately, if someone has not only a mental disability but also like a physical disability, we have tried to incorporate some of that. Then they will come with a person to help us but there are certain tasks that require physical and mental attention like to deal with customers, to actually carry some things.
>
> So, that's part of that interview process that I was mentioning before where unfortunately, we don't have the capacity. We only have 2 staff working downstairs and often we will have 50 participants in a semester right. So, we want to make sure that we're able to actually help the ones that we put through the program. But there have been some that we just unfortunately haven't been able to.

Another WISE manager also expressed the need for extra capacity to serve specific disadvantaged groups, revealing that the severity and complexity of barriers facing the people a SE serves significantly impacts the organization's profitability:

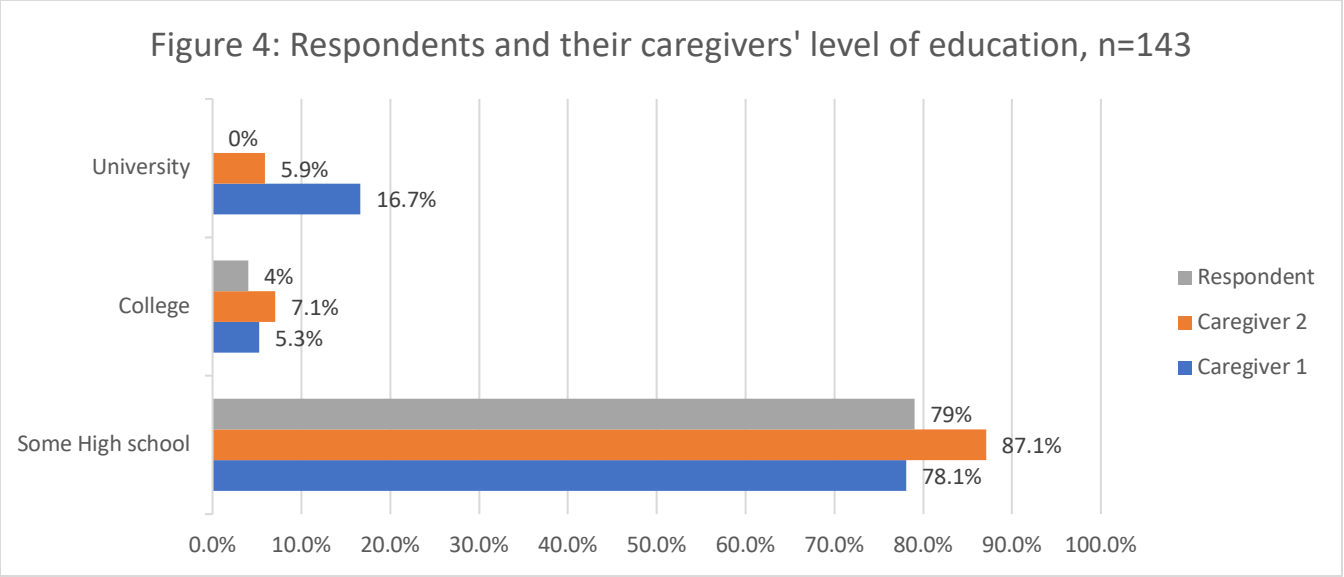
> *SE-MAN1*: So, it's very, very difficult for SE to be completely 100 percent self-supporting from their own revenue….It all depends on the people that you're hiring, their level of challenges. That's completely correlated to how much ongoing support an SE still needs. The other factor would be SEs would probably need more support at the outset, and less as you get going on….So, every SE has different levels, it all depends on the complexity and severity of the people that they're employing. That level of challenges and supports that they need.

This suggests that some WISE may have to exclude certain groups, particularly disabled individuals because of an absence of capacity. Ultimately, WISEs in Manitoba serve individuals with disabilities and three of these are managed by participants from this study. Figure 6 shows that only 1.9 percent of the survey respondents identify the 'lack of a workplace to meet their special needs such as a disability' as a barrier to their finding employment, and so this may not be a primary focus for those seeking to support SE in rural and Northern Manitoba. This discussion suggests that WISE seeking to incorporate individuals who are traditionally excluded from mainstream employment would require a significant amount of resources to accomplish this, given the extra supports that these groups require. This is another aspect of WISEs' social mission that requires supported income (whether in the form of funding, grants or payment for social outcomes) to accomplish.

*Level of education*

Figure 4 below shows survey respondents' highest level of education side-by-side with the highest level of education of their caregivers and indicates that the respondents' highest level of education is comparable to that of their caregivers. A significant number of respondents and their caregivers have only attained some high school education.[48] The level of post-secondary education for the respondents (4 percent) is significantly lower than the level of post-secondary education in the rest of Manitoba, which was 57.7 percent in 2016 (Statistics Canada, 2017).

[48] Those who have completed high school and those who only have some high school education but did not complete it are conflated in here because many of the open-ended responses to the question that asked respondents what their caregivers' highest level of education is, did not specify whether or not the caregivers completed high school.




The similarity between the low level of education of respondents and caregivers does not automatically mean that the respondents' low level of education is primarily caused by their caregivers' equally low educational accomplishments. Yet, the low level of education of caregivers is a potential barrier that may have contributed to respondents' low level of education. Studies have suggested that parents' educational accomplishments can impact their children's educational achievement because of how they interact with their children (Prince-Embury, 2009). Hence, "compared to less-educated parents, parents who have acquired more formal schooling tend to provide a more cognitively stimulating home learning environment and have a more verbal and supportive teaching style" (Prince-Embury, 2009, p. 169). Less-educated parents may feel too inadequate to be properly involved with their children's education, potentially limiting the academic successes of these children (Felner et al., 1995).

Ultimately, the similarity between respondents and their caregivers' low level of education is part of the structural barriers facing disadvantaged groups, in the way that the experiences of the caregivers could have limited the respondents' educational achievements. One participant who has founded several SEs identified education as one of the significant systemic barriers to employment that individuals from underserved communities face:

> *SE-FOU1*: I mean there's like systems-imposed barriers, mostly it's like systems-imposed barriers. *If you grew up in a community that didn't have quality access to education, you're*

> *gonna have lower educational outcomes than other folks*…. Those are sort of the barriers that we often can overcome.
>
> The criminal record one is one that's often in particular in writing, and a lack of driver's licence is also another key issue that comes up with a lot of families. The kids just won't get taught how to drive or there won't be a school around where they get taught in high school, that kind of thing. I mean that's how I got taught. And so that'll end up meaning that people can't access jobs because jobs require a driver's licence.

This participant provides a wider perspective of the causes of low educational achievements in underserved communities, by looking beyond just caregivers to systemic issues that can inhibit educational achievements, like the absence of quality education within a given community. The general educational performance of the communities where the survey respondents come from is relatively lower than that of the rest of the province. A 2011 survey found that 39.5 percent of Aboriginal people in Manitoba had completed post-secondary education while 60.1 percent of the non-Aboriginal population had post-secondary education as their highest educational accomplishment (Statistics Canada, 2016). Similarly, Freylejer (2012) found that between 20-30 percent of people over 15 years old in Indigenous communities in Northern Manitoba have less than a grade 9 education.

These low educational outcomes in the remote Indigenous communities of Northern Manitoba are traceable to significant systemic barriers in these communities where poverty, racism and gender violence continue to hinder the educational achievements of Indigenous students both at the secondary and post-secondary level (Freylejer, 2012; Harper & Thompson, 2017). Ultimately, low educational achievements caused by economic inequality, poverty and social exclusion operate in a vicious circle, as the absence of necessary educational qualifications ensures that individuals remain excluded from the mainstream economy and become mired in poverty. As Bernas notes, "exclusion can be rooted in a lack of income, but it is also connected to poor labour market and educational outcomes, inadequate housing conditions, and poor health, all of which are also perpetuated by living with low income…" (2015, p. 12)

The aforementioned structural barriers that impact the educational achievements of Indigenous communities in Northern Manitoba manifest in various ways and create other forms of limitations. One participant who has founded various WISEs that serve Indigenous people, including one where some of the Mino Bimaadiziwin partnership survey participants come from,

further described some of the structural barriers faced by those living in First Nations communities of Northern Manitoba:

> *SE-FOU1*: So, I guess the needs of people that the social enterprises service or hire are just to kind of level out that playing field…So, the levelling out the playing field means things like easy access to driver training. Eighty percent of job postings in Manitoba require a driver's license but *in northern Manitoba, where there's a lot of big first Nations, like 80 percent of people do not have a driver's license because they don't have the driver's training infrastructure.* And then I think about the difference between treating people the same and injecting equity into the conversation.
>
> And I just think that Canadians can accept different outcomes, people achieve different levels of success. But I think we want people to be having an equal opportunity to achieve that success. So, I think that that's the needs of the people that the social enterprises are hiring. And I think that it's that systems change that is needed, so that every Canadian, every family, every person in Canada has the tools to be successful. I think that that's what they need.[49]

The issue of driver's licence as a barrier to employment may seem to be a minor issue to the casual observer. Yet, transportation is such a significant barrier to employment for WISE participants in Manitoba that some WISEs provide their trainees with direct assistance to obtain drivers' licences (Brandon & McCracken, 2016; SiMPACT strategy group, 2016). The argument that participant SE-FOU1 is making is that individuals in Northern Manitoba, particularly in Indigenous communities, must be equipped with the tools required to overcome the barriers to socio-economic development they face. WISEs are one of the locations where the tools required for personal and community development are forged since they provide their trainees or employees with work experience, and also, encourage trainees to combine their work with education where possible (Brandon & McCracken, 2016).

Ultimately, however, as has been argued earlier in this study, community development organizations like SEs cannot produce intensive structural transformation by themselves. For development endeavours to have lasting outcomes, the state must facilitate a favourable environment for micro-level development and aggressively pursue macro-level development (Bateman, 2012; Banerjee et al., 2015; Mazzucato, 2011; Nega & Schneider, 2014). Hence, SEs alone cannot address the barriers to educational achievement in rural and Northern Manitoba identified above. The province must address the gaps in educational programming that exists in

[49] This quote was presented in Chapter four but is repeated here because of its relevance.

these communities by providing a "greater provincial contribution [that] would reduce pressure on local levies to provide basic education programs. This would bring more fairness to rural, Northern and other school divisions currently at a disadvantage" (Bernas, 2015, p. 46).

*Childcare responsibilities*

66 percent of survey respondents noted that they have children living with them and 24.7 percent of these noted that their childcare responsibilities interfere with their job training and employment.[50] These numbers can help WISEs that are considering investing in rural parts of Northern Manitoba and those seeking to support them, to understand how much resources they would need to devote to childcare for trainees. The foregoing discussion has considered how socioeconomic underdevelopment can create barriers which in turn continue the perpetuation of this socioeconomic underdevelopment, resulting in intergenerational barriers for children. Hence, the number of trainees with childcare responsibilities also provides a snapshot of children that may be impacted intergenerationally by respondents' unemployment and makes the issue of addressing the barriers facing their caregivers more poignant, to prevent the continuous perpetuation of socioeconomic underdevelopment and the barriers that come with this. An SROI of WISEs supported by Manitoba Housing found that alongside the government and WISE participants themselves, the children of participants are major stakeholders that benefit from WISE trainees' employment (SiMPACT Strategy Group, 2016).

A survey of Manitoba SEs carried out by Social Enterprise Manitoba (2018) found that only one percent of WISE employees identified the lack of access to childcare as a barrier to employment. This low rate of WISE participants experiencing barriers related to childcare may be because a lack of access to childcare has prevented people from attending WISEs in the first place. This lack of childcare support may have also contributed to the low number of women represented in the WISE survey used in this study, since women are typically the primary caregivers. Lack of childcare supports remains a major barrier to employment in Manitoba. While accessible childcare is important for all members of society, it is especially critical for disadvantaged groups who, when

[50] This data is mitigated by the fact that in responding to a different question, data from which is presented in Figure 5, only 3.2 participants identify the lack of affordable childcare as part of the challenges they faced during their job search.

a lack of accessible childcare is added on to all the other barriers to employment that they face, are sunk deeper into poverty (Bernas, 2015; Manitoba report card, 2020).

Because childcare responsibilities can hinder the working life of primary caregivers, those who would support primary caregivers from marginalized groups to find employment must consider the development of favourable childcare policies. As Rouse and Kitching argue, "childcare must be rendered visible in business plans so that both childcare and business activities are planned realistically and participants are enabled to access childcare support" (2006, p. 27). Bernas emphasizes the immense economic benefits produced by proper access to childcare, arguing that every dollar "spent on child care in Manitoba generates $1.58 of economic activity in rural and northern regions and returns $1.38 to the Winnipeg economy through increased participation in the workforce and higher tax revenues, among other factors" (2015, p. 43).

Hence, the provision of accessible childcare is one way that stakeholders can significantly diminish barriers to employment, especially in Manitoba where the childcare situation is dire. Studies recommend that if the level of poverty in the province is to be effectively reduced, the provincial government must create funding for childcare particularly in socioeconomically disadvantaged communities so that the children can have access to education and their parents can have the space to pursue education and/or employment (Bernas, 2015; Manitoba report card, 2020). Thus, while SEs cannot by themselves meet the childcare needs of the communities that they support, SEs can include accessible childcare as part of what they advocate for from community partners, particularly the government.

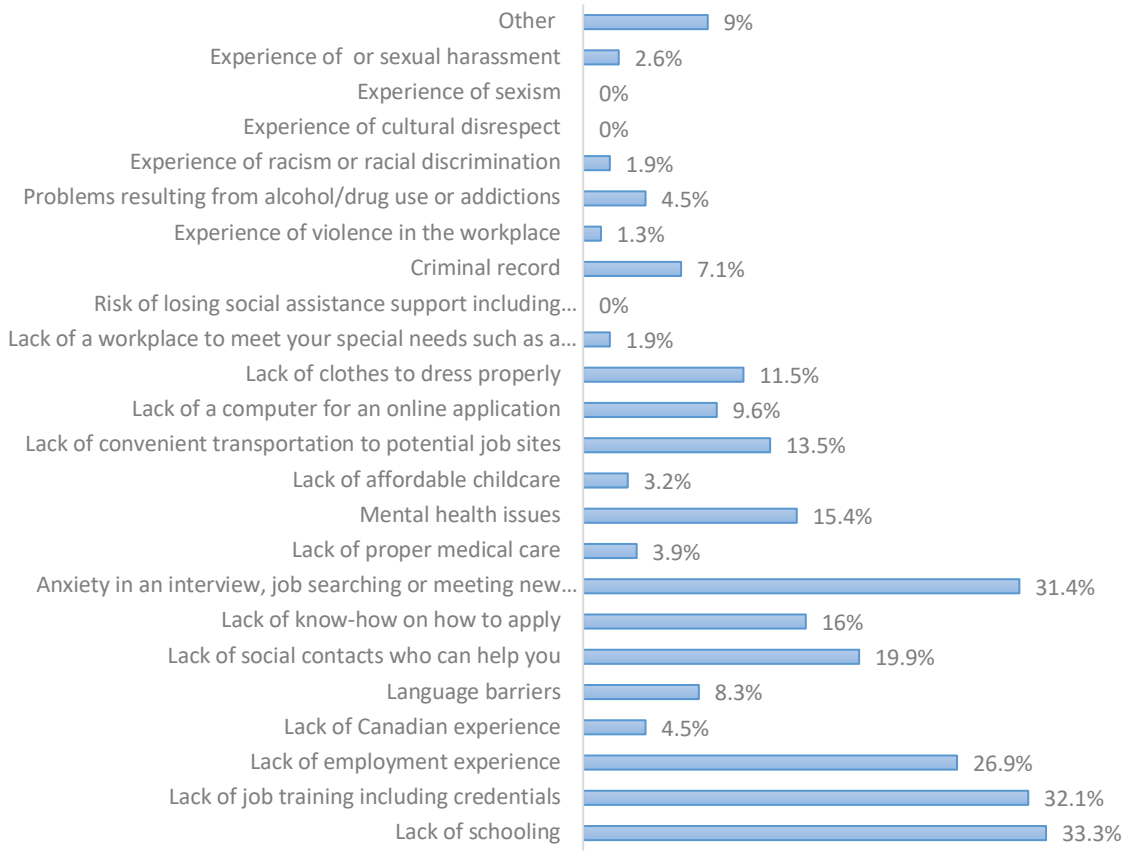
*Sum of barriers faced during the process of seeking employment*

Figure Five below shows how frequently survey participants experienced specific challenges during their job search before entering WISEs, highlighting the common barriers that disadvantaged individuals face while seeking employment.[51] The four challenges respondents identified most frequently include a lack of job training (32.1 percent), lack of schooling (33.3 percent), anxiety during interviews (31.4 percent) and a lack of employment experience (26.9 percent). Most WISEs are explicitly set up to deal with the lack of job training and absence of employment experience and so WISEs can typically assist trainees to address these issues. Furthermore, trainees in Manitoba WISEs often further their education after completing their

[51] Respondents selected as many challenges as applied to them.

training program (Bernas & Hamilton, 2013) and this suggests that WISE attendance contributes in some way to increasing trainees' aspirations and level of education.

**Figure 5: Challenges faced by respondents during job search, n=156**




For those who experience anxiety as a significant barrier to their employment prospects, Chan (2015) found that WISE can help to build their trainees' self-confidence, reduce the anxiety they experience and intentionally diminish the level of stress that trainees encounter during their work training. Table Two below shows that these are important triggers for the survey respondents as evidenced in the comparatively low mean scores, which show respondents' dissatisfaction with their level of daily stress and ability to speak out. The question then, which subsequent follow-up surveys with these participants can help to measure, is the extent to which WISEs contribute to meeting the need for reduced anxiety and increased self-confidence.

Table 2: Means and Standard Deviations[52] of respondents entering WISEs' satisfaction with their personal abilities on a scale of 1 (very dissatisfied) to 5 (very satisfied), n=160

| **Personal satisfaction** | **M** | **SD** |
|---|---|---|
| Motivation to get things done | 3.87 | 0.99 |
| Self-confidence | 3.43 | 1.06 |
| Ability to speak out | 2.97 | 1.15 |
| Optimism | 3.22 | 1.05 |
| Self-worth or how you feel about yourself | 3.35 | 1.14 |
| Level of daily stress | 2.86 | 1.14 |
| Health | 3.42 | 1.12 |

One WISE manager's perception of why their organization's work is important brings together the foregoing discussion around the work that SEs do to address the barriers facing disadvantaged groups:

> *SE-MAN11*: The social enterprise is more of like a steppingstone, because the classroom component of it is supposed to provide them with more of the knowledge and support to gain the confidence in gaining employment. But then there's also like the social enterprise aspect of it, which gives the technical experience and not only that, working in a supported work environment also helps boost their confidence as well. Then you now jump into the next phase in their career which is again gaining employment within the community and or advancing their education…

In this comment, there are elements of the view of WISEs as sites for providing trainees with work experience in a supportive way that builds self-confidence, while also serving as a springboard for trainees to either gain mainstream employment or further their education. And so, while SEs cannot address every single barrier marginalized individuals face, WISEs can provide trainees with the tools and support that they need to begin to address these challenges.

Ultimately, the nature and multiplicity of the challenges highlighted in Figure five above further buttress the arguments made in Chapter five – that SEs cannot meet the diverse needs of their beneficiaries alone. Rather, SEs must collaborate with other private, public and non-profit institutions to effectively support the development of marginalized communities. A SE business developer affirmed the need to collaborate with other community development bodies by

[52] See section seven of chapter 3 for the rationale for the use of mean values to describe data collected from a Likert scale, as well as the cautions taken around the use of this data.

highlighting a situation where community development organizations in rural communities sometimes dissuade individuals from starting SEs:

> *SE-DEV5*: ...The government plays a pretty active role in doing business supports from a technical point of view and again this is the Women's Enterprise Center, the [indistinct] in the Francophone community, Community Futures, Business Development Canada. All these organizations are across the country helping people start and grow their business but they're not used to the social enterprise model. And *I hope it doesn't happen so much anymore I know when I was at [name of organization], it wasn't that uncommon to hear someone especially in rural communities walk into a Community Futures office and essentially say "I want to start a social enterprise," and have the response to be "well, we don't do that here we only work with for-profit businesses*."
>
> And that's horrible and there's no reason in our country why someone who wants to start and grow a social enterprise shouldn't be able to walk into any kind of business support office and have those people be just as familiar about how to support a social enterprise and a cooperative and a private business, and be able to help them start or grow any of those kinds and again that's the technical capacity building side of things. And we're just not there, which is in part why social enterprises don't grow. In fact, often what they're told is "oh don't bother it's too hard, we don't understand it, it's too weird just start your own business or just start a charity." And so, we actually have our coaching capacity in this country dissuading people from starting social enterprises as opposed to empowering them to do so.

The goal of Community Futures (CF) is "to help rural Canadians start or expand a business and to help sustain and improve communities and their local economies" (CF Network of Canada, 2017, p. 7). And so, it is interesting that some CFs would perceive SEs as outside the context of their work since SEs are inherently designed to accomplish similar goals of doing business in a way that benefits not only the owners but also the larger community. This suggests that SEs may need to do some more work of educating and advocating, with such business development organizations in rural and Northern communities, so that they can see the potential impact of supporting the establishment and running of SEs. Social alliances between SEs and businesses or business-oriented CED organizations can lead to the development of innovative approaches to solving social problems through the combination of the value created by both the businesses and SEs (Sakarya, 2012).

SEs often contribute their organizational knowledge, human resources and community network to alliances with for-profits, while for-profit businesses bring their financial resources (Di Domenico et al., 2009). Collaboration with for-profits allows SEs to tackle multi-dimensional social problems that SEs cannot solve on their own (Sakarya, 2012). In the context of Northern

Manitoba, SEs would need to explore opportunities for partnerships with Community Futures, other CEDs and business organizations to establish, support and/or maintain SEs that would have significant and wide-ranging impacts in these communities. As aforementioned, this collaboration within and beyond the social economy is not a replacement for the role that a developmental state must play in addressing fundamental structural injustices.

### 7.2 The socioeconomic condition of respondents in rural and Northern Manitoba

This section considers some of the personal experiences the Mino Bimaadiziwin partnership survey respondents shared, which provided an insight into their socioeconomic condition when they entered WISEs in rural and Northern Manitoba.

*Source of income*

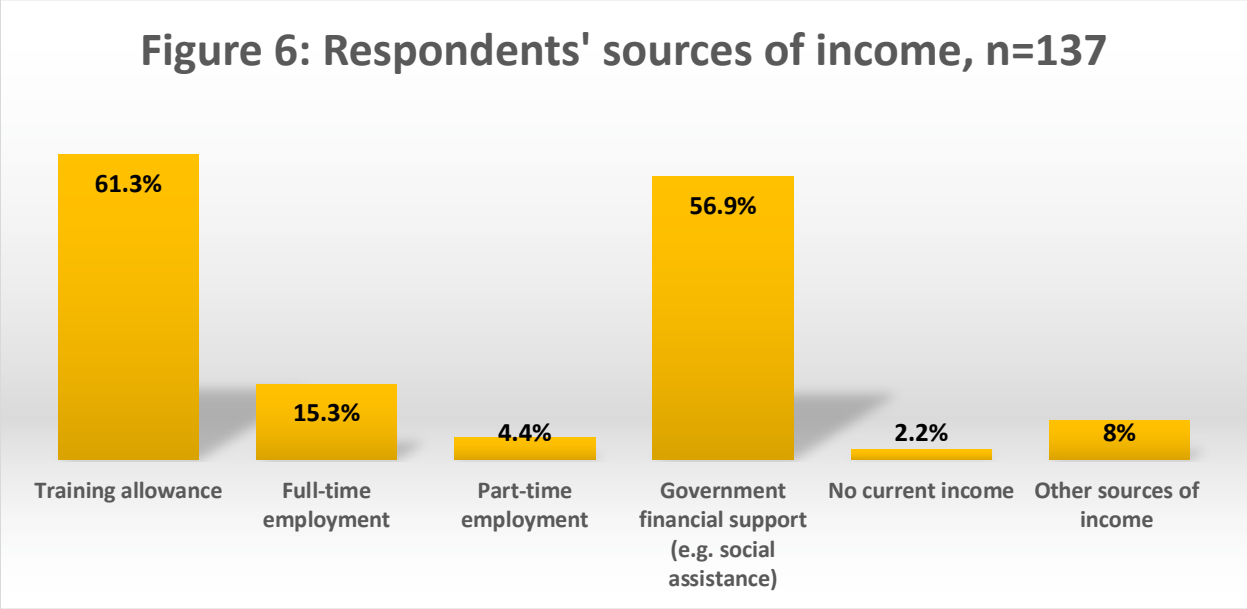



Figure six above shows that most survey respondents earn income from the training allowance provided by their WISE (61.3 percent) and from government financial support (56.9 percent), while 15.3 percent of respondents earn income from full-time employment and 4.4 percent from part-time employment. Table three below shows the average monthly income respondents earn from various sources and the standard deviation for all sources of income besides training allowance is high, suggesting that the income of individual respondents is significantly dispersed from the average income.

Table 3: Means and Standard Deviations of respondents' sources of income, n=114

| Sources of income | M[53] | SD |
|---|---|---|
| Training allowance | $932 | $212 |
| Full-time employment | $1613 | $666 |
| Part-time employment | $1010 | $455 |
| Government financial support | $704 | $491 |
| Other sources of income | $542 | $406 |

Respondents' significant reliance on government financial support and WISE training allowance is not surprising since the reasons for joining a WISE training program articulated by most respondents and outlined in Figure Seven below are linked to seeking increased income. Compared to the other mean tables presented in this Chapter, table four below shows that respondents expressed the least satisfaction with their financial status based on the indicators in the table. The mean value for respondents' satisfaction with their ability to pay for food seems to be the only one comparable to their level of satisfaction with other items in other sections. And so, the allowance derived from the training program is an important source of livelihood for participants to rely on, while they gain the skills needed to address the barriers to mainstream employment they face.

Table 4: Means and Standard Deviations of respondents entering WISEs' satisfaction with their financial status on a scale of 1 (very dissatisfied) to 5 (very satisfied), n=160

| Financial satisfaction | M | SD |
|---|---|---|
| Personal Income | 2.84 | 0.96 |
| Household income | 2.72 | 0.98 |
| Savings | 2.09 | 1.15 |
| Ability to borrow money | 2.34 | 1.13 |
| How much money you owe others | 2.62 | 1.30 |
| Ability to pay for food | 3.43 | 1.11 |
| Ability to pay for housing | 2.88 | 1.20 |
| Enough money to pay bills | 2.77 | 1.25 |

Survey respondents' reliance on their WISE training allowance as a primary source of income is in line with the comment of a SE business developer quoted in Chapter four, which bears reiterating in this context. This participant noted that the work that SEs are doing in underserved

[53] Mean does not include those with zero income from the particular source.

communities of Manitoba, including Northern Manitoba, is patching up the holes that exist within the current socio-economic system:

> *SE-DEV4*: …We don't talk about it as much anymore but we used to always talk about the leaky bucket economy as a way to describe Community Economic Development. And so, we say in the North End of Winnipeg or especially places like northern Manitoba. And there's a really leaky economy because the global economy has outsourced and it's really quite globalized, it's not focused on local, it's focused on you know large consolidated companies.
>
> A lot of these communities like money just pours out of them, like money comes in through employment income and government transfers and other stuff, and then it just pours right back out to somewhere else. There's so little wealth and so little money staying in these places. And so, we call that the leaky bucket. The economy's like a bucket and it's got a bunch of holes in it through all these economic systems and money just pours out, resources pour out and each one of these social enterprises for me feels like a plug or a patch that's over the holes of that leaky bucket….
>
> So, like the more and more of these that there are, the more we're patching up some of those holes. I hope one day that we just have a whole different economy that works better for people. But kind of on the way to that or as a measure towards it there's these really, really cool initiatives that are patching up these holes in our economy. And hopefully along the way they're teaching us that it doesn't have to be that way. It can be an economy that has strength locally, that's resilient, that circulates wealth in a better way and that makes sure that communities have what they need to be well.

This suggests that while trainees are receiving government support and are also able to access training allowance because they attend WISEs, this is only temporary and the probability of WISE attendance translating to increased income upon exiting the WISE is not always certain. Brandon and McCracken explore the pathways available to participants of seven Manitoba WISEs located in Winnipeg and Brandon and find that many graduates of these SEs "are often only qualified for a minimum wage job or, at best, an entry-level position in the trades… Key informants identified that social enterprises are not resourced adequately to support participants to move on after the training opportunity has ended, and lose touch with participants" (2016, pp. 8-9).

Hence, a gap sometimes exists between exiting WISE and accessing mainstream employment which can be filled by a Labour Market Intermediary (LMIs) that links WISE trainees with employment in targeted sectors (Brandon & McCracken, 2016). This buttresses the argument above that SEs alone cannot effectively support development in rural and Northern Manitoba.

Instead, SEs must collaborate with and bring in other actors within and outside of the social economy, and in the public sector, to facilitate sustainable community development.

Like the 56.9 percent of survey respondents in Figure Six above, WISE participants are often recipients of some form of government support (Walk et al., 2015). The fact that welfare is so important for participants shows that the constant stream of incomes while working at WISEs are essential. In an ideal world, a universal income would be an important way of supporting barriered people or people who aren't involved in the market economy like those working on the land or single mothers, particularly if they are living a traditional way of life in northern rural areas. Yet, training or employment income from WISEs is often considered as a way for trainees to stop receiving government assistance so that they can become self-sufficient and gain the dignity of labour that comes from earning wages for their work. Interview participants quoted in Chapter four of this study shared this perspective and argued that work done in and through WISEs that help to get employees off social assistance and into self-sufficiency is crucial. As one participant with experience managing a WISE that employs Indigenous people argued, the difference between working in a SE and receiving social assistance is the dignity and sense of purpose that earning an income brings:

> *SE-MAN1*: …It's all about dignity, it's about feeling you have some control over yourself and over your life and that you can actually create something and feel that you're contributing, and feel that you are part of society… contributing to society as opposed to taking something from it. You know, I think that social assistance is an important part of our society for when it is needed. I think that when generations become dependent on social assistance, it just changes your whole life. Yeah, there's very little respect and dignity in being a lifelong recipient of social assistance.

Similarly, a business developer envisioned SEs as a more sustainable way of supporting marginalized populations:

> *SE-DEV6*: …Like eventually these people should be self-sustainable, if it's not a self-sustainable way of looking at things I think it's not gonna work. We are gonna have more like, something that really bothers me is putting more beds in shelters rather than making more sustainable ways of empowering them and then giving them the opportunity to have [a] home of their own, you know what I mean?

This idea of working and being self-sufficient as a more dignified and sustainable path to development for marginalized groups is predominant and was confirmed by an SROI carried out on four Manitoba WISEs that found that "increased life satisfaction due to having employment" was the most valuable outcome experienced by WISE participants (SiMPACT Strategy Group, 2016).

However, the emphasis on the dignity gained from employment has been used as the basis for diminishing the welfare state in developed countries like the US in the neoliberal era where there has been a shift from "social rights to welfare toward social responsibilities to work" (Gilbert, 2002, p. 42). In other words, the idea that people are more independent when working than being on social assistance is often used to justify pushing people who are on social assistance into any employment they can find. Hence, we must ensure that the narrative is not about using WISE to get people off needed social assistance because they are considered to be freeloading on social assistance. As a WISE manager noted, the social 'workfare' idea ignores other supports that individuals facing barriers to employment require to overcome these barriers, which the typically low-quality employment that these individuals can access is often not sufficient to address:

> *SE-MAN4*: The province as it currently stands does not support SE. They are very much in support of any person *just* getting work. There's no current adequate assessment tool for someone, and that's really unfortunate. I currently believe any person who is receiving social assistance, they're not on social assistance because they want it. They're on social assistance because there's something going on in their life, whether it's generational trauma, whether it's a disability, mental health concern or addiction.
>
> And the current government is saying, that doesn't really matter, you just need to go to work. I think that's putting a huge strain on employment programs, and employment programs that have SE because a majority of the people who are coming our way need a large level of supports in between.

This comment suggests that just getting a job or joining a training program at a WISE is typically not enough to address all the barriers facing marginalized groups. Thus, genuine development that addresses the multilayered barriers facing marginalized individuals is not just about finding jobs for people so that they can go off social assistance. Rather, development also involves creating other social support like affordable housing, education or training opportunities and even an increase in the minimum wage to properly meet the needs of underserved individuals (Lett, 2020). Table five below suggests that survey respondents are significantly dissatisfied with their access

to certain services, particularly: library, family doctor, affordable transportation, banking, financial support and childcare. These are needs that only WISE attendance cannot meet and wraparound supports for meeting these diverse needs must come from the public, private, and non-profit sectors in various ways.

Table 5: Means and Standard Deviations of respondents entering WISEs' satisfaction with their access to certain services on a scale of 1 (very dissatisfied) to 5 (very satisfied), n=160

| **Access to services** | **M** | **SD** |
|---|---|---|
| Stable housing | 3.72 | 1.31 |
| Library | 2.25 | 1.11 |
| Internet | 3.64 | 1.17 |
| Banking | 2.83 | 1.28 |
| Financial support | 2.91 | 1.12 |
| Grocery stores | 3.18 | 1.13 |
| Affordable transportation | 2.77 | 1.27 |
| Family doctor | 2.67 | 1.23 |
| Childcare | 3.16 | 1.26 |
| More schooling or formal education | 3.17 | 1.14 |
| More training apart from school | 3.20 | 1.16 |

Some observers argue that social welfare provision and by extension state involvement in the development process, produces a lazy and unproductive citizenry that lacks personal responsibility (Sen, 1999). Yet, instead of eroding personal responsibility, providing people with the support required to address their socioeconomic challenges provides such individuals with the springboard to take on personal responsibilities for their situation (Sen, 1999). Hence, despite arguments that the state can be inefficient or unresponsive to the needs of its citizens, the role of the state in community development cannot be overemphasized. The argument here is not that the state is perfect, but that observers must identify gaps in social policy so that demands for these gaps to be filled can be made. And so, while SEs will not be the only actors facilitating and supporting the development of remote communities of Northern Manitoba, SEs play critical roles that if done in collaboration with other actors can produce transformative change.

*Reasons for joining the training program*

Figure Seven below shows that the major reasons respondents attend WISE are skills or career related[54] – to develop new skills (60.1 percent), learn about career options (49.1 percent) and help get a job (48.5 percent). The desire to earn more money (30 percent) comes behind these objectives as a reason for joining the training program.

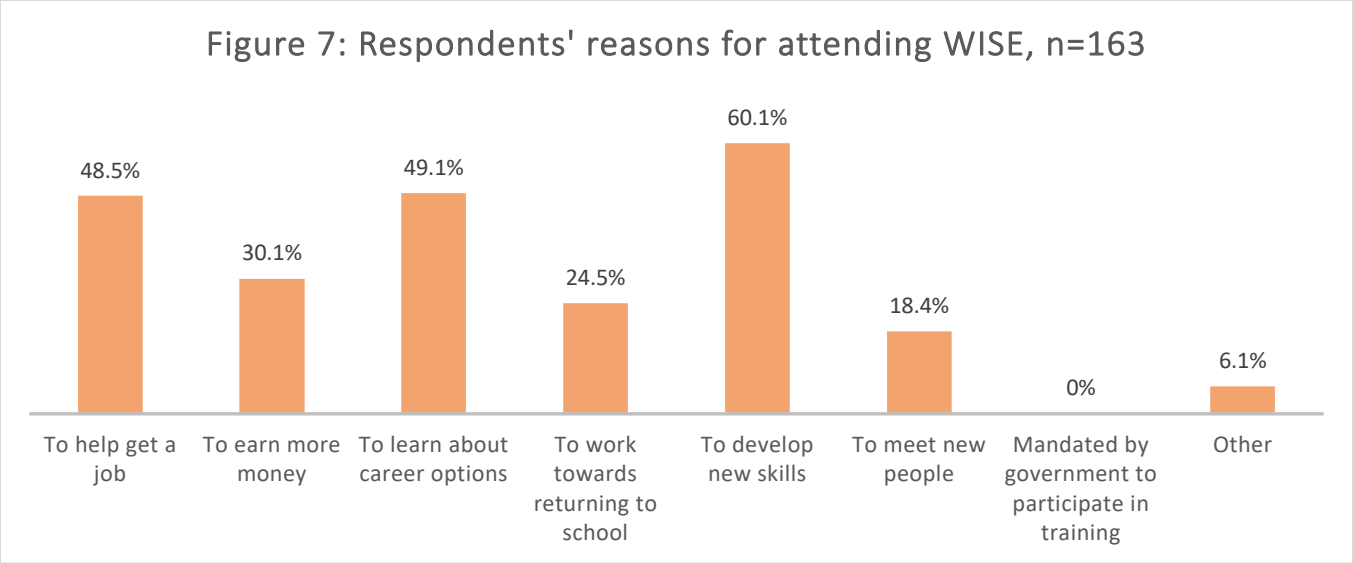
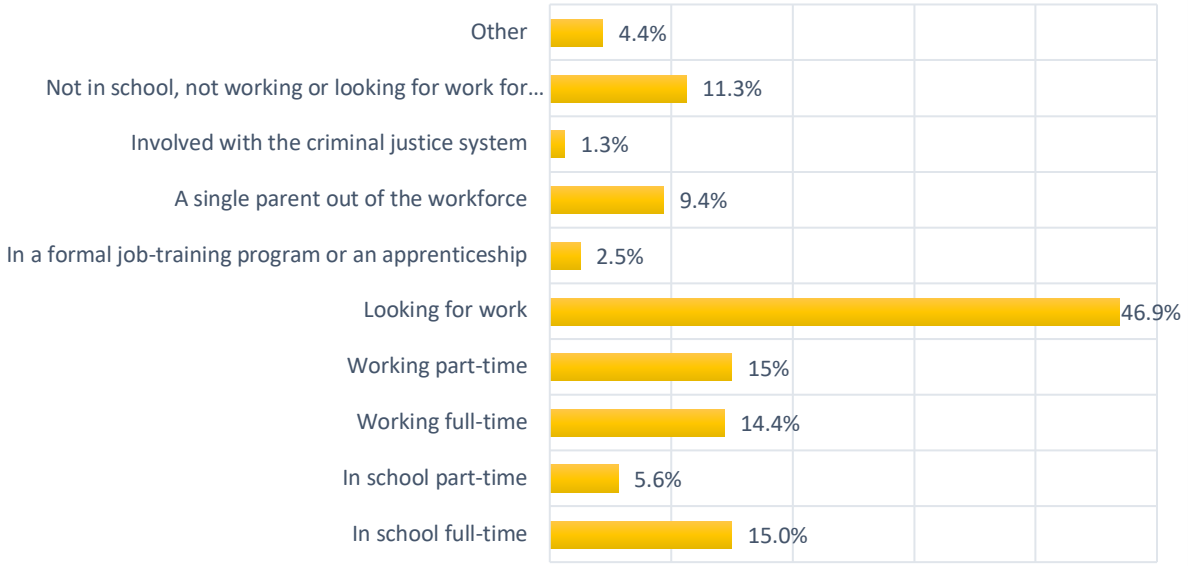


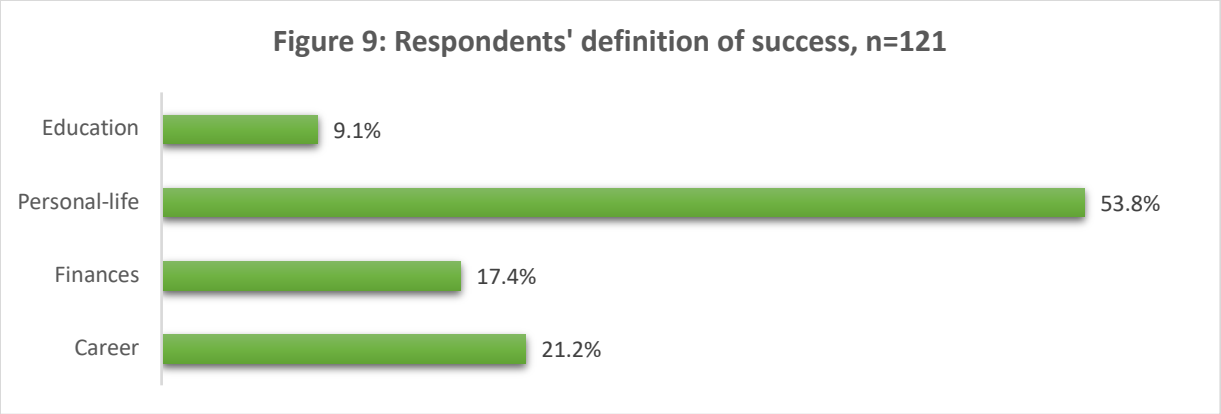

Figure Eight below further shows how interest in employment led survey respondents into their respective WISE training programs, as 46.9 percent of respondents were looking for a job before entering the SE while 29.4 percent were working either full-time or part-time before entering the program. The fact that the top three reasons for joining WISE are around work and concerns about money only come in fourth, suggests that more respondents view SEs as a way to address the barriers to finding employment rather than as a source of income. This helps to see the insincerity of the notion that members of marginalized groups do not work because they do not want to, rather than the often-basic fact that they typically are not working because of the multiple systemic barriers that hinder these marginalized individuals from accessing mainstream employment.

[54] Respondents were able to select more than one reason for attending WISE.

**Figure 8: Respondents situation prior to joining training program, n=160**




I organized the responses to the open-ended survey question that asked survey respondents how they defined success for themselves around four major themes, namely success in career, finances, personal-life and educational accomplishments. As Figure Nine below shows, most of the responses to this question were around the respondents' personal life (54 percent), where they describe success as "to be in peace" or "being a good Mom." 21 percent of responses considered success to be career-related with respondents defining success as "becoming a red seal carpenter" and a "regular 9 to 5 job that doesn't drain my mental health…" 17 percent of respondents defined success as increased financial stability and wealth and nine percent disclose that they will consider themselves successful if they attain a specific educational accomplishment. The responses show the importance of employment and education to respondents, hence, making the recommendations on the need to provide appropriate opportunities to attain education and employment especially relevant. Of course, there must be local ownership of whatever approaches to development external actors seek to employ, to ensure that they are culturally appropriate, particularly in the context of Indigenous communities of rural and Northern Manitoba (Harper & Thompson, 2017).




Given that WISEs are different from most organizations in terms of the supportive nature of the employment they provide, those unable to access mainstream employment look to WISEs as the opportunity to gain necessary employment experience and skills. Walk et al. (2015) carried out a study designed similarly to the Mino Bimaadiziwin partnership survey to determine the extent to which the expectations participants had before entering WISE were met. Walk et al.'s (2015) study showed that while participants were confident in their chances of finding a job when entering the WISE, such expectations diminished towards the end of the program when finding a job proved to be more challenging than originally anticipated. However, participants did experience considerable improvements in their self-confidence, and other aspects of their behaviour (Walk et al., 2015).

Hence, WISE attendance may not always immediately translate into full employment, and other social supports besides the WISE are usually required for participants to integrate into the mainstream economy. WISEs may therefore need to ensure that their trainees have realistic expectations about their future employment prospects. This can involve helping trainees to understand that finding a job may not be an immediate outcome of their employment or training. WISEs can support trainees exiting the WISE either by themselves or by referring them to other sites of support like the Labour Market Intermediary that links those exiting SEs with supportive employers in the mainstream economy (Brandon & McCracken, 2016). As Walk et al. suggest, "SE should focus on conveying positive but more realistic expectations" to prevent participants from becoming "dissatisfied should their expectations for employment not immediately emerge the way they had anticipated" (2015, p. 242). SEs can also work to educate trainees about how they can work to ensure their rights as workers are maintained even while working in the

mainstream economy, while also urging mainstream employers to be increasingly socially-minded in the way they operate and interact with their employees.

*Motivations from an upbringing in rural and Northern Manitoba*

Since this chapter focuses on the experiences of those entering WISEs in rural and Northern Manitoba, it seems relevant to highlight an important connection to this region as observed in the discussion of some interview participants. A handful of participants mentioned how their experience growing up relatively privileged in Northern Manitoba (or similar rural communities) and seeing the poverty and hardship around them impelled their interest in working with WISEs to help marginalized groups. One participant who manages a WISE that serves Indigenous people notes that their upbringing in poor Northern communities led them to search for solutions to the barriers that limit disadvantaged groups:

> *SE-MAN5*: …what is pretty uniform is that the people that I work with is that we can envision things being a little bit better. And one of the things that stressed me out when I was growing up – and I grew up in a lot of rural communities in Northern communities – is a lot of the large societal problems. Myself and my family, and people that we knew, when they would talk about them, like unemployment in Indigenous communities and addictions problems, people would just go, "yeah these are problems we don't want them."
>
> But they'd shrug their shoulders and they'd say "well, I wish there was an answer but I guess there isn't." But the people that I've discovered working in this field, they don't accept that answer. There's gotta be solutions, and it doesn't have to be a perfect solution, like for the most part everybody in this field is very pragmatic and they don't let perfection be the enemy of progress. So, they're just like, it's okay if we can come up with a five percent solution, if we can make things five percent better; that's a lot of food on a lot of families' tables.

Another participant who has founded various WISEs that serve Indigenous people, including one that some of the Mino Bimaadiziwin partnership survey participants come from, reveals that their upbringing in a rural community that included several Indigenous people contributed to their choice of career in the SE field:

> *SE-FOU1*: … I grew up in Treaty Three, went to high school in [name of town], there's a very high Indigenous population there, and I've been just kind of living my life, trying to understand my privilege. And I guess I've come to realize that privilege and poverty are

> connected, you can't have one without the other and I think that journey has kind of led me to the social enterprise world….
>
> And so I think I'd like to look back on my career in the SE sector someday and say I did what I could to change the systems….I would like to say that systems were changed as a result of me using my passion and privilege to get people to see that communities can do things for themselves and they can be very successful at that so that's what's my hope would be.

Caringal-Go and Hechanova (2018) found that just like participants whose perspectives were presented in Chapter six, many individuals are motivated to work in SEs because of the fulfillment they get from doing work that has a meaningful social impact. We must be careful of exclusive accounts of SE managers that position the role as exclusive to only a small group of people with certain formative experiences and attributes (Light, 2006). Yet, Barendsen and Gardner's (2004) argument that social entrepreneurs typically begin to develop an interest in social issues at a young age helps us to understand the experiences of the cited interview participants whose interest in SE and community development came out of their childhood experiences in poor, remote communities.

The experiences of these participants also show that one individual whose life is positively transformed through a community development process can become imbued with the passion and tools to further develop their communities based on their personal experience. Hence, SEs and other stakeholders should take seriously the task of supporting community development in rural and Northern Manitoba. SE-MAN5 seemed to suggest that the defeatist attitude of those around them did not destroy their ability to envision solutions to societal problems that seem unsolvable, which this participant believes all effective SE managers must possess. This determination to contribute to addressing seemingly insurmountable structural barriers can be developed among members of the communities under consideration through their involvement with SEs and other aspects of community development.

### 7.3 Research Findings

This section identifies nine research findings from the analysis undertaken in this chapter, which provide useful insights for those stakeholders who would seek to initiate and/or support SE development in rural and Northern Manitoba.

*First, SE sector expansion in rural and Northern Manitoba must include women.* The Mino Bimaadiziwin partnership survey findings show that 76.3 percent of survey respondents are male while 17.2 percent are female, suggesting that women are significantly underrepresented within the organizations surveyed. Similarly, other research conducted on the wider SE sector in Manitoba as quoted above noted that there is a low intake of women in WISEs in Manitoba. A major reason for this seems to be that the sectors (construction, trades, property maintenance) in which the WISE surveyed and many larger WISE in Manitoba operate are sectors where women are not typically significantly represented.[55] Hence, further WISE sector development in rural and Northern Manitoba, and also, in the province as a whole, must consider investment in career areas that more women are interested in working in. This should be especially considered in the process of supporting SE development in rural and Northern Manitoba because it may be too easy to assume that any new SE development in these areas would impact all groups facing barriers equally when this is not necessarily the case.

The process of extending opportunities within SEs to women in these communities should involve consultations with women to ensure that the interventions being planned by the WISE fit their needs. The findings of these consultations would not only guide the establishment of the WISE, but also the development of fundamental internal policies within these organizations that are supportive of their women population. Such policies can range from regulated working conditions to increased access to childcare and health care.

*Second, a low level of education is a significant barrier to employment for WISE participants.* The WISE survey findings show that WISE participants in rural and Northern Manitoba and their caregivers (that is, those who raised them) experienced similarly low levels of education. However, the similarity between the respondent's low level of education and their caregivers' does not automatically mean that caregivers' low educational accomplishments are the primary cause of respondents' low level of education. Yet, caregivers' low level of education is a potential barrier that may have contributed to respondents' low level of education. Ultimately, the similarity between respondents and their caregivers' level of education is part of the structural barriers facing disadvantaged groups, in the way that caregivers' educational achievements can limit the accomplishments of their children.

[55] This is not to say that women do not work in these sectors and the following discussion considers other potential barriers to women's involvement in WISE, particularly in terms of childcare accessibility.

Further, study participants identified the lack of access to quality education as one of the significant systemic barriers to employment that the marginalized individuals SEs serve face. This perspective takes a wider view of the causes and impacts of low educational achievement in marginalized communities, looking beyond just individual caregivers to systemic issues that inhibit educational achievements within a given community. Given that their WISEs are located in First Nations' communities in Northern Manitoba, all the survey participants identified as Indigenous and the statistics presented in this chapter shows that the educational outcome for Manitoba's Indigenous community is significantly lower than for the non-Indigenous community. These low educational outcomes in the remote Indigenous communities of Northern Manitoba are traceable to significant systemic barriers that exist in these communities, such as poverty, racism, and gender violence.

Ultimately, low educational achievements produced by economic inequality, poverty and social exclusion operate in a vicious circle, as the absence of necessary educational qualifications ensures that individuals remain excluded from the mainstream economy and are mired in poverty. SEs alone cannot address the barriers to educational achievement in rural and Northern Manitoba and the province must work to address the gaps in educational programming that exists in these communities, by funding more educational programs. WISEs can also be part of the process of redressing educational barriers in these communities by providing their trainees or employees with work experience. WISEs also encourage trainees to combine their work with education where necessary and providing them with supports or motivation to further their education after the training program has ended.

*Third, childcare responsibilities prevent some WISE participants from participating in mainstream employment.* The Mino Bimaadiziwin partnership survey findings considered in this chapter show that childcare responsibilities interfere with the job training and employment of one-quarter of the 66 percent of survey respondents who have children living with them. These numbers can help SEs considering investing in rural and Northern Manitoba and those seeking to support SEs to understand how much resources they should devote to childcare for trainees. The foregoing discussion has considered how socioeconomic underdevelopment can create barriers which in turn continue the perpetuation of this socioeconomic underdevelopment and this can become intergenerational barriers for children. Thus, the number of participants with childcare responsibilities also provides a snapshot of children that the respondents' unemployment may

impact intergenerationally. Addressing the barriers facing caregivers is important if we are to prevent the continuous perpetuation of certain barriers to employment and the socioeconomic underdevelopment that comes with this.

Lack of childcare supports remains a major barrier to employment in Manitoba and becomes an especially pressing issue for disadvantaged groups who are further marginalized when childcare needs are added to the other barriers that they are facing. This is because childcare responsibilities can hinder the ability of primary caregivers to work or go to school. Hence, those who would try to support primary caregivers from marginalized groups to find employment must develop explicit childcare policies. Given the significant scope of the challenge, adequately addressing childcare needs requires the intervention of the province to create funding for childcare, particularly in socioeconomically disadvantaged communities. Childcare allows children to have access to education and their parents to develop themselves through education and/or employment. Hence, while WISEs cannot by themselves meet the childcare needs of the communities that they support, they can include this as part of what they advocate for support for, from community partners, particularly the government.

*Fourth, Northern Manitoba WISEs should support their trainees and employees in developing soft skills.* Some survey respondents identified experiencing anxiety in interviews or when meeting new people as a significant barrier to their employment prospects. Also, more than half of the survey respondents were dissatisfied or moderately satisfied with their level of daily stress, ability to speak out, and self-confidence. Study findings suggest that WISEs have the potential to address this by supporting their employees and trainees to develop social soft skills in their time at the WISE. This is because of how WISEs function as sites for trainees to gain work experience in a supportive way that can build their self-confidence while also serving as a springboard for them to either gain mainstream employment or further their education. Ultimately, WISEs cannot address the myriads of barriers facing marginalized individuals that this chapter identified. Yet, WISEs can provide their trainees with the tools and support needed to begin to address these challenges and acquire necessary work experience and soft skills.

*Fifth, WISEs in Northern Manitoba need to collaborate with others doing community development work to expand their impacts.* SEs cannot by themselves meet the diverse needs of their employees or trainees and must collaborate with other private, public and non-profit institutions to effectively support the development of marginalized communities. Participants

reported that individuals in rural Manitoba seeking to start SEs have faced discouraging reactions from business developers in rural and Northern communities who do not understand the feasibility of the SE approach. Hence, SEs and their organizing groups may need to educate and advocate with these business development organizations in Northern Manitoba to help them understand how their support for the establishment and running of SEs contributes significantly to community development.

Ultimately, social alliances between SEs and businesses or business-oriented community development organizations can lead to the development of innovative approaches to social problems through the combination of the value created by both parties, which can address social problems that SEs cannot solve on their own. In the context of Northern Manitoba, SEs should explore opportunities for partnerships with Community Futures and other CED and business organizations to establish, support and maintain WISEs that would have significant and wide-ranging impacts in these communities. This collaboration within and beyond the social economy is not a replacement for the role that a developmental state must play in addressing fundamental structural injustices.

*Sixth, the training allowance provided by WISEs is a significant source of income for their employees or trainees.* Study findings from the Mino Bimaadiziwin partnership survey showed that most respondents (61.3 percent) earn income from the training allowance provided by their WISE and from government financial support (56.9 percent). Only 19.8 percent of respondents earn income from full-time and/or part-time employment. This reliance on government financial support and WISE training allowance is not surprising since individuals excluded from the mainstream economy have limited options to acquire income. And so, the allowance derived from the WISE training program is an important source of livelihood for participants to rely on while gaining the skills needed to address barriers to mainstream employment that trainees face.

Survey respondents' reliance on their WISE training allowance as a primary source of income encapsulates one study participant's perspective of SEs as often functioning as a patch to cover the gaps within the current socioeconomic system. In other words, while some of these individuals are receiving government support and are also able to access training allowance because they attend WISEs, this is only temporary and the probability of their WISE attendance translating to increased income upon exiting the WISE is not always certain.

WISE graduates' successful integration into the mainstream economy would require the cooperation of the public sector to provide needed supports, and the cooperation of the for-profit sector to provide employment. This buttresses the argument made earlier that SEs alone cannot effectively facilitate development in rural and Northern Manitoba but must collaborate with other actors within and outside of the social economy, and also, in the public sector, to facilitate sustainable community development. While SEs cannot be the only actors in the process of facilitating and supporting the development of remote Northern communities of Manitoba, they play critical roles as earlier outlined, which when done in collaboration with other actors can produce transformative change.

*Seventh, WISE participants require government support to effectively transition into mainstream employment.* The foregoing discussion has hinted at the importance of public support for WISE employees and trainees and this finding emphasizes this more specifically. The survey showed that 56.9 percent of WISE participants received government financial support alongside the training or employment income they got from WISEs. This is despite perspectives among interview participants that work done in and through WISEs can help to get trainees and employees off social assistance, so that these trainees can become self-sufficient and gain the dignity of labour that comes with earning an income. This idea of working and being self-sufficient as a dignified and sustainable path to development for marginalized groups is predominant. Yet, the emphasis on employment must be used, carefully given that this idea has also partly been used as the basis for diminishing the welfare state in developed countries in the neoliberal era. In other words, the idea that people are more independent when working than when on social assistance is often used to justify pushing people who are on social assistance into any employment they can find.

Hence, it is important to ensure that the narrative does not just translate to using WISE to get people off needed social assistance because they are considered to be freeloading. The problem with such a social 'workfare' idea is that it ignores other supports marginalized individuals require to overcome the barriers they face, which the typically low-quality employment that these individuals can access at this point is often not sufficient to address. Study findings suggest that just getting a job or training at a WISE is typically not enough to address all the barriers facing marginalized groups. Hence, genuine development that addresses the multilayered barriers facing marginalized individuals is not just about finding jobs for them so that they can go off social assistance. Genuine development also involves creating other social supports like affordable

housing and education or training opportunities that meet the various needs of underserved individuals and communities. Such supports do not take away citizens' personal responsibilities but improve their ability and capacity to address their needs. In sum, simply attending a WISE cannot often meet the diverse needs that WISE participants have and wraparound supports for meeting these diverse needs must come from the for-profit, non-profit and public sectors in various ways.

*Eight, people join WISEs because they are seeking employment opportunities, which are not always immediately available upon exiting the WISE.* The Mino Binaazidiwin partnership survey findings show that the three most common reasons why respondents joined WISE are around seeking employment and 21.2 percent of the survey participants defined success for themselves as career advancement. This suggests that more respondents view attending WISEs as a way to address the barriers to finding employment that they are facing first, before they consider it a source of income. This shows the insincerity of the popular notion that members of marginalized groups do not work because they do not want to and supports the idea that marginalized individuals are typically not working because of the multiple systemic barriers that hinder them from accessing mainstream employment.

Given that SEs are different from most mainstream sites of employment in terms of the supportive environment they provide, those unable to access mainstream employment often look to SEs as an opportunity to gain the employment experience and skills needed to succeed. Yet, as earlier noted, SE attendance may not always immediately translate into full employment and participants usually require other social supports beyond the WISE attended to integrate into the mainstream economy. Thus, SEs may need to ensure that those they serve have realistic expectations about their future employment prospects and are not negatively impacted by their inability to find employment after their time at the WISE. WISEs should implement processes to help WISE trainees understand that finding a job may not be an immediate outcome of their employment or training period. WISEs can also support their former trainees by themselves or by linking them up with other sites of support that connect those exiting WISEs with supportive employers in the mainstream economy.

*Ninth, place of upbringing is a significant motivator for working in SEs.* Since this chapter focused on the experiences of those entering WISEs in rural and Northern Manitoba, it seems relevant to highlight an important connection to this region that I observed in the discussion of

some interview participants. A handful of participants mentioned how their experience growing up relatively privileged in Northern Manitoba (or in similar rural communities) and seeing the poverty all around them compelled them to work with SEs to help marginalized groups like those that they were in close contact with, growing up.

The experiences of these participants suggest that one individual whose life is positively transformed through a community development process can become empowered and imbued with the passion and tools to further develop their communities based on their personal experience. Hence, SEs and other stakeholders should take seriously the task of supporting community development in rural and Northern Manitoba. The experiences of study participants suggest that individuals can develop a determination to contribute to addressing structural injustices if exposed to the possibilities that exist through their involvement with SEs and other forms of community development.

### 7.4 Conclusions

This chapter has conducted an exploratory analysis of the opportunities that exist for SEs, alongside other organizations within the public, private and non-profit sectors. The purpose of this analysis is to support the process of addressing the significant structural barriers facing the predominantly Indigenous communities of rural and Northern Manitoba. This chapter had three sections that considered the barriers to employment that face survey respondents within rural and Northern Manitoba, the socio-economic conditions of the survey respondents and the summary of research findings from the data analysis and interpretation carried out in this chapter. The findings of the Mino Bimaadiziwin partnership survey carried out with individuals entering WISE training programs in rural and Northern Manitoba was the primary source of data for this analysis. The chapter also considered relevant interview and secondary data alongside the survey. The findings drawn from the survey are limited given the fact that it is a baseline survey fundamentally designed to generate data that can be compared to data collected at future dates. Yet, the snapshot of the condition of WISE participants entering training programs that the survey provides gives a view of potential opportunities for community development within rural and Northern Manitoba.

# Chapter 8

# Conclusion and recommendations

## 8.0 Introduction

This study[56] can be reduced into a response to one simple question – why should society (that is, the public, private and non-profit sectors) support social enterprises (SEs)? This question is not one that I came upon easily and going into the research, I was not certain of the meaning that I would make from the data. All I wanted was that my assumptions and conclusions have the potential to create real-life impact, as Potts and Brown (2005) suggest that all critical research must do and not be limited to mindless theorizing. So, as I interviewed SE practitioners and considered the Mino Bimaadiziwin partnership survey data, I realized that the contributions of this study would be to explore the impact of the work SEs do and the supports SEs require to increase this impact.

The answer to the question of why society should support SEs is as simple as the question itself and sometimes this simplicity makes the question too difficult to understand. So, the analysis chapters of this study tried to make the simple answer clearer by showing why community development work carried out by organizations like SEs is important and should be supported. Chapter four argued that all SEs, whether they are making transformative or compensatory impacts, meet the needs of their beneficiaries and expand the opportunities for an eventual transformation of the unequal socio-economic structure of society. In developing a PACS conceptualization of the 'social' in SE, Chapter five explored how the SE approach can be used to facilitate economic development and maintain local ownership of positive peacebuilding processes if appropriately designed to accomplish these objectives. Chapter five also argued that SEs must collaborate with various organizations or departments in the public, for-profit and non-profit sectors to significantly address the wicked social problems SE beneficiaries experience. Chapter six considered how the hybrid nature that causes SEs to balance social and commercial objectives allows for a sustainable approach to development. Chapter six also considered how that SEs require supported income (whether in the form of funding, grants or payment for social outcomes) because of the intricacies that emerge from this process of balancing social and commercial objectives. Chapter seven identified some prospective, context-specific areas, for those who wish

[56] Including the major research questions asked at the beginning of this study, that is, how much SEs contribute to meeting the needs of those they serve and defining the 'social' is SE.

to support the work of WISEs (and other approaches to community economic development) in Indigenous communities of rural and Northern Manitoba, to begin from, using the findings of the Mino Bimaadiziwin partnership survey of WISE participants in these communities.

WISEs, in particular contribute to society by equipping members of marginalized groups facing barriers to employment with the tools and supports that they require to access mainstream employment. This work is an important step towards addressing the systemic socioeconomic injustices that plague society. Although SEs and their passionate leaders will not wait for society to fully understand why their work is important and deserving of support and will continue to do their best with what they have, SEs need support to expand the impact of their work.

Chapter eight has three major sections that present the four overall key findings of this study; provide recommendations on how SEs can be better supported based on the study findings and the recommendations of the Manitoba Social Enterprise Strategy (MSES); and identify areas for future research based on the key findings of the study.

## 8.1 Overall key findings

This section considers the four major findings of this study drawn from the interpretation of the data presented in the analysis chapters. The overall key findings include that: WISEs can contribute to positive peacebuilding by meeting their employees' economic needs and facilitating their socioeconomic inclusion; SEs contribute to the eventual transformation of the inequitable socioeconomic structure of society irrespective of whether their work is framed as transformative or compensatory; SEs must collaborate with other actors to expand their social impacts and; SEs require supports from the public, for-profit and non-profit sectors to expand their social impacts. These key findings are discussed further herein.

***First, WISEs contribute to positive peacebuilding by meeting their employees' economic needs and facilitating their socio-economic inclusion***. Study findings suggest that the SE approach can facilitate economic development and maintain local ownership of positive peacebuilding processes if appropriately designed to accomplish these objectives. The form of SEs focused on in this study – Work Integration Social Enterprises (WISEs) – contribute to the process of positive peacebuilding by providing employees or trainees with income. WISE trainees use their training income to meet basic needs like food and shelter. Meeting economic needs through WISE income contributes to positive peacebuilding and is part of the process of addressing what Galtung

(1969) describes as structural violence, given that income allows marginalized individuals to remove some barriers that hinder them from accomplishing their full potentials.

However, WISEs' ability to meet trainees' needs could be limited by the fact that many do not employ, or intend to employ those they train and provide with work experience on a long-term basis. The hope is usually that after their time at the WISE, trainees find mainstream employment and a new cohort of trainees can be taken on, but this is not always easily realized for many WISEs in Manitoba where significant effort is required for WISE graduates to find mainstream employment (Brandon & McCracken, 2016). Yet, this study shows that even just the work experience provided and barriers addressed in trainees' time at the WISE contributes significantly to the process of addressing structural injustice. WISE trainees gain a source of income, a sense of purpose and some of the tools needed to fulfil their potential for subsequent interventions that they may access after attending the WISE to build upon. In this vein, WISEs engage in positive peacebuilding by addressing oppressive structures that create socioeconomic inequality (Byrne & Thiessen, 2019; Mac Ginty & Richmond, 2016; Richmond, 2014). As one of the many tools of systems transformation, WISEs can contribute at the levels they do while others in the for-profit sector support their work by hiring WISE graduates.

This study also found that besides the fact that meeting economic needs is a part of the process of addressing structural injustices that WISEs are involved in, structural injustices are also a fundamental cause of the economic needs that WISEs beneficiaries experience. Structural injustices and barriers experienced by WISE participants in the context of this study manifest in the form of growing up in remote or underdeveloped communities and experiencing intergenerational trauma. Structural barriers often produce challenges, like a low level of education, low access to transportation and a criminalized past that keeps members of marginalized groups from accessing mainstream employment (Social Enterprise Manitoba, 2018). Hence, the general perception among the SE practitioners interviewed is that the economic needs of many WISE employees are a result of problematic socioeconomic structures that produce structural violence and inequality. So, practitioners see WISEs as being involved in the process of addressing challenges in a way that can potentially transform these structures that produce inequality.

In line with the findings of previous work on SEs in Manitoba (Brandon & McCracken, 2016; SiMPACT Strategy Group, 2016), this study also highlighted how the process of addressing the various barriers to mainstream employment facing WISE employees and trainees often goes

beyond work training or the provision of work experience. WISEs also support their trainees in other areas, by providing parenting, budgeting and financial management classes. This provision of extra and necessary supports required to be successful in the mainstream economy is a capacity-building process (Alvord et al., 2004) that ensures that other skills needed to effectively utilize the job training experience are in place. WISEs also contribute to the positive peacebuilding process by supporting trainees or employees to gain self-confidence (Chan, 2015), a sense of purpose and even connections that can help them to gain mainstream employment upon exiting the WISE. Some SEs also provide social supports, such as social workers or Indigenous elders, for participants who have experienced trauma (Donkervoort, 2018). These varying supports produce sustainable peace (De Coning, 2018) by equipping individuals with the tools they need to address current and future challenges. In sum, WISEs build the capacity of marginalized individuals who have experienced structural violence by providing them with income, employment skills, contacts in the for-profit industry and social supports to address trauma.

Social inclusion through WISE

WISEs' contribution to positive peacebuilding goes beyond just meeting the economic needs of their trainees, as the access to the mainstream economy that WISEs provide is also part of the process of socially including trainees. When the economic needs of marginalized individuals are met in some significant ways, these individuals' capacity to access and utilize their social, political and civic capacities is increased (Friedmann, 1992; Sen; 1999). Hence, meeting marginalized individuals' economic needs is an important precursor to inclusion into (and genuine local ownership of) peacebuilding processes. Socio-economic inclusion of marginalized individuals also makes for a sustainable peacebuilding process because when people are included, they are more likely to contribute to the success of the given peacebuilding endeavour rather than work against it (Reimer et al., 2015; Byrne et al., 2010; Bercovitch, 2009). Hence, an interview participant notes that marginalized individuals with criminalized pasts who are excluded and denied job opportunities because of their past could resort back to recidivism to survive. Thus, the inclusion into the mainstream economy and society enabled by WISEs and other community development endeavours facilitates not just an improvement in the quality of the lives of the individuals concerned, but also of the community that has now made these individuals more supportive of the community building processes that they have become a part of.

In sum, the inclusion that WISE trainees enjoy is not just about earning an income from a job, but also includes the attendant personal and interpersonal experiences that the process of working a job allows trainees to access. Because socioeconomic exclusion disconnects marginalized individuals from their communities (Greffe, 2007), WISEs are engaged in an essential form of peacebuilding that helps these individuals regain community connections.

***Second, SEs contribute to the eventual transformation of the inequitable socioeconomic structure of society irrespective of whether their work is framed as transformative or compensatory***. When SEs meet the needs of those they serve, this expands the opportunities for systems transformation to take place. Compensatory SE is the most common theory of change subscribed to by SEs that pursue social change and impact within the neoliberal system (Newey, 2018). Transformative SEs seek to address the structural problems of society and emancipate those affected by inequalities using both business and activism methods (Newey, 2018; Van den Broek, 2012). The perspectives of the SE practitioners interviewed in this study[57] suggests that these practitioners can and often do hold both compensatory and transformative perspectives at the same time. While these SE practitioners may operate within a flawed, inequitable socioeconomic system, they can also hold the view that this flawed system is ultimately transformed into a more equitable one. In other words, operating within an unequal socio-economic system does not negate a vision of the transformation of an unequal system. Compensatory and transformative SE mindsets are not as contradictory as presented by Newey (2018) because SE practitioners who work within the problematic system do not automatically support its furtherance.

Even when SEs are fundamentally set up to meet compensatory needs, which are essentially needs of those who have been excluded from an inequitable socioeconomic system, their roles remain critical. Such compensatory needs include the provision of income and the access to food, shelter and housing that comes with that. Hence, even though the 'compensatory' language significantly minimizes the impact of meeting these fundamental human needs, these needs are essential for the marginalized individuals who have them met through employment at a WISE. Findings of an SROI on the four WISEs where Manitoba Housing purchases construction services from confirmed the importance of these compensatory needs. The SROI shows that these

[57] The primary method of determining whether a participant's perspective is compensatory or transformative is the pattern of their conversation, that is, whether they frame SEs as filling in the gaps created by an unequal socioeconomic system or whether they describe this work as part of the process of changing this system.

SEs created socioeconomic value worth $5.995 million to their employees, their employees' families and the government (SiMPACT Strategy Group, 2016). Without the critical support provided by organizations like SEs, many marginalized individuals face fundamental, structure-imposed barriers that hinder them from accessing opportunities within the mainstream economy. 'Compensatory' activities, such as helping individuals to find food or even get their driver's licence might seem to be a way of maintaining a flawed system (Newey, 2018; Roy & Hackett, 2017) rather than allowing it to be destroyed and remade. Yet, such activities are the practical ways that SEs contribute to supporting the marginalized groups that they serve. Hence, meeting compensatory needs is an essential part of the process of community development and is a practical way by which SEs contribute to addressing the structural barriers facing members of marginalized groups.

Further, study findings suggest that the "working within the flawed system" that those who hold compensatory perspectives do is often done out of the immediate necessity of meeting the needs of SE beneficiaries. Also, operating within the flawed socioeconomic system can be a subtle way of contributing to the gradual transformation of the system into a more equitable and just one (Dey & Teasdale, 2015). A more surface-level assessment may perceive those who run SEs as being content to be an essential part of a flawed socioeconomic system that functions in a way that increases the survival of this system (Westley et al, 2014). Yet, deeper analysis suggests that SE managers and their organizations are interested in the dual goals of making changes that can transform the system where possible, as well as helping WISE trainees to access mainstream employment within the unequal system. Ultimately, the opportunity to operate within the inequitable system is always more easily available given its practical nature, while it may not always be possible to carry out actions that facilitate systems transformation.

The ideal of transformative SE in scholarly literature is often linked to activism, in the sense that transformation is not just about recognizing the problematic nature of the system but also moving into activism to make concrete and impactful changes to the system (Newey, 2018; Van den Broek et al., 2012). However, study findings suggest that transformative SE conceptions do not always have to be manifested through overt activism, but could be advanced through a process of advocacy. I argued that "advocacy" rather than activism is a more ample description of the work SE managers in Manitoba do and is their approach to a transformative idea of SE that addresses fundamental structural flaws. Advocacy in this sense is transformative in the way that

while it is not directly confrontational in the way that activism often is, advocacy involves a more covert means of resisting problematic structures carried out in concert with other stakeholders. Advocacy can be considered transformative following the idea of "tactical mimicry" espoused by Dey and Teasdale (2015), which suggests that the process of resistance is not always through overt antagonism. Resistance can simply involve a refusal to consent to current understandings of the current system and structure in a way that also increases the possibility of more overt action by expanding the space for change (Dey and Teasdale, 2015).

Consequently, the transformative nature of this form of advocacy is that SEs increase the opportunities for more overt, confrontational actions to flourish by meeting the needs of SE beneficiaries in a way that seems to prevent the unequal socio-economic system from collapsing. Because SE practitioners who participated in this study recognized the flaws of the socioeconomic system, they advocated support for SEs to relevant stakeholders who can support and advance the work of creating social impacts in a way that can ultimately transform the flawed system.

Finally, study findings suggest that SE practitioners acknowledge that SEs are only part of the tools of system transformation and SEs cannot bring transformation to pass by themselves. The more individual level work that SEs do, as argued earlier, is important to the individuals and communities served. However, for SEs' work to tend towards systems transformation, the public sector must support development processes at the macro and micro levels, since SEs alone cannot facilitate sustainable community development on their own (Nega & Schneider, 2014; Roy & Hackett, 2017). Hence, the perception that SEs are only one of the entities working towards development is an important one for practitioners in the sector to have because it allows them to understand the need for cooperation and collaboration with others beyond their sector. When SE practitioners see development work as one that is wide-ranging and seeking to make systemic impacts, the need to collaborate to accomplish this very wide-ranging goal becomes heightened.

In sum, this study found that the dichotomy between a compensatory and a transformative objective of SE is not as vast as it may seem and many who wish to see the entire inequitable socioeconomic system change may not be able to do much more than contribute to addressing the gaps in this system. Addressing systemic gaps can either increase the longevity of the problematic system as Newey (2018) and Roy and Hackett (2017) argue or be a subtle way of gaining the necessary momentum to challenge the current system as Dey and Teasdale (2015) suggest. Study findings suggest that the latter situation is more probable in the context of the SEs considered in

this study and a more optimistic perspective may lead us to consider that SEs are laying the ground for systems-level transformation.

***Third, SEs must collaborate with other actors to expand their social impacts.*** The third major finding of this study is that to significantly expand their social impacts, SEs must collaborate with other actors, including other SEs, community development organizations, government and even for-profit businesses. Study participants noted that their SEs collaborate with other organizations doing similar community development work. Collaboration with organizations in the social economy is an evident path for SEs to take that practitioners often encourage (Cooney, 2015). Yet, study participants also emphasized the role of for-profit businesses as effective current or potential partners for SEs to cooperate with to maximize their social impacts.

Study findings suggest that cooperation with for-profits and even conglomerations of for-profits like the Winnipeg chamber of commerce can support and lend legitimacy to the business side of the work of SEs. Scholarly literature frame SEs' collaboration with for-profits as a situation where SEs bring community contacts to the partnership while for-profits bring necessary resources that SEs may lack, allowing SEs to expend less effort on generating resources and more on generating social impacts (Moizer & Tracy, 2010; Sakarya et al., 2012). However, study findings suggest that there is another form of collaboration between SEs and for-profit businesses, where SEs promote the benefits of engaging in socially-minded businesses to for-profits that may not be aware of their potential to engage in this work. Promoting the benefits of social impacts to for-profits is a form of advocacy that SEs can do that can produce a broader transformation of the problematic socioeconomic structures of society. A study participant particularly emphasized that for-profit businesses that are still being run by their founders have the greatest potential to be interested in making social impact and so SEs should seek opportunities to work with and advocate to such businesses that have a "heart" so that they can become even more socially minded. Ultimately, social alliances between SEs and businesses or business-oriented CED organizations can lead to the development of innovative approaches to social problems through the combination of the value created by both parties, which can address social problems that SEs cannot solve on their own (Di Domenico et al., 2009; Sakarya, 2012).

Having said all this, not all study participants held positive views of for-profit businesses or supported the idea of encouraging for-profit businesses to make social impacts, arguing that such attempts by for-profits are typically not genuine and can be harmful to SEs by reducing the

supports available to them. Hence, SEs must determine that prospective for-profit partners are genuinely interested in producing social impact and hold fast to their social objectives to ensure that their collaboration does not lead the SEs to abandon their social mission and focus solely on making a profit. Ultimately, there are potential risks to all forms of collaboration with other entities, whether they are for-profit businesses or not and so the partnering SE must hold fast to its ideals (Matray & Poisat, 2015). When SEs are involved in cooperative endeavours with non-SE organizations, they can influence these organizations to be more aware of and intentional about creating significant social impacts.

Besides collaboration with non-profits and for-profits, SEs also need to cooperate with government and business developers to expand their social impacts. Participants emphasized that intra-governmental cooperation is a necessary precursor to SEs collaborating with government given that SEs usually focus on issues that cut across different departments of government (for example, housing, health, employment) in addressing social exclusion and poverty. Consequently, intra-governmental cooperation in dealing with SEs is critical to the process of building a strong SE sector so that SEs can easily interact with government across departments (Matray & Poisat, 2015). SEs also need to collaborate with business developers, who render essential supports to SEs by providing them with services that range from advocacy to coaching, consulting and financial support. Having specialized business development professionals who specifically support community development organizations supporting SEs is very key because their operating within the community development niche means that they can provide SEs targeted supports that SEs require to balance social and business objectives (Bateman, 2007). Business developers can also facilitate the work of collaboration that SEs are engaged in within and across their sector to expand SEs' capacity to address the structural injustice facing their beneficiaries.

Given the nature and multiplicity of the challenges their beneficiaries face, SEs need to collaborate with other private, public and non-profit institutions to effectively support the development of these disadvantaged individuals. Some individuals in rural Manitoba seeking to start SEs have faced discouraging reactions from community business development organizations. Hence, SEs may need to educate and advocate with such business development organizations in rural and Northern Manitoba to show how their support for establishing and running SEs contributes significantly to community development. In the context of Northern Manitoba, SEs should explore opportunities for partnerships with CED and business organizations to establish,

support and/or maintain WISEs that would have significant and wide-ranging impacts in these communities. All the aforementioned collaboration patterns within and beyond the social economy do not constitute a replacement for the role that a developmental state must play in addressing fundamental structural injustices, as the following study finding will show.

***Fourth, SEs require supports from the public, for-profit and non-profit sectors to expand their social impacts.*** SEs require supports because their hybrid nature causes them to balance social and commercial institutional objectives and because SEs produce public benefits through their work. Since support for SEs is the most important finding of this study, this sub-section summarizes *why* SEs should receive support, while the following section of this chapter considers recommendations on *how* support for SEs, particularly by the public sector, can be implemented. In presenting study findings around why SEs should receive support to expand their social impacts, this sub-section considers how SEs require: supports due to their hybrid nature; support for acquiring managerial skills; support for their social mission and; state support to carry out their public sector work.

<u>SEs require supports due to their hybrid nature</u>

The first reason why SEs require support for their work is because they are hybrid organizations that combine multiple institutional objectives of earning a profit through commercial activity while also accomplishing their social mission and often pursue the former to accomplish the latter. Scholarly literature has considered various ways that the hybrid nature of SEs affects various aspects of their operations (e.g., Doherty et al., 2014; Garrow & Hasenfeld, 2012; Smith et al., 2013). This study contributed to the existing literature by identifying how SEs' hybrid nature impacts their operations and requires: SE managers to possess certain skills, SEs to require income from multiple sources and SEs to require specific forms of government support. The following sub-sections further expand on how the imperatives around skills, financing and government support that emerge from the hybrid nature of SEs causes them to require support.

SE hybridity often produces some tension that is not always easy to resolve. One study participant considered the tension that comes with balancing multiple institutional logics a fundamental part of SE work and urges those who are not comfortable with this tension not to attempt to manage SEs. Besides managing objectives of making a profit and social impact, SEs are also accountable to multiple stakeholders (for example, employees, funders, community

members, beneficiaries) who typically have different goals and different metrics for measuring the fulfilment of these goals (Lubberink et al., 2018; Pearce, 2002; Smith et al., 2013). Study findings further suggest that some WISEs even have multiple social objectives to balance beyond just employing marginalized groups, such as commitments to purchasing locally and ensuring environmental sustainability. Such WISEs with multiple social objectives can find it challenging to ensure that focus on accomplishing these other social objectives does not negatively impact the objective of supporting marginalized individuals.

WISEs' focus on their social mission – that is, providing supportive employment to individuals facing barriers that hinder them from accessing mainstream employment – can impact their ability to function as a competitive business. Hence, WISE managers must keep their social mission uppermost in their minds to avoid a situation of mission drift where the social mission is sacrificed for the survival of the business (Cornforth, 2014; Battilana & Dorado, 2010). Based on the discussion of a study participant, WISEs adherence to their social mission can be tested when these organizations decide to forego doing business with individuals or companies that discriminate against their employees. Hence, WISE may need to undercut their profitmaking bottom-line to ensure that they are adhering to the social mission. Ultimately, SEs must master the process of properly managing the tension between their commercial and social institutional logics if they are to prevent a drastic mission drift that harms their social mission. Furthermore, SEs must collaborate with actors within and outside their sector because collaboration, as outlined in the third key finding considered earlier, can increase SEs' capacity to manage the tensions that come with balancing multiple institutional logics (Doherty et al., 2014).

Support for acquiring managerial skills

The second reason why SEs must receive support for the work they do is that they need to train their managers and non-barriered staff to acquire skills needed to effectively balance their organizations' commercial and social institutional logics. Seelos and Mair note that the hybrid nature of SEs means that these organizations rely "on individuals who are exceptionally skilled at mustering and mobilizing resources: human, financial and political" (2005, p. 244). The discussion here is not about 'unique' skills that only a limited set of individuals can ever hope to acquire which discussions of the social entrepreneurship strand of SE tend to veer into (Light, 2006), but on skills that can be acquired with the right training. Necessary skills for SE managers can be

broadly divided into technical or business skills and social skills and each aspect focuses on one major part of the SE's objectives. Battilana and Dorado (2010) consider that SEs can hire different individuals to tackle different aspects of the organizational goal (that is, some to attend to the business side and others to the social mission side). However, most SEs represented in this study cannot afford to have a large management staff and often need to have all or most of these skills resident in one individual. The single individual in possession of the requisite technical or business skills and social skills would conceive of the SE's competitive advantage in the way that the organization maintains social values while also providing efficient delivery of goods and services.

In line with Borzaga and Solari (2001), and Sunley and Pinch (2012), study findings showed that SE managers who come from a development or non-profit background tend to lack the business skills required to run a SE. The business acumen needed to run a non-profit is markedly different from that required to effectively run a SE since the modality of operation of both organizational forms are different. So, it is not that the SE managers in question do not have any business skills at all, they may just not have the particular skill-set suited to the SE organizational form and this must be improved upon if these SE managers are to enhance the viability of their organization. Study participants considered the absence of necessary business skills in SE managers from a non-profit background as a significant challenge for Manitoba's SE sector. Hence, participants' ideas for improving the province's SE sector were largely around training and coaching SE managers to acquire necessary business skills.

Support for social mission

The third reason why SEs must receive support for their work is because of the social impacts they make while accomplishing their social objectives. In line with the perspective of Boschee and McClurg (2003), one study participant notably argued that SEs must survive only on earned income and that organizations that receive grants are not SEs, but simply non-profits. However, many participants disagreed with this assertion, arguing that receiving grants does not disqualify an organization from being a SE, since for-profit businesses also receive various forms of funding support. For-profits depend on buyers to purchase their goods or services, "suppliers for key inputs, on labour markets for talent, and often on bankers or investors for capital" (Dees & Anderson, 2006, p. 147). Hence, SEs are even more justified than for-profit businesses in receiving supports because they do not just serve their business bottom-line but also make intentional social

and public impacts. While it is important for SEs to earn income from commercial activities, earning profits does not preclude their receiving grants to support their social mission. Hence, SEs should not restrict themselves from receiving funding out of a desire to remain "purely" self-sufficient businesses, since for-profit businesses themselves have received and continue to receive funding supports.

Other participants suggested that the perspective of the study participant who suggested SEs must be self-sufficient is perhaps borne out of an issue with the language of funding that is used to describe the funds SEs receive for the public service that they perform. Participants argued that perhaps those who take issue with SEs receiving "funding" feel this way because this funding is not presented as tied to any of the social outcomes that SEs produce. Thus, in line with the work of Loney and Braun (2019), participants emphasized the framing of SEs as *selling* their social outcomes, rather than just *receiving* funding. This kind of language shift could be particularly useful for those within and outside SEs who are struggling to understand how an organization can be a business and still receive what may be called funding, which is essentially *income* earned from their social activities. Consequently, "supported income," a phrase used in this study to refer to everything from funding to grants and payment for social outcome, seemed to be a more appropriate moniker to describe money SEs gain from their social mission.

WISEs require (read "deserve") supported income as payment for their social mission to be viable businesses, because their social mission, which requires WISEs to hire typically untrained individuals facing multiple barriers, often diminishes their competitiveness (VanSandt et al., 2009). This shows that SEs are not just like any other business because they deal with issues that other businesses cannot and will not tolerate. The fact that SEs need supported income to mitigate the negative impact of the organization's social mission on their financial viability does not mean that they are bad at doing business. Rather, SEs have other bottom lines to consider and their ability to make a profit is often intentionally subordinated to the desire to be faithful to their social mission (Liu & Ko, 2012). Hence, SEs need not defer to the market as the only source of income simply because this leaves an important aspect of their work, that is , the social aspect, uncompensated (Dees, 1998).

State support for SEs' public sector work

A fourth reason why this key finding argues that SEs must receive support for their work, particularly from the government, for the work they are doing is because of the inherently public nature of this work. The government is a significant beneficiary of the work of SEs because they fill in gaps that the social policy system is unwilling or unable to address (Newey, 2018; Borzaga & Solari, 2001). WISEs address barriers to employment in the mainstream economy that marginalized individuals experience and which are fundamentally the state's responsibility. When formerly socioeconomically excluded individuals access mainstream employment, they pay taxes and make other contributions into the system, instead of only receiving support from the system in terms of social assistance. If SEs are doing work that is so deeply beneficial to not just the individuals that they serve but also to the government and the larger society, then the argument that SEs must be entirely self-sufficient falls into the neoliberal self-help narrative.

Hence, in line with the view of Nega and Schneider (2014), this study found that SEs can advocate for the state to support SEs to carry out the public service SEs render that the state should be doing in an ideal world. Furthermore, SEs should be part of the growth areas the state supports to address structural injustices because SEs' operations during the COVID-19 pandemic have shown how their capacity for this work plays out in times of crisis. Some studies (for example , Collie, 2020; Kantamneni, 2020) have suggested that the economically and socially marginalized will bear a disproportionate part of the brunt from the pandemic. Consequently, in times of crisis, SEs like other community organizations have increased the level of service they render to the marginalized individuals SEs serve. This is essential work given that the multiple barriers facing members of the already underserved groups that SEs serve tend to be significantly multiplied by society-wide crises like the COVID-19 pandemic.

While some study participants believed government does not recognize the significance of SEs and continues to treat their work as marginal, state support is particularly important for SEs because there are some unique forms of supports that only the state can provide to SEs. For example, it is mostly only government that can provide SEs with the kind of patient capital that they need to have room to develop (for example, loans that can be written off when they are non-performing), which other non-state actors may not have the capacity to provide. And so, while non-state entities can and do support SEs, the unique ability of the state to take up necessary risks

that can produce innovation (Mazzucato, 2011) within SEs shows that states play a critical role in supporting SEs.

In sum, this study found that receiving supported income by whatever name it is called (funding, grants, payment for social outcome) does not make SEs less of a business, since these funds pay for the explicitly public-sector work that SEs do that many for-profit businesses working in the same sectors that SEs operate in do not do (Borzaga & Solari, 2001). Hence, SEs should not deprive themselves of the opportunity to receive the supported income from selling social outcomes that their hybrid nature enables them to receive out of a misguided desire to be a 'self-sufficient' business.

### 8.2 Recommendations- support from an enabling state

The fourth key finding of this study considered *why* government should support SEs, and this section considers *how* government can support SEs. Interview participants expressed some discontent around the current level of government support for SEs, so I asked subsequent participants what genuine government SE for support would look like. The recommendations presented here mostly come from participant responses to the question of what genuine government support for SEs looks like. Ultimately, this study does not need to do any significant work of producing recommendations on how to support SEs in Manitoba because the Manitoba Social Enterprise Strategy (MSES) document[58] identifies supports the sector requires based on the six 'pillars' of SE sector development identified by the SE Council of Canada. These six pillars include recommendations to: enhance enterprise skills, ensure access to capital and investment, expand market opportunities, promote and demonstrate the value of SE, develop a regulatory framework and expand networks and community engagement (MSES, 2015; Social Enterprise Manitoba, 2018).

Thus, this section compares study findings with existing recommendations in the MSES (2015) and MSES impact assessment (Social Enterprise Manitoba, 2018) to identify and fill in the gaps in the existing recommendations. This is done using each of the six areas as a framework to consider the recommendations made in the MSES alongside the recommendations of study

[58] The MSES, which was in effect from 2015-2018, was developed by the Manitoba branch of the Canadian CED Network (CCEDNET), the Manitoba SE sector and the Province of Manitoba in order to improve the SE sector in Manitoba ability to contribute to addressing unemployment and poverty among marginalized individuals in the province (MSES, 2015).

participants. Where relevant, analysis of the MSES is done alongside the impact report on the MSES, which was carried out three years later by CCEDNET, the non-profit member-network that was the contract holder for the MSES (Social Enterprise Manitoba, 2018). The impact assessment report identifies some important gaps that the MSES did not fill and recommends ways that a future SE strategy can address this. Finally, this section also presents one important recommendation not discussed in the MSES or its impact assessment – the development of a designation or legal framework for SEs.

***Enhancing enterprise skills***

The first pillar of the MSES (2015) focuses on how to enhance enterprise skills, largely by creating more funding for SE staff to improve their business skills. This is in line with the fourth key finding of this study, where several participants highlighted a gap in the business skills of SE managers from a non-profit, development or 'social' background and expressed the need for support to attain these business skills. The MSES also notes that enterprise skills can be improved by increasing SE business supports beyond Winnipeg to other parts of Manitoba, including rural Manitoba (MSES 2015; Social Enterprise Manitoba, 2018). Hence, Chapter seven focused on identifying opportunities to develop and/or strengthen SEs in the First Nation communities of rural and Northern Manitoba.

The MSES (2015) also identified a way to enhance enterprise skills by encouraging connections between the business sector and CED organizations like SEs. Chapter five explored some ways by which these collaborations are already underway with the Winnipeg Chamber of Commerce and other individual for-profit businesses, noting that such cooperation is critical to efficiently addressing the wicked social problems facing SEs beneficiaries.

<u>Propelling interest in SE through education</u>

The MSES (2015) also notes that enterprise skills can be enhanced through education, that is, creating courses on SE in post-secondary institutions, developing internship opportunities, organizing career fairs as well and developing a social enterprise management certificate program (to attract business students to the SE sector). Chapter six showed that the desire to make a difference propelled participants' working in the for-profit business world to switch to working in SEs. Chapter seven considered how personal experiences like growing up in rural communities

with a significant amount of marginalized people motivated participants to become involved in SE work. Besides these two motivations for joining SEs, at least three study participants traced their entrance into the field of SE to experiences gained from their post-secondary education. One SE business developer noted how they became involved in community economic development (CED) because of their education and then moved into SE work more specifically due to their CED organization's work in the sector. In the same vein, two other participants noted that the classes they took during their post-secondary education introduced them to the SE model.

This experience of participants gaining interest in SE work because of their education is in line with Lyon and Fernandez's (2012) argument that SEs can expand by offering training programs to attract students and learners. Hence, *education, whether via courses offered in post-secondary institutions or through standalone SE courses, should be explored as an important site for generating interest in SE among individuals in both business and non-business disciplines*.[59]

***Ensure access to capital and investment/Promote the value of SEs***

This section brings together the second and fourth pillars for improving the Manitoba SE sector recommended by the MSES, which are around financing and advocacy. The second pillar of the MSES (2015) has the highest number of recommendations, suggesting that finance is an important aspect of developing a productive SE sector. MSES recommends that the province of Manitoba provide loan financing to the Manitoba SEs. Chapter six considered how patient capital, which SEs require to develop in an unrestricted manner, can only be provided by the state which has a unique capability to take on risks that are essential to creating necessary innovation. Further, the MSES recommends other different forms of funding for SEs at various levels of development (at the start-up level, post start-up and ongoing development levels). Post start-up grants are an essential way to offset the social costs sustained by SEs in the course of their work (MSES, 2015) and chapter six argued that such supported income SEs, receive as payment for social outcomes, does not make SEs any less of a business.

When asked what genuine government support to SEs should entail, only a few interview participants asked for direct grant funding from the government. Participants were more interested in government and other actors supporting SEs by purchasing their goods and services, as the following subsection will further explore. Participants who recommended the government provide

[59] All recommendations in this section are italicized to make them easily visible

SEs with direct grants presented this as intertwined with government advocating for and promoting SEs. This perspective brings together both the second and fourth pillars of the MSES, as the second pillar is around financing for SEs while the fourth is around advocacy for SEs. A participant who provides business development services to SE noted that the supports that SEs require include financial support to train their managers and hire more staff as well as advocacy to promote purchasing from social purpose business. Similarly, a business developer emphasized the need for government to advocate for and fund SEs, insisting government already advocates for private business and should therefore extend this to SEs and other social purpose businesses.

The fourth pillar of the MSES recommends that the value of SEs be promoted and demonstrated through activities such as finding sponsors for awards honouring SEs and using forums to bring together partners from the public, for-profit and non-profit sectors to identify opportunities for SE. The MSES was able to do some work in terms of raising awareness and advocating for SEs (Social Enterprise Manitoba, 2018), yet the comments made by the participants suggests that there is more ground to be covered in promoting SEs. *Hence, the public sector should develop policies that allow the government to finance and promote social enterprises to expand the social impacts made by these enterprises.*

***Expand market opportunities***

The third pillar essential to the development of the Manitoba SE sector, as identified in the MSES (2015), is the need to expand market opportunities. Most of the recommendations for how to expand market opportunities for the SE sector are around government purchasing more from SEs. This act of social procurement[60] by not just the public sector, but also the non-profit and for-profit sectors, was the most common recommendation for supporting SEs provided by interview participants. Similarly, in the MSES impact assessment (2018), most SEs practitioners highlighted the need to improve the approaches to and supports for social purchasing. Study participants' emphasis on the need for social procurement may be largely because as businesses, SEs do not want to be seen as recipients of only grants and so consider social purchasing as a form of support that does not call into question the SE's independence as businesses. While the foregoing argument

[60] Social purchasing (or procurement) refers to purchasing, particularly from social purpose organizations, such as SEs, that is tied to producing a specific social impact.

has shown that grant funding does not diminish the business status of SEs, social procurement remains a critical form of support for SEs.

As mentioned earlier in this study, the Manitoba government has been involved in social procurement from SEs particularly through Manitoba Housing, which purchases services worth $7m/year from six SEs (Buy Social Canada, n.d.). A WISE manager reveals that the province purchases from them because of the value that the WISE produces as a business. However, Manitoba Housing's social procurement is not enough and several participants have called for increased levels of social procurement. The MSES also identifies room for growth in the provincial government's current procurement strategy with SEs, noting that "Manitoba Housing spending on social enterprises has ranged from $5-$7 million out of a $134 million maintenance and capital budget," and so there is room for the level of procurement from SEs to grow (2015, p. 16). Another WISE manager who stresses the need for government to support SEs through social procurement repeatedly emphasized that they are not asking for handouts from the government, but only seeking procurement opportunities. This seems to amplify the idea that the focus on procurement as a major way of supporting SEs is linked to a desire for SEs to be considered self-sufficient businesses.

The "MSES procurement broker pilot did not achieve the outcomes hoped for when the project began" and the province should develop strategies to expand social procurement to other provincial departments beyond Manitoba Housing in consultation with the SE sector (Social Enterprise Manitoba, 2018, p.33). Study participants outline processes by which a social procurement strategy designed to support SEs can unfold. In particular a participant who has founded various WISEs that serve Indigenous people specified that an impactful social procurement approach would include a requirement for *every government department to have a contract with a social enterprise and develop a social procurement policy. Then the provincial government would set a target that within five years, 10 percent of all the government's purchases would be from SEs*.

Similarly, a WISE manager illustrates that government could support social procurement from social purpose business by weighting social impact on the community as part of the criteria for purchasing services. This participant also emphasized that SEs should not be the only businesses making social impacts, but they should encourage for-profit businesses to integrate a concern for social impact into their business operations. Hence, *government should weight community impact as part of the criteria for public purchasing because this benefits SEs and could*

*motivate for-profits to consider generating social impact through their work or to at least partner with SEs that make such impacts.*

However, one WISE manager argued against extending rewards for social impacts to for-profits businesses because for-profits would likely take advantage of such opportunities to increase profits rather than make genuine social impacts. This participant also argued that extending rewards for social impacts to for-profits could harm SEs by reducing the supports available to them. However, it is important to create opportunities not just for SEs and non-profits, but also for for-profit entities to be involved in social procurement "to not only deliver high quality goods and services and infrastructure, but also provide real community benefits, and address significant issues such as the chronic, sometimes generational unemployment faced by whole communities" (Newman & Burkett 2012, p. 8). Similarly, the MSES (2015) also recommends that expanding market opportunities for SEs is not limited to government purchasing. Contact brokers could also harness private market opportunities for SEs through means such as enhancing the existing social purchasing portal.

Study participants identified hindrances to effective social procurement, including lack of inter-departmental collaboration within government, government's risk averseness and restrictive government policy (such as the requirement for even outdoor workers to have clean criminal records). Barraket and Weissman (2009), and Loosemore (2016) recognize these and other barriers to social procurement on the side of government, including a lack of knowledge of social purpose business and the complexity of measuring social value. Barriers to social procurement can also come from SEs themselves, particularly in terms of the limited organizational capacity of small and medium SEs to meet government's procurement needs (Barraket &Weissman, 2009; and Loosemore, 2016). Yet, the limited capacity of SEs should not hinder government from supporting these organizations through social procurement. As one WISE manager argued, *the state should recognize "that different social enterprises at different phases of their growth could participate differently in being a supplier for the government." Hence, government should design flexible social procurement policies that can accommodate SEs' abilities and capacities*. Also, as study participants suggested, *more SEs should look into creating alliances to vie for public sector contracts that they cannot handle by themselves.* This is an effective approach already being used by WISEs in Manitoba's construction sector that SEs in other sectors can adopt.

***Regulatory Framework- Developing a separate designation for SEs***

The fifth pillar of the MSES focuses on the development of legislative tools that would improve the ability of SEs to create social impact. The MSES recommends creating provincial legislation that requires government departments to consider SEs in their policymaking as well as creating legislation that facilitates social procurement (MSES, 2015). However, neither the MSES nor the follow-up report (Social Enterprise Manitoba, 2018) considers the issue of creating a separate legal structure or designation for SEs. This is not surprising since a study by Markey et al. (2011) found that most of the SE practitioners interviewed in Canada were not very interested in or knowledgeable about the issue of developing a separate legal structure for SEs. SE practitioners believed that legal designation for SEs is a subject for lawyers to handle since practitioners are too busy operating their businesses to consider this.

However, some study participants highlighted the issue of developing a separate legal structure for SEs, suggesting that SE practitioners in Manitoba are becoming interested in this issue. Developing a separate legal structure for SEs is important given that the for-profit and non-profit organizational forms that SEs must currently make do with are incapable of fully encapsulating the needs and operations of these organizations. Existing organizational forms do not address the unique governance challenges that SEs face, given that the for-profit model restricts SEs' access to donations while the non-profit model limits SEs' ability to gain investor funding (Cooney, 2012; Raz, 2012). Furthermore, specialized organizational designations are useful to SE managers because they allow them "to convince contributors of capital [both market investors and traditional charitable donors] to invest in their brand, employees to trust it, and the broader public to value it" (Reiser, 2013, p. 733). As an SE manager noted, SEs face challenges to receiving funding because SEs' non-profit designation does not adequately encapsulate the activities they are engaged in and SEs sometimes must partner with registered charities to apply for grants.

Thus, *the government of Manitoba should develop a legal designation for SEs in consultation with the sector and other relevant stakeholders.* The provincial government can do this by considering the various examples of legal designation for SEs that exist in Canada and internationally, which though imperfect, have contributed to a significant development of the sector where they have been implemented. Internationally, the most commonly identified legal forms that SEs can position themselves under are the Low-profit Limited Liability Company

(L3C), the Benefit Corporation and the Community Interest Company (CIC), with the first two structures resident in the United States and the third in the United Kingdom.

These legal templates for SEs vary in terms of the extent to which they allow for stakeholder involvement. The CIC model is the most amenable to stakeholder involvement because it requires that enterprises under this designation have community stakeholders on their board and prepare an annual report showing the level of stakeholder involvement and community benefit facilitated by the organization (Cooney, 2012). The CIC approach is considered the most successful even though it has not worked well to accommodate the hybrid structure of some SEs (O'Connor, 2014) and can serve as a learning point for Manitoba when developing its own SE legal structure.

In 2012, British Columbia and Nova Scotia also introduced similar legal designations for social enterprises – Community Contribution Companies (C3s) and Community Interest Companies (CICs) respectively – which were modelled after the UK's CIC designation. To be identified as a C3 in British Columbia, a company must incorporate as a for-profit and meet additional requirements like having a primary objective of making a community impact (that is, in health, social, environmental, cultural and educational areas) and provide an annual community contribution report (O'Connor, 2014; Bill 23, 2012). In Nova Scotia, CICs are organizations that "have characteristics of both businesses and non-profits, combining entrepreneurship with a social purpose…[and] use business practices to advance social, environmental or community goals" (Service Nova Scotia, 2012). These legal forms adopted by British Colombia and Nova Scotia are to complement rather than replace the existing legal forms used by SEs. The key innovative feature of the CIC and C3 is that they ensure that the social mission of SEs is built into their fundamental organizational structure, while also ensuring that SEs can function like for-profit businesses in important areas such as their finances and administration (O' Connor, 2014). This is a potentially useful way of addressing mission drift, where the SE becomes focused on commercial objectives at the expense of social purpose, as discussed in Chapter seven.

Following the UK model, Nova Scotia's CICs have significantly more regulatory oversight than British Columbia's, with a Registrar overseeing the regulation (O'Connor, 2014). The lack of concrete oversight is a gap in the effectiveness of British Colombia's model that might hinder a meaningful uptake of the legal structure given the absence of a body "setting meaningful standards, incentivizing the adoption of the model, establishing strong investigatory and monitoring tools,

and creating credible sanctions for non-compliance" (Lee, 2015, p. 214). Also, like its UK predecessor, the Nova Scotia CIC is significantly community focused given that "the assets of a CIC are considered "locked" into the community they serve; they cannot be sold off upon dissolution but must be transferred to another community purpose entity" (Lionais, 2015, p. 39). Yet, British Columbia's C3 also maintains significant community-orientation in terms of the purpose of the organization, although there is less regulation to ensure that this is implemented (Lee, 2015). Hence, *attempts to create legal designations for SEs in Manitoba must ensure that designated organizations are genuinely generating social impacts and that there is a regulator that ensures that these societal or community impacts are implemented.*

Further, a study by Markey et al. (2011) found that SE practitioners in Canada are concerned that a prospective legal structure for SEs could be misinterpreted if there is no proper understanding of the concept of SEs. Based on these findings, practitioners suggest that lawyers with expertise in only charity or business law may not be most suitable to draft such a legal structure and those knowledgeable in the field must be involved in this work (Markey et al., 2011). Hence*, government should involve both legal and non-legal experts knowledgeable in the SE sector in the process of developing new legal structures for SEs*.

***Networks and community engagement***

The sixth pillar of the MSES (2015) includes recommendations around improving the level of collaboration and networking among SEs as well as providing SEs with the wraparound supports they require to expand their community impacts. One such recommendation is around ensuring that "social enterprise employees have access to an individual…who can connect them to the range of supports they need in their progress towards private market employment" (MSES, 2015, p.23). This is in line with the recommendations of a SE business developer that government should have an officer tasked with developing SEs and *who helps to create connections between the SE industry and the government.*

In terms of increased connection among SEs themselves, Chapter five explored how SEs can cooperate with actors within and outside the sector on projects or contracts, increasing efficiency or improving supports for beneficiaries. Some study participants could speak to the impact of the MSES, noting that the strategy improved Manitoba's SE sector through advocacy, networking and awareness-raising. However, not all practitioners in the sector expressed positive

sentiments about the MSES' impact. One WISE manager who emphasized the need for SEs to be self-funding throughout their interview said of the MSES: "yeah, it's cute. Like I said it is mostly aimed at not-for-profits or registered charities, it does nothing for us. The guys at CCEDNET are really good people…"

This individual's belief, that all SEs must be self-sufficient and that those organizations that receive any supported income besides that earned from commercial activities, do not qualify as SEs, was significantly explored in Chapter six of this study. And so, this participant's assertion that the MSES had no impact on their SE seems to be largely borne out of the perception that their organization is different from all other SEs in Manitoba because of their self-sufficient status. However, Chapter six has argued that this is not true, as many other SEs represented in this study earn over three-quarters of their income from commercial activities. Further, Chapter six and the fourth key finding argue that SEs are not less of a business because they receive supported income (whether in form of funding, grants or payment for social outcomes) as payment for their social mission. *Hence, SE business developers and organizing groups in Manitoba may need to explore ways to incorporate parties like this who may be unnecessarily excluding themselves from the SE sector, thereby missing out on the benefits of networking within the sector. Sector development could also include educating SE staff and managers about how receiving supported income for social outcomes does not render their business status invalid*.

### 8.3 Future Research

This section identifies four areas for further research based on this study's overall key findings, namely, that more work needs to be done to: (1) determine other specific areas where SEs can be intentionally designed to fulfil explicit peacebuilding objectives; (2) explore the covert ways that SEs are resisting problematic structures and the extent to which such covert actions are making the desired impacts of systems transformation; (3) delve into the way that SEs' support to for-profits to incrementally integrate social concerns into their business operation benefits SEs and the larger community, and (4) determine the extent of the impact of specific forms of support to SEs such as advocacy, social procurement or grant funding.

The first key finding is that WISEs contribute to positive peacebuilding by meeting their employees' economic needs and facilitating their socio-economic inclusion. Further research into the form of peacebuilding SEs carry out can further consider what specific organizational forms

of SEs (and WISEs particularly) are amenable to specific peacebuilding goals. Study findings have shown that when appropriately designed, WISEs contribute to positive peacebuilding by meeting economic needs and facilitating socio-economic inclusion. Also, the literature review in Chapter two suggests that WISEs in post-conflict environments can engender cooperation. Hence, future studies can consider other specific areas that SEs can be intentionally designed to fulfil explicit peacebuilding objectives.

The second key finding of this study is that SEs contribute to the eventual transformation of the inequitable socioeconomic structure of society, irrespective of whether SEs' work is framed as transformative or compensatory.  research can explore the ways that SEs are engaged in the idea of "tactical mimicry" espoused by Dey and Teasdale (2015), where SEs are not directly confronting the system, but more covertly resisting problematic structures. Future research can also explore the extent to which such covert actions targeted at system transformation by SEs are making the desired impacts. Study findings also suggest that advocacy is one surreptitious means for SEs to contribute to the transformation of the inequitable socioeconomic structure. The form of advocacy identified here is advocacy for supports to SEs and for for-profit businesses to incorporate the objectives of making a social impact into their activities. So, further research can also identify more specific ways that SEs do advocacy and how this contributes to expanding SEs' social mission.

The third key finding of this study is that SEs must collaborate with other actors to expand their social impacts. While study participants hinted at the way that their SEs' support for-profits to incrementally integrate social concerns into their business operation, there was no in-depth consideration of this factor in this study and in the scholarly literature reviewed. Hence, further research can explore this not oft-considered element of SEs' collaboration with for-profit businesses. More specifically, future research can explore the extent to which SEs support for-profits to incrementally integrate social concerns into their business operation. Research can also consider the specific opportunities and benefits to SEs and the larger community that can emerge from this kind of collaboration between SEs and for-profits.

The fourth key finding of this study is that SEs require supports from the public, for-profit and non-profit sectors to expand their social impacts. Further research about supporting SEs can explore the impact of specific forms of support to SEs, that is, determine what level of sector development can be linked to advocacy or social procurement or grant funding and so on. This can

assist those supporting SEs to determine and prioritize what approaches produce the most results and are therefore the most effective to employ.

### 8.4 Conclusions

This final chapter summarized the four major findings of this study, namely that: (1) WISEs contribute to positive peacebuilding by meeting their employees' economic needs and facilitating their socioeconomic inclusion, if appropriately designed to accomplish these objectives; (2) SEs contribute to the eventual transformation of the inequitable socioeconomic structure of society irrespective of whether their work is framed as transformative or compensatory; (3) SEs must collaborate with other actors to expand their social impacts; and (4) SEs require supports from the public, for-profit and non-profit sectors to expand their social impacts. The second section of Chapter eight used the six pillars of the SE sector development identified in the MSES (2015) as a framework to consider the recommendations made in the MSES, alongside the recommendations developed based on study findings. In particular, the second section considered one important recommendation, not discussed in the MSES or its impact assessment and this is the development of a designation or legal framework for SEs.

The final section of this chapter identified four areas for further research based on the study's overall key findings, namely that more work needs to be done to: (1) determine other specific areas where SEs can be intentionally designed to fulfil explicit peacebuilding objectives; (2) explore the covert ways that SEs are resisting problematic structures, and the extent to which such covert actions are making the desired impacts of systems transformation; (3) explore the way that SEs' support to for-profits to incrementally integrate social concerns into their business operation benefits SEs and the larger community; and, (4) to determine the extent of the impact of specific forms of support to SEs such as advocacy, social procurement or grant funding.

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# Appendix A

## Interview consent form

Peace and Conflict Studies

Graduate Programs

252 St. Paul's College
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**Research Project Title**:
The potential and limits of Social Enterprise as a path to addressing structural injustice

**Principal Investigator and contact information:**
Tomi Oloke olokei@myumanitoba.ca

**Research Supervisor:**
Dr. Sean Byrne sean.byrne@umanitoba.ca

This consent form, a copy of which will be left with you for your records and reference, is only part of the process of informed consent. It should give you the basic idea of what the research is about and what your participation will involve. If you would like more detail about something mentioned here, or information not included here, you should feel free to ask. Please take the time to read this carefully and to understand any accompanying information.

This research is being conducted to explore how much social enterprises contribute to addressing structural injustice faced by members of marginalized communities. This is in order to identify the basic needs social enterprises meet and the needs they cannot meet which other entities may be better equipped to handle.

By agreeing to participate in this study you are agreeing to be interviewed by me on this topic. The interview is anticipated to take 60 minutes during which time the interview will be audio recorded and I will take notes. The interview will consist of structured and unstructured questions to provide you the opportunity to share what you feel comfortable sharing about the topic.

It is not likely there will be any serious harms or discomforts associated with this interview. The potential harms of the study could include remembering traumatic events from your past or describing a difficult situation. Although no questions are intended to make you feel

uncomfortable in any way, should you find yourself uncomfortable with a question that is asked, you do not need to answer the question and you can also withdraw from the interview at any time. You will be encouraged to use community supports to help you, if you need further support after the interview.

There are no direct benefits to participating in this study. However, many people enjoy participating in social science research of this type. You may benefit by knowing that you are contributing to knowledge about social enterprises and the roles they are best suited to meet within society. As well, your contribution may be useful in identifying what factors are important to specific groups social enterprises may want to invest in.

Your confidentiality will be protected throughout the study and no identifying names or markers will be used in the final research report. The interview will be recorded through an audio recording tool, which will generate a digital audio file and this file will be transcribed. Identifiable data will be destroyed or rendered anonymous as soon as it is no longer necessary to link data with individual participants, which will approximately be 06/2020. The transcripts and digital files of the recorded interviews will be stored in the researcher's password-protected computer. No one other than the researcher and their advisor will have access to the data. All files, digital and otherwise, will be destroyed five years after the research study has been completed (10/2025). Your real name and any identifiable information will be masked in the final research report, including the name of the institution you have worked with to further ensure anonymity. If desired, this final report can be emailed to you at the completion of the study by 10/2020.

Participation is voluntary and no financial compensation will be provided for participation in the study. You can choose whether to be in this study or not, and are not required to accept the invitation to participate. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind. You may exercise the option of removing your data from the study in which case any data you provided will be erased and eliminated from future analysis. You may also refuse to answer questions you don't want to answer and still remain in the study. If you decide you would like to have your data removed from this study, you can email the researcher (olokei@myumanitoba.ca) and state that you are withdrawing from the study and to remove your data from the study. Withdrawing from the study is no longer possible by 06/2020 as the data will be anonymized. All the transcripts that will be used in the research will be anonymized.

The information gathered during these interviews will be presented as direct quotes and used for the researcher's PhD thesis. Further publications of the results may be made in peer- reviewed academic publications. All publications of the results will maintain your confidentiality.

At the end of the interview, we will have a brief conversation about your thoughts about the interview and you can ask any questions about the interview or the study. After the researcher has analysed all the information from all interviews, you will be provided with a summary of the results by 10/2020 and will have an opportunity for feedback at this time as well.

Would you like a copy of the final research report? a) Yes b) No

If yes, how would you like to receive the report? Please provide your address (email or postal) so that I can send you the report.

There is a 24-hour helpline available to you if you experience distress as a result of completing the interview. Klinic Crisis Line (Ph: 204-786-8686; 1-888-322-3019).

Your signature on this form indicates that you have understood to your satisfaction the information regarding participation in the research project and agree to participate as a subject. In no way does this waive your legal rights nor release the researchers, sponsors, or involved institutions from their legal and professional responsibilities. You are free to withdraw from the study at any time, and /or refrain from answering any questions you prefer to omit, without prejudice or consequence. Your continued participation should be as informed as your initial consent, so you should feel free to ask for clarification or new information throughout your participation.

The University of Manitoba may look at your research records to see that the research is being done in a safe and proper way.

This research has been approved by the Joint Faculty Research Ethics Board. If you have any concerns or complaints about this project you may contact any of the above-named persons or the Human Ethics Coordinator at 204-474-7122 or humanethics@umanitoba.ca. A copy of this consent form has been given to you to keep for your records and reference.

Participant's Signature _____ Date _____

Researcher and/or Delegate's Signature _____ Date _____

# Appendix B

## Interview guide

1. **Please, tell me about yourself, and what work you do with SEs.**

***Probes*:**

a. How did you become involved in working with SE?
b. What kind of work do you do?
c. What are your objectives and purpose in doing this type of work?
d. Why do you think that the work that you do is important?

2. **What does SE mean to you?**

***Probes***

a. Is there a moment in time that gets at what SE means for you?
b. Is this a meaning that people you've worked with share?
c. Is this a meaning that those your SE invests in share?
d. What are some of those challenges that you face?

**3. What are some of the needs of the people your SE invests in?**

***Probes:***

a. What kind of issue? (i.e. economic, social etc.)
b. What is the source of these needs/challenges?
c. Would you describe this as a common need of other members of the groups they belong to? Why or why not?
d. Does the nature of the people you invest in affect how people interact with your business or purchase your service?

**4. In what ways does your organization contribute to meeting these needs of those you invest in?**

***Probes:***

a. How successful or unsuccessful have they been? Why or why not?
b. Were there any needs your SE did not have the capacity to meet? Why not?

**5. What have other organizations been working on with regards to these issues?**

a. How are they conducting their work?
b. Does your organization receive any funding from other organizations/foundations? From government?

**6. How has the government been supporting the people/group your SE invests in?**

***Probes:***

a. What is the government doing?
b. What are they doing to empower these individuals/groups?
c. Have they been successful or unsuccessful? Why or why not?
d. Do you observe any differences in the previous provincial government's approach and the current government's?

e. Do you observe any differences between the way government treats SE and other businesses?
f. Are you familiar with the MSES? What do you think about it? Was it significantly implemented?
***g.*** If the government was really going to commit to supporting SE, what do you think that would look like?

**7. If you were able to change anything in working with SE organizations in Winnipeg, what would you change?**

# Appendix C

# Mino Bimaadiziwin partnership survey questionnaire and consent form for respondents

UNIVERSITY OF MANITOBA

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**The WISE Longitudinal Evaluation Project**
**Survey about Individual Job Training Experience**
**Consent Form**

The goals of this study are to follow over time youth age 18 to 35 who are receiving employment training and to obtain information on whether your circumstances are improving economically, socially and psychologically. In addition to this first survey, we would ask to follow-up with you in 6 months, and once a year for up to three years.

In order to undertake the research, we will need participants from your training program to take a survey of their progress and, if they choose, to volunteer for an interview. All of the people who are willing to participate over the 3 years will do so voluntarily and with informed consent. We will provide compensation of $40 in value for taking each of the surveys and compensation of $70 in value for each of the interviews.

The survey, which is estimated to be 25 to 30 minutes in length, is part of a project funded by Employment and Social Development Canada and is being conducted by researchers at the University of Toronto.

Your participation in this study and the data generated through the study are completely confidential. This means that your responses will not identify either you or your organization by name in any presentation of the study's results. We ask you to insert your name, your organization's name, and your contact information below only so the leaders of the research team have a record of who has participated and for us to follow-up with you at a later time.

If you wish to be informed of the study's results, please check the box at the end of the consent form.

Your responses will be stored on a secure server and/or an encrypted file on the researcher's computer during data collection and analysis. All survey responses, including those that were provided by respondents on paper, will become part of a dataset stored online. The online host for our survey and data is Survey Monkey, a US company which is widely used in Canada but is subject to U.S. laws including the power to access the records of internet service providers. The security and privacy policy for Survey Monkey can be found at https://www.surveymonkey.com/mp/policy/privacy-policy/#respondents

At the end of the study the information you provided, which cannot be used to identify you or your organization, will become part of an open-access dataset that can be shared among researchers, policy actors, and other stakeholders who may also be interested in studying participant outcomes of work integration social enterprises in Canada. **To be clear, the information you provide will be made available to others but no one outside of the research team will be able to identify you from the information you provide.**

Even if you agree to participate, **you can decline to answer any question on the survey by skipping over the question**. You can also withdraw from the study without explanation at any time before the researchers begin combining the data from all participants. If, after completing the survey, you decide that you would like to withdraw your results from the study by emailing Dr. Shirley Thompson at s.thompson@umanitoba.ca. The same is true if youth agree to an interview. All of this information will be explained to the individuals when we seek their consent to participate in the study. Your organization may also contact the University of Manitoba, Human Ethics Office at humanethics@umanitoba.ca or (204) 474-7122 with questions relating to your rights as a research participant.

The possible benefits of this project to your organization is that it will provide longitudinal information on the progress of your trainees and the project will help your organization to build a social accounting system.

I hope that you decide to participate. Thank you.

Sincerely,

Shirley Thompson, PhD, M Eng., B.Sc.
Associate Professor
Natural Resources Institute, University of Manitoba
Winnipeg, Manitoba, R3T 2N2
phone: (204) 474-7170 / cell: (204) 291-8413 / fax: 204-261-0038
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_____

**The research study you are participating in may be reviewed for quality assurance to make sure that the required laws and guidelines are followed. If chosen, (a) representative(s) of the Human Research Ethics may access study-related data and/or consent materials as part of the review and will be upheld to the same level of confidentiality that has been stated by the research team.**

**********

*On behalf of my organization, _____,*

*I _____ have read and understood the study description*

*above and give my consent to participate in this study under the terms described above.*
Yes ☐
No ☐

(Need more information (contact the researcher at the email addresses above.)

If you would like to receive a copy of the study's results, please provide an email address where we can forward the report: _____
Please print this page to retain a copy of the consent form for your records

**Qualifying question for Individual Survey**

For this study you should be from age 18 to 35 and be entering a training program that will help you get job and life skills.

1. Do you fit the description above?
□ Yes
□ No

**Personal Profile**
2. Your year of birth: _____
3. How do you identify your gender (e.g., woman, man, transgender woman, gender fluid)? _____

4. Your country of birth? Canada/Outside of Canada
4a. If born outside of Canada, where? _____

4b. If born outside of Canada, what year did you arrive in Canada? _____

5. In what language do you speak most fluently?
□ English
□ French
□ Other (specify)_____

6. How confident are you in your ability to communicate in English?

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| not confident at all | | somewhat confident | | extremely confident |

** Remember you can choose to skip any questions you do not wish to answer**

7. Thinking about the person(s) who took care of you growing up (e.g., Mom, Dad, grandparents, foster parents), what were their highest level of education completed (e.g., primary school – up to grade 3, some high school, high school, college, university)?

Caregiver 1(describe): _____ Level of Education: _____

Caregiver 2(describe): _____ Level of Education: _____

8. Do you identify as Aboriginal? Yes/No

8a. Do you identify as a visible minority member? Yes/No
**The Employment Equity Act defines members of visible minorities as persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour*

8b. If yes, please indicate what group you identify with (e.g., South Asian, Latin American, Black / African Canadian) _____

**With respect to your current situation**

9. With respect to your housing, which of the following best applies (circle one):
A. Own your home
B. Rent by yourself (Living independently)
C. Rent with others
D. Live with family/guardian (rent free)
E. Live elsewhere rent free
F. Couch surf
G. Live in a shelter
H. Other (please describe): _____

10. What is your current marital status (circle one)?
A. Single (never married)
B. Married or in common law relationship
C. Divorced
D. Widowed
E. Other (please describe):_____

11. Do you have children living with you? Y/N

11a. If yes, do your childcare responsibilities interfere with job training or employment?
□ Yes
□ No

12. What is your highest level of schooling (circle one)?
A. Some high school
B. Completed high school
C. Some post-secondary schooling
D. Completed a college diploma or certificate
E. Completed a university degree
F. Completed a university professional degree
G. Other (please describe):_____

13. Do you currently receive income from any of the following sources? (Check all that apply and provide estimates of the monthly amount)

| ☑ | **Source of income** | **Approximate monthly amount ($) after deductions** |
|---|---|---|
| | Training (allowance) | |
| | Employment (F/T -more than 30 hrs) | |
| | Employment (F/T -less than 30 hrs) | |
| | Government financial support (e.g., disability pension, social assistance) Please specify: | |
| | No current income | |
| | Other sources of income (Please describe): | |

14. Why did you enter this training program (circle all that apply)?

A. To help get a job
B. To earn more money
C. To learn about career options
D. To work towards returning to school
E. To develop new skills
F. To meet new people
G. Mandated by government to participate in training
H. Other (please specify): _____

15. Prior to joining your current training program, were you (circle all that apply):

A. In school full-time
B. In school part-time
C. Working full-time
D. Working part-time
E. Looking for work
F. In a formal job-training program or an apprenticeship
G. A single parent out of the workforce
H. Involved with the criminal justice system
I. Not in school, not working or looking for work for personal reasons (e.g., anxiety, lack of education or experience)
J. Other (please specify):_____

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16. During the past year, have you used the services of a food bank or a similar type of organization with free food to meet your needs?

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Never | Occasionally | Often | Most often | Regularly |

17. In your work / job search over the past year, please indicate which of the following challenges you have faced (circle all that apply)?

A. Lack of schooling
B. Lack of job training including credentials
C. Lack of employment experience
D. Lack of Canadian experience
E. Language barriers
F. Lack of social contacts who can help you
G. Lack of know-how on how to apply
H. Anxiety in an interview, job searching or meeting new people
I. Lack of proper medical care
J. Mental health issues
K. Lack of affordable childcare
L. Lack of convenient transportation to potential job sites
M. Lack of a computer for an online application
N. Lack of clothes to dress properly

O. Lack of a workplace to meet your special needs such as a disability
P. Risk of losing social assistance support including disability pension benefits
Q. Criminal record
R. Experience of violence in the workplace
S. Problems resulting from alcohol/drug use or addictions
T. Experience of racism or racial discrimination
U. Experience of cultural disrespect
V. Experience of sexism
W. Experience of sexual harassment
X. Other (please explain):_____
_____

**The Future**

18. Thinking ahead three years from now, what type of job would you like to be doing?

19. Thinking ahead three years from now, what income per hour would you like to be earning?

20. Thinking ahead three years from now, what level of schooling would you like to have achieved?

21. If your dreams were fulfilled, what type of job would you like to be doing? _____
22. How do you define success for yourself?_____
_____

** Remember you can choose to skip any questions you do not wish to answer**

**Satisfaction with Life**
23. Evaluate how **satisfied** you are with each of the following areas of your life using a score of 1 to 5, where **1 is Very dissatisfied** and **5 is Very satisfied**. Select **N/A** if the area is **not applicable** to you. For each item, please circle the number that best describes your situation.

| **Financially** | **Very dissatisfied** | | | | | **Very satisfied** |
|---|---|---|---|---|---|---|
| **How satisfied are you with your** Personal income | N/A | 1 | 2 | 3 | 4 | 5 |
| Household income | N/A | 1 | 2 | 3 | 4 | 5 |
| Savings | N/A | 1 | 2 | 3 | 4 | 5 |
| Ability to borrow money | N/A | 1 | 2 | 3 | 4 | 5 |
| How much money you owe others | N/A | 1 | 2 | 3 | 4 | 5 |
| Ability to pay for food | N/A | 1 | 2 | 3 | 4 | 5 |
| Ability to pay for housing | N/A | 1 | 2 | 3 | 4 | 5 |
| Enough money to pay bills | N/A | 1 | 2 | 3 | 4 | 5 |
| **Personally** | **Very dissatisfied** | | | | | **Very satisfied** |
| Motivation to get things done | N/A | 1 | 2 | 3 | 4 | 5 |
| Self-confidence | N/A | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Ability to speak out | N/A | 1 | 2 | 3 | 4 | 5 |
| Optimism | N/A | 1 | 2 | 3 | 4 | 5 |
| Self-worth or how you feel about yourself | N/A | 1 | 2 | 3 | 4 | 5 |
| Level of daily stress | N/A | 1 | 2 | 3 | 4 | 5 |
| Health | N/A | 1 | 2 | 3 | 4 | 5 |
| **Access to the Following Services** | | **Very dissatisfied** | | | | **Very satisfied** |
| Stable housing (not at-risk of eviction or homelessness) | N/A | 1 | 2 | 3 | 4 | 5 |
| Library | N/A | 1 | 2 | 3 | 4 | 5 |
| Internet | N/A | 1 | 2 | 3 | 4 | 5 |
| Banking | N/A | 1 | 2 | 3 | 4 | 5 |
| Financial support | N/A | 1 | 2 | 3 | 4 | 5 |
| Grocery stores | N/A | 1 | 2 | 3 | 4 | 5 |
| Affordable transportation | N/A | 1 | 2 | 3 | 4 | 5 |
| Newcomer settlement services | N/A | 1 | 2 | 3 | 4 | 5 |
| Family doctor | N/A | 1 | 2 | 3 | 4 | 5 |
| Childcare | N/A | 1 | 2 | 3 | 4 | 5 |
| More schooling or formal education | N/A | 1 | 2 | 3 | 4 | 5 |
| More training apart from school | N/A | 1 | 2 | 3 | 4 | 5 |
| **Your Skills** | | **Very dissatisfied** | | | | **Very satisfied** |
| Job search skills | N/A | 1 | 2 | 3 | 4 | 5 |
| Job skills | N/A | 1 | 2 | 3 | 4 | 5 |
| Skills in getting along with others | N/A | 1 | 2 | 3 | 4 | 5 |
| Problem-solving skills | N/A | 1 | 2 | 3 | 4 | 5 |
| Your general understanding of issues | N/A | 1 | 2 | 3 | 4 | 5 |
| Your ability to get a survival job | N/A | 1 | 2 | 3 | 4 | 5 |
| Your ability to get a good-paying job | N/A | 1 | 2 | 3 | 4 | 5 |
| Your leadership abilities | N/A | 1 | 2 | 3 | 4 | 5 |
| **Family & Community Relations** | | **Very dissatisfied** | | | | **Very satisfied** |
| Work networks | N/A | 1 | 2 | 3 | 4 | 5 |
| Neighbour relations | N/A | 1 | 2 | 3 | 4 | 5 |
| Family support | N/A | 1 | 2 | 3 | 4 | 5 |
| Friendships | N/A | 1 | 2 | 3 | 4 | 5 |
| Relationship with mentors (people you look up to and seek advice from) | N/A | 1 | 2 | 3 | 4 | 5 |
| Trusting relationships | N/A | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Political participation | N/A | 1 | 2 | 3 | 4 | 5 |
| Safety in the home (e.g., absence of violence) | N/A | 1 | 2 | 3 | 4 | 5 |
| Neighbourhood safety | N/A | 1 | 2 | 3 | 4 | 5 |

24. Is there anything you might want to add?

_____

_____

**Thank you for completing the survey! (Just a few more questions)**

Would you be willing to do an interview about your experience with employment and job training? Yes/No

Please select your preferred method to receive the compensation for your participation in this survey:

a) Pick up at place of training/work
b) Sent by mail (provide your mailing address below):_____

We'll be reaching out to you in six-month's time for another survey. What is the best way for us to get in touch with you? (e.g., phone, email, twitter direct message, text message, Facebook)

**Please provide detail:_____**

***If you wish to be contacted through Facebook, please messenger the project at **Andrea Youthtraining Chan** before you complete the survey, if possible.

Would you be willing to provide the contact of another person (family, friend) we can reach you through, if we're unable to get in touch via the contact information you provided above? Yes/No If Yes, please provide name and contact information: _____

Thank you again for your participation. Your time is greatly appreciated.

# Appendix D

## Survey consent form for organizations

UNIVERSITY OF MANITOBA

Natural Resources Institute
70 Dysart Rd,
Winnipeg, Manitoba
Canada R3T 2N2
General Office (204) 474-7170
Fax: (204) 261-0038
https://umanitoba.ca/institutes/natural_resources/

**The WISE Longitudinal Evaluation Project**
**A Survey of Organizations**

This letter is for participating organizations in this study. The goal of this study is to track youth over time who are trained for workforce integration by a group of organizations in Manitoba and to obtain information on whether their circumstances are improving economically, socially and psychologically. In addition, we intend to help your organization assess through using social accounting whether the return (economic and social) is commensurate with the investment. In order to undertake the research, we will need participants from your training programs to take a survey of their progress and if they choose to volunteer for an interview. All of the people who participate will do so voluntarily and with informed consent. We would ask your organization only to promote the participation and its benefits. We will provide a modest amount of compensation for each of the survey and the interview. We will have a separate informed consent form that each individual will need to sign prior to participating.

The survey, which is estimated to be 25 to 30 minutes in length, is part of a project funded by the Social Sciences and Humanities Research Council and is being conducted by researchers at the University of Manitoba and University of Toronto. Your organization's participation in this study and the data generated through the study are completely confidential. The responses from youth participants will not identify either them or your organization by name in any presentation of results.

If you wish to be informed of the results, you may leave your email address in the space provided at the end of the consent form. Your contact information will only be used to send your organization the results of the study. Responses of the participants from your organization will be stored on a secure server and/or an encrypted file on the researcher's computer during data collection and analysis. At the end of the study the information provided by the participants, which cannot be used to identify the person or your organization, will become part of an open-access dataset that can be shared among researchers, policy actors, and other stakeholders to advance knowledge on the outcomes of work integration social enterprises in Canada.

Both your organization and any of the individual who agree to participate can withdraw from the study without explanation at any time before the researchers begin aggregating the data from all participants. Survey participants can also refuse to answer any question by skipping over the question on the survey. If, after completing the survey, they decide they would like to withdraw their results from the study, they may do so by emailing Dr. Shirley Thompson at s.thompson@umanitoba.ca. The same is true if youth agree to an interview. All of this information will be explained to the individuals when we seek their

consent to participate in the study. Your organization may also contact the University of Manitoba, Human Ethics Office at humanethics@umanitoba.ca or (204) 474-7122 with questions relating to your rights as a research participant.

The possible benefits of this project to your organization is that it will provide longitudinal information on the progress of your trainees and the project will help your organization to build a social accounting system.

I hope that you decide to participate. Thank you.

Sincerely,

Shirley Thompson, PhD, M Eng., B.Sc.
Associate Professor
Natural Resources Institute, University of Manitoba
Winnipeg, Manitoba, R3T 2N2
phone: (204) 474-7170 / cell: (204) 291-8413 / fax: 204-261-0038
e-mail: s.thompson@umanitoba.ca http://ecohealthcircle.com

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**********

*On behalf of my organization, _____,*

*I _____ have read and understood the study description*

*above and give my consent to participate in this study under the terms described above.*

Yes ☐
No ☐

(Need more information (contact the researcher at the email addresses above.)

If you would like to receive a copy of the study's results, please provide an email address where we can forward the report: _____