



MONASH University

**TRANSFORMING SANITATION
PRACTICES IN DEVELOPING
INDONESIAN CITIES
WITH SOCIAL ENTREPRENEURSHIP:
TOWARDS EQUITY, JUSTICE AND SUSTAINABILITY**

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Abstract

Cities worldwide face major sustainability challenges particularly in developing countries where issues of poverty, uneven development, and poor sanitation exacerbate water and environmental problems. This thesis examines the emerging transformative potential of *social entrepreneurship (SE)* to address these problems. Through the case context of sanitation (including wastewater and solid waste pollution) in Indonesia as an exemplary problem context, the thesis creates and analyses a rich empirical base for theorising and advancing knowledge on *what, why* and *how* social entrepreneurs contribute to and shape transformative change in urban water practices including sanitation. Using a multiple embedded case study design and adopting a conceptual bricolage approach, this thesis brings together insights from eight case studies and combines this with theoretical insights from *sustainability transitions*, the *Capabilities Approach*, and *Theory U* in developing an explanatory framework that outlines the roles, strategies, and motivations of *SE*. This research approach is distinguished from existing studies that have focussed on the innovative-entrepreneurial dimension of *SE* based on conceptual analysis, small samples, or survey instruments. It also differs from contemporary urban water and sanitation studies focussed on advancing environmental sustainability and increasing efficiency in the water supply and/or sanitation value chain through technology and governance change, in that it gives primary consideration to equity, social justice, and human wellbeing dimensions.

Interviews with eight social entrepreneurs highlighted their intentions to advance inter and intra-generational equity, social justice and sustainability, bringing empathetic and value-driven perspectives to see complex problems through the eyes of poor and marginalised citizens. They demonstrated willingness and commitment to improve and protect community and environmental wellbeing through declaring a social mission and adopting a growth mindset in overcoming challenges associated with disrupting existing social systems. Interviews with a further 40 participants who have had some interface with the studied *SEs* further revealed their boundary-spanning role in initiating, facilitating, sustaining, and spreading social change through engaging a wide range of stakeholders across multiple societal levels in boundary spanning collaboration and partnerships. A cross-case analysis further highlighted how these agents create transformative change in sanitation practices through building service delivery, finance mechanisms, governance practices, and behaviour and mindset change into social and/or physical infrastructure

design change, and adopting a multi-phased approach to treating the problem, cultivating social capabilities, removing the causes of suffering, and creating a new equilibrium towards equity and justice based on the central strategy of social value-creation. The overall analysis revealed these initiatives emerge, develop, and scale their initiatives through aligning all stakeholders to a common stream of inter and intra-generational equity, social justice, and sustainability values while harnessing broader stakeholder networks in building an ecosystem around *SE*. In essence, the thesis presents a new humanitarian developmental model that integrates human and ecologically sustainable development through building human capabilities advancement into disruptive innovations in tackling wicked challenges. Nevertheless, these transformative agents are rare and difficult to find. This thesis thus recommends empathy and growth mindset be taught like literacy to foster future *SE* potential while taking a deep-dive approach to see complex problems through the eyes of poor and marginalised citizens, which typically begins from opening the mind, heart, and will to listen, observe, understand and develop commitment towards tackling wicked challenges in close interaction with affected stakeholders.

Declaration

This thesis is an original work of my research and contains no material which has been accepted for the award of any other degree or diploma at any university or equivalent institution and that, to the best of my knowledge and belief, this thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AIC	Australian Indonesia Centre
ABVI	Alternative value-based innovation
BAPENAS	National Planning Agency in Indonesia
MDG	Millennium Development Goals
MLP	Multi-level perspective
POKJA	Sanitation Working Group
PUMPSIMASS	Community-Based Water Project
SANIMASS	Community-Based Sanitation Project
SE	Social entrepreneurship/Social Entrepreneur
SDG	Sustainable Development Goals
SI	Social innovation
SME	Small and medium-sized enterprise
SNM	Strategic niche management
SB	Social business
STBM	Sanitasi Total Berbasis Masyarakat
SV	Social enterprise/social venture
SUWM	Sustainable Urban Water Management
WASH	Water, Sanitation and Hygiene Programme
WHO	World Health Organisation
WSC	Water Sensitive Cities
WSP	World Bank Sanitation Programme
WB	World Bank

1. Chapter One: Introduction

1.1. Problem Statement

Cities worldwide face major sustainability challenges in managing urban water resources under conditions of rapid urbanisation, resource scarcity, and climate change (Grey et al 2013; Kraemer and Sinha 2010; Larsen et al 2016). The complexity of this challenge is most intensely felt in rapidly developing Asian cities where issues of poverty, uneven development, and poor sanitation are exacerbating water pollution, environmental degradation, and ill-health and wellbeing of poor and marginalised citizens (Jewitt 2011a; Katukiza et al 2012; Radyati and Simmonds 2015; Ramos-Mejia et al 2018; Schouten and Mathenge 2010). Indeed, sanitation is a classic example of a persistent ‘wicked’ challenge that affects and are affected by multiple components of the Sustainable Development Goals (SDGs), to which existing institutions, policies, and practices have consistently failed to address due to optimising existing approaches (Elledge and McClatchey 2013; Isunju et al 2011, Jewitt 2011a; Kranz 2012; Schouten and Mathenge 2010; Wolfer 2014).

The Millennium Development Goals (MDGs) drove significant advances in reducing global poverty and expanding water supply coverage, yet they failed to meet sanitation targets for 2.5 billion poor and marginalised citizens, leaving 1 billion people practicing open defecation while placing many developing countries at the cusp of falling back on progress made in interrelated developmental areas (WHO and UNICEF 2014; WHO 2018). At a more local level, 34% of urban poor and marginalised citizens in Indonesia do not practice safe sanitation, typically relying on open drains, plastic bags, and riversides to meet their daily sanitation needs while washing, bathing, and cleaning in heavily polluted waters (AECOM 2010; WB 2018; UNICEF 2013). These conditions lead to poor and marginalised citizens adopting alternative ‘adaptive strategies’ to ensure their own survival (see *Figure 1.2, p.10*), thereby keeping them trapped in an endless poverty cycle while creating an antithetical situation where people desire goods and services, but are reluctant to pay for inadequate institutional services that offer no perceivable benefits (Thorn et al 2015; Ramos-Mejia et al 2018; Wolfer 2014). Hence, despite aspirations to achieve universal access to water and sanitation by 2030 under the more contemporary SDGs, Hutton and Chase (2016) estimate it will take another 60 years for improved sanitation to reach the most disadvantaged citizens under existing policies and practices. So while they are currently neglected, sanitation, social

justice, and the wellbeing of marginalised citizens become significant developmental priorities in advancing sustainable development in developing Asian cities (Kraemer and Sinha 2010; Wolfer 2014).

Failure to meet sanitation targets under all preceding global guidelines has prompted many scholars to investigate ‘why’ sanitation fails and constantly lags behind water supply in progress. Being a rather distasteful topic and considered a social taboo in some cultures, sanitation rarely gets discussed openly in communities, and there are few socio-economic incentives for private and civic sector participation (see e.g. Black and Fawcett 2009; Jewitt 2011a; Rosenqvist et al 2016). Spanning multiple developmental fields (i.e. water, environment, health, housing, poverty, gender and human rights) and lacking a home discipline, sanitation policy and practice has long been attached onto broader water governance agenda, characterised by fragmented policies, overlapping roles and responsibilities, and a dominant budget and investment allocation to increasing drinking water coverage (Rosenqvist et al 2016; Wolfer 2014). The prevailing impacts of colonial and post-colonial policies, which laid the foundations for inequality and injustice, coupled with expansion of urban slums and more recent foreign direct investment projects have also been identified to undermine urban planning and development capacity while exacerbating institutional inability to reach the most disadvantaged citizens (Aspinall and Berger 2001; Chaplin 2011; Engel and Susilo 2014; Lindglad 2006; McFarlane 2008; Slyuterman 2017). Measuring progress by improved and unimproved sanitation at the household level under the traditional technological ladder of sanitation has also been identified as problematic in developing communal facilities in densely populated urban settlements with limited space for toilet constructions (Elledge and McClatchey 2013; Katukiza et al 2012). This points to a variety of socio-cultural, financial, institutional, technical and political challenges hindering progress in sanitation (Van Dijk 2012).

However, several scholars note sanitation is not a problem of lack of infrastructure or access, but rather an issue of lack of inclusivity and awareness, calling for increased attention to user needs and preferences, community ownership, and context-specific solutions in addressing socio-institutional and behavioural challenges associated with community unwillingness to pay and lack of interest and awareness regarding the importance of clean water and sanitation (Brands 2014; Exley et al 2014; Hjorth 2009; Joshi et al 2011; Mosler 2012; Okurut et al 2015; Schouten and Mathenge 2010; Tornqvist et al 2008; Van Vliet et al 2011). Several scholars also call for a more integrated approach to

addressing sanitation across wastewater and solid waste management (Kerstens et al 2016), as well as the entire sanitation value chain with improved environmental policy enforcement, financial investment, governance and capacity building (Mosler 2012; Rosenqvist et al 2016; Van Dijk 2012; Van Dijk et al 2014; Willetts et al 2009). Nevertheless, the dominant response to addressing sanitation challenges as practiced widely under Water, Sanitation and Hygiene (WASH) programs are narrowly focussed on increasing access to water supply, promoting hand washing for hygiene, and eliminating open defecation for public health protection (UN 2016), with less attention to human wellbeing and the power dynamics that continue to reproduce poverty settings (Gimelli et al 2017; Ramos-Mejia et al 2018). This calls for new leadership and new ideas in driving socio-technical innovations in social and physical infrastructure design, service delivery, finance mechanisms, governance practices, and behaviour and mindset change to transform existing sanitation practices and institutional settings towards a more people-centred approach to development (Banerjee and Duflo 2012; Desa and Koch 2014; MacAskill 2016; Scharmer and Kauffer 2013).

Anecdotal and practical experience of the role of social entrepreneurship (*SE*) in transforming the lives of underprivileged citizens, societal values and social systems (Alvord et al 2011; Chandra 2017; Dhahri and Omri 2018; Howaldt and Schwartz 2010; Martin and Osberg 2007; Partzsch and Ziegler 2011; Pervez et al 2011; Rostiani et al 2014) points to its promise as having a valuable role in driving this broad system change. Emerging as a civic response to meet underserved needs of society and increasingly supported by a dynamic ecosystem of locally and globally networked organisations and initiatives for creating pathways for civic action, *SE* along with closely related social innovations (*SI*) is an emerging social phenomenon gaining tangible traction for its ability to tackle complex social and environmental problems through combining disruptive innovations with human capabilities advancement to close existing poverty gaps and create triple bottom line value based on a unique social mission (Bonifacio 2014; Drayton 2002, Martin and Osberg 2007; Pratono and Sutanti 2016; Zakaras 2018; Ziegler et al 2013). However, multidimensional, unconventional and value-laden, (Austin 2006; Choi and Majumdar 2014; Mueller et al 2012), there is currently a lack of coherent conceptual and empirical research to enable integrated understanding on why and how *SE* can be effective in driving socio-technical innovations and achieving transformative outcomes.

1.1.1. Research aims and objectives

This research therefore aims to examine the role, strategies, and motivations of *SE* through the case context of sanitation (including wastewater and solid waste)¹ in Indonesia as an exemplary problem context to create and analyse a rich empirical base for theorising and advancing this knowledge, while providing practical guidance on how to harness the potential of *SE* in driving transformative change. The purpose of this research is to understand *what, why* and *how* social entrepreneurs contribute to and shape transformative change in urban sanitation practices towards developing an explanatory framework that outlines the role, strategies, and motivations of *SE*. The overarching research question that has guided this research is: ***How does social entrepreneurship contribute to and shape transformative change in sanitation practices to enable just and sustainable development of Indonesian cities?*** In answering this research question, this PhD pursued three objectives as shown in *Table 1.1*.

Table 1.1. Research objectives and associated sub-questions

Objective 1: To explore individual and stakeholder perspectives on the role of social entrepreneurship in creating transformative change in Indonesian cities
This objective pursues the historical background, drivers, and motivations of <i>SE</i> and differing stakeholder perspectives on the role of <i>SE</i> as well as how the phenomenon has grown in Indonesia and its future outlook.
Objective 2: To characterise the strategies and processes used by social entrepreneurs in catalysing change
This objective pursues the strategies and processes used by <i>SEs</i> including overcoming challenges and engaging stakeholder networks in catalysing change, and the key outcomes and impacts created by individual <i>SEs</i> in Indonesia.
Objective 3: To develop an explanatory framework that outlines the roles, strategies and motivations of social entrepreneurship and their contributions to transforming sanitation practices in Indonesian cities
This objective pursues <i>SE's</i> contribution to transforming sanitation practices and lessons that can be learned to benefit leapfrogging towards sustainability in Indonesia towards developing a theoretical framework that outlines the strategies, role, and motivations of <i>SE</i> .

¹ The World Health Organisation (2017) defines sanitation as “the provision of facilities and services for the safe management of human excreta from the toilet to containment and storage and treatment onsite or conveyance, treatment and eventual safe end use or disposal.” However, also states that the word sanitation “more broadly includes the safe management of wastewater and solid wastes.”

1.2. Promising theoretical perspectives

A review of the *SE* literature revealed an undertheorisation of *SE* as a phenomenon, including ambiguity as to the disciplinary home of *SE* and conceptualisation of how these alternative value-based innovations emerge, develop and become globalised. Despite significant advancements in research in recent years, the *SE* scholarship is highly contested with a multiplicity of concepts scattered across multiple disciplines and sectors, making it difficult to generalise the multifaceted role these agents play in the development sector, the strategies and processes used in creating disruptive innovations and advancing human capabilities, and their motivations in tackling complex social and environmental problems. Despite several scholars recognising the boundary spanning role of *SEs* in engaging a broad range of stakeholders towards advancing a more people-centred and stakeholder-driven approach to sustainable development (Datta 2011, Di Domenico et al 2010; Jokela and Elo 2015; Mair and Marti 2006), there is also very little theoretical understanding on which stakeholders are engaged through *SE*, how they are engaged, and how they both affect and are affected by *SE*. Furthermore, despite several *SE* scholars highlighting empathy as a critical ingredient to understand the social dimension of *SE* (Bacq and Alt 2018, Dees 2012; Krueger and Carsrud 2000), there is currently a lack of understanding of how this value-laden concept affects intentions, strategies, processes, outcomes and impact of *SE*. To supplement for this existing lack of theoretical knowledge, this thesis adopts a bricolage approach to examine a range of theories and scholarly insights that can help explain the *SE* phenomenon.

Paradigm shifts to advance sustainable development are generally being advocated by scholars to shift from a state and market centric economic development approach towards a more stakeholder-driven approach to advance human and ecologically sustainable development (Cook 2014; Kothari 2014; Thomas 2014; Hasnan 2016; Hicks 2005; Leach et al 2012; Pahl-Wostl 2007; Sen 1999; Shuftan 2003). For example, in the urban water sector, there is ongoing scholarly and practical focus on advancing sustainable urban water management (SUWM) to deliver change in how water is valued, sourced, treated and delivered towards the creation of water sensitive cities (WSC) through diversifying water resources, regenerating ecosystem services, and cultivating water sensitive citizenry to increase urban liveability, sustainability and resilience (Brown et al 2009; Lloyd et al 2012;

Wong and Brown 2009). Similarly, the socio-technical leapfrogging scholarship raises the notion that developing countries can 'leapfrog' over the largely linear and conventional engineering approaches to rapidly establishing more sustainable modes of production and consumption through adoption of appropriate technologies (Goldemberg 2011; Poustie 2014; Tukker 2005). Nevertheless, derived through research in developed country contexts where there are established social and physical infrastructures and influenced by mainstream eco-efficiency approaches, utilitarian values, and classical notions of technology and knowledge transfer that flow from West to East, these approaches appear to pay little attention to social justice and human wellbeing of poor and marginalised citizens (Binz et al 2012; Connell 2007; Paredis 2011; Sachs 2015; Ramos-Mejia et al 2018). Hence, despite offering innovative approaches to tackling sustainability issues, these approaches appear insufficient for tackling complex sanitation challenges in developing countries where sustainable development is heavily intertwined with issues of poverty, inequality, social exclusion, and injustice.

The Capabilities Approach, along with existing literature on empowering local communities (Chambers 1997; Narayan et al 2000; Page and Czuba 1999) highlight the need to focus on broader issues of wellbeing and justice and as part of advancing more equitable and people-centred approaches to development through nurturing human internal capabilities and altering the external conditions that prevent marginalised citizens from having ability and freedom towards achieving valuable functioning in life (Khadilkar and Mani 2015; Mousavi et al 2015; Robeyns 2005; Sen 1999; Yujuico 2008). However, the Capabilities Approach currently lacks an operationalisable method to aggregate interpersonal comparisons into collective wellbeing (Rauschmayer et al 2013; Robeyns 2011), as well as consideration for environmental sustainability (Peeters et al 2015), necessitating the use of other scholarships to supplement existing knowledge gaps.

Sustainability Transitions provides valuable insight into how niche innovations can be steered and scaled towards influencing broader socio-technical system change (Geels and Schot 2007; Genus and Coles 2008; Hargreaves et al 2013; Loorbach 2010; Rip and Kemp 1998; Rotmans et al 2001; Rotmans and Loorbach 2009). In addition to intersecting with literature on grassroots social innovations (Seyfang and Haxeltine 2012; Seyfang and Smith 2007; Smith et al 2014), this scholarship has more recently been supplemented with insights on drivers and actors motivating transformative change (de Haan and Rotmans 2018), social complexities associated with expediting socio-technical change in developing countries

(Ramos-Mejia et al 2018; Weiczorek 2018), and need to integrate transitions analysis with human wellbeing dimensions (Rauschmayer et al 2013). However, this scholarship also lacks understanding on how to integrate human development with ecologically sustainable development (Rauschmayer et al 2013).

Furthermore, despite a variety of research applications emerging in the last few decades, Holscher et al (2018) argue there are loose conceptualisations on how to interpret, analyse and support desirable radical and non-linear societal change between different research communities. For example, they argue “transition” is used by the sustainability transitions research community to analyse changes in societal sub-systems (e.g. energy, mobility, cities) denoting fundamental social, technological, institutional and economic changes from one societal regime to another with focus on explaining the processes and dynamics producing patterns of change and how non-linear shifts can be supported or hindered (Loorbach et al 2017; Rotmans et al 2001), whereas “transformation” adopted by the resilience (Folkes et al 2010; Holling et al 2002; Olsson et al 2014) and transformative adaptation (O’Brien 2014) research communities refers to more radical, large-scale and long-term changes to orient desirable transformation toward safe and just operating spaces across human and natural systems (Raworth 2012) despite interpreted by some transition scholars as one possible transition pathway (Berkout et al 2004; Geels and Schot 2007). Whilst change can be radical or incremental and instigated from the bottom-up or top down (Ibrahim 2017), Gladwell (2000) proposes that incremental changes initiated by key influential actors can unleash a flood of transformative changes at greater societal levels through creating a social epidemic. Thus, in this study, we interpret ‘transformative change’ as small changes initiated by local *SEs* triggering a shift in collective attitudes, behaviours and mindsets to influence radical changes in societal values and social, economic and environmental systems, which typically begins from shifting awareness in the minds of individual transformative agents (i.e. *SEs*).

Collectively, this brief overview (which is elaborated in *Chapter Two*) highlights there is no one single theoretical framework or scholarship that effectively captures the multidimensional, unconventional, and value-laden phenomenon of *SE* and its transformative potential, leading to taking a more inductive approach towards the development of the final theoretical framework.

1.3. Indonesia's sanitation context

Indonesia is the world's fourth most populous country with a population of 264 million, of which more than half live in cities predominantly in Java (see *Figure 1.1*) (WSP 2009). Situated between two major oceans with abundant natural resources, the country attracted much migration and commerce from its early days, creating a rich diversity of languages, cultures, and religions, although Muslims comprise the majority of 87% (Pratono and Sutanti 2016). Founded in 1945 as a secular democracy, the *Pancasila* incorporating values of faith, unity, democracy, humanitarianism, and social justice, provides the country's philosophical foundation for a distinctively Indonesian way of life (Radyati and Simmonds 2015).



Figure 1.1. Map of Indonesia showing population density

Sourced from: Statistics Indonesia (2014)

Indonesia's history is characterised by three phases of oppression. The period of Dutch colonisation [1596-1942] began with exploitation of natural resources and introduction of Western liberalism, which after exposing locals to unfair competition with foreign traders, was brought to an end by Japanese occupation [1942-1945] harnessing Islam for ideological penetration (Pratono and Sutanti 2016). The period of guided democracy under Sukarno's dictatorship [1956-1965] saw economic restructuring into a cooperative to prevent foreign domination, yet ended in political strife and instability (Pratono and Sutanti 2016). Despite some level of economic growth achieved under Suharto's New Order [1965-1998] through the reintroduction of neo-liberal policies and export-oriented small-scale industries, the regime was also brought to an end with the Asian Financial Crisis exposing a need to build internal economic resilience (Tambunana 2007). Collectively, these three periods cultivated

national unity, quest for educational advancement, and Muslim identity, while increasing poverty and inequality (Idris and Hati 2013).

The modern Indonesian state began in 1999 with political restructuring focussing on decentralisation of political power to sub-national levels, and the development of small and medium enterprises (SMEs) (Pratono and Sutanti 2016). Despite bringing government closer to community, decentralisation remains incomplete due to insufficient capacity building, partly stemming from the macroeconomic consequences of political decolonisation (Aspinall and Berger 2001; Hidayat 2017; Lindglad 2006; Nasution 2016; Slyuterman 2017). However, SMEs including social enterprise currently constitutes 90% of the national workforce and the largest economy outside agriculture (Tambunana 2007). By harnessing its large informal sector and promoting research, education and innovation, Indonesia has rapidly transitioned from a low to middle-income country in just two decades, with projection to grow into one of Asia's leading economies by 2050 with an estimated population growth up to 290 million (ADB 2018). Nevertheless, a multitude of social and environmental problems remain including widespread poverty and inequality, lack of social and physical infrastructure in basic service provisions, and lack of prioritisation of human wellbeing and environmental issues.

Surrounded by sea, lakes, aquifers, rivers and canals, Indonesia is rich in water resources (ADB 2016). However, they are in poor condition due to unsustainable and uncoordinated management practices, poorly enforced environmental regulations, forest degradation that lead to river sedimentation, and low awareness in the importance of clean water and sanitation (Arisandi and Seti 2015). The largest contributor to water pollution is poor sanitation including human faeces, wastewater, and solid waste pollution as per World Health Organisation definitions (Cronin et al 2014; WHO 2017; Willetts et al 2009). Indeed, Indonesia has one of the world's lowest urban coverage of conventional sewerage systems (<2%), the second highest urban open defecation ratio (14%), and 50-60% of solid wastes that go regularly uncollected, while 34% of urban poor and marginalised citizens without safe sanitation use open drains, shallow septic tanks, plastic bags, and riversides to meet their daily household and sanitation needs (AECOM 2010; WB 2013; UNICEF 2013). Under these conditions, it is not uncommon to see riverside settlements directly discharging household untreated wastewaters and solid wastes into waterways alongside communities practicing waterside open defecation, washing, bashing, and cleaning (see *Figure 1.2*), which

are representative of adaptive strategies undertaken by vulnerable citizens in the absence of adequate institutional solutions as described in *Section 1.1*.

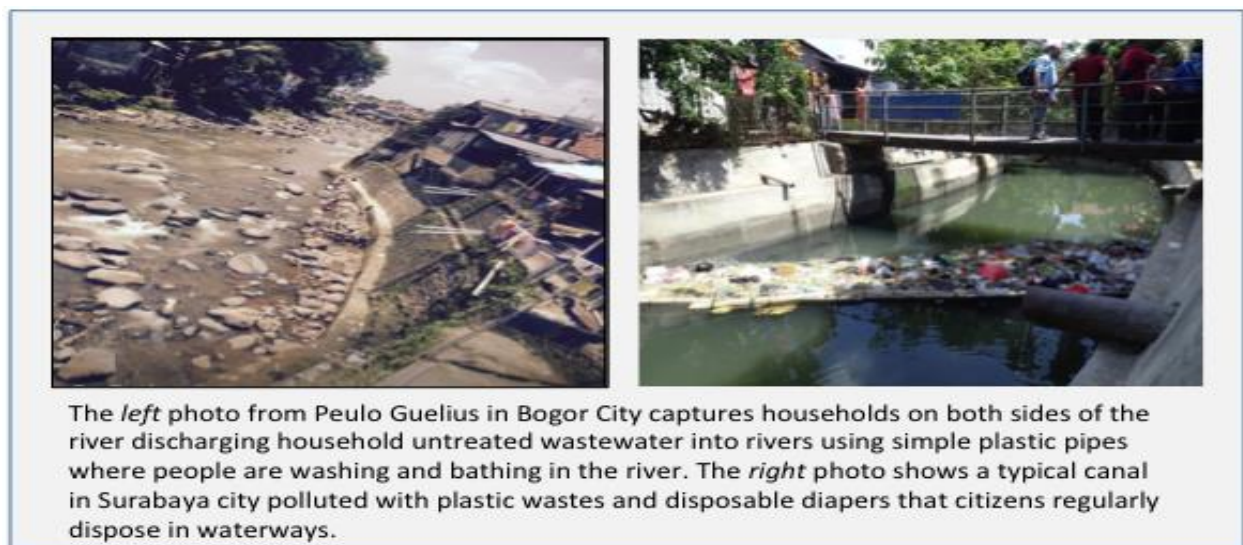


Figure 1.2. Riverside settlements in Indonesia (Author's photographs)

Over the last fifteen years, the Indonesian water and sanitation sector has piloted several decentralised wastewater treatment systems (DEWATS), and various policies and programs have been undertaken at community level to address the paucity of sanitation systems (Fladerer 2010; Kerstens et al 2016; Roma and Jeffrey 2010; 2011). Despite a gradual shift in focus from technology and infrastructure provisions to soft dimensions (e.g. behaviour change), existing institutional solutions have however been unable to address the full complexity of the urban sanitation problem due to various socio-cultural, institutional, financial, technical and political barriers outlined in the problem statement in *Section 1.1*. An emerging trend within this context has been local social entrepreneurs (*SEs*) identifying new ideas and strategies to improve water, sanitation and hygiene conditions for underprivileged citizens (Radyati and Simmonds 2015; Rostiani et al 2014).

Organisations similar to contemporary social enterprise have existed in Indonesia since pre-independence times though their growth remained suppressed under previous authoritarian governments (Idris and Hati 2013; Koo 2013). However, following political reformation of the late 1990s and the arrival of several intermediary and incubator organisations providing professional support services and local networking and knowledge sharing platforms since 2000 (Hargreaves et al 2013), the number of social enterprise and social entrepreneurs appear to have increased. According to Ashoka Foundation (2018),

which is the world's largest non-governmental organisation supporting and recognising *SE*, there are currently 192 leading *SEs* in Indonesia tackling various social, economic and environmental challenges including water, sanitation and waste management. Recent studies however identify another 100,000 social enterprises networked under the Indonesian Social Enterprise Network Association (Pratono and Sutanti 2016), as well as 101 private and social enterprises operating water, sanitation and faecal sludge management services (Gero et al 2014). These figures collectively allude to a rising number of smaller and newer social enterprises and an emerging *SE* phenomenon within Indonesia (Pratono and Sutanti 2016).

Despite the Indonesian Government recognising contributions of social enterprise (*SV*) to job creation, economic growth, and increasing welfare in low-income settlements in their Mid-Term Redevelopment Plan [2015-2019], there are currently no legal regulations on social enterprise (Pratono and Sutanti 2016). For this reason, *SEs* and *SVs* must operate under one of four existing entity types, depending on the number of people involved, sources of revenue and funding, and the nature of goods and services delivered (*Table 1.2*). This complexity makes *SEs* in Indonesia difficult to identify and differentiate from other initiatives (Radyati and Simmonds 2015).

Table 1.2. Legal entities for social enterprise in Indonesia

Entity	Laws and regulations
Foundation (Yayasan)	<ul style="list-style-type: none"> • Most popular model associated with non-profit organisations • A non-membership organisation that can be incorporated by one of more people with separation of the founder's assets from the organisation's assets with the main objective of addressing social, religious and humanity issues • Regulated under Foundation Law No.16 (2001), Amendment to Foundation No. 28 (2004) and Government Regulation No.63 (2008)
Cooperative (Koperasi)	<ul style="list-style-type: none"> • Second most common model of social enterprise • A membership organisation that an incorporated with a minimum of 10 people, with capital coming from contributions of its members and business activities usually associated with selling goods and/or service generated by the members • Regulated under Cooperative Law No.25 (1992)
Association (Assosiasi)	<ul style="list-style-type: none"> • A membership-based organisation that can be incorporated by one or more persons and established for a specific purpose that accommodates the interests of its members • Members pay a membership fee established by the members themselves • No specific law with basis for establishment being Civil Law inherited from Dutch Colonial Law No.165
Private Company Limited (PT)	<ul style="list-style-type: none"> • Established by one or more people with a minimum capital base of US\$5000 with a separation of assets where capital is raised through shareholder contribution and business activities usually associated with selling goods and services • Regulated under Law of Private Company Ltd No.40 (2007)

Sourced after: Radyati and Simmonds (2015)

As demonstrated above, Indonesia presents a classic example of a developing country challenged by rapid urbanisation, water pollution, and environmental degradation, which have become entangled with issues of poverty, inequality, and institutional incapacity to tackle complex sanitation challenges despite significant economic development in recent decades and abundant water resources. This thesis thus examines the emerging transformative potential of eight case studies of *SE* activity tackling different dimensions of water, sanitation and natural resource management problems in urban and peri-urban contexts in Indonesia to understand how these agents *are* contributing to and shaping transformative change in sanitation practices. In addition to the activities of the *SEs*, this thesis also engages government, NGOs and supporting organisations in interviews to understand how Indonesia's history, philosophical foundation, political restructuring, and institutional context affect *SE* emergence and development. By comparing eight case studies, this thesis will also contribute knowledge towards discerning who is and who is not a *SE*.

1.4. Thesis outline

This thesis is divided into eight chapters (see *Table 1.3*). *Chapter One* has outlined the research problem, background, and aims and objectives. *Chapter Two* provides the theoretical underpinnings of the research and scholarly review of key literatures engaged in this study. *Chapter Three* outlines the research architecture and approach including techniques employed in data collection, analysis and validation.

Results and discussions are presented across four chapters. *Chapter Four* begins with a synopsis of the eight case studies, followed by unpacking *SE* intentions, mindset, and motivations from individual *SE* perspectives to understand key motivators driving these transformative agents. *Chapter Five* examines the strategies and processes used by *SEs* in initiating, facilitating, sustaining, and spreading social change and an analysis of key stakeholders engaged in co-creating innovations. *Chapter Six* then explores the multi-faceted role of *SE* from multi-stakeholder perspectives, followed by unpacking the emergence, development and popularisation of *SE* in Indonesia. These findings are then synthesised in *Chapter Seven* through combining empirical and scholarly insights from sustainability transitions, the Capabilities Approach, and other bodies of knowledge in developing a conceptual and theoretical framework that explains the role, strategies and motivations of *SE* along with practical guidance in transforming urban sanitation practices in Indonesia.

Chapter One: Introduction

The key conclusions derived from the thesis and recommendations for future research directions will then be discussed in *Chapter Eight*.

Table 1.3. Thesis structure

Chapter No and title		Key contents
1	Problem Framing & Research Approach	<i>Introduction to the thesis</i> Outlines the research problem, background and context, and aims and objectives of the study
2		<i>Theoretical frameworks and literature review</i> Outlines the theoretical underpinnings of the research and scholarly review of key literatures engaged in this study
3		<i>Research methods and design</i> Outlines the research architecture and approach including techniques employed in data collection, analysis and validation
4	Results & discussions	<i>Understanding the social entrepreneur</i> Outlines the intentions, mindset and motivations driving these transformative agents
5		<i>Understanding what social entrepreneurs do</i> Outlines the strategies and processes used by <i>SEs</i> in initiating, facilitating, sustaining and spreading change
6		<i>Understanding the role and phenomenon of SE</i> Outlines multi-stakeholder perspectives on the role of <i>SE</i> and the emerging phenomenon of <i>SE</i> in Indonesia
7		<i>Theorising and conceptualising SE</i> Brings together empirical and scholarly insights in developing a theoretical and conceptual framework for <i>SE</i>
8	Concluding section	<i>Key conclusions and recommendations</i> Outlines the key conclusions derived from the thesis and recommendations for future research

2. Chapter Two: Theoretical frameworks and literature review

2.1. Introduction

As outlined in *Chapter One*, this study examines the role, strategies, and motivations of *SE* in transforming sanitation practices in developing Indonesian cities. An initial review of urban water and sanitation literature revealed a critical research gap in exploring local innovations and human wellbeing dimensions in tackling sustainability issues in the sector despite literature on developing countries calling for *SE* to have a key role in transforming sanitation practices. Nevertheless, review of the *SE* literature revealed a highly contested area of study with a multiplicity of concepts and no cohesive conceptual or theoretical framework to understand the phenomenon of *SE*. Key research gaps identified in the literature include a lack of understanding of the role these agents play in the development sector, the strategies and processes used by social entrepreneurs in combining disruptive innovations with advancement of human capabilities, and their motivations in driving transformative change. To address these existing knowledge gaps, the theoretical underpinnings of this research are built through a conceptual bricolage approach whereby the combination of *alternative value-based innovations (AVBIs)*, the *Capabilities Approach*, and *sustainability transitions* helped to identify and consolidate understanding on *SE*. This *Chapter* thus synthesises literature on *SE* to identify key controversies and research gaps (*Sections 2.2-2.7*), followed by key insights derived from supplementary bodies of knowledge harnessed to understand *SE* (*Sections 2.8-2.9*) as shown below.

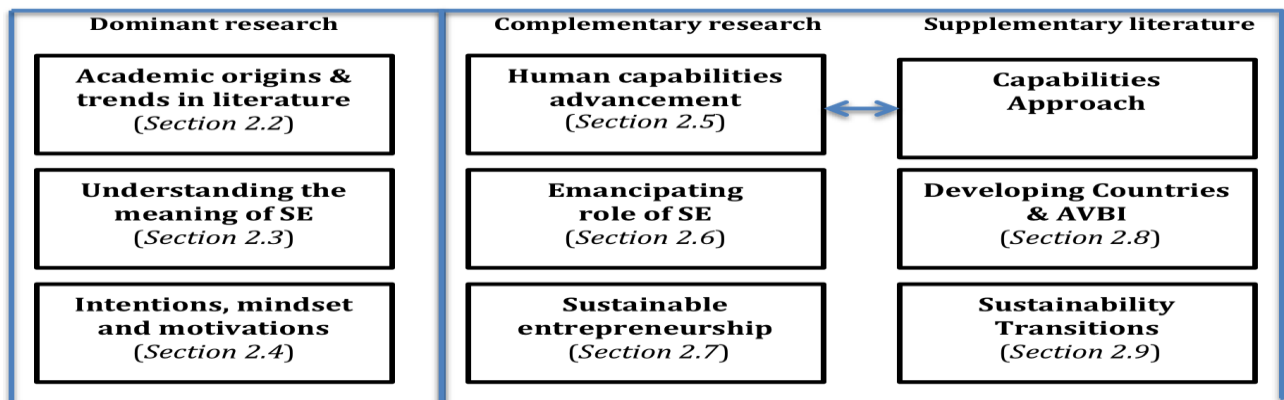


Figure 1.1. Key literatures reviewed for this study

2.2. Academic origins and trends in literature and practice

SE is generally regarded as a relatively young discipline with few studies predating 2000 (Trivedi 2010; Phillips et al 2015). However, several scholars note the concept first emerged in Banks' (1972) *Sociology of Social Movements*, followed by Drucker's (1979) management studies on non-profits, which illustrates the benefits of mobilising resources and creative new ventures in addressing social issues (Cunha et al 2015; El Elbrashi 2013; Howaldt and Schwartz 2010). Yujuico (2008) further identifies common roots in Aristotlean *oikonomia*, which recognises the wellbeing of marginalised citizens and associated long-term costs and benefits, as compared to popular *chrematistics* focusing on abstract exchange value and short-term costs of wealth-creating activities. Yet, most scholars agree that the academic origins of SE can be traced back to Schumpeter's (1942) *Capitalism, Socialism and Democracy*, which introduced the creative destruction metaphor partly drawing on his 1911/1934 *Theory of Economic Development* used by public entrepreneurs to create economic value through shifting resources and carrying out new combinations of innovations (Dees and Anderson 2006; Dhahri and Omri 2018; Martin and Osberg 2007; Howaldt and Schwartz 2010; Zahra et al 2009; Ziegler 2010). Following Drucker connecting innovation with new venture creation, the concept however became more closely linked with non-profit sector initiatives using entrepreneurial means in addressing social goals (Schmitz 2015). Hence, despite being rooted in entrepreneurship, the concept was seen as an alternative value-based innovation (AVBI) until the late 1990s, only growing into a major area of study in innovation studies after 2005 upon converging with closely related social innovation (SI) (Caldwell et al 2012; Howaldt and Schwartz 2010; Phillips et al 2015).

Schumpeter's economic theory is built on five principles. To Schumpeter, 'innovation' is an evolutionary process that occurs within a larger developmental context, whereby a new idea creates a 'domino effect' on the production process, marketing methods, and supply chain to disrupt existing business cycle (Ziegler 2010). Despite recognising 'profit making' as a decisive factor, Schumpeter argues the entrepreneur is also motivated by 'sense of power, will to fight, and joy of creation,' including a sociological dimension that recognises 'resistance' from adherence to old habits and opposition from power (Ziegler 2010). Thus, Schumpeter's definition of innovation combines a new way of thinking (i.e. mindset) with new ways of designing production processes, finance mechanisms, human resource mobilisation, and institutionalisation to produce social change (Ziegler 2010), thereby becoming associated with disruptive innovations.

However, more recently, several scholars have begun linking *SE* with the Capabilities Approach (Miller et al 2012; Weaver 2019; Yujuico 2008) and grassroots social innovations (Fressoli et al 2012; Ibrahim 2017; Seyfang and Haxeltine 2012; Seyfang and Smith 2007; Smith et al 2014). Given this trend, Ziegler et al (2013) conceptualise *SE* and *SI* as ‘capability innovations’ that integrate disruptive innovations with human capabilities advancement through creating new combinations of innovations and capabilities. Additionally, *SE* has also recently become linked with a new stream of literature known as *sustainable entrepreneurship* upon revisiting the traditional role of entrepreneurs in creating triple bottom line value. This demonstrates that although *SE* has long been associated with business ventures and non-profits, it is dynamically evolving into an interdisciplinary area of study with many dimensions (see *Figure 2.2*).

Aristotlean Oikonomics (4 th C BC) Recognised the wellbeing of marginalised citizens and long-term costs and benefits	Economic Theory of value creation (Schumpeter) (1943) Economic value creation through shifting resources and combining innovations	Sociology of Social movements (Banks) (1972) Using organised movements and managerial skills to address social challenge	Non-profit sector management (Drucker) (1979) Creation of new ventures to address social goals while earning a profit	Alternative value-based innovations (Innovation Studies) (1990; 2005) Transformation of social, political, economic	Sustainable Entrepreneurship (2010) Expanding the traditional role of entrepreneurship for triple bottom line value creation
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Figure 2.2. The evolution of studies in social entrepreneurship (Author creation)

Long hidden in the context of business ventures (Alvord et al 2004) however, the majority of literature on *SE* comes from the economics and business management disciplines, although it is increasingly emerging in the social sciences, public management, educational research, and environment and development studies among others (Rey-Marti et al 2016). Early literature consisted of descriptive and conceptual analysis of definitions and key concepts followed by more controversial studies distinguishing *SE* from similar and dissimilar concepts (*Section 2.3.1*), and intentions to start pro-social entrepreneurship (*Section 2.4*), mostly originating in developed countries (Cunha et al 2015; Phillips et al 2015). Empirical studies began emerging after 2005 (Phillips et al 2015) though mostly based on survey instruments or small samples focussing on organisational processes and outcomes from the health, education and finance sectors, making it difficult to generalise results (see e.g. Alvord et al 2004; Chandra 2017; Gero et al 2014; Letaifa 2016; Partzsch and

Ziegler 2011). Furthermore, empirical studies in sanitation were mostly identified as community-based and enterprise-led innovations through literature on AVBIs without making explicit connections to *SE* (see e.g. London and Esper 2014; Pathak 2006; Ramani et al 2012). This reveals fragmented and scattered literature across multiple sectors and disciplines, as well as possibility for many other studies that have not been recognised as *SE*.

Despite a relatively nascent area of academic study, *SE* and *SI* have existed in practice since the 18th century in the form of charitable initiatives, social interventions, and social movements as represented by examples such as the subscription library, hospice care, the Waldorf schools, and civil rights movements (Howaldt and Schwartz 2010; Institute for Social Entrepreneurs 2008; Jiang and Thagard 2014; Mueller et al 2011; Mumford 2002; Roy et al 2014; Volkmann et al 2012b). Among more contemporary examples include the *Fair Trade*² [1946] and the *Grameen Bank*³ [1976], both of which spread from developing to developed countries (Alvord et al 2004; Daru and Gaur 2013; Chandra 2017; Nay and Beckmann 2014; Peredo and McLean 2006). These examples demonstrate these practices gradually evolved from serving specialised needs of society to meeting the underserved needs of marginalised citizens, increasingly emerging in areas traditionally offering no socio-economic incentives for private and civic sector participation while diversifying in application and increasing scale of impact (Huybrechts and Nicholls 2012; Mulgan et al 2007; Nicholls 2006). Despite long heritage and global presence, these AVBIs have long been neglected under prioritisation of mainstream technological and market-based innovations (Dhahri and Omri 2018; Paredis 2011). Documenting empirical evidence and combining scholarly insights from the *Capabilities Approach*, *Sustainability Transitions*, and *AVBIs* will thus help increase transparency of *SE*, whose knowledge is currently scattered across multiple disciplines and sectors.

Several scholars have sought to understand the sudden surge of academic interest in *SE* and *SI* since 2000, attributing the emerging phenomenon to diminishing public and state welfare, and the global financial crisis necessitating alternative means to satisfy human needs and organise policy springboards towards increasing resilience in a rapidly changing world (Adams and Hess 2010; Bonifacio 2014; Paunescu 2014). A rising citizen sector

² A social movement that began in Puerto Rico to improve trading terms and conditions for impoverished communities and spread globally to encompass a variety of commodities such as coffee and chocolates.

³ Established by Muhammad Yunus in Bangladesh, the bank for the poor forms small groups of five people to provide orally binding group guarantees in lieu of collateral to enable impoverished women to allow starting a business (<http://www.grameen.com>).

following the transition to a social economy and growing inequalities associated with mainstream innovations have also been identified as contributing to increased interest and need for democratic participation and alternative innovations (Heeks et al 2014; Huybrechts and Nicholls 2012; Murray et al 2007; Nicholls 2006). The Nobel Peace Prize awarded to Muhammad Yunus and the Grameen Bank in 2006, and a growing convergence with *SI* after 2005, coinciding with policy makers exploring new ways to balance economic development with the global SDGs can also be said to have created 'windows of opportunity' to increase visibility of these AVBIs (Bhatt and Altinay 2013; Phillips et al 2015; Osburg and Schmidpeter 2010). However, these insights are disjointed, offering no coherent understanding of how *SE* emerged, developed and became globalised.

A notable exception comes from Adams and Hess (2010), who link the value of *SI* with five phases of development in the community sector. These authors argue the dominant focus of organisations taking social action to improve wellbeing up until the 1900s was evangelism, which emerged as offshoots of religious-based organisations, followed by a state-based welfare in early 20th century, which came with a shift in mindset towards focussing on charity and meeting basic physical needs of the poor with communities only filling the gaps left void by state-based service provisions. Government failure was then replaced by market-based welfare in the late 20th century, leading to increased inequalities and injustices and NGOs taking on the delivery role on behalf of government (Adams and Hess 2010). However, with increasing levels of professionalism, these NGOs began operating in business-like manner, giving rise to the emergence of increased community-based *SIs* in meeting unmet social needs (Adams and Hess 2010). Nevertheless, based on socio-economic trends in the community-public management interface, this analysis lacks theoretical background while only focussing on macro-economic factors.

However, Drayton (2002) argues a historical transformation has been prompted by a rising citizen sector suddenly gaining access to global organisations in closing the poverty gap. Several scholars acknowledge a growing number of organisations supporting *SE* and *SI* including *Ashoka*, *Skoll* and *Schwab* foundations among others (e.g. *UnLtd UK*, *Acumen Foundation*, *Omidyar Network*, *Yunus Centre*, *Young Foundation*), along with the development of several research institutes (e.g. *Centre for Social Impact and Social Entrepreneurship*, *Centre for Advancement of Social Entrepreneurship*), business schools (e.g. *Harvard*, *Oxford*, *Yale*), specialised journals (e.g. *Journal of Social Entrepreneurship and Innovation*, *Journal of Social Entrepreneurship*, *Social Innovation Review*) and other initiatives including summits,

Chapter Two: Theoretical frameworks and literature review

conferences, innovation funds, competitions and awards (Altuna et al 2015; Borzaga and Bodini 2014; Kayser and Budinich 2015; Osburg and Schmidpeter 2014; Partzsch and Ziegler 2011; Pratono and Sutanti 2016). According to Bonifacio (2014), *SI* has also been adopted under European policy based on learning by engaging citizens in social change despite unclear definitions. These developments suggest a growing ecosystem of support around *SE* and *SI* worldwide (see *Figure 2.3*). Nevertheless, the existing scholarship lacks a coherent theory that can explain the complex interactions involved in building the ecosystem of supporting stakeholders and structures around *SE*. Furthermore, despite Ziegler et al (2013) acknowledging *SE* as capability innovations that combine disruptive innovations with advancement of human capabilities, there is currently no cohesive framework to enable understanding of the strategies and processes used in achieving these outcomes, necessitating a more integrated approach to elucidate the full potential of *SE* in creating transformative change. This study will thus advance theoretical and conceptual knowledge on the emerging phenomenon through tracing the emergence, development and popularisation of *SE* in Indonesia drawing on multi-stakeholder perspectives and engaging scholarly insights from *Sustainability transitions* and the *Capabilities Approach* to enable a more nuanced understanding of the phenomenon of *SE*.

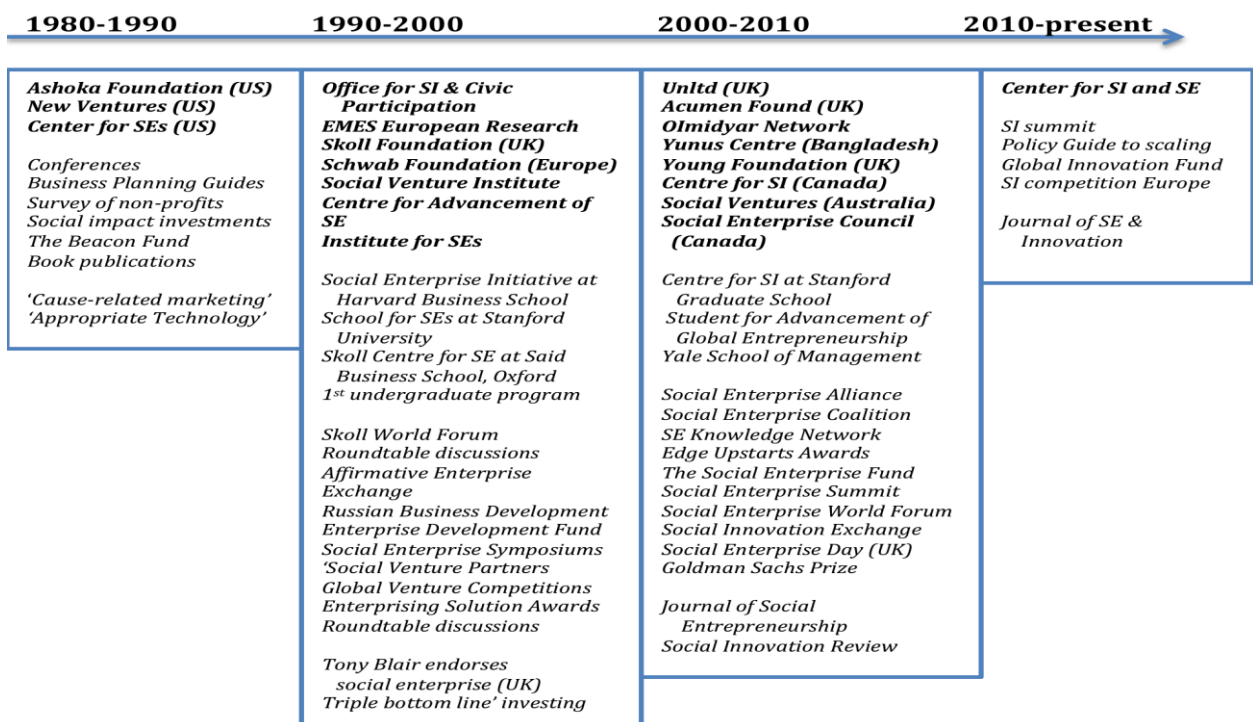


Figure 2.3. Organisations and initiatives supporting *SE* and *SI* globally

Sourced after: Institute for Social Entrepreneurs (2008)

2.3. Unpacking the meaning of social entrepreneurship

2.3.1 Defining social entrepreneurship

SE is a multi-dimensional construct consisting of multiple components, levels of analysis, and boundaries that can be defined and conceptualised in myriad ways depending on where emphasis is placed (Dees 1998). In the absence of coherent definitions, most scholars use definitions derived from global organisations or existing literature (Radyati and Simmonds 2015) while others invent their own variations, which now number over 40 across the scholarship of which a selection are captured in *Table 2.1*.

Table 2.1. Selected definitions for social entrepreneurship

Definitions by global organisations	
Ashoka Foundation (2019)	Individuals with innovative solutions to society's most pressing problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change
Schwab Foundation (2019)	A pragmatic visionary who achieves large scale, systemic and sustainable social change through a new invention, a different approach, a more rigorous application of known technologies or strategies, or a combination of these
Skoll Foundation (2019)	A society's change agent: a pioneer of innovation that benefits humanity. They are ambitious, mission-driven, strategic, resourceful, and results-oriented.
Definitions of social entrepreneurship in existing literature	
Dees (1998, p.3)	Playing the role of change agents in the social sector, by adopting a mission to create and sustain social value (not just private value); recognising and relentlessly pursuing new opportunities to serve that mission; engaging in a process of continuous innovation, adaptation and learning; acting boldly without being limited by resources currently at hand; and exhibiting heightened accountability to the constituents they serve and the outcomes created
Leadbeater (1997, p.2)	One of the most important source in innovation that identify under-utilised resources (people, buildings, equipment) and find ways for putting them to use to satisfy an unmet social need
Tapell & Woods (2008, p.32)	A dynamic social change resulting from innovation, which takes the form of new combinations. These new combinations come about through the formation and reformation of cooperating groups engaged in production; these groups are socially and historically situated, ascribing themselves associated identities as they are ascribed by others or proscribed or prescribed boundaries.
Martin & Osberg (2007, p.35)	Someone who targets an unfortunate but stable equilibrium that causes exclusion, marginalisation, or suffering to a segment of humanity, who bring to bare on this his or her inspiration, creativity, direct action, courage and fortitude, and who as far and ultimately affects the establishment of a new stable equilibrium that serves permanent benefit of the targeted group and society at large.
Weerwardena & Mort (2012, p.92)	A multidimensional construct that involving the expression of virtuous behaviour and the ability to recognise social-value creating opportunities with key decision making characteristics of innovativeness, proactiveness, and risk taking, with the organisation as the unit of analysis
Witkamp et al (2011, p.667)	A new business model that combines a social goal with a business mentality and is heralded as an important new way to create social value such as sustainability
Zahra et al (2009, p.519)	The activities and processes undertaken to discover, define, and exploit opportunities to enhance social wealth by creating new ventures

As shown in *Table 2.1*, the most commonly cited definition is Dees (1998), which captures the innovative-entrepreneurial dimension of *SE*, followed by Martin and Osberg (2007), which encapsulate more human wellbeing dimensions. More recently, a third definition has emerged under a new stream of literature known as *sustainable entrepreneurship*, which captures the value-creating dimensions of *SE* across the triple bottom line (see *Section 2.7*). Collectively, these definitions highlight: (i) a *product view*, conceptualising *SE* as an alternative innovation that satisfies human needs at micro-individual level, (ii) a *process view*, conceptualising *SE* as enablers of new governance and alleviators of human suffering that advance human capabilities and improve social circumstances to fulfil those needs at greater societal level, and (iii) an *outcome view*, conceptualising *SE* as a model of social change and transformation at macro-landscape level (Baker and Mehmood 2015; Cukier et al 2011; Moulaert et al 2005). This multi-dimensionality renders *SE* difficult to define, leading to most scholars focussing on the dominant innovative-entrepreneurial dimension.

The search for definition is further complicated by different meanings attached to different levels of analysis and interchangeable use of terminology (Choi and Majumdar 2014; Cukier et al 2011; Cunha et al 2015). As an individual, a *social entrepreneur* is generally defined in terms of the characteristic attributes and motivations of the founder of the initiative, whereas definitions of *social entrepreneurship* tend to reflect individual and organisational behaviour and processes involved (Mair and Marti 2006; Nicholls 2006). However, at an organisational level, *SE* is often associated with *social enterprise (SE)*, a business entity providing goods and services to marginalised citizens, which is often defined in terms of the tangible outcomes created by these initiatives (Cunha et al 2015; Mair and Marti 2006; Peredo and McLean 2006). Furthermore, since 2005, the term *social entrepreneurship* has been used interchangeably with *social innovation (SI)*, which is often defined in terms of new ideas and new social relations created by these initiatives (Sinclair and Baglioni 2014).

The third level of complication arises from a lack of coherent boundaries. Occurring at the nexus between the for-profit and non-profit sectors blending social goals with business principles, early literature conceptualised *SE* as: (i) non-profit initiatives in search of alternative funding using business skills to create value, (ii) socially responsible individuals and organisations creating social impact with little attention to economic profitability, and (iii) alternative means to tackle social problems and catalyse social transformations (Alvord et al

2004). However, recognising these initiatives can occur in any sector (El Ebrashi 2013; Howaldt and Schwartz 2010), recent conceptualisations frame these initiatives as hybrids sitting at the confluence between purely market-driven commercial organisations and good-will driven philanthropic organisations ranging from: (i) business pursuing social goals, (ii) non-profits shifting to new ventures in search of alternative funding, (iii) new initiatives addressing social, economic and environmental issues, and (iv) hybrid partnerships across the public, private and non-profit sectors (Cukier et al 2011; Dees and Anderson 2006; Dhahri and Omri 2018; Huybrechts and Nicholls 2012). Some scholars even argue *SE* go beyond the existing binary blending top-down interventions with bottom-up grassroots innovations, leading to more sustainable crises resolution (Schwab Foundation 2013; Steiner et al 2015). This demonstrates these transformative agents are boundary-spanning agents that challenge traditional sectoral boundaries, though these boundaries remain contested with regards to where *SE* exactly fits (Moulaert et al 2005; Marques et al 2018).

As demonstrated above, the lack of unified definition for *SE* has caused a delay in enhancing understanding of the *SE* phenomenon by keeping scholarly attention focussed on searching the meaning of *SE*. While existing definitions focus on single units of analysis, this study examines *SE* from individual, innovation, and enabling structure (ecosystem) perspectives to provide a more holistic understanding on the phenomenon of *SE*, which will contribute towards defining *SE* from broader perspectives.

2.3.2. Distinguishing social entrepreneurship

SE is a highly contested area of study surrounded by multiple controversies due to its unconventionality. Indeed, a significant proportion of the scholarship focuses on differentiating *SE* with closely related social innovation (*SI*), social enterprise (*SV*) and other similar and dissimilar practices. Whilst this stream of literature does not directly relate to the research aims and objectives of this study, these key controversies merit reviewing to gain an overall understanding of how *SE* is understood in the scholarship.

Social entrepreneurship, social innovation (SI) and social enterprise (SV)

SI is generally understood as new innovations that create social value and social change at micro-community grassroots and broader socio-political and economic levels, whereas *SE* is understood as involving the creation and management of new ventures to implement *SI* (Nandan et al 2015). However, *SI* can also be seen as a system building process or

application of new ideas to promote inclusive relationships, social aims, and social welfare among neglected citizens to bring about social change, while *SE* can be seen as a way of understanding the behaviour and mindset of individuals leading the process of *SI* through advancing human capabilities, emancipating suffering, and creating new ventures that benefit human welfare and advance socio-economic development of underprivileged citizens (Chandra 2017; Cunha et al 2015; Marques et al 2018; Rindova et al 2009; Yujuico 2008). In general, *SI* is seen as the generic term encompassing all kinds of initiatives emerging from participatory processes across the public, private and non-profit sectors without necessarily being market-oriented, though some scholars highlight geographical differences between *SI* in North America associated with public and public-private partnerships, and Europe, which is more closely associated with private sector initiatives under participatory principles (Groot and Dankbaar 2012; Phills et al 2008; Petrella and Richez-Battesti 2014). Cunha et al (2015) further posit that *SE* and *SV* differ in motivations: *SE* is motivated by creating something new or creatively transforming an existing situation into new and better ways of meeting needs, whereas *SV* is motivated by increasing access for marginalised citizens to previously denied welfare services with or without profit. These arguments suggest that *SI* is more inclusive and participatory, whereas *SE* is more disruptive and controversial in strategies, core competitiveness, and mindset (Wilcox 2012).

SE and *SI* have also been contested with regards to concept origins. Dees and Anderson (2006) championed this debate by identifying two schools of practice and thought (see *Table 2.2*), positing that the *SI* school sees *SE* as pursuing new and better ways to address social problems, whereas the *SV* school sees *SE* as creating new ventures to address social problems through generating earned income to serve a social mission. Dees and Anderson (2006) thus link the *SI* school to Schumpeter's (1943) economic theory supported by the *Asoka Foundation* in the US, and the *SV* school with desire to bring business and social sectors together in addressing social challenges, which is supported by the *Skoll* and *Schwab* foundations in Europe. Building on the above conceptualisation, Defourney and Nyssens (2010) and Hoogendorn et al (2010) respectively identify geographical differences across the Atlantic according to production processes, economic aspects, legal structure, and governance, leading to the identification of two more schools: the *EMES School of Social Enterprise* and *UK School of Social Enterprise*. Bravo (2016) then split the *SV* School into Eastern (Asian) and Western, positing that innovation is key for *SI* school, whereas revenue generation is a must for the Asian school, and innovation, revenue and scalability are

compulsory for the Western School. This new Asian school is now supported by the *Yunus Centre* in Bangladesh with focus on promoting the advancement of *social business (SB)*, which can be defined as financially sustainable organisations dedicated to achieving social goals that do not give dividends to shareholders (Bravo 2016). While these controversies collectively help demonstrate a growing ecosystem around *SE* and gradual convergence with social business (*SB*), Cunha et al (2015) argue they have also contributed to delaying theoretical development of *SE*.

Table 2.2. Differentiating Concept origins between SE and SI

	Social Innovation School	Social Enterprise School	
Origins	Schumpeter's economic theory of value creation with focus on 'disruptive innovations'	Desire to bring together business and social sectors in addressing social problems with focus on 'earned income'	
Affiliations	US School of Social Innovations	European EMES School UK School of Social Enterprise Western School of Social Enterprise Eastern School of Social Enterprise	
Supporting organisations	Ashoka Foundation (US)	Skoll Foundation UK Schwab Foundation (Europe) UnLtd (UK)	Yunus Centre (Bangladesh)
Key focus	Innovation (new idea)	Social Enterprise	Social Business
		Innovation, revenue & scalability (West)	Revenue is a must (East)

To summarise these arguments, a systems perspective is offered. *SE*, *SI*, *SV* and *SB* are interconnected subsystems of communities of practitioners and organisations jointly addressing social needs through developing innovations to benefit broader socio-political and economic contexts, with *SI* providing the umbrella term under which *SE*, *SV* and *SB* are affiliated (Cukier et al 2011; Groot and Dankbaar 2014; Huybrechts and Nicholls 2012; Westley and Antadze 2010). Based on this systems perspective, this study conceptualises *SI* as an *idea* (innovation), *SV* and *SB* as *business plans* and *models* (structure), and *SE* as *activities, processes* and *mindset* (practice) collectively aimed at transforming social systems and social values, with the *social entrepreneur* acting as key transformative agent in developing innovations and ventures, advancing human capabilities, and creating broader socio-political, economic, and environmental outcomes (see *Figure 2.4*). Thus, rather than argue how these concepts differ, this study will instead focus on unpacking the role,

strategies and motivations of *SE* to elucidate how these different concepts collectively influence the emergence, development and popularisation of these initiatives.

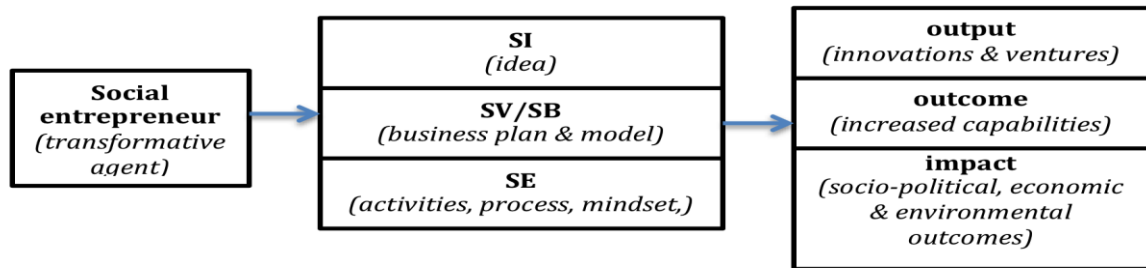


Figure 2.4. Systems perspective for SE, SI and SV (Author creation)

Social entrepreneurship versus traditional entrepreneurship

In the absence of definitions, many scholars have sought to understand *SE* by comparing *SE* with dissimilar concepts. For example, Partzsch and Ziegler (2013) distinguish *SE* from government and NGOs in gaining legitimacy and accountability not by law or positional power, but rather through combining *innovativeness* (problem solving capacity), *local embeddedness* (establishing ties with marginalised citizens), *empowerment* (fostering inclusion and participation and advancing human capabilities), and *impact* (bringing outside recognition to the problem and influencing others to take action). Others distinguish *SE* and *SI* from socially responsible activities such as CSR in having an explicit *social mission* aimed at *social value creation* versus exploiting shared value creation for profit making (Adams and Hess 2010; Harazin and Kosi 2013; Huybrechts and Nicholls 2012; Ziegler et al 2013). However, it is differentiating *SE* with *traditional entrepreneurship (TE)* that has gained the most attention due to sharing similar characteristics in creating and managing business ventures and sensing opportunity to deliver a new or better product or service (Martin and Osberg 2007).

Most scholars agree that *SE* and *TE* primarily distinguish in *value proposition*. *SEs* are motivated by addressing specific social, economic or environmental problems and enhancing the lives of marginalised citizens with profit-making being a secondary motive, whereas *TEs* are motivated by economic value creation with community benefits being a secondary by-product of the business (Di Domenico et al 2010; Lehner and Kaniskas 2012; Martin and Osberg 2007; Radyati and Simmonds 2016). Differences have also been noted in *opportunity recognition*: *SEs* recognise opportunity in institutional failures, market

imperfections, and distributional inequities (i.e. socio-institutional gaps) and seek to transform social systems, whereas *TEs* recognise business opportunity where there is large market demand but few suppliers and make minor adjustments to optimise existing systems (Cohen and Winn 2007; Martin and Osberg 2007; Radyati and Simmonds 2015; Rostiani et al 2014). However, as *TEs* can also intentionally or unintentionally create social value (e.g. social media can alleviate loneliness), some scholars argue that the distinction should be value creation versus value appropriation, which implies dropping the distinction between economic and social value creation and focussing more on exposing successful and unsuccessful value creation combinations by entrepreneurs (Cunha et al 2015; Groot and Dankbaar 2014; Mueller et al 2011; Santos 2009; Zahra et al 2009).

Differences in revenue sourcing, resource allocation, and stakeholder engagement have also been noted. *SEs* source revenue through trading rather than through selling and engage stakeholders as co-creational partners rather than as mere consumers and suppliers (Di Domenico et al 2010), while investing financial gains back into the social mission as compared to distributing profits among shareholders and reinvesting into commercial activity (Shmidtz 2015). *SEs* also undergo constant challenges in meeting the specialised needs of marginalised citizens under severe resource constraints versus innovating for mainstream market users with abundant consumptive choice (Rostiani et al 2014). Collectively these differences impinge on performance measurement: *SEs* measure outcomes according to the qualitative changes that occur in the lives of people, whereas *TEs* measure results by the number of goods and services sold or business expansion (Rostiani et al 2014). Ultimately, Nicholls (2006) argues it is the ability to identify opportunities in social gaps and combine this with a social mission and entrepreneurial creativity to create value for all people that sets *SE* apart from *TE*. This implies that the intention (or value proposition) affects ongoing processes in opportunity recognition, stakeholder engagement, resourcing revenue allocation, and performance measurement. Empirical results are however needed to verify these arguments, which this study does through examining eight case study samples involving a spectrum of activities that range from *SE* to *TE*.

Social entrepreneurship versus social activism

Martin and Osberg (2007) further compare *SE* with other social services (e.g. AIDs orphanages in Africa) and social activism (e.g. human rights movements), highlighting

differences in action and outcomes despite sharing similar individual characteristics, entrepreneurial context, commitment, and orientation towards social transformation. As shown in *Figure 2.5*, these scholars argue *SEs* take *direct action* to ensure the creation and sustenance of a new stable equilibrium, whereas social services and activism *influence others to take action* to improve existing systems without ensuring scalability and sustainability. Nevertheless, these boundaries are blurry since some social services can start as *SE* followed by social activism (e.g. Grameen Bank used social activism to accelerate impact) or simultaneously hybridise *SE* and activism (e.g. Fair trade used certification to increase value of commodities) (Martin and Osberg 2007). Missing from this conceptualisation however is how these initiatives and other charitable initiatives compare with *SEs* in motivations and underlying values.

Direct action	Social service provision	Social entrepreneurship
Indirect action		Social activism
	Maintain and improve existing systems	Create and sustain new equilibrium

Figure 2.5. Social entrepreneurship versus other social value creating initiatives

Sourced after: Martin and Osberg (2007)

Typology of social entrepreneurship

Drawing on classical entrepreneurship theory, Zahra et al (2009) outline the range of social wealth creating activities undertaken by *SEs* that differ in scale and scope, social implications, and potential impacts. They include: (i) *social bricoleurs* who discover opportunities to address local social needs using locally available resources, (ii) *social constructivists* who exploit opportunities in institutional gaps and market failures to introduce new ideas and solutions to generate social wealth and reforms, and (iii) *social engineers* who tackle complex problems through recognising systemic problems within existing social structure to introduce revolutionary change (see *Table 2.3*).

Table 2.3. Typology of social entrepreneurs

	Social Bricoleur (Hayek 1930s)	Social Constructivist (Kirzner 1930s)	Social Engineer (Schumpeter 1940s)
Opportunity recognition	Perceive and act upon opportunity to address a local social need using local knowledge and local resources	Build and operate alternative structures to provide goods and services to address social needs unmet by institutions and markets	Identify systemic problems and create new and more effective social systems to replace existing systems
Scale and scope	Small-scale, autonomous and local in scope. Often episodic in nature, can allow for quick response	Small to large-scale, and local to international in scope. Designed to address ongoing social needs, requiring external input in human and financial resources towards institutionalisation	Large-scale and national to International in scope. Designed to challenge existing order and build lasting structures, requiring external input in human and financial resource to fulfil mission
Social implication	Can help maintain social harmony and move system closer to social equilibrium	Mends torn social fabric and Addresses acute social needs to maintain social harmony and create a new social equilibrium	Fractures existing social structures and equilibrium and represents important force for social change in the face of entrenched incumbent
Potential impact	Small-scale and localised impact make difficult to scale without help from government	May be welcomed as release valve to help alleviate social problems that may adversely affect existing institutions	Popular support under an incumbent system seen as incapable, but can invite scrutiny when seen as threat

Modified from: Zahra et al (2009)

Whereas Zahra et al (2009) compare *SE* according to size and scale of operation, resource access, and potential implications, Marques et al (2018) introduce four different definitions and types of activities that can emerge under the label of *SI*. The include: (i) *structural SIs* employing social movements that spread social impact through forging new relationships, typically represented by socio-institutional innovations created as an outcome of wide socio-political and economic change, (ii) *targeted radical SIs* aimed at radically reshaping certain goods and service production and delivery to improve welfare and challenge the status quo, (iii) *complementary SIs* aimed at improving production and delivery of certain goods and services and increasing participation without radically reshaping existing institutional arrangements and power structures, and (iv) *instrumental SIs* that rebrand existing activities and initiatives without altering goals or outputs. Together, these typologies can also be applied to better understand the diversity of approaches that can emerge under the label of *SE* and *SI*.

The five conceptualisations presented above collectively reveal the highly contested nature of *SE* and *SI* and the spectrum of activities that can exist under these AVBIs. Whilst the purpose of this study is not to differentiate *SE* with similar and dissimilar concepts, understanding the role, strategies, and motivations through eight case studies inevitably requires comparing *SE* based on some criteria. In this study, these conceptualisations will

thus be used to assess similarities and differences across the eight cases as well as in discerning who is and who is not a *SE*.

2.3.3. Conceptualising social entrepreneurship

Under contested definitions and boundaries, several scholars have sought to map definitions to identify key ingredients, highlighting *social mission*, *social relations*, and *social change* (Moulaert et al 2005; Pol and Ville 2009; Sinclair and Baglioni 2014). In addition to these components, this literature review has revealed *social value creation*, *opportunity recognition*, *innovation*, and *social change* as key components (elaborated below and represented in Figure 2.6). These concepts are currently conceptualised in the scholarship independently, thereby hindering development of a unified conceptual framework. In this thesis, these components were used to inform the development of the preliminary conceptual framework outlined in Section 3.3.1 as well as design the interview questions.

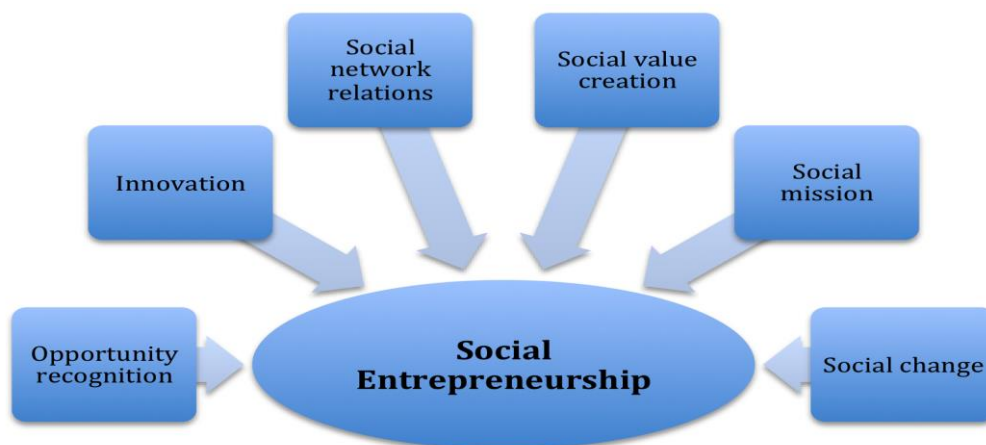


Figure 2.6. Key components of social entrepreneurship identified in the literature

Recognising opportunity is the starting point

As shown above, *opportunity recognition* is often described as the starting point of *SE*, which involves identifying, searching, evaluating and exploiting opportunities to create innovations and new ventures (Lehner and Kaniskas 2012, Zahra et al 2009). Defined by Hills et al (1999) as a creative process that occurs at the nexus of individual background and experience, social network support, and business context, *opportunity recognition* involves five processes: (i) *preparation*, referring to bringing individual background and experience to the process, (ii) *incubation*, referring to developing curiosity and contemplating an idea to

solve the problem, (iii) *inspiration*, referring to the moment of recognition in developing confidence in the idea, (iv) *evaluation*, or validating feasibility and competency for action, and (v) *elaboration*, or implementing action. Corbett (2005) further frames opportunity recognition as an individual learning process, whereas Lehner and Kaniskas (2012) identify five factors influencing learning (see *Table 2.4*).

Table 2.4. Five phases of opportunity recognition and learning processes

Five phases of OR (Hills et al 1999)	Five learning processes (Corbett 2005)	Factors influencing learning (Lehner & Kaniskas 2012)
Preparation (individual experience)	Learning from experience	Previous knowledge & experience
Incubation (interest & contemplation)	Learning from observing & reflecting	Presence of social networks
Inspiration (recognition & confidence)	Learning from imagination	Individual perception & alertness
Evaluation (validity & feasibility)	Learning from analysis	Individual vision, ideation & locus of control
Elaboration (implementation)	Information processing	Ability to translate opportunity costs into innovation

The scholarship reveals that entrepreneurs recognise opportunities from a range of socio-institutional contexts including: (i) changes in societal values, perceptions and expectations, (ii) structural changes in economy and demographics, and (iii) distributional inequities, market imperfections, and institutional inadequacies through their day-to-day interactions with society, institutions and markets (Cohen and Winn 2007; Drayton 2006; Zahra et al 2009). Martin and Osberg (2007) argue that *SEs* recognise opportunities in the sub-optimal equilibrium (i.e. inequalities, imperfections, inadequacies) that others might dismiss as unsurmountable challenge or inconveniences to be tolerated, and work towards creating a new equilibrium, thereby highlighting *SEs* as socially embedded in social structures whose innovation comes as a response to social context (Mair and Marti 2006).

Yet, challenging the status quo requires cognitive strategies to overcome resistance from existing governance structures (Ney and Beckmann 2014). This necessitates strategic metacognitive thinking to enable identifying opportunities from multiple alternatives and selecting the most appropriate course of action from a range of cognitive strategies, which Haynie et al (2010) argue can be achieved through learning, experience, and gaining control over one's cognitive thinking process. The authors provides a metacognitive mindset model, which includes four processes: (i) *metacognitive motives* to influence context perception, (ii)

metacognitive awareness to understand one's preferences, values, strengths, weaknesses, personal strategies and other's perception of their actions and the environment (metacognitive knowledge), and channelling previous experience, memory, and intuition into decision-making (metacognitive experience), (iii) *metacognitive choice* of strategies towards implementing action, and (iv) *metacognitive monitoring*, which involves adapting strategies based on feedbacks to access implementation and decision making outcomes (Haynie et al 2010; Haynie and Shepherd 2009) Despite the metacognitive thinking framework shown in *Figure 2.7* offering a sophisticated analysis, it does not make explicit the motives driving *SE*.

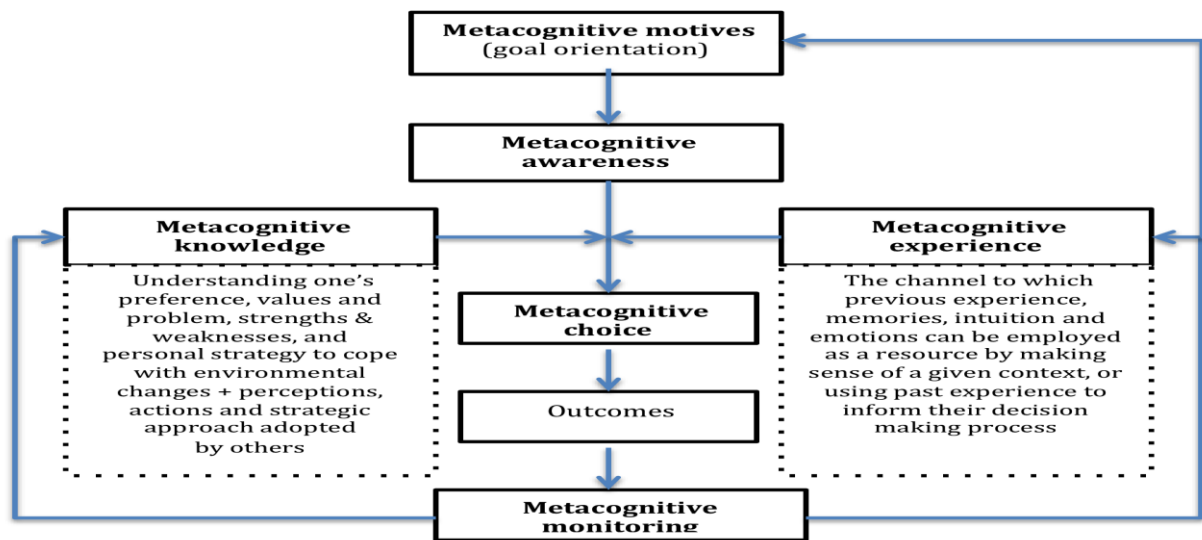


Figure 2.7. Metacognitive thinking framework

Sourced from: Haynie et al (2010)

Innovation in SE creates three levels of outcomes

The literature outlines three phases of *innovation*: (i) *ideation* of a new product, service, process, model, legislation, technique, technology, social movement, application or a combination of these, which is better than existing alternatives to create disruption, (ii) *testing* new ideas out in small-scale demonstration projects, and (iii) *scaling* the innovation by mobilising networks to overcome resource constraints (Datta 2011, Bhatt and Altinay 2013; Mulgan et al 2007). De Ruyscher et al (2016) further identify three levels of outcomes: (i) meeting unmet needs, (ii) increasing socio-political capabilities, and (iii) creating broader socio-political, economic outcomes. Scaling in *SE* is then sought by

spreading social impact and creating sustainable social value through, which can be achieved through: (i) direct replication of the core innovation to increase coverage and scope of reach, (ii) diversifying type of activities towards business expansion, or (iii) integrating sets of actions and principles about how to serve a specific purpose (Desa and Koch 2014). When scaling innovations in developing countries, Desa and Koch (2014) further recommend focussing on affordability, accessibility, context appropriateness, and functionality across the entire innovation value chain including technology and infrastructure design change, service delivery functions, cost recovery, governance change, and generating employment for marginalised citizens. Whilst these insights provide some level of insight into the multidimensionality of innovations in *SEs*, they do not enable understanding of the specific strategies and processes used by *SEs* in developing and disseminating disruptive innovations.

Social networks are harnessed to co-create change

The third concept that emerges in the literature is *social capital*, which refers to networks, shared norms, values, and understanding that facilitate trust and cooperation within and between stakeholders, while providing important mechanisms for learning and knowledge sharing (Alguezuai and Filieri 2010; Baker and Mehmood 2015; Bhatt and Altinay 2013). The literature highlights that *SEs* engage broad stakeholder networks to overcome resource constraints stemming from lack of access to formal credit and diminishing donor and public funds to create value and social change (Datta 2011; Di Domenico et al 2010; Jokela and Elo 2015). Most scholars agree that communities provide the initial 'social needs' from which *SEs* identify opportunities, while stakeholders provide the time and resources needed to institutionalise *SE* in exchange for local knowledge and social acceptability (Elmes et al 2012; Jokela and Elo 2015; Lehner and Kaniskas 2012; Mair and Marti 2006; Partzsch and Ziegler 2011; Rispal and Servantie 2016). However, Mulgan et al (2007) uses a metaphor to describe successful social change as requiring bees (i.e. *SEs*) to pollinate seeds, and trees (i.e. *institutions*) to spread innovations. This suggests that *SEs* engage both horizontal networks consisting of close ties developed among friends, relatives and homogenous community groups (*bonding social capital*), and vertical networks consisting of sporadic contacts with people with heterogeneous characteristics (*bridging social capital*) in accessing scarce resources and co-creating change (Dal Fiore 2007; Linan and Santos 2011). Yet, these insights do not make explicit what 'institutions' are harnessed in scaling innovations and

how different stakeholders affect or are affected by *SE*, with the notable exception of Ibrahim (2017) who identify the importance of collaborating with other development actors (i.e. state, local NGOs and donors) in creating successful, scalable, and sustainable social change (see section on *Social Change*, p.38-39).

According to Mair and Marti (2006), social capital concerns: (i) *structural capital*, referring to patterns of connection (who and how networks are reached, developed and maintained), (ii) *relational capital*, referring to quality of relations (trust, respect and accountability to enable collaboration), and (iii) *cognitive capital*, referring to the degree to which individuals and groups share common streams of values in shaping behaviour and outcomes. One group of scholars thus interpret innovations as outputs of empowered social relations and capabilities resulting from *SEs* innovating in ways that capture local social fabric, power dynamics, and historical memory in gaining support (Cajaiba-Santana 2014; Elmes et al 2012; Yujuico 2008). Another group of scholars interpret *SEs* as gaining legitimacy through demonstrating network exchange of social values and leaving compelling social relations (Grimm et al 2013; Howaldt and Schwartz 2010; Partzsch and Ziegler 2013). Nevertheless, these insights also do not make explicit how *SEs* empower social relations and capture social fabric and power dynamics, or how different stakeholders become aligned to a 'common stream of values.'

Understanding how social networks connect to a stream of values necessitates understanding the *social entrepreneurial ecosystem* in which the *SE* activity takes place. The entrepreneurial ecosystem concept developed from the literature on business management to illustrate how business organisations benefit from clustering with other innovations in specific industries (Pratono and Sutanti 2016). A typical example is the Silicon Valley model, which puts technology at the centre surrounded by high-tech business corporations in specialised geographic regions supported by policy frameworks (Cohen 2008). Within the *SE* scholarship, the entrepreneurial ecosystem concept was first adopted by Bloom and Dees (2008) to illustrate the benefits of mapping the macro-economic environment and all stakeholders that may or may be affected by *SE*. As shown in the example of a social entrepreneurial ecosystem map (see *Figure 2.8*), stakeholders include all resource providers (financial, intellectual, social, technological) and intermediaries channelling these resources, other service providers, complementary organisations, allies, beneficiaries, competitors, opponents, problem makers, and innocent bystanders whose inefficiencies, inadequacies, and capabilities can be harnessed for change. Macro-economic factors include: (i) political

and administrative rules, regulations, enforcement, and power dynamics, (ii) economic structures such as income and wealth distribution, entrepreneurial activity levels, relevant markets, and future prospects, (iii) geography and infrastructure settings including physical terrain, location, and existing infrastructures, and (iv) socio-cultural norms, values, networks and demographic trends (Bloom and Dees 2008). This *ecosystem* thus refers to the greater economic community characterised by distinct sets of norms, rules and conventions that differ from the *SE's* objectives, but are shared by macro-economic, political, demographic, socio-cultural and regulatory frameworks, necessitating alignment to a common stream of values (Rispoli and Servantie 2016).

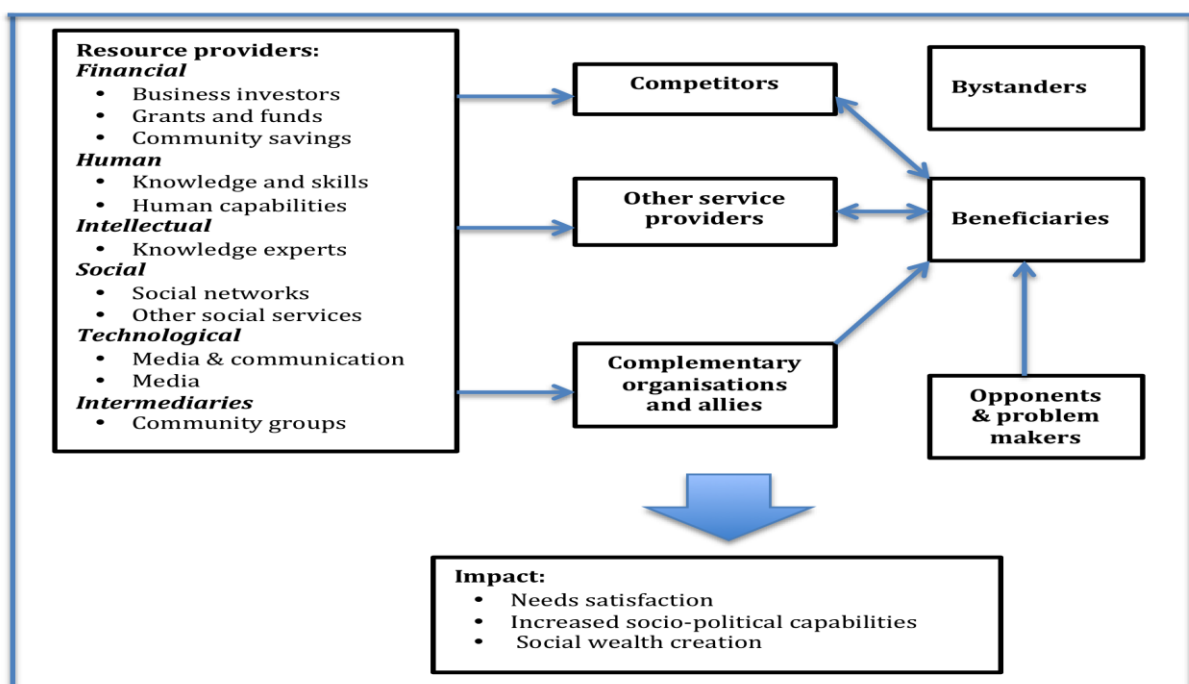


Figure 2.8. A social entrepreneurial ecosystem map

Modified from: Bloom and Dees (2008)

SEs use the entrepreneurial ecosystem map to create changes through: (i) altering one or more environmental conditions, (ii) establishing new and stable behavioural patterns, (iii) adapting their model to suit environmental conditions, and/or (iv) developing new innovations to shift environmental conditions (Bloom and Dees 2008). Value is then created by bringing this ecosystem closer to their initiative through providing local knowledge, social cohesion, and social acceptability in exchange for access to financial and intellectual resources, tax breaks, incentives and other entitlements that create more favourable environments for undertaking *SE* while influencing societal values (Ney and Beckmann

2014; Rispal and Servantie 2016). However, Bloom and Dees (2008) argue change can also be affected through: (i) reframing the problem to communicate need for change and gain support, (ii) testing new ideas in small-scale to allow learning and demonstrating feasibility for change, (iii) being prepared with counteractive plans for mitigating unexpected outcomes and impacts, and (iv) building an alliance within the ecosystem. Despite these insights, there is still a lack of understanding on what the 'common streams of values' are and how these different stakeholder networks are engaged. This necessitates supplementing understanding with multi-stakeholder perspectives to understand how different stakeholders affect and are affected by *SE* and align to a common stream of values.

Social value creation is the central strategy

Social value creation is a core activity of *SE* and *SI* that enables serving the triple bottom line, with every action purposefully and strategically planned and aimed at creating long-term sustained social change, socio-economic development, and environmental sustainability (El Ebrashi 2013; Howaldt and Schwartz 2010; Jokela and Elo 2015). Value can be created in any step of the innovation process by finding new ways of delivering and/or marketing a service, access scarce financial resources, or influence government and society to take up change (Di Domenico et al 2010; Weerwardena and Mort 2006). Within the business management literature, value creation is often understood in terms of Michael Porter's value chain framework⁴, which describes how value can be created in every step of the business process including procurement, employment, product design, service production, and marketing the business to target customers (Dees and Anderson 2006; Lehner and Kaniskas 2012). However, value creation in the context of *SE* requires developing new service delivery functions, finance mechanisms, governance practices, and shifting behaviour patterns and mindsets, while fostering inclusion, participation and socio-economic advancement of underprivileged citizens, which necessitates challenging existing governance structures to break barriers and reform social systems towards delivering sustained benefits to community and greater society in the form of tangible and intangible benefits (Baker and Mehmood 2015; Di Domenico et al 2010; El Ebrashi 2013; Elmes et al 2012; Jokela and Elo 2015; Mair and Marti 2010; Seelos and Mair 2005; Weerwardena and Mort 2006). Social

⁴ Michael Porter was the first to introduce the concept of value chain in *Competitive Advantage: Creating and Sustaining Superior Performance* (1985), which has since been adopted by organisations worldwide as an influential framework for strategic business management.

value creation is further measured by impact, which includes all social and cultural outcomes that advance social justice, equity, and wellbeing including changes to norms, values, beliefs and behaviours among local community and network relations (Baker and Mehmood 2015; El Ebrashi 2013; Jokela and Elo 2015). Social value creation thus represents a ‘fourth bottom line’ referring to social enterprise creating value in social, economic, environmental and cultural realms (Zhang and Swanson 2014).

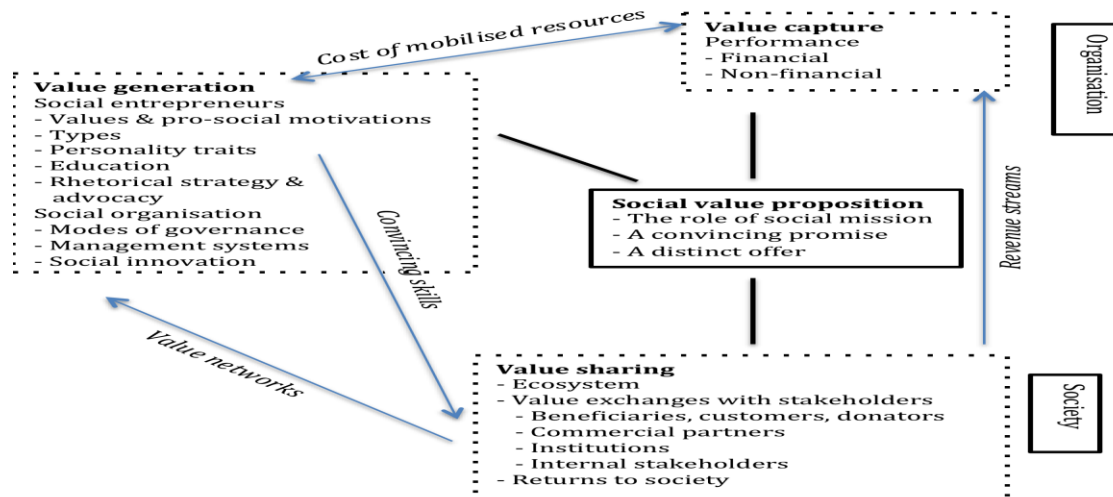


Figure 2.9. Social value construct model

Sourced from: Rispal and Servantie (2016)

As shown in Figure 2.9, Rispal and Servantie (2016) deconstruct *social value creation* into four constructs. At the core of this framework is *value proposition*, which is equivalent to a social mission, a promise, or a distinct offer relating to the *SE's* motivation to provide benefits to a target market (Rispal and Servantie 2016). *Value generation* is described as the value that is created by the *SE's* values and pro-social motives, characteristic attributes, learning history, and rhetorical strategy, as well as the organisation's mode of governance, management systems, social innovation, and legal entity in interaction with stakeholders (Rispal and Servantie 2016). *Value capture* then refers to the value that accrues to the *SE* and all stakeholders by the *SE* activity including all economic and non-economic gains, whereas *value sharing* refers to the value flows that take place at greater societal level through cultivating social relations and collaborations, whose value exchange trigger value networks to provide the *SE*, community, and greater society with resources and benefits (Mathew and Adsule 2017). Underpinned by principles of community benefit and collective wellbeing,

Rispal and Servantie's framework (2016) thus explains that the value proposed in the social mission must be generated in interaction with stakeholders and captured by all stakeholders, then spread to greater society to ensure ongoing social impact. However, not made explicit in the framework are the 'values' and motivations driving *SE*, as well how and what kind of value is captured by stakeholders and how impact can be measured, thereby leaving the concept abstract and disconnected from the other key components of *SE*.

Social mission is a central guiding principle

The literature makes evident that *social mission* is a core concept providing an important narrative for understanding the normative dimensions, strategies and approaches of *SE* (Bornstein 2004; Costanzo et al 2014; Dees 1998; Nicholls 2006). However, early literature avoided addressing the value-laden concept (Austin et al 2006), instead describing social mission in terms of popular mission statements, which outlines the organisational purpose of existence, distinctive identity, strategic direction and specific targets (Costanzo et al 2014). The ambiguity of the concept stems from pursuing a dual mission aimed at social and economic value creation, which entails an innovative-entrepreneurial product-oriented dimension and a human capabilities people-oriented dimension, of which the latter necessitates understanding of the normative identity of *SE* (Austin et al 2006; Costanzo et al 2014; Rispal and Servantie 2016). This gave rise to several controversies conceptualising social mission as a primary driver for social venture creation versus a secondary objective of commercial operations, and balancing the two missions to prevent 'mission drift' towards the commercial objective (Comforth 2014; Costanzo et al 2014; Dacin et al 2011; Mair and Marti 2006; Munoz and Kimmitt 2019). However, more recently social mission has gradually come to be understood as a central guiding principle to enable every action towards purposefully and strategically creating long-term and sustained triple bottom line value while keeping *SEs* focussed on the value proposition (Orminston and Seymour 2011; Peredo and McLean 2006). Nevertheless, the concept remains vaguely understood with no consensus on how to develop and remain committed to a social mission.

Social change occurs in interaction with ideas, structures and practices

The last of the key components identified through the literature review is *social change*. According to Ney and Beckmann (2014), social change occurs as an outcome of various interactions between the *SE* and other stakeholders creating and recreating the socio-

cultural environment, which can become manifested in behaviour, social relations, and belief systems among the stakeholders involved. However, as social change affects groups and individuals in multi-dimensional ways, the authors argue there are diverse interpretations depending on the way the change process is conceived, articulated, and measured across time and space (Ney and Beckmann 2014). These scholars thus conceptualise social change as a process as well as an outcome that occurs in interaction between ideas (narratives), structures (organisational governance), and practices (value creation), which can be measured according to the distance and convergence of beliefs and ideas between the *SE* and the environment (see *Figure 2.10*).

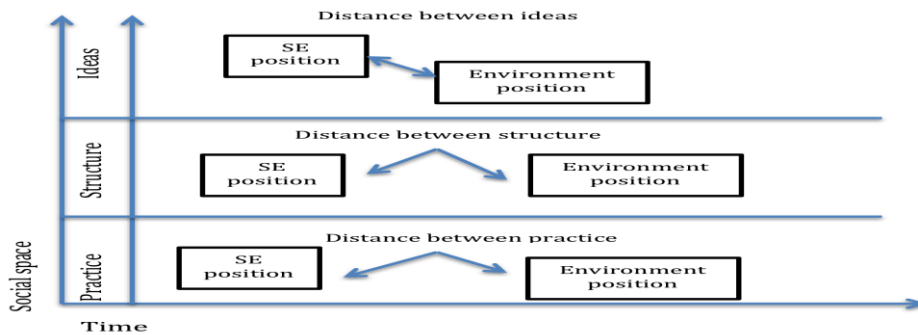


Figure 2.10. Social change process

Adapted from: Ney and Beckmann (2014)

Drawing on the *SI*, *Capabilities Approach*, and empowerment literatures, Ibrahim (2017) similarly identifies three processes for promoting social change at individual, collective, and institutional levels. They include: (i) *conscientisation* (empowering local communities and inducing critical thinking), (ii) *conciliation* (creating common vision to guide collective agency), and (iii) *collaboration* (promoting local institutional reforms through partnering with other development actors (i.e. states, local NGOs and donors)). Ibrahim (2017) further identifies three evaluative aspects of grassroots-led development, positing that *SI* can be considered successful, scalable and sustainable in creating social change at grassroots level when achieving three outcomes: (i) inducing positive behaviour change at individual level and nurturing capacity to aspire to better lives, (ii) supporting acts of collective agency at community level in creating a common vision to guide collective action, and (iii) promoting local institutional reforms through collaborating and challenging existing unequal power relations. Despite the two above-mentioned models offering some

systematic understanding of the social change process, neither study make explicit how innovating new ideas and strategies connect with aligning community and networks to a common stream of values in supporting these initiatives similar to other concepts discussed in this section. This thesis thus builds on these insights towards building a more robust understanding of how successful, scalable and sustainable social change can be created through *SE*.

Looking to the above six components, it is evident that *SE* follows a certain process beginning from recognising opportunities in distributional inequities, market imperfections and institutional inadequacies, and developing innovations to meet these needs and advance socio-political capabilities through harnessing social networks towards social value creation based on a social mission. While it can be said that these concepts and frameworks are collectively trying to understand strategies, processes, and outcomes, there are multiple questions that remain unanswered including:

- How are opportunities recognised by *SEs*?
- How do *SEs* create innovations that meet needs and advance human capabilities? What are the strategies and processes?
- Who are the stakeholders and how are they engaged?
- How are these different stakeholders affected and affect *SE*?
- How and what common stream of values do stakeholders become aligned to?
- How is value created and how is impact measured?
- How do *SEs* develop and maintain a social mission?
- How does social change occur?

These unanswered questions gave focus to this research and informed the design of interview questions, which are shown in *Appendix A*. Overall, despite a multiplicity of concepts and frameworks, it can be said that the literature on *SE* definitions and key concepts currently lack a cohesive conceptual framework to enable understanding how these multiple components come together to make up the *SE* phenomenon and that there are multiple research gaps with regards to the role *SEs* play in the development sector, strategies and processes used in creating transformative change, and the values and mindset motivating *SE*. Among one of the objectives of this study is thus to develop an explanatory

framework that outlines the role, strategies, and motivations of *SE* towards providing a comprehensive understanding of the phenomenon of *SE*.

2.4. Understanding entrepreneurial intentions, mindset and motivations

Motives for starting *SE* activity has to date been studied primarily from three perspectives: entrepreneurial intentions, behaviour and mindset. Scholars studying entrepreneurial intentions consistently argue that empathy is an essential trait of *SE* and a critical antecedent in understanding the 'social' dimension of *SE* (Dees 2012; Krueger and Casrud 2000, Kruger and Carsrud 2010; Mair and Noboa 2003). However, these same scholars also argue that empathy does not directly relate to intentions to start *SE*, but are rather mediated by other mechanisms since not all empathetic individuals become *SEs*. The search for the 'missing mechanism' has to date inspired many entrepreneurial intention models, of which the majority draw on influential models developed under classical entrepreneurship studies or social psychology (e.g. Ajzen's 1991 *Theory of planned behaviour*, Shapero and Sokol's 1982 *Model of entrepreneurial event*, Bandura's 1977 *Theory of social learning*). However, more recently, scholars studying entrepreneurial behaviour and motivations have drawn on a range of other disciplines including motivational theories (e.g. Deci and Ryan's 2001 *Self Determination Theory*), the Capabilities Approach (e.g. Nussbaum's 2006 *Central Human Capabilities*), and prosocial research, which refers to altruistic helping behaviour intended to benefit others rather than oneself (Batson 2012). Whilst there are several variations (e.g. Adam and Fayole 2015; Fayole and Linan 2014; Nga and Shamuganathan 2010), this section introduces seven selected models.

Drawing on classical entrepreneurship studies, Bacq and Alt (2018) identify two dimensions through which individuals view themselves in the social world: agency, which refers to perceptions of personal competence (self-efficacy) or *perceived feasibility* (*PF*), and communion, which refers to feelings of social worth as valued by others or *perceived desirability* (*PD*). These authors thus argue that channelling empathy into pro-social action requires both *PF* and *PD*. Based on the same principles, but focussing more on social norms, Linan and Santos (2007) highlight *bonding social capital* (strong intra-community ties) and *bridging social capital* (weak inter-community ties) accumulated through social relations create conducive environments in accessing resources and facilitating collective decision making, giving rise to *PF* and *PD*. Collectively, these two intention models highlight that *PF*,

PD and *social capital* are critical antecedents mediating between empathy and intentions to start *SE* (see Figure 2.11).

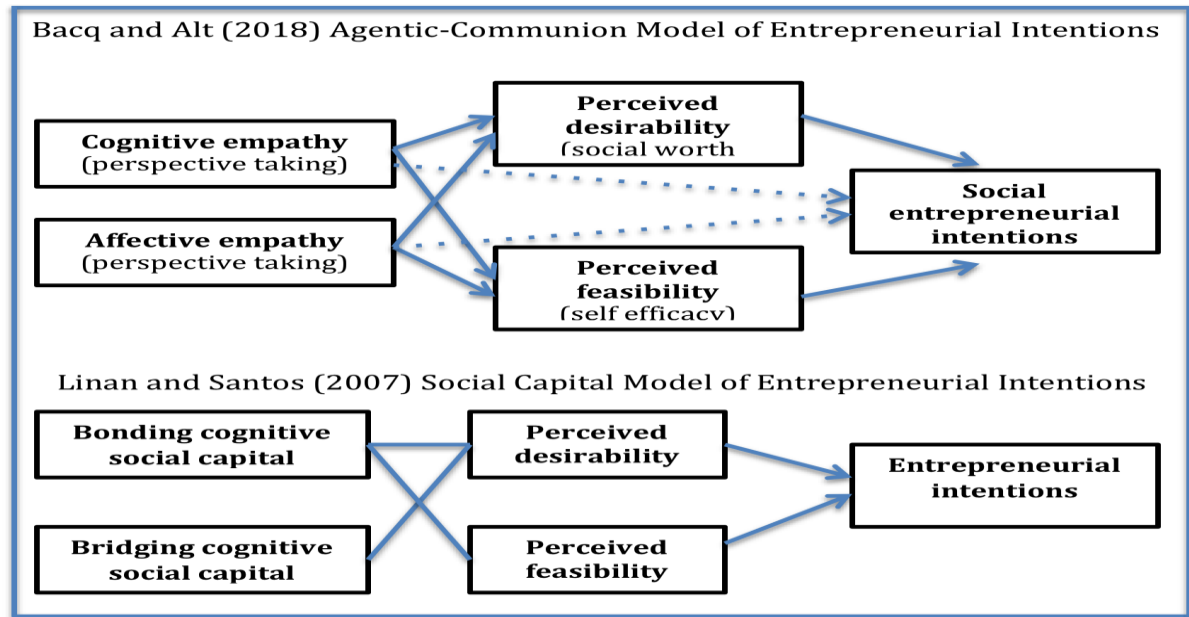


Figure 2.11. Selected examples of entrepreneurial intention models

Entrepreneurial intention studies previously claimed personality traits, demographics, and situational variables are unrelated to entrepreneurial action (Krueger and Carsrud 2000), however, they now argue entrepreneurial intentions need rethinking from various dimensions (Krueger and Carsrud 2010). Several scholars have since re-examined individual and contextual variables to understand entrepreneurial behaviour and mindset. For example drawing on pro-social research, Miller et al (2012) identify three compassion-triggered processes that likely result in *SE*: *integrative thinking* to reduce bias, *prosocial cost-benefit analysis* to generate solutions to create collective benefits, and *willingness to alleviate others of suffering*, which are mediated by four types of *moral and pragmatic legitimacy* in increasing likelihood to engage in *SE* activity. Ghalwash et al (2017) link *SE* success with entrepreneurial characteristics and motivators, positing that starting *SE* requires an *entrepreneurial mindset, compassion, innovation and risk taking propensity*, as well as *social problems, inspiration and experience*, whereas sustaining activity requires *perseverance and social networks*. Based on studying five big personality traits, Wang et al (2016) link *self-efficacy* with high levels of *extraversion, openness, conscientiousness, and agreeableness* and low levels of *neuroticism*, and *preparation and conviction* to start *SE* with high *negative emotions*. These behaviour models collectively argue that pro-social entrepreneurship

activity stems from social contexts and specialised personality traits, mediated by cost-benefit analysis (see *Figure 2.12*).

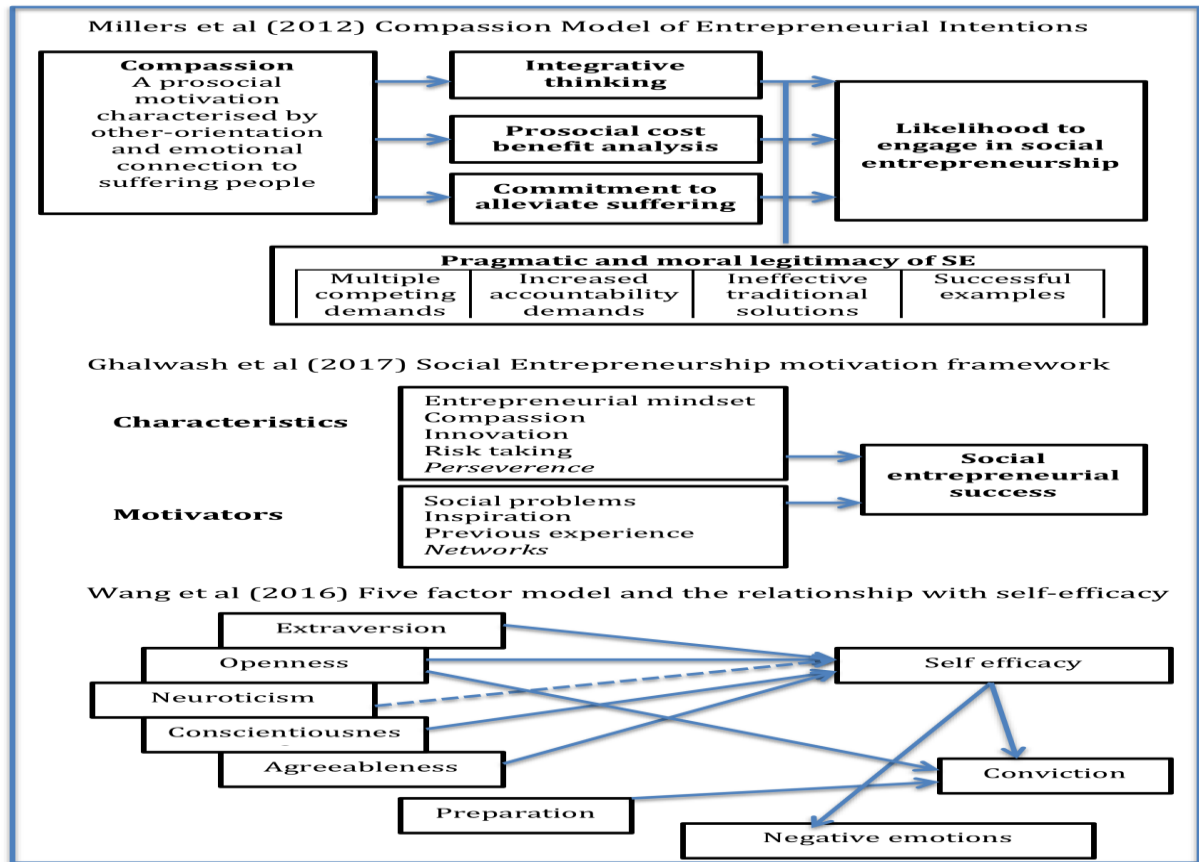


Figure 2.12. Selected examples of social entrepreneurship behaviour models

Scholars studying entrepreneurial motivation have more focussed on intrinsic and extrinsic needs, goals and motives of *SE*. According to Vuorio et al (2018), individual perceptions and attitudes are linked with several work-related values: *altruism*, *extrinsic rewards*, *intrinsic rewards*, *work security*, *central self-efficacy* and *attitude towards sustainability*. They argue that *PD* stem from intrinsic and extrinsic rewards, and *PF* from intrinsic rewards and central self-efficacy, while altruism and intrinsic rewards lead to attitude towards sustainability, which collectively give rise to sustainability-oriented entrepreneurial intentions. Drawing on Ryan and Deci's (2001) self-determination theory, Ruskin and Webster (2011) conceptualise motivations driving *SE* as three intrinsic motivations: *autonomy* (seeking independence), *competence* (having opportunity to exercise one's capabilities) and *relatedness* (feeling connected to others), while pursuing external motivations of *social justice*, *financial gains*, and *recognition*. They argue these intrinsic and

extrinsic motivations respectively lead to satisfying *intrinsic and extrinsic rewards*, which *SEs* do through venturing. The two motivation models thus claim *SEs* are motivated by intrinsic and extrinsic rewards and beliefs, and sustainability oriented goals (see *Figure 2.13*).

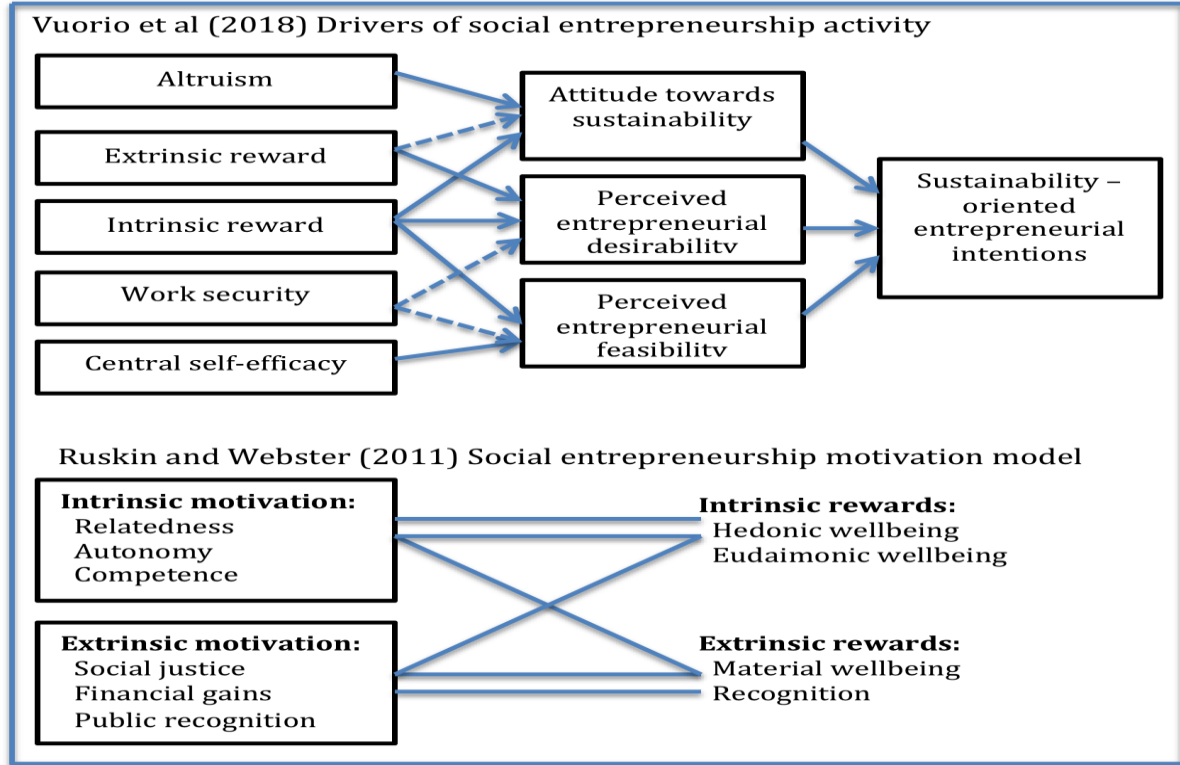


Figure 2.13. Selected examples of social entrepreneurship motivation models

The seven *SE* intention, behaviour and motivation models introduced in this section collectively highlight there are several potential mechanisms that could be mediating between empathy and pro-social entrepreneurship action, which can be summarised into three variables: (i) individual background, experience, and characteristics, (ii) contextual variables including social capital and social context, and (iii) intrinsic and extrinsic motives and rewards. Of these three variables, it is the latter (iii) that has been given the least attention (Ruskin and Webster 2011), while the other two variables have been studied, although not in the context of individual *SE* intentions, mindset and motivations. For example, Volkmann et al (2012b, p.4) argues that *SEs* act as “change agents and engines of social and economic progress and bring about positive change in the economy as well as society through their pro-active and innovative activities.” Other scholars have studied the influence of institutional configurations, arguing that institutional support and national systems of innovation can be critical factors motivating *SE* activity (Rao-Nicholson et al

2017; Stephan et al 2015). Analysing the seven models described in this section also showed there is a lack of explanation on the concept of 'empathy' in understanding *SE* intentions, mindset and motivations. Hence, in this study, we go directly to the source of information (i.e. the *SEs*) to ask how and why the *SEs* began developing their initiatives, while engaging insights from social psychology, leadership, and motivational theories to unpack *SE* intentions, mindset and motivations towards developing a robust understanding of *SE* motivations.

2.5. Advancing human capabilities (the Capabilities Approach)

Research in *SE* has largely been dominated by the innovative-entrepreneurial and social wealth creating dimensions (i.e. processes and outcomes) of *SE*, with less attention to their value-added dimensions (Rindova et al 2009; Zahra and Wright 2015). However, there have been complementary research streams connecting *SE* with the Capabilities Approach. Whilst some aspects of the Capabilities Approach can be traced back to Aristotle, Adam Smith and Karl Marx, the approach was developed by Indian economist and philosopher Amartya Sen, and later advanced by Martha Nussbaum in somewhat different manner (Robeyns 2005). Developed in the 1980s to provide a theoretical framework of the human development paradigms, the Capabilities Approach is a broad normative framework for evaluating and assessing individual wellbeing, distributive social justice, and social policy design, which has to date been used in a variety of applications including the UNDP's Human Development Report published annually since 1990 as an alternative to measuring material wellbeing based on GDP (Kulkys 2005; Mousavi et al 2015; Peeters et al 2015; Robeyns 2005).

There are two approaches to understanding the Capabilities Approach. The first is Amartya Sen's approach, which is based on four commitments: (i) individuals have diverse needs that differ according to individual ability and freedom to convert resources into functioning, (ii) under constant deprivation, individuals can make adaptive preference not to expect what they cannot have and adopt adaptation strategies to ensure their own survival, (iii) the metric of justice based on utilities disregards freedom of choice to gain valuable achieved functioning, and therefore, (iv) the metric of judgement of welfare and justice should be based on intrinsically valuable achievements over means that bring only instrumental value (Kulkys 2005; Peeters et al 2015; Robeyns 2016; Sen 1999).

The core principles of Sen's Capabilities Approach are based on two concepts. *Functioning* refer to states of what a person is able to be or do (i.e. beings and doings), which

give a person meaning to live a kind of life they find reason to value (Kulkys 2005; Mousavi et al 2015; Nussbaum 2006; Robeyns 2005; Sen 1999). *Capabilities* are described as the effective freedom that a person has to achieve valuable combinations of human functions (Robeyns 2016; Sen 1999, 2000; 2005). As shown in *Figure 2.14*, Sen (1999) argues that the relationship between resources (i.e. utilities) and functioning to achieve certain beings and doings are mediated by: (i) *personal conversion factors* such as metabolism, physical condition, sex, literary, education that influence a person's ability to convert resources into functioning, (ii) *social conversion factors* including public policies, social norms, discriminating practices, gender roles, social beliefs and power dynamics, and (iii) *environmental conversion factors* including climate, geographical location and topographical conditions (Robeyns 2005). Sen's Capabilities Approach thus distinguishes from other resourcist and utilitarian accounts of social justice by capturing wellbeing directly in terms of individual capability and functioning (i.e. beings and doings), rather than in terms of commodities (i.e. the means) (Mousavi et al 2015; Peeters et al 2015; Robeyns 2005).

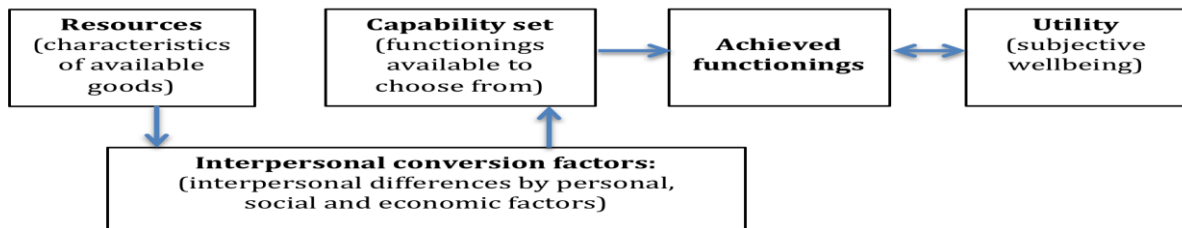


Figure 2.14. Sen's capabilities approach framework

Sourced from: UN Centre of Health Equity Research (2019)

The second approach to understanding the Capabilities Approach is Nussbaum's ten central human capabilities. Whereas Sen (1999) refused to identify specific capabilities on grounds that they are context-dependent, Nussbaum (2000, p.72) advanced the Capabilities Approach by developing an objective list of ten central human capabilities (see *Table 2.5*), which provides the most influential view on capability theories of justice (Robeyns 2005; 2016). Nussbaum's framework focuses on thresholds, but can be applied to all human beings regardless of country of residence or disabilities for people to live truly valuable lives (Robeyns 2016). To date, Nussbaum's framework has been adopted in various social policies to ensure protecting the dignity of all people by governments (Robeyns 2016). However, in the process, it appears that Sen's Capabilities Approach have been somewhat left behind.

Table 2.5. Nussbaum's Ten Central Human Capabilities functions

Life	Living a complete and satisfying life without having life prematurely cut short by life that circumstances hardly worth living
Bodily health	Living with good health, with access to healthcare, good food and ability to exercise to sustain health
Bodily integrity	Having capacity to move about freely free from attachment and abuse of any kind and satisfy bodily needs
Senses, imagination and thought	Having freedom and ability to use all senses, imagine, think and reason in a civilised, human way and access to education, cultural experiences, and literature to produce one's own expressive work
Emotion	Being able to become attached, love, and care for other things and people outside of ourselves, and experience love, grief, gratitude and justified anger without being subject to fear or anxiety or blighted by trauma or neglect
Practical reason	Being able to consider and develop understanding of good and evil, and engage in critical reflection about planning one's own life
Affiliation	Being able to associate and interact with others, and having concern and capacity to life for and towards others
Other species	Being able to live with concern for and in relation to animals, plants and other species, and connect and enjoy nature and its beauty
Play	Being able to laugh, play and enjoy leisure and recreational activities
Control over ones' environment	Being able to participate in political activities, make free choice, own property and goods, seek and accept work and be treated reasonably to exercise control

Sourced from: Nussbaum (2006)

2.6.1. SE and the Capabilities Approach

Yujuico (2008) was among the first to link *SE* with the Capabilities Approach, positing that *SEs* focus on the lived realities and wellbeing of marginalised citizens, whose innovation comes as a response to institutional and market failures in fulfilling human capabilities. Drawing on Nussbaum's ten central human capabilities (See Table 2.8), Yujuico (2008) further splits human capabilities into *internal capabilities*, referring to developed states of human capabilities that come with matured skills or support from the external environment, and *combined capabilities* resulting from combining internal capabilities with favourable external conditions for exercising human functioning. He (2008) argues that *SEs* draw on their beliefs that human internal capabilities are not fixed but can be developed under the right conditions, and hence strive to develop context-appropriate interventions to foster internal capabilities while creating the enabling environment to transform the external environment. Yujuico's study (2008) thus uncovers the dual role of *SE* in: (i) removing obstacles preventing the marginalised from developing internal capabilities due to having their *combined capabilities* unaddressed by states and markets, and (ii) ameliorating the situation to develop *internal capabilities* while altering the external environment needed to produce central human capabilities. Based on this analysis, Yujuico (2008) argues that *SEs* play a vital role in closing the gap between underdeveloped internal human capabilities and

the external environment. Additionally, Yujuico (2008) also outline five capitals harnessed by *SEs* in fulfilling their objectives: (i) *human capital* (knowledge, skills, health and values) (ii) *natural capital* (renewable and non-renewable natural resources, (iii) *social capital* (social networks, social norms, values and sanctions that bound people together), (iv) *physical capital* (man-made infrastructure, buildings, vehicles, and material goods) and (iv) *finance capital*, many of which have already been discussed under key concepts (see *Figure 2.15*).

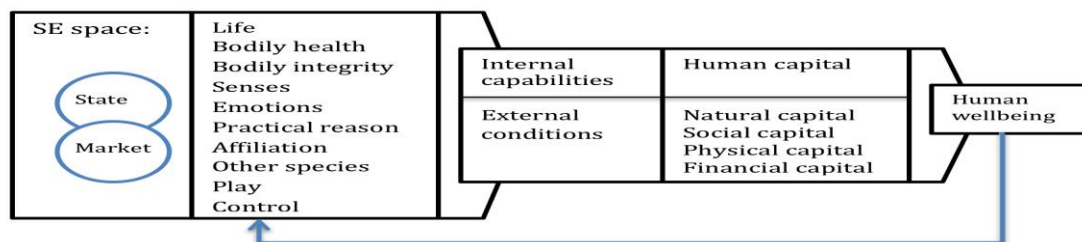


Figure 2.15. Human capabilities framework

Sourced from: Yujuico (2008)

2.6.2. Measuring outcomes by social capabilities, scalability and sustainability

More recently, Weaver (2019) applied Nussbaum's ten central human capabilities to develop a capability measurement framework, highlighting that the Capabilities Approach provides an appropriate tool for measuring social value creation and assessing social impact due to recognising diverse preferences and needs of people who require freedom of choice and opportunities to be and do what they want. As shown in *Figure 2.16*, Weaver's study highlights the range of opportunities that *SEs* create in meeting human needs across *health and human security, social mobility, self-expression and social relations, and participation in socio-political and environmental activities*, as well as a range of social capabilities that can be created across education, employment training, general health, interaction with nature, life planning and decision making, and political participation among others.

Weaver's (2019) study also reveals four techniques used to create positive social change: (i) *capacity building*, which involves empowering marginalised citizens with tools and skills to enable them to help themselves, (ii) *developing social movements*, which consist of group action aimed at advancing social change through changing behaviour and lifestyles, (ii) *resource provision*, which involves provision of free and/or affordable goods and services to help beneficiaries meet needs and tackle social issues, and (iv) *system change*, which

involves advocating or working with institutions and markets to change social systems or developing new organisations and groups to foster local social change. Nevertheless, Weaver's (2019) study is based on surveying 115 SVs in the US, which needs empirical testing in developing countries.

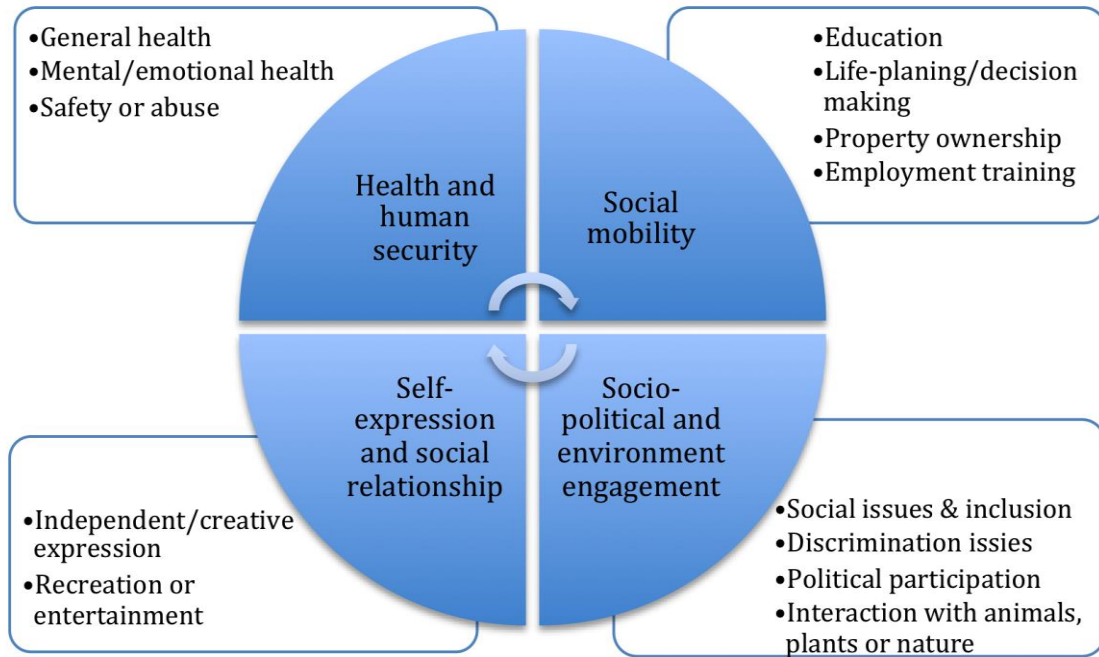


Figure 2.16. Capability Measurement Framework

Sourced from: Weaver (2019)

Despite providing understanding of how to advance social justice and human wellbeing and an appropriate tool for measuring social value creation, the Capabilities Approach is not without criticism. Peeters et al (2015) argues the approach lacks consideration of environmental sustainability, whereas other scholars have commented that it lacks an operationalisable method to aggregate interpersonal comparisons into collective wellbeing and social justice (Rauschmayer et al 2015; Robeyns 2016). Ibrahim's (2017, p.198) 3C-model for grassroots-led development introduced in *Section 2.3.3* (see p. 38-39) seeks to fulfil this gap by drawing on the *SI, Capabilities Approach* and other bodies of knowledge in identifying three evaluative aspects to assess success, scalability, and sustainability of grassroots-led development (GLD), which he defines as "an improvement in one or more aspects of human well-being brought about by the people acting as initiators and agents of change (in collaboration with other development actors/institutions at the grassroots." This thesis will thus harness the above two frameworks to assess the social

value creating outcomes and success, scalability and sustainability of *SE* case studies engaged in this study to supplement for the lack of impact assessment methods under the existing *SE* scholarship (Arogyaswamy 2017). Additionally, this study will also draw on insights from Sen's Capabilities Approach to enable understanding of the strategies and processes used by *SEs* in developing disruptive innovations and the multi-phased approach taken to cultivate social capabilities to create mutual benefit for the *SE* and *Capabilities Approach* scholarships.

2.6. Emancipatory role of social entrepreneurship

The second complementary line of research concerns the emancipatory work of *SE*. *SE* derives from traditional entrepreneurship, but adds to this a 'social' dimension by tackling a specific social, economic or environmental problem (Radyati and Simmonds 2015). According to Aldrich (2005), entrepreneurship has predominantly been studied from four major dimensions: (i) creation of new organisations, (ii) high-growth and high-wealth creating businesses, (iii) the creation of new products and markets along Schumpeterian traditions, and (iv) recognition and exploitation of profitable opportunities. To broaden understanding of the value-added dimension of entrepreneurship, Rindova et al (2009) sought to extend understanding on the emancipatory work of *SE* by focussing on pursuit of individual freedom and autonomy towards disrupting social order (Chandra 2017). Defining emancipation as "the act of setting free of power of another," Rindova et al (2009, p.478) posit that individual freedom and autonomy can be constrained by several factors including accepting one's own restrictions, preoccupation with certain ideologies, and social restrictions imposed on present and future circumstances due to past behaviour (Chandra 2017). These insights resonate with Sen (1999), who describe human capabilities in terms of individual ability and freedom, advocating that constant deprivation and marginalisation can result in adopting adaptive strategies to ensure survival.

Rindova et al (2009) outline three dimensions of emancipation: (i) *autonomy seeking* (releasing or helping others break free from restrictions), (ii) *authorising* (taking ownership of one's action by redefining relationships, social arrangements, and rules of engagement by shifting from passiveness to setting goals and taking action to rewrite rules for engagement and resource access), and (iii) *declaration of action* (declaring one's mission to change dominant practices and articulating language and action to demonstrate intention to create

change). In the context of *SE*, these dimensions respectively correlate with *advancing human capabilities*, *creating social change*, and *declaring a social mission* as shown in Figure 2.17.



Figure 2.17. Three dimensions of emancipatory work

Sourced after: Rindova et al (2009)

Building on Rindova et al (2009), Chandra (2017) studied the emancipatory work of *SE* by engaging two former Indonesian terrorists who made a comeback to society through creating *SVs* to free other terrorists from the shackles of constraints imposed on them due to past behaviours. Chandra (2017) makes two key arguments. First, he outlines that emancipation is the act of freeing oneself or others from existing constraints, powers and controlling forces. Second, he advocates *SVs* provide autonomy to individuals to free themselves of self-interest and encourage other-oriented behaviour in advancing social welfare. The author proposes a process model highlighting the potential of emancipatory work of *SVs* in enabling beneficiaries to find new meaning in life, create new social relations, and new venture opportunities by engaging marginalised citizens in enterprise creation and relationship building through altering opportunity costs for re-engagement based on building trust, empathy, and improving social steering capacity and social status. Chandra's study thus invokes potential for socially marginalised citizens to break free from suffering and create value in their lives, while reintroducing the concept of empathy, which has not been discussed sufficiently studied in the *SE* scholarship.

The emancipatory work of *SE* is a relatively understudied area in the *SE* scholarship that needs advancing knowledge. Rindova's study (2009) adds valuable insight into understanding the concept of social mission, which is currently vaguely understood in the *SE* literature. Chandra's study (2017) invokes potential for socially marginalised citizens to

break free from suffering to create value in their lives, while reintroducing the concept of 'empathy,' which has not been sufficiently studied in the *SE* scholarship. These studies thus connect the dots between the Capabilities Approach and social mission, thereby helping this thesis to find the 'missing mechanism' that mediates mediate empathy and pro-social entrepreneurship action.

2.7. Sustainable entrepreneurship and triple bottom line value creation

Sustainability, like *SE*, can mean different things to different people depending on whether emphasis is placed on financial, environmental, or socio-cultural factors (Zhang and Swanson 2014). Whilst the majority of literature on *SE* focuses on double bottom line value creation (i.e. social and economic sustainability), several scholars argue they also tackle environmental problems such as water pollution, climate change, and natural resource management (Bornstein 2007; Letaifa 2016; Partzsch and Ziegler 2013; Radyati and Merwanto 2016).

Based on rethinking the traditional role of entrepreneurship in creating value beyond economic gains, a new stream of literature known as *sustainable entrepreneurship* has recently emerged as a mechanism to harness *SE* potential in sustaining nature and ecosystem services (Shepherd and Patzelt 2010). Sustainable entrepreneurship is generally seen as a way of generating competitive advantage by recognising new business opportunity to create new products, production methods, markets or organising principles towards sustainability (Patzelt and Shepherd 2010; Ploum et al 2017). However, scholars from this emerging field argue that entrepreneurial action can also tackle complex environmental challenges, leading to enhancing education, economic productivity, human health, socio-economic advancement, and promote self-help in developing countries through integrating sustainability into business processes to transfer this vision towards greater sustainable development (Cohen and Winn 2007; Ploum et al 2017; Sarango-Lalangui et al 2017; Shepherd and Patzelt 2010; Stal and Bonnedahl 2017). *Sustainable entrepreneurship* can thus be conceptualised as an overarching concept examining *SE* contributions to social, economic and environmental value creation by balancing economic viability with social and ecological sustainability (Ploum et al 2017). Nevertheless, this scholarship only emerged in the last few years, lacking empirical analysis to validate these arguments. Hence, in this study, we examine the triple bottom line value creation potential of *SE* through asking the

SEs 'what does sustainability mean to you' and by comparing eight case studies to position *SE* as a real-life example of “thinking globally, acting locally” (WCED 1987).

2.8. Social innovation and entrepreneurship in developing country contexts

This study was developed under a larger research collaboration project aimed at enabling developing Indonesian cities to leapfrog towards sustainable urban water management (SUWM) and water sensitive cities (WSC), informed by the socio-technical leapfrogging scholarship, which invokes potential for developing cities to advance towards more sustainable modes of production and consumption through developing appropriate technologies (Goldemberg 2011; Tukker 2005). However, a review of these scholarships revealed these concepts are insufficient for addressing complex sanitation challenges in developing Indonesian cities due to: (i) strong focus on expediting socio-technical change through technology and governance change, (ii) lack of attention to sanitation, which has been identified as utmost social, economic, and environmental challenge affecting water quality, environmental degradation, human health and wellbeing linked with other SDG components, (iii) lack of attention to local transformative agents and endogenous alternative innovations emerging independently of international action, and (iv) lack of attention to poverty, inequality, and social justice of 34% of Indonesia’s urban poor and marginalised citizens who have been constantly deprived of basic human needs (see *Section 1.1* and *1.3*). These research gaps are related to contextual differences between developed and developing cities, which go beyond the presence of physical infrastructure for water and sanitation and legitimate mandate in managing water resources as described by Brown et al (2009).

2.8.1. Contextual differences between developed and developing countries

According to Radyati and Simmonds (2015) and Pratono and Sutanti (2016), Indonesia has a critical lack of social infrastructure, which includes basic services in health, education, finance, and social welfare. More specifically, Ramos-Mejia et al (2018) outline critical differences in socio-technical landscape and regime, highlighting that developing cities have diverse socio-technical regimes, informal and insecurity settings that constantly reproduce ill-functioning institutional settings that undermine the capabilities of the underprivileged majority while creating well-functioning institutions that strengthen the privilege of a few

(see *Table 2.6*). These contextual differences are fundamentally different from developed countries with established capitalist economies developed on the basis of formal markets and R&D based technologies with formal rules and regulations ensuring individual freedom and collective wellbeing for the majority of populations (Ramos-Mejia et al 2018). This highlights critical need to focus on the socio-economic development of marginalised citizens in expediting socio-technical change in developing countries (Hansen et al 2018; Ramos-Mejia et al 2018; Wieczorek 2018).

Table 2.6. Contextual differences between developed and developing countries

Welfare settings	Informal security	Insecurity settings
Socio-technical landscape		
Capitalist economy based on technological progress	Peasant economies with peripheral capitalism	Predatory capitalism
Social relations mediated by formal & legitimate rules	Social relations mediated by informal rules characterised by exploitation, exclusion, and domination	Social relations mediated by informal rules and often characterised by oppression
State autonomy & legitimacy	Weak states undifferentiated from other power systems	Weak, illegitimate and sometimes criminal states
Socio-technical regime		
Centrally infrastructure with R&D based technologies	Mix of unevenly developed infrastructure and locally developed infrastructure	Overall lack of infrastructure
Formal production units with firms being major providers of goods and services	Coexistence of formal firms importing technology and informal family business and community organisations based on patron-clientelism	Family and community-based informal production units,
Legal property rights	Formal and informal property rights and informal collective property rights	Informal and non-existent property rights
Legitimate regulatory frameworks	Regulatory frameworks exist but are poorly enforced	Non-existent regulatory frameworks and strongman's rule
Modern technology-based lifestyles	Large urban rural disparity	
Individual freedom	Patriarchal households limiting individual freedom (especially for women)	
Access to formal labour markets	Portfolio of livelihoods and adaptation strategies to ensure survival and manage risks and uncertainties	

Sourced after: Ramos-Mejia et al (2018)

2.8.2. Leapfrogging trajectories for developing countries

Within the socio-technical leapfrogging scholarship, Binz et al (2012) identify six leapfrogging trajectories for developing countries (see *Table 2.7*), highlighting that existing research on focuses on the first three trajectories, which reflect the classical foreign direct

investment (FDI) model whereby weak local innovative capacity is complemented by advancing innovative technology developed in advanced countries and strategically led by transnational action. They highlight a critical lack of attention to the latter three endogenous processes emerging independently of international action. These traditional forms of technology and knowledge transfer stem from the original MDGs (2000-2015), which obliged developed countries to help developing countries through knowledge transfer and foreign aid (Sachs 2015), the roots of which are in historical colonial and post-colonial policies laying the foundations of uneven development in developing countries (Chaplin 2011; Engel and Susilo 2014; McFarlane 2008). Nevertheless, there is now increased evidence of growing local innovative capacity in developing countries (Walz 2010) cultivated through decades of FDI projects increasing experiential and absorptive capacity (Gardner et al 2012; Perkins 2003; Soete 1985; Szabo et al 2013), as well as increased awareness in harnessing local knowledge in tackling sustainability issues (Bai et al 2010; Berkhout et al 2007). However, beyond studies in decolonisation (Banerjee and Duflo 2012; Connell 2007; MacAskill 2016) and empowerment (Page and Czuba 1999; Chambers 1997; Narayan et al 2000), these perspectives have been neglected, pointing to a great opportunity missed in harnessing the potential of local alternative endogenous processes in catalysing transformative change.

Table 2.7. Leapfrogging trajectories for developing countries

1. International competition
Technology formation and identifiable local technology infrastructure systems are combined with strong competitive incentives pushing corporations and research facilities in developing innovativeness
2. Global innovation system
Global and national actors connect through transnational activity, collaborative research, or migration of qualified experts towards knowledge creation, diffusion of innovative solutions and direct access to quality know-hows
3. Foreign direct investment
Classic internationally induced leapfrogging trajectory where international technology formation is confronted with weak innovative capacity, and led by strategic intentions of transnational corporations in enabling innovative technology to breakthrough in countries with low path dependency
4. Isolated regime formation
An endogenous bottom-up process where local actor-networks develop products and knowledge in protected space independent of international actions, supported with strong national government policy
5. Export-oriented leapfrogging
An endogenous process where special know-how and resources in a specific technological field develop and can be exported to developed countries
6. Low leapfrogging potential
Only weak activities are identified on international and national level in which leapfrogging can only be initiated by powerful well-endowed single action

Sourced after: Binz et al (2012)

2.8.3. *Alternative value-based innovations*

Rising inequalities associated with mainstream innovations and the need to integrate human and ecologically sustainable development has recently prompted academic interest in alternative value-based innovations (AVBI), which are ‘social’ innovations aimed at transforming societal values, behaviours and mindsets towards socio-political and economic system change (Heeks et al 2014; Leach et al 2012; Paredis 2011; Steiner et al 2015; Stephan et al 2015). In developed countries, these AVBIs are commonly known as ‘grassroots innovations’ (*GI*), which can be defined as “networks of activists and organisations generating novel bottom-up solutions for sustainable development by responding to local situation, interests and values of the communities involved” (Seyfang and Smith 2007, p.585). Despite recognised as a promising approach to create transformative change in a way that makes sense to local contexts (Fressoli et al 2012; Hargreaves et al 2013; Seyfang and Haxeltine 2012; Smith and Raven 2012), existing research on *GI* mostly come from developed countries where there are few social inequalities (Ramos-Mejia et al 2018).

In developing countries, these AVBIs overlap with several concepts including ‘frugal innovations,’ ‘under-the-radar-innovations,’ ‘pro-poor innovations,’ and ‘bottom-of-the-pyramid innovations’ among others, which can be conceptualised as neo-Ghandian innovations aimed at increasing affordability, simplicity, usability, and sustainability for underprivileged citizens through designing/redesigning products, services, processes and business models (Arshad et al 2018; Bas 2016; Hall et al 2012; Heeks et al 2014; Leliveld and Khan 2016; Knorrinda 2017; Ramani et al 2012). Alternatively, they can be conceptualised as Schumpeterian disruptive innovations aimed at creative destruction through shifting resources and combining innovations (Knorrinda et al 2016) or inclusive innovations that foster inclusion and participation (Heeks et al 2014). However, Pervez et al (2013) argue these innovations can also take advantage of the large untapped market potential of billions of poor and marginalised citizens without necessarily benefitting their lives. These insights point to a diversity of alternative innovations, some of which are more value-based than others.

Given this diversity, Heeks et al (2014) classify alternative innovations according to levels of inclusivity and participation by socially excluded groups, highlighting that structural and post-structural innovations are the most transformative in that they challenge existing governance structures within which they develop and empower human capabilities while fostering inclusion and participation (see *Figure 2.18*). These structural and post-

structural alternative innovations are known under various labels including *SI*, *SE*, community-based and enterprise-led innovations in fragmented and scattered literatures across multiple sectors and disciplines. Hence, despite many empirical examples, these AVBIs have not been sufficiently studied with regards to their potential contributions in creating socio-technical change towards sustainable development (Paredis 2011).

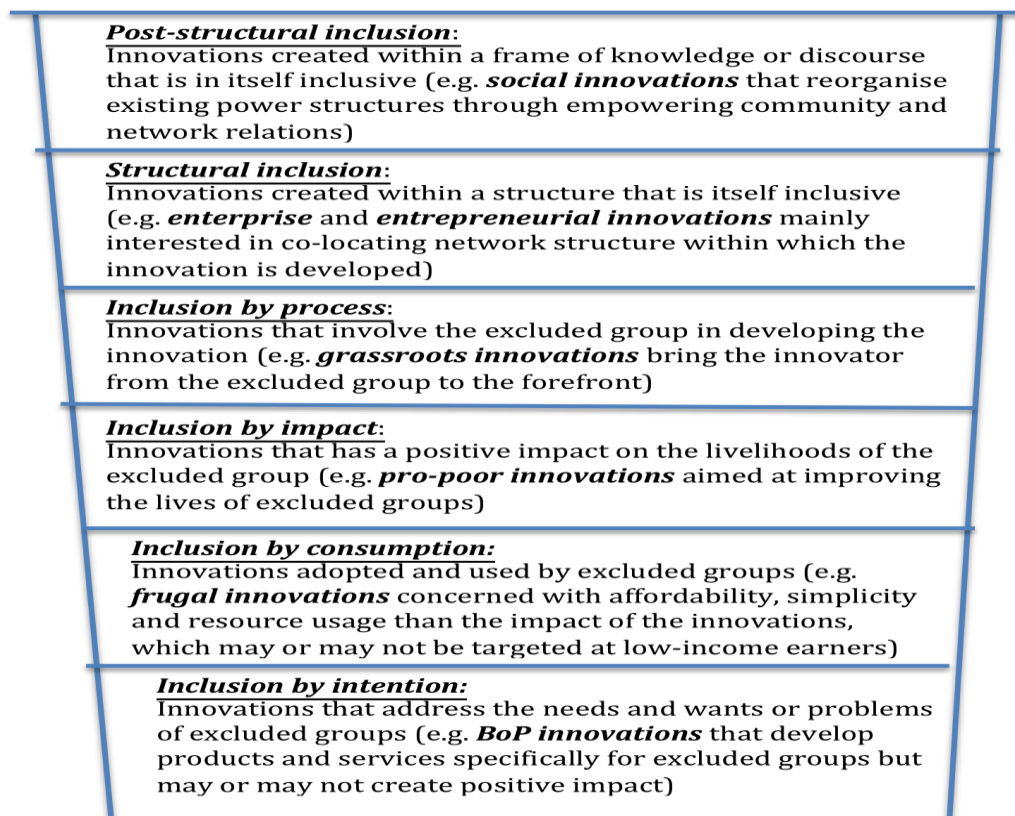


Figure 2.18. Ladder of inclusive innovations

Sourced after: Heeks et al (2014)

According to Paredis (2011), AVBIs have long existed in the background, yet they have been neglected in innovation studies due to necessitating fundamental socio-political and economic system transformations as compared to mainstream innovations making incremental adjustments (i.e. transitions) with focus on technological and governance change. However, given the above emerging examples of AVBIs and persistent wicked challenges (e.g. climate change, resource depletion, growing inequality) confronting the world today, AVBIs may offer a promising alternative approach to development. It is based on this potential that this study takes an unconventional approach to exploring the potential of local *SEs* with practical experience in transforming existing social systems, values and the

lives of underprivileged citizens from the ground up. In this study, we thus bring these AVBIs to the forefront by focussing on *SE*, which has been classified as among the highest of inclusive innovations (Heeks et al 2014) to examine their potential role in transforming sanitation practices in Indonesian cities.

2.9. Sustainability Transitions

Sustainability Transitions is a relatively recent scholarly field that developed as a branch of innovation studies to advance ecologically sustainable development (Falcone 2014). Defined as “long-term, multi-dimensional, and fundamental transformation processes through which established socio-technical systems shift to more sustainable modes of production and consumption” (Markard et al 2012; p.256), sustainability transitions involves a continuous process of system innovations that co-evolve with changes in technologies, institutions, socio-cultural needs and practices that get socially embedded over time, which can take 50 years or more to make incremental adjustments across the interrelated parts (Geels 2004; Rotmans 2001). Additionally, these transitions come with several other challenges including tensions between local versus expert knowledge, value-entrenched sustainability goals versus lack of incentives for private and civic sector participation, due to having globalised causes and localised impacts and necessitating both formal and informal legitimacy (Geels 2010). If *SE* are to inform transformative changes within sanitation, then we need to understand how they fit within the overall architecture of a transition pathway, which necessitates exploring the sustainability transitions literature to identify the place for *SE* within sustainability transitions.

Sustainability Transitions offer several analytical frameworks that can be used to manage and expedite change in socio-technical systems (Geels 2004). As shown in *Figure 2.19*, the *multi-level perspective* (MLP) provides the foundational theory, which explains how systems undergo a shift from one socio-technical regime to another in interaction with various actor-networks, and configurations at three nested levels (Geels and Schot 2007; Rip and Kemp 1998). At the centre of this framework is the meso-regime, which refers to the incumbent system where dominant rules, regulations, institutions, technologies and cultural practices maintain stability and incrementally adapt over time (Geels 2002; Rotmans et al 2011). The micro-niche is where novel innovations develop and create radical breakthroughs shielded from mainstream pressure to tackle complex problems (Rotmans et al 2011; van der Bosch and Rotmans 2008). The macro-landscape level is where exogenous

events and trends such as socio-demographics, macroeconomics, political ideologies, ethical values and climate change exert pressure on the regime to generate opportunity for niche innovations to breakthrough (El Balili 2019; Wieczorek 2018). Transition scholars have long argued that incubating and experimenting with niche innovations in ‘protected space’ would allow matured innovations to breakthrough when windows of opportunity arise (i.e. crisis), when the incumbent system begins to destabilise with persistent problems, or upon clustering with other niches (Geels 2002; Genus and Coles 2008; Rotmans et al 2011; Rotmans and Loorbach 2009; Smith and Raven 2012). Nevertheless, in addition to few documented examples of niche breaking through the experimental pathway (Geels 2011; Hargreaves et al 2013; Rotmans et al 2001), the ‘social’ dimension of socio-technical transitions has not been sufficiently explored, particularly with regards to the transformative potential of *SE*.

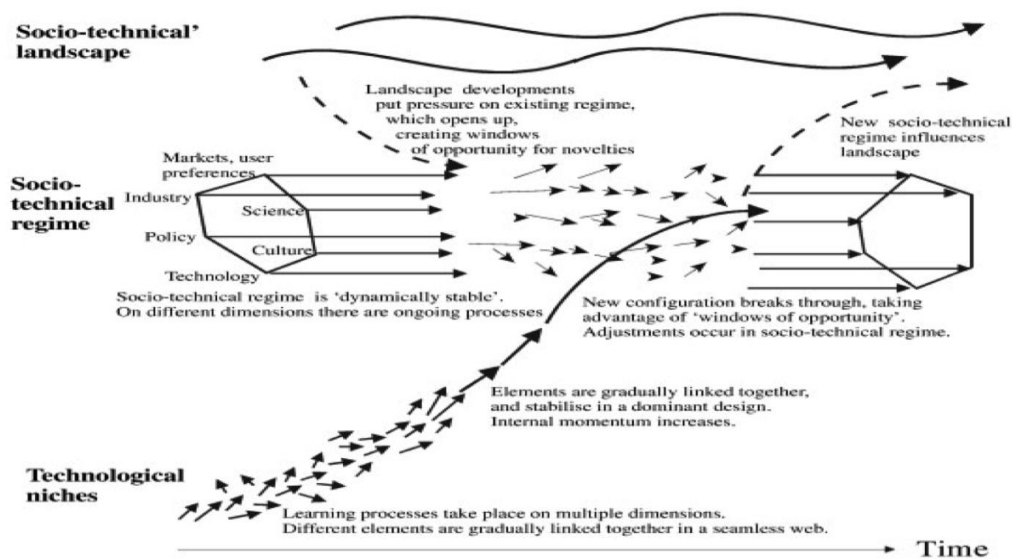


Figure 2.19. The multi-level perspective frame

Sourced from: Geels and Schot (2007)

The *strategic niche management* (SNM) framework also recognises the importance of niche and the MLP's three interconnected levels of change (Wieczorek 2018). However, rather than passively wait for a niche to gather competency, SNM proactively seeks to advance niche structuration through articulating societal expectations, mobilising networks, and fostering learning (Caniels and Romijn 2008; Kemp et al 1998; Raven 2012; Spath and Rohracher 2012). Recent niche theory thus suggests SNM can occur on three levels: (i) the

local, where learning and experimentation occur in local contexts supported by local actors, (ii) functional, where niche innovations are replicated in different contexts by linking to other functions and domains, and (iii) the global, where an emerging new regime is supported by globally networked actors and configurations facilitating knowledge exchange beyond local contexts (Smith and Raven 2012; Van der Bosch and Rotmans 2008). Despite criticised in its early days for experimenting only with technological innovations (Hegger et al 2007), the SNM has more recently been applied to study grassroots social innovations and the role of intermediaries in scaling innovations despite primarily in developed countries (Fressoli et al 2012; Hargreaves et al 2013; Seyfang and Haxeltine 2012; Ramos-Mejia et al 2018). Insights from developing countries will thus contribute enhanced understanding to the scholarship.

Transition scholars have also begun exploring the many and varied roles and processes of different actors within the transition arena (Geels 2010). Of these, relevant concepts for this research are intermediaries, transformative agents, and their alliance. Intermediaries can be organisations, institutions, or projects that provide networking and knowledge sharing platforms, aggregate information on local projects, and feed this information back to community to encourage subsequent project development (Hargreaves et al 2013; Kivimaa 2014), which include locally and globally networked actors and configurations involved in strategically structuring niche formation (van der Bosch and Rotmans 2008). These insights have not, however, been sufficiently harnessed to understand niche structuration of AVBIs in developing countries.

As shown in *Figure 2.20*, De Haan and Rotmans (2018) outline a typology of transformative agents and their alliance. They define “transformative agents” as actors who act upon ‘perceived crisis’ to enable new solutions to meet societal needs by connecting to a stream of values that affiliates with their solutions, and “alliance” as affiliations of initiatives, networks, and movements that introduce alternative solutions to the world, align actors towards shared value creation to institutionalise these solutions, and articulate and advocate value sets to externalise shared value creation by aligning stakeholders to a common stream of values (de Haan and Rotmans 2018). Despite offering sophisticated explanation of transformative agents and alliance building, the transformative change framework nevertheless lacks empirical basis.

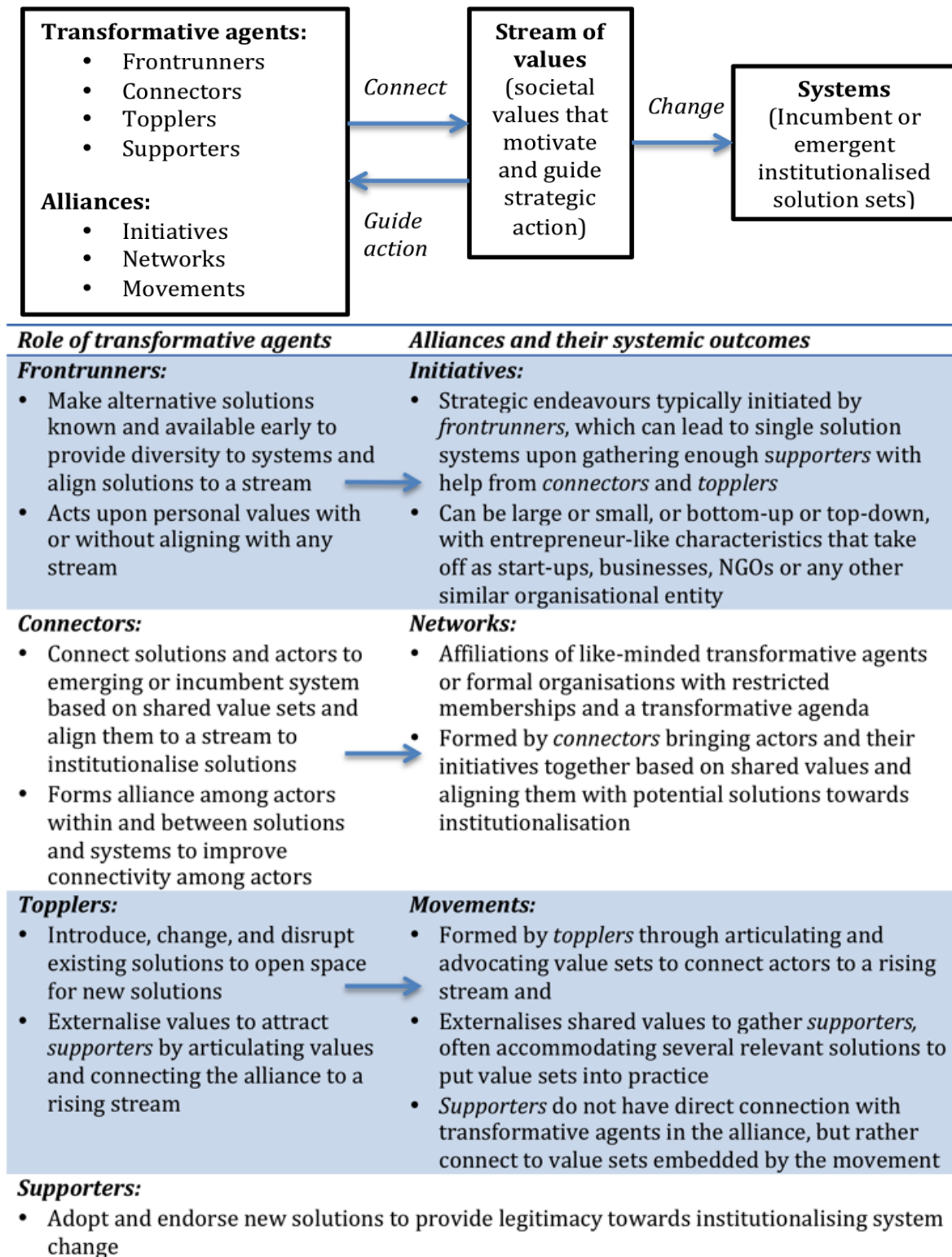


Figure 2.20. Framework and typology of transformative agents and alliance

Adapted from: De Haan and Rotmans (2018)

Sustainability transitions research has been subject to several criticisms in the past for: (i) having a narrow focus on increasing efficiency and sustainable production and consumption in developed country context, and (ii) overlooking the socio-institutional sustainability and human welfare dimensions in developing country contexts (de Haan and Rotmans 2018; Ramos-Mejia et al 2018; Romijn et al 2010). These criticisms have recently been responded to with several new research streams including the aforementioned transformative change framework (de Haan and Rotmans 2018), exploration of socio-institutional complexities associated with expediting socio-technical change in developing countries (Ramos-Mejia et al 2018), and connecting transition analysis with the Capabilities Approach (Rauschmayer et al 2013). In this study, these insights will be harnessed to supplement knowledge gaps in *SE* on three levels: (i) to explain the complex interactions that occur between actors and configurations at multiple societal levels in contributing to the emergence, development and popularisation of the *SE* in Indonesia, (ii) to explain the process of niche structuration involved in building an enabling ecosystem around *SE*, and (iii) to explain the role of transformative agents, intermediaries, and the alliance in aligning networks to a common stream of values. Additionally, bringing insights from *Sustainability Transitions* together with the *Capabilities Approach* will also assist in positioning *SE* as real-life examples of “thinking globally, acting locally,” as well as integrate understanding on how *SEs* are advancing human and ecologically sustainable development.

2.10. Summary

This *Chapter* divided the literature on *SE* into six parts to reveal three broad scholarly perspectives on *SE*: the innovative-entrepreneurial dimension (product view), potential for advancing human capabilities (process view), and creating triple bottom line value (outcome view). It found that existing literature is highly contested and dominated by the innovative-entrepreneurial dimension of *SE* with less focus on exploring their potential for advancing human capabilities, emancipatory work, and creating triple bottom line value. The literature review also revealed a multiplicity of concepts and frameworks, but a critical lack of conceptual and theoretical framework to understand how these multiple levels of analysis, frameworks, and stakeholders come together to make up the phenomenon of *SE*. In short, the existing scholarship on *SE* can be likened to the elephant in the room, where each scholar takes a certain perspective of the complex phenomenon without seeing the whole. Whilst this *Chapter* highlighted the potential value of supplementary literatures from the

Capabilities Approach, AVBIs, and sustainability transitions, there remains lack of understanding of how and why *SEs* do what they do. Based on this analysis, the literature highlights six key research gaps:

- i. Poor understanding of the multifaceted role these transformative and multi-sectoral agents play in the development sector
- ii. Lack of a unified understanding of the strategies and processes used by *SEs* in combining disruptive innovations with human capabilities advancement
- iii. Low knowledge on the values and motivations driving *SEs*
- iv. Poor understanding on how different stakeholders affect and are affected by *SE* and become aligned to a common stream of values
- v. Lack of systematic understanding on how the phenomenon of *SE* emerged, developed and globalised
- vi. Absence of any one effective theory that captures the full complexity of the phenomenon of *SE*

Given these multiple knowledge gaps, this study will unpack the role, strategies and motivations of *SE* with focus on (i) understanding individual characteristics, background, experience, skills and knowledge and contextual factors in developing *SE*, (ii) the strategies and processes used in combining disruptive innovations with human capabilities advancement in creating transformative social change, and (iii) analysing multi-stakeholder perspectives on the role of *SE*. In doing so, the theoretical underpinnings of this research draw on a bricolage approach, whereby the combination of existing knowledge on *SE*, Capabilities Approach, AVBIs, and Sustainability Transitions will be engaged to outline the role, strategies and motivations of *SE* supplemented with other insights from, for example, social psychology, leadership, and motivational theories to understand the values motivating *SE*. The final framework of this thesis will thus be presented in *Chapter Seven*, following results and discussions of the component parts developed through 'Understanding the *SE*' (*Chapter 4*), 'Understanding what *SEs* do' (*Chapter 5*), and 'Understanding the Phenomenon of *SE*' (*Chapter 6*).

3. Chapter Three: Research methods and design

3.1. Introduction

As demonstrated in *Chapter One*, this thesis examines the emerging potential of *SE* in transforming sanitation practices to understand *what, why* and *how SE* contributes to and shapes transformative change towards sustainable development of Indonesian cities. Developed under the *Urban Water Cluster* project led by Monash University and funded by the Australian Government through the Australia-Indonesia Centre, the larger research project aimed at developing socio-technical leapfrog pathways for developing Indonesian cities to advance towards WSCs. However, a review of WSCs and leapfrogging scholarships revealed several neglected priorities in sanitation, social justice, and wellbeing of poor and marginalised citizens in developing countries. Thus, despite the WSC framework offering an innovative approach to tackling complex urban water challenges, alternative perspectives were needed to address key knowledge gaps to guide socio-technical leapfrogging pathways as part of the *Urban Water Cluster* project. This thesis therefore focussed on finding more context-appropriate solutions to Indonesia's urban sanitation problem, arriving at the emerging phenomenon of *SE* through literature on AVBIs.

As demonstrated in *Chapter Two*, the literature on *SE* revealed a multiplicity of ideas and highly contested area of study with no cohesive conceptual or theoretical framework to enable understanding of the *SE* phenomenon. To address this significant knowledge gap, the Capabilities Approach and sustainability transitions research scholarships were canvassed. Yet, as demonstrated in *Section 1.2*, this process revealed there is no single effective theory that captures the full complexity of *SE*. Thus, this study focussed on generating empirical evidence and developing conceptual understanding to inform theoretical advancement by giving voice to research participants and conducting an exploratory, descriptive, and explanatory inquiry to understand the role, strategies and motivations of *SE* (Neuman 2009). As shown in *Table 3.1*, this multi-dimensional inquiry approach followed three objectives: (1) to explore individual and stakeholder perspectives on the role of *SE* in creating transformative change in Indonesian cities, (ii) to characterise the strategies and processes used by *SEs* in catalysing change, and (iii) to develop an explanatory framework that outlines the roles, strategies and motivations of *SE* and their contributions to transforming sanitation practices

in Indonesian cities. This *Chapter* outlines the research architecture including the processes and methods undertaken to select case studies, and collect, analyse and validate data, enabling the reader to follow the research design from initial conception of the research topic to the development of the final framework.

Table 3.1. Method of inquiry taken to explore the phenomenon of *SE*

Key Questions	Nature of inquiry and type of research needed
What is the role of SE in creating transformative change in Indonesian cities?	Exploratory study to understand the relatively nascent area of study through individual and stakeholder perspectives on the role of SE in catalysing change
What strategies and processes are used in catalysing change? Who is engaged and how?	Descriptive research to characterise the strategies and processes used by SEs in catalysing change including social relations, social mission,
What are the motivations driving SE and how has the phenomenon evolved?	Explanatory research to identify motivations and mindset in driving SE activity and develop an explanatory framework that outlines the role, strategies and motivations of SE

Sourced after: Neuman (2009)

3.2. Research design and approach

This research adopted a qualitative multiple case study approach to understand the meaning individuals and stakeholders ascribe to a contemporary social phenomenon in their natural setting to generate robust evidence that enables integrated understanding of the *SE* phenomenon (Creswell 2014). The philosophical underpinning of this research was a pragmatic worldview to enable investigation of an unconventional topic with a creative, open-minded and flexible stance. Pragmatism is a unique practice-oriented approach allowing flexibility to choose from a range of methods, techniques, and procedures without being committed to any one particular philosophical system (Creswell 2004; Patton 2002). Studies suggest pragmatism is a methodologically sound approach to studying real-world phenomenon within the human geography discipline, allowing a sufficient degree of mutual understanding to be gained with both research participants and readers through emphasising shared meaning (Harney et al 2016; Hay 2000). Being neither exclusively an inductive or deductive paradigm, pragmatism was considered a suitable approach to enable moving back and forth between theory and data, converting observation into theory, then assessing theory through action while allowing research results learned in one context to be applied in another (Morgan 2007).

A multiple-embedded case study design was used to assist in answering the *how* and *why* questions associated with the complex phenomenon of *SE*. Widely adopted for undertaking contextual social science research, case studies are a useful form of inquiry allowing detailed information to be extracted from small samples of real-world problems to generate theory while giving voice to participants to capture details in each case (Boblin et al 2013; Gomm et al 2009; Tight 2010). According to Stake (2008), case study designs allow for optimising understanding of the research community by pursuing scholarly research questions, gaining credibility through triangulating descriptions and interpretations against multiple data sources, and concentrating on experiential knowledge while paying attention to activities undertaken by each case, as well as the influence of social political and economic contexts. Multiple case designs also offer the advantage of increasing generalizability of results through allowing conclusions from one study to be compared and contrasted with another to reveal patterns across the cases (Baxter and Jack 2008; Halaweh et al 2008; Yin 2014). The embedded design also facilitates a more detailed level of inquiry investigated through multiple levels of analysis (see *Figure 3.1*) to understand individual *SE* variables, the innovation process, and the enabling structure surrounding *SE* activity in Indonesia (Bengtsson 1999; Yin 2014).

Similar research designs have been utilised by Alvord et al (2004), Gero et al (2014), Partzsch and Ziegler (2011), and Weaver (2019). However, these studies were based on survey instruments or small samples typically focussing on single units of analysis (i.e. individual characteristics and/or innovation processes and outcomes). Consequently, these studies do not allow for systematic comparisons across the cases to generalise results on the *SE* phenomenon. Given the dearth of deep empirical insight arising from direct engagement with the *SEs* and their networks, this thesis focussed on generating a more detailed and nuanced account of the *SE* phenomenon through studying multi-stakeholder perspectives and investigating multiple units of analysis. To mitigate against focussing too heavily on sub-unit levels to which embedded case study designs are sometimes criticised (Yin 2014), meticulous attention was paid to each unit of analysis by breaking data into pieces and synthesising the results to generate a holistic understanding of the *SE* phenomenon as demonstrated in *Chapters Four, Five and Six*.

3.3. Phases of research

As shown in *Figure 3.1*, this research was conducted over four phases, and fieldwork was undertaken in the second to early third year of research in 2016 and 2017.

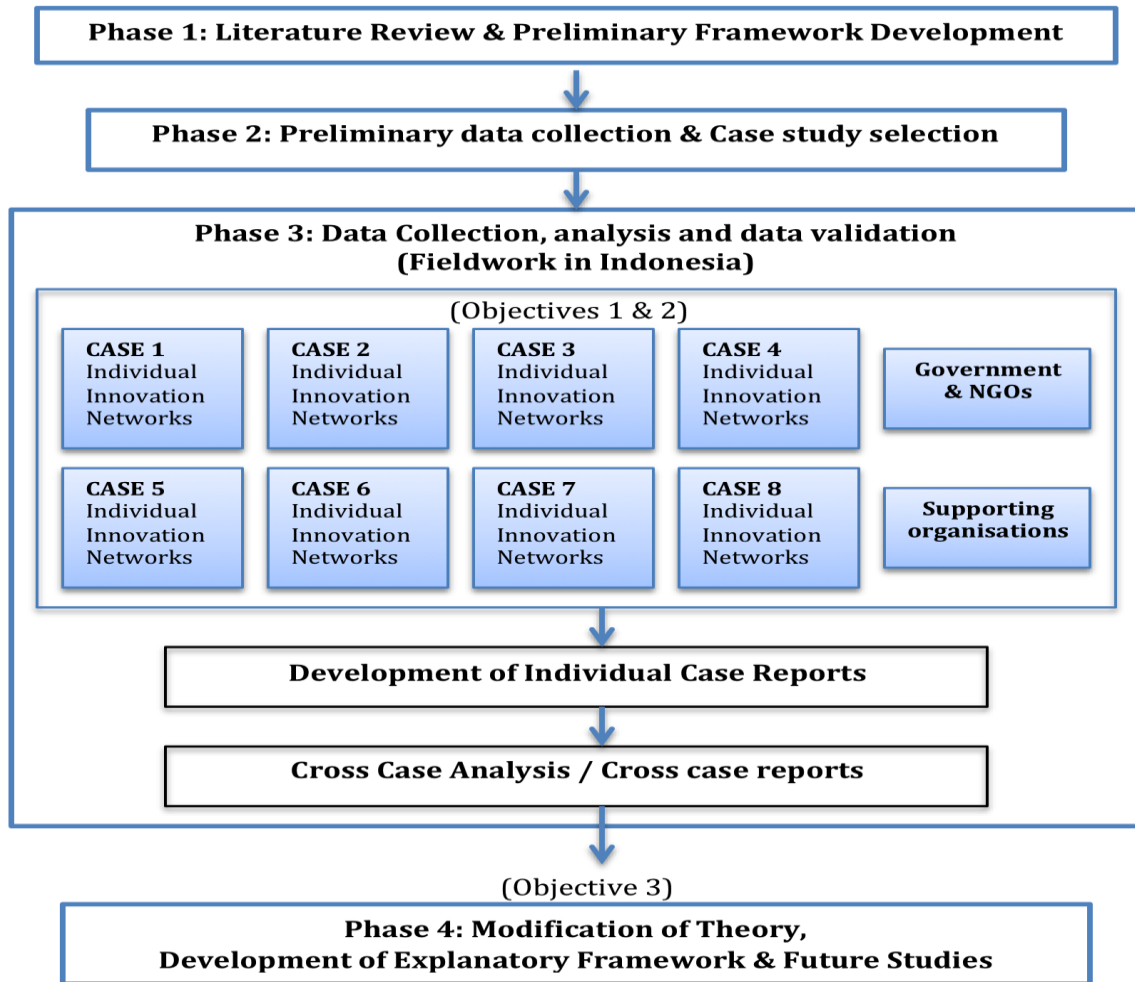


Figure 2.1. Schematic diagram of the research design

3.3.1. Literature review and preliminary framework development (phase 1)

Several bodies of knowledge (e.g. sustainability transitions, capabilities approach, sanitation, entrepreneurship, AVBI) were canvassed to assist with identifying the phenomenon of *SE*. Beginning with leading academic journal databases, SCOPUS and Web of Knowledge, the exploratory literature review presented in *Chapter Two* utilised a broad range of search terms (see *Table 3.2*), and identified a suite of peer-reviewed journal articles focussing on community-based, enterprise-led, grassroots innovations, frugal innovations, and bottom-of-the-pyramid innovations among others through literature on developed country context. This

process uncovered several studies on all kinds of AVBIs of which some included initiatives in water and sanitation (see e.g. Bai et al 2010; da Silva Wells and Sjibema 2012; Heeks and Foster 2013; London and Esper 2014; McGeough 2013; Mohaupt & Ziegler 2011; Palit and Chaurey 2011; Pathak 2006; Ramani et al 2012; Romijin et al 2010; Ulsrud et al 2011).

Table 3.2. Keywords used to identify social entrepreneurship in the literature

Key words used in search	Supplementary keywords
Alternative value-based innovations	Developing countries
Grassroots innovations	Developing cities
Inclusive innovations	Asia
Enterprise-led innovations	Indonesia
Community-based innovations	Sanitation
Social innovations	Water
Bottom-of-the-pyramid (BOP) innovations	Poor and marginalised citizens
Pro-poor innovations	
Frugal innovations	
Local experiments	
Sustainability experiments	

To get a grasp of these AVBIs, a meta-analysis of the these studies was prepared and compared against drivers, actors, barriers, strategies and pathways identified in studies on local experiments on SUWM conducted in Australian cities (Farrelly and Brown 2011) to understand how these AVBIs in developing countries compare to sustainability transitions experiments conducted in developed countries. This process demonstrated conspicuously different drivers, actors, strategies, barriers and pathways compared to those outlined in Farrelly et al (2011) study on sustainability experiments conducted in Australia, as well as a gradual shift in developing countries from conventional government-led top-down sustainability experiments towards more bottom-up community-based and enterprise-led innovations. Tracking these AVBIs through journal articles and the publicly available on-line data led to the identification of a few studies connecting these initiatives to *SE* (Ziegler et al 2014; Partzsch and Ziegler 2013), and to the identification of Ashoka, Skoll and Schwab Foundations supporting these initiatives.

Following a systematic literature review on *SE* and *SI* by Phillips et al (2015) highlighting growing convergence between these two concepts, a systematic search on SCOPUS showed 9610 and 2629 studies respectively under keywords '*social innovation*' and '*social entrepreneurship*' between 1978 and 2016, indicating a dramatic increase in literature mostly in business management studies after 2010. A combined search of the two keywords also returned 492 results over a period of two decades, thereby evidencing growing convergence between *SE* and *SI* particularly after 2005. The emerging significance of the two

concepts was also made evident by the increasing number of journals dedicated to the topic⁵. Meanwhile, a combined search of either *SE* or *SI* with ‘*sustainability transitions*’ over the same period returned only 9 studies, evidencing little connection between these AVBIs and sustainability transitions research.

A preliminary conceptual framework (*Figure 3.2*) was developed on the basis of reviewing literature and identifying key concepts on *SE* and *SI* (see *Sections 2.3*), and was used to (i) determine the scope of study and units of analysis, (ii) select empirical cases and research participants for study, and (iii) guide data collection and analysis including coding as suggested by Yin (2014) and Hulaweh (2008). Over the course of the study, this framework was refined as new insights emerged following iterative reflections on data collection and analysis, thereby contributing towards a more inductive approach in the development of the final explanatory framework detailed in *Chapter Seven*.

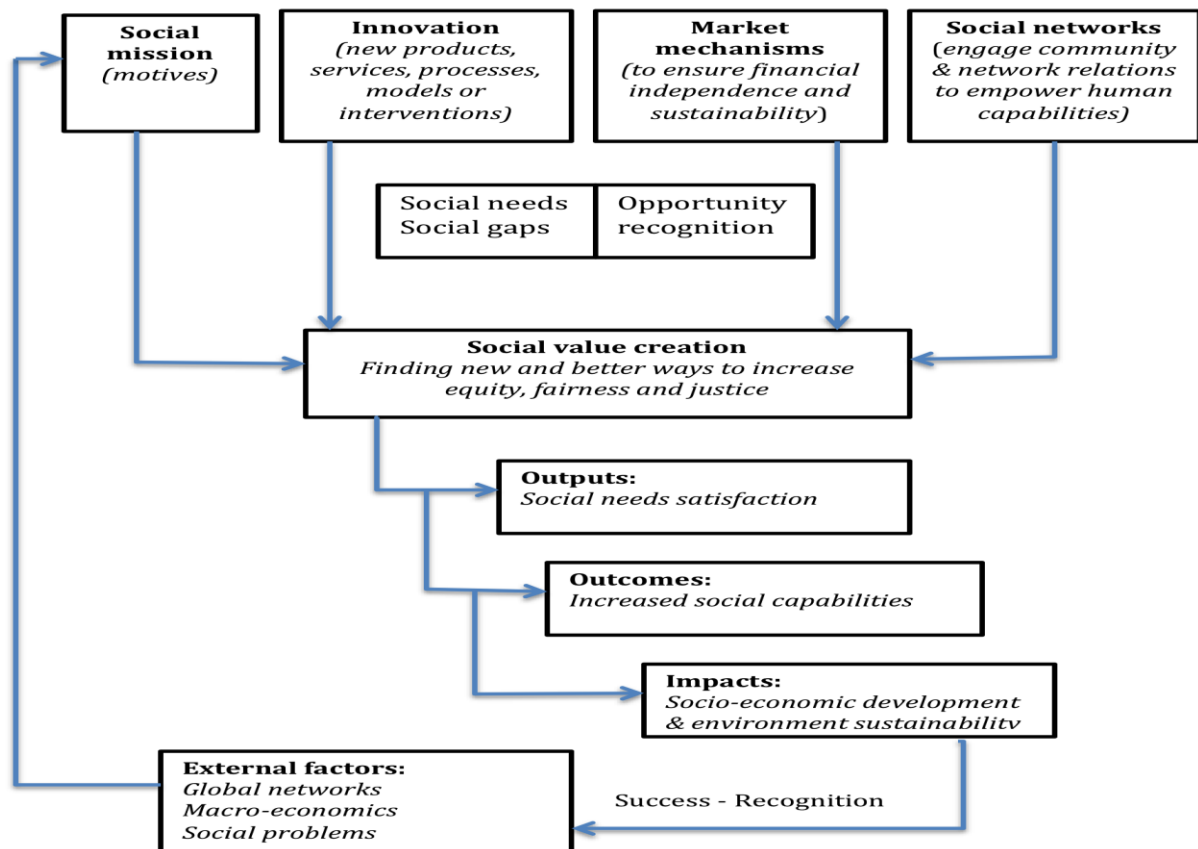


Figure 3.2. Preliminary conceptual framework for social entrepreneurship

⁵ *Journal of Social Entrepreneurship* is primarily targeted at the business sector. *Stanford Social Innovation Review* is focussed on social innovation and private foundations supporting such innovation with a primary focus on the U.S. and Europe. *The International Journal of Social Entrepreneurship and Innovation* is aimed at bridging cross-boundary communication for the development of *SI* and *SE*.

3.3.2. Preliminary data collection and case study selection (phase 2)

Data collection, analysis and validation in a qualitative case study follows an iterative process, necessitating contrasting data with multiple sources while conducting interviews and keeping a journal to record all impressions, comments and ideas that emerged during fieldwork research (Eisenhardt 1989). To develop an in-depth analysis and test accuracy and integrity of results across the different cases, this research employed a triangulation strategy in data collection, combining semi-structured interviews with secondary data analysis and semi-ethnographic field observations (Baxter and Jack 2008; Creswell 2014). *Table 3.3* shows the three data collection sources used in each research phase.

Table 3.3. Data collection sources in each phase

Project phase	Semi- structured interviews	Secondary data	Field work observation
Phase 1: Literature review and preliminary framework development		✓	
Phase 2: Preliminary data collection and case study selection		✓	✓
Phase 3: Data collection, analysis, validation and fieldwork in Indonesia	✓	✓	✓
Phase 4: Theory modification and framework development		✓	

Ashoka, Skoll and Schwab foundations are the three largest global organisations supporting the development of *SE* and *SI* worldwide. The Ashoka Foundation in particular maintains a comprehensive on-line database, profiling the works of leading *SEs* known as ‘Ashoka Fellows’ who are listed once they have been evaluated against five criteria: *new idea*, *creativity*, *entrepreneurial quality*, *social impact of the idea*, and *ethical fibre*. From this database, eight case studies were shortlisted, and following desktop review of publicly available news lines, blogs and media articles, five were selected using four criteria shown in *Table 3.4*. During the course of the research, one of the identified *SEs* withdrew (due to illness), and an alternative case study was selected. This fifth case focussed on broader natural resource management and forestry challenges, and therefore not directly related to water and sanitation. However, the case was included in the study for forests are an important source of water and, and the case was recognised by all three global organisations (i.e. Ashoka, Skoll and Schwab Foundations) as one of the largest and most recognised cases of *SE* in Indonesia.

Table 3.4. Criteria used in selection of case studies

1	Operating within urban to peri-urban context to fit within the larger research collaboration project
2	Has been operating for more than 5 years to ensure evaluation of the sustainability of the idea
3	Having at least one example of replication to enable evaluation of what happens when the innovation becomes replicated in different context
4	Recognised by at least one global organisation to enable understanding of the influence of global networks in up-scaling change

In addition to the practical availability of funding and logistical support made available through the AIC *Urban Water Cluster* project to which this research is a part of, Indonesia was chosen as an ideal destination to study the *SE* phenomenon given the accessibility of leading *SEs* networked under Ashoka Indonesia, the availability of several intermediary and incubatory organisations offering in-country support to *SEs*, and the country's heightened need to tackle sanitation problems towards the achievement of the global SDGs.

The initial scoping research revealed an emerging number of newer social enterprises within Indonesia, and in-country confusion as to *who is and who is not* a social entrepreneur. Therefore, beyond the five cases identified through the Ashoka database, and following a snowballing process, three contemporary cases locally referred to as 'social entrepreneurship' were incorporated into the study. Despite one of these cases exhibiting several anomalies (i.e. *SE8*), it was incorporated into the analysis to understand the spectrum of activities understood as 'social entrepreneurship' in Indonesia, which turned out to enable systematic comparisons between *SE* and *TE*, a highly contested issue in the *SE* scholarship.

As demonstrated in *Figure 3.3*, the eight case studies examined for this study each tackle different dimensions of sanitation, which include toilets, wastewater, drainage, and solid waste management as per WHO definitions that also match the sustainable sanitation framework developed by Kerstens et al (2014), with the exception of *Case 3* in forestry management as per above explanation (see p.69). Furthermore, each of these cases have been recognised by different organisations and awards,⁶ demonstrating replicability, scalability and impact, which are different to frugal innovations confined to implementation in local

⁶ Ashoka Foundation recognises leading *SEs* through its *Fellowship* and *Young Changemaker Award* (YCM) programs. The Skoll and Schwab foundations recognize leading social entrepreneurs with demonstrated impact. Recognition by these global organizations occur through rigorous selection process involving interviews, field inspections, and panel decisions. Additionally, several other local, regional and global environmental and innovation awards (e.g. Environmental Kalpatru Award, Asian Innovation Award, and Goldman Sachs Prize) are awarded to eminent social activists and innovators unspecific to *SE* and *SI*.

communities. Additionally, each case has been operating for varied lengths of time ranging from a few years to 30 years, allowing for cross-sectional comparison of strategies and processes across long-existing and emergent cases of *SE*. In *Figure 3.3*, these long-existing cases are shown in the top row, and the more contemporary cases in the bottom row. The temporal diversity also presented opportunity to explore differences, if any, regarding operations and strategic activity over time.

1. Wastewater treatment (1985) Community-based sewerage system to provide clean sanitation and treat household wastewater from kitchen, bathroom, laundry <i>Ashoka & 4 others</i>	2. Sanitation marketing (1995) Marketing and distribution of bundled sanitation to increase access to affordable sanitation and match demand with supply-side capacity <i>Ashoka & 3 others</i>	3. Forestry management (1997) Cooperative-based natural resource management model using eco-certification to stop illegal logging and ensure sustainable livelihoods <i>Ashoka, Schwab and Skoll</i>	4. Industrial river pollution (2000) Environmental education, ecotourism and advocacy activities to stop industrial wastewater and waste pollution in rivers <i>Ashoka & 1 other</i>
5. Waste management (2013) Micro-health insurance to that can be paid for by household garbage to provide broad access to healthcare for the poor <i>Ashoka YCM & 34 others</i>	6. Waste management (2013) Responsible waste recovery and management model to reduce, reuse and recycle garbage through education, collaboration and consultancy <i>Ashoka YCM & 2 others</i>	7. Flood prevention (2013) Community-based greening and water banking movement involving flood control, heat mitigation, water conservation and urban agriculture <i>Asian Innovation Award</i>	8. Sanitary entrepreneurship (2015) Marketing and distribution of sanitary products to eliminate open defecation and increase access to sanitation <i>District Governor Award</i>

Figure 3.3. Case studies examined for this study

Grey literature written by international agencies revealed some of these cases in Indonesia were replicated and scaled through local and national government programs upon gaining publicity through awards and recognitions. Hence, in addition to the eight case studies, this study also engaged government and NGOs within the Indonesian sanitation sector, and intermediary organisations supporting *SE* activity in Indonesia to gain holistic understanding of the *SE* phenomenon from ideation and implementation to replication and scaling phases. The temporal diversity of the cases also presented opportunity to explore some cases of replication and scaling at an innovation level, and the emergence, development and popularisation of *SE* in Indonesia. Identification of these stakeholders involved examining secondary data collected on specific case studies and publicly available government and non-government documents and reports. This process enabled the identification of three key ministries, a sanitation working group (POKJA), and key international NGOs operating within

the Indonesian sanitation sector, and resulted in a multi-level, multi-stakeholder database. From the database of 25 organisations, the researcher reached out to 19 stakeholders and 12 were scheduled for interviews. *Table 3.5* lists the key stakeholders identified in the process by stakeholder groups.

Table 3.1. Key stakeholders identified in the Indonesian sanitation sector

Stakeholder Groups	Accessed (Y/N)	Key organisations
National Government	N	National Planning Agency (BAPPEDA)
	N	Ministry of Home Affairs (MoHA)
	N	Ministry of Public Works (MPU)
	N	Ministry of Health (MH)
	Y	National Sanitation Working Group (POKJA)
Local Governments	N	Surabaya Municipal government
	Y	Malang Municipal government
	N	Bogor Municipal government
International agencies	N	World Bank Sanitation Programme
	N	Japan International Cooperation Agency
	N	Asian Development Bank
	Y	US Aid
	Y	IUWASH
	Y	Plan Indonesia
	Y	UNICEF
Intermediary organisations	N	Borda Indonesia
	Y	Ashoka Indonesia
	Y	British Council Indonesia
	Y	Unltd Indonesia
	N	Danone Social Entrepreneurs Network
	N	Indonesian Social Enterprise Network Association
	Y	Ciputra University
	Y	Trisakti University
	Y	Angel Investment Network

3.3.3. Data collection, analysis, and validation (phase 3)

Following the phase 2 scoping trip to better understand the Indonesian context and representation of the *SE* phenomenon, the core of the fieldwork was undertaken over two separate data collection periods between August 2016 and November 2017. An initial pilot interview was planned to test interview techniques and research questions as suggested by Bengtsson (1999) and Yin (2014). However, the opportunity to speak directly to an *SE* fell through due to his illness, and instead interviews were conducted with two community leaders, which were implementing what emerged from *SE* activity that connected to *Case 1*.

Primary data collection

Primary data collection for Phase 2 of this study involved semi-structured interviews with 48 research participants including 8 social entrepreneurs, 10 employees, 13 community and supplier networks, 4 government officials, 7 NGOs, and 6 intermediary organisations supporting *SE* activity in Indonesia. Research participants were selected to: (i) assist with

identifying strategies and processes used by *SEs* in catalysing transformative change (*Objective 1*), (ii) explore individual and stakeholder perspectives regarding the role of *SE* (*Objective 2*), and (iii) develop an explanatory framework outlining the phenomenon, roles, strategies and mindset of social entrepreneurship (*Objective 3*). Table 3.6 shows a list of research participants engaged in interviews, who have each been assigned codes to allow for ease of identification while protecting privacy in accordance with Monash University research ethics guidelines⁷. Whilst every attempt was made to give each case equal share of participation, this was largely dependant on the availability and accessibility of participants, as well as the size and scope of each initiative studied. Two interviews (No.26-30 and No.40-42) involved multiple individuals following the request of the original informant.

Table 3.6. List of participants engaged in semi-structured interviews

	Interviewee	Code		Interviewee	Code
1	Case 1	SE1	25	Investment Company	ECO5-25A
2	Case 2	SE2	26	Community (Case 1)	COM1-26Y
3	Case 3	SE3	27		COM2-27M
4	Case 4	SE4	28		COM3-28S
5	Case 5	SE5	29		COM4-29P
6	Case 6	SE6	30		COM5-30T
7	Case 7	SE7	31	Plant Manager (Case 1)	COM6-31S
8	Case 8	SE8	32	Village chief (Case 4)	COM7-32W
9	Local NGO	NGO1-9S	33	Principal (Case 4)	COM8-33S
10	Local NGO	NGO2-10N	34	Community (Case 4)	COM9-34R
11	Int'l NGO	NGO3-11H	35	Community (Case 5)	COM10-35M
12	Int'l NGO	NGO4-12P	36	Community (Case 5)	COM11-36S
13	Int'l NGO	NGO5-13U	37	Community (pilot)	COM12-37A
14	Int'l NGO	NGO6-14A	38	Community (pilot)	COM13-38B
15	Int'l NGO	NGO7-15I	39	Employee (Case 5)	EMP1-39J
16	National Government	GOV1-16P	40	Employees (Case 5)	EMP2-40U
17	Local Government	GOV2-17L	41		EMP3-41T
18	Local Government	GOV3-18M	42		EMP4-42B
19	Local Government	GOV4-19A	43	Employee (Case 4)	EMP5-43D
20	Intermediary organisation	ECO1-20A	44	Employee (Case 4)	EMP6-44R
21	Intermediary organisation	ECO2-21B	45	Employee (Case 5)	EMP7-45U
22	Intermediary organisation	ECO3-22U	46	Employee (Case 4)	EMP8-46A
23	University	ECO4-23T	47	Employee (Case 4)	EMP9-47F
24	University	ECO4-24C	48	Employee (Case 4)	EMP10-48Z

SE=Social entrepreneur; NGO=Non-governmental organisations; GOV=Government; ECO=Supporting organisations; COM=Community; EMP-Employees of *SEs*

⁷ An ethics application form was lodged with Monash University on 5 July 2016 and approved on 19 July 2016 (Ref #CF16/2315-2016001161) on grounds that anonymity of individuals and communities be protected to give all participants (including *SEs* and their networks) the ability to speak frankly without influencing their social relations and ability to do what they do.

Recruitment of research participants involved directly e-mailing and/or whatsapp (dominant form of communication in Indonesia) upon acquiring contact details from publicly available information (e.g. websites). Whilst some assistance was obtained through the AIC project's partnering universities in Indonesia (*Insitut Teknologi Sepuluh Nopember, Institut Pertanian Bogor, Universitas Indonesia*), recruitment primarily occurred through a process of snowballing through research participants, and through attending networking events during fieldwork (e.g. Indonesian Global Compact Forum).

Open-ended interview questions based on research gaps identified through the literature on *SE* were prepared for each stakeholder type. These questions were designed to encourage interviewees to reflect on their personal tacit experiences with *SE* (see *Appendix A*), with the researcher only intervening to ask for clarification and elaboration on key points (Bengtsoon 1999). The majority of interviews were face-to-face and conducted at the interviewee's convenience (i.e. time and space), while a small number were conducted via skype (1) at the request of the research participant, or when opportunities arose during networking events (2) (see *Table 3.7*). All research participants were provided with a written explanatory statement in *Bahasa Indonesian* outlining the purpose, procedures, and risks of the research, and a consent form seeking agreement to participate in the research (Bryman 2012) (see *Appendix B*).

As shown in the summary of interview details in *Table 3.7*, interviews with research participants lasted for an average of 60-90 minutes, and were recorded by hand and/or by tape for where the majority of participants consented for their interviews to be audio recorded. This was later transcribed in full and compiled into individual case reports. Interviews were conducted in English and Bahasa, the latter of which required the help of translators who were briefed on research background and context prior to the interviews. Translators were also engaged to assist with transcriptions, written translations, and audio-visual secondary data. Coming from an interpreter and translator background, the researcher found note taking by hand easier than recording, particularly for those interviews occurring with translation, or in settings with background noise. Follow-up communication with key participants following fieldwork also occurred via whatsapp.

Table 3.7. Interview detail summary

	Code	Medium/Place	Method	Duration	Language
1	SE1	House	Hand/Taped	100 mins	Bahasa
2	SE2	Office	Hand/Taped	100 mins	English
3	SE3	Café	Hand/Taped	110 mins	English
4	SE4	Field/Office	Hand/Taped	120 mins	English
5	SE5	Office	Hand/Taped	110 mins	English
6	SE6	Office	Hand/Taped	110 mins	English
7	SE7	Community house	Hand/Taped	100 mins	Bahasa
8	SE8	Networking event	Hand	60 mins	English
9	NGO1-9S	Networking event	Hand	45 mins	English
10	NGO2-10N	Cafe	Hand	60 mins	Bahasa
11	NGO3-11H	Office	Hand	60 mins	Both
12	NGO4-12P	Office	Hand/Taped	60 mins	English
13	NGO5-13U	Cafe	Hand/Taped	60 mins	English
14	NGO5-14A	Office	Hand/Taped	60 mins	English
15	NGO6-15I	Office	Hand/Taped	60 mins	English
16	GOV1-16P	Office	Hand/Taped	60 mins	English
17	GOV2-17L	Office	Hand	45 mins	Bahasa
18	GOV3-18M	Office	Hand	30 mins	Bahasa
19	GOV4-19A	Car/Restaurant	Hand	90 mins	English
20	ECO1-20A	Skype	Hand	45 mins	English
21	ECO2-21B	Restaurant	Hand	90 mins	English
22	ECO3-22U	Office	Hand	45 mins	English
23	ECO4-23T	Office	Hand/Taped	60 mins	English
24	ECO5-24C	Office	Hand/Taped	60 mins	English
25	ECO5-25A	Office	Hand/Taped	45 mins	English
26	COM1-26Y	House	Hand	45 mins	Bahasa
27	COM2-27M				
28	COM3-28S				
29	COM4-29P				
30	COM5-30T				
31	COM6-31S	House	Hand	30 mins	Bahasa
32	COM7-32W	House	Hand	30 mins	Bahasa
33	COM8-33S	House	Hand	30 mins	Bahasa
34	COM9-34R	Field	Hand	30 mins	Bahasa
35	COM10-35M	House	Hand	45 mins	Bahasa
36	COM11-36S	School	Hand	30 mins	Bahasa
37	COM12-37A	House	Hand	45 mins	Bahasa

38	COM13-38B	House	Hand	45 mins	Bahasa
39	EMP1-39J	Office	Hand	45 mins	English
40	EMP2-40U	Field site	Hand	45 mins	English
41	EMP3-41T				
42	EMP4-42B				
43	EMP5-43D	Office	Hand	45 mins	English
44	EMP5-44R	Office	Hand	45 mins	English
45	EMP6-45U	Field sit	Hand	60 mins	English
46	EMP7-46A	Office	Hand	30 mins	English
47	EMP8-47F	Car	Hand	30 mins	English
48	EMP9-48Z	Car	Hand	30 mins	English

Semi-ethnographic fieldwork observation

Semi-ethnographic fieldwork observations included site visits to communities where the *SEs* developed their initiatives, public demonstration events, meetings between communities and governments, media events, motivational talks, and visits to garbage collection points, home visits to community members, as well as some overnight stays in villages where the *SEs* work. These opportunities arose primarily at the invitation of *SEs* and were facilitated by staff members associated with the *SEs*. A total of eight weeks were spent in West Java (Jakarta-Bogor-Bekasi) and eight weeks in East Java (Surabaya-Malang-Gresik-Nganjuk), during which time the researcher also attended conferences and meetings associated with partnering universities, translators, and AIC project coordinators.

During fieldwork, researcher attention focussed on entrepreneurial activities, but also on the behavioural and relational characteristics of *SEs* and their networks. This approach assisted in identifying several insights regarding individual characteristics and attributes that were not captured in the literature. These will be presented in *Chapter Four* along with other insights gained on individual *SEs*.

Secondary data collection

A variety of secondary data sources (see *Table 3.8*) were engaged to expand on responses provided by research participants and observations to check reliability of primary data. These data sources were organised to reflect the separate case study databases to keep record of all data collected and generated during the research process, which consisted of:

- Overview of case studies written up into case study descriptions
- Field particulars consisting of sites visited, contacted persons, interviews conducted, impressions, data collection methods, and data collection schedule
- Interview questions for specific interviewees and responses (transcripts)
- Impressions and notes collected from fieldwork and key insights gained through data collection and analysis
- Any other information related to the cases including photos taken during fieldwork

Table 3.8. Secondary data collected for this study

Sources of data	Purpose of engagement	Types of data collected
On-line blogs, websites, media reports, and Ashoka's database	To select and identify case studies and check reliability against primary data	Background information on case studies
On-line government and industry reports	To identify key stakeholders, gain understanding of context and assess outcomes of replicated and upscaled cases	Background information on water and sanitation in Indonesia, government structure, and project assessment reports written by International developing agencies
Fieldwork notes and photos	To supplement primary data and enhance data analysis	Impressions on interviews, site visits, activities, behaviours, exchanges, events and key insights that emerged from fieldwork
Secondary data from research participants	To supplement and add richness to primary data	Power point slides, DVDs, you-tube clips, news articles, market surveys, leaflets, pamphlets, personal and organisational profiles, and company reports

Data analysis

Unlike survey instruments and other quantitative studies with closed data sets, data analysis in qualitative research involves large volumes of open data consisting of texts collected from interviews, fieldwork notes, and secondary data, necessitating an inductive process to systematically organise patterns, themes and concepts repeatedly emerging from the text to make sense of the data as a whole (Charmaz 2018; Halaweh et al 2008; Miles and Huberman 1994; Patton 2002; Srivastava and Hopwood 2009). Following Halaweh et al (2008) three-step process (*Figure 3.4*), coding involved open, axial, and selective coding procedures. Open coding involved examining words and phrases several times, and comparing, conceptualising, and breaking them down into small chunks according to key concepts. Next, axial coding involved reassembling data to assign sub-categories to the data to understand

drivers, barriers, critical success factors, stakeholders and pathways. Next, a selective coding process was undertaken whereby data was integrated to find central concepts and refine theory development (Charmaz 2018; Halaweh et al 2008). Conducted manually, this process involved constantly writing memos and short paragraphs to summarise the meaning of data, as well as drawing up several matrices and flowcharts to find connections between the data. Following Srivastava and Hopwood (2009), an iterative reflexive process was also used by repeatedly asking ‘what’ was the data revealing, and, what dialectical relationships were emerging between the data and what I wanted to know according to the research questions. This process was undertaken for individual cases, and then summarised into individual case study reports according to the problem that each initiative sought to tackle, the solutions developed, their drivers, strategies, networks, challenges and pathways, while constantly referring back to the preliminary framework to inform an inductive process towards theory building. These individual reports then laid the foundation for a cross-case analysis to compare and contrast within-case themes and identify patterns and differences across the cases (Baxter and Jack 2008). This process was then repeated for data collected from government, international agencies, and intermediary organisations.

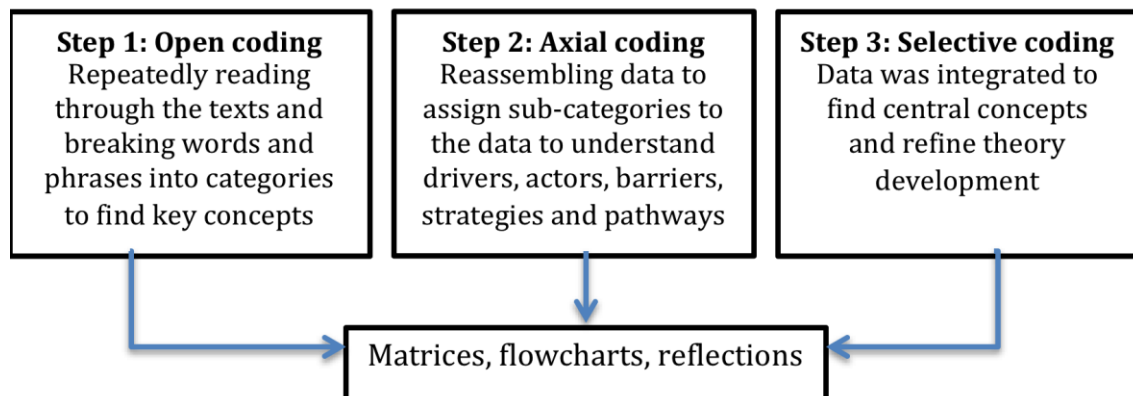


Figure 3.4. Three step coding process adopted

Sourced from: Halaweh et al (2008)

Data validation

To validate findings, a member checking technique was adopted, which involved sending the case study analyses and findings to key case participants (*SEs*), who were given three weeks to assess accuracy and credibility of narratives generated (Creswell 2014). The case reports were then refined to reflect their feedback (Stake 2008), which tended to be clarifications on

factors motivating social entrepreneurs and their strategic action towards tackling issues of inequality and injustice. For example, cofounder of *SE4* commented that turning empathy into *SE* activity was a result of a combination of empathetic values, social network relations, and resource capabilities rather than just perceived feasibility and desirability. *SE3* and *SE5* stressed the importance of doing with joy and the importance of comradeship in maintaining motivation. *SE3* and *SE4* also empathised the importance of conducting research before taking any action, whereas *SE5* provided additional information regarding the selection of appropriate community without existing facilities for health and waste management. Updates on expansion of activities were also reported from *SE1*, *SE4* and *SE5*. To support generalisability and reliability of the data, the study was also ensured through sampling multiple case studies within the water and sanitation domain to find patterns across the cases, triangulation of data sources, and a reflexive and iterative three-step coding process.

3.3.4. Modification of framework and theory development (phase 4)

The final phase of this research involved the modification of the preliminary framework. This process involved reflecting on the data analysis and revisiting the original theoretical frameworks presented in *Phase 1*. This study was originally framed by investigating the phenomenon of *SE* through the lens of sustainability transitions and the Capabilities Approach based on the three dimensions of *SE* identified through a literature review on *SE* (*i.e. innovative-entrepreneurial dimension, human capabilities advancement, triple bottom line creation*). However, as demonstrated in *Sections 1.2* and *3.2*, this research also allowed for an open minded, flexible inductive approach to enable new insights emerging from fieldwork data analysis to allow informing the final theoretical framework development based on understanding that no single theory effectively captured the full complexity of the *SE* phenomenon. Hence, in developing the final framework and theory development, this study expanded to incorporate insights from *Theory U*, which emerged through interviews and coding data (see *Appendix C*) as a valuable way to understand why and how *SEs* do what they do and explain the roles, strategies and motivations of *SE*. The results of these findings are presented across *Chapters Four to Seven*.

3.4. Summary

This chapter outlined the research design and methods undertaken to understand what, *why*, *how* SE can contribute to and shape transformative change in transforming sanitation practices in developing Indonesian cities. Drawing on a qualitative, multiple embedded case study design, data collection and analysis were tailored to reveal insights regarding the role, strategies and motivations of *SE* as practiced in Indonesia. The next four chapters present the core data and analysis generated by this study. *Chapter Four* underscores the intentions, mindset and motivations of *SE*. *Chapter Five* uncovers the strategies and processes used by *SEs* and their networks in initiating, facilitating, sustaining, and spreading change. *Chapter Six* then unpacks the role and phenomenon of *SE* through reflecting the voices of research participants. *Chapter Seven* synthesises these results with regards to how *SE* contributes to transforming sanitation practices in Indonesia towards sustainable development.

4. Chapter Four: Understanding the social entrepreneur

4.1. Introduction

SE is an AVBI aimed at transforming societal values, individual and collective behaviour and mindsets towards socio-political and economic system change (Paredis 2011). However, *Chapter Two* revealed a critical lack of understanding of values and drivers motivating *SE* and what it takes to develop and maintain a social mission towards creating transformative change. Scholars studying entrepreneurial intentions have consistently argued that ‘empathy’ is an essential trait of *SE*, but requires mediating by other mechanisms since empathy on its own does not directly lead to intentions to start *SE* activity (Bacq and Alt 2018; Dees 2012; Krueger and Carsrud 2000; Mair and Noboa 2003). As demonstrated in *Chapter Two (Section 2.4)*, the search for the ‘missing mechanism’ has to date prompted several studies exploring *SE* intentions, behaviours, and motivations highlighting individual background and experience, contextual factors, and intrinsic and extrinsic needs and rewards are critical variables, which remain contested. This *Chapter* thus unpacks *SE* intentions, mindset, and motivations by asking the *SEs* *why* and *how* they began developing their initiatives. To first understand the significance of the *SE* approach, a synopsis of the eight cases is provided, followed by unpacking the individual background, experience and mindsets of the *SEs*. This data is then analysed against data collected on individual characteristics and background and scholarly insights from social psychology, leadership and motivational studies towards developing a new *SE* intention, mindset and motivation model.

4.2. A synopsis of case studies

Chapter One demonstrated the multitude of social and environmental problems and many socio-institutional gaps in Indonesia. However, the eight cases of *SE* examined for this study each developed innovative, context-appropriate, sustainable and replicable solutions to complex water, sanitation and natural resource management problems in a way that radically differs from existing institutional solutions. As shown in *Table 4.1*, these cases are presented in chronological order to distinguish between historical and contemporary cases that developed before and after 2000, and between ‘leading *SEs*’ recognised by global

organisations (i.e. Ashoka, Skoll and Schwab foundations) and lesser-known ‘local champions’ recognised by other local, regional and international awards (see *Footnote 6*, p.70). A synopsis following *Table 4.1* provides a brief introduction to each case, from which we unpack *SE* intentions, mindset and motivations.

Table 4.1. Case studies problem-framing distinction

No.	Year and location	Awards & recognition	The problem and new solution developed by the SE	Institutional response and their outcomes
SE1	1985 Malang, East Java	Ashoka Fellow & 5 others	Domestic wastewater pollution Community-based sewerage system that treats household wastewater and provides private sanitation and a community garden through incorporating ecosystem values	Communities unwillingness to pay for large-scale systems and irresponsible sewage dumping by septic tank cleaning services provided by municipality
SE2	1995 Nganjuk, East Java	Ashoka Fellow & 4 others	Poor sanitation Sanitation marketing and one-stop sanitation shop bundling upgradable latrine and credit options with aftercare service and warranty	Unaffordable and complex sanitary service provisions and local sanitarians unable to keep track of local health conditions
SE3	1997 Sulawesi & Bogor, East Java	Ashoka, Skoll & Schwab & 2 others	Rampant logging/deforestation Eco-certification of timber products to sustainably manage forests and improve local livelihoods through increasing the value of timber	Little local ownership under state and private forest concessions and no monitoring mechanism to curb rampant logging
SE4	2000 Surabaya & Gresik, East Java	Ashoka Fellow & 1 other	Industrial wastewater pollution Environment education & advocacy to stop industrial wastewater pollution using evidence-based scientific data collected by citizens	Poorly enforced environment regulations, NGO-led demonstrations & government-led temporary river cleaning programs
SE5	2012 Malang, East Java	Ashoka YCM & 34 others	Waste management/health access Pro-poor micro-health insurance scheme to provide free healthcare in exchange for household garbage	Unaffordable health care & health insurance, and costly waste management services beyond the reach of poor
SE6	2013 Bekasi, West Java	Ashoka YCM & 3 others	Waste management/garbage slide Responsible waste management service based on B to B partnerships to reduce, reuse and recycle wastes	Irresponsible waste management practices leading to environmental degradation and garbage slides
SE7	2015 Malang, East Java	3 awards	Urban flooding/climate change Community-based greening, water banking and urban agriculture movement to prevent flooding, mitigate heatwaves and conserve water	No institutional solution due to lack of finance, political will and space to build infrastructure leaving flooding problem unresolved
SE8	2015 Dombu, Sumbawa	1 award	Poor sanitation Marketing and distribution of sanitation systems coupled with finance options	Part of the government-led behaviour change program to increase sanitation access & eliminate open defecation

4.2.1. Case 1: Decentralised wastewater treatment system (Malang, 1985)

Developed in 1985 to reduce river pollution, increase awareness, and change household behaviour, *SE1*'s small-scale integrated sewer and wastewater treatment system provides a sustainable solution to community drainage and sanitation problems where open drains, plastic bags, and riversides are used for open defecation. The simple and affordable system, which can be fully financed, constructed, and managed by local communities, uses a communal anaerobic septic tank, four aerobic water holding tanks, and green technology to treat wastewater from kitchen, bathroom, and laundry while providing households with private latrines, clean well water, and a clean living environment. Inspired by doing the opposite of large-scale systems to which communities were unwilling to connect, the open and eco-friendly design wastes nothing in the process, allowing materials to be sold/reused to offset maintenance costs while enabling recycled water that meets national effluent quality standards for use in the central community garden, where residents gather to grow vegetables, share fresh produce, and learn new skills. By combining sanitation with drainage, the multi-purpose innovation is expanding sanitation coverage, eliminating open defecation, reducing water pollution and flooding risks, and improving community health and wellbeing while empowering local community members to take charge of their own development.

SE1 began developing the wastewater treatment system out of concern for the unclean environment in his neighbourhood following a diarrhoeal epidemic that led to the death of five children. He became key facilitator of community action as a neighbourhood leader. Having no prior knowledge or experience in wastewater systems, *SE1* capitalised on his keen interest in engineering and combined this with learning, researching, and experimentation to develop the technology, transforming personal obsession into purposeful commitment upon witnessing community suffering and taking up a leadership role. To overcome community resistance and financial constraints, *SE1* engaged women in all decision-making and campaigning phases while developing an innovative finance model harnessing local community savings and low connection fees to ensure accessibility. To ensure accountability and sustainability, the *SE* appointed a local plant manager to assist with repair, maintenance, and water quality monitoring, while asking every household to contribute a small monthly user's fee to cover maintenance costs and plant manager wages, which was then unheard of in Indonesia. The low-input, low-impact technology has since been replicated widely across Indonesia with support from local government and the World Bank upon the *SE* joining the city's sanitation department as local sanitarian.

4.2.2. Case 2: One-stop sanitation shop and sanitation marketing (Nganjuk, 1995)

Developed in 1995 to enable households to make informed decisions about building toilets and increase efficiency in the supply chain, *SE2*'s one-stop sanitation shop and sanitation marketing model provides a simple, affordable, and accessible alternative to costly and complex sanitation systems conventionally supplied through different operators. Using a simple marketing mix strategy to serve the needs and interests of buyers, *SE2* replaced traditional box-shaped septic tanks with a new cylindrical design to increase affordability, durability, and land suitability. To increase demand for sanitation, the *SE* bundled sanitation into an accessible package complete with upgradable latrine options, aftercare service, 8-year warranty, and flexible payment options. To match supply-side capacity, the *SE* transformed the traditional role of sanitarians from passive community health workers to active sanitary entrepreneurs by equipping them with marketing and communication skills, and coupling them with material suppliers and construction workers equipped with financial and technical skills. To ensure collaborative skill sharing, the *SE* also established several associations for sanitary entrepreneurs while developing a franchise business model for his toilet design with technical advice on how to manage a sanitary social enterprise. By transforming the role of sanitarians and creating mutual benefit for community and suppliers, this initiative contributes to matching supply and demand in sanitation while inspiring others to take up sanitary entrepreneurship opportunities to expand sanitation coverage.

SE2 began developing his new sanitation business out of concern for rampant illness associated with high open defecation and lack of affordable sanitation. To develop the business model, the *SE* combined his entrepreneurial family upbringing, tertiary education in environmental engineering, and local knowledge acquired through working as local sanitarian with additional training in sanitation marketing. Through bulk purchasing material, changing design, and risk-sharing and profit-sharing with like-minded suppliers, money saved on production and construction costs is returned to community in the form of a cash-back program to build trust, communication, and good reputation to ensure business expansion via word of mouth. The non-subsidised business model has to date been replicated in many other districts across Indonesia and exported to Asia and Africa, thereby contributing towards eliminating open defecation and improving community health and wellbeing across a broad range of contexts, while also increasing private and civic sector participation in the sanitation sector.

4.2.3. Case 3: Sustainable forest management model (Sulawesi & Bogor, 1997)

Established in 1997 to protect Indonesia's forests from rampant logging and raise awareness of their related social and environmental impacts, this organisation developed a replicable model for sustainable logging by combining an existing idea for eco-certification labelling with a collective working mechanism to allow local farmers to become key players in the highly competitive market for eco-certified timber products. Prior to the development of this initiative, forest reserves in Indonesia were managed under state and private concessions with little local ownership and no effective mechanism to monitor rampant logging associated with the global excessive demand for timber. This encouraged local farmers and outsiders to illegally fell trees to feed their families leading to frequent conflicts, unsustainable livelihoods, biodiversity habitat destruction, frequent flooding among other impacts. By drawing on the International Forest Stewardship Council's Starwood Program and increasing the value of timber quality, communities are now able to manage eco-friendly plantations to earn up to four times more income than selling their resources to local timber barons, thereby demonstrating increased community capacity to comply with stringent environmental regulations through training received in cooperatives.

SE3 began the initiative with a group of naturalists in South Sulawesi upon developing friendship with local forest-dwelling communities during their regular outdoor hikes. They began as a non-governmental organisation investigating and protesting against illegal logging, followed by setting up a radio and television station to raise awareness when no mainstream media would publish their findings. However, upon recognising that advocacy was not creating large enough impact, *SE3* and his associates embedded themselves among the illegal loggers to understand how to develop solutions. This enabled the team to learn the importance of incorporating local knowledge and community dreams in co-creating change towards sustainability, which led to the idea to go with the cooperative model. In their journey towards developing solutions, the team also undertook CSR training to understand that business and *SE* interests could be aligned, which led to affiliating with private sector businesses in developing an on-line database that directly links local farmers with global buyers. The hybrid organisation is today one of Indonesia's largest and most well-known *SEs* that operates a membership association, two media businesses, and an ecotourism business whose support efforts encompass fisheries and marine coral reefs, as well as advising some of the world's largest corporations on community engagement, which collectively attract business investors to support their movement.

4.2.4. Case 4: Industrial wastewater pollution (Surabaya, 2000)

Established in 2000 to protect Indonesia's rivers from environmental degradation and industrial pollution, this organisation combines environmental education with advocacy efforts based on evidence-based scientific data gathered by children and ordinary citizens to influence policy change. Voted Asia Pacific's best environmental education program and implemented in more than 50 local schools, the fun and interactive education program involves collecting water bug samples as biological indicators to understand water pollution levels, and encouraging children to present their findings to community and government to raise awareness in river pollution. Advocacy efforts encompass facilitating dialogue between communities and governments and developing multi-stakeholder partnerships across upstream and downstream communities in jointly monitoring water quality and developing a shared understanding of the problem, as well as empowering community with information on environmental regulations to enable communities to take ownership of the problem. They also harness public demonstrations, media coverage, and legal litigations to apply pressure for change, at times even suing the government to enforce regulations. By bringing community and government closer to the river and increasing transparency, community participation, and environmental justice, the organisation is fostering many citizen advocates for river protection while actively influencing policy change.

SE4 and his associates began investigating industrial pollution out of concern for health and environmental impacts upon discovering evidence of rising cancer rates among children, which could be traced back to industrial activity by the river and consuming rice and fish harvested in the region. A critical catalyst was rejection to create a hazard waste tourism by existing institutions, which is now used to fund the organisation's anti-pollution activities while stimulating consumer behaviour change and applying pressure on industries to take responsible action. Combining scientific background in biology and conservation with strong desire to share Indonesia's water resources with future generations, the organisation's activities now encompass water, forest and biodiversity conservation, ecotourism development, and campaigning against disposable diaper pollution and importation of plastic wastes, as well as advising government on community engagement issues, thereby increasing their ability to influence policy change. Using a variety of approaches, this organisation is thus collectively protecting Indonesia's citizens and the environment from ecological degradation, thereby providing a practice-based integrated water resource management model for managing water, land and biodiversity resources based on participatory principles.

4.2.5. Case 5: Garbage clinical insurance (Malang, 2012)

Developed in 2012 to enable broad access to otherwise unaffordable healthcare and raise awareness in solid waste management, *SE5's* micro-health insurance scheme (GCI) is a unique initiative empowering economically disadvantaged communities to mobilise their own unused resources to access health services. The organisation does this by bringing together the previously disconnected domains of health insurance, health care, and waste management and increasing the value of garbage through social engineering to change perceptions and behaviour in waste management. Members of the insurance scheme simply trade their wastes weekly, and once the insurance premium is met, they gain twice-monthly free access to health care as incentives. Additionally, garbage is collected door-to-door twice a week, on which occasion members receive education in sanitation, hygiene and other health-related issues while helping to maintain community relations. Unlike existing health care services focussed on treating symptoms, this organisation provides holistic medicine across health promotion, disease prevention, curative treatment, and rehabilitative care, which includes home visitations and laboratory studies for patients with chronic illnesses. By drawing links between sanitation and a healthy environment and redefining garbage as the main currency, this organisation is changing the way a health system can be financed while improving access to health care and altering perceptions on resource recovery.

SE5 began thinking of ways to provide broad access to health care based on his medical background and belief that health is a fundamental human right that should be accessible to all people. Inspired by the story of a little girl who died from diarrhoea when her scavenger father could not afford to pay for medical costs with his meagre income, the scheme was materialised into action upon learning of a low-cost insurance scheme developed for the price of a cup of meatballs by modifying the idea with garbage. The GCI team began from distributing flyers and visiting each household asking them to submit their garbage to gain access to membership rights, thereafter spreading word of the program by demonstrating perceived benefits of having regular access to premium healthcare. To develop sustainable finance, the *SE* initially incorporated multiple revenue streams including monthly service charges and proceeds gained from selling recyclables and organic fertilisers to contracted waste management companies. However, after several modifications, the scheme is now supplemented by non-member clinical check-up fees and subsidies gained from integrating with the national health insurance scheme to enable holistic access to health care for both poor and middle-class patients. The initiative is now replicated in three neighbourhoods.

4.2.6. Case 6: Responsible waste management system (Bekasi, 2013)

Established in 2013 as a sister company to another social enterprise to raise awareness in the social and environmental costs associated with irresponsible waste management, this organisation developed a cradle-to-grave waste management service based on principles of reducing, reusing and recycling wastes. The organisation does this through developing business-to-business partnerships with housing estates, schools and business corporations, and consulting, campaigning, collecting and creating tailor-made solutions to meet a variety of waste management-related needs. Waste management services for business corporations typically begin with a feasibility study to assess garbage volume and composition, and evaluating employee behaviour and opinion, while working with schools and households to educate youth and citizens on reducing consumption, sorting garbage, and enabling understanding of the impacts of irresponsible behaviour. The organisation also operates a material recovery facility to process inorganic waste into recyclable material, which provides employment to local waste collectors under safe working conditions. By way of promoting responsible waste management for wider society, this initiative is contributing to raising awareness and changing behaviour in waste management while providing sustainable solutions to Indonesia's large waste problem.

SE6 began developing his first social enterprise in 2005 upon realising the dire potential of environmental damage caused by irresponsible waste management following a rain-induced garbage slide that killed more than 250 people near an open landfill. He began with educating youth and community at festivals and events about reducing plastic bag usage, then developing an eco-bag brand to ensure financial sustainability of the business. The eco-bag caught the attention of many environmentally conscious families and found a strong customer base. However, upon realising that the platform was too weak and that the business will lose viability once awareness was raised, he decided to set up a new business brand to pursue his original vision of creating a responsible waste management system to save people, planet, and place. To supplement his lack of knowledge in garbage processing, the *SE* developed partnership with another social enterprise in Bali with sufficient expertise in inorganic garbage handling, and drew on existing networks established through his first business. To overcome community resistance, the *SE* hired an anthropologist to understand community behaviour while drawing on support from village chiefs. Partially subsidised by a housing developer and the sister company, the business currently operates in one housing estate while actively expanding business contracts.

4.2.7. Case 7: Community-based greening and water banking (Malang, 2015)

Developed in 2015 to address urban flooding and mitigate heat waves, this community-based water banking movement provides an affordable and sustainable solution to manage flooding in compacted urban settlements with no drainage facilities. The movement does this by planting edible and non-edible plants in every space of the village using pot-planting, polybag planting, hydroponics, and vertical planting selected to suit the best conditions, and installing a series of biopores infiltration holes, injection wells and infiltration trenches to absorb stormwater and conserve treated water on site. The recycled water is then used to water the plants while regulating the microclimate through trans-evaporation. Additionally, the biopores are used to convert organic wastes into compost, which can be harvested, packaged, and sold as fertiliser to provide income for the community. The technology was originally developed by a research scientist from the Bogor Agricultural University in 1976, but had never been used before in compact urban settlements, making this initiative the first of its kind in the city of Malang. By way of combining modern agrarian techniques with traditional kampung values, the initiative provides a five-in-one solution to eliminate flooding, develop urban agriculture, conserve water on site, mitigate rising temperatures, and improve community livelihoods to ensure availability and sustainable urban water management.

The community in which the initiative developed was once a homeless shelter village with no green open space or waste management facilities with high levels of poverty, pollution and crime. Situated on a downward slope close to a river junction, the village had been repeatedly ravaged by 4-5 big flooding events every year, which has more recently been aggravated by the negative impacts of climate change. The *SE* began developing the initiative out of concern for high flood risks and poor welfare of citizens following a major flooding event shortly after becoming elected neighbourhood leader. He began with attending stakeholder meetings with the government and forcing community to plant trees, later seeking technical assistance from a local university upon discovering no institutional solution. To overcome financial constraints and community resistance, the *SE* capitalised on local community savings and a grant from the media in exchange for publicising the movement, while engaging local citizens in planting and digging to nurture care and appreciation for the environment to change behaviour and mindsets. By marketing the newly transformed village as a research and tourist destination, the movement is today sustained through visitor fees and selling local products, while providing local residents with entrepreneurial opportunities to operate accommodation and visitor services.

4.2.8. Case 8: Sanitary entrepreneurship (Dompou, 2015)

Developed in 2015 to increase access to sanitation, *SE8*'s sanitation marketing business represents an example of *sanitary entrepreneurship*, which is often confused with *SE*. The initiative is fundamentally a replica of *SE2*'s sanitation business model, which was developed on the basis of recognising opportunity in the lucrative sanitation business upon accessing sanitation marketing training through an international NGO. The business operates in similar fashion to *SE2* by working closely with building material suppliers and masons. However, rather than empower sanitarians with marketing and communication skills, and suppliers with technical and financial skills, *SE8* directly engages a community finance company to cover material and construction costs, while operating his business as a side job to his usual occupation as civil servant at the local district health office. Developed within the context of existing institutions, this initiative differs in intentions, strategies, processes, outcomes and impacts to the other seven cases. However, it has been included among the case study samples for their contributions to expanding sanitation coverage and eliminating open defecation through matching supply and demand while providing unique opportunity to compare differing intentions between value-driven *SE* and profit-driven enterprise, which is a highly contested topic in the *SE* literature.

4.2.9. Learning from across the cases

Analysis across the eight case studies revealed four common patterns that describe the *SE*'s intentions, mindset, and motivations, as well as their strategies, processes, outcomes and impacts (see *Figure 4.1*). First, these initiatives were developed in response to social and environmental needs left unmet by established institutions and aim to tackle distributional inequities, injustices and neglected priorities. Second, despite differences in the approaches adopted, for example using technology or an exclusive focus on social dimensions, all but *SE8* include raising awareness and changing behaviour and mindsets among their objectives, demonstrating a multi-phased approach to treating the problem, cultivating the social field, eliminating the cause of problems, and creating a new solution system. Third, these initiatives have created transformative change in social/physical infrastructure design, service delivery, finance mechanisms, governance practices, and behaviour and mindset change by focussing on qualitative factors. Fourth, most of these initiatives tackle more than one problem at once, demonstrating a multipurpose approach to tackling complex problems. While the outward strategies and processes used by *SEs* and their outcomes and impacts will

be discussed in subsequent chapters (see *Sections 5.2 to 5.5 and 6.2.7 to 6.2.8*), this *Chapter* unpacks intentions, mindset, and motivations to illustrate how they affect ongoing strategies, processes, outcomes and impacts as shown below.

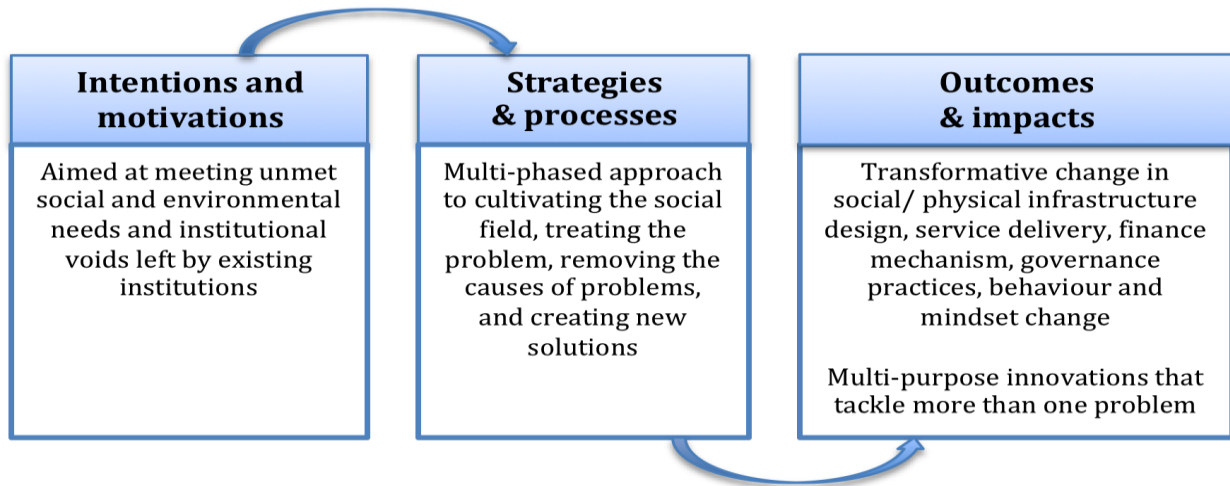


Figure 4.1. Patterns identified across the eight case studies

4.3. Exploring *SE* Intentions, mindset, and motivations

The literature on *SE* highlighted a variety of possible mechanisms that could be mediating between empathy and intentions to start pro-social entrepreneurship activity (see *Section 2.4*). Among identified mechanisms include perceived feasibility, perceived desirability, social capital, compassion, cost-benefit analysis, commitment, pragmatic and moral legitimacy, entrepreneurial characteristics and mindset, social problems, inspiration, previous experience, social networks, personality traits, and work-related intrinsic and extrinsic needs and rewards, which remain contested despite affecting ongoing strategies, processes, and outcomes. However, interviews with eight founders of *SE* activity in Indonesia revealed a spectrum of insights with regards to individual intentions, mindset and motives in developing their initiatives. These individuals come from varying backgrounds, each bringing with them their unique lived experience in developing their initiatives, demonstrating these agents are socially embedded in a larger social system whose innovation arises in response to social context (Mair and Marti 2006). This section thus unpacks *SE* intentions, mindset and motivations from individual *SE* perspectives to find the ‘missing mechanism’ that ultimately drives *SEs* in tackling complex sanitation problems.

4.3.1. A needs-based bricolage approach to recognising opportunity for change

Interviews highlighted the eight founders each began with recognising opportunity in unmet social and/or environmental needs (i.e. socio-institutional gaps), and combined this with their personal background, experience, skills, knowledge and beliefs in developing their initiatives, which determined the range of problems they decided to tackle and the solutions developed. For example, *SE3* developed their sustainable forest management model combining an existing idea for eco-certification and communal working mechanism with experience of developing friendship with local forest dwelling communities and embedding themselves amongst the illegal loggers to understand local knowledge and behaviour. The outcomes radically depart from conventional state and private enterprise-led forest concessions, which gave little ownership to local communities. Similarly, *SE4* developed their interactive environmental education program based on childhood experience of having witnessed industrial pollution while playing in the river, and combined this with an educational background in biology and conservation to provide citizen-led and evidence-based advocacy programs to influence policy change. This is also distinctively different from the activities of NGOs based on data gathered from scientific community. Likewise, *SE5*'s micro-health insurance scheme was developed on the basis of the founder's medical background and belief that health is a fundamental human right that should be accessible to all, and combined this with readily available household garbage to enable low-income families to access health care. This insurance scheme is the first in Indonesia to combine seemingly unrelated issues in tackling two persistent problems at once. Collectively, these examples highlight a creative, needs-based, bricolage approach to developing innovations based on experiential learning, which radically differs from conventional institutional solutions based on optimising existing policies and practices.

4.3.2. An empathy-based approach to solving complex problems

Interviews with the eight founders revealed these initiatives developed out of deep concern for the suffering of poor and marginalised citizens and/or need to protect citizen rights from the unsustainable and unjust status quo through developing curiosity and interest in the problem and engaging and socialising with affected communities. This reveals an empathy-based approach to tackling complex problems. According to *SE1* and *SE2*:

“Most people living here did not have septic tanks or proper toilets so they used to go outside to the rivers. This caused diarrhoea and other diseases that led to the death of five children, which encouraged me to start a program. I began from convincing my closest neighbours to join me in a trial project to clean up the village, but I’ve been thinking of ways to improve the environment for four years before I could develop a plan I felt confident would work. I don’t know how I came up with the idea, but I just kept learning, researching and experimenting until I taught myself of engineering knowledge. It took two years to develop the technology, and another ten years to implement the solution. At first the community opposed the idea, but I just kept going with positive thinking, visiting every household until midnight everyday to develop trust and social relations.” [SE1]

“When I started working as a local sanitarian, there was a high number of people open defecating in the region, so I conducted a survey and found that only four households had latrines and septic tanks of box design, which are expensive to build. So I developed a circular model that is cheaper and more durable, and packaged this with upgradable latrine options, aftercare service, flexible credit payments, and 8-year warranty to return savings and gain trust from the community. I think it’s important to understand the financial difficulty of people and see people with lack of access as target for help and change. I saw people suffering without sanitation and felt the need for entrepreneurship, and no access and expensive sanitation as opportunity to build sanitation and develop social entrepreneurship. Indonesia has many problems, but we must recognise them as opportunity to create value.” [SE2]

The two statements reveal how these initiatives were developed on the basis of deeply empathising with local community members and developing trust and communication. This empathy appears to develop through seeing the problem through the eyes of marginalised citizens. For example, SE3 describes this experience as follows:

“I’ve been an active member of a group of naturalists since I was in university, and used to go on regular outdoor hikes to remote villages. As students, we were attracted to the good food the villagers served us, but when we finished studying, we saw them differently. We loved the people, but when we saw the trees gone and the impact it had on local citizens, we felt empathy for their suffering and the need to protect the trees and the livelihoods of people. We thought of taking photos and telling the story of these people, but since no media would publish our findings, we decided to build our own radio and television station. We began from conducting investigations on illegal logging and raising awareness on their impacts, then embedding ourselves amongst the poachers to become part of the solution to the problem. Through this experience, we learned that if you can touch the dreams of the people, we can bring change and sustainability. So often governments and NGOs come to people with their own dreams, but not listen to the people’s dreams. We

believe that everyone has a dream. Sustainability is their dream, but only by listening and giving ownership to people can we go to achieve the dream together. This led to the cooperative-based sustainable natural resource management model. Social entrepreneurship is about equity in natural resource management. The cause of social problems is there's no equity in natural resource management. So social entrepreneurs must make even small effort to tackle this root cause by developing financially sustainable business." [SE3]

4.3.3. Sources of inspiration and commitment to take on challenges

As demonstrated in the previous and following statements, the SEs also spoke of the various catalysts that inspired the development of their initiatives. These catalysts can be internal or external such as witnessing or hearing tragedy (SE1, SE6), recognising opportunity to create value (SE2), feeling frustration towards existing inequality and injustice (SE3), being rejected by existing institutions (SE4), or having no other choice (SE7), which at some point in time appears to have turned into a purposeful commitment. According to SE4 and SE7:

"We began exploring industrial river pollution upon discovering evidence of industrial effluents that could be traced back to manufacturing activity along the river. At the time, 80% of factories had no proper wastewater treatment facilities, and research showed rising cancer rates among children were linked to ingesting contaminated waters and consuming rice and fish harvested in the region. Coming from a science background, we were capable of researching environmental destruction, so we became actively involved in educating children and lobbying government to protect the children's health. Primary driver was rejection of permit to create a hazard waste tourism to raise awareness. This inspired us to start our own organisation. Our mission is to guarantee citizens' rights to clean water. Our role is to put pressure on government to enforce regulations and do their jobs properly. We believe that the provision of social rights is a responsibility of the government, but in reality they don't. So we take that gap and fill it by empowering community and influencing policy change. Social entrepreneurship is about fulfilling unmet social needs and spreading social impact." [SE4]

"We began in 2013 with a new idea to manage our Kampung's flooding problem. This village used to have 4-5 big floods every year, dirty water, rampant illness, and little interaction between the residents, which brought much suffering to the people. When I became head of the village, I saw the need to solve these problems, so I began attending meetings with government. While everyone recognised that the flooding, heat, and garbage problem, and need for clean water was urgent, it was always talk, talk, talk and no solution. Then I thought, maybe we should stop discussing, and I will solve the problem myself. Then one day, I sat next to a

professor in hydrology who agreed to help, but the community opposed the idea. I first used positional power to force community to follow my idea, but when that didn't work, I decided to start digging and planting myself with support from one person. Seeing there were no more puddles, the community then asked me to build a well for them too, but instead, I suggested we do it together. We asked people to join step-by-step, then gradually understanding spread. From there we started planting together. The concept is back to water. Water supports economy, and economy supports welfare. We use water to make it work for the people.” [SE7]

The above example highlights that tackling complex social and environmental problems requires shifting mindset towards challenging existing social systems and developing commitment to take on challenges. Among these individuals are also those who failed several times and redeveloped their initiatives by aligning innovations with a clear social mission. This suggests a relentless commitment to achieving social and environmental goals and a keen fighting spirit. SE5 and SE6 respectively describe their experience as follows:

“There are two aspects to the development of this idea. The first is the scientific aspect. In 2010, only 15% of the population had health insurance and more than half of Indonesia's population were living on less than \$2 a day and 15% on less than \$1 a day. I contacted the health department and learned that government health spending in Indonesia was much lower than most countries in the same economic bracket. So, I started thinking of ways to finance an insurance scheme to allow people to access healthcare. At that time, a lecturer told me about the story of a little girl who died from diarrhoea because her father couldn't pay for a doctor. The story didn't initially resonate with me, but later when another lecturer told me a story about a micro-insurance scheme developed for the price of a cup of meatballs, I was inspired to modify the idea with garbage. The scheme failed in two earlier attempts, but later I remembered the story of the little girl and how to develop the idea with empathy. I deeply engraved the story in my heart and decided to incorporate a social purpose to the model.” [SE5]

“The company began as a new brand of an earlier enterprise developed after watching the news of a garbage slide that killed more than 250 people. We originally aimed to promote eco-friendly lifestyles through product development and educating youth about reducing plastic bag usage. However, the platform was too weak and the structure became too community-oriented, resulting in creating a prototype eco-friendly bag brand to ensure financial sustainability. The eco-bag caught the attention of many families and found a strong customer base with environmentally conscious companies. However, knowing this type of business will no longer be viable once awareness is raised, I decided to shift focus back to my

original vision to create a sustainable waste management system for people, place and planet.” [SE6]

The two statements introduced above elucidate these founders are committed to achieving their goals and will not give up until they succeed. A critical element that enables these individuals to remain focussed on their goals is commitment to advance social justice and sustainability. The statements reveal this requires perseverance and a learning-by-doing approach to overcome challenges, of which the latter, according to Rittel and Weber (1973), is an appropriate approach for tackling wicked problems with no precedents.

4.3.4. Testing feasibility and validity towards implementation

Interviews with the eight founders revealed high confidence in their individual ability to tackle complex problems and their understanding of social and environmental problems. While methods differ according to individual skill and expertise (i.e. surveys, cost-benefit analysis, scientific study, social investigation), interviews highlighted that all except SE7 derived their initiatives based on evidence-based research. According to SE3: *“there are many community-based social entrepreneurs offering low quality, but we are quality-based. Everything must start with investigation to map the needs of society and local users and develop partnership with local communities. This is how we tapped into the needs of people to connect with others ever before modern social media was invented.”* Similarly, SE4 states, *“before conducting any campaign, we always begin from research and investigation to understand the causes and impacts since we don’t want people to demonstrate without sound data. There is clear evidence of environmental degradation, but often governments don’t know what to do, so we advise them of possible solutions by referring to regulations.”*

The above statements appear to suggest that feasibility and competency are the two factors that mediate between empathy and pro-social action. However, feedback from co-founder of SE4 reveals a deeper perspective. She states:

“It is difficult to say what turns empathy into action. Empathy that has grown in our hearts turns into action influenced by individual passion, mission, learning history, interests, and with support of personal resource capabilities such as I have ideas to solve the problem, willingness to implement those ideas, and the time, equipment, place, funds and help from family and friends.” [EMP5-43D]

This statement suggests that developing *SE* involves a variety of self and other-oriented mechanisms, which begins from bringing individual experience and interests in developing empathy, passion and a mission together with personal competency, resource capabilities and social support, which accumulate over time.

4.3.5. Prototyping innovation and Implementing pro-social entrepreneurship action

Overall, interviews highlighted these initiatives are driven by empathy, sense of belonging, and willingness to improve and protect the wellbeing of marginalised citizens and the environment, fuelled by tragedy, rejection, frustration, social support, or having no other choice but to turn ideas into commitment and action towards creating equity, social justice, and sustainability as described by *SE1-SE7*. This demonstrates these are value-based initiatives. The only outlier to this is *SE8* who indicated they developed their enterprise out of interest in prospective business profitability as follows:

"I started this business upon accessing training in sanitation marketing. I'm interested in sanitation because it's very prospective. I got data from the district health office and found there were still 26,244 families without latrines. This is good business as I can make money while helping community." [SE8]

As demonstrated above, *SE8* has different intentions to the other founders: helping community is a secondary motive to profitmaking rather than a primary motive. This seemingly benign difference in intention will be discussed in *Section 4.4.5*, with regards to how it affects ongoing strategies, processes, outcomes and impacts.

Interviews also revealed most of the *SEs* began implementing their ideas through pilot projects or developing prototype innovations at a small-scale to demonstrate feasibility of the idea, thereby highlighting these *SEs* are pragmatic individuals who take calculated risks to devise solutions to community problems through combining cognitive thinking with a learning-by-doing approach. This reveals these as strategic but learning-based initiatives aimed at creating context appropriate and sustainable solutions to complex problems based on profound understanding of causes and implications, which critically differ from one-off serendipity innovations accidentally leading to opportunities for new product development and conventional strategic initiatives developed on the basis of well-formulated strategies.

Though varying in entity, size, scale, and scope of reach, each of these founders also developed their own organisations before or shortly after developing their innovations upon discovering their ideas could not be implemented within existing institutional settings.

Implementing action in *SE* thus entails the development of a new idea and a new enterprise towards institutionalising solutions, necessitating autonomy, personal competency, and social network support.

Interviews also revealed many of these initiatives have been replicated or scaled using different approaches, thereby demonstrating they are creating social impact beyond the origin of development (see *Table 4.2*). According to *SE1*, “*it’s not good enough to have just theory. We must come up with an idea, develop a prototype, then go to places with the prototype and consult, socialise, and provide direction to make it replicable. Success breeds success. By showing examples, this innovation is now replicated everywhere.*” Similarly, *SE4* states, “*the idea is to make the project easier so people can replicate, not like enterprise that make more competitive for others.*” These statements illustrate these initiatives are pro-social entrepreneurships aimed at providing alternative solutions to societal problems that can be adopted and replicated widely in different contexts, which are distinct from market-based innovations aimed at competing with others. Indeed, another prominent social entrepreneur is recorded as saying “*we try to make millions happy, not make millions of dollars*”⁸. This intention to spread social impact far and wide explains why these innovations are not patented and replicated by external parties, which will be discussed in *Chapter Five*.

Table 4.2. Organisational entity, size, scale and scope of reach

	Entity	Staff & volunteers	Scale	Scope of reach	Method of replication, upscale or expansion
SE1	Foundation	Small (> 5)	Local	National	Work for city sanitation dept. World Bank support, publicity
SE2	Association	Small (> 5)	Region	East Java Exported	Franchise, association, publicity
SE3	Association/ Cooperative	Medium (10 – 20)	Bogor & Sulawesi	Global buyers	Cooperatives, partnerships, ecotourism, media and consultancy business, on-line database, publicity
SE4	Foundation	Small (5 – 10)	East Java	Exported	Policy change, partnerships, school programs, grassroots movement, consultancy business, publicity
SE5	Private company	Medium (20 – 30)	3 locations	Unknown	Clinical services, integration with natural insurance, direct replications, publicity
SE6	Private company	Small (5 - 10)	1 location	In talks	Partnerships, school program publicity
SE7	Foundation	Small (> 5)	Local	In talks	Tourism business, publicity
SE8	Private company	Small (> 5)	Regional	Unknown	Part of national STBM

⁸ *Arunachalam Muruganantham* is an Indian *SE* who developed low-cost sanitary pads for women in India where menstruation is shamed. Recognised by Ashoka Foundation and listed in the *Time Magazine* in 2014 as one of the world’s 100 most influential people, his story was featured in the film ‘*Toilet*’ (2018) depicting the many challenges faced in gaining social acceptance.

4.3.6. Five phases of enterprise development

Analysing the eight cases based on interviews with the founders demonstrates that starting *SE* activity is a culmination of five key processes towards developing a social mission:

- (i) Recognising opportunity in unmet needs through bringing individual background and experience within a social context in developing innovative and context-appropriate solutions to tackle community social and environmental problems (*Section 4.3.1*)
- (ii) Developing empathy, a sense of belonging, and willingness to protect and improve the wellbeing of others based on personally observing the problem through the eyes of marginalised citizens (i.e. perspective taking) (*Section 4.3.2*)
- (iii) Receiving inspiration from internal or external catalysts and overcoming challenges based on learning-by doing to transform willingness into a purposeful commitment (*Section 4.3.3*)
- (iv) Testing validity and feasibility based on researching, learning and gathering competency and social network support to develop confidence in one's idea (*Section 4.3.4*)
- (v) Prototyping innovations and creating an enterprise to implement pro-social entrepreneurship activity, which is then replicated and scaled through building track record of success and raising awareness in the problem (*Section 4.3.5*)

However, interviews with the founders revealed the actual process was much more iterative, in which some spent more time than others in certain phases, rethinking and adjusting their ideas to align innovations with a social purpose while developing personal competency and social network support. This indicates that developing *SE* is not a straightforward process but something that accumulates over time based on observing, socialising, and reflecting while enhancing resource capabilities and social support. The five processes involved in developing *SE* activity can thus be said an iterative learning process that develops over time, which involves moving backwards and forwards between phases towards developing a social mission (see *Figure 4.2*).

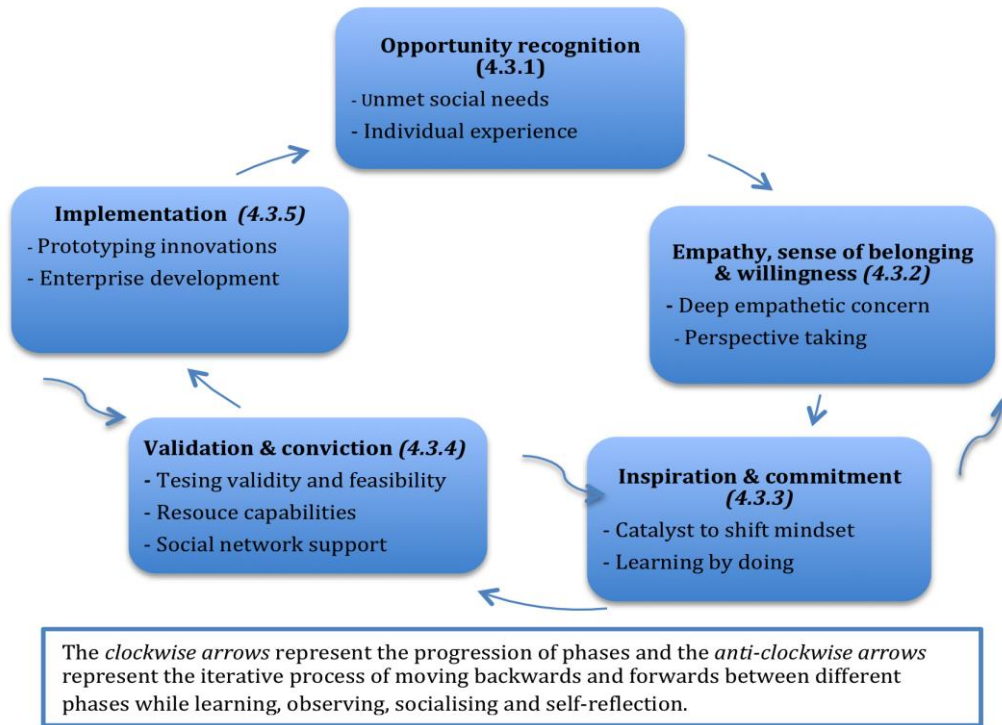


Figure 4.2. Five phases of enterprise development identified through interviews with the SEs

The five phases of enterprise development illustrated above somewhat resemble the opportunity recognition (OR) process identified by Hills et al (1999) including: (i) *preparation*, referring to individual background and experience, (ii) *incubation*, referring to developing an active interest in the problem and contemplating an idea (iii) *inspiration*, referring to the moment of recognition and developing confidence in one's idea, (iv) *evaluation*, referring to testing validity and feasibility of the idea, and (v) *elaboration*, referring to materialising idea into action. When conceptualised as an iterative learning process, the five phases of enterprise development also resemble the five learning processes and five factors influencing learning respectively identified by Corbett (2005) and Lehner and Kaniskas (2012) (see Table 4.3). However, largely missing from these conceptualisations are the values of empathy, sense of belonging, willingness, and commitment and the challenges involved in developing a social mission. This therefore necessitates looking at individual background and experience and social context to see where these values and mindset to overcome challenges come from, which will be discussed next.

Table 4.3. Opportunity recognition and learning frameworks identified in the literature

Five phases of OR (Lumpkin et al 1999)	Five learning processes (Corbett 2005)	Factors influencing learning (Lehner & Kaniskas 2012)
Preparation (individual experience)	Learning from experience	Previous knowledge & experience
Incubation (interest & contemplation)	Learning from observing and reflecting	Presence of social networks
Inspiration (moment of confidence)	Learning from imagination	Individual perception & alertness
Evaluation (validity & feasibility)	Learning from analysis	Individual vision, ideation and locus of control
Elaboration (implementation)	Information processing	Ability to translate opportunity costs into innovation

4.4. Understanding individual SE background, experience and mindset

As demonstrated in *Sections 4.3.1 to 4.3.5*, interviews with the eight founders revealed that individual background, experience, values, skills and knowledge and social context are prerequisites for starting pro-social entrepreneurship action. Thus, we now triangulate these findings with secondary data and semi-ethnographic fieldwork observations, while drawing on scholarly insights from social psychology and leadership studies to understand how individual background and contextual factors affect the development of *SE*.

4.4.1. Lifelong learning and socialisation to cultivate empathy and social skills

Primary and secondary data revealed how the *SEs* developed other-oriented values and social skills early in life framed by their upbringing, participation in social and religious activities, and undertaking leadership roles in the community. For example, *SE4* stated that their parents imparted the values of honesty, consistency, conscientiousness and good communication skills. Similarly, *SE5* reflected on how his mother encouraged him to keep his feet on the ground and eyes on community while learning to strive to achieve his goals. Likewise, *SE2* expressed he learned the values of hard work and risk-taking from his parents who worked as educator by day and entrepreneur by night. Secondary data also showed *SE6* experienced spatial inequalities and environmental degradation through frequently relocating during his childhood, whereas *SE3* learned environmental values through participating in boy scouts, national jamborees, and regular outdoor hikes as a naturalist. Seven of these *SEs* were found to regularly attend religious activities, while five participated in social, environmental or youth activism prior to developing their initiatives where they claim to have learned communication, team building, and leadership skills. For *SE1* and *SE7*, these skills appear to have been learned on-the-job while serving as local neighbourhood leaders and sanitarians, which in Indonesia are both responsible for community health and wellbeing. Additionally, the *Pancasila* has also been identified as a critical cultural variable

driving moral behaviour and community spirit among Indonesian citizens. According to ECO5-24C, *“Indonesia has many religious values [not only Islam but also Buddhism, Hinduism, Christian] that drive people towards moral behaviour,”* ECO4-23T also mentioned the critical influence that the national philosophy has on *“the social, political and economic life of all Indonesians.”* This collectively indicates that other-oriented values are learned in conjunction with other social skills in many social settings.

According to social psychologists, empathy is part disposition, part learned through exposure to maternal warmth, parental role modelling, childhood experience, higher education, and participation in religious and social activities, all of which are regarded to have lasting impacts in shaping a person’s moral values, attitudes, and cognitive beliefs (McDonald and Messinger 2011; Morrell 2007; Preece 1999; Rashedi et al 2015). Leadership theories also posit that empathy is learned through lifelong experience and frequent socialisation with diverse members of society whose lives and worldviews differ greatly from their own to enhance learning potential and challenge one’s judgement and assumptions (Dixon 2007; Peregrym and Wolf 2013). These scholars argue that attentive listening, receiving feedback, self-reflection, and cognitive perspective taking to see a problem through another’s eyes encourages empathetic concern along with other soft skills including communication, positive thinking, problem solving, conflict resolution, perseverance, conscientiousness, teambuilding, honesty and integrity, which in turn help strengthen core values that provide the building blocks of an individual’s moral character that become deep-seated and consistent over time (Peregrym and Wolf 2013; Reiss 2017). When overlaying these scholarly insights with primary and secondary data, it becomes clear that the *SEs* engaged life-long learning in a variety of social settings including helping their family business in cultivating other-oriented empathetic values and associated soft skills, thereby confirming that individual background and experience, and exposure to social context are critical antecedents to developing pro-social entrepreneurship activity.

Primary and secondary data revealed that many of the *SEs* were raised within poor and middle class families with entrepreneurial backgrounds, with the majority of individuals acquiring tertiary level education in science and environmental engineering while some obtained post-graduate qualifications in education and business management (see *Table 4.5*). Recent entrepreneurship research suggests that a person’s exposure to entrepreneurship through previous work or life experience can indirectly influence attitude, motivation and inspiration for new ideas, as well as future entrepreneurial performance and

success (Neneh 2011; Tan and Yoo 2015). Educational psychologists further argue that studying social and natural sciences are associated with higher levels of empathy and compassion since these disciplines tend to attract students with natural desire to help others, whereas disciplines such as engineering and business tend to attract students with high interest in problem solving (Rashedi et al 2015), both of which are critical to *SE*.

An interesting pattern that emerged from analysing individual background and experience is that six out of eight *SEs* sought up-skilling opportunities upon recognising need to learn more to solve Indonesia's acute social and environmental problems. Among these individuals include *SE1* who undertook a Masters in business management through Ashoka Foundation funding, *SE2*, who completed a bachelor's degree in environmental engineering and wrote his final thesis on septic tanks while working as local sanitarian, and *SE3* who completed a Masters in Education and an MBA through Schwab and Skoll Foundation funding. These examples support earlier evidence that learning is an essential trait of *SE* that occur before, during and after developing *SE* and that individual background and experience are critical antecedents to developing an attitude for learning.

Table 4.4. Individual background, experience and learning history

	Profession & Expertise	Background & upbringing	Tertiary education	Additional learning	Other activities	Start age
SE1	Neighbour Ldr leader Sanitarian	Poor family Educators	Self-taught engineering	MA Business	Lecturer Religion	30s
SE2	Sanitarian	Poor family Educator & Entrepreneur	Vocational training	BA in Env Engineering Training in Marketing	Activism Religion	30s
SE3	Naturalist	Middle class Entrepreneur	BA of Env Engineering Agriculture	CSR training MA education MBA	Boy scouts Activism Consultant Religion	20s
SE4	Biologist & Conservationist	Middle class Philosopher & Entrepreneur	BA of Science	MA Science	Activism Research Lecturer Consultant Religion	20s
SE5	Medical doctor	Middle class Entrepreneurs	BA of Biomedicine	Self-taught business	Activism Research Student rep Religion	20s
SE6	Entrepreneur	Middle class Civil Servant	BA of Env Engineering		Activism Consultant Religion	20s
SE7	Entrepreneur Neighbour Ldr	Poor family Entrepreneurs	Undisclosed		Lecturer Religion	50s
SE8	Civil Servant	Middle class Civil servant	Undisclosed	Training in Marketing	Undisclosed	40s

4.4.2. Youth may be a critical time to develop core skills in social entrepreneurship

Primary and secondary data revealed that SEs 1-6 began their work in their 20s and 30s when they recognised their ideas could not be implemented in existing institutional settings, of which some even started while still studying at university. Ideation typically occurred while immersing oneself in the problem, studying or eating together with a group of friends, or being inspired by external stimuli or catalyst, which are all outside conventional laboratory and boardroom settings. Start-up capital was mostly accessed through external funding [SE4, SE5, SE6, SE7] or bank loans [SE2, SE8] while others pooled together whatever limited funds they could gather with friends and social relations [SE1, SE3]. This demonstrates autonomy, resourcefulness, risk taking propensity, and passion, which educational psychologists link with youth on grounds that people's needs and motivations tend to decline with age (Caulton 2012; Rhew et al 2018). According to SE5, *"youth is a critical time for developing passion and meaning in life. If young people can find their unique source of pleasure and passion, every young person can bring change."* This suggests that age can play a role in shaping SE activity and that youth may be a critical time to develop passion and core skills in SE.

Despite these empirical and scholarly insights, the SEs spoke of the challenges of getting youth interested in social and environmental issues. For example, SE5 commented, *"employing the youth comes with challenges because the millennials are constantly looking for new opportunities unlike older generations motivated by hard work and responsibility."* Similarly, SE4 stated, *"young people these days tend to be more cynical, materialistic, and individualistic due to the influence of neoliberalism."* Despite these challenges, interviewees revealed that most of the SEs were actively engaged in fostering the next generation of SEs through formal and informal training and education, demonstrating willingness to ensure continuity of SE and ongoing protection of equity, social justice, and sustainability. The following statements exemplify the SE's vision towards the future:

"I must ensure young people are educated in practical implementation skills in sustainability to create social impact." [SE1]

"I want to train the next generation of local social entrepreneurs to increase opportunity in this area. Young people must get on-the-job training to increase access to sanitation and spread impact." [SE2]

"I always involve children in environmental preservation because they are the real victims of environmental pollution. Children should be aware of environmental conditions that affect their lives, and so we will continue to fight to protect our children's right to clean water and invest in youth to make this happen. We need to ensure there will be others to carry on when are gone." [SE4]

As demonstrated in Section 4.4.1, empathy and social skills needed to develop SE are learned through lifelong learning and socialisation. The above statements thus confirm that the SEs recognise the critical importance of early life in fostering future potential in SE, and hence expend their efforts in training the next generation of SEs to ensure ongoing development of SE.

4.4.3. Business skills versus social value-creation

The emphasis on social versus financial sustainability has long been a contested topic in the SE scholarship due to SEs serving a dual mission. Indeed, SEs are sometimes criticised for lacking business skills due to most of them not having MBAs [EC06-25A]. Within the cases studied, only SE4 who has an MBA notes, *"it's important to understand the language of business. NGOs typically expose weaknesses to obtain grants and funding, whereas business highlight strength and growth potential to attract investment. After undertaking an MBA and CSR training, I came to understand that business and community interests can be aligned."* However, SE4 argues, *"social entrepreneurs need to be thinking about empowering community and influencing policy change, and business skills are not important."* According to SE2, *"in principle, SEs are not allowed to make more than 50% profit. Profits must be shared by community, the government, and all stakeholders, and not just the social entrepreneur."* Reflecting on these insights, SE5 appears to have found a middle ground. He states, *"social entrepreneurship is a new concept with new meaning in Indonesia. Before people used to think of for-profit or non-profit, but we need to get past this and create shared values. We need to do both social and financial."* These statements suggest that the SEs are increasingly balancing social and financial goals based on the principle of creating value for all rather than on market mechanisms. Furthermore, since most of the studied SEs have been recognised by global organisations for their innovativeness and/or social impact, it can be said that business skills are not prerequisites for SE, though helpful, but a learning spirit, creativity, and willingness to create value for all stakeholders are.

4.4.4. Adopting a growth mindset to overcome challenges

According to SE4, “social entrepreneurship is about fighting, creativity and perseverance. It’s like hitting a wall continuously or repeatedly dropping water on the same spot until it dents the stone. Change comes with persistence and continuity.” This statement suggests that overcoming challenges is an essential component in developing SE as demonstrated in Section 4.3.3. According to SE5, his parents never gave him what he wanted as a child to teach him how to strive for things, which led him to find alternative ways to pay for his own education with the money he won from scholarships and research competitions. Similarly, SE2 who faced opposition from his entrepreneurial parents in becoming a sanitarian also stated he worked his own way through bus hawking and doing contract work to attend vocational training and pay for his education. An interesting concept that emerged from analysing this data is delayed gratification, which in recent social psychology links individual likelihood to succeed in life with ability to find creative alternatives in the face of adversity⁹ (Watts 2018). To this extent, opposition and adversity can be considered key learning grounds in cultivating perseverance, creativity, and a fighting spirit needed to overcome challenges associated with developing pro-social entrepreneurship activity.

Indeed, interviews with the eight founders revealed most of the SEs faced multiple challenges in developing their initiatives, of which most agreed that changing people’s behaviour and mindsets and gaining community acceptance were the toughest challenges, followed by creating financial sustainability. The SEs collectively revealed they used a variety of strategies in overcoming cognitive and behavioural challenges on learning-by-doing basis. For example, SE7 highlighted he initially used his positional power to force community to follow his ideas, which resulted in being perceived a dictator, thereafter, shifting his stance towards showing examples and learning together with community to build trust and communication. Similarly, SE6 highlighted how they initially had their bins burned by community, which encouraged them to hire an anthropologist to understand community behaviour. Likewise, SE1 mentioned he visited every household until midnight everyday to gain community trust and overcome resistance based on positive thinking. These examples highlight that building trust and communication, learning from others’ perspectives, and

⁹ The concept of delayed gratification comes from the marshmallow test, which gives children the option of instantly being gratified by one marshmallow or waiting to get two marshmallows to assess children’s likelihood to succeed in life. Whilst early studies linked likelihood to succeed in life with children’s patience levels (Mishel et al 1989), more recent studies show this likelihood is linked to ability to find alternatives in the face of trials (Watts 2018).

positive thinking are critical to overcoming challenges associated with changing behaviour and mindsets, which are all related to soft skills and empathetic perspective taking cultivated through life-long learning.

Whilst it was once considered that socio-economic background was the single most reliable predictor of personal achievement and success, more recent studies link likelihood to succeed in life with a growth mindset, which provides a major buffer mechanism against unfortunate circumstances on achievement (Claro et al 2016). Neneh (2011) argues that most successful entrepreneurs have a growth mindset, which is a way of thinking based on belief that one's personality, intelligence and capabilities will grow with effort, challenge, and experience, which in turn affects individual behaviours in learning, risk-taking, opportunity seeking, endurance, embracing feedback, and trialling new approaches. Learned through training and experience, a growth mindset encourages individuals to seek out challenging tasks as learning opportunities and persist with efforts to achieve success (Dweck 1999; 2006), as compared to individuals with a fixed mindset who see individual talent and attributes as innate and unchangeable, thereby avoiding challenges and learning from negative feedback or other's success (Claro et al 2016; Mercer and Ryan 2009; Rhew et al 2018). The following statement exemplifies how *SEs* draw on a growth mindset to transform challenges and failures into learning, and learning into strategies:

"The scheme failed due to lack of resources and lack of experience, but I learned more. So over the next two years we modified design, conducted research on how to get community to join and how to sustain business." [SE5]

These insights indicate that a growth mindset is a critical motivator for pursuing complex challenges, which enhances learning capability and perseverance towards achieving one's goals. Furthermore, Rhew et al (2018) showed that motivation changes with age based on individual needs and desires, which explains why the majority of these *SEs* began developing their innovations in youth.

4.4.5. Growth mindset versus fixed mindset

As demonstrated in the synopsis, within the case study samples are two individuals (*SE2* and *SE8*) that developed similar initiatives in sanitary entrepreneurship, which exemplify the difference between a growth mindset and a fixed mindset. Interviews with the two *SEs* revealed both individuals developed their initiatives based on gathering data on the number

of households without sanitation and accessing training in sanitation marketing. Yet, *SE2* recognised opportunity to create value in the lack of affordable sanitation, whereas *SE8* recognised business opportunity in the prospective sanitation market. The two initiatives appear similar in objectives, yet markedly differ in intentions and mindset: the primary motive for *SE2* was to provide simple and affordable sanitation to the poor with profitmaking being a secondary means to sustain business, whereas *SE8* was primarily motivated by profitability with helping community being a secondary motive.

Interviews with the two *SEs* also highlighted remarkable differences in the way these individuals approached challenges and engaged community and stakeholders. For example, when asked what challenges were faced in implementing their initiatives, *SE2* responded, *“changing public opinion was the most difficult challenge.”* To overcome this challenge, *SE2* tried and tested a variety of strategies, yet on finding that community were not receptive, decided to include an 8-year warranty to his sanitation package based on risk-sharing and profit-sharing with like-minded suppliers while changing the language of communication from discount to cash-back guarantee to improve trust and communication with the buyers. In doing so, *SE2* was able to create ongoing relations with buyers to ensure sustained behaviour change, as well as build good reputation to ensure spread of business while forming mutually benefitting partnerships with suppliers. In contrast, *SE8* who responded he faced no challenges as he had *“developed an effective and efficient marketing and distribution strategy to trigger demand for sanitation,”* showed he learned very little about community behaviour, while buyers remain one-time customers and suppliers remain merely people who work for him. In other words, by trying to make it easier for community to access sanitation, *SE2* transformed challenges into learning and learning into strategies, thereby creating a sustainable business that delivers benefits to buyers, suppliers and all stakeholders including himself. In contrast, by trying to make his business more efficient and effective, *SE8* learned very little about community engagement in the process while taking advantage of buyers and suppliers, thereby delivering economic value only for his own sanitation business. For *SE2*, his business is a social mission, whereas for *SE8*, this is a side business that can be done casually without much effort. These examples highlight difference in intentions to create value for all versus value for oneself, as well as approaching the problem with a growth mindset versus a fixed mindset. When further asked about major outcomes these initiatives created, they responded:

“There has been a major shift from open defecation and unhealthy habits to healthy sanitation and increase in demand as well as a market for sanitary entrepreneurs. The supply chain has also been strengthened. In people are sick, they have to pay for health care and cannot work, so poverty continues. Since poor sanitation affects health and quality of life, the most important outcomes are easy access to sanitation, increased comfort, and quality of life. It also benefits government as they won’t have to subsidise sanitation.” [SE2]

“In one year, I sold more than 200 latrine packages. I gave latrine to people and made them happy. I also received an award from the district governor for creating a toilet loan.” [SE8].

As shown above, *SE2* measures outcomes by the changes that have occurred in the lives of people and benefits that accrue to all stakeholders, whereas *SE8* measures outcomes by the number of packages sold and the award received. This implies that *SE2* is aware of the benefits his sanitation business brings to community and wider society, whereas *SE8* is only aware of the benefits that accrue to his own business. The impact this has on long-term vision and sustainability was made even more evident by the following statements:

“This business is future-guaranteed. Once we sell septic tanks to everyone and reach market saturation, there are so many opportunities to branch out into complementary services such as faecal sludge management and making fertiliser from human waste and biogas generation. We also have orders lined up from many places due to word of mouth and good reputation, and the initiative has also been exported to other ASEAN countries.” [SE2]

“Business is going to be good for many years because there are still so many people in the district without toilets.” [SE8]

When further asked about plans to branch out into other areas such as faecal sludge management for ongoing maintenance, *SE8* responded, *“I have no plans for that. When the septic tank gets full, they can empty it themselves, or I’ll just sell them another one.”* These differences collectively highlight that *SE2* has a long-term vision for business, social, and environmental sustainability, while *SE8*’s vision is narrowly confined to immediate business prospects. For *SE2*, the world is his playground, whereas for *SE8*, his scope is limited to the local district. The former is an example of a ‘world-leading *SE*’ recognised by the Ashoka Foundation with examples of exportation to Asia and Africa, while the latter is an example of a traditional entrepreneur recognised as ‘local champion’ by the Indonesian sanitation sector. Hence, this comparative analysis not only highlights how these agents are recognised in Indonesia, but also how different intentions and mindset affect ongoing strategies,

processes, outcomes and impacts, thereby highlighting the importance of empathy and a growth mindset in tackling complex problems. The strategies and processes used by the other *SEs* will be discussed in *Chapter Five*.

4.4.6. Declaring a social mission to create transformative change

Interviews with the *SEs* further revealed how these individuals are passionate about what they do, and are relentless in their efforts to achieve their goals. By way of example, *SE4* stated, *"we are happy to do what we do. It's our hobby. It's a call from the inner soul to reach our goals."* *SE5* also stated, *"my motto is do it with pleasure. When we do what we enjoy, it's like playing soccer or being on holiday 365 days a year. If people had sufficient passion, they would keep thinking and pursuing their goals."* Passion has also been recognised by ECO2-21B as a critical ingredient of *SE*: *"without passion, they cannot grow big enough to create impact."* These statements reveal that passion is a critical ingredient in developing and sustaining *SE* activity with a sense of joy, which is a concept that has largely been overlooked in the *SE* scholarship.

The Merriam Webster dictionary defines passion as "a strong feeling of enthusiasm or excitement for something or about doing something," which implies developing strong emotions (such as love and hate), taking an active interest in the subject, and desire to take action towards fulfilling that emotion. For the interviewed *SEs*, passion is more than just joy felt from helping others altruistically, but more a solemn promise, an oath, pledge, or a declaration to eliminate suffering of the people and the environment. This was made evident when the *SEs* mentioned they were *"new prophets of Islam"* [*SE4*], and that their initiative was *"a divine calling"* [*SE5* and *SE6*], *"a purpose in life"* [*SE1*] and *"a social mission"* [*SE4*]. During the interview, *SE3* mentioned he was once offered a high paying position in a large multinational firm at a financially challenging time, but rejected the offer stating, *"they touched my dreams, but they didn't touch my heart and vision."* These statements collectively reveal these *SEs* are not simply pursuing idealistic dreams, but have pledged a great vow to protect and improve the wellbeing of marginalised citizens suffering from inequality and injustice done by existing social systems. It is this vow, or *declaration of one's mission in life* that enables *SE* to remain committed to their goals and see what others dismiss as unsurmountable challenge or inconvenience to be tolerated, while gaining trust from communities. Thus, the critical mechanism mediating between empathy and pro-social entrepreneurship action can be said to be the *declaration of one's social mission*.

As reviewed in *Chapter Two*, Rindova et al (2009) identify three dimensions to the emancipatory work carried out by *SEs*: (i) *seeking autonomy*, which relates to seeking and utilising methods to break free or help others break free from constraints, (ii) *authorising*, which relates to taking ownership of one's action by redefining relationships, social arrangements, and rules of engagement by shifting from a passive state to setting goals and taking action, and (iii) *making declaration of action*, relating to declaring one's mission to change dominant practices and using clear language and rhetorical acts to demonstrate intention to create change. These three emancipatory dimensions of *SE* collectively demonstrate that a social mission in *SE* is about releasing people trapped in suffering, creating an enabling environment to change the circumstance that keep people trapped in suffering, and voluntarily taking on a mission to create this change. The following statements exemplify the *SEs* social mission:

"Social entrepreneurship is about equity in natural resource management. The cause of social problems is there's no equity, so social entrepreneurs must at least make small effort to tackle this root cause by developing financially sustainable business and giving ownership to people." [SE3]

"Our mission is to guarantee citizens' rights to clean water. Our role is to empower community and put pressure on government and ensure they do their jobs properly. Impact is about change that is sustainable, and the benefit is large-scale change that is easy to replicate. Sustainability is for the continuity of the community to carry on even after we're gone." [SE4]

"Indonesia has a huge problem regarding access to health care. Every year, more than 9 million children under five die in Indonesia due to preventable disease like diarrhoea or malaria. Treatment for these diseases are inexpensive, safe and readily available, yet not for the poor. At the same time every big city in Indonesia has the same garbage problem. Garbage is therefore the best solution to finance healthcare, as almost every day, every household produces garbage that is not used." [SE5]

The journey towards developing a social mission was identified through interviews with the *SEs* as an iterative learning process involving a variety of self and other oriented mechanisms. This journey is currently not described within the literature on *SE* engaged for this study, nor is it possible to explain through the lens of any supplementary bodies of knowledge engaged for this study. However, a common phrase that emerged through interviews was *"open the mind, open the heart, and open the will,"* which was mentioned by three participants (*SE2*, *SE3*, *SE4*). These words and phrases also correlate with *SE1's* statement: *"the three most important aspects of SE are willingness, empathy, and sense of*

belonging. Purpose in life is also important. Without a purpose in life, one will only be an average citizen.” When coding these words, *opening the mind* matched with ‘sense of belonging,’ *opening the heart* with ‘empathy,’ *opening the will* with ‘willingness,’ and *purpose in life* with ‘social mission.’ During interviews, another participant also mentioned the name “Scharmer” with reference to “*opening the mind*” (ECO4-23T), while SE4 specifically stated “*I learned at MIT the importance of opening the mind, heart and will.*” This led to tracking the phrase down to *Theory U*, which is a relatively nascent leadership theory developed by Dr. Scharmer (2018) from the Massachusetts Institute of Technology (MIT) in Boston, US. The journey towards developing a social mission will be discussed further in *Chapter Seven* with regards to developing a conceptual and theoretical framework for SE.

4.4.7. Recognising potential in others’ capabilities

Interviews with the SEs and semi-ethnographic fieldwork observations in Indonesia further revealed how many of the SEs are open to recognising potential in everyone and every resource for ‘*what they can be*’ rather than who or what they are at present based on “*respect and belief that a person’s potential can be brought out with some help*” [EMP9-47F]. This statement resonates with Yujuico (2008) who argues that SEs draw on their personal beliefs and perceptions that internal capabilities can be developed to their full potential under the right conditions. This respect and belief in other’s potential was also consistently reflected in the behaviour and attitudes of many of the SEs towards the researcher, beneficiary, networks, stakeholders and even innocent bystanders, giving the impression that these individuals are operating from a much ‘higher self’ after having undergone some form of inner transformation. This was particularly felt in the form of a consistent aura in SEs 1-4, which differs from charisma that can be turned off and on like a switch, but something that is much more consistent in words, deeds, and action.

Aligning these empirical findings with Dweck’s (2006) framework on mindsets, this research shows that the ability to see potential in others stems from combining an empathetic perspective taking with a growth mindset, which together provide the SEs with passion to do what they do. More specifically, this implies that when belief in one’s ability to grow and develop with effort and experience (*growth mindset*) is combined with empathy, sense of belonging, and willingness to improve and protect the wellbeing of others (*empathetic concern*), it translates into ability to see potential (*hidden internal capabilities*) in others in the same way these individuals see potential in their own capabilities. Thus, to

the *SEs*, empowerment is about believing in other's potential and drawing out those capabilities to allow people to aspire to and take charge of their own development. In other words, combining a growth mindset with an empathetic perspective creates a synergy of positive effects to enhance the social value creation potential of *SE*, thereby setting these transformative agents apart from any other institutional or market-based solutions. The ability to see potential in others' capabilities plays a critical role in changing behaviour and mindsets in many people and empowering human capabilities, which will be discussed in *Chapter Five*.

4.4.8. Understanding *SE* needs, beliefs and goals

Within the entrepreneurship scholarship are several studies demonstrating the role of individual needs, beliefs and goals in shaping individual personality traits and motives (Adam and Fayole 2015; Fayole and Linan 2014; Vuorio et al 2018). However, with the exception of two scholars (Ruskin and Webster 2011; Vuorio et al 2018) linking entrepreneurial motivations with intrinsic and extrinsic needs and/or rewards, the role of needs, beliefs and goals remain insufficiently explored in the *SE* scholarship. According to Ruskin and Webster (2011), *SEs* are motivated by intrinsic needs for competency (self-efficacy), relatedness (sense of belonging), and autonomy (independence), while pursuing extrinsic motivations of social justice, financial gains, and recognition, leading to satisfying both intrinsic and extrinsic rewards of personal and material wellbeing and positive feedback. The intrinsic component requires 'needs' to trigger behaviours, 'goals' to lead individuals to satisfy those needs, and 'motives' to drive and sustain individuals to achieve goals, whereas the extrinsic component refers to individual perceptions on what each person values (Caulton 2012). Caulton (2012) argues that intrinsically motivated individuals derive pleasure and satisfaction from pursuing and accomplishing complex tasks and learning from challenges, but that this pleasure almost always comes with extrinsic motivation to seek recognition, though this can be alleviated with strong intrinsic motivation to keep focussed on the process than the outcomes. Intrinsically motivated individuals are thus comparable to people with a growth mindset, whereas extrinsically motivated individuals resemble people with a fixed mindset.

Based on empirical insights gained so far, the following hypothesis can be made. *SEs* are first motivated by extrinsic need to satisfy the unmet physiological needs of marginalised citizens upon developing intrinsic relatedness needs. In attempting to satisfy the unmet

needs of poor and marginalised citizens, *SEs* seek to change the extrinsic social system while empowering intrinsic capabilities of marginalised citizens based on their ability to see potential for change in others. This is the most basic level of change that *SE* creates at individual level. However, Martin and Osberg (2007) posit that *SEs* are frustrated with the unfortunate equilibrium who seek to change not only the symptoms of problems, but also the root causes of inequality and injustice to bring about equity, social justice and sustainability (extrinsic motivations). Yet, challenging the status quo necessitates working outside existing institutional setting, which motivates the *SE* to create their own enterprise, thereby fulfilling intrinsic autonomy needs. Because *SEs* are achievement-motivated individuals with a growth mindset, they thrive on challenging difficult tasks, which in turn fulfils intrinsic growth and competency needs, motivating them to work every harder in pursuing their passion and commitment towards achieving social and environmental goals. This, in turn, necessitates increasing resource capabilities and network support, thereby enhancing self-efficacy (perceived feasibility), or belief in one's ability to tackle complex problems while attracting external resources and support to give rise to feelings of social worth (perceived desirability). This leads to track record of success, thereby giving rise to increased intrinsic perception of likelihood to succeed, produce desired social change, and increased extrinsic motivation to scale their operations. With demonstrated success comes increased need for recognition and financial sustainability, which further help increase confidence, motivation, and resource capabilities, thereby motivating the *SEs* to do more and more, while influencing others to join them in their efforts. Hence, empathetic perspective taking, growth mindset and passion to declare and pursue their social mission produce remarkably different results to traditional entrepreneurs primarily motivated by intrinsic job satisfaction and extrinsic financial rewards with a fixed mindset. Whilst this analysis is a hypothesis, these intrinsic and extrinsic motivations will become much more evident when discussing strategies and processes and multi-stakeholder perspectives on the role of *SE* in *Chapters Five* and *Six*.

4.5. Understanding *SE* intentions and motivations

As demonstrated in *Section 4.8*, the five phases of enterprise development are closely related to the five phases of *OR*. The interviews revealed that in the *preparation phase*, the *SEs* brought individual background, experience, skills, knowledge and beliefs together with unmet social needs, evidencing that individual background and social context are critical antecedents to starting *SE* activity. The interviews also revealed that in the *incubation phase*,

the *SEs* each brought empathy, sense of belonging, and willingness to improve and protect the wellbeing of marginalised citizens and the environment based on perspective taking, which can be described as seeing the problem through marginalised citizens' perspective to become a part of the solution to the problem. Empathy, a complex concept that is under researched in the *SE* scholarship, involves a cognitive dimension (taking perspective) and an affective dimension (sharing perspectives) to give rise to empathetic concern (compassion) and pro-social behaviour (Choi and Watanuki 2014; Decety and Jackson 2004). However, these cognitive and affective dimensions do not always develop evenly, leading individuals with highly developed cognitive empathy and empathetic concern to become socially responsible individuals, while individuals with high affective empathy but lacking cognitive perspective taking capacity become destructive narcissists (McDonald and Messinger 2011). Developing empathy and engaging in other-oriented behaviour thus entails developing cognitive, emotional, moral and behavioural capacities across four dimensions (*Figure 4.3*), with cognitive perspective taking being the most important element. However, as shown below, a critical hurdle that needs to be overcome in turning empathy into pro-social action is personal discomfort associated with observing negative experience.

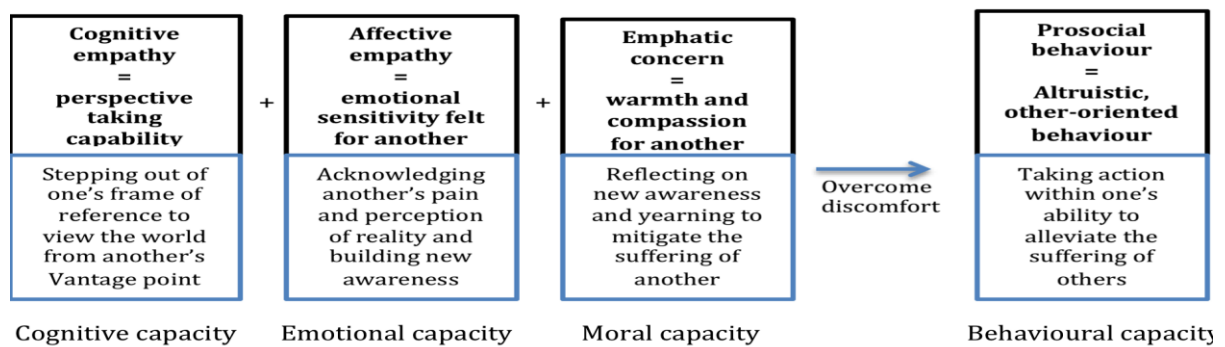


Figure 4.3. The four-step model to developing empathy and prosocial action

In the *inspiration phase*, interviews revealed a variety of intrinsic and extrinsic catalysts including frustration felt towards existing social systems, rejection by existing institutions, social support, and tragedy. Within the social psychology scholarship are a range of studies examining people's emotional response to negative circumstances such as inequality and injustice, yet most agree they are weighted by cost-benefit evaluations (Johnson et al 2016; Miller et al 2012; Rashedi et al 2015). According to Johnson et al (2016), these cost benefit evaluations are influenced by personal interests and legitimisation by

others, whereby the status quo tend to force most individuals to suppress emotional reaction and willingness to take action. However, perceived support from peers and networks can influence cost-benefit evaluation towards pro-social action, while emotional connectedness with affected communities and frustration felt towards inequality and injustice can also be powerful motivators to disrupt the status quo (Barford 2017; Johnson et al 2016; Miller et al 2012). Personal engagement with marginalised citizens (presencing) thus make inaction unthinkable as compared to distancing oneself from others (absencing) facilitating emotional disengagement and rational behaviour (Barford 2017). *SEs* who work closely with communities therefore have many opportunities to turn emotional response towards action, particularly when combined with a growth mindset and empathy to enable seeing potential for change in oneself and others. Thus, it can be said that social support, perspective taking, growth mindset, and frustration are key determinants turning cost-benefit evaluations towards pro-social action.

In the *evaluation phase*, the *SEs* each developed confidence in their ability to tackle complex problems by undertaking solid research to understand causes and implications and testing validity and feasibility. This implies that perceived feasibility and resource capabilities are also drivers of *SE* activity. Similarly, in the *elaboration phase*, the *SEs* implemented their innovations in small-scale projects and developed their own enterprise, thereby demonstrating intrinsic needs for competency, autonomy, and self-efficacy are critical towards starting pro-social action. However, interviews also highlighted that *SEs* aim to create equity, social justice and sustainability and protect and improve the wellbeing of others, while satisfying own wellbeing by undertaking challenging tasks and achieving goals. Hence, it can be said that intrinsic and extrinsic needs and rewards are also drivers along with desire to be recognised for their initiatives (see *Chapter Five*).

Whilst all of the above factors have been included in different variations of existing *SE* intention, mindset, and motivation models, the mechanism that has been consistently overlooked is *declaration of social mission*, which exemplifies the moment commitment turns into conviction to act as voluntary change agents. Thus, in developing a new *SE* intention model, this *Chapter* proposes that all of the above mentioned factors are critical ingredients for starting and sustaining pro-social entrepreneurship action. Yet, it is ultimately, *declaring a social mission*, or the vow to take on improve and protect the wellbeing of others beyond challenges that provides the *SEs* with ultimate conviction to turn empathy into pro-social action to start and sustain *SE*. Based on this analysis, the *Chapter* proposes that the intention

of *SE* is to improve and protect the wellbeing of marginalised citizens and the environment (not precluding oneself) and advance inter and intra-generational equity, social justice and sustainability. The mindset from which these transformative agents operate encompass a growth mindset and empathetic concern for others, while the drivers motivating *SE* are a variety of intrinsic and extrinsic motivations.

4.5.1 A new social entrepreneurship model

As shown in Figure 4.4, the new *SE* intention model incorporates intentions, mindset and motivations while also highlighting the self-reinforcing nature of *SE*, whereby the intrinsic and extrinsic motivations and rewards developed over time create ongoing motivations and rewards to enable *SE* to remain committed to the social mission and work harder in pursuing their social and environmental goals while helping to increase personal competency in tackling complex challenges. Hence, this model provides a robust understanding of the intentions, mindset and motivations of *SE* while also explaining how empathetic perspective taking and frustration felt towards inequality and injustice provide the basis from which *SEs* begin contemplating their vision towards creating transformative change.

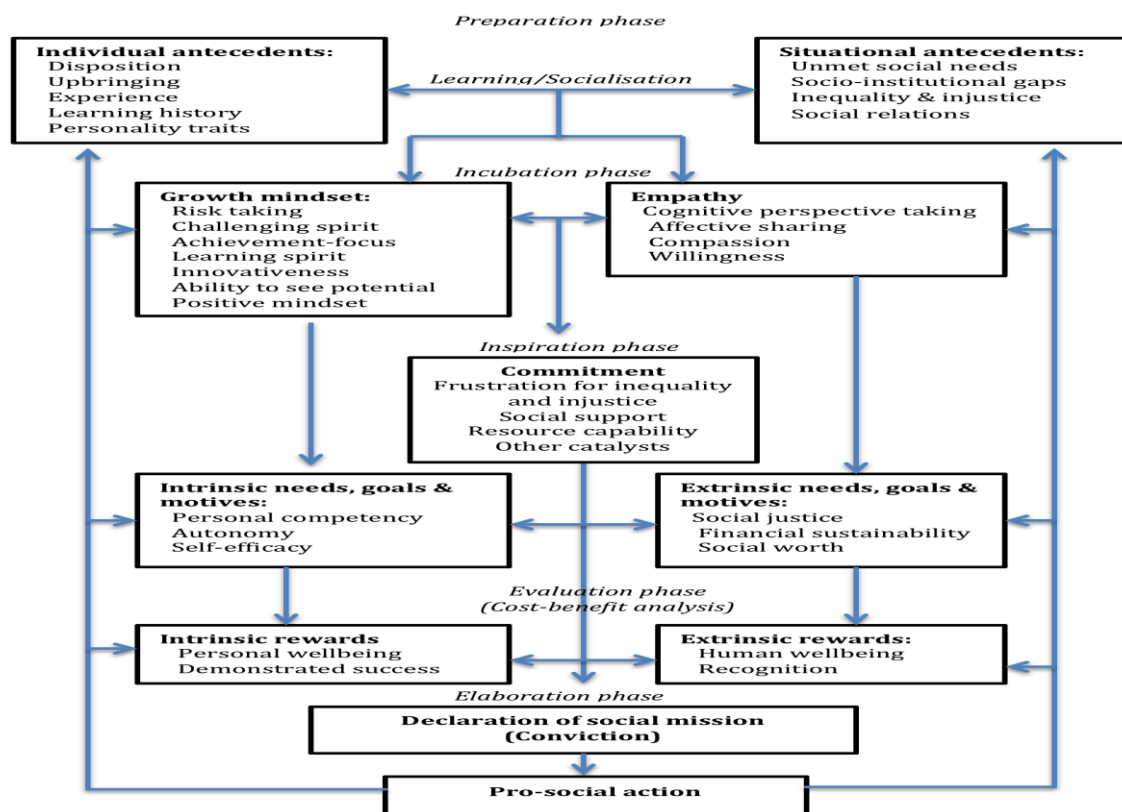


Figure 4.4. A new SE intention model derived from the empirical data

Scholars from social psychology argue that empathy needs most focussing on, and, hence, should be taught like literacy (Morrell 2007; Reiss 2017; Sokoloff 2011). These scholars argue that such competency is essential in tackling modern complex problems associated with rising inequalities stemming from dominant neo-liberalism, individualism and self-interest satisfaction while increasing a variety of social skills that range from attentiveness, cooperativeness, accountability, inclusivity, interpersonal communication, trust, emotional intelligence, tolerance, problem solving, conflict resolution, and self-reflection while slowing decision making down to reflect all possible viewpoints (Choi and Watanaki 2014; McDonald and Messinger 2011; Miller et al 2012; Morell 2007; Rashedi et al 2015; Reiss 2017). Reflecting on these insights, it can be said that empathy and growth mindset need to be taught to foster future *SE* potential especially among the youth to ensure ongoing *SE* activity.

4.6. Summary

This *Chapter* began from identifying four patterns identified across eight cases of *SE* activity in Indonesia to demonstrate the critical importance of intentions, mindset and motivations from which *SEs* operate and affect ongoing strategies, processes, outcomes and impacts. Whilst these patterns will be elaborated on in *Chapter Five*, these include: (i) targeting unmet social and environmental needs left void by existing institutions in tackling distributional inequities and injustice done by existing social systems (ii) a multi-phased approach to treating the problem, cultivating the social field, eliminating the cause of problems, and creating a new solution system, (iii) creating transformative change in social/physical infra-structure design, service delivery, finance mechanisms, governance practices, and behaviour and mindset change by focussing on qualitative factors, and (iv) multi-purpose innovations that tackle more than one problem at once. Based on these identified patterns, this *Chapter* also unpacked *SE* intentions, mindset, and motives from individual perspectives by engaging eight individuals in interviews and semi-ethnographic study backed by secondary data and scholarly insights from the *SE*, social psychology and leadership scholarships. The process revealed that *SEs* are driven by personal values of empathy, sense of belonging, willingness and commitment to improve the lives of marginalised citizens and the environment, which is then transformed into intentions to advance inter and intra-generational equity, social justice and sustainability upon declaring a social mission. The results of these findings have been reflected into developing a new *SE*

Chapter Four: Understanding the social entrepreneur

intention model that incorporates *SE* intentions, mindset and motivations to provide a robust understanding of motivations of *SE*. Building on this, the next *Chapter* unpacks the strategies and processes used by *SEs* in initiating, facilitating, sustaining and spreading social change, followed by *Chapter Six*, which focuses on multi-stakeholder perspectives on the role and phenomenon of *SE*.

5. Chapter Five: Understanding what SEs do

5.1. Introduction

Chapter Four provided a portrait of *SE* as transformative agents from individual perspectives to identify their intentions to advance inter and intra-generational equity, social justice, and deliver more sustainable solutions to complex social and environmental problems. Analysis of the eight case studies also demonstrated these agents create transformative change in social and/or physical infrastructure design, service delivery, finance mechanisms, governance practices, and behaviour and mindset change by taking a multi-phased approach to combining disruptive innovations with human capabilities advancement. However, *SEs* are also boundary spanning agents that engage a range of stakeholders in implementing, replicating, and scaling their initiatives. This *Chapter* thus unpacks the strategies and processes used by *SEs* and the enabling structure harnessed in initiating, facilitating, sustaining, and spreading social change to provide a holistic understanding on what *SEs do*, *how they create change*, and *how different stakeholders affect and are affected by SE*. This data is then analysed against the central strategy of social value creation to enable understanding on how value proposed in the social mission is generated, captured and shared by all stakeholders in co-initiating, co-creating, co-developing and co-evolving change.

5.2. Initiating and designing change

Chapter Four demonstrated four components in initiating *SE*: opportunity recognition, declaration of social mission, entrepreneurialism, and innovation. According to Schumpeter, innovation occurs within a larger developmental context, which creates a ripple effect on production processes, marketing methods, and supply chain to disrupt existing order (Ziegler 2010). However, the eight cases of *SE* examined in Indonesia are not large corporations that distribute their innovations through multiple suppliers, but rather individuals and SMEs that develop new ideas and strategies to meet the needs of marginalised citizens and improve and protect their wellbeing and the environment, who are also accountable for facilitating, sustaining, and spreading social change. Thus, unlike mainstream innovations that typically begin from developing new technology and

infrastructure design with ample disposable resources, the *SEs* must build service delivery, finance mechanisms, governance practices, and behaviour and mindset change into the innovation design by taking a holistic approach to designing change. This design change strategy has not been raised in any literature reviewed for this study though a crucial point that helps build resilience into transformative change.

5.2.1. Combining cognitive and design thinking and reframing the problem

Analysing the eight cases revealed that the *SEs* engaged creativity and strategic thinking in developing their innovations. According to Jacoby (2017), there are two approaches to developing innovations: a cognitive business-based approach, which involves evaluating multiple options and selecting the most appropriate solutions through building on existing opportunities (exploitative convergent paradigm), and a creative design thinking approach, which involves bringing multiple ideas together through exploring new options (explorative divergent paradigm). As demonstrated in *Chapter Four*, *SEs* are creative thinkers that seek to challenge the status quo, yet are also pragmatic individuals who create and manage financially sustainable ventures in pursuing a dual mission. This indicates *SEs* combine both cognitive and design thinking skills in developing their innovations.

As shown in *Figure 5.1*, the cognitive dimension draws on *meta-cognitive thinking* to help identify opportunities, consider multiple alternatives, and overcome complexities associated with tackling complex problems by bringing meta-cognitive knowledge of one's preference, values, strengths, weaknesses and ability to cope with problems together with metacognitive experience to inform decision making (Haynie et al 2010). The creative dimension draws on *design thinking*, which is a solutions-based approach to developing innovations through observing the problem from user perspectives and questioning assumptions and implications of the innovation (Brown 2009). Developed in the 1960s and popularised after the 1980s, design thinking involves five iterative phases to understand, explore and materialise new innovations, which begins from empathising, then defining the problem, brainstorming potential solutions, prototyping best solutions, and refining while constantly going back to empathy (Brown 2009). Although design thinking is currently not connected to the literature on *SE*, the processes shown in *Figure 5.1* closely resemble the five phases of enterprise development outlined in *Section 4.2.6*.

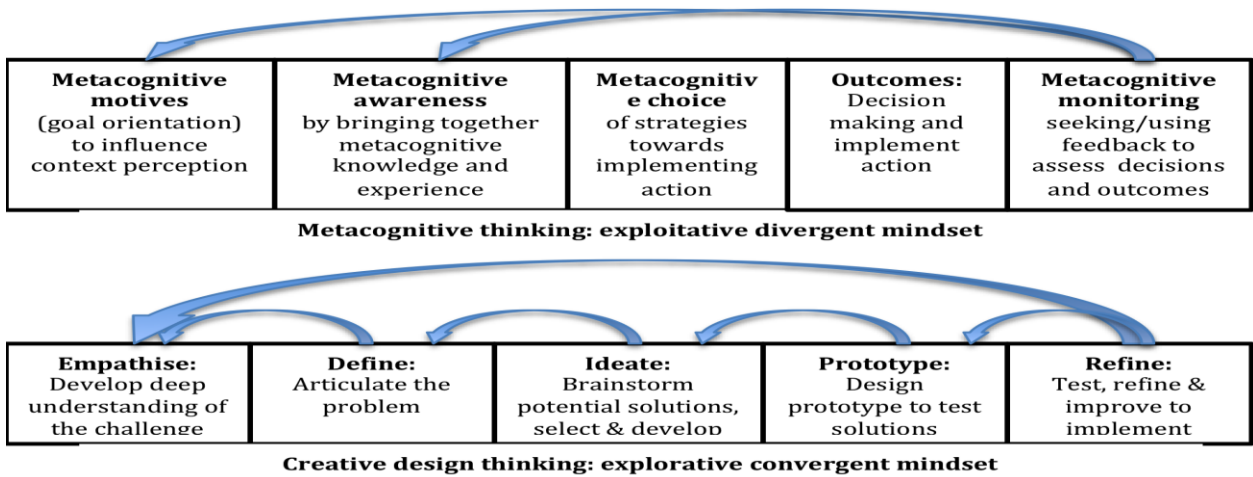


Figure 5.1. Combining metacognitive thinking with design thinking

Modified from: Brown (2009); Haynie et al (2010)

A critical strategy used in the process of designing innovations is reframing the problem (Bloom and Dees 2008), which involves seeing the problem through the lens of opportunity or another person's perspective (perspective taking) to unlock a vast array of potential solutions. According to Jacoby (2017), reframing the problem is an essential component of designing innovations that involves five abstraction levels, in which asking 'why' questions enables moving down each abstraction level toward concreteness while gaining deeper insight into the problem, as opposed to asking 'how' questions, which remain based on assumptions and judgements (see *Table 5.1*) (Jacoby 2017). As demonstrated in *Section 1.1.1*, by asking 'why sanitation constantly fails and lags behind water supply,' the sanitation scholarship has been able to generate many insights to identify a variety of socio-cultural, institutional, financial and technical challenges, as opposed to early sanitation practices relying solely on 'how' to fix sanitation, which resulted in recycling old solutions.

Table 5.1. Five abstraction levels at the front end of innovation

Abstraction levels	Typical 'why' questions	Typical 'how' questions
Level 1: opportunity level	<i>Why is this the case?</i>	<i>How can we fix this problem?</i>
Level 2: product idea level	<i>Why can't we develop something new?</i>	<i>How can we change the design?</i>
Level 3: product definition level	<i>Why can't we alter existing methods?</i>	<i>How can we create system change?</i>
Level 4: system design level	<i>Why does it have to be this way?</i>	<i>How can we implement this?</i>
Level 5: concept design level	<i>Why do we need this?</i>	

Adapted from: Jacoby (2017)

5.2.2. Focussing on the qualitative needs of marginalised citizens

Interviews highlighted the SEs each compared their initiatives to existing institutional and market-based solutions, which demonstrates they are well aware of what is happening in the larger socio-political and economic environment having mapped the social entrepreneurial ecosystem as identified in Section 2.3.3. For example, SE1 highlighted, *“here it is open design, not like large-scale wastewater systems that are closed design,”* whereas SE5 stated, *“there are many other low-cost insurance schemes and waste management services, but we are the only one combining health and waste.”* Similarly, SE6 stated, *“there is no one else ensuring responsible waste management,”* whereas SE7 noted, *“this is the only kampong in Malang to have this technology.”* To this extent, even SE8, who present characteristics of a traditional entrepreneur mentioned, *“there is no one else doing this business in the region, so you can imagine how much money I get doing this business. People might say this is dirty business, but to me it’s not the case.”* This evidences the SEs harness existing inadequacies and insufficiencies as well as resource capabilities in purposively creating new and better alternatives to existing solutions in designing change.

Further analysis of the eight case studies reveals that the SEs each used a variety of creative techniques in combining, reversing, rearranging, maximising, minimising, substituting, eliminating, and adapting existing systems, or applying old ideas to new contexts. As shown in Table 5.2, the eight SEs combined several of these techniques in developing their initiatives by focussing on the qualitative needs of poor and marginalised citizens to make the innovation affordable in cost, accessible to all, acceptable in standard, applicable to context, and accountable to community while ensuring sustainability and replicability of innovations. *Affordability* is the most basic requirement in providing goods and service provisions to poor and marginalised citizens, which usually involves making goods and services cheaper than existing solutions by building these factors into the innovation design without compromising quality standards that meet the needs of marginalised citizens, and ensuring continuity of service (e.g. toilets and septic tanks must ensure cleanliness and durability, and treated wastewater must meet effluent quality standards). Affordability is primarily sought through: (i) lowering production costs using locally available resources (SE1, SE2), (ii) changing the terms and conditions of payment such as harnessing credit options (SE2, SE8) or low connection/user-pay fees (SE1), (iii) substituting finance with other capital such as garbage (SE5) or partnerships (SE3, SE6), (iv) finding alternative funding through community savings, grants and subsidies or selling

Chapter Five: Understanding what SEs do

goods and services outside beneficiary communities (SE1, SE3, SE4, SE5, SE7). Whilst affordability cannot compromise quality, quality can sometimes substitute for affordability by increasing the value of the goods and services to deliver higher returns to community such as eco-certifying timber (SE3), which will be discussed shortly.

Table 5.2. Techniques used by SEs in developing disruptive innovations

	Techniques applied	A1	A2	A3	A4	A5	Su	Re
SE1	Combine drainage with sanitation	√	√		√		√	√
	Reverse large-scale systems and minimise scale	√	√	√	√		√	√
	Substitute private with communal septic tanks	√	√	√	√	√	√	√
	Maximise open design and local resources	√	√	√	√	√	√	√
	Eliminate outsourcing and hire plant manager	√	√	√	√	√	√	√
SE2	Combine sanitation into package	√	√	√	√		√	√
	Substitute box design with cylindrical design	√	√	√	√	√	√	√
	Magnify role of sanitarian		√	√	√	√	√	√
	Combine supply and demand in sanitation		√	√	√	√	√	√
SE3	Adapt supply chain to provide finance	√	√	√	√	√	√	√
	Apply eco-certification to new context		√	√	√	√	√	√
	Combine certification with on-line database		√	√	√	√	√	√
	Eliminate middlemen & substitute with cooperative		√	√	√	√	√	√
SE4	Maximise value of timber to increase farmer income		√	√	√	√	√	√
	Combine education with advocacy		√	√	√	√	√	√
	Substitute data gathering with children & citizens		√	√	√	√	√	√
	Maximise role of media and regulations		√	√	√	√	√	√
SE5	Rearrange upstream-downstream relations		√	√	√	√	√	√
	Combine garbage with healthcare & health insurance	√	√	√	√	√	√	√
	Substitute garbage as main currency	√	√	√	√	√	√	√
	Adapt low cost insurance with garbage	√	√	√	√	√	√	√
	Combine scheme with national insurance	√	√	√	√	√	√	√
	Maximise fee-paying patients to supplement finance	√	√	√			√	√
SE6	Maximise value of garbage	√	√	√	√	√	√	√
	Combine waste with housing development	√	√	√	√	√	√	√
	Adapt reduce, reuse, recycle to new context		√	√	√	√	√	√
	Magnify role of waste collectors		√	√	√	√	√	√
SE7	Eliminate municipal garbage serve through B2B	√	√	√	√	√	√	√
	Combine drainage with greening & kampong values	√	√	√	√	√	√	√
	Adapt modern technology to compacted settlement		√	√	√	√	√	√
SE8	Combine with tourism for income generation	√	√	√	√	√	√	√
	Combine sanitation with finance	√	√	√	√	√	√	√
SE8	Combine supply and demand in sanitation		√	√	√	√	√	√

A1: Affordability; A2: Accessibility; A3: Acceptability; A4: Applicability; A5: Accountability;
Su: Sustainability; Re: Replicability

Similarly, *accessibility* is usually sought through simplifying procedures/design to make it easier for people to access new goods and services (SE1, SE2, SE5) by taking into account physical ability and intellectual capacity to understand the needs and benefits of the service. Alternatively, accessibility can also be sought through: (i) harnessing supporters to encourage others to join (SE1, SE2, SE3, SE4, SE5, SE6, SE7), (ii) enabling learning to

gradually guide people (*SE1, SE3, SE4, SE7*), (iii) changing the terms and conditions of ongoing finance (*SE1, SE2, SE5, SE7*), or (v) establishing cooperatives, associations or other social movements to increase buying power (*SE2, SE3, SE5*) or partnerships (*SE2, SE3, SE4, SE5, SE6, SE7*). Yet, it must also ensure *acceptability* in standards (e.g. gender segregating, not having to walk in the dark) and *applicability* to social norms, public policy and power dynamics to allow people to equally share benefits of the service, as well as to topography, geographical location and climate to ensure functional benefits over physical presence. As mentioned in *Section 5.2*, these qualitative needs are met through building a variety of techniques into service delivery, cost recovery and governance, which mutually reinforce one another. The fundamental idea is to make the innovation readily accessible to all while doing justice to all abilities, while ensuring sustainability for community and the environment, and replicability for others to emulate.

These qualitative needs derive from focussing on conversion factors. According to Sen's Capabilities Approach (see *Section 2.5*), people greatly differ in their freedom (*capabilities*) and ability (*functioning*) to convert resources (*utility*) into valuable functioning, which are mediated by three types of conversion factors. Critical when delivering goods and services to poor and marginalised citizens whose needs, capabilities and opportunities differ from mainstream market users with abundant consumptive choice, these include:

- (i) *Personal conversion factors* including physical, financial and intellectual ability and freedom to access goods and services (such as being able bodied, having an income, and having the capacity to understand)
- (ii) *Social conversion factors* including social norms and beliefs, public policy, and power dynamics (such as expected role of women in society, socio-cultural beliefs, discriminatory policies, and institutional settings)
- (iii) *Environmental conversion factors* including topography, climate and geographical location.

By focussing on each of these conversion factors, the *SEs* tried to make it easier for marginalised citizens to access alternative solutions. This implies that designing innovations in *SE* is not so much about developing a new product or technology, bur rather about designing change so as to meet the needs of marginalised citizens and improve their

wellbeing by creating an enabling environment to allow people to access goods and services. Under conditions of constant deprivation, Sen (1999) argues that people can make adaptive preference not to expect what they cannot have and adopt adaptive strategies to ensure their own survival. A classic example of such adaptive strategy is open defecation adopted by poor and marginalised citizens through finding comfort in numbers to fulfil their daily physiological sanitation needs. During fieldwork, one informant highlighted that “*the poor and marginalised take up open defecation for socialisation purposes*” [NGO7-15I]. When viewing these practices as a socialisation activity without understanding the suffering of people, the natural response would be to ask ‘how’ questions to change collective behaviour. However, by asking ‘why’ questions from an empathetic perspective taking approach, it becomes evident that open defecation is an adaptive strategy taken by people who have no other choice. Hence, the response is translated into making it easier for people to access alternatives to eliminate the need to make adaptive preferences by focussing on personal, social, and environmental factors. In other words, based on understanding that people’s ability and freedom to access goods and services are constrained by various conversion factors, the *SEs* try to create an enabling environment for change that matches their ability (*functioning*) while creating opportunities to expand their freedom (*capabilities*) through making transformative change in social and/or physical infrastructure design¹⁰.

5.2.3. Creating perceived benefits for added value creation

As demonstrated in *Table 5.2*, service delivery, finance mechanisms, and governance practices in *SE* are built into the innovation design to ensure consistency and continuity of service in interaction with beneficiaries and stakeholders. Service delivery refers to the actual delivery of products and services to the target, which concerns the way in which the service is delivered, maintained, received, and generate outcomes across four dimensions: initiation (creating a culture of continuous service improvement), communication (creating a clear and shared understanding of the nature of the new service), management (leadership facilitation and support of service delivery), and impact on target users (customer satisfaction and ability to fulfil the mandate) (Martins and Ledimo 2015). Finance mechanisms refer to the method or source of funding made available in developing,

¹⁰ *Social infrastructure* refers to basic social services such as health, education, and community services. Physical infrastructure in the context of sanitation refers to man-made buildings, vehicles, and facilities for discharging, transporting, disposing or recycling wastes

operating, and maintaining design change and service delivery. Governance practice then refers to the processes of interaction and decision-making among the actors involved in operation, maintenance, and monitoring to ensure continuity and accountability of goods and service provisions.

A critical strategy used by *SEs* in designing service delivery, finance mechanisms and governance practice is perceived benefit. For example, *SE1* sought to create perceived benefit for community by making the wastewater treatment system affordable, accessible, acceptable, context applicable, and accountable while installing a community garden where residents can grow vegetables, share produce, and learn new skills in hydroponics and appointing a local resident as plant manager to maintain and monitor water quality. Similarly, *SE2* sought to create perceived benefit for community by packaging sanitation into an affordable, accessible, acceptable, applicable, accountable package with added benefits of a warranty and cash-back programme to return savings to community. Likewise, *SE7's* initiative offers communities with the benefit of living in a safe, clean, and lush green environment with reduced risk of flooding, increased access to clean water, and readily available access to vegetables through incorporating urban agriculture into the design. These initiatives provide examples of affordable and appropriate technologies in creating physical infrastructure design change.

Within the case study samples are however four initiatives that focus exclusively on social infrastructure design change. For example, similar to the other initiatives, *SE5* sought to create an affordable, accessible, acceptable, applicable and accountable health insurance scheme by combining health with household garbage. In doing so, this initiative offers perceived benefits of holistic access to preventative, curative, rehabilitative healthcare and health education, as well as deliver a more clean living environment through collecting garbage from every household while enabling fee-paying middle class patients access to healthcare in the neighbourhood. In developing the initiative, *SE5* radically changed the way in which health can be financed, which shares with *SE2* a commonality in matching supply and demand in sanitation, with *SE1* in combining sanitation and drainage, and *SE7* in combining flood defence with water banking and urban agriculture. Likewise, *SE6's* initiative is targeted more at middle class home buyers and businesses in radically transforming the way waste is managed. The perceived benefit of this initiative is thus living in a clean environment and equipping business with corporate social responsibility.

SE3's initiative provides a classic example of substituting affordability with quality. He states: *"there are many social entrepreneurs that become community-based but they are low quality, We don't want people to buy out of pity as it's not sustainable. So we offer high standards by increasing the value of timber products so the farmers need not sell their timber to local timber barons. So we are quality-based even though we're community-based."* This initiative provides an example of a new breed of *SE*, which engages international eco-certification standards to increase the value of products and services while empowering community with direct socio-economic capabilities. Similarly, *SE4's* initiative does not concern offering affordable products and services to community, but rather focuses on fostering inclusion and participation in water resource management, empowering human capabilities, and influencing policy change through engaging school children in collecting scientific data on water pollution and citizens in democratic participation in advocacy activities.

Perceived benefits in *SE* can thus be created in a myriad ways including: (i) increasing access to physical infrastructure provisions (*SE1, SE2, SE7, SE8*), (ii) increasing access to social infrastructure (*SE3, SE4, SE5, SE6*), and (iii) improving the external circumstances in the way of social cohesion and/or social relations (*SE1, SE2, SE3, SE4, SE5, SE6, SE7, SE8*), and (iv) improving income and livelihoods, which can be direct (*SE3*) or indirect (*SE1, SE2, SE3, SE4, SE5, SE7, SE8*). However, the three common benefits delivered across all cases except *SE8* is empowerment (human capabilities advancement), removal of suffering (emancipation), and increased participation in social, economic and/or environmental activity (democratic participation). These perceived benefits also play a vital role in changing behaviour and mindsets, which will be discussed shortly.

5.3. Facilitating and sustaining social change

The embedded nature of designing infrastructure change, service delivery, finance mechanisms, and governance practice make difficult to separate between initiating, and facilitating and sustaining change. However, given that finance and governance are particularly critical for ensuring accountability and ongoing service delivery, we include these mechanisms under facilitating and sustaining social change.

5.3.1. Financial independence, sustainability and socio-economic development

Conventional intervention programs based on government subsidies and donor grants have shown that external funding can often lead to discontinuity of service, decline in quality, and abandonment of facilities following project completion while inviting complacency and/or compromising mission to match donor objectives without being context appropriate or beneficial for communities (Fladerer 2010; Foley et al 2000; Fressoli et al 2012; London and Esper 2014; Ramani et al 2012). These issues were also raised in interviews with several informants [SE3; SE4; ECO1-20A; NGO 3-11H; NGO5-13U; NGO6-14A]. SEs recognise these shortcomings and hence try to break free from external funding as much as possible to ensure financial independence and sustainability through developing innovative finance. Indeed, developing sustainable finance has been identified as one of the most difficult challenges encountered by the SEs along with changing behaviour and mindsets.

As shown in Table 5.3, most of the SEs examined for this study pioneered in developing innovative finance without relying on traditional grants and subsidies in developing and delivering their innovations. Among these include: (i) finding new use in readily available resources and substituting this for finance (i.e. community savings, garbage, media grant, partnerships) (SE1, SE3, SE4, SE5, SE6, SE7), (ii) changing the terms and conditions of payment (i.e. user-pay fees, credit instalment) (SE1, SE2, SE8), (iii) generating revenue by operating business or selling services beyond beneficiary communities (SE3, SE4, SE5, SE7), and (iv) increasing the value of products or services to create higher returns on community (SE3), many of which have already been discussed. Whilst some initiatives still receive external funds from grants and investors (SE3, SE4, SE5, SE6), SEs are increasingly becoming conscious of working only with like-minded partners that match their vision who do not interfere with decision-making, which can be said a strategy to avoid mission drift.

Table 5.3. Innovative finance developed under social entrepreneurship

SE1	First to harness community savings and user-pay fees among low-income earners in Indonesia and first to combine the initiative with waste bank to generate income for community
SE2	First to develop a non-government subsidised sanitation business that includes flexible payments options, after-care service, and warranty
SE3	First to apply eco-certification labelling to natural resource management by increasing the value of timber products to ensure sustainable practices
SE4	First to use pollution boat tours (tourism) in financing anti-pollution activities
SE5	First to use garbage as a main currency in financing healthcare and first to supplement revenue with non-member clinical fees
SE6	First to use business-to-business partnerships in subsidising waste collection
SE7	First to collaborate with media in gaining grants in exchange for publicising The initiative and first to combine water banking with tourism to generate income generating opportunities for local communities
SE8	Replicate SE2's model by building credit options into the sanitation business

Developing sustainable finance is connected to breaking marginalised communities free of poverty, or emancipating suffering. Of the financial strategies adopted by the *SEs* shown above, (i) and (iii) make indirect contributions to breaking the poverty cycle through changing the circumstances of living conditions to aspire the poor and marginalised to take ownership of their own development and increase opportunity to engage in employment opportunities, while (iii) and (iv) make direct contributions to socio-economic development through increasing income and or providing employment opportunities. However, income generation and employment opportunities can also come in the form of indirect outcomes of these initiatives. For example, *SE1's* wastewater treatment system became catalyst for empowered citizens to take up waste bank initiatives and operate student boarding houses (*Section 4.2.1*), while *SE7's* water banking movement became catalyst for empowered citizens to operate entrepreneurial activities to cater for visiting tourists and study groups (*Section 4.2.7*). Similarly, *SE2's* sanitation marketing became catalyst for many sanitarians to take up sanitary entrepreneurship while reducing government expenditures on toilet subsidisation (*Section 4.2.2*).

These initial changes in the community can also create ongoing changes at greater societal levels. For example, *SE4's* environmental education and anti-pollution activities became catalyst for empowered children to write to industries and government, leading to industries voluntarily installing wastewater treatments plants, while influencing government to introduce a new policy to impose maximum daily tolerable amount of wastewater discharge (*Section 4.2.4*). Similarly, *SE5's* micro-health insurance became catalyst for local government to develop their own innovation in offering free education to children from poor families in exchange for garbage (*Section 4.2.5*). Collectively, these examples demonstrate how *SEs* create perceived benefits for communities, stakeholders, governments and greater society in many direct and indirect ways within and beyond the original place of development, which can be said equivalent to the three interdependent processes of conscientisation, conciliation, and collaboration identified by Ibrahim (2017) in creating successful social change with *SI* in grassroots-led development (see *Section 2.6.2*).

5.3.2. Locally embedding innovations through entrepreneurship and governance

Governance practice in *SE* entails ensuring accountability of goods and service provisions, fostering inclusion, participation and ownership of local communities, and locally embedding innovations. However, unlike governments, NGOs, and private business

mandated by law or positional power, *SEs* are local citizens with no legitimacy to provide goods and services to the public. Hence, these agents must demonstrate legitimacy and accountability through developing innovative solutions to complex problems, empowering human capabilities through fostering inclusion and participation, locally embedding innovations, and bringing outside recognition to the problem to institutionalise their solutions (Partzsch and Ziegler 2011). A critical strategy engaged in the process is entrepreneurialism, which involves developing and maintaining financially sustainable ventures and innovations using market principles.

As shown in *Table 5.4*, the eight *SEs* each developed their enterprise in accordance with Indonesian law and regulations (see *Table 1.2*), which can be classified into: (i) community-based organisations providing goods and services within local communities, (ii) business-based organisations sourcing revenue through selling and trading goods and services to beneficiaries and/or wider community, (iii) advocacy-based organisations raising awareness and influencing policy change through increasing community participation, and (iv) hybrid organisations operating cooperatives for beneficiary communities while sourcing revenue from operating business outside beneficiary communities.

Table 5.4. Organisational structure, entity and sources of funding and revenue

	Structure	Entity	Size	Start-up funding	Ongoing revenue sources
SE1	Community-based	Foundation	Very small < 5 employees	Self-funded through community savings	Monthly service fees, local product sales and visitor donations
SE2	Business-based	Private company	Small < 10 employees	Self-funded through bank loan	Product sales to beneficiaries
SE3	Advocacy-based	Foundation	Small < 10 employees	External grants and pooled funds	External grants, consultancy services, pollution boat tours
SE4	Hybrid	Private company/ cooperative	Medium-sized > 20 employees	External grant and pooled funds	External investors, ecotourism and media business, consultancy services, and membership fees
SE5	Business-based	Private company	Medium-sized > 20 employees	External grant and pooled funds	Contract sales, non-member clinical fees, and government subsidies in exchange for service
SE6	Business-based	Private company	Small < 10 employees	External grant and partner subsidies	Visitor fees, local product sales & tourist accommodations
SE7	Community-based	Foundation	Very small < 5 employees	Self funded through community savings	Partner subsidies, consultancy services and business contracts
SE8	Business-based	Private company	Very small < 5 employees	Self-funded through bank loan	Product sales to beneficiaries

As shown in *Table 5.4*, community and advocacy-based organisations were found to operate as foundations under more informal structure with less human and financial resources than business-based and hybrid organisations operating under formal private

company structure involving more external resources. However, there are several crossovers: *SE3* operates under the same entity as community-based organisations, yet also source revenue through trading goods and services with wider community. Similarly, *SE2*, *SE5* and *SE6* operate as business-based organisations, yet also share with community-based and hybrid organisations similar characteristics in providing goods and services within local communities while operating membership associations. Overall, the pattern thus appears to be that *SEs* are increasingly operating under private company labelling and hybrids while expanding their support services to wider community and working with increased stakeholder networks.

Similar to business entity, these organisations also have multiple crossovers in governance practices. In community-based organisations (*SE1*, *SE7*), change in governance was found to occur through fostering inclusion and participation in financing, constructing, and maintaining operations to ensure accountability of innovations. For example, *SE1*'s initiative is 100% finance, constructed and managed by local community members, while *SE7*'s initiative was fully constructed and maintained by local community, despite harnessing a media grant for initial finance and gaining technical assistance from a local university. Impact for these organisations thus tend to be limited within local communities unless replicated and scaled through government programs. In business-based organisations (*SE2*, *SE5*, *SE6*, *SE8*), governance change was found to occur through building partnerships with like-minded suppliers, businesses, and government in providing alternative structures to supplement existing services while increasing collaborative skill-sharing with other networks. In advocacy-based organisations (*SE4*), change in governance was found to occur through directly challenging existing governance structures, skills, and capacities, and changing public policy in addition to fostering inclusion and participation and building partnerships. Similarly, in hybrid organisations (*SE3*), governance change was found to occur through organising communities into cooperatives to increase ownership of local communities while challenging existing social structures. This diversity and overlap in scale and scope, social implications, and potential impacts render *SE* difficult to classify according to existing typologies (see *Section 2.4.4*). Similar to perceived benefits, most organisations (not *SE8*) were found to affect governance change through fostering inclusion and participation, advancing human capabilities, and locally embedding innovations while some directly challenge existing governance structures through radically reshaping certain goods and service production and delivery, and/or creating effecting socio-political and economic

change. Hence, this *Chapter* develops a new typology for *SE* reflecting these crossovers by combining existing typologies of *SE*, *SI* and inclusive innovations (see *Sections 2.3.2* and *2.8.3*) as shown below:

Table 5.5. A new typology for *SEs* in Indonesia

Type of innovations	SE1	SE2	SE3	SE4	SE5	SE6	SE7	SE8
Structural & post-structural innovations that bring about transformative change with built-in structures to strengthen and reinvigorate transformative agenda			√	√	√			
Radical innovations that help improve wellbeing and alleviate social problems while challenging the status quo		√	√	√	√	√		
Inclusive innovations that foster inclusion and participation of socially excluded groups without altering existing structures	√	√	√	√	√	√	√	
Conventional innovations that pose to create change under new names while promoting the status quo								√

5.3.3. Harnessing networks to co-create change

Another critical mechanism harnessed in facilitating and sustaining change is social networks. A cross-case analysis highlighted these *SEs* harness a broad range of networks throughout the course of developing, implementing, replicating and scaling their initiatives, which can be broadly categorised into horizontal networks (including communities, employees, supply chain workers, business partners, investors, media, and other service providers), and vertical networks (including governments, NGOs, regulations, recognitions and awards). As demonstrated in *Chapter Four*, *SEs* typically start developing their initiatives in small pilot projects to test viability and feasibility of their innovations. This process involves focussing on particular communities and spending several years with them until they the community is ready to stand on their own feet even for non-community-based initiatives. For example, *SE3* highlights, “we work with people and the challenge is never ending. It’s not a project of 1-2 years but it’s a never ending interaction so the story is to be continued.” This implies that *SE* is a long-term commitment to community. To the *SEs*, communities are thus partners who co-create change and from whom they gain the initial ‘needs’ to identify initial and ongoing opportunities for change.

However, *SEs* also engage other stakeholders in facilitating and sustaining change. A critical strategy used in the process is mutually benefitting partnerships. For example, *SE1* harnessed help from the World Bank and the local government in replicating and scaling the

initiative in exchange for joining the city's sanitation department as sanitarian. *SE2* harnessed building material suppliers and stonemasons in developing his sanitation business through risk-sharing and profit-sharing. *SE3* initially engaged help from an investor in setting up their media business, however have since formed partnerships with a large international firm in developing an on-line database that link farmers directly with global buyers in addition to setting up cooperatives to increase buying power and train farmers in sustainable practices, while engaging business investors in expanding business into protection of marine fisheries and coral reefs. Similarly, *SE4* facilitates partnerships across government, schools, and village representatives in jointly monitoring water quality, while also forming an agreement with a national newspaper company to get front-page coverage in exchange for filling weekly columns. In this way, this organisation actively harnesses the media in raising awareness in water pollution and applying pressure on government and industries, at times even exposing the names of polluting industries and suing the government to change policy. This organisation also engages children and ordinary citizens in scientific data collection and public demonstrations, while facilitating dialogue between community members and government. More recently, this organisation has also become involved in campaigning against disposable diaper pollution and importing plastic wastes from developed countries including Australia, thereby expanding their networks overseas.

In addition to marginalised citizens, *SE5's* initiative also offers healthcare services fee-paying middle-income earners who help pay for the insurance scheme while working with existing waste management companies in trading their recyclables, and more recently with national government in integrating their scheme with the national insurance scheme, which has enabled upgrading healthcare services from general practice to surgery and hospitalisation. The three clinics operated by the organisation are staffed with professional doctors and nurses on a shift basis, who are paid standard wages in accordance with local employment regulations. *SE6's* waste management service operates in a slightly different manner by operating their own waste processing facility, employing local waste collectors under proper working conditions, and partnering with other business to process metal and plastic foam wastes. The organisation also harnesses intellectual capital from another social enterprise in Bali in processing organic wastes. *SE7's* initiative is still very small engaging only two volunteers. However, this initiative has harnessed a grant from the media in exchange for publicising their initiative as the first of its kind in the city, and is now in talks with ministries towards replication.

Whilst stakeholders differ according to the nature, scope, and range of activities and services pursued by each initiative, they can broadly be categorised into beneficiaries, immediate networks, and bystanders (see *Figure 5.2*). Of these stakeholders, beneficiaries (immediate communities) play a vital role in providing the ‘needs’ from which *SEs* develop their initiatives, while immediate and non-immediate networks provide the time, human, intellectual, financial and physical resources needed in implementing their initiatives. Innocent bystanders include all other supporters, who can sometimes adopt and replicate innovations, thereby making it difficult to keep track of when and by who these initiatives are spread. Whilst these immediate and non-immediate stakeholders may not necessarily share similar values with the *SE*, they become gradually influenced through the day-to-day interactions with the *SEs* to become supporters. This ability to influence stakeholders comes from engaging people with empathetic perspective taking, willingness, and commitment to protect and improve the wellbeing of marginalised citizens and the environment, whose enthusiasm becomes contagious, thereby demonstrating the critical importance of values.

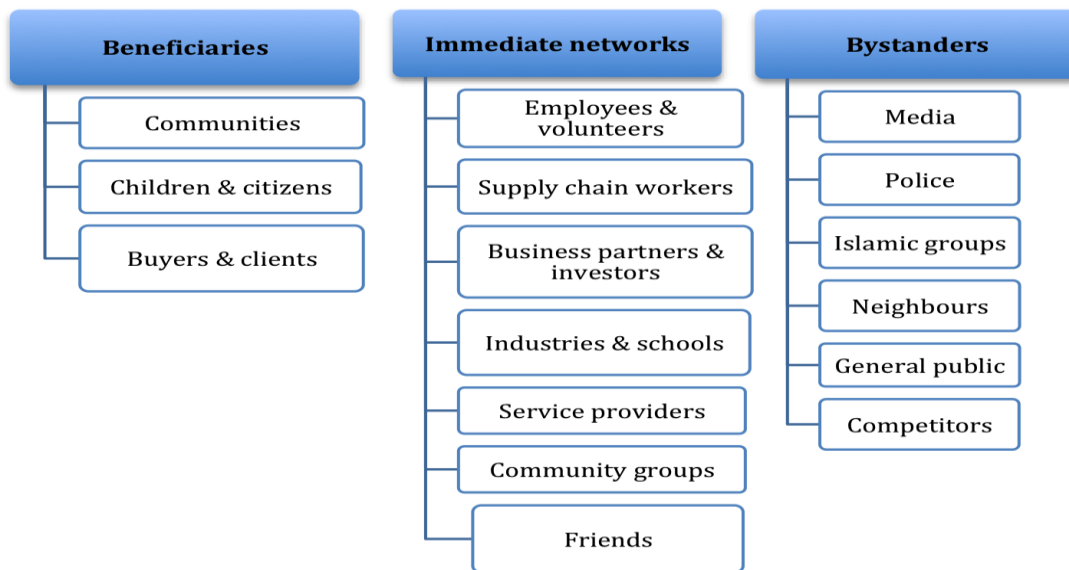


Figure 5.2. Beneficiaries, immediate networks and other bystanders associated with the *SEs*

5.3.4. The social entrepreneurial ecosystem (enabling structure)

As demonstrated above, *SEs* are bridging agents that engage a wide range of stakeholder networks across multiple societal levels in boundary spanning collaboration to spread social impact far and wide beyond immediate communities. These networks are harnessed through mapping the entrepreneurial ecosystem (see *Section 2.3.7*) to identify existing

inefficiencies, inadequacies and capabilities that can be harnessed within the macro-economic environment. This entrepreneurial ecosystem critically differs from conventional Silicon Valley-type entrepreneurial ecosystems centred on technology and surrounded by high-tech business corporations conglomerated in specialised geographic regions (Cohen 2008). It also differs from conventional developmental approaches centred on government programs, which are implemented in collaboration with international development agencies. The *SE* ecosystem rather puts transformative agents (i.e. *SEs* and their initiatives) at centre stage, surrounded by: (i) beneficiaries, immediate networks, and bystanders co-creating change at micro-grassroots level, (ii) governments, NGOs and regulations replicating and up-scaling their initiatives at meso-regime level, and (iii) a dynamic alliance of locally and globally networked organisations and initiatives in supporting the development and dissemination of *SE* at macro-landscape level. What binds these broad stakeholder networks together are a common stream of inter and intra-generational equity, social justice, and sustainability values, which are developed, strengthened and reinforced over time through value and resource exchange flows. Thus, by blending bottom-up incremental change with top-down support from supporting organisations, the *SEs* influence one person/organisation at a time through their day-to-day interactions and demonstrating successful change in meeting the needs of marginalised citizens. The *SE's* connection to these supporting organisations will be discussed in *Sections 5.4.1* and *6.4.1*.

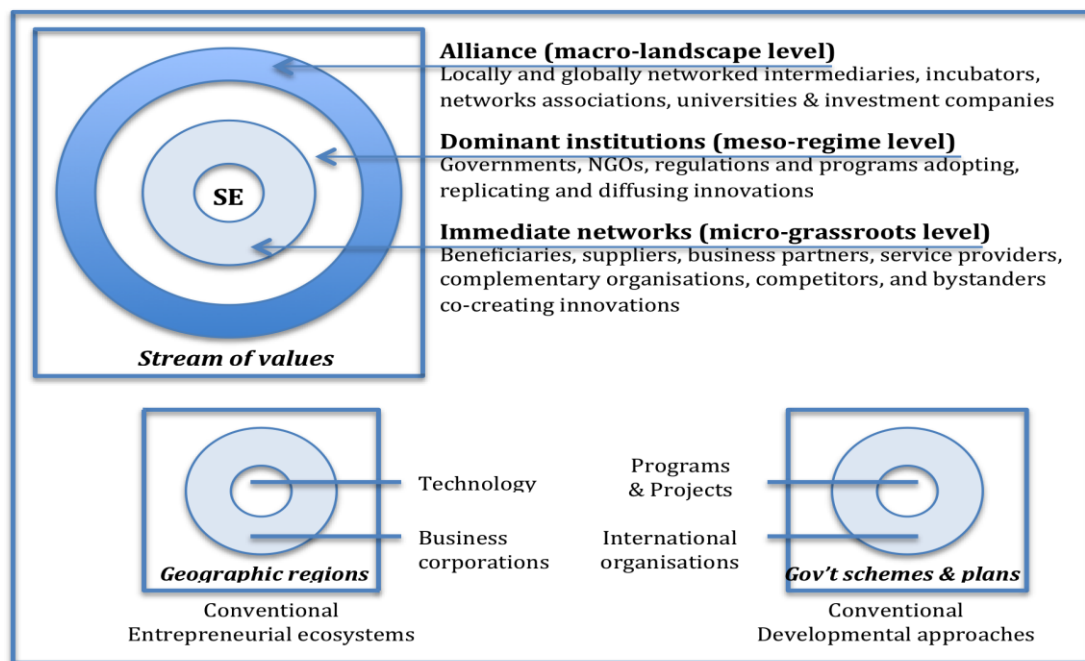


Figure 5.3. The social entrepreneurial ecosystem (Author creation)

5.3.5. Changing behaviour and mindsets

According to Rittel and Weber (1973), wicked challenges have many interrelated causes and pathways that make them near impossible to solve, yet can be mitigated through changing behaviour and mindsets in many people and engaging stakeholders in transboundary collaboration to challenge existing governance structures, skills and capacities. Whilst change in *SE* is partially facilitated and sustained by service delivery, finance mechanisms, and governance practices, a great proportion of change is facilitated and sustained through changing behaviour and mindsets in many people, which typically begin from immediate communities. Behaviour change is however a complex and multifaceted process that merits an entire study on its own, particularly in poor and marginalised citizens communities where there is: (i) lack of awareness and understanding of the importance of clean water and sanitation, (ii) lack of interest and appreciation for the greater environment, (iii) perceived notions of costliness and lack of trust cultivated through existing institutional solutions, (iv) dependency on government subsidies and international developmental agencies cultivated through decades of foreign direct investment projects, and (v) perceived notions that there are no alternatives than to adopt adaptive strategies under conditions of constant deprivation. Indeed, interviews with the *SEs* (less *SE8*) consistently highlighted that changing behaviour and mindset was the most difficult challenge faced in the course of developing and implementing their initiatives.

The *SEs* engaged in this study each tried and tested a variety of strategies taking a trial and error approach, transforming failures and setbacks into learning, and learning into strategies to change behaviour and mindset. Interviews highlighted the *SEs* typically began from home visitations, door knocking, distributing flyers, attending community gatherings, and organising focus group discussions. For example, *SE1* continued to visit every household until midnight everyday to socialise with the community members, whereas *SE6* and his associates attending 47 men's gathering and women's gathering each. While these strategies did not change behaviour, they did contribute to building trust and relations and gaining insight into the needs of the people, thereby demonstrating that establishing social relations and understanding the needs of people is the first step to changing behaviour. Based on these outcomes, the *SEs* next tried to provoke doubt in the minds of the people by asking them to imagine their futures. By way of examples, *SE1* 'asked' the community to think about travelling to the river to open defecate at old age, while *SE3* 'asked' the illegal loggers to

imagine their children having to do the same. SE5 then ‘asked’ the community to think about alternative options to having their needs met. This gathered a small number of supporters, whom the SEs relied on to spread word of mouth and encourage others to join. As noted in quotation marks, ‘asking’ is critically different from imposing or telling the communities what to do. Asking involves provoking doubts in the minds of people to enable them to make informed decisions, while telling or informing invokes provoking compliance. For example SE4 states, “*we never tell the community what to do. We provide them with information on regulation and get them to decide what to do themselves.*” Similarly SE4 states:

“So often governments, NGOs and funders come to people with their own dreams, but do not listen to the dreams of people. We believe that everyone has a dream. Sustainability is the community’s dream too. Only by listening and giving ownership to the people, can we go from their to achieve the dream together.”

The above message contains a very important message about the SE approach to stakeholder engagement, which is based on respecting and believing in the potential of others and giving voice to people. This respect and belief in one’s potential stems from empathetic perspective taking, which involves seeing the problem through the eyes of marginalised citizens and belief that people’s abilities can grow and develop under the right conditions (i.e. growth mindset) (see *Section 4.4.7*).

Based on understanding the financial difficulty of the people, many of the SEs sought to alter service delivery functions and finance mechanisms, using rewards and incentives to allow people to make informed decisions. A critical strategy used in the process was perceived benefit. For example SE2 sought to change terms and conditions of payment and change the language of communication from cheap and discount to cash-back guarantee and by adding a warranty to gain trust from community. Similarly, SE5 sought to demonstrate perceived benefit by offering two simple procedures: become a member of the insurance scheme and submit garbage regularly to gain free access to healthcare. These examples collectively indicate that building trust and communication, listening and believing in other’s potential, and demonstrating perceived benefits are critical antecedents in changing community behaviour and mindset.

There are also unsuccessful examples of strategies. For example, SE7 initially tried to use his positional power as neighbourhood leader to force community to adopt his ideas by refusing to sign marriage and death certificates. Similarly, SE6 provided an ultimatum: “*if you don’t join the program, your rubbish will not be collected.*” However, these strategies

backfired on the *SEs*: *SE7* was segregated by community members and chastised as a dictator, while *SE6* had their bins burned by community. These examples demonstrate that coercion, shame and punishment are not effective strategies to changing behaviour.

After long contemplation, the *SEs* demonstrated they came to understand that changing behaviour requires bringing people closer to the problem and gradually guiding people towards developing their desire to change. The *SEs* thus sought to provoke action by engaging community in a learning-by-doing approach. In particular, *SE7* recognised the importance of (i) empowerment, which begins from recognising potential in everyone and every resource, (ii) engaging this potential by giving everyone the opportunity to explore their own innate capabilities, and (iii) the leader's commitment and enthusiasm to inspire others to join in the action. This is reflected in the following quote:

"I began from digging a well in front of my house, which caught the interest of community. They asked me to dig one in front of their house too, but I instead suggested we do it together. We began from installing ashtrays and compost bins, then from the second year, we began planting together. Since its' expensive to buy plants, we initially gathered plants from roadsides and riversides, and asked people to share seeds with their neighbours. The villagers initially had no interest in plants, but when they saw the trees withering without water and others working, they began to feel sorry for the plants and began to care for the plants and started watering them everyday. Then, seeing the others working, more people began to join in one at a time by bringing their own skills. I think they realised that they can do something too. Sometimes people need a little help to do things, and by doing together, we now have a beautiful village that gathers visitors." [SE7]

According to Page and Czuba (1999), empowerment is a multi-dimensional social process that helps people gain control over their lives: a process that challenges assumptions about the way things are and can be, by fostering innate power or capacity to implement change for use in their own lives. The authors argue, while we cannot give power to others and make them empowered, we can provide the opportunity, resources and support needed to allow others to become empowered. This strategy of empowerment was observed across many of the other case samples examined for this study.

Once empowered, behaviour change almost came naturally as people began to see the tangible and intangible outcomes of the initiative. Furthermore, increased exposure through the media provided a sense of pride for being part of the community, as well as income generating opportunities ensuring sustained behaviour change. Collectively, these different

stages can be represented as a four-step model to changing and sustaining behaviour as shown in *Figure 5.4*.

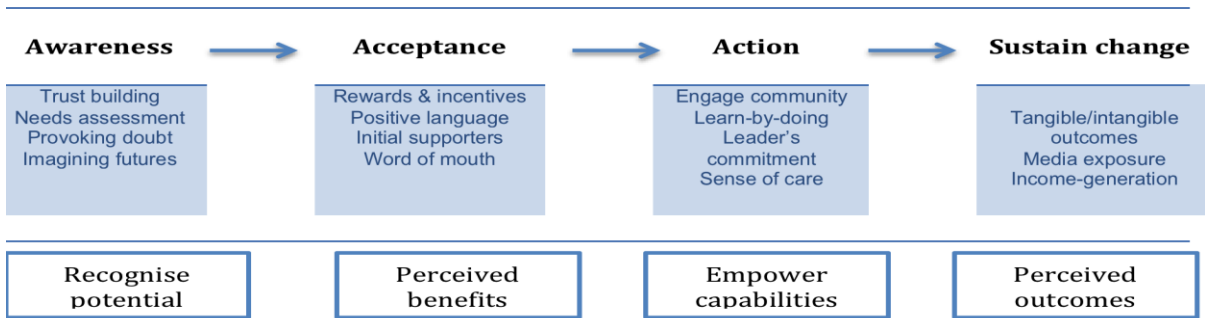


Figure 5.4. A four-step model to changing behaviour (Author creation)

5.4. Spreading social change

Interviews revealed that the *SEs* do not seek to scaling innovations but rather in spreading social impact, which was made evident by the statement: “when focussing on impact, money, people and opportunities will follow” [SE4]. Very similar statements were also made by *SE1*, *SE2* and *SE5* though not in the exact same words (e.g. “social impact is more important than profit,” “by pursuing social impact, I received many opportunities and have good staff,” “when focussing on impact opportunities arise.”). This demonstrates the *SEs* are agents are not satisfied with simply developing and implementing their initiatives, but aim to spread social impact to create large-scale impact for greater society.

According to Ashoka Foundation (2017), *SEs* typically scale their initiatives through creating grassroots social movements, changing policy, business franchising, or creating an anecdotal story of their initiatives. In addition to these techniques, this study finds the *SEs* mainly harnessed partnerships, publicity, awards and recognitions in scaling their initiatives (see *Table 5.6*).

Table 5.6. Method of scaling

Method of scaling change	SE1	SE2	SE3	SE4	SE5	SE6	SE7	SE8
Grassroots social movements	✓	✓	✓	✓			✓	
Policy change	✓	✓		✓	✓			
Business franchising		✓						✓
Developing partnerships	✓	✓	✓	✓	✓	✓	✓	✓
Publicity, awards & recognitions	✓	✓	✓	✓	✓	✓	✓	✓

5.4.1. Role of awards and recognitions

Awards and recognitions for *SEs* can come in three different levels: (i) word of mouth and increased media coverage at micro-grassroots level, (ii) local, regional, and national competitions and awards from government at meso-regime level, and (iii) international awards and accreditation by global organisations at macro-landscape level. Of these, international recognition holds the highest impact in capturing attention, providing the *SEs* with credibility, legitimacy, and accountability to help accelerate social impact. However, one of the *SE's* associates noted, *"this is not something that is purposefully sought after, but rather something that accrues to the SEs by building good reputation and delivering successful social change"* [EMP5-43D].

As demonstrated in *Chapter Four* (Table 4.1), the majority of the eight case studies have been recognised by Ashoka Foundation as world's leading *SEs* under their Fellowship and Young Change Maker (YCM) Award programs, while *SE3* has also been recognised by the Skoll and Schwab Foundations. These awards and recognitions can be seen as accreditation, which serve several functions for the *SEs*. At the most basic level, they serve as sources of motivation and incentives for *SEs* through increasing identity and confidence at micro-individual level. Indeed, *SE1* described how receiving the Ashoka Fellowship Award gave him access to higher education and opportunity to travel overseas to disseminate his innovation, while *SE2* described being a part of the Ashoka global network as *"a doctrine for spreading social entrepreneurship and impact to community,"* which helped *"open his eyes to the importance of social entrepreneurship work and community empowerment."* These statements reveal that awards and recognitions can motivate, inspire and provide identity.

At another level, awards and recognitions enable access to resources, networking and learning opportunities. For example *SE4* states, *"awards help the movement by bringing more funding, support, power, resources, friends, networks, and partnerships, which are otherwise unachievable."* Similarly *SE3* states, *"awards open doors to accelerate ideas through networks. They bring us closer to the international forum and promote our story to the business world. They gave me scholarship to study at eminent universities around the world and funds to replicate our business."* According to co founder of *SE4*, *"awards help increase media coverage, publicity and international recognition to increase impact to the community and support for our work"* [EMP5-43D]. Likewise, *SE5* highlighted the role of awards and recognitions in bringing legitimacy, credibility, and accountability to *SEs* as exemplified in the following statement:

"I collect inspiration, not awards. To me, most important is motivation and second is the environment. We focus on how to innovate and how to inspire. I'm a young doctor with no experience, and at the start of the company, nobody wanted to meet me. They were like, who are you? But after winning awards, people in the government, head of the country and international leaders will meet me. Awards give reputation and credibility and make it easier to access resources and gain support to promote our idea." [SE5]

These statements collectively highlight awards and recognitions serve three functions: (i) provide motivation and inspiration to *SEs* to increase identity and confidence at individual level, which in turn ensures accountability, commitment and sustained quality of individual projects, (ii) increase access to resources, networking and learning opportunities to create more conducive environments at organisational level, which in turn increases resource competency while aligning others to a stream of values through resource exchange flows, and (iii) provide legitimacy and credibility to individual *SEs* to bring outside recognition to the problem to encourage others to join in the action at societal level, which in turn increases visibility of independent initiatives to help increase social impact beyond the original place of development. Thus, awards and recognitions serve like binding social contracts that ensure continued motivation and accountability in tackling complex social and environmental problems while creating an enabling environment for change for aligning stakeholders to a stream of values (see *Figure 5.5*).

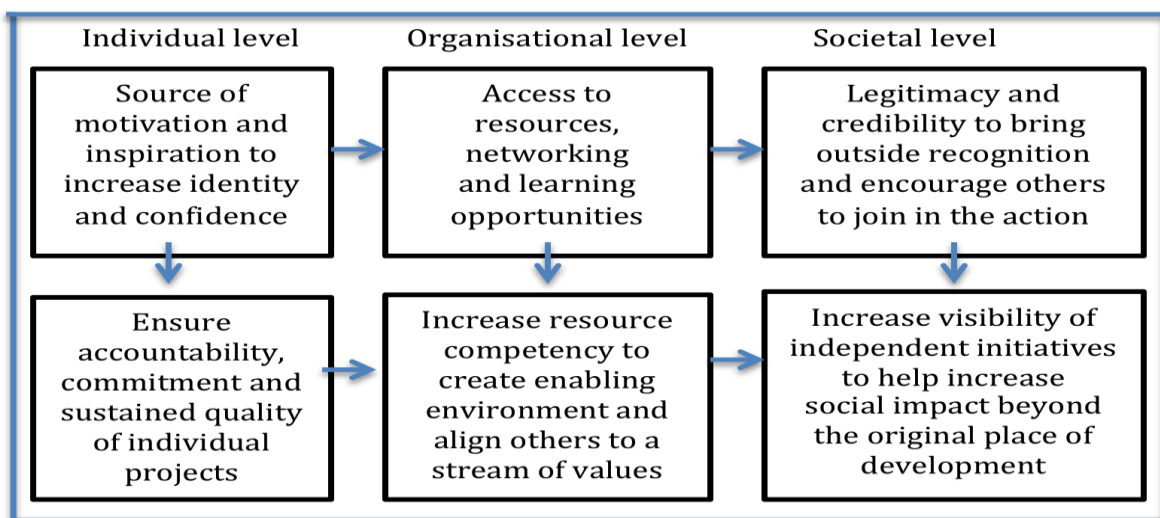


Figure 5.5. The triple role of awards and recognitions (Author creation)

5.4.2. Spreading social impact over technological innovations

Of the eight cases, *SE1*'s initiative has been the most widely replicated through local and national government programs, initially beginning with 10 sites, and later reaching more than 150,000 households in 500 projects through the former national flagship sanitation program SANIMASS (Fladerer 2000). However, during the course of fieldwork it became evident that many of these systems were unused or abandoned. An interim report by a funding agency showed the decentralised system became "rolled out like a service package upon becoming heavily subsidised by local governments," thereby shifting focus from building community capacity to increasing efficiency in construction and scaling projects (Fladerer 2000, p.2). Another report also showed that unlike the original project, these replications were financed and constructed using a mix of paid labour and volunteer work without sufficiently engaging community (Foley et al 2000). According to a local government official who works closely with *SE1*, "*the technology started walking on its own without sufficient attention to community engagement and ownership*" [GOV4-19A]. This implies that without involving community in service delivery, finance mechanisms, governance practices, and behaviour and mindset change, partial replication of the technological component will not bring these innovations to full potential. Thus, it is not the physical infrastructure or new technology that creates change, but rather the service delivery, finance, governance, and behaviour change mechanisms created in interaction with community that makes the difference.

SE1's initiative has since been adopted under the Surabaya Clean and Green Initiative, which is a citywide competition program aimed at transforming low-income settlements. Unlike the SANIMASS program, this program takes a multi-phased approach to building community awareness and capacity in three phases with built-in monitoring and evaluation processes. The first phase involves waste management, the second phase involves installing *SE1*'s wastewater treatment system, and the third phase involves installing renewable energy. Currently rolled out in 750 neighbourhoods, 500 are still in the initial phase, 200 are in the second phase, and 50 are in the final phase, with a behaviour change slippage ratio of 10%, which is much lower than replication through the SANIMASS. This suggests that a multi-phased approach to raising awareness and building community capacity is effective when working with low-income settlements, similar to the four-step behaviour change model shown in *Figure 5.4*.

Additionally, fieldwork observations highlighted the importance of leadership. A visit to two settlements implementing the Surabaya Clean and Green showed where the neighbourhood leader was enthusiastic and concerned about the welfare of residents, the village had successfully transformed into a green oasis and advanced to phase 2. In another settlement where the neighbourhood leader was unenthusiastic and reliant on community members to raise their own awareness, no visible change was seen in the village while struggling to get through phase 1. More specifically, the first settlement was fitted with lush greenery, colourful ornaments, compost bins, and a community library with organised rubbish collection, whereas the second settlement appeared bare and brown with no greenery and little interaction between the neighbourhood leader and residents. These examples highlight the critical role of local leadership in disseminating the value creation potential of *SE*. In other words, successful replication of *SE* requires ensuring the local leader holds similar mindset and values to the original *SE*, which include empathy, perspective taking, willingness, and commitment to improve and protect the wellbeing of marginalised citizens.

5.4.3. A multi-phased approach to raising awareness and changing behaviour

According to SE5, *“sanitation in Indonesia is not about technology. It’s about social and environmental issues and lack of awareness. Social engineering is therefore needed to raise awareness and change behaviour. Micro-health insurance is like a frugal innovation. From a health perspective, we can only help those nearby, but from a waste perspective, we can help solve community problems by raising awareness and changing perceptions on resource recovery.”* As shown in Table 5.7, most of the initiatives examined for this study include raising awareness and changing behaviour and mindsets among their objectives despite using a diversity of approaches including technology and infrastructure design or exclusive focus on social dimensions. This demonstrates *SEs* are holistically tackling complex problems through: (i) treating the problem (developing new ideas and strategies to meet the underserved needs of society through increasing access to basic services), (ii) cultivating the social field (raising awareness, changing behaviour and advancing human capabilities through fostering inclusion and participation), (iii) removing the causes of the problems (changing the circumstances that keep people trapped in poverty, inequality and injustice and emancipating suffering), and (iv) creating new solution systems (influencing community and stakeholders to take up new solutions), while mitigating damage through reducing

pollution and/or environmental degradation. Collectively, this constitutes: (i) disruptive innovations, (ii) human capabilities advancement, (iii) emancipation, and (iv) system change.

Table 5.7. Key approaches, methods and objectives

	Key approach & method	Awareness raising	Behaviour & mindset change	Reduce pollution & degradation	Increase access or participation
SE1	Technology & infrastructure design	✓	✓	✓	Access to drainage & sanitation
SE2	Infrastructure design & business model	✓	✓	✓	Access to drainage & sanitation
SE3	Eco-certification & cooperative model	✓	✓	✓	Participation In NRM
SE4	Advocacy & Education	✓	✓	✓	Participation In NRM
SE5	Social engineering & business model	✓	✓	✓	Access to healthcare & waste mgmt
SE6	Education & business model	✓	✓	✓	Access to waste mgmt
SE7	Technology & infrastructure design	✓	✓	✓	Access to drainage
SE8	Infrastructure design & business model		✓	✓	Access to sanitation

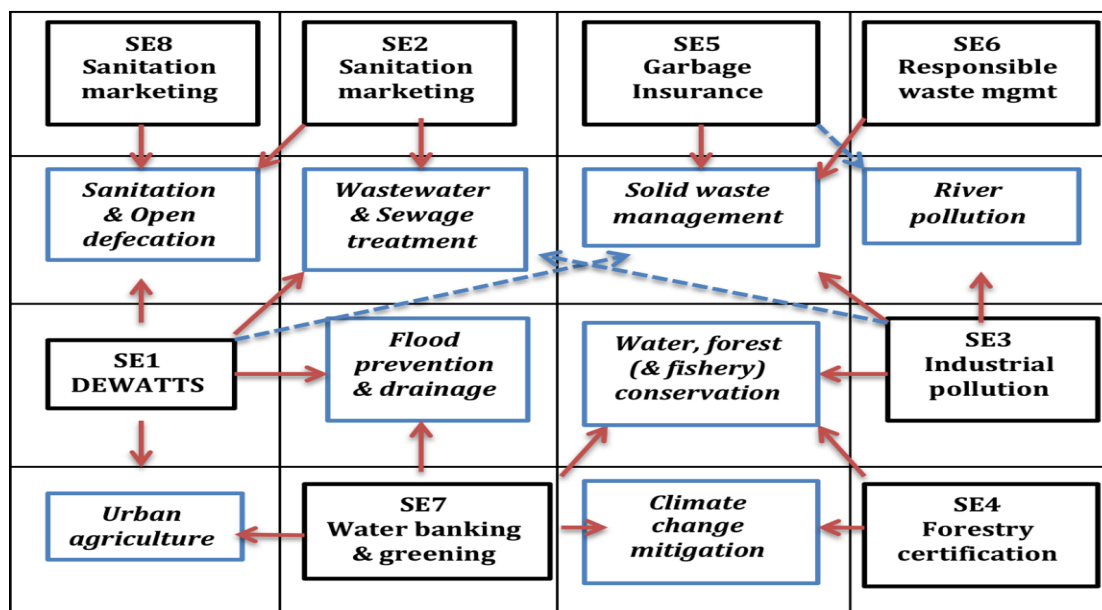
5.4.4. Multi-purpose innovations that tackle more than one problem at once

An analysis of the cases in *Chapter Four* revealed many of these initiatives tackle more than one problem at once, either through identifying additional problems in the community or extending their support services to other interconnected issues upon gaining experience and confidence in their ability to tackle complex problems. Many of these touch on the global SDGs. Among examples include:

- (i) *SE1*, which began from developing a wastewater treatment system to address community drainage and sanitation problems adding urban agriculture to deliver perceivable benefit to community, and since coupling the initiative with waste bank
- (ii) *SE2*, which began from increasing access to sanitation and matching supply and demand, which is now in the process of branching out into faecal sludge management and biogas generation, which will then contribute to clean energy development and climate change mitigation (SDG7; SDG13)
- (iii) *SE3*, which began from raising awareness in illegal logging and developing a sustainable forest management model expanding their support services to fisheries

- and marine coral reef preservation, thereby contributing to conservation of land and marine biological diversity (SDG14; SDG15)
- (iv) *SE4*, which began from environmental education and advocacy in industrial pollution, is now campaigning against domestic waste pollution and imported plastic wastes while also branching out into forestry and integrated water resource management, thereby contributing to conservation of life on land and under water (SDG14; SDG15)
 - (v) *SE5*, which combines waste management and health contributes to poverty alleviation, solid waste management, while improving human health and wellbeing as well as reducing water pollution (SDG1; SDG3)
 - (vi) *SE7*, which combines flood control with water conservation, urban agriculture and micro-climate regulation (SDG13; SDG15)

Collectively, these examples demonstrate that, though these initiatives may appear to be small and localised, they are creating large-scale impact in multiple developmental areas that affect the global SDGs beyond water and sanitation, thereby representing examples of “thinking globally, acting locally.” Thus, these are seeds of innovations that can be harnessed to advance global SDGs. This is a critical finding given that existing literature does not explicitly connect *SE* with the global SDGs.



The *red arrows* represent areas of direct contributions of each initiative.

The *blue arrows* represent indirect contributions.

Figure 5.6. Multi-purpose approach to tackling complex problems (Author creation)

5.5. Social value creation

SE is about creating value in every step of the innovation process through finding new and better ways to design a product, deliver a service, finance the innovation, maintain operations, and influence community, government and stakeholders to take up new solutions. Hence, I argue a central strategy that permeates across the entire innovation process is social value creation, which can be described as “the promotion of social wealth, generation of benefits, reduction of costs, poverty alleviation, and provision of access to basic social and physical infrastructure including health, education, finance, employment, sanitation and other services specifically targeted at underserved, neglected and disadvantaged populations to achieve transformative benefit and maximise social impact (Mathew and Adsule 2017; p.1). According to Rispal and Servantie (2016), social value creation can be broken down into: (i) value proposition (*SE*’s desire to provide to a target market), (ii) value generation (value created in interaction with stakeholders), (iii) value capture (value sized towards achieving value proposition), and (iv) value sharing (the value flows that take place in the ecosystem) (see *Section 2.3.4*). Drawing on these four components, we summarise social value-creation with regards to the case studies examined for this study and propose a new framework for social value creation.

Social value creation typically begins from identifying unmet needs and socio-institutional gaps suffered by marginalised citizens (opportunity recognition) and declaring a social mission to improve and protect the wellbeing of marginalised citizens and advance inter and intra-generational equity, social justice and sustainability, which is equivalent to *value proposition*. This process begins from empathising with affected beneficiaries and engaging potential for change. Once the value has been proposed, it must be generated in the form of developing a new or better solution to meet the needs of target populations (innovation) and developing new ventures to institutionalise these solutions (entrepreneurialism), while engaging networks in collaboration and partnerships (social networks), which is equivalent to *value generation*. This process begins from empowering human and resource capabilities to create transformative change in social and/or physical infrastructure, service delivery, finance mechanisms, governance practices, and behaviour and mindset change.

Value that is generated must also deliver benefits to all stakeholders in the form of tangible and intangible outcomes, which is equivalent to *value capture*. For communities, value is captured in the form of increased access to basic services, improved health and

wellbeing, increased social cohesion, and improved income and livelihoods, as well as in increased ability to do things they could not do before (achieved functioning) and having the freedom and opportunity to do what they could not do before (advanced capabilities). For partners and suppliers, value is captured through partnerships, resource exchange, profit-sharing, and increased opportunities for collaboration, networking, knowledge and skill sharing. For government, value is captured through reducing expenditures and need for subsidies, while providing them with seeds of innovations to tackle complex problems. For the *SEs*, value is captured through satisfying one's intrinsic and extrinsic needs, beliefs, and goals. This process thus involves advancing human capabilities and embedding innovations locally. The value that has been proposed, generated and captured must also be shared across greater society to encourage others to join in the action to spread impact across the triple bottom line. This process involves encouraging spread of innovations by aligning stakeholders to a common stream of inter and intra-generational equity, social justice and sustainability values, which will be discussed further in *Chapter Six*. Collectively, these processes demonstrate how *SEs* initiate, facilitate, sustain, and spread social change (see *Figure 5.7*).

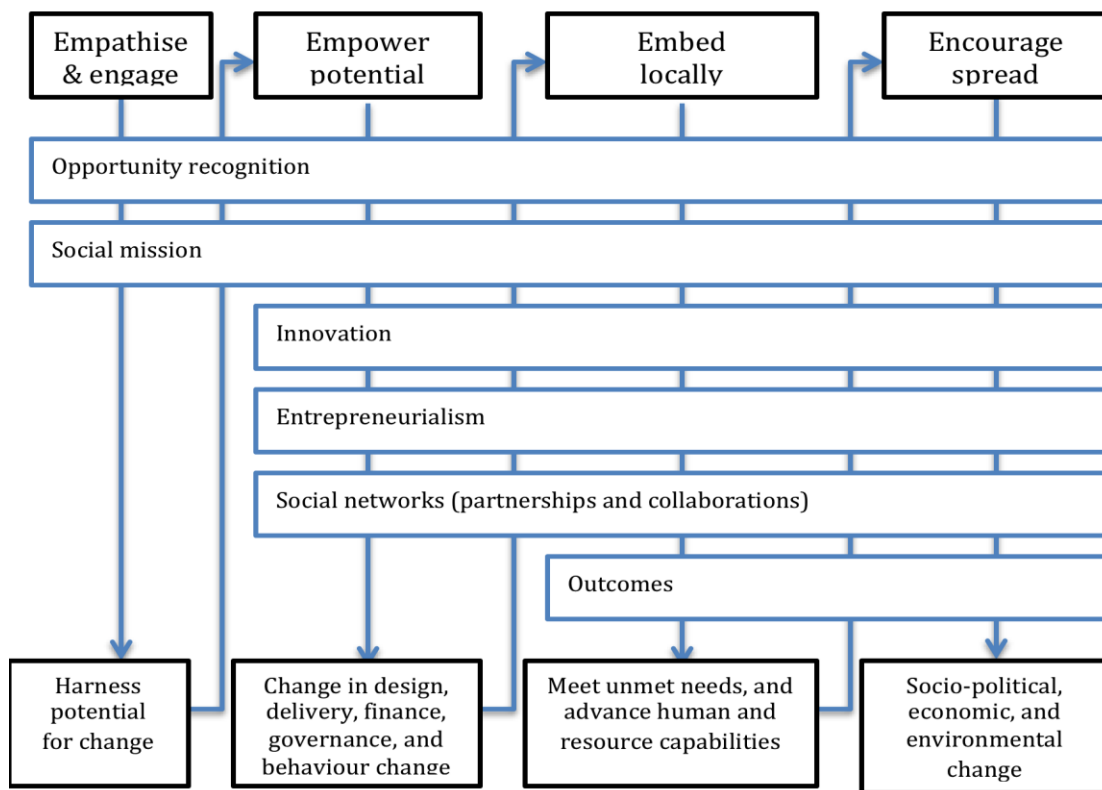


Figure 5.7. Social value creation: the central strategy of SE (Author creation)

5.6. Summary

This *Chapter* unpacked the strategies and processes used by *SEs* in creating transformative change by deconstructing *SE* into four phases of initiating, facilitating, sustaining, and spreading social change. This process identified that *SE* differs from other innovations and developmental approaches in four ways: (i) reframing the problem by asking ‘why’ questions to get to the source of the problem, (ii) building service delivery, finance mechanisms, governance practices, and behaviour and mindset change into the innovation design to create transformative change in social and/or physical infrastructure design, (iii) focussing on personal, social and environmental conversion factors to meet the qualitative needs of marginalised citizens to advance human capabilities while creating an enabling environment for change, (iv) harnessing the entrepreneurial ecosystem in engaging all stakeholders in boundary spanning collaboration, and (iv) creating social value in every step of the way.

The chapter also unpacked the central strategy of social value creation, which enables *SEs* to take a multi-phased approach to designing innovations that meet the needs of marginalised citizens, empower human capabilities to enable the marginalised to help themselves, remove the causes of problems in creating an enabling environment for change, and creating new solution systems through locally embedding innovations and sharing values. Collectively, these strategies and processes enable understanding of what *SEs* do, how they create change, and how different stakeholders affect and are affected by *SE*. The next *Chapter* then looks further into the entrepreneurial ecosystem to identify macro-landscape factors contributing to the emergence, development and popularisation of *SE* in Indonesia as well as the role of *SE* and the enabling structure from multi-stakeholder perspectives to enable integrated understanding of the *SE* phenomenon. The three results and discussion chapters will then be synthesised in *Chapter Seven* towards developing a unified conceptual and theoretical framework that outlines the roles, strategies and motivations of *SE*.

6. Chapter Six: Understanding the role and phenomenon of SE

6.1. Introduction

As demonstrated in *Chapters Four and Five*, *SE* is a contemporary social phenomenon demonstrating a new way of thinking and doing development through combining disruptive innovations with human capabilities advancement and engaging a broad range of stakeholders in co-initiating, co-creating, co-developing and co-evolving change in advancing inter and intra-generational equity, social justice and sustainability. Building on this, *Chapter Six* then outlines the role of *SE* from multi-stakeholder perspectives, then traces the emergence, development and popularisation of *SE* in Indonesia to provide a holistic understanding on the phenomenon of *SE* in the context of Indonesia. Also included in this *Chapter* is an outcome assessment from three selected case studies and a comparison of *SE* and the conventional developmental approach to delineate *SE* as a new humanitarian approach in transforming urban water and sanitation practices in Indonesia.

6.2. Perspectives on the role of social entrepreneurship

Chapter Five outlined the range of stakeholders engaged in developing and implementing *SE* primarily at micro-grassroots level. However, at a more system level, *SEs* also engage governments, NGOs, and regulators, and a dynamic alliance of locally and globally networked organisations and initiatives to (i) assist with replicating and scaling initiatives, and (ii) for disseminating the phenomenon of *SE* as briefly touched on through the concept of the social entrepreneurial ecosystem (see *Section 5.3.4*). This section thus begins by outlining these vertical stakeholder networks to understand how *SE* affect and are affected by these networks, followed by engaging multi-stakeholder perspectives on the role of *SE*.

6.2.1. The alliance (macro-landscape level stakeholders)

In Indonesia, *SE* is supported by several organisations and initiatives offering professional support services to *SEs* in different phases (hereinafter referred to as *alliance*). For example, Ashoka Indonesia has been searching, selecting, and supporting leading *SEs* since 1983 to make these solutions known to society. Together with the Skoll and Schwab foundations in UK and Europe, they play the role of *intermediary* in providing networking and knowledge

sharing platforms, aggregating information on local projects, and feeding this information back to wider society to encourage subsequent *SE* development (Hargreaves et al 2013). The British Council and Unltd Indonesia are incubators providing professional support services in seed funding, business plan development, research and assessment, training, workshops, and competitions to community-based *SEs* and start-up *SVs*, playing the role of *connectors* in institutionalising *SE* through facilitating and aligning trans-boundary collaboration towards shared value-creation. Additionally, there are several universities, social investment companies, local membership associations, and international initiatives respectively providing tertiary education, NGO/business conversion programs, seed funding, networking and peer support, and merit-based scholarship and mentoring programs for young prospective *SEs*. These organisations are *topplers* articulating and advocating values to externalise *SE* as alternative solutions in the open space while gathering supporters to create a movement around *SE*. As shown in *Table 6.1*, the expansion in the number of organisations and types of services made available to *SE* since 2000 highlights a growing ecosystem around *SE* since when Ashoka Indonesia was the only organisation supporting leading *SEs* in the 1980s. The alliance of organisations supporting *SE* can be considered macro-landscape level stakeholders due to shifting societal values and mindsets towards a more people-centred approach that values equity, social justice and wellbeing of the whole.

Table 6.1. The growing ecosystem around SE and SV in Indonesia

Organisation (s)	Year	Key role	Key activities and services	Target
Ashoka Indonesia (Skoll & Schwab)	1983	Intermediary (Bridging)	Search, select and support Platform for networking & learning Aggregate and feed information	Leading SEs
British Council Indonesia	2000	Incubators (Connectors)	Funding, research & assessment, training, workshops & competitions	Community based SEs
Unltd Indonesia	2014		Seed funding, business plan development workshops and competitions	Start-up SVs
Universities	Since 2007	Supporting initiatives (Topplers)	Training and conversion programs	NGO/business
			Graduate and post-graduate programs	Students
Investment companies	Since 2010		Seed funding, investment & networking support	Prospective SVs
Membership Associations	Varies		Local network and peer support	SEs and SVs
International initiatives	Varies		Scholarships and mentoring programs	Prospective SEs and SVs

5.6.2. Dominant institutions (meso-regime stakeholders)

While there are many ways to replicate and up-scale innovations, *SE* in Indonesia is often knowingly or unknowingly adopted, replicated and scaled through government programs and policies in collaboration with local and international NGOs. This makes governments and NGOs key stakeholders in advancing *SE* in Indonesia. As shown in *Table 6.2*, the Indonesian water and sanitation sector comprises four major stakeholder levels. At national level, the national planning agency (BAPENAS), three ministries (PW, MoHA, MH), and the respective water and sanitation working groups (POKJA) develop and implement policies and programs (i.e. PUMPSIMASS, SANIMASS, STBM) in collaboration with international organisations and donor agencies, which provide funding, technical and/or implementation assistance to the government. The provincial government, though less influential, regulate and monitor environmental regulations, which are currently poorly enforced. Since decentralisation of government in the late 1990s, local government and local NGOs have also become increasingly involved in tackling community water and sanitation problems (Hidayat 2017; Nasution 2016). These stakeholders tend to work more closely with individual *SEs* due to their proximity with local communities.

Table 6.2. Key stakeholders in the Indonesian water and sanitation sector

Level	Organisation/Program	Roles and responsibilities
National	National Planning Agency (BAPENAS)	Policy and program planning
	Ministry of Public Works (PW)	Implementation of programs: PUMPSIMASS (water supply) SANIMASS (sanitation) STBM (behaviour change)
	Ministry of Home Affairs (MoHA)	
	Ministry of Health (MH)	
	Water & sanitation working groups (POKJA)	
International	National working groups (POKJA)	Funding, technical and/or implementation assistance
	International organisations Donor agencies	
Provincial	Provincial Governor & EPA	Environmental regulation
Local	Local government	Community water & sanitation
	Local NGOs	

6.2.3. The multi-faceted role of social entrepreneurship (alliance perspectives)

Interviews with six intermediary, connector and topper organisations (the alliance) highlighted *SEs* are individuals, businesses, movements and societal role models that play multi-faceted roles in society due to resource limitations, unlike government, NGOs and businesses with clearly defined roles and responsibilities and abundant disposable resources. According to ECO1-201A:

“Social entrepreneurs are the main drivers of a movement that facilitate people to follow new solutions by bringing new ideas and strategies to bridge the problem-solution gap. In the absence of social infrastructure, they are taking leadership to fix Indonesia’s problems by engaging everyone and every resource in a fluid team-of-team approach, assuming an attitude of learning to solve the problem together while empowering community based on understanding that social and environmental problems are always interwoven with many different issues.”

ECO2-21B further states, *“social entrepreneurs address the triple bottom line to create an inclusive economy where poor and marginalised communities can participate in social, economic, political and environmental activities without relying on government. Unlike business acumen, they bring empathy, trust, accountability, and collaboration, which are essential for digesting local needs and interests and slowing decision making in creating a humanistic approach to development.”* To ECO3-22U, *“social entrepreneurs are business aimed at tackling inequality and injustice, which are root causes of social and environmental problems with purpose, values, relations, governance, ownership and integrity.”* Similarly, to ECO4-24T, *“social entrepreneurs fill social gaps left void by existing institutions and reverse inequality and injustice in tackling Indonesia’s many problems while providing the practical tools and models needed to implement sustainability beyond theory.”* As shown in Table 6.3, the alliance thus see SEs as pioneer innovators, problem solvers, new business models, change makers, empowering agents, emancipators of suffering, new governance and change models, and tools for sustainability that bring empathy, collaboration, entrepreneurship, trust and accountability to development, which collectively highlight the multi-faceted role of SE in initiating, facilitating, sustaining and spreading social change.

Table 6.3. The multifaceted role of social entrepreneurship (Author creation)

Initiating change (inputs)	Facilitating/Sustaining (processes)	Spreading change (outputs)
Pioneer innovators Develop new ideas and solutions to society’s most pressing challenges	Change agents Engages community and stakeholders in team-of-team approach to co-create change with everyone	Tool for sustainability Provide practical tool for sustainability beyond theory
Problem solvers Bridge problem-solution gap by meeting unmet needs and filling socio-institutional gaps	Empowering agents Empower community and stakeholders to solve problem together based on spirit of learning	New governance model Facilitates trans-boundary collaboration to break silos and boundaries
New business Model Address the triple bottom line to create an inclusive economy using entrepreneurial means	Emancipator of suffering Reverse inequality and injustice to create a new system for social justice	New change model Facilitates people to follow new solutions towards new humanitarian approach
Individuals/organisation	Movement	Society’s role models

6.2.4. The multi-phased role of SE (SE perspectives)

Similar to alliance perspectives, interviews with eight SEs revealed a spectrum of insights with regards to their multifaceted role, which reflect (i) purpose, values and goals, (ii) activities, strategies and processes, and (iii) outputs, outcomes and impacts, which are indicative of the multi-phased role these agents play in the development sector.

Table 6.4. SE perspectives on the multi-phased role of SE

Initiating role: purpose, values and goals		
Empathy, sense of belonging & willingness	SE1	<i>"The three most important aspects of social entrepreneurship are willingness, empathy and sense of belonging. Purpose in life is also important. Without a purpose in life, one will only be an average citizen." [SE1]</i>
Inter & intra-generational equity & social justice	SE3	<i>"Social entrepreneurship is about inter and intra-generational equity in natural resource management. The root cause of social problems is there is no equity. So, social entrepreneurs must at least make small effort to tackle this root problem by creating sustainable business and allowing people to have ownership for present and future generations."</i>
Facilitating and sustaining role: strategies and processes		
Empowerment, policy change & sustainability	SE4	<i>"Social entrepreneurship is about fulfilling unmet needs and finding solutions to social problems. Our mission is to guarantee citizens' rights to clean water, and our role is to empower community and influence government policy change to create sustainability for the continuity of community to carry on their own even after we're gone."</i>
Social & financial sustainability	SE5	<i>"Social entrepreneurship is a new concept with new definition in Indonesia. More than about for-profit or non-profit, we need to think about coming to the middle and creating shared value. We have to cover both social and financial aspects. Although I spend more time on social aspects, I must ensure the business model is sustainable and not dependent on external funding."</i>
Hybridisation	SE6	<i>"We are in between private company and NGO. We provide a service but NGO status doesn't allow us to get external grants, but most services in composting and collecting waste can't be done on NGO status. So we hybridise to make this possible."</i>
Spreading role: outcomes and impacts		
Social impact, quality of life & social value creation	SE2	<i>"The top priority of social entrepreneurship is social impact and profits will follows. Poor sanitation affects poor health and quality of life, which keeps people poor. So easy access to sanitation, enjoyment, more comfort and quality of life are most important. In principles social entrepreneurs are only allowed to make maximum 50% profit. The profits must go to community, to government and everyone, and not just the social entrepreneur."</i>
Model for replication	SE7	<i>"By demonstrating direct application of water banking movement, we are facilitating duplication of solutions for other cities to follow. We hope this movement can be widely replicated in many cities, because it's simple movements like this that can lead to a transformation of a city."</i>

As shown in Table 6.4, the first two statements (*SE*, *SE3*) represent the purpose, values and goals that *SEs* bring to initiate change: these reflect, empathy, sense of belonging, willingness and commitment, which are core values of *SE*, and inter and intra-generational equity, social justice and sustainability, which are the purpose and goals of *SE* as outlined in *Chapter Four*. The next three statements (*SE4*, *SE5*, *SE6*) represent the strategies and processes used by *SEs* in facilitating and sustaining social change: these reflect empowerment, policy change, maintaining financial sustainability and hybridisation, as outlined in *Chapter Five*. The last two statements (*SE2*, *SE7*) then represent the strategies and processes used by *SEs* in spreading change: these reflect spreading social impact, social value creation, and creating models for change, which has also been outlined in *Chapter Five*. Overall, these perspectives highlight the dual mission pursued by *SEs* as well as the complexity of *SE*, in which values, purpose and goals are reflected in every step of the innovation process to reinforce strategies and processes towards creating positive outcomes and impacts. Gauging these *SE* perspectives against alliance perspectives highlight similar perspectives with regards to the multi-faceted role of *SE* in advancing inter and intra-generational equity, social justice and sustainability.

6.2.5. Two levels of knowledge and interest in *SE* (institutional perspectives)

Interviews with six government and international organisations within the Indonesian water and sanitation sector revealed two differing levels of interest and knowledge in *SE* as shown in *Figure 6.1*. Whilst there were no stakeholders with low interest in *SE*, interviews revealed that levels of interest and knowledge tend to increase with levels of understanding of need for change and awareness in sustainability issues.

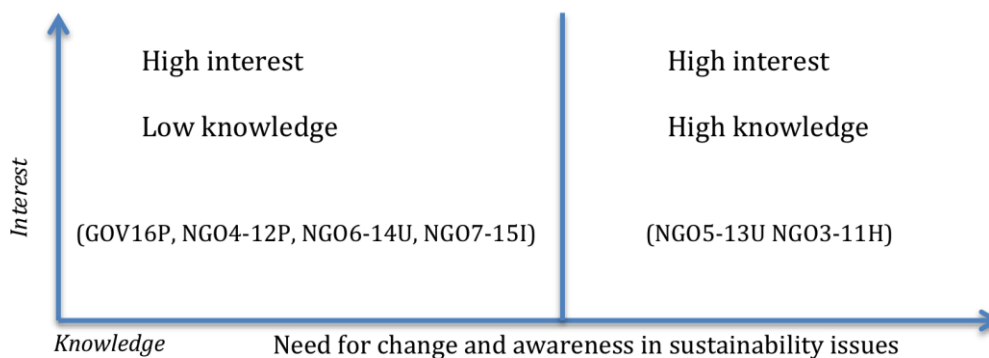


Figure 6.1. Levels of interest and knowledge on social entrepreneurship

A. High interest/low knowledge

Interviews with stakeholders within the Indonesian water and sanitation sector generally revealed there is high interest in SE but low levels of knowledge. According to a representative from the government,

“We are aware that there are social entrepreneurs and acknowledge the important of making projects flexible enough to incorporate innovations, and see that these innovations can fix many problems. However, governments are concerned with larger plans and schemes, and programs are established to cater to national plan, so we don’t really look at the details despite being aware that social entrepreneurs are involved in some of the programs implemented through international organisations. Collaborating with these organisations depends of how far the ministries who look after implementation want to engage with them. It’s difficult for us to challenge this at implementation phase, and so while we certainly see opportunity for change and to break barriers, we cannot interfere.” [GOV1-16P].

The above statement shows the national government is restricted in collaborating with the SEs due to siloed operations, clearly defined roles and responsibilities, limited capacity, and bureaucracy. An international organisation with high interest in SE similarly revealed recognition that government subsidies could be distracting development as compared to SEs having ability to connect with local finance and other resources in finding context-appropriate solutions, yet the potential for collaborating with SEs remain untapped due to *“lack of framework to engage social entrepreneurs, lack of knowledge on the role they play in the development sector, lack of understanding of how different stakeholders are connected to one another, how social entrepreneurs replicate innovations and change behaviour, and whether they can tackle multiple problems at once”* [NGO5-13U]. Thus, despite clear evidence of replication through government projects, the above interviews show that lack of transparency could be hindering understanding and knowledge on SE within the Indonesian water and sanitation sector.

Among one of the disturbances observed during fieldwork in Indonesia was overall confusion as to *who is* and *who is not* a SE, which was made apparent in the interchangeable use of terminology between SE and sanitary entrepreneurship. For example, NG07-15I states, *“sanitary entrepreneurs are local champions making profit to some extent to help the poor who know everything about community. It’s also a large part of their duty to improve access to sanitation, which is not that different from their usual occupation Training is offered on a voluntary basis, but only 1-2% of the trainees take up entrepreneurship since capital is*

required to start social entrepreneurship and give credit to the poor.” NGO4-12P further states, *“there are no mechanisms to keep track of whether these entrepreneurs are active or not since some only construct toilets while others only do marketing, and they often don’t stay in it long since most of them take up the opportunity as a side job. These sanitary entrepreneurs are usually women who see this as a good income source, civil servants who see business potential, and people preparing for post-retirement.”* These statements suggest ‘sanitary entrepreneurs’ are primarily driven by self-oriented motivations, are not strongly committed to their initiatives, and not consistent in their approaches, thereby demonstrating different intentions, mindset and motivations to SE as described in *Chapter Four*.

Interviews also revealed these sanitary entrepreneurs, to which SE8 is a part of, are engaged to *“trigger demand for sanitation”* under the national STBM (Sanitasi Berbasis Total Masyarakat) program [NGO4-12P, NGO7-15I], which *“has not been very successful in meeting community needs, cost recovery, and raising awareness with a sustainability rate of about 10%”* [GOV1-16P]. The following statements help identify some critical differences between SE and the conventional developmental approach in Indonesia:

“We select a few cities where there are many sanitary problems and implement our projects in three to six areas, each lasting for about one year. We make small discussions based on participatory action research and do transect walks to ask for comments. We currently don’t focus on solid waste or wastewater as there is limited support in these areas, and they’re not our responsibility.” [NGO7-15I]

“STBM is a behaviour change program focussed on hand washing and open defecation and not integrated with wastewater, solid waste management and food handling. STBM provides no technical facilities but the villagers construct their own toilets. The Ministry of Health makes the toilets but there are no septic tanks, so the sanitary entrepreneurs do the triggering. Once behaviour is changed, we leave it up to the villagers to build their own toilets.” [GOV1-16P]

These statements highlight three critical differences between SE and conventional developmental approaches: (i) programs are short-term focussed and large scale in scope, (ii) behaviour change triggering is based on ‘shame-driven’ strategies (Bateman and Engel 2018), and (iii) are non-inclusive of other dimensions of sanitation and behaviour change sustenance. These approaches differ markedly from the SE approach to creating change, which will be discussed further towards the end of this *Chapter*.

B. High interest/high knowledge

Within the Indonesian water and sanitation sector are also some stakeholders with high interest and high knowledge in SE. Among these stakeholders are international organisations who also understand need for change towards sustainability. According to these organisations:

“Indonesia has many problems. We recognise the role of changing norms and see huge potential for change at local level. There are lagged geographical differences in access, intellectual capacity, and literacy rates between urbanites and ruralites and between East and West Indonesia and there is need to cater message for local audience. However, government programs are still aimed at mass audience, which keep them standardised to reach maximum numbers. Development is always about implementation and lacking sustainability. There is need to think beyond making villages open defecation free and move communication towards the future by engaging everyone including social entrepreneurs, Islamic groups, the media and even the police. We also need a multi-phased approach rather than copy pasting old solutions. Government visions made at district and national level also need to be translated into local community level by setting realistic targets and building accountability towards them. Institutional triggering is therefore needed in the same way community triggering is needed.” [NGO5-13U]

“We are inspired by the Surabaya Clean and Green Program. It’s a very effective program to raise awareness and motivate change in low-income settlements. It’s a change based on success building upon success. So similar to this initiative, we now focus on one area and try to motivate replication outside beneficiary communities by bringing people to the community where we work to inspire changes. This way, we can concentrate on doing the finishing touches after the program has been launched. When one community changes, it will cause a ripple effect. We average four years in one community because we believe focus in one area is better than constantly moving on to others. This approach is similar to social entrepreneurs who have been here before us.” [NGO3-11H]

The above two statements demonstrate there are stakeholders within the Indonesian water and sanitation sector that are well aware of the shortcomings of existing solutions with regards to standardisation, narrow focus on eliminating open defecation, lack of attention to sustainability, lack of accountability to target, and lack of sufficient community engagement, and recycling old solutions. The first statement comes from an international organisation that has recently developed innovative finance in partnerships with the Islamic Council of Scholars, whereas the second statement comes from an organisation that began as

a social innovation in the US, thereby evidencing growing convergence with the SE approach in the areas of finance, partnerships, and community engagement, which will also be discussed further towards the end of this *Chapter*.

Nevertheless, interviews with six government and international organisations in the Indonesian water and sanitation sector revealed an overall predominance of conventional developmental approaches with an overall poor understanding of the strategies and processes used by SEs, the role they play in the development sector, and who is and who is not a *SE*.

6.2.7. Tangible and intangible outcomes (beneficiary and network perspectives)

Unlike interviews with the alliance and dominant institutions, interviews with beneficiaries and immediate networks highlighted the tangible and intangible outcomes and direct and indirect impacts created by these initiatives. Whilst it is not within the scope of this study to demonstrate outcomes and impacts created by these initiatives, we draw on three initiatives to highlight the key outcomes by drawing only on three initiatives, which respectively represent examples of community-based social bricoleurs, (*SE1*), business-based social constructivists (*SE5*), and advocacy-based social engineers (*SE3*) for a brief comparative analysis, which match the typology of *SE* outlined by Zahra et al (2008) (see *Section 2.4.4*). These three initiatives were found to have the most examples of replication among the case study samples as well as represent three types of outcomes created by *SE*.

A. *SE1*: Decentralised wastewater treatment

As demonstrated in *Section 5.4.2*, *SE1*'s initiative comes with both successful and unsuccessful examples of replication. However, interviews with six community members consistently stated they were “*very happy*” with the initiative with regards to “*having clean water and toilets*”, “*a cleaner environment*”, “*no more open defecation*”, “*no more disease*”, “*increased social cohesion*”, “*increased skills knowledge in wastewater/plants*”, “*no more flooding*,” “*getting fresh vegetables from the community garden*,” and “*financial improvement*” [COM1-26Y, COM2-27M, COM3-28S, COM4-29P, COM5-30T, COM6-31S]. These responses collectively demonstrate the direct tangible and intangible outcomes created by the initiative as well as the indirect ongoing outcome of financial improvement, which in this case refers

to empowered residents voluntarily taking up *wastebank* initiatives¹¹ and operating student boarding houses after a university was built nearby, the latter of which would not have been possible without having clean toilet facilities and a clean living environment (see *Section 5.3.1*.) This illustrates that while the initial outcomes of these community-based *social bricoleurs* being small and localised, these ‘perceivable’ outcomes experienced by ‘empowered’ citizens can become critical catalysts in creating multiplier effects in socio-economic development to enable communities to take charge of their own development. Additionally, the following statements by a local NGO demonstrates this initiative has provides an indispensable ‘seed of innovation’ that can be adapted and replicated in a myriad ways:

“He was well-known and awarded many times, so I approached him. This innovation is adopted in the Surabaya Clean and Green Initiative. He knows the local problems and the Clean and Green has ability to upscale, so we combined the two. The Surabaya Clean and Green wouldn’t have happened without this idea.” [NGO1-9S]

As discussed in *Section 5.4.2*, the Surabaya Clean and Green Program has had large impact in transforming low-income settlements in the city of Surabaya as well as on the Indonesian water and sanitation sector (see *Section 6.3.5*). The above statement makes evident that these replications were made possible through raising publicity, thereby highlighting that awards and recognitions critical mechanisms for replicating and up-scaling community-based initiatives, which would otherwise be remain confined to local context. This initiative also demonstrates the ongoing impacts of independent initiatives, which can create outcomes greater the sum of all parts.

B. SE5: Garbage clinical insurance

Similar to *SE1*, beneficiaries of this initiative also persistently stated they were “*very happy*” with regards to “*having convenient access to healthcare*.” These beneficiaries however also spoke of their changed behaviour and perceptions on garbage. For example, one household acknowledged they used to throw garbage everywhere but now actively “*collect garbage as*

¹¹ Wastebank is another example of SE that developed in Yogyakarta in 2000, which has been widely replicated in Indonesia by third parties and forms the first phase of the Surabaya Clean and Green Initiative. This initiative trades recyclable plastic and paper wastes for community savings, which can be used to improve basic infrastructure in low income settlements such as toilets, septic tanks and wastewater systems. The case was not included among the case study samples due to the SE being unavailable for interviews at the time of fieldwork in Indonesia.

an incentive to access healthcare” [COM8-35M], while another household expressed *“a sense of joy in being able to contribute to the environment”* and the *“need to travel further to collect garbage due to increased competition by local citizens”* [COM-36S]. These responses evidence this initiative has created successful behaviour change and perceptions on waste recovery. To the employees of this organisation, this initiative also appears to have inspirational effect as shown below:

“The social entrepreneur is a role model for me. He developed his initiative as a national calling to solve the garbage and health problem in Indonesia after hearing the story of a little girl who died from diarrhoea. In Indonesia, there are many other children like her, but we are also the second largest generator of garbage in the world, so there must be a solution to minimise the impact of garbage. This inspires me since I have my own social enterprise in education, and working here helps me improve my own business.” [EMP1-39J]

“Many people are waiting to join this program. It’s a great idea because everyone has garbage but no one knows what to do with it. It’s something quite simple, yet people can connect to it as the program comes with many direct and indirect benefits such as increasing access to health while changing people’s perspective on resource recovery, giving inspiration to all.” [EMP1-41T]

“The people in the community are very happy and relieved to see us because they feel their families’ health is taken care of. We also feel great working here because we’re helping community, and are always welcomed when we home visit. It’s a good way to maintain community relations.” [EMP2-40U, EMP4-42B]

In addition to the tangible and intangible outcomes created for communities, these employee statements evidence this initiative has developed solutions to persistent community problems to which no one else had an answer while providing a role model to inspire and motivate employees through increasing job satisfaction. The following statements further help identify how this business-based social constructivist has inspired ongoing changes at municipal level:

“This social entrepreneur became famous after winning an award from Prince Charles. I was asked by the city’s environment department to go and look for the social entrepreneur since he is a rare role model that can fix environmental problems. This innovation has brought good reputation to the city government. We were recently awarded for having good environmental management because of this

initiative. Without this social entrepreneur, there will definitely be more pollution in the city.” [GOV2-17L]

“This SE is impacting the broader city by motivating and encouraging citizens to become environmentally aware. We now have a new policy for some schools to provide free education to poor children through waste recovery. This is our government’s own innovation adapted from the insurance scheme. We are grateful to the social entrepreneur and to the schools that implement this initiative. It has added value to know that business could be used in such ways. We support these innovations initiated by social entrepreneurs through inviting them to forums so they can spread motivation to the youth to inspire future innovations.” [GOV3-18M]

Similar to SE1, the above statements confirm that awards and recognitions increase visibility of SE to create ongoing social impact, which in this case has led to inspiring municipal government to develop their own innovation in other domains, thereby confirming these are ‘seeds of innovation’ that can be applied to many different contexts. *“This innovation is particularly suited to Malang city because the social entrepreneur is young, providing a role model for the city’s large student population¹²” [GOV4-19A].* This implies that awards and recognitions coupled with demonstrated successful outcomes are critical mechanisms for replicating and scaling innovations as well as in inspiring others to take action, particularly when suited to context.

C. SE4: Industrial wastewater pollution

Members of the community of this initiative expressed their happiness and satisfaction with regards to increased confidence gained through participating in public demonstrations. During fieldwork in Indonesia, the researcher had the opportunity to observe one of such public demonstration and accompany representatives of the community to a meeting with the provincial governor. What was witnessed this day were empowered citizens happily dancing to music, providing lunch boxes for all participants, and confidently stating their opinions in a formal meeting with government. According to COM-9-34R, “before we were *too scared to talk to government*”. Interestingly, a sense of friendship that had developed between community and government over time was also observed. According to the a village representative, *“Before this organisation came, there was much conflict here. They showed us a*

¹² Malang city has 63 universities and 58 high schools. This large student population, and the Mayor’s background in entrepreneurialism has inspired the city to motivate young people to innovate and develop entrepreneurship towards improving environmental sustainability

softer approach to solve the problem using regulation. We were introduced to ecotourism, which has given the village income to improve water and sanitation and inspire people to build their own facilities. If this organisation doesn't do the empowerment, there will be much more destruction in the forest." [COM7-32W]. These statements collectively demonstrate this initiative is empowering community to do what they could not do before (achieved functioning) through creating opportunities such as ecotourism development to advance human capabilities, as well as removing the cause of problems, which in this case refers to conflict in water management. The initiative thus provides an example of engineering new social relations to challenge existing social structure.

According to a principle at one of 50 schools in which this organisations' environmental education program is implemented also states, *"the program has allowed students to learn about water and increase awareness in water"* [COM8-33S]. As noted earlier, this has led inspired children writing letters to polluting industries and government asking for responsible action on industrial pollution, which subsequently led to the introduction of a new regulation on maximum daily tolerable limit of wastewater discharge per day [EMP5-43D], and several factories voluntarily installing wastewater treatment systems [EMP6-44R], thereby contributing to a 90% improvement in water quality according to SE4.

According to EMP9-47F, *"by bringing upstream and downstream communities together, we can break boundaries that governments cannot cross and promote shared understanding of the problem and respect for other's perspectives to develop empathy. We engage people as partners believing in their potential, which can be brought out with some help."* These statements collectively confirm these initiatives are inspiring many others to take action, resolving conflict, advancing human capabilities based on empathy and recognising potential in others' capabilities (see Section 4.4.7), while catalysing policy change. The above statement also shows alignment of shared values between the SE and employees. *"The employees of this organisation are each responsible for finding their own projects,"* in which they work together as a team to find solutions [EMP5-43D]. This shows that aligning stakeholders to a common stream of values and creating social change involves taking a learning-by-doing approach to co-create change together rather than learning from past solutions.

6.2.8. *Measuring social value creation*

As demonstrated in the above three cases, interviews with beneficiaries and immediate networks evidence these initiatives are creating many tangible and intangible outcomes and direct and indirect impacts. From a capabilities approach perspective, these outcomes and impacts can be summarised as: (i) increasing access to previously denied goods and services to improve the quality of life of marginalised citizens, (ii) changing behaviour, mindset and perceptions in many people to raise awareness in social and environmental issues, (iii) empowering community and stakeholders with increased skills and knowledge and fostering human capabilities to enable the marginalised in taking ownership of their own development, (iv) increasing democratic participation in social, economic, environmental and political activities, (v) creating and maintaining new social relations and forging partnerships across traditional boundaries while resolving conflict and developing a shared understanding of the problem, and (vi) aligning internal and external stakeholders to a stream of equity, social justice, and sustainability values by influencing one person/organisation at a time. Though these outcomes may appear small on scale, interviews with immediate networks and beneficiaries across also showed these initial outcomes create ongoing impacts in: (i) motivating others to take action, (ii) inspiring adoption, replication, and upscale of their innovations to spread greater social impact to society, and (iii) advancing socio-economic development and environmental sustainability.

When aligning these direct and indirect outcomes and impacts with the capabilities measurement framework developed by Weaver (2019), it becomes evident these initiatives are creating a range of social capabilities and opportunities across four dimensions: (i) health and human security, (ii) social mobility, (iii) social relations and affiliations, and (iv) socio-economic, political and environmental participation, while stimulating ongoing indirect outcomes and impacts (see *Figure 5.3*). Also drawing on Weaver (2019), a cross-case analysis of three initiatives highlight these SEs used four techniques to create positive social change including: (i) resource provision, which involve goods and service provisions to meet needs of poor and marginalised citizens, (ii) capacity building, which involve equipping beneficiaries with tools and skills to enable them to help themselves, (iii) developing social movements, which consist of group action aimed at advancing social change in social issues through raising awareness and changing behaviour and mindsets in many people, and, (iv) system change, which involve advocating and working with other institutions and stakeholders to transform social systems and structures towards equity, social justice and

sustainability through motivating and inspiring other to take action (see *Figure 5.4*). These assessments collectively evidence that SEs are capability innovations that combine disruptive innovations with human capability advancement (Ziegler et al 2013), which create an enabling environment for change to enable underprivileged citizens to take ownership of their own development and live the kind of lives they have reason to value (Yujuico 2008). This demonstrates that without the initial tangible outcomes created through meeting unmet needs (resource provisions), cultivating the social field (capacity building), and instigating group action to advance social change (social movements), there can be no system change in inspiring and motivating others to take action. Hence, these small and localised outcomes, though qualitative, cannot be underestimated when viewing development as process of empowering citizens and stakeholders to take ownership of their own development.

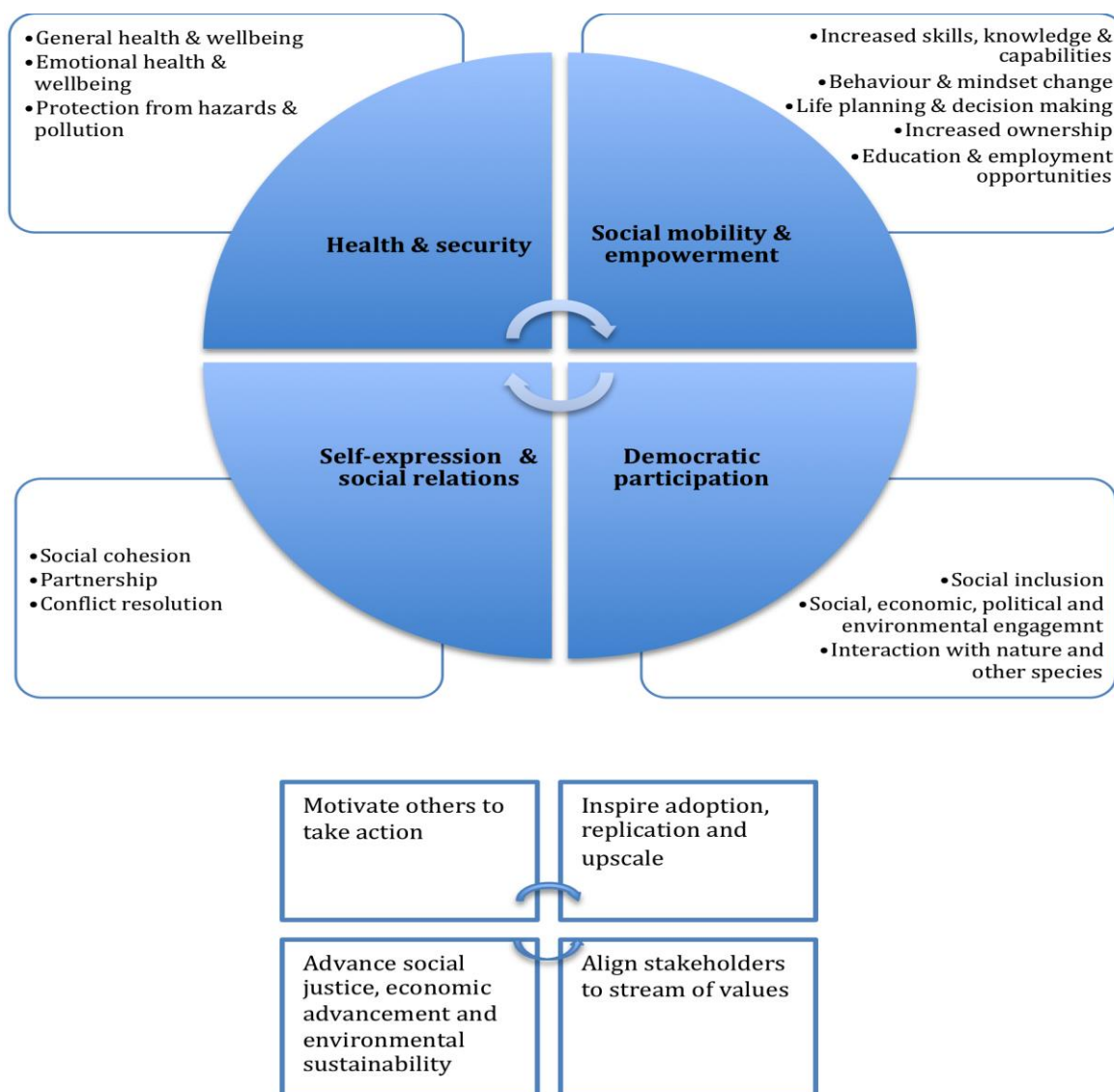


Figure 6.2. Measuring social capabilities in SE in Indonesia

Adapted from: Weaver (2019)

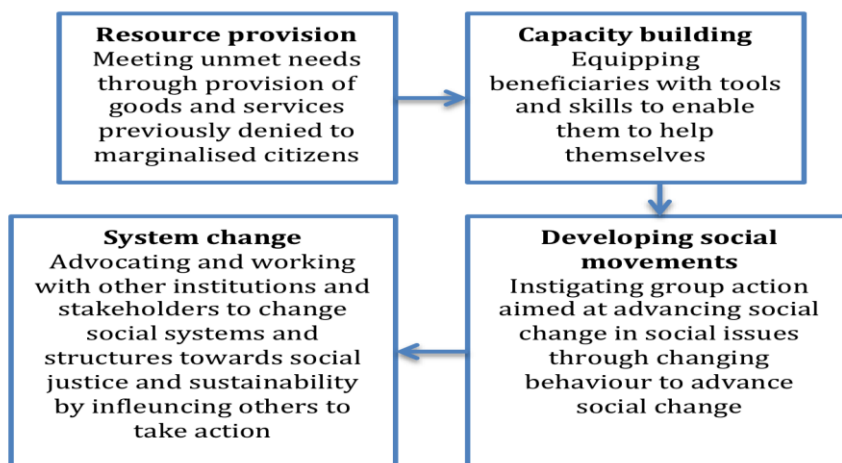


Figure 6.3. Techniques used by the SEs to create positive social change

Adapted from: Weaver (2019)

6.3. Social entrepreneurship versus conventional development

Drawing on the above analysis, we now compare the SE way of thinking and doing development with the conventional developmental approach predominantly used in the Indonesian water and sanitation sector.

6.3.1. Sense of duty and responsibility versus a social mission

Analysing multi-stakeholder interviews against earlier insights outlined in *Chapters Four* and *Five* show a critical difference in intentions, mindset and motivations between SE and the Indonesian water and sanitation sector. Despite differing perspectives, interviews with the national government and international organisations revealed their primary objective is to reach maximum coverage of sanitation as part of their duty or responsibility that comes with employment. Interviews with the SEs, on the other hand, revealed their objective is to meet unmet social needs and advance equity, social justice and sustainability through engaging and empowering communities and advancing human capabilities while creating an enabling environment for change, which they do with pleasure and passion based on a social mission. According to NG05-13U, the former objective leads to standardisation, implementation focus, narrow focus on eliminating open defecation, lack of consideration of sustainability and insufficient stakeholder engagement, and recycling old solutions. This approach has also not seen much success in meeting community needs, cost recovery,

raising awareness, and sustaining behaviour change, as well as disconnection with wastewater and solid waste management [GOV1-16P]. As demonstrated in Chapter Five, the SE approach has however achieved transformative changes in social and/or physical infrastructure design, service delivery, finance mechanisms, governance practices, and behaviour and mindset change, leading to a multitude of tangible and intangible outcomes, direct and indirect impacts with focus on increasing access to previously denied goods and services, fostering inclusion, participation and ownership of local communities, advancing human capabilities, and changing the circumstances that keep people trapped in poverty as demonstrated in *Section 6.2.7* and *6.2.8*. This collectively evidences that intentions, mindset, and motivations affect ongoing strategies, processes, outcomes and impacts.

6.3.2. Siloed and narrow focus versus a multi-phased and holistic approach

Interviews with the Indonesian water and sanitation sector revealed two approaches to tackling water and sanitation problems. The first is the dominant approach, which focuses exclusively on increasing access, eliminating open defecation, and promoting hand washing for hygiene, which are currently delivered in siloed operations in accordance with clearly defined roles and responsibilities. The second is a more multi-phased approach based on identifying community needs with increased partnerships and innovations in finance, which somewhat resembles the *SE* approach to increasing awareness and building community capacity, developing new ideas and solutions to community problems in interaction with communities and partnerships with multiple stakeholders. Despite growing convergence, the Indonesian water and sanitation sector still appears to lack full understanding of the *SE* approach: the essence of the *SE* approach to development lies in bringing values of empathetic perspective taking, willingness, and commitment to improve the lives of marginalised citizens and creating opportunities to enable the marginalised to break free from constraints. These differences in approach stem from asking different ‘how’ and ‘why’ questions at the front end of the innovation, thereby giving rise to a difference between a siloed and narrow approach to development and multi-phased approach to building social capacity.

6.3.3. Short-term and large area versus long-term and small area

Differences were also observed in scope and scale of projects. Interviews with government and international organisations revealed an overall tendency towards implementing

multiple projects at once, averaging approximately one year per project with a focus on copy-pasting successful solutions to other contexts. However, interviews with NGO3-11H showed a gradual shift towards spending extended periods of time with community averaging several years in one place and learning together with communities, while allowing others to replicate their model, which more closely resembles the *SE* approach. As shown in Figure 6.4, the former approach may allow for quick replication but delivers little sustainable social change, while the latter approach may appear slow but it offers greater chance for sustaining social change while keeping abreast of changing community needs and identifying new problems. This implies that spending time with communities and developing a sense of belonging within the communities can create more positive outcomes in the long-term. The difference in scope and scale can thus also be said to highlight difference in learning from optimising past solutions versus learning-by-doing together with community based on empathetic values.

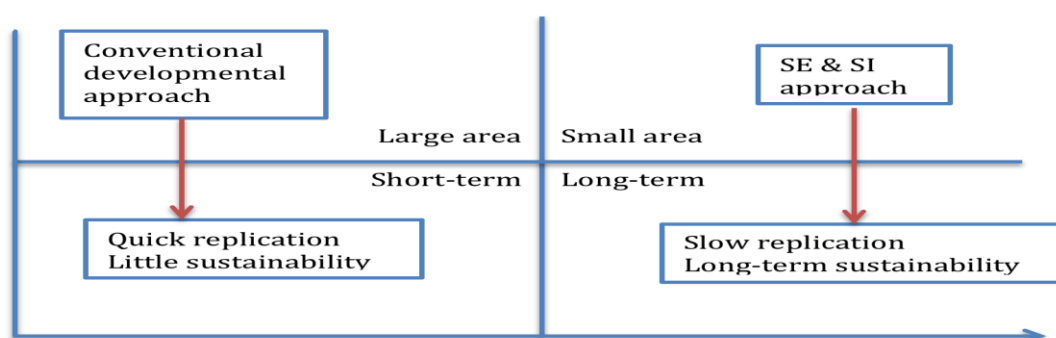


Figure 6.4. SE versus conventional developmental approach (Author creation)

6.3.4. Quantitative results versus qualitative outcomes

Interview data revealed a critical difference in measuring outcomes by the number of projects completed and number of open defecation free villages achieved versus measuring outcomes by the changes that have occurred in the lives of people. This reflects a different emphasis on creating tangible outcomes for projects versus creating long-term benefit for communities and all stakeholders. Overall, this comparative analysis demonstrated a lack of empathetic values and attention to soft dimensions such as raising awareness, empowering human capabilities within the Indonesian sanitation sector, with more emphasis on implementing and scaling projects. This critically differs from the *SE* approach, which focus more on empathetic values, human capabilities advancement, and social value creation.

6.4. Emergence, development and popularisation of SE in Indonesia

Despite growing signs of growing influence, interviews with the alliance showed *SE* is yet to be mainstreamed as a developmental approach in Indonesia. According to ECO2-21B, *SEs* have long existed in Indonesia independently in the form of religious and community-based organisations, yet their recent popularisation has been stimulated by a rising citizen sector following political reformation of the late 1990s. According to ECO1-20A, “*social entrepreneurship was a strange word in the 1980s under pressure for New Order, yet since 2000 has become a buzzword, aided by increased competition for diminishing donor funds pushing non-profits looking for alternative funding, and increased awareness about social responsibility creating a shift towards business with social impact.*” The following statements help identify additional factors contributing to this development:

“Social entrepreneurship has passed the tipping point of being a buzzword in Indonesia. There are many millennials entering the job market looking for meaningful work, and business has begun embracing the idea. The government has also drafted a new law on entrepreneurship, which contains a chapter on social enterprise. Universities also offer programs on social entrepreneurship, many of which are compulsory and offered at graduate level.” [ECO3-22U]

“Indonesia has many problems but opportunities too. Dutch colonisation has created conducive environments for social entrepreneurship. We have a history of heroes bringing education and unity in the past. We are a free country, we fought against power, and we can do it again. We also have a combination of religious values, a government lacking services, and a culture of tolerance and great heart, making social entrepreneurship a good place to put their hearts.” [ECO4-24C]

“We support social entrepreneurs by building an ecosystem around them and engaging these stakeholders in ecosystem expansion to echo their importance to wider society. We work with government, business, NGOs, media and the investment sector in finding new ways to develop accountability and promote trans-boundary collaboration and partnerships. We promote dialogue with the national planning agency [BAPENAS], who are looking for ways to achieve Sustainable Development Goals and work with universities as they can help to institutionalise social entrepreneurship in the education sector. This is to help social entrepreneurship grow in Indonesia and respond to the needs of future generations..” [ECO2-21B]

As demonstrated above, the recent popularisation of *SE* in Indonesia is a combined outcome of: (i) individual *SEs* responding to Indonesia’s many social and environmental

problems at micro-grassroots level, (ii) purposive facilitation by the alliance in building an ecosystem around *SE* at meso-regime level, and (iii) various socio-cultural, political, economic, and environmental factors coming together at macro-landscape level in creating more conducive environments for *SEs* as shown below.

Table 6.5. Factors contributing to growth of *SE* in Indonesia

Socio-cultural factors	Political factors	Economic factors	Environmental factors
Many religious values (national philosophy)	Political reformation & democratic governance (citizen participation)	Rising citizen sector (citizen organisations)	Government actively pursuing SDGs (window of opportunity)
Culture of diversity, tolerance & great heart (national unity)	New government draft law on social enterprise (regulations)	Increased competition for donor funding (NGO sector)	Stakeholder collaboration and support to <i>SEs</i> (alliance building)
Young population and millennials looking for meaningful work (demographics)	Colonial history, past heroes, fighting spirit (history of oppression)	Increased interest in social responsibility (business sector)	Many social and environmental problems and socio-institutional gaps (social context)

The economic factors contributing to *SE* emergence and development are global in nature, which implies that similar developments can also be expected in other countries (Table 6.5). However, when looking at the socio-cultural, political, and environmental factors, it becomes evident that Indonesia's rich cultural and religious values, history of oppression, democratic governance, and young population have all played vital roles in fostering the emerging phenomenon. This demonstrates that Indonesia's indigenous factors have created much more favourable conditions for *SE* emergence, development and growth compared to other countries. Overall, Indonesia has several unique comparative advantages for stimulating growth and development of *SE*, which in turn, can also mean that *SE* provides a context-appropriate solution to Indonesia's many social and environmental problems. Thus, emergence, development and popularisation of *SE* may likely differ in other developing countries depending on socio-cultural and political settings.

6.4.1. The triple role of the alliance

Interviews highlighted the pivotal role the alliance in building an ecosystem around *SE* through facilitating trans-boundary collaboration across the public, private, civic, education and investment sectors, as well as in providing platforms for networking and knowledge

sharing for the SEs. This demonstrates that the recent popularisation of SE in Indonesia was partly facilitated through strategic niche structuration by the alliance. To the alliance, supporting SE is a reciprocal relation that not only creates more conducive environments for individual SEs, but one that also enables the alliance to map the SE landscape and enhance knowledge on ways to expand the alliance towards accelerating social change as shown below:

“Ashoka does best in providing social entrepreneurs with identity, confidence and support in scaling innovations rather than training. In turn, the community allows Ashoka to map the problem and solutions that works entire systems. Supporting social entrepreneurs thus means accelerating change and solutions to social problems. For example, in sustainable urban water management, the collaborative work of several social entrepreneurs may result in more than the sum of each part. Over time, we have reached a critical mass of social entrepreneurs and learned from these insights to identify patterns needed to further scale change and meet new needs arising in the context. For example, we learned that social entrepreneurs become who they are due to specific experiences during their younger years. Thus in order to cultivate more social entrepreneurs, we need to provide opportunities for youth to develop core skills to become change makers. Being a part of the Ashoka network therefore means there’s a higher change of cross-learning and replication of different approaches globally.” [ECO1-20A]

The above reveals the alliance’s absolute faith in the potential of SE and that the alliance supports SEs for two reasons: (i) to accelerate solutions to social change, and (ii) to map the SE landscape to learn changing societal needs and expectations to encourage subsequent SE development. As discussed in *Chapter Four*, the above statement also confirms that individual background and experience are critical antecedents to SE and that youth is a critical time to develop core skills in SE. The following statements further clarify the role of the alliance and their relationship with the SEs:

“We focus on community-based social entrepreneurs rather than supporting individuals. We operate in such way due to cultural similarities shared with the UK and Ashoka’s existing support to leading social entrepreneurs. We realize support through research and assessment, and competitions, which are the fastest and most participatory way of mapping where the social entrepreneurs are located, what sectors they’re coming from, what support they need, and what stage they are in. We also seed fund and provide training in activating leadership potential in the youth, and converting NGOs into social entrepreneurs.” [ECO2-21B]

“Our role is to create a community of practitioners in social entrepreneurship. At present, this community consists of students, teachers, staff and alumni, but in the future, it may also include researchers and academics.” [ECO5-24C]

“We support start-up social enterprise because we believe this is the most difficult stage in developing social entrepreneurship.” [ECO3-22U]

“We build bridges between NGOs that have social capital and private sector that have financial capital, and we provide the intellectual capital.” [ECO4-23T]

Six critical insights regarding the role and relationship within and between the alliance and individual *SEs* were identified during data analysis. First, the alliance are working in *collaboration* by offering complementary services to *SEs* based on filling voids in existing services rather than competing with one another, which is much like the *SEs* themselves filling socio-institutional gaps in basic service provisions. Second, these organisations see themselves as part of wider *community* striving together to build networks, movements and support around *SE* to enable their development in Indonesia. Next, the alliance is *committed* to accelerating social change and solutions to social problems, and *coevolving* with changing societal needs and demands based on a spirit of *learning*. Despite affiliation with different schools of thought (i.e. US and UK) and being geographically located within the Asian School (see *Chapter Two Section 2.3*), these organisations also reveal *consistency* in supporting *SE* development in Indonesia, thereby demonstrating that the alliance is aligned to a common same stream of inter and intra-generational equity, social justice and sustainability values as the *SEs*.

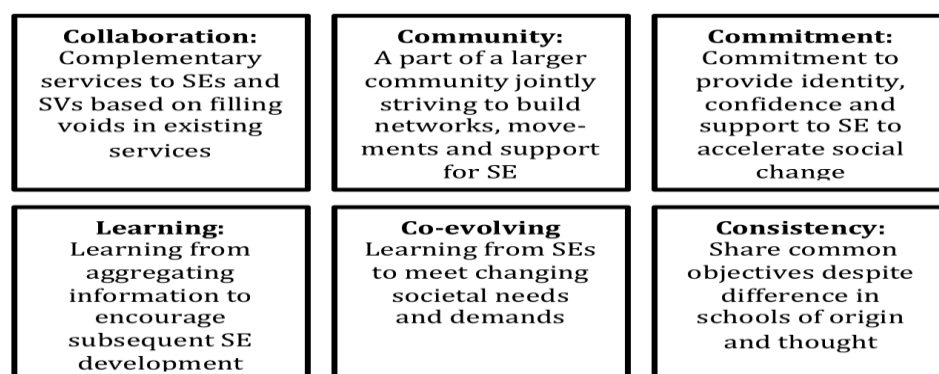


Figure 6.5. The role and relationship between the SEs and the alliance

Furthermore, the above insights also give rise to the triple role of the alliance in: (i) providing individual *SEs* with identity, confidence, and direct support to individual *SEs* towards up-scaling new solutions to social problems at micro-grassroots level, (ii) building an alliance around *SE* through engaging public, private, civic and education sectors in trans-boundary collaboration at meso-regime level, and (iii) facilitating and aligning shared value creation towards a rising stream of values at macro-landscape level. These intermediary and supporting organisations are thus collectively playing the role of bridging agents in supporting the emergence, development, and diffusion of *SE*.

Within the sustainability transitions scholarship are two analytical frameworks that explain the role of intermediaries and alliances in up-scaling innovations and creating transformative change. According to Hargreaves et al (2013), up-scaling niche innovations requires intermediaries to provide networking and knowledge sharing platforms, aggregate information on local projects, and feed this information back to community to encourage subsequent development of projects, thereby mediating between the local and the global. Within the context of *SE* in Indonesia, it can be said that the Ashoka, Skoll and Schwab Foundations play in this role. However, as Haan and Rotmans (2018) argue, transformative change typically requires the emergence of transformative agents and the formation of an alliance in creating and spreading a new stream of values. Following de Haan and Rotmans (2018), we thus conceptualise the respective roles of the alliance in Indonesia as *initiatives*, *networks*, and *movements* coming together around a common stream of values in jointly supporting and disseminating *SE* as shown in *Figure 6.6*.

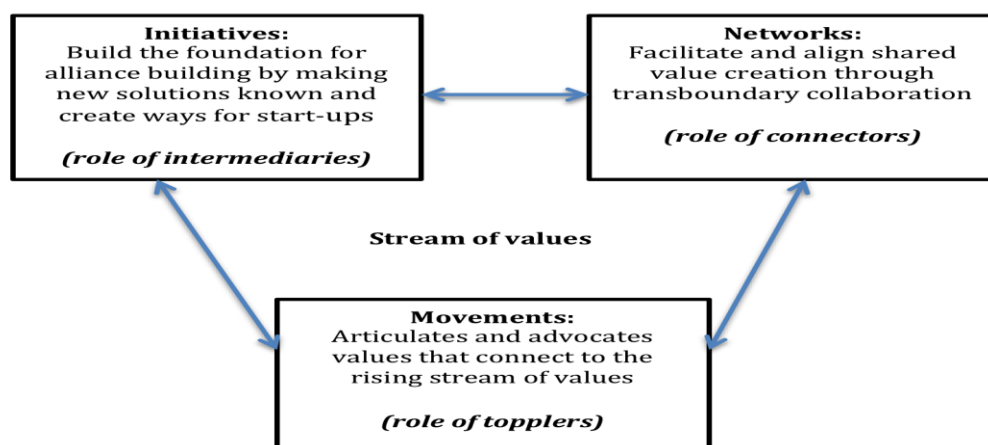


Figure 6.6. The triple role of the alliance
Adapted from: de Haan and Rotmans (2018)

As illustrated above, Ashoka Indonesia can be said to have played the role of frontrunner in developing *initiatives* that built the foundations for alliance building through searching, selecting, and supporting leading *SEs* since the 1980s and making these solutions known early to open pathways for others to follow. The connector organisations are then *networks* connecting various actors and organisations across the public, private, civic and education sectors to a rising stream of values, and facilitating and aligning shared value creation through engaging boundary spanning collaboration. The toppler organisations are thus *movements* articulating and advocating values that connect to the rising stream of values while gathering supporters along the way. Supporters in movements may not necessarily interact with the *SEs*, yet become aligned to the movement through connecting with shared values. The growing alliance around *SE* is thus a combined outcome of initiatives, networks and movements coming together in directly supporting individual *SEs*, building an alliance around the emerging phenomenon, and aligning networks and movements to a common stream of values. The various stakeholders implementing, replicating and up-scaling initiatives are then supporters connecting to the rising stream through direct or indirect engagement with the *SEs* and their initiatives.

6.4.2. Criteria for discerning who is and who is not a social entrepreneur

Until recently, Ashoka was the only organisation with established criteria for recognising world's leading *SE* on the basis of *new idea*, *creativity of the idea*, *entrepreneurial quality*, *potential social impact of the idea*, and *ethical fibre of the SE*. More recently, the Skoll and Schwab Foundations have established more rigid criteria for selecting their awardees with stronger emphasis on *demonstrated high-impact*, *scalability*, *individual networking capacity*, *market mechanisms*, and *collaborative partnerships in place*, which focuses on innovation and individual capabilities. Apart from global recognition, smaller community-based *SEs* and start-ups in Indonesia must also undergo assessment to receive support services from incubatory organisations (connectors). Interviews with these connector organisations however revealed that selection criterion differs by organisations. For example, ECO3-22U stresses *commitment to social purpose*, *business model*, *opportunity recognition*, *quality of the time*, and *readiness to run with the idea*. They state, “we try to sense their personal mission by asking them how they started and how the idea came about to sense their motivations, and look at impact planning and measurement, and whether they have a prototype or if it is just an idea. Because social enterprise share similar characteristics with SMEs, the distinctive

difference comes to business model and social mission.” However, ECO2-21B states, *“we first ask about the aim of the organisation, how they invest their earnings, and what percentage of earning goes back into the business, and for this, we use the UK criteria that the majority or over 50% of earnings get reinvesting in the aim of the business.”* In addition, this organisation also looks at governance: *“we also focus on the decision-making process and internal governance. It’s not a SE if only the founder is in charge. The organisation must listen to beneficiaries and take into account stakeholder views to make robust governance.”* From comparing these different sets of criteria, it appears to suggest that social mission and social impact are of utmost importance to SE in Indonesia as per the US school of SI, followed by business model, governance and inclusion, and revenue investment, which are a combination of factors emphasised by the Asian, UK and EMES Schools of Social Enterprise under participatory principles. This suggests that the alliance in Indonesia is a melting pot of various schools of thought and practices from the US, UK, Europe and Asian schools.

6.4.3. Looking towards the future

Interviews with the intermediary and supporting organisations further revealed the alliance surrounding SE is dynamic and now entering a new phase. According to ECO1-20A, *“upon analysing changing societal needs and expectations, we are now shifting focus towards building core skills among the youth as they provide the next generation of social entrepreneurs. As seen in the corporate world, we are no loner about gender divide, but the next divide will be among those who possess and don’t possess core survival skills, and that will be the main form of advocacy. Social entrepreneurship provides a role model towards this new direction.”* This demonstrates that the alliance sees core skills in SE as an answer to Indonesia’s many social and environmental problems and that SEs are society’s role models for the next generation. Nevertheless, looking in the future, a few challenges remain as exemplified in the following:

“Social entrepreneurship can be expected to grow quantitatively in Indonesia because we have many social and environmental problems, high receptivity among beneficiaries in collaborating with the citizen sector, and much energy from the youth in engaging in civil activities and using creativity and innovation in business. However, their growth is questionable in terms of quality as there are not many people with passion. Without passion, they cannot grow big enough to make large impact.” [ECO2-21B]

“Social entrepreneurs have all the answers to Indonesia’s problems. However, there are not many of them around as thinking about social impact is much harder than traditional enterprise due to scepticism. Business tends to think they are social entrepreneurs if they do CSR, but it’s not quite the same. The definition of social entrepreneurship differs by individual perception and there is currently no criteria distinguishing social entrepreneurs from traditional entrepreneurs. Indonesia certainly has many people wanting to create impact and the human capital is there, but many cannot do it without support from families. Indeed, many social entrepreneurs face family opposition under expectations to become successful in business. Therefore, I think social entrepreneurship will grow in Indonesia when the capacity meets the heart.” [ECO5-25C]

“The problem with social entrepreneurship is that they are difficult to identify. Social entrepreneurs have no legal entity in Indonesia so they usually operate under different names like NGOs, foundations, and private companies due to funding eligibility. This makes identifying social entrepreneurship a challenge.” [ECO4-23T]

These statements make evident that passion is critical in pursuing social impact, yet not easy to find. In addition to the difficulty of fostering SE, the alliance also highlighted lack of coherent definitions, lack of legal entity, and lack of consistent criteria as future challenges [ECO4-23T]. By far, the most critical insight comes from the investment sector, which had the following to say about SE:

“In Indonesia, there is tendency to push the non-profit model because social entrepreneurs are not allowed revenues and tax incentives. Many of them are vision driven, and their story is nice to attract media impact, but lack business skills, scalability and profitability. If social entrepreneurship is to be leveraged and attract investment, we need to see more for-profit structures and more impact. Social entrepreneurs don’t dilly dally with donors anymore but deal with investors due to competition with other entrepreneurs, so many die away due to lack of commercial success. Commercial investors see social entrepreneurship as an interesting model, but general investors are not interested in empowerment without impact, and need to see a return on their investments. Social entrepreneurship operation is also generally on small scale, and while they may raise awareness to government to build policy on impact investment, each company needs to contribute to the SDGs to make larger impact. There is also currently a critical lack of transparency and documentation on social entrepreneurship to enable this to happen.” [ECO6-25A]

Overall, interviews with the alliance highlighted nine major concerns surrounding SE in Indonesia. As shown in Table 6.6, these concerns mainly arise from internal complexity of

SE, and logistical and systemic issues, highlighting there still remains much work to be done to firmly embed *SE* into the incumbent system. Whilst this study may help resolve some of the issues surrounding internal complexity, future research will be needed to resolve some of the more logistical and systemic issues, which will be discussed in *Chapter Seven*.

Table 6.6. Future concerns surrounding social entrepreneurship

Key issues	Major concerns surrounding SE
Internal complexity	Lack of coherent definitions for SE The multidimensional concept is difficult to define and understand
	Lack of unified criteria for SE No unified criteria for screening SE make it difficult to identify who is and who is not a social entrepreneur
	Lack of transparency and documentation of cases: Lack of empirical evidence with generalizable results make difficult for people to understand the importance of SE, There is a particular lack of studies in Bahasa language for Indonesian readers
Logistical issues	Difficulty of outreach beyond Java Geographical conditions and costs make it difficult to reach SEs beyond the central island of Java
	Low numbers of successful SE in Indonesia (in sanitation) Difficulty of thinking about social impact and lack of passion among youth creates obstacles for SE emergence and development. Sanitation in particular is a highly-innovation deficient area offering low socio-economic incentive for civic sector participation
	Lack of SEs with MBA qualifications Coming from the citizen sector, SEs are sometimes criticised for lacking business skills due to not having MBAs. The Skoll Foundation now offers scholarship opportunities for high-impact SV in attaining this qualification.
Systemic issues	Lack of legal entity in Indonesia – Lack of for-profit SEs Lack of legal entity forces SE to operate under non-profit structure making it difficult to demonstrate quantitative outcomes
	Lack of demonstrated impact among existing SEs Intangible outcomes such as empowerment can only be measured qualitatively, making it difficult to assess outcomes and impacts
	Discrepancy in thinking with mainstream thinking Investors are interested in returns on their investment (quantitative outcomes) rather than changes in the lives of people

6.4.4. Towards increased collaboration

Interviews with the alliance raised several recommendations to mitigate future concerns recommends: (i) improved research on impact assessment (i.e. how impact is created, if impact is fully part of the mission, and how they link to finance), (ii) working with the United Nations to better harness the SDGs to understand where to prioritise funding, and (iii) increased documentation of individual case studies, particularly in *Bahasa* language that can be read by local audience [EC06-25A]. The other organisations suggest overcoming these challenges with increased boundary spanning collaboration with the government, education and investment sectors. However, a critical barrier in this process is dissolving difference in thinking between the *SE* approach and mainstream institutions as evidenced by the following statements:

“Social entrepreneurs are characterised by flexibility and fluidity and play multiple roles due to resource restrictions, not like government and CEOs with clearly assigned roles and responsibilities. This makes collaboration difficult.” [ECO1-20A]

“Collaboration with government is likely to happen, but it depends on how they want to open their mind. Governments generally want to support the cause but they don’t know how to do it or who they should partner with since no set criteria allows anyone to call themselves a social entrepreneur. The consequence is governments don’t really know who they are dealing with. Governments also generally have programs based on past experience and are most concerned with numbers, so they tend to repeat conventional practices, whereas social entrepreneurs require innovation and are concerned about social impact, empowerment, and changing people’s lives more than numbers. We want to encourage governments to walk the same path as social entrepreneurs based on what is the best solution for community problems rather than what’s been done in the past. In the future, we want to meet and discuss with governments, but the first step would be to create a shared vision based on understanding that community is a resource that can be harnessed to improve capacity.” [ECO6-24]

The above statements suggest three critical differences in thinking between existing institutions and *SE*: (i) institutions work within clearly defined roles and responsibilities versus *SEs* playing multifaceted, flexible and fluid roles due to resource constraints, (ii) governments recycle existing solutions based on learning from the lessons of the past versus *SEs* constantly thinking of what is best for community based on learning together with community, and (iii) mainstream thinking measuring outcomes quantitatively versus *SE* focussing on the qualitative changes that occur in the lives of people, all of which have also been identified through comparing *SE* with the Indonesian water and sanitation sector. This calls for one of two options: either existing institutions undergo a shift in awareness to open their minds to new ways of thinking and doing development, or *SEs* find compromise by devising quantitative impact assessment methods, which some *SEs* already have begun doing. According to ECO4-23T, “support for *SE*, whether it be in the form of regulations or tax breaks, depends on country context” [ECO5-23]. This implies that increased collaboration with the public, academic and private sectors hold key to future growth and development of *SE* in Indonesia.

6.5. Summary

This *Chapter* unpacked multi-stakeholder perspectives on the role of *SE* to identify that understanding and interest in *SE* increases with proximity and level of engagement with the *SEs* and their initiatives. The analysis also highlighted the multi-faceted role of *SE* in initiating, facilitating, sustaining and spreading change and the tangible and intangible outcomes created by three selected case studies to identify these initiatives are advancing various social capabilities in marginalised citizens through increasing access to previously denied goods and services, building capacity towards taking ownership of their own development, instigating social movements to advance social change, and advocating and working with other institutions and stakeholders to transform existing social systems and structures by influencing others to take action. The *Chapter* then concluded by unpacking the emergence, development and popularisation of *SE* in Indonesia to position *SE* as an emerging social phenomenon with potential to take over the conventional developmental approach. The next *Chapter* thus synthesises these empirical findings and combines them with scholarly insights from *sustainability transitions*, the *capabilities approach* and *Theory U* in developing a unified conceptual and theoretical framework that outlines the phenomenon, role, strategies and motivations of *SE*.

7. Chapter Seven: Conceptualising and theorising SE

7.1. Introduction

SE is a multidimensional, unconventional, and value-laden phenomenon consisting of multiple levels of analysis, components, and stakeholders to which existing literature on *SE* offers inadequate explanatory frameworks regarding the roles, strategies and motivations of *SE*. As demonstrated in *Chapter Two*, this research has explored the *SE* phenomenon through the multi-lens of *sustainability transitions*, the *Capabilities Approach*, and *AVBIs*, which revealed there was no single theory that could effectively explain the full complexity of *SE*. The empirical work outlined in this thesis shows that deconstructing *SE* into small parts and combining existing knowledge on *SE* with the above mentioned bodies of knowledge can help to explain individual components, but tying them in together requires an overarching conceptual and theoretical framework. This *Chapter* thus combines empirical findings with scholarly insights from *SE*, *sustainability transitions*, the *Capabilities Approach*, and *Theory U* in developing a unified conceptual and theoretical framework that explains *what, why* and *how SEs* create transformative change in sanitation practices in Indonesia. First, the overall conceptual framework (see *Figure 7.1*) is discussed, followed by an explanatory analysis of each of the individual components and associated theories that may be helpful to improve scholarly understanding on *SE*. Next, the final theoretical framework is presented along with practical guidance on fostering future potential in *SE* towards transforming sanitation practices in Indonesian cities.

7.2. Towards a conceptual framework for social entrepreneurship

As shown in *Figure 7.1*, *SE* consists of five major inputs: *opportunity recognition*, *social networks*, *entrepreneurialism*, *social mission*, and *disruptive innovations*, leading to four levels of *outputs*, *outcomes*, *impacts*, and *recognition* (including replication and up-scale). The central strategy that permeates across the entire innovation process is *social value creation*, which enables *SEs* to align every action with the value proposition (or social mission) and generate value in every step of the way to allow benefits to be captured by all stakeholders and shared by greater society through aligning stakeholders to a common stream of inter and intra generational equity, social justice, and sustainability values. The framework highlights

three common threads across the entire innovation process. First is the *bricolage* approach, which was introduced by Levi Strauss (1996) to illustrate using creativity, resourcefulness and improvisation to overcome resource limitations by combining and/or applying readily available resources in new ways to solve complex problems while making adaptations and amendments based on feedbacks, outputs, outcomes, and impacts (Di Domenico et al 2010; Haynie et al 2010; Lehner and Kaniskas 2012; Yujuico 2008; Zahra et al 2009). As shown in the dotted boxes under each component, *SEs* adopt a bricolage approach at every stage of the innovation process to combine existing resource capabilities and/or seemingly unrelated issues in developing innovative, context-appropriate, sustainable, and replicable solutions to complex social and environmental problems.

The second common thread, though not as conspicuous, is value-laden internal complexity. As demonstrated throughout the thesis, *SE* is an empathy-based contemporary social phenomenon that demonstrates a new way of thinking and doing development through combining disruptive innovations with human capabilities advancement to bridge the gap between problems (i.e. inequality and injustice) and solutions (i.e. inter and intra-generational equity, social justice, and sustainability). For this reason, every action in *SE* represents a process as well as an outcome aimed at creating value towards individual, collective and societal system change in at least four ways: (i) developing innovations that meet the unmet needs of marginalised citizens and fulfil socio-institutional gaps in basic service provisions, (ii) empowering human capabilities to enable the marginalised to take ownership of their own development, (iii) removing obstacles or the sources of problems to create an enabling environment for change, and (iv) creating social movements to encourage spread of action towards inter and intra-generational equity, social justice and sustainability.

The third common thread is *boundary-spanning collaboration*. *SEs* engage different stakeholders at different times of the innovation process in co-initiating, co-creating, co-developing, and co-evolving change, thereby illustrating their transboundary role in initiating, facilitating, sustaining, and spreading social change. As shown in the spaces between major components, this process begins from deep diving into the problem from an empathetic value-based perspective to understand the situation through the eyes of marginalised citizens and connecting to a source of inspiration to declare a social mission towards advancing equitable, just and sustainable solutions to complex problems, which appears somewhat similar to the U-shape process described by Scharmer (2018) in *Theory U*.

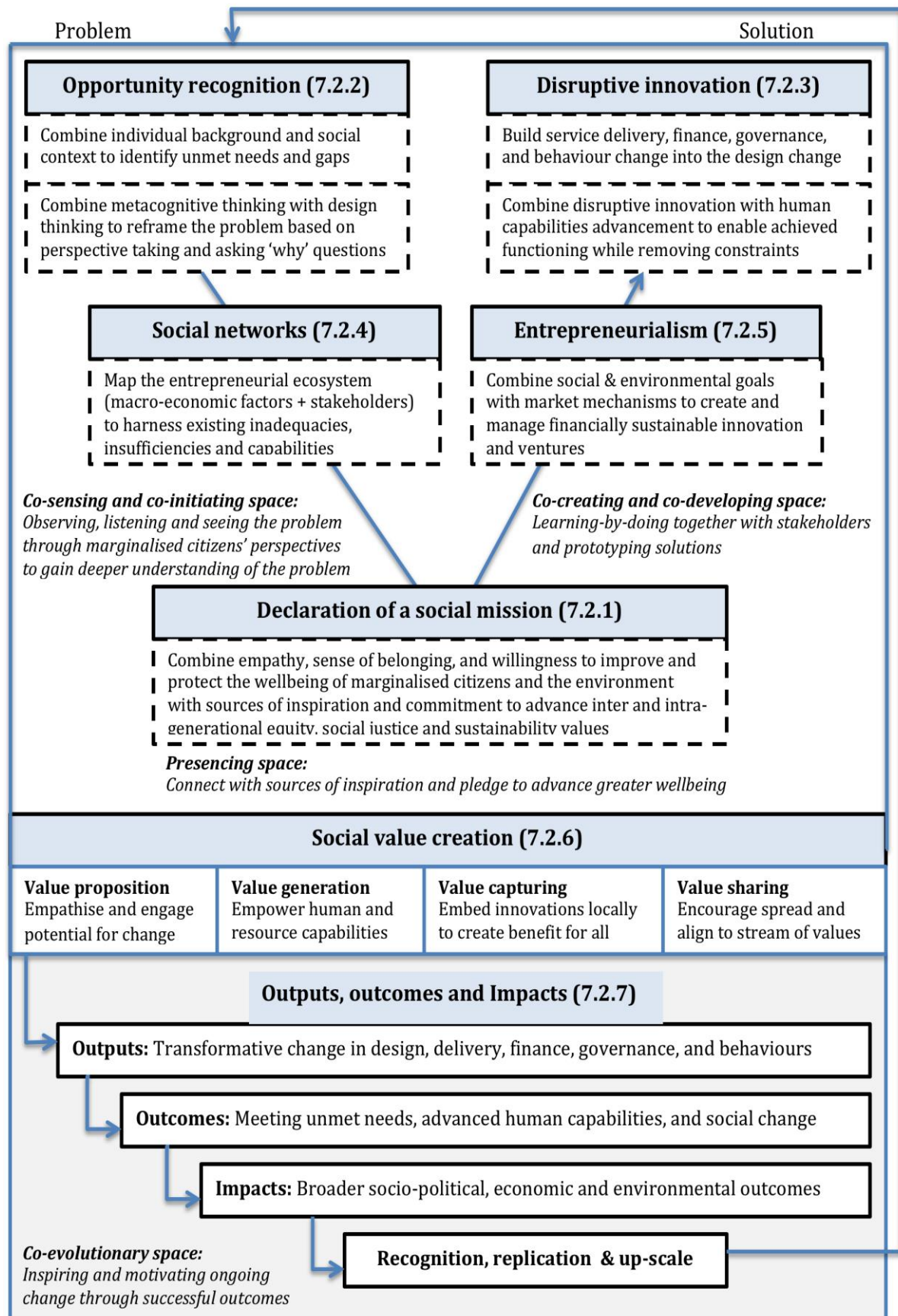


Figure 7.1. Conceptual framework for social entrepreneurship (Author creation)

However, this conceptual framework describes more systematically the strategies and processes used by *SEs* in combining disruptive innovations with human capabilities advancement, as well as how *SEs* align stakeholders to a common stream of values in co-initiating, co-creating, co-developing, and co-evolving transformative change. As shown in the final arrow moving upwards from recognition, replication, and up-scale back to opportunity recognition, this conceptual framework also highlights the self-reinforcing nature of *SE*, in which each output, outcome, and impact motivates and inspires on-going changes while enabling the entrepreneur to identify new opportunities in tackling other complex problems.

The following section now explains each component of the conceptual framework by drawing on empirical findings and relevant theory to enhance scholarly understanding on the phenomenon of *SE*.

7.2.1. Declaration of a social mission

A critical research gap identified across the literature on *SE* was uncertainty of the values and motivations driving *SE* and the common stream of values that align stakeholders. As demonstrated in *Chapter Four*, this study had strong focus on unpacking *SE* intentions, mindset, and motivations by asking the *SEs* why and how they began developing their innovations, and coupling this with secondary data and semi-ethnographic study, supplemented with insights from social psychology and leadership studies. The results of these analyses were presented in the form of a hypothesis of *SE* needs, goals and motives (see *Section 4.4.8*), and a new *SE* intentions model (see *Section 4.5.1*). Collectively, this process led to understanding that *SEs* are driven by values of empathy, sense of belonging, willingness, and commitment to improve and protect the wellbeing of marginalised citizens and the environment, which are then transformed into intentions to advance inter and intra-generational equity, social justice, and sustainability upon declaring a social mission and aligning their vision to a common stream of values shared by the *SE* ecosystem. This study thus uncovered the ‘missing mechanism’ mediating between empathy and intentions to start pro-social action (see *Section 2.4*) is the declaration of a social mission, which is presented in the new *SE* intention model as a result of cost-benefit evaluations between frustration felt towards existing inequality and injustice, and various intrinsic and extrinsic needs, goals, motives and rewards.

Declaration of a social mission is described in the *SE* literature as a voluntary act based on three emancipatory dimensions of *SE*: seeking autonomy (helping oneself and others break free of constraints), authorising (taking ownership by redefining relationships and rewriting the rules of social engagement), and making declaration of action to change dominant practices (see *Section 2.6*). However, this existing knowledge does not explain how *SEs* arrive at declaring a social mission, nor does any other existing literature on *SE* make explicit what exactly is meant by a social mission. Drawing on the empirical evidence from this study, social mission is conceptualised here as a culmination of six key processes, which mirror the new entrepreneurial intention model developed in this research (see *Section 4.5.1*). The process begins from: (i) developing empathy, (ii) sense of belonging, (iii) willingness and (iv) commitment to improve and protect the wellbeing of marginalised citizens and the environment, which is then transformed into (v) conviction in one's ability to tackle complex problems and advance inter and intra-generational equity, social justice and sustainability, and (vi) determination to take action to create this change. Whilst the *SE* literature argues that *SEs* sometimes undergo a mission drift when the financial side of the business begins to take over (see *Section 2.3.3*), no such case was observed within seven of the *SEs* studied (not *SE8*), including those that have been operating for several decades. Rather, the *SEs* expressed passion and commitment to their social mission, describing their work as 'a *divine calling*,' 'a *call from the inner soul*,' 'a *purpose in life*,' which they do with joy (see *Section 4.4.6*).

Observing the behaviour of the *SEs* and analysing this against the interview data, it became evident that many of the *SEs* had undergone some sort of an inner transformation to shift their awareness towards pledging a vow to protect and improve the greater wellbeing of humanity and the environment, which was made eminent in the form of an 'aura' as described in *Section 4.4.6*. However, this phenomenon was not found in the literature engaged in this study. Looking beyond the original scholarly positioning of this study, *Theory U* emerged as a potential explanatory framework for understanding the *SEs* motivations. Established from action research involving successful business leaders and entrepreneurs globally, *Theory U* may provide a powerful theory that can explain the unconventional and value-laden phenomenon of *SE*, particularly with regards to developing and declaring a social mission. In *Theory U*, Scharmer (2018, p.10) argues that individuals and organisations must undergo an inner transformation to reach "an inner sense of inspiration and knowing" to actualise one's highest future potential through suspending all unnecessary judgement and

assumptions and deep diving into the problem to see the situation through the eyes of poor and marginalised citizens, which closely resemble the first three phases of enterprise development described in this thesis under *Section 4.3.6*. Scharmer (2018) refers to this moment as ‘presencing,’ which in this study was used in *Section 4.5* to illustrate how personal engagement with marginalised citizens can direct emotional response towards taking pro-social action by drawing on insights from social psychology (Barford 2017). In *Theory U*, Scharmer (2018; p.25-31) also identifies three instruments that can be used to touch on to this “inner sense of knowing.” They include: (i) *an open mind*, which refers to the capacity to suspend old habits to see with fresh eyes” (i.e. no judgements), (ii) *an open heart*, which refers to the capacity to empathise and look at the situation through the eyes of somebody else (i.e. no cynicism), and (iii) *an open will*, which refers to the capacity to let go of the old and let come the new (i.e. no fear).

Looking beyond the scholarly foundation of this study, the data analysis revealed three key words that were repeatedly mentioned by interviewees: “*open the mind*,” “*open the heart*,” and “*open the will*,” (SE2, SE3, SE4) and mentioning the name Scharmer (ECO5-43T). The sentiments expressed by SEs appear to mirror the language and descriptions captured in *Theory U*, which has been proposed by Scharmer and Kauffer (2013) and Scharmer (2018). Upon further research, it was discovered that many of the other principles advanced in this relatively nascent theory also resonate with the phenomenon of SE as observed in Indonesia. Furthermore, as shown in *Appendix C*, coding key words and phrases that emerged from the interviews also matched the three key instruments advanced in *Theory U*: ‘open the mind’ with *sense of belonging*, ‘open the heart’ with *empathy*, and ‘open the will’ with *willingness*. For example, SE1 stated, “*the most important aspect of social entrepreneurship is willingness, empathy and sense of belonging. Purpose in life is also important. Without a purpose in life, one will only be an average citizen.*” This statement suggests that the purpose of SE (i.e. social mission) and empathy, sense of belonging, and willingness are interrelated, holding a special place in the hearts of SEs. Thus, it can be suggested that declaration of social mission reflects the “presencing” moment as described by Scharmer (2018) in *Theory U*.

Despite gaining international recognition for advancing leadership studies in an unconventional manner, *Theory U* has recently been criticised for promoting an idealistic and theological approach (Heller 2019) and is currently not connected to the literature on SE. However, given that some of the concepts discussed in *Theory U* match the empirical data of this thesis and that there are no other theories that can explain the value-laden concept of

social mission, this theory has been engaged along with other bodies of knowledge towards developing the final conceptual framework. Furthermore, the reason for introducing declaration of social mission before the other components despite sitting at the middle of the conceptual framework (see *Figure 7.1*) is to enable the reader to think of *SE* like an unconventional sandwich, where the meat lies on the top rather than inside the sandwich. This conceptualisation will enable the reader to better understand how declaration of a social mission affects all the other components of *SE*, which will be discussed next.

7.2.2. Opportunity recognition (OR)

As demonstrated in *Chapter Four*, *SE* begins from identifying opportunity in unmet social and environmental needs and socio-institutional gaps suffered by poor and marginalised citizens, and developing a social mission to voluntarily tackle these problems. *Chapter Four* established that the *OR* process closely resembles the five phases of enterprise development (see *Section 4.3.8*), which involves bringing together individual background, experience, skills, knowledge and empathetic values within a social context in determining the range of problems these transformative agents decide to tackle and the solutions developed. *Chapter Five* then demonstrated that *SEs* combine strategic metacognitive thinking and empathy-based design thinking to reframe the problem from marginalised citizens' perspectives by asking 'why' questions to gain deeper insight into the problem (see *Sections 5.2.1*). The answers to these 'why' questions are then reflected into building service delivery, finance mechanisms, governance practices, and behaviour and mindset change into the design change process.

Whilst existing frameworks (Corbett 2005; Lehner and Kanisakas 2012) recognise *OR* as an individual learning process (see *Section 2.3.3*), empirical insights from this study revealed these frameworks do not adequately capture the iterative learning-by-doing processes undertaken by *SEs* in aligning their learning with a social mission, nor does it distinguish between what opportunity is being recognised (i.e. socio-institutional gaps versus business opportunity). These frameworks also do not adequately capture the values brought to the opportunity recognition process. This study thus redefines *OR* in the context of *SE* as "a creative and cognitive learning-by-doing process that occurs at the nexus between individual background, experience, and values within a social context to identify unmet social and/or environmental needs (socio-institutional gaps) suffered mostly by poor and marginalised citizens. This *OR* process thus seeks to develop pro-social action towards

alleviating this suffering by: (i) bringing individual background, experience, values, skills, and knowledge together with social context, (ii) developing curiosity and interest in the problem through listening and observing to see the problem through marginalised citizens' perspectives, (iii) strengthening willingness to improve and protect the wellbeing of marginalised citizens through learning-by-doing to overcome challenges and connecting to an inspiration, (iv) testing validity and feasibility while learning, accumulating resource capabilities and network support, and (v) developing a prototype innovation and new venture to implement action (see *Figure 7.2*).

The model shown below presents *SEs* as local transformative agents embedded in social structures, whose innovation arises in response to social context (Mair and Marti 2006), and whose approach radically distinguishes from conventional developmental approaches implementing standardised programs and policies by asking 'how' questions based on judgement and assumptions (Jacoby 2017). The difference thus lies in the intentions, which explains the importance of differentiating what type of opportunity is recognised. The model also helps to align *opportunity recognition* with a social mission, through putting empathetic values in practice.

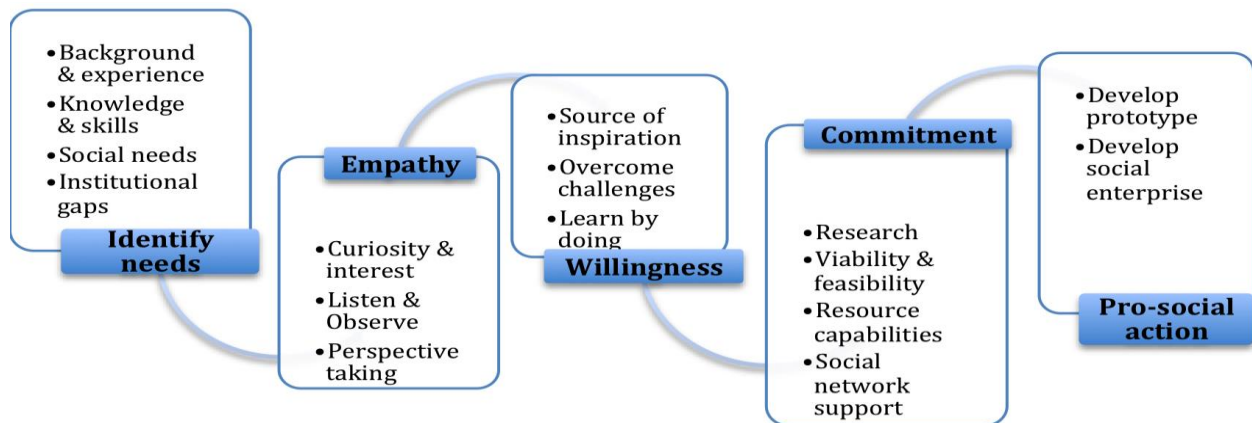


Figure 7.2. A new opportunity recognition model (Author creation)

7.2.3. Disruptive innovations

Early *SE* literature describes innovation in *SE* as a process of developing something new or something better than existing alternatives to create disruption, and testing these new ideas out in small-scale demonstration projects, which are scaled through mobilising networks to overcome resource constraints (Datta 2011; Bhatt and Altinay 2013; Mulgan et al 2007). However, more recently, Ziegler et al (2013) identified *SE* as capability innovations that

combine disruptive innovations with human capabilities advancement. However, the literature review revealed that the scholarship is mostly focussed on the innovative-entrepreneurial dimension with only a handful of studies engaging *SE*'s potential in advancing human capabilities (see *Section 2.6.1* and *2.6.2*). Yet, drawing exclusively on the Capabilities Approach, these handful of studies focus only on the process or outcomes of human capabilities advancement without combining analysis with disruptive innovations. The literature on *SE* consistently point to Schumpeter's economic theory to describe disruptive innovations. However, this thesis also engaged literature on AVBIs to find that *SE* shares many similarities with frugal innovations aimed at designing/redesigning products and services to increase affordability, simplicity, usability, and sustainability (see *Section 2.8.3*).

Hence, through combining these insights, this study identified four key processes used by *SEs* in combining disruptive innovations with human capabilities advancement. This involves: (i) combining metacognitive and design thinking and asking 'why' questions to gain deeper insight into the problem, (ii) combining, reversing, rearranging, maximising, minimising, substituting, eliminating, or adapting existing systems, and/or applying old ideas to new contexts in designing change, (iii) making the innovation affordable, accessible, acceptable, context-appropriate, accountable, sustainable and replicable by focussing on the qualitative needs of marginalised citizens, (iv) creating 'perceived benefit for community to make it easier for marginalised solutions to access alternative solutions, and/or increase the value of goods and services to bring higher returns to community. Collectively, these processes are built into service delivery, finance mechanisms, governance practices, and behaviour and mindset change to create transformative change in social and/or physical infrastructure design (see *Section 5.2.1* to *5.2.3*). A critical baseline factor in designing innovations for poor and marginalised citizens comes from Amartya Sen's (1999) Capabilities Approach, which calls for the need to focus on personal, social, and environmental conversion factors, which are the mediating mechanisms restraining marginalised citizens' ability (functioning) and freedom (capabilities) to convert resources (utility) into valuable functioning (see *Section 5.2.4*). These four key processes collectively provide a step-by-step guide to developing disruptive innovations (see *Figure 7.3*), which helps position the Capabilities Approach as an operationalisable method for aggregating interpersonal comparisons into a collective wellbeing.

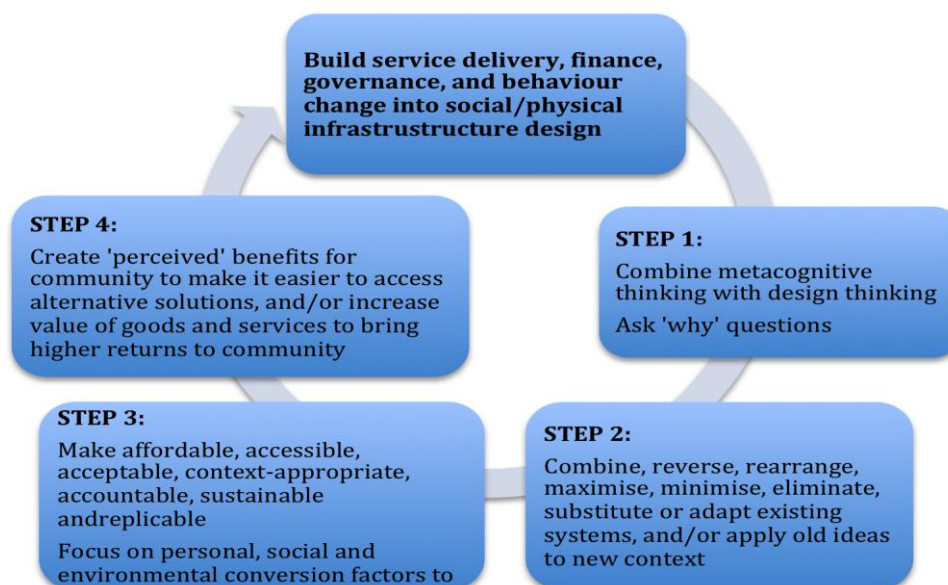


Figure 7.3. Four-step process to designing disruptive innovations (Author creation)

This study also uncovered these disruptive innovations tackle multiple problems at once either through identifying additional needs through spending time with community or extending their support serves to other interconnected issues through building experience in creating successful outcomes in a given context (see *Section 5.4.4*), which represents the upward arrow in the framework going back to opportunity recognition (*Figure 7.1*). This accentuates the critical importance of testing feasibility in small-scale projects while enhancing personal competency and expanding network capacity to create even greater outcomes towards developing local solutions to global problems, which impinge on other components of the SDGs (see *Section 5.4.4*). These multi-purpose innovations are an outcome of experiential learning together with affected stakeholders, thereby elucidating the importance of the learning-by-doing, which has been identified in Scharmer's (2018) *Theory U* as well as Rittel and Weber's (1973) theory on wicked challenges.

7.2.4. Social networks and social entrepreneurial ecosystem (SEE)

Understanding the essence of Schumpeter's disruptive innovations (Section 2.2) and other frugal innovations (see *Section 2.8.3*) further requires combining insights on social networks and the social entrepreneurial ecosystem with sustainability transitions to unpack how these AVBIs can be scaled to create change beyond the original place of development. As demonstrated in *Chapter Five*, SEs draw on a range of horizontal (bonding social capital) and

vertical networks (bridging social capital) in co-initiating, co-creating, co-developing, and co-evolving change by developing a sense of belonging with beneficiary communities and aligning stakeholders to a common stream of values. The literature (see *Sections 2.3.3*) describes this as a process to identify existing inefficiencies, inadequacies, and capabilities to create change and foster social capital, while highlighting the importance of reframing the problem to communicate need for change and support, building an alliance within the ecosystem, and creating value through resource exchange flows (Bloom and Dees 2008; Rispa and Servantie 2016). However, what this body of work fails to make explicit is who and how stakeholders are engaged, how different stakeholders affect and are affected by *SE*, and what common stream of values stakeholders become aligned to.

This study thus extended this existing knowledge to identify three stakeholder levels, which are engaged at different times within the innovation process and their respective roles in the social entrepreneurial ecosystem. They include: (i) beneficiaries, immediate networks, and bystanders co-creating innovations at micro-grassroots level, (ii) governments, NGOs, and regulations replicating and up-scaling innovations at meso-regime level, and (iii) a dynamic alliance of locally and globally networked organisations and initiatives jointly supporting the development and diffusion of *SE* at macro-landscape level.

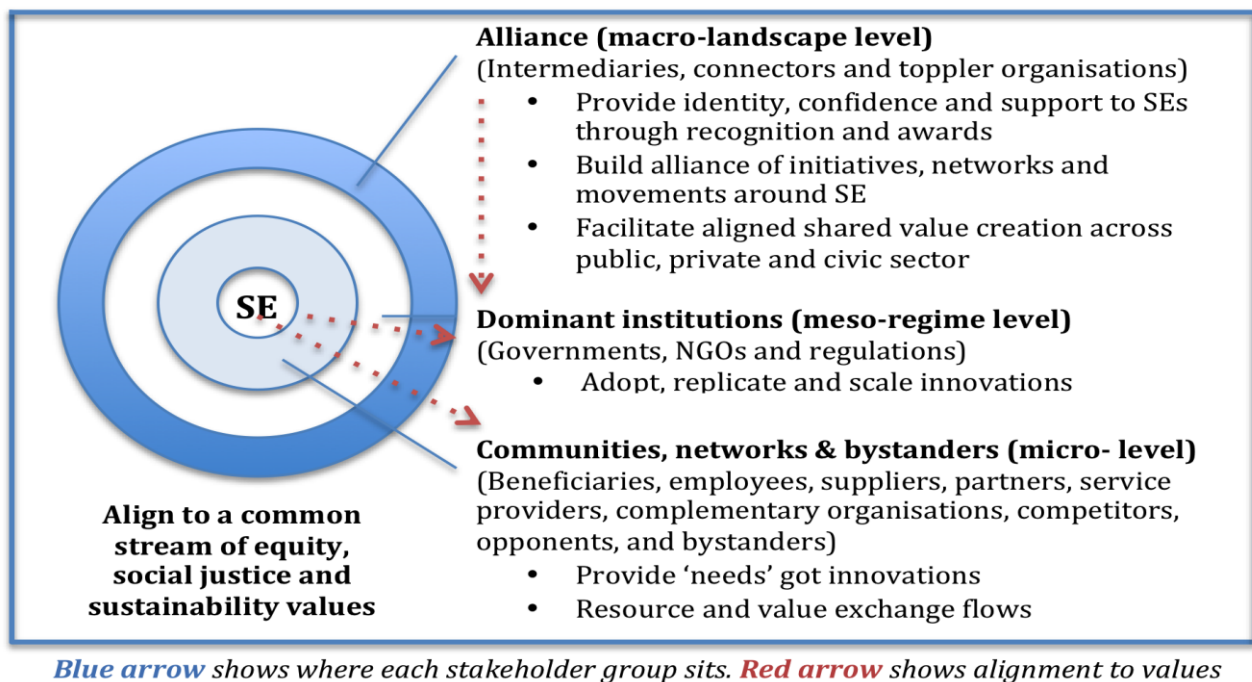


Figure 7.4. The social entrepreneurial ecosystem (Author creation)

As shown in *Figure 7.4*, what binds these broad stakeholder networks together is a common stream of inter and intra-generational equity, social justice, and sustainability values, which are propagated and strengthened over time by influencing one person and/or organisation at a time through: (i) the empathetic and enthusiastic actions of the *SEs* in creating innovative solutions to community problems, (ii) engaging and empowering human capabilities, (iii) locally embedding innovations, and (iv) encouraging spread of action.

This study also uncovered the concerted efforts of the alliance in building an ecosystem around *SE*. Despite several scholars noting the presence of global organisations benefitting *SE*, the existing scholarship does not offer any coherent understanding of the role these organisations play within the *SE* ecosystem. Thus, the empirical findings from this study, alongside insights from sustainability transitions research (see *Section 2.9*) assisted with unpacking the triple role of the alliance in: (1) providing individual *SEs* with identity, confidence and support in scaling innovations through recognition and awards, (ii) building an alliance of initiatives, networks, and movements around *SE* through engaging public, private, and civic sectors in boundary spanning collaboration, and (iii) facilitating and aligning shared value creation toward a rising stream of values. This analysis was presented in *Chapter Six* (see *Section 6.4.1*).

Additionally, this study also unpacked the triple role of recognition and awards in: (i) increasing motivation, inspiration, and accountability of *SEs* at individual level, (ii) increasing resource competency, networking and learning opportunities to create more conducive environments for *SEs* at organisational level, and (iii) providing legitimacy and credibility to individual *SEs* to increase their visibility, which has been presented in *Chapter Five* (see *Section 5.4.1*). The critical role of recognition and awards is also demonstrated in this study through a case study of *SE1* inspiring governments and NGOs to look for the *SE* to adopt, replicate and scale the innovation, thereby enabling to reach more people (see *Section 5.4.2*). Collectively, these insights help to explain how *SEs* distinguish from other frugal and grassroots innovations, as well as position *SE* as a midway approach blending bottom-up grassroots and frugal innovations with top-down niche structuration techniques to develop and disseminate new solution systems.

The social entrepreneurial ecosystem framework shown in *Figure 7.4* also expands existing knowledge on communities as social containers that provide the needs for innovations and where innovations become socially embedded (see *Section 5.3.2*), and immediate networks, which are harnessed not only to provide time and resources need to

implement and scale initiatives through value exchange and resource flows, but also in enabling stakeholders to align to the common stream of values (see *Section 5.3.3*). Additionally, this study also positions communities and immediate networks as horizontal networks consisting of close ties, and the alliance and dominant institutions as vertical networks consisting of loose connections (see *Section 2.3.3*). Empirical evidence further showed that local governments and NGOs tend to have better understanding and knowledge of the *SEs* than national level stakeholders due to their proximity and daily interactions with the *SEs*, thereby having more opportunity to align to the common stream of values. This supports the notion that stakeholders become aligned to a common stream of values through their day-to-day interactions with the *SEs* (see *Section 2.3.3*; Ney and Beckmann 2014) and their enthusiastic actions as presented in *Section 5.3.3*. By combining empirical insights from eight case studies and broader multi-stakeholder perspectives, alongside the sustainability transitions framings, *Figure 7.4* thus offers a more comprehensive understanding regarding who is engaged, what their respective roles are, and how these different stakeholders affect and are affected by *SE*.

Whilst sustainability transitions framings assisted in identifying the role of the alliance and their connection with the *SEs*, this theory does not explain ‘how’ communities and immediate networks (i.e. horizontal networks) become aligned to the same values. This study thus engaged the capabilities approach in uncovering a multi-phased approach used by *SEs* to advance human capabilities, which also involves a four-step process. They include: (i) meeting unmet needs of marginalised citizens through provision of previously denied goods and service provisions (ii), equipping beneficiaries with tools and skills to enable the marginalised to help themselves through fostering inclusion and participation and empowering human and resource capabilities, (iii) instigating group action aimed at advancing social change through raising awareness and changing behaviour and mindsets in many people, and (iii) advocating and working with other institutions and stakeholders to influence change in social systems and structures towards inter and intra-generational equity, social justice and sustainability. Collectively, these four processes provide a holistic understanding of how *SEs* “cultivate the social field” (Scharmer 2018, p.14) to create an enabling environment for change through: (i) treating the problem, (ii) expanding ability (functioning) and freedom (capabilities) of marginalised citizens to access alternative solutions, (ii) removing the causes of social and environmental problems by increasing internal capabilities and changing the external conditions that keep the marginalised trapped

in poverty, inequality and injustice, and (iv) creating new solution systems to enable system change (see *Figure 7.5*). In short, the framework enables understanding of how *SEs* create transformative change through combining a multi-phased approach to advancing human capabilities with disruptive innovations in social and/or physical infrastructure design.

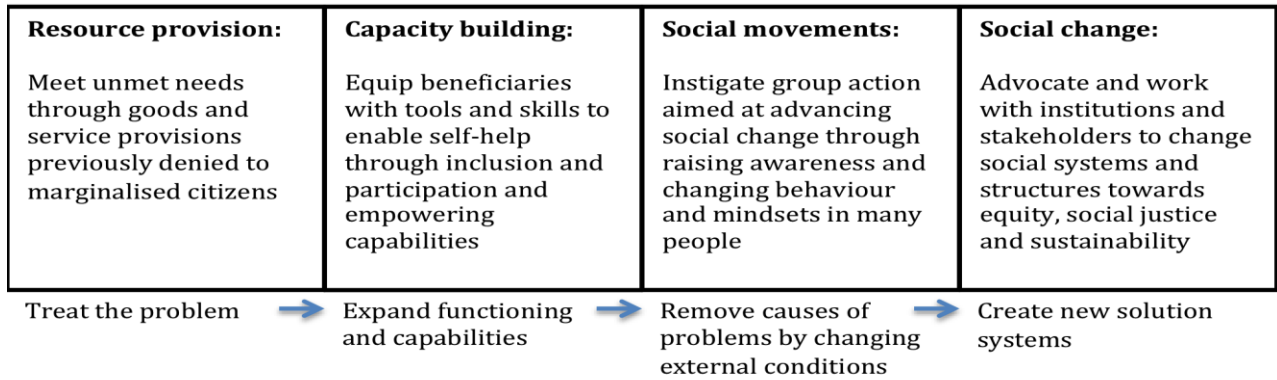


Figure 7.5. Four-step process to cultivating the social field

Adapted from: Weaver et al (2019)

Combining the Capabilities Approach to creating disruptive innovation process (*Figure 7.3*) with the multi-phased approach to cultivating the social field (*Figure 7.5*) begins from empathising and respecting other people's potential. To this point, it is worth reiterating that the ability to recognise potential in others comes from combining empathetic perspective taking (seeing the problem from another's perspective) with a growth mindset (belief that one's ability to grow in intelligence and ability can change with experience), which is currently lacking in the Capabilities Approach analysis as well as in the *SE* scholarship.

Another perspective on engaging stakeholders comes from *Theory U*. According to Scharmer (2018), 'presencing' is an innovative method that can also help groups and stakeholders in co-sensing and co-creating change through influencing other's in shifting awareness from self-interest towards pro-social interest in the wellbeing of others. According to Scharmer (2018), this relational transformation process consists of: (i) uncovering shared intentions and building social containers to develop innovations (co-initiating), (ii) deep diving into the problem to see the world from another's perspectives and establishing horizontal networks (co-sensing), (iii) connecting to one's highest potential to establish vertical networks and shifting awareness of the whole (co-presencing), (iv) crystallising vision and prototyping the new through learning-by-doing to bring new ideas into relation (co-creating), and (v) embodying the new and institutionalising new solutions

by connecting to a larger ecosystem (co-shaping). Similar to declaring a social mission, this analysis also reflects the stakeholder engagement processes described earlier through combining empirical evidence on creating disruptive innovations and human capabilities advancement with insights from the Capabilities Approach and the social entrepreneurial ecosystem presented in *Figure 7.4* above. This indicates that *Theory U* also holds potential to help explain the relational transformation undertaken by *SEs* in initiating, facilitating, sustaining and spreading social change.

7.2.5. Entrepreneurialism

In Indonesia, *SE* is commonly associated with social enterprise, which is the business entity combining social and environmental goals with market mechanisms to create and manage financially sustainable innovations and ventures. As demonstrated through Schumpeter's economic theory (see *Section 2.2*), entrepreneurship consists of multiple dimensions: to create something new including ventures, to create value through shifting resources, to create a ripple effect on ongoing processes, to overcome challenges associated with opposition from power and habitual behaviours, and to be motivated by joy of creation, will to fight, and sense of joy in addition to profit making. Being rooted in entrepreneurialism, the majority of existing conceptualisations on *SE* are derived from classical entrepreneurship studies (Aldrich 2005; Rindova et al 2009; Zahra and Wright 2016) with focus on novelty and wealth creation (i.e. innovative-entrepreneurial dimension), as seen in the case of definitions (*Section 2.3.1*), typologies (*Section 2.3.3*), entrepreneurial intentions models (*Sections 2.4*), and the emancipatory role of *SE* (*Section 2.6*). This study thus expands this narrow understanding of entrepreneurialism as an 'ends', towards a 'means' to create value in initiating, facilitating, sustaining and spreading social change through the provision of goods and services that meet the needs of marginalised citizens and reshaping social and/or physical infrastructure design, service delivery, finance mechanisms, governance practices, and behaviours and mindsets.

Many scholars have also sought to differentiate *SE* from traditional entrepreneurship from a variety of perspectives (*Section 2.3.2*). Yet, these insights do not offer any cohesive framework to delineate *SE* from their traditional counterpart. This study argues that the key difference lies in entrepreneurial intentions and mindset (*Section 4.4.5*) in line with the strategy of social value creation. *Table 7.1* reveals how different intentions impact on ongoing strategies, processes, outcomes and impacts.

The research data has also revealed four different organisation ‘types’ developed by *SEs* in Indonesia: community-based, advocacy-based, business-based and hybrid organisations. Whilst existing scholarship outline two typologies for *SE* and *SI* ((Marques et al 2018; Zahra et al 2009; see *Section 2.3.3*), this study finds there are multiple crossovers in scale and scope of operations, revenue sourcing methods, resource harnessing, and governance practices across the cases such that they do not neatly fit into the existing typologies. Regardless of these variations, this study revealed all types fostered inclusion and participation among socially marginalised citizens and reshaped certain goods and service provisions, while some even challenge existing governance structures (with *SE8* the only outlier given they exhibited characteristics of a traditional entrepreneur) (see *Section 5.3.2*). Furthermore, despite community-based initiatives (i.e. social bricoleurs) being small-scale and localised, this study has highlighted how these initiatives can have a broader impact when adapted, replicated and/or scaled under the right intentions, as demonstrated in the case of the Surabaya Clean and Green Initiative (see *Section 5.4.2*).

Table 7.1. Social entrepreneurship versus traditional entrepreneurship

Differences	Social entrepreneurship	Traditional entrepreneurship
Value proposition (intentions)		
Motivation	Motivated by addressing specific social, economic or environmental problems and enhancing the lives of marginalised citizens with profit making being a secondary motive	Motivated by economic value creation with social value creation being a secondary by product of the business
Opportunity Recognition	Recognise opportunity in unmet social and environmental needs and socio-institutional gaps and seek to transform social systems	Recognise business opportunity where there is large demand but few suppliers and make minor adjustments to optimise existing systems.
Value generation (strategies & processes)		
Revenue sourcing and allocation	Sources revenue through trading and exchanging values flows and invests financial gains back into the social mission	Sources revenue through selling goods and services and reinvests profits into commercial activity or distributes profit to shareholders
Innovation	Undergoes constant challenges in meeting the specialised needs of marginalised citizens and uses this to develop strategies	Innovates for mainstream market users with abundant consumptive choice based on pre-developed efficient and effective strategies
Value capture (outputs and outcomes)		
Stakeholder engagement	Engages community and suppliers as co-creational partners through risk-sharing and profit-sharing	Engages community and suppliers as consumers and supply chain workers based on fair share of
Value sharing (impacts)		
Performance measurement	Measures outcomes by qualitative changes that occur in the lives of people	Measures outcomes by quantitative results according to the number of goods and services sold or business expansion

Whilst the literature on *SE* focuses mostly on social dimensions, this study revealed that *SEs* in Indonesia also tackle environmental problems. The potential for *SE* to create triple bottom line value across the social, economic and environmental spheres has recently come under attention through the sustainable entrepreneurship literature upon revisiting the traditional role of entrepreneurship in creating gains beyond traditional economic value creation. This new stream of literature positions *SE* as capable of sustaining communities, nature, and ecosystem services, which in turn leads to a variety of socio-economic changes though with no empirical evidence (see *Section 2.7*). Therefore, this research makes direct contributions to this literature by providing empirical examples of *SEs* creating triple bottom line value, while also linking *SE* with the global SDGs as examples of ‘thinking globally, acting locally’ (see *Section 5.4.4*).

7.2.7. Social value creation

A central strategy permeating across the entire innovation and stakeholder engagement process in *SE* is social value creation, which this thesis argues consists of four parts:

- i. value proposition, or the *SE*’s intention to provide to the target market;
- ii. value generation, or the value that is created in interaction with stakeholders and developing financially sustainable innovation and ventures;
- iii. value capture, or the benefits that accrue to all stakeholders, and
- iv. value sharing, referring to the value flows that take place within the social entrepreneurial ecosystem

Similar to Rispal and Servantie (2016), this study proposes that value proposed in the social mission is generated through creating disruptive innovations, financially sustainable ventures, harnessing social networks, and recognising opportunity to create change, which must be captured by all stakeholders in the form of perceivable benefits, and shared across greater society (see *Section 2.3.3*). However, this study also extends this knowledge by outlining a four-step process model for social value creation to illustrate how and what kind of value is created in each step of the innovation process, which begins from (i) empathising and engaging potential for change, (ii) empowering human and resource capabilities, (iii) embedding innovations locally, and (iv) encouraging spread of values as shown in *Figure 7.6*.

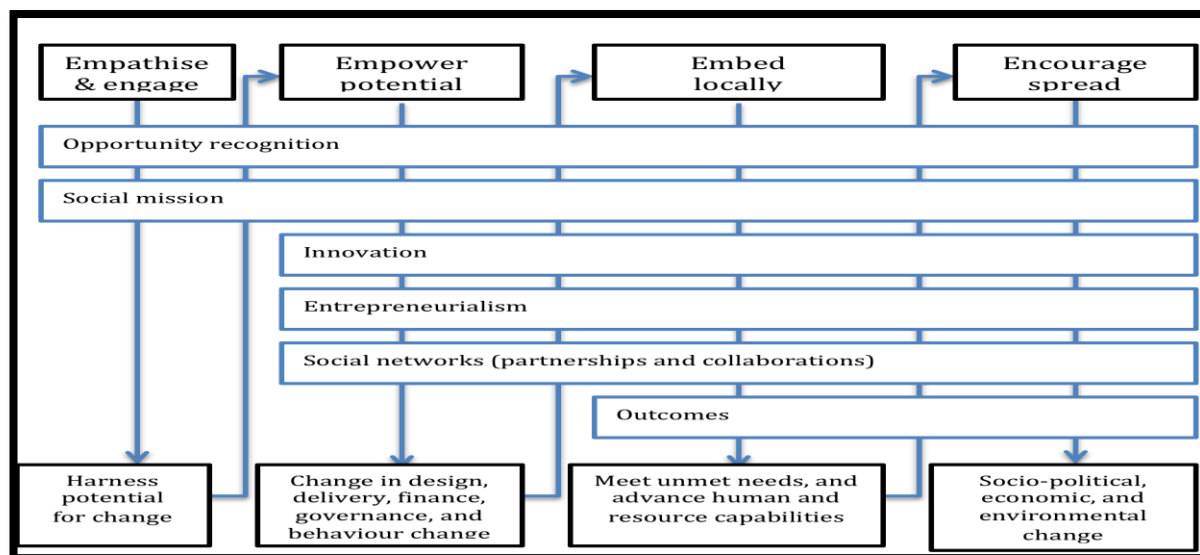


Figure 7.6. Key processes in social value creation (Author creation)

7.2.8. Outputs, outcomes and impacts

This research has revealed how *SEs* create many tangible and intangible outcomes and direct and indirect impacts, which are typically measured in terms of qualitative changes that occur in the lives of marginalised citizens. While the literature on *SE* identifies three levels of outcomes: meeting unmet needs, increasing socio-political capabilities, and creating broader socio-political and economic outcomes (see *Section 2.3.8*), this study divides these outcomes into three levels of outputs, outcomes and impacts. The analysis suggests the outputs created by these initiatives are the disruptive innovation, or the transformative changes in social and/or physical infrastructure design, service delivery, finance mechanisms, governance practices, and strategies used to create behaviour and mindset change. The outcomes created by these initiatives are meeting unmet social and environmental needs and advanced human capabilities, which following Weaver (2019), this study identified can be broadly categorised into improvements made in: (i) health and security, (ii) social mobility and empowerment, (iii) democratic participation in socio-political, economic and environmental activities, and (iv) self-expression and social relations (see *Figure 7.7*).

The impacts created by these initiatives is social change and other ongoing flow of benefits, which include replication and upscale, broader socio-political, economic and environmental outcomes towards aligning stakeholders to inter and intra-generational equity, social justice and sustainability values. Social change can thus be conceptualised as the process and outcome of combining disruptive innovation (*ideas*) with human capabilities

advancement and removing obstacles that prevent the marginalised from taking ownership (i.e. emancipation) of their own lives (*practice*), and aligning stakeholders to equity, justice and sustainability values (*structure*), which can be measured by the ‘perceivable benefits’ created for all stakeholders. For the community, the benefit is the ability and freedom to be and do what they could not before the innovation (i.e. improved health, social mobility and empowerment, democratic participation, and improved social relations), collectively enabling emancipation from suffering. For suppliers and partners, the benefit is increased collaboration enabling to achieve greater outcomes (i.e. partnerships). For governments, the benefits are reduced expenditures in subsidies and new solutions (i.e. seeds of innovation). For the ecosystem, the benefits are the enhanced role of *SE* and spread of common stream of values (expansion of the *SE* ecosystem). For the *SEs*, the benefits are increased confidence and competency in tackling complex problems and satisfaction of intrinsic growth and relatedness needs and extrinsic recognition and material wellbeing (collective wellbeing). Thus, though measured by non-monetary terms, these seemingly small and localised outcomes and impacts create a ripple effect on broader socio-political, economic and environmental changes to trigger on-going social change.

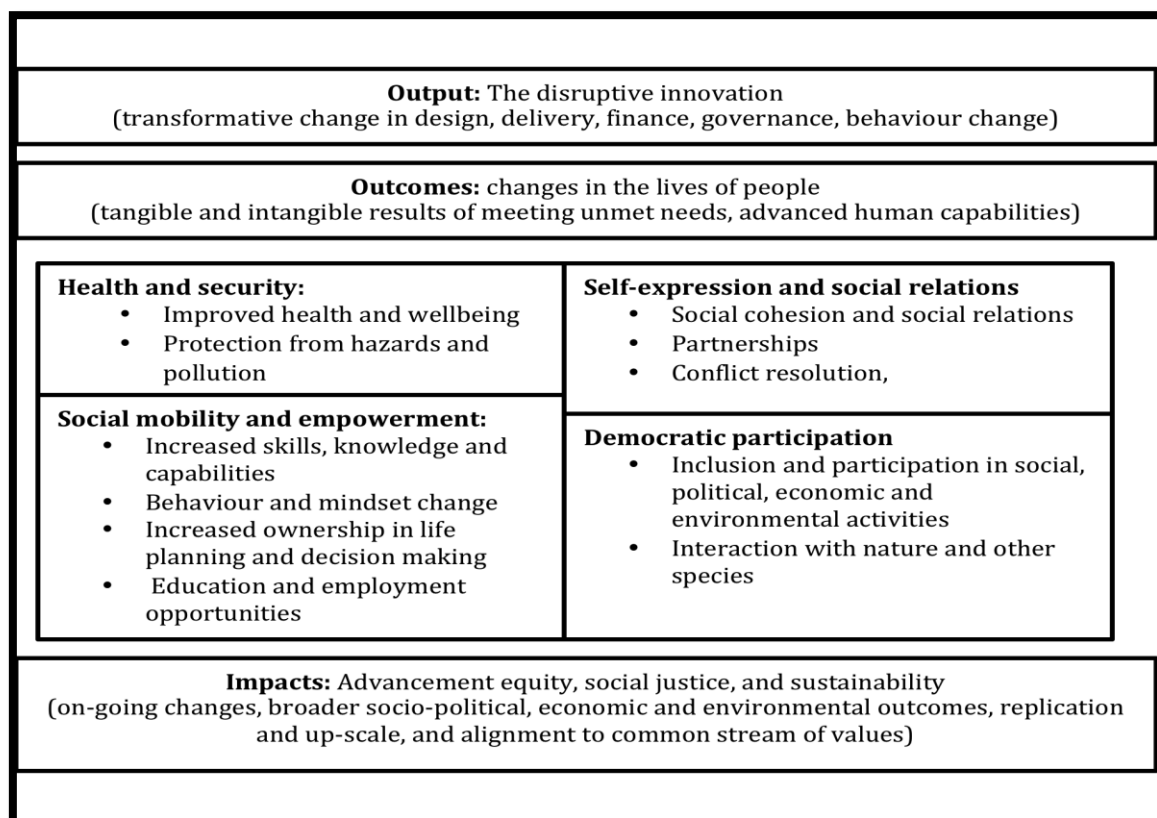


Figure 7.7. Outputs, outcomes and impacts of SE (Author creation)

An explanation of each individual component of the conceptual framework collectively highlights that the role, strategies and motivations of *SE* requires bringing together several bodies of knowledge, much like the *SE* themselves who bricolage available resources to supplement for scarce resources. The next section now steps back from the individual *SE* and innovations to advance scholarly understanding of the broader significance of the *SE* approach to development.

7.3. Emergence, development, and popularisation of *SE* in Indonesia

SE is more than just an innovation. It is an emerging social phenomenon that has significantly grown in Indonesia over the last three decades. This has been facilitated by individual *SEs* demonstrating successful social change at micro-grassroots level, the purposive facilitation of the alliance in building collaboration and an ecosystem around *SE* values at meso-regime level, and various macro-landscape factors coming together with Indonesia's social and environmental problems to create more conducive environments for *SE* emergence and development (see *Section 6.4*). This demonstrates the emerging phenomenon of *SE* is not an evolutionary coincidence but rather a combined outcome of complex interactions taking place between various actors and configurations at micro, meso, and macro-levels in creating system change. Here, we turn to the sustainability transitions scholarship (see *Section 2.8*) to assist with explaining how the phenomenon of *SE* emerged, developed and became popularised in Indonesia, whose insights can also be transferred to understand the globalisation of *SE* in recent decades.

From a sustainability transitions perspective, the *SE* phenomenon can be explained using three frameworks. The *multi-level perspective* (MLP) helps explain the complex interactions that occur between heterogeneous actors and configurations at three analytical levels in co-initiating, co-creating, co-developing, and co-evolving change (Geels and Schot 2007; Rim and Kemp 1998). As demonstrated in *Section 6.4.1*, these analytical levels include: (i) the *micro-niche*, which is a protected space where novel innovations such as *SE* have the most potential to emerge and develop shielded from mainstream pressure to tackle complex problems, (ii) the *meso-regime*, which refers to the incumbent system where dominant rules, regulations, institutions, technologies and cultural practices maintain stability and incrementally adapt over time, and (iii) the *macro-landscape* level, where exogenous events and trends such as socio-demographics, macro-economics, political ideologies, ethical values, and climate change exert pressure on the incumbent system to create more conducive

environments for niche breakthrough (Geels 2002; El Billali 2019; Rotmans et al 2011; Weiczorek 2018).

The MLP posit that incubating and experimenting with niche innovations in protected space would allow matured innovations to breakthrough when windows of opportunity arise, when the incumbent system begins to destabilise with persistent problems, or upon clustering with other niches (Geels 2002; Genus and Coles 2008; Rotmans et al 2011; Rotmans and Loorbach 2009; Smith and Raven 2012). When we look to the emergence, development and popularisation of *SE* in Indonesia, we find that individual *SEs* have existed for a long time in Indonesia in the form of religious and community-based organisations independent of one another, though suppressed under previous authoritarian governments. However, with the arrival of Ashoka Indonesia in 1983, these *SEs* were gradually discovered and supported through awards and recognition programs and the provision of networking platforms, thereby enabling individual *SEs* to share knowledge with other niche actors and increase visibility of their initiatives. With political reformation in the late 1990s came freedom to support these initiatives, followed by the arrival of several more incubatory organisations and development of the global SDGs, which provided windows of opportunity for increased support towards new system emergence. Whilst not discussed within the results and discussion chapters of this thesis, *Section 2.2* also demonstrated niche clustering with closely related *SI*, *SV*, and *SB* since 2005 onwards, which helped capture academic interest in AVBIs. In addition to these configurations, *Section 6.4* also identified several macro-landscape factors in Indonesia that have assisted in creating more conducive environments to foster emergence, development and popularisation of *SE*. This indicates that all the conditions needed for niche emergence and breakthrough as described under the MLP have been present in Indonesia, including the multitude of social and environmental problems tackled by the *SEs*. Hence, from an MLP perspective, it can be said that the emergence, development and popularisation of *SE* in Indonesia is an outcome of various complex interactions coming together at multiple societal levels to create more favourable conditions for *SE* (see *Figure 7.8*).

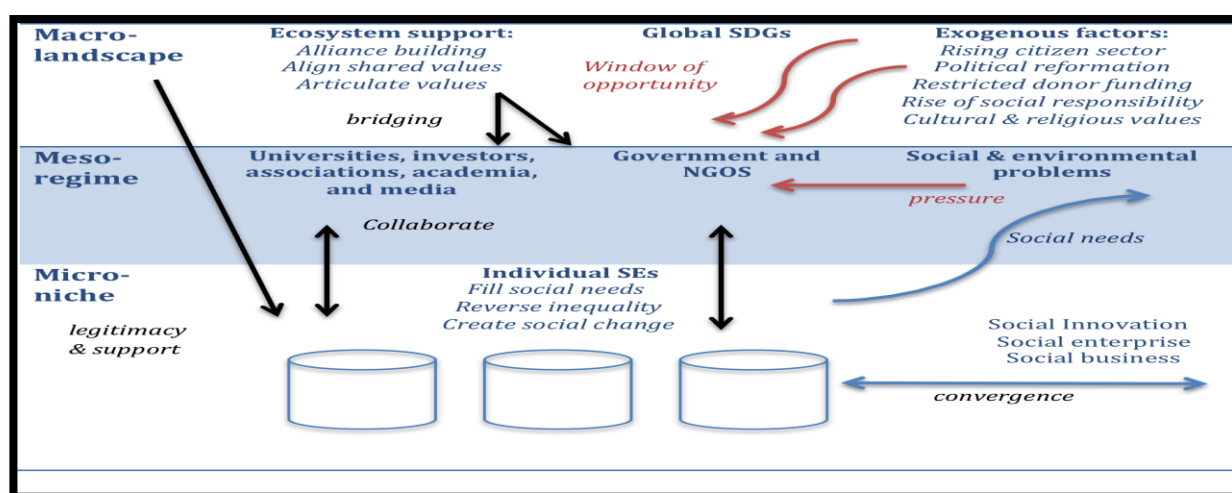


Figure 7.8. The multi-level perspective as applied to SE

Adapted from: Schot and Geels (2007)

Nevertheless, *Section 6.4.2* highlighted the concerted efforts of the alliance in facilitating collaboration across traditional boundaries and building an ecosystem around SE has also been a major contributing factor towards popularisation of SE in Indonesia. The SNM frame thus assisted in understanding the role of intermediaries in building an ecosystem around SE through providing the institutional infrastructure for networking and learning, aggregating information on local projects, and feeding this information back to wider community to encourage ongoing development of SEs (Hargreaves et al 2013). Hence, from an SNM perspective, the emerging phenomenon is an outcome of strategic alliance building that has been purposively facilitated by intermediaries and incubatory organisations in developing an alliance around SE.

A third framework that has assisted in identifying drivers and motivations of transformative change and alliance building is the transformative change framework developed by de Haan and Rotmans (2018) (see *Section 2.9*). These authors conceptualise transformative agents as actors that emerge in response to 'perceived crisis' to enable new solutions to meet societal needs by connecting to a rising stream of values that affiliates with their solutions, which are advocated, externalised and institutionalised through building an alliance of initiatives, networks and movements around the rising stream of values. Combining these insights with empirical findings thus enabled understanding that the popularisation of SE in Indonesia is an outcome of both bottom-up and top-down processes. At micro-grassroots level, this involves individual SEs developing innovative, context-appropriate and replicable solutions to complex sanitation (and natural resource

management) problems upon perceiving ‘crisis’ in existing inequality and injustice and declaring a social mission. At a more macro-level, this involves building an ecosystem around *SE* and advocating, articulating and externalising a stream of inter and intra-generational equity, social justice and sustainability values towards institutionalising *SE* as new solution systems.

Thus collectively, sustainability transitions analysis assisted in analysing the emergence, development and popularisation of *SE* in Indonesia as a combined outcome of several individual transformative agents responding to perceived crisis in Indonesia assisted by institutional inadequacy to solve complex challenges, various macro-landscape factors creating conducive environments for *SE* emergence, and the concerted efforts of a dynamic alliance of locally and globally networked organisations jointly facilitating the development and dissemination of *SE* towards advancing inter and inter-generational equity, social justice and sustainability values through advocating, articulating, externalising these solutions towards institutionalising *SE*. As shown in *Figure 7.9*, this indicates that individual *SE*s and their alliance are collectively trying to influence dominant institutions from the bottom up and top down towards creating system change.

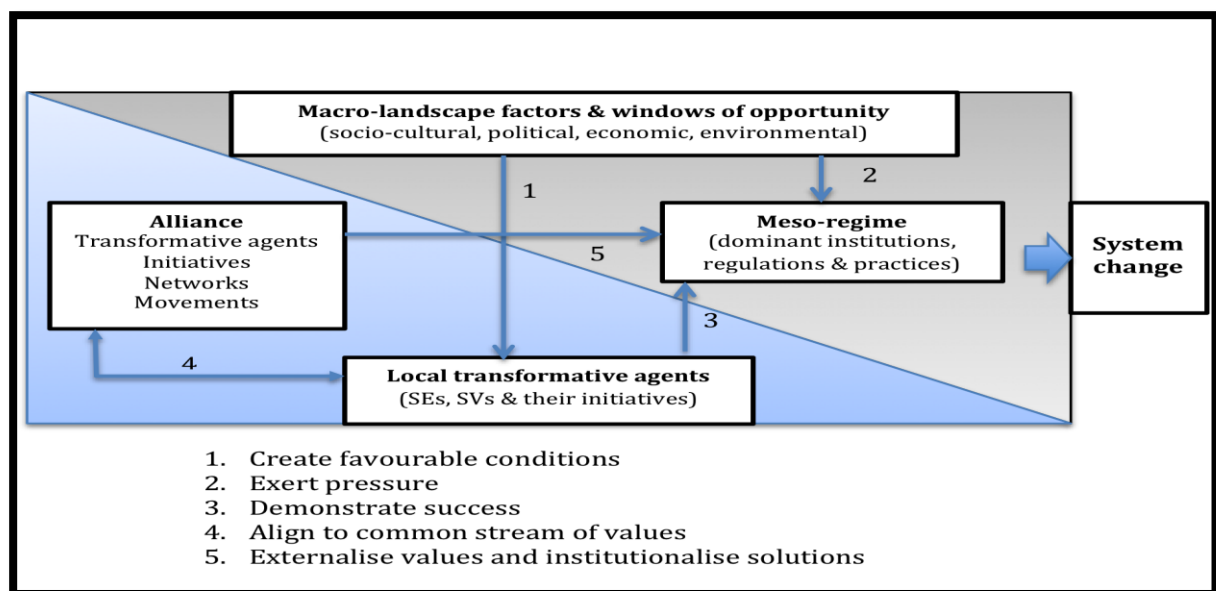


Figure 7.9. Emergence, development and popularisation of SE in Indonesia (Author creation)

Drawing on the above analysis, the emergence, development and recent popularisation of the *SE* phenomenon in Indonesia can be conceptualised as having occurred over three key phases. As shown in *Figure 7.10*, the first phase between 1981 and 2000 can be referred to as

the '*deepening phase*,' which began with the emergence of several pioneering *SEs* (e.g. *SE1*, *SE2*, *SE3*) doing their own things based on personal values of empathy, sense of belonging, and willingness to protect and improve community and environment wellbeing. With the arrival of Ashoka Indonesia in 1983 searching, selecting, supporting and recognising these leading *SEs*, these transformative agents became connected to one another and to a rising stream of inter and intra-generational equity, social justice and sustainability values despite under restricted political freedom.

The second phase of development from 2000 to about 2014 can be referred to as the '*broadening phase*,' which began with political reformation in the late 1990s coinciding with a rising citizen sector, followed by the arrival of several more incubatory organisations after 2000. This phase saw the expansion of practical assistance to community-based *SEs* and prospective *SVs* through the development of several local membership associations, early educational programs, and NGO to *SE* conversion programs, coupled with political freedom, donor funding cuts, popularisation of corporate social responsibility, and the development of the global SDGs providing windows of opportunity for ecosystem expansion and change. Within the context of sanitation in Indonesia, this phase also saw the emergence of several contemporary *SEs* (e.g. *SE4*, *SE5*, *SE6*), as well as early examples of replication and upscale of pioneering initiatives (e.g. *SE1*) with help from the local and national government and NGOs upon increased visibility of individual *SEs* gaining publicity through the media, awards and recognition programs.

Since 2015, the alliance around *SE* in Indonesia began gaining momentum with the arrival of another organisation assisting start-up social enterprises to enable increased collaboration across the public, private, civic and education sectors. Along with a rising number of universities offering graduate and post-graduate programs in *SE*, the government has also drafted a new law on social enterprise in 2016 while acknowledging their contributions to job creation, economic growth, and improving low-income settlements in their Mid-Term Redevelopment Plan [2015-2019]. Several newer *SEs* (e.g. *SE7*, *SE8*) have also emerged in the last few years though they may not necessarily be aligned to the same stream of values. Given these developments, it can be said that *SE* has now entered an '*up-scaling phase*' where a growing number of individuals and organisations influenced by *SE* have begun embracing the values and approaches of *SE*. Despite varying intentions and several remaining concerns, interviews with stakeholders within the Indonesian water and sanitation sector demonstrated high interest in *SE* as well as signs of gradual convergence

between the *SE* approach and conventional developmental approaches with regards to developing innovative finance, multi-stakeholder partnerships, and adopting a multi-phased approach.

De Haan and Rotmans (2018) proposes two possible scenarios for successful system change: (i) the gradual decline of the incumbent system and successful stabilisation of *SE* as a niche, and (ii) co-evolution of *SE* and incumbent systems through constant exchange and collaboration until they eventually merge and begin to stimulate one another. Given current trends in the Indonesian sanitation sector, the latter scenario appears to be the more dominant scenario. However, this greatly depends on a number of factors including the speed of resolution of discrepancies in thinking between *SE* and dominant institutions, increased visibility of existing and would-be *SEs*, the efforts of the alliance, possible development of national innovation systems, as well as changes in the greater macro-economic environment.

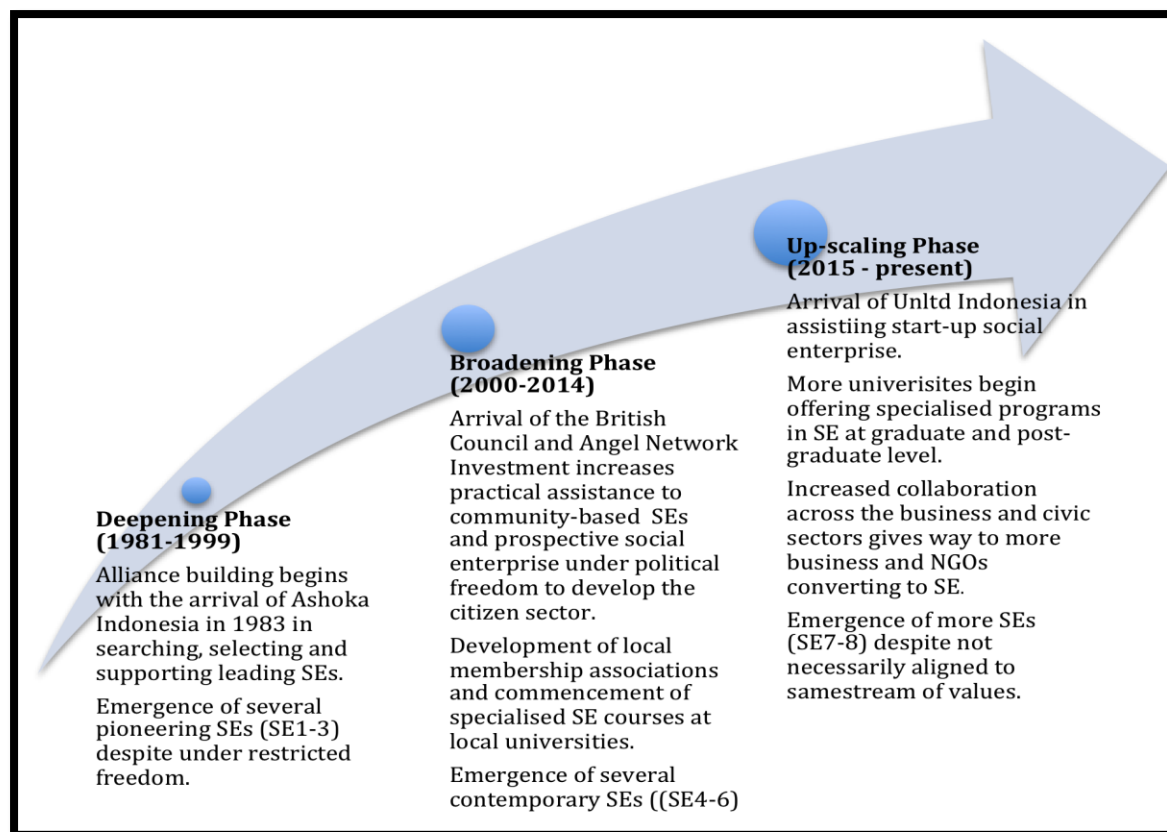


Figure 7.10. Three transition phases for SE in Indonesia (Author creation)

In addition to sustainability transitions, *Theory U* also describes a historical progression of four economic operating systems that could be used to tackle wicked problems: (i) state-centric model characterised by hierarchical command and control approach in a single sector economy, (ii) free-market model characterised by competition led by the private sector, (iii) social-market model characterised by internal concern for key stakeholders led by NGOs, and (iv) and an emerging eco-centric model characterised by boundary spanning collaboration under the leadership of the citizen sector (Scharmer and Kaufer 2013). On arguing that the first three economic operating systems have created many “disconnected bubbles” between the financial economy versus the real economy, technology versus the needs of people, measuring progress by GDP versus happiness, and vested interests of dominant institutions versus the voiceless among others, Scharmer and Kaufer (2013, p.14) argue there is need to shift awareness from treating conspicuous cluster systems of wicked challenges towards engaging all stakeholders in co-initiating, co-creating, co-developing and co-evolving change based on learning-by-doing to transform societal “ego-centricism” (i.e. self-centeredness) towards “eco-centricism (i.e. other-orientedness) that values protecting and improving the wellbeing of the whole. The approach these authors recommend is a deep diving approach to viewing complex problems through the eyes of poor and marginalised citizens to open the mind (curiosity), open the heart (empathy), and open the will (courage) to see structures, models and mindsets that lay hidden deep beneath the surface in a hidden spot (Sharmer 2018, p.6). However, these authors argue this necessitates suspending all habitual judgement and assumptions, which requires adopting empathetic perspective taking and a growth mindset to overcome challenges associated with expediting a new-eco centric model, as described in *Section 4.4.7*.

7.4. Recommendations for the Indonesian sanitation sector

This thesis has found that the *SE* approach distinguishes in intentions, approach, and performance measurement from conventional developmental approaches undertaken in the Indonesian sanitation sector (see *Section 6.3*). The analysis of this thesis also revealed that the *SE* approach somewhat mirrors the deep diving approach described by Sharmer (2018) and Scharmer and Kauffer (2013), which diametrically challenges the leapfrogging approach promoted under the WSC framework. Informed by the socio-technical leapfrogging scholarship (see *Section 2.8.2*), the WSC framework (*Figure 7.10*) is driven by intentions to improve social amenity (liveability), resource efficiency (resilience), and environmental

sustainability. Furthermore, despite recognising inter and intra-generational equity among one of its core drivers, its cumulative socio-political drivers and service delivery functions mostly reflect utilitarian values based on eco-efficiency approaches without addressing any specific measures to improve social justice and human wellbeing among poor and marginalised citizens. Similarly, despite recognising cultivation of water sensitive behaviours among one its three core pillars of practice (see *Section 1.2*), the framework does not include any strategies to change behaviour and mindsets among a population generally unaware of the importance of clean water and sanitation and sustainability issues. The WSC framework further makes several critical assumptions with regards to governance, equity and finance that do not match the developing Indonesian cities context. Hence, implementing the WSC approach in its present form will risk reproducing poverty settings that benefit the privileged few while disadvantaging the poor and the marginalised to exacerbate existing inequality and injustice. It will also give rise to many more unexpected impacts, to which existing institutions, policies and practices will have no capacity to cope with or mitigate.



Figure 7.11. The urban water transitions (WSC) framework

Sourced from: Brown et al (2009)

Reflecting on the above analysis and the insights on the *SE* approach that emerged from examining the role, strategies and motivations of *SE*, this thesis thus instead proposes that a deep diving approach (see *Figure 7.1*) as a more suitable pathway for developing Indonesian cities to advance towards equitable and sustainable urban water management beginning from tackling sanitation, inequality and injustice, which are heavily intertwined with water

pollution, environmental degradation, and human and ecosystem health and wellbeing. According to Rittel and Weber (1973), wicked challenges (such as sanitation) come with ten unique characteristics that make these problems near impossible to solve. However they argue that the solution to tackling wicked challenges often lie in changing behaviour and mindsets in many people and challenging existing governance structures, skills and capacities by working across traditional sectoral boundaries in developing innovative, comprehensive and adaptable ideas. As shown in *Table 7.2*, when overlaying these ten unique characteristics with empirical findings from this thesis, it becomes evident that the SE's people-centred approach to development is well suited to tackling complex sanitation problems in Indonesian cities.

Table 7.2. Ten characteristics of wicked challenges

1	There is no definitive solution with each case being unique and different SEs devise context-appropriate solutions best suited to meet community needs based on perspective taking.
2	Each problem is a symptom of another problem, which become intertwined SEs recognise interconnections between social and environmental problems and seek to address the root causes rather than simply treat symptoms of problems.
3	They crop up when faced with constant and unprecedented challenges SEs view problems as opportunity to create value and fill socio-institutional gaps left void by conventional institutions.
4	They involve multiple stakeholders with conflicting values and priorities SEs engage everyone and every resource in solving the problem together to develop a shared understanding of the problem
5	They are beyond the capacity of anyone organisation to resolve SEs create partnerships with multiple stakeholders in trans-boundary collaboration to co-create change together with community and stakeholders.
6	They emerge in social contexts where there are no tested solutions SEs are socially embedded in the larger social system and bring their unique lived experience whose innovation comes as a response to social context.
7	With no templates to follow, solutions can only be made up as they go SEs adopt a learning-by-doing approach to tackling complex problems and modify innovations based on what works best for community.
8	They change with every attempt to resolve the issue often creating irreversible effects SEs begin from research and create positive effects based on good understanding of causal and effect pathways of complex problems.
9	Solutions can only be good or bad, but should be tractable ways to mitigate outcomes SEs take a holistic approach to cultivating the social field, treating the problem, mitigating impacts, and restoring social justice.
10	Often the solution involves changing behaviour in many people and working across traditional boundaries with innovative, comprehensive and adaptable ideas SEs specialise in changing behaviour and mindsets in many people and engaging community and stakeholders in trans-boundary collaboration while adapting and modifying innovations as they emerge.

Adapted from: Rittel and Weber (1973)

7.4.1. Fostering SE potential in Indonesia

In spite of the many contributions that *SEs* bring to transformative change, this study also identified that developing, implementing, replicating and scaling *SE* is not an easy task, which necessitates different intentions, mindset and motivations in developing a social mission. Building on the insights from *Chapters Four to Six*, this *Chapter* thus proposes a series of skills or enabling factors associated with fostering future potential in *SE* to enable Indonesian cities to develop core skills in *SE* towards long-term human and ecologically sustainable development. As shown in *Table 7.5*, individual and situational variables are critical antecedents to developing pro-social entrepreneurship action. This is then followed by values of empathy, sense of belonging, willingness, and commitment, which are outcomes created in interaction between individuals and social contexts. The last four skills are more related to sustaining *SE*, which are also cultivated on the basis of interaction between individual variables and social context.

Table 7.3. Ten enabling factors to foster future SE potential (Author creation)

1.	Individual experience: The background, experience, skills, knowledge, and beliefs that a person brings prior to developing <i>SE</i> developed through lifelong learning and socialisation
2	Social context, social needs, and social networks For <i>SE</i> to emerge, there must be unmet social and environmental needs and socio-institutional gaps suffered by poor and marginalised citizens and the environment.
3	Empathy and soft skills The capacity to cognitively understand and affectively feel the pain of others through opening the heart as opposed to closing the heart (hatred). Empathy gives rise to a variety of soft skills: attentiveness, cooperativeness, interpersonal communication, emotional intelligence, accountability, inclusivity, tolerance, problem solving, conflict resolution, and self-reflection while slowing decision making down to reflect all possible viewpoints.
4	Sense of belonging (perspective taking) The capacity to become a part of the community and part of the solution to the problem based on perspective taking through opening the mind as opposed to closing the mind (ignorance).
5	Willingness and passion The desire to improve and protect the wellbeing of others through opening the will as opposed to closing the will (fear), which includes passion for the cause.
6	Commitment to social and environmental goals Commitment to pursue one's goals in advancing inter and intra-generational equity, social justice, and sustainability, and confidence in one's ability to tackle complex problems, which include resource capabilities and social network capacity.
7	Growth mindset and learning spirit The belief that one's ability will grow and develop with practice, experience and effort and desire to seek out challenging tasks as learning opportunities in overcoming challenges, including ability to recognise potential in others
8	Intrinsic and extrinsic needs, beliefs and goals The ability to bring together one's autonomy, competence and relatedness needs with extrinsic needs for social justice, financial sustainability, and recognition in pursuing successful social change at individual and societal levels.
9	Declaration of a social mission The ability to seek autonomy and authorisation to declare a social mission in voluntarily assuming the role of society's change agents.
10	Authenticity and consistency from beginning to end The capacity to act authentically and consistently without being affected by adversity, criticisms, censure and praise to capture trust and heart of others.

7.5. Summary and theoretical framework for social entrepreneurship

This chapter brought together empirical insights together with existing knowledge on *SE*, *sustainability transitions*, the *Capabilities Approach*, and *Theory U* to develop an explanatory framework that outlines the phenomenon, role, strategies and motivations of *SE*. The process found that understanding the unconventional, multidimensional, and value-laden phenomenon of *SE* requires bricolaging many bodies of knowledge in the manner of peeling an onion, in which each layer provides deeper insight into the phenomenon (see *Figure 7.12*). First, *Theory U*, which emerged from the data and was found to offer a close reflection of the *SE* approach in Indonesia, assisted to unpack the individual journey that *SEs* take to declaring a social mission, while providing supplementary insights on stakeholder engagement and the emergence of a new eco-centric development model to which *SE* finds resonance. Nevertheless, this relatively nascent theory is currently not connected to the scholarship of *SE* and warrants further investigation. Next, the central strategy of social value creation helped to explain the values guiding *SEs* in creating disruptive innovations and advancing human capabilities alongside insights from the *Capabilities Approach*, and enabled the development of step-by-step guides to combining disruptive innovations with the advancement of human capabilities. Then drawing on the social entrepreneurial ecosystem framework, alongside insights from sustainability transitions helped identify different stakeholder levels and explain the emergence, development and popularisation of the *SE* phenomenon in Indonesia, as well as the strategies and processes involved in building an ecosystem around *SE*.

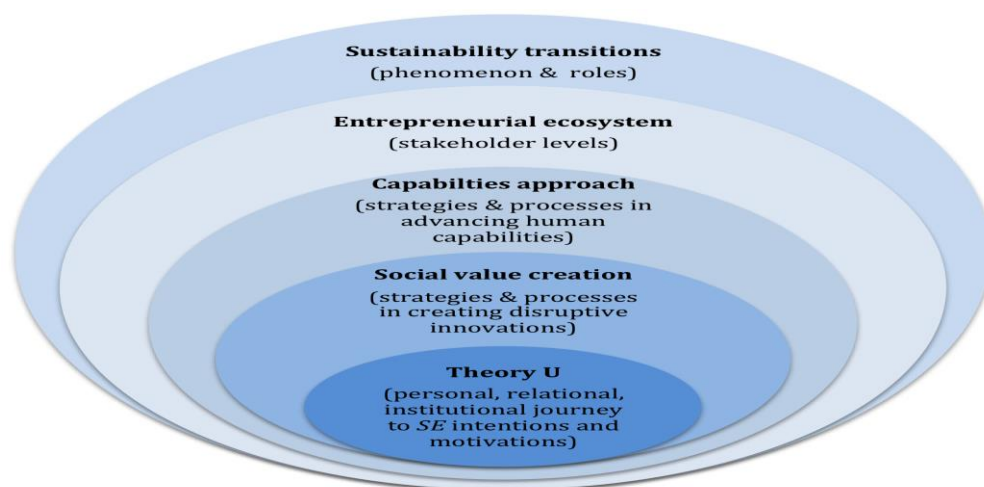


Figure 7.12. Theoretical framework for social entrepreneurship (Author creation)

In conclusion, whilst the individual components of *SE* can be explained by the different bodies of knowledge engaged in this study, there is no one single theory that effectively captures the full complexity of the phenomenon of *SE*. Empirical observations in Indonesia show that the *SE* approach appears to mirror many concepts advanced in *Theory U*, and hence may potentially provide a powerful theory that can help explain the unconventional, multidimensional and value-laden phenomenon of *SE*. However, without further investigation, this thesis cannot say that this nascent theory can provide full explanation of the *SE* phenomenon.

8. CHAPTER EIGHT: CONCLUSIONS AND RECOMMENDATIONS

8.1. Introduction

This thesis has explored the emerging potential of *SE* through the case context of sanitation in Indonesia as an exemplary problem context to understand *what*, *why* and *how* *SEs* contribute to and shape transformative change in urban water and sanitation practices. The findings of this research suggests that *SEs* are indeed capable of tackling complex urban water and sanitation challenges in Indonesian cities and transforming societal values, social systems, and behaviour and mindset in many people through combining disruptive innovations with a multi-phased approach to advancing human capabilities. The approach these transformative agents take is an empathetic deep-diving approach to see the problem through the eyes of poor and marginalised citizens and create triple bottom line value by engaging all stakeholders in boundary spanning collaboration to advance inter and intra-generational equity, social justice, and sustainability values upon declaring a social mission. The previous *Chapter* synthesised these empirical findings and scholarly understanding on *SE* by drawing on multiple bodies of knowledge in developing an explanatory framework that outlines the phenomenon, roles, strategies and motivations of *SE*. The following section then outlines the scholarly and practical contributions of this thesis, followed by recommendations for future research.

8.2. Scholarly contributions of this study

This thesis makes six scholarly contributions to the *SE*, Sustainability Transitions, the Capabilities Approach, Theory *U*, and leapfrogging scholarships as follows:

1. A conceptual and theoretical framework for social entrepreneurship

Being a relatively nascent area of study with little social science background, the literature on *SE* was found fragmented and scattered across multiple disciplines with a multiplicity of concepts offering no cohesive conceptual or theoretical framework to understand what, why and how *SE* contributes to and shapes transformative change. Existing conceptual studies address *SE* in separate components including opportunity recognition (Hills et al 1999; Lehner and Kaniskas 2012), social value creation (Rispa and Servantie 2016), metacognitive

awareness (Haynie et al 2010), innovation (Datta 2011), social change (Ney and Beckmann 2014), and the entrepreneurial ecosystem (Bloom and Dees 2008). Whilst there are a few studies outlining *SE*'s role in advancing human capabilities (Yujuico 2008), emancipating suffering (Rindova et al 2009), and creating triple bottom line value (Cohen and Winn 2007; Ploum et al 2017; Shepherd and Patzelt 2010; Sarango-Lalangui et al 2017; Stahl and Bonnedahl 2017), these studies were found disjointed with the innovative-entrepreneurial dimension of *SE*, with the notable exception of Zeigler et al (2013) who advanced broad understanding of *SE* as capability innovations combining disruptive innovations with human capabilities advancement. Whilst these studies all help towards building a broad understanding on the different dimensions of *SE*, there is a critical absence of studies offering integrated understanding on how these multiple concepts and dimensions come together to make up the phenomenon of *SE*. Similarly, whilst several scholars have studied entrepreneurial intentions, behaviours, and mindsets (Bacq and Alt 2018, Ghalwash 2017; Linan and Santos 2007 Miller et al 2012; Ruskin and Webster 2011; Vuorio et al 2018; Wang et al 2016), there is an eminent lack of understanding of values driving *SE* and how this affects ongoing strategies, processes, outcomes and impact.

This thesis thus embarked on unpacking the phenomenon of *SE* by deconstructing *SE* into three levels of analysis: understanding the social entrepreneur (*Chapter Four*), understanding what social entrepreneurs do (*Chapter Five*), and understanding the role and phenomenon of *SE* (*Chapter Six*) to challenge the currently disjointed scholarship. The thesis began by asking the *SEs* how and why they began developing their initiatives, which revealed a spectrum of insights related to their empathetic values and growth mindset motivating *SE*, and their intentions to advance inter and intra-generational equity, social justice and sustainability. These findings were used to outline a new *SE* intentions model (*Section 4.5.1*) and ten enabling factors needed to foster future potential in *SE* (*Section 7.5.2*). Next, the eight case studies were compared and contrasted by unpacking challenges, strategies, networks and activities, leading to outlining a step-by-step guide to combining disruptive innovations with human capabilities advancement (*Section 7.2.4*), and changing behaviour and mindsets (*Section 5.3.5*). Drawing on multi-stakeholder perspectives, this thesis unpacked the multi-faceted role of *SE* in initiating, facilitating, sustaining, and spreading social change (see *Chapter Five*) to outline a social entrepreneurial ecosystem model within the Indonesian context (*Section 7.2.2*). This process also uncovered factors contributing to the emergence, development, and popularisation of *SE* in Indonesia (*Section 6.4*), the triple role of the

alliance (Section 6.4.1), and the role of awards and recognitions (Section 5.4.1) in disseminating *SE*. These findings were then synthesised and analysed against multiple bodies of knowledge to develop an explanatory framework that outlines the phenomenon, roles, strategies, and motivations of *SE* to enable integrated understanding of what, why and how *SEs* contribute to and shape transformative change (Section 7.2).

Existing theoretical work in *SE* are mostly focussed on differentiating *SE* with closely related *SI*, *SV* and *SB* (Bravo 2016; Dees and Anderson 2006; Defourney and Nyssens 2010; Hoogendorn et al 2010) and traditional entrepreneurship (Di Domenico et al 2010; Rostiani et al 2014). Connections to Schumpeter's economic theory (Dhahri and Omri 2018; Howaldt and Schwartz 2010; Martin and Osberg 2007) and support from global organisations (Ashoka, Skoll and Schwab Foundations) are also well acknowledged in the *SE* scholarship. However, these existing studies do not provide cohesive theoretical explanations on how this dynamic ecosystem affects emergence, development and globalisation of *SE*, or the strategies and processes used in ecosystem building. Bringing *SE* together with scholarly insights from sustainability transitions, the Capabilities Approach and *Theory U*, this thesis thus also advances holistic and theoretical understanding of the *SE* phenomenon (Section 7.5).

2. A rich, qualitative, comparative empirical base for advancing knowledge on *SE*

Whilst empirical studies in *SE* have covered the health, education, finance, and empowerment dimensions of *SE* (see e.g. Alvord et al 2004; Chandra 2017; Gero et al 2014; Ibrahim 2017; Partzsch and Zeigler 2011; Weaver et al 2019), there are few in-depth qualitative and comparative case analysis that allow examination of the strategies and processes used by *SEs* within the context of sanitation. Notable exceptions to this are Ramani et al (2012) who studied the diffusion of pro-poor toilets in rural India, and Mohaupt and Ziegler (2011) who studied franchise toilet businesses in Kenya. However, based on small samples or survey instruments, existing empirical studies in *SE* offer limited generalizability of results. By adopting a multiple embedded case study design and examining eight case studies from *SE* and multi-stakeholder perspectives, this thesis contributes new empirical case studies that provides an empirical base for theorising and advancing knowledge on: (i) how and why *SEs* begin developing their initiatives, (ii) how *SEs* create transformative change in social and/or physical infrastructure design, service delivery, finance mechanisms, governance practices, and behaviour and mindset change, (iii) how these transformative agents emerge, develop and disseminate their initiatives, and (iv) how they engage different

stakeholders in co-creating change. Additionally, by including a case that represents characteristics of traditional entrepreneurship among the case samples, this study also contributes knowledge on (v) how to distinguish *SEs* from their traditional counterparts.

3. Opening a gateway to connect sustainability transitions with *SE* and other AVBIs

Sustainability transitions, though an influential area of study within innovation studies and the discourse of sustainable development, lacks analysis of AVBIs with little work on developing country contexts, with some emerging exceptions (Ramos-Mejia et al 2018). This thesis thus contributes to the sustainability transitions scholarship an increased understanding of how socio-technical change in developing country context can be expedited with *SI* and *SE* while providing a contemporary example of a niche that is about to break through the incumbent system through the combined efforts of transformative agents and an alliance of intermediaries, networks, and movements in creating transformative system change. Additionally, this thesis contributes to connecting sustainability transitions with the *SE* and *SI* scholarships and all kinds of AVBIs to open new research avenues.

4. A methodological approach to aggregate social justice and human wellbeing

The Capabilities Approach is a leading scholarship in the area of social justice and human wellbeing, which currently lacks operationalisable methods to aggregate these normative dimensions into a collective, while being criticised for lack of consideration of environmental dimensions. This thesis thus contributes to the Capabilities Approach scholarship in two ways: (i) providing empirical evidence on how to collectivise equity, social justice and human wellbeing through providing a step-by-step guide to cultivating the social field, and (ii) documenting real-life examples of initiatives integrating human and ecological dimensions of sustainable development through combining human capabilities advancement with disruptive innovations.

5. An emerging eco-centric economic operating system in tackling wicked problems

This thesis engaged insights from Theory *U* in explaining the personal journey taken towards declaring a social mission in developing an explanatory framework for *SE*. Drawing on Rittel and Weber's (1973) theory of wicked challenges, this thesis also highlights *SE* as an appropriate model for tackling wicked challenges. Currently these two theories are not connected to *SE* despite mirroring some of the strategies and processes used by *SEs* in

tackling wicked challenges and creating transformative change. This thesis therefore provides an avenue for further research in exploring these connections.

6. A new transition pathway for developing countries

Developed under a larger research collaboration project aimed at enabling leapfrogging towards WSC, this thesis provides understanding of a new transition pathway for developing countries to add to existing literature that is largely void of endogenous processes beyond the classical foreign direct investment model. Through demonstrating a deep-diving approach emerging from local contexts, this thesis expands knowledge on context-appropriate transition pathways for developing countries.

8.3. Practical contributions of this study

In addition to the above scholarly contributions, this thesis also makes several practical contributions to transforming urban sanitation practices in Indonesian cities and enhancing the role of *SE* in the Indonesian water and sanitation sector as follows:

1. Transforming urban water and sanitation practices

This thesis advances knowledge on the intentions, strategies and processes used by *SEs* in transforming urban water and sanitation practices in Indonesia, and outlines a step-by-step guide to combining disruptive innovations in social and/or physical infrastructure design, service delivery, finance mechanisms, governance practices, and behaviour and mindset change with human capabilities advancement. This knowledge can be harnessed by government and NGOs towards developing context-appropriate strategies to persistent sanitation problems, as well as provide a basis from which to increase collaboration with local *SEs*.

2. Enhancing the role of *SE* as transformative and collaborative agents

The roles, strategies and motivations of *SE* outlined in this thesis enables increased understanding on what, why and how *SEs* create transformative change and engage stakeholders in boundary spanning collaboration. These rich insights enhances the role of *SE* as transformative and collaborative agents, thereby assisting *SEs* and their alliance in accelerating social change and social impact through gathering increased supporters to align to inter and intra-generational equity, social justice and sustainability values.

3. Recommendations to foster future potential in *SE*

Chapter Seven outlined four key recommendations for fostering future potential in *SE*: (i) providing youth with opportunities to engage with a broad range of people to foster empathy and a growth mindset, (ii) developing policy incentives and initiatives to foster innovation and *SE*, (iii) increasing collaboration with existing *SEs* and the alliance to foster opportunities for learning, networking, and knowledge sharing, and (iv) adopting a multi-phased approach to advancing human capabilities. The first three recommendations will respectively require advanced research, which will be discussed next.

8.4. Recommendations for future study

This study has engaged eight cases of *SE* activity in Indonesia, which tackles different dimensions of sanitation broadly, including water and natural resource management. Whilst this data has assisted in developing clear insights regarding the phenomenon of *SE*, this research has identified a number of future research questions, which would strengthen and extend the insights of this thesis. Given the thesis has constrained the research to a relatively small geographic location of Indonesia, there is great opportunity to test the insights arising from this thesis against *SE* activity in: (i) other geographic locations within Indonesia, (ii) within other resource domains (e.g. energy or agriculture), and (iii) more broadly, within other socio-political and economic contexts. Furthermore, given the majority of cases presented in this thesis are recognised by global organisations, greater scholarly attention is needed to examine the lesser-known initiatives. However, this remains challenging, primarily due to their typically lacking status as a legal entity, lack of criteria for distinguishing *SE*, and lack of transparency making *SE* difficult to identify without recognition by global intermediaries.

Although not intentional, the cases sampled for this study all involved male entrepreneurs, which is by no means a reflection of the Indonesian state. Indeed, several female entrepreneurs were identified in Indonesia in the first phase of this research, but they were not included in this study due to being located in geographically remote areas or did not match the selection criteria for this study. Thus, this raises the question about gender representation in *SE* practices and whether there are different mindsets and motivations between genders.

Chapter Eight: Conclusions and recommendations

Scholarly attention is also warranted in exploring pathways for replacing conventional development thinking with *SE* and increasing collaboration where standardised best management practices have become normalised and resistant to new ways of thinking. This point has been identified in the thesis as a major hurdle in advancing *SE* in Indonesia to the next level of niche stabilisation. Whilst this study focussed on Indonesia where there are many social and environmental problems and socio-institutional gaps in basic service provisions, future research could also include a comparative study with other developed or developing countries with different institutional support mechanisms (i.e. national innovation ecosystems, tax breaks, and other incentives) to understand and identify country specific institutional configurations that affect the emergence, development and growth of *SE*. According to Stephan et al (2015), institutional support from government and private individuals are key enablers of entrepreneurial activity, while the Schwab Foundation (2016) also provides several examples of established policy incentives and initiatives benefitting *SE* in several countries.

Similarly, while this study identifies the ten core skills needed to foster future potential in *SE*, an educational perspective on how to develop these core skills in ordinary citizens to motivate *SE* will be helpful (e.g. Denmark teaches empathy in primary schools as a regular curriculum through sharing perspectives) (Alexander 2016; Alexander and Sandahl 2014; Miller-Llana 2017). Empirical study in Indonesia and a scholarly review of the *SE* literature also identified the critical role of the higher education sector in fostering future *SE* potential (Yu et al 2017). Increased insights from universities offering specialised courses in *SE* can thus help assist foster future potential in *SE*.

Empirical findings demonstrate that *SEs* measure outcomes primarily by the qualitative changes that occur in the lives of people. However, some of the organisations examined for this study did mention they also have quantifiable outcomes, though they were not reflected in this thesis given the deep, robust and qualitative insights generated from this study. Alongside a broader quantitative survey instrument to capture broader insights, a mixed methods approach blending the richness of qualitative data and broader quantifiable outcomes could be rolled out to capture a broader representation of *SE* and further develop the insights presented throughout this thesis.

Further study to advance social impact assessment methods is also needed. Whilst this study engaged Weaver's (2019) social capabilities measurement framework to assess outcomes and impacts through social capabilities and social value created by *SE*, future study

can advance knowledge on how to align impact assessment methods between mainstream performance measurement and *SE*. The development of a measurable social impact assessment method would help position the *SE* approach within mainstream thinking, as well as promote increased social impact investment.

Lastly, this study engaged insights from the relatively nascent *Theory U* in explaining the journey taken by *SEs* in declaring a social mission based on identifying similarities with the deep diving approach taken by *SEs* in tackling complex problems. However, the *SE* scholarship currently makes no explicit connection to *Theory U*. Despite recently receiving criticism for promoting idealistic and theological principles, *Theory U* has been gaining international recognition for adopting an unconventional approach beyond mainstream leadership theories (Heller 2009). Future study could empirically observe *SE* from the perspectives of *Theory U* to challenge or validate the explanatory framework developed in this thesis.

8.5. Conclusion

Having examined the gap in the literature, this thesis sought to explore the emerging potential of *SE* through multiple levels of analysis (i.e. the individual, the innovation, the enabling structure) to unpack the role, strategies, and motivations of *SE* in driving transformative change in sanitation practices towards advancing human and ecologically sustainable development. Sanitation in Indonesia was chosen as an exemplary problem context from which to explore the phenomenon of *SE* due to the literature on water and sanitation in developing countries identifying this as a neglected priority and persistent wicked challenge, which affects and are affected by multiple components of the global SDGs. Eight cases of *SE* activity tackling different dimensions of sanitation (and natural resource management) were engaged alongside multiple stakeholder perspectives to enable a rich, robust and qualitative analysis of the phenomenon of *SE* and the development of a conceptual and theoretical framework that explains what, why and how *SEs* contribute to and shape transformative change in sanitation practices.

This study revealed a complex and challenging phenomenon that needs to be explored through multiple, separate, but highly interrelated theoretical framings. First, scholarly insights from Sustainability Transitions research were harnessed to assist with the identification of three stakeholder levels and the complex interactions that take place at the interface of individual *SEs* creating local social change, governments and NGOs replicating

and up-scaling innovations, and the strategic actions of the alliance in steering change towards institutionalising *SE* as new solution system. Next, the Capabilities Approach was used to assist in identifying the strategies and processes used by *SEs* in combining disruptive innovations with human capabilities advancement in creating an enabling environment for change. To understand the personal, relational and societal transformations involved in developing a social mission and co-initiating, co-creating, co-developing and co-evolving change, the relatively nascent *Theory U* was also engaged.

By bringing together empirical evidence with scholarly insights from multiple bodies of knowledge, this thesis has developed a rich insight into the motivations of *SE* and proposed a new *SE* intentions model that incorporates empathetic values and a growth mindset with intentions to advance inter and intra generational equity, social justice, and sustainability. Comparing and contrasting results across the eight cases and drawing on scholarly insights from the Capabilities Approach, this thesis has also enabled the development of a step-by-step guide to designing disruptive innovations and advancing human capabilities in treating wicked problems, cultivating social capabilities, removing the cause of problems, and creating new solution systems by aligning all stakeholders to a common stream of values. Additionally, through engaging multi-stakeholder perspectives, this thesis has also unpacked the multi-faceted role of *SE* in initiating, facilitating, sustaining, and spreading social change through engaging a broad range of stakeholder networks in co-initiating, co-creating, co-developing, and co-evolving change.

Collectively, these insights have been synthesised in an explanatory framework that outlines the phenomenon, role, strategies and motivations of *SE* alongside ten enabling factors to foster future *SE* potential and key recommendations for the Indonesian sanitation sector towards transforming urban sanitation practices.

In conclusion, the rich and qualitative insights gained from this thesis provides the urban sanitation sector in Indonesia with a new awareness for tackling complex sanitation problems while making several scholarly contributions to the *SE*, sustainability transitions, Capabilities Approach, and *Theory U* scholarships.

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Appendix A: Interview schedules

Interview questions were customised and prepared separately according to six major stakeholder groups to solicit different answers according to their respective roles. Some interview questions were modified/adjusted on the day of interviews to clarify details or to probe into unexpected answers that emerged during the interviews. All interviews began from questions about themselves and their roles in their organisation to solicit oral history and allow research participants to feel comfortable with the interviewer, and gradually went into details and future prospects, finishing with asking recommendations on who each research participant recommends speaking to for further information.

Indicative questions asked to social entrepreneurs:

1. Can you please tell me a little about yourself and your organisation, and the how you came to develop your idea/organisation?
2. In the process of establishing your organisation, what kind of challenges have you encountered and how did you overcome them?
3. What do you think are some of the key factors that enabled your work to become successful?
4. What kind of people and networks were engaged in the process and how? Can you give me some insight as to how you made this possible?
5. In addition to external networks, how do you engage your employees and volunteers?
6. What might be some of the key outcomes created by your initiative?
7. I'm aware that you have won several awards for your work. What do these awards mean to you and how have they helped your work?
8. How do you see your role in terms of transitioning towards sustainable urban water management?
9. Being labelled a social entrepreneur, what does this mean to you and how does it distinguish you from other organisations?

Appendices

10. Looking towards the future, where do you see your work going?
11. Is there anything that we've discussed so far that you think has not been covered and would like to add?
12. Is there anyone you think I should speak to about your initiative?

Indicative questions asked to governments and NGOs:

1. Can you please tell me a little about yourself and your organisation, and the how you came to work for this organisation?
2. What might be some of the key challenges involved in your line of work?
3. What are some of the most important aspects of sanitation for you and your organisation?
4. How do you see your role in the sanitation sector?
5. In your line of work, have you come across any social entrepreneurs or have you heard of social entrepreneurs?
6. If so, who and how did you connect with them?
7. How do you think social entrepreneurs can contribute to sustainable urban water management?
8. What do you think are future prospects for collaboration with social entrepreneurs?
9. What does sustainability mean to you and your organisation?
10. Looking towards the future, where do you see your work going?
11. (After recapping on key issues) Is there anything that we've discussed so far that you think has not been covered and would like to add?
12. Is there anyone you recommend I speak to regarding social entrepreneurship?

Indicative questions asked to ecosystem supporting organisations:

1. Can you please tell me a little about yourself and your organisation, and the how you came to work for this organisation?
2. How does your organisation define social entrepreneurship?
3. When did your organisation start talking about social entrepreneurship and what did you call them before?
4. How has the phenomenon grown in Indonesia and why?
5. How do you see social entrepreneurship in terms of catalysing change in urban water and sanitation?
6. What do you think are some key challenges regarding social entrepreneurship?
7. What is your organisation's role in supporting social entrepreneurship and how do you think this affects them?
8. What are the benefits of supporting social entrepreneurship?
9. What is your future outlook on social entrepreneurship in the future?
10. (After recapping on key issues) Is there anything that we've discussed so far that you think has not been covered and would like to add?
11. Is there anyone you would recommend I speak to with regards to social entrepreneurship?

Indicative questions asked to employees, suppliers and networks:

1. Can you please tell me/us (depending on presence of translator) a little about yourself and your role in the organisation?
2. How long have you worked with this organisation and what does it feel like to work for this organisation?
3. How would you describe your relationship with the social entrepreneur?

Appendices

4. What do you think are some of the key outcomes created for community by your organisation?
5. What kind of interactions do you have with stakeholders and how does your organisation engage them?
6. What are your perspectives on the role of social entrepreneurship with regards to water and sanitation in Indonesia?
7. What kind of impact do you think this organisation is creating for the city?
8. Looking towards the future, where do you see your work going?
9. (After recapping on key issues) Is there anything that we've discussed so far that you think has not been covered and would like to add?
10. Is there anyone you think I should speak to about your initiative?

Indicative questions asked to community members

1. Can you please tell me/us (depending on presence of translator) a little about yourself?
2. Can you please tell me about your experience with this organisation?
3. How did this organisation approach you?
4. What do you think this village would be like without this initiative?
5. What are your future expectations from this initiative?

Appendix B: Explanatory statement and consent form

Participant Explanatory statement – Interviews

Project Title: From inadequate sanitation to water sensitive cities: Transforming Indonesian cities with towards sustainable urban water management with social entrepreneurship

Project number: CF16/2315-2016001161

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Dear Sir/Madam:

You are invited to take part in this study. Please read this Explanatory Statement in full before deciding whether or not to participate in this research. If you would like further information regarding any aspect of this project, you are encouraged to contact me via the phone number or email address shown above.

What does the research involve?

The aim of this study is to develop a framework for the phenomenon of social entrepreneurship that can be employed as a diagnostic and/or planning tool to maximise strategies for change towards sustainable urban water management, as well as improve equitable access to appropriate sanitation services and infrastructure. As part of this research you are invited to take part in individual interviews.

Source of funding

This research is funded through the Australia Indonesia Centre and Monash Sustainable Development Institute Research Grant.

Consenting to participate in the project and withdrawing from the research

- (i) Consenting to take part in this research process involves signing and returning the attached consent form.
- (ii) As a participant you have the right to withdraw from the research process at any stage of data collection, up until 30 April 2019.
- (iii) Data may be kept for future use by the research team in the future research projects.

Possible benefits and risks to participants

Participating on this research is of potential benefit to both participants and society. Participants are able to share their insights and experiences, which will then be used to produce a tool to strengthen the programs that they are involved in. The potential benefits to society are multiple, including programs that provide sanitation infrastructure and services in a more context-sensitive manner and which facilitate a more empowering and transformative use of water and sanitation.

No topic in the interviews is anticipated to be of a distressing nature to participants. The topics for discussion focus not on individual practice, but are intended to provide insight into the broader approach of the program. The only expected inconvenience for participants is the time involved in taking part in the interviews. If, for any reason unforeseen by the researcher, a participant is uncomfortable with a line of questioning the participant is able to withdraw from the research.

Interview Consent Form

Project Title: From inadequate sanitation to water sensitive cities: Transforming Indonesian cities with towards sustainable urban water management with social entrepreneurship

Chief Investigator:

Dr. Megan Farrelly, School of Social Sciences, Monash University, Australia

I have read the Participant Explanatory Statement or someone has read it to me in a language that I understand.

I understand the purposes, procedures and risks of the research described in the project.

I have had an opportunity to ask questions and I am satisfied with the answers I have received.

I freely agree to take part in this research project as described and understand that I am free to withdraw them at any time during the project.

I consent to the following:

	Yes	No
Taking part in an individual interview	<input type="checkbox"/>	<input type="checkbox"/>
Being audio recorded during the interviews, which will later be transcribed by a third party	<input type="checkbox"/>	<input type="checkbox"/>
To give permission for anonymous quotes from my transcript to be reported in publications of the research findings	<input type="checkbox"/>	<input type="checkbox"/>
To be invited to make myself available for review meetings or further individual interview if required	<input type="checkbox"/>	<input type="checkbox"/>
The data that I provide this research may be kept and used by the research team in future research projects	<input type="checkbox"/>	<input type="checkbox"/>

Name of participant: _____

Name of organisation: _____

Participant signature: _____ Date: _____

Appendix C: Coding

Words and phrases that matched in coding

Words and phrases used in Theory U	Words and phrases repeatedly emerged in data analysis	Research Participant
Open the heart (Compassion)	Empathy, compassion, my heart, help Open the heart,	SE1, SE2, SE3, SE4, SE5, ECO2-20A ECO2-21B EMP9-47F
Open the mind (Curiosity)	Open the mind Sense of belonging, community spirit Become part of the solution to the problem, Keep on testing, researching, experimenting, Obsessed, always thinking of	SE1, SE2, SE3, SE4, SE5, SE7
Open the will (Courage)	Willingness, fighting spirit, perseverance, positive thinking, courage Do with joy, passion	SE1, SE3, SE6, SE7 ECO5-24C
See with fresh eyes (Presencing)	Open my eyes, perspective taking New way to see things Call from the inner soul, divine calling	SE1, SE2, SE3, SE4, SE5, SE6
Listening and observing	Social investigation, social embedding Listen to the dreams of people Become one of them, shared understanding Believe in potential, dialogue	SE3, SE4, SE6 ECO24-23T EMP9-47F
Co-initiating	Comradeship, my team Community helped me Internal governance	SE1, SE4, SE5, SE7 EMP5-43D ECO1-20A ECO2-21B
Co-creating	Learning-by-doing, trial and error Learn together with community Social engineering	SE1, SE3, SE4, SE5, SE6, SE7 ECO2-20A
Co-developing	Never ending relationship Long-term commitment	SE3, SE4, NGO3-11H
Co-evolving	Grow together Dynamic change	SE1, SE3, SE4 ECO1-20A

References