Understanding Social Enterprise, Social Economy and Local Social Entrepreneurship in the Context of Rural Cambodia

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Abstract

Literature tells us that social enterprise, social economy (within which social enterprises are found) and social entrepreneurship are interpreted differently across countries and cultures by the practitioners and beneficiaries on the ground (Kerlin 2009). This is in large part because the drivers for these phenomena are context specific, particularly with consideration to three drivers, namely welfare regimes, market mechanisms and historic customs (Amin 2009). Elsewhere literature examines social enterprise as a discourse which has questionable relevance in less developed countries (Hackett 2010) and questions are being asked about the way that market discourses of social entrepreneurship impact on customs and the diversity of economic practices in less developed countries (Steyaert & Dey 2010).

This paper tries to interpret the drivers and interpretations of social enterprise in rural Cambodia by unpacking some of the expressed assumptions about social enterprise/social entrepreneurship. Qualitative data is used to test assumptions about social enterprise related to inclusion, participation, equity, and about social entrepreneurship related to individualism, innovation, risk appetite, ethics and values. Alternative conceptions of collective entrepreneurship are also considered. The research uses qualitative methods to explore the meaning which respondents give to themes and concepts and it is based on three case studies of social enterprises. Two studies have been undertaken in the Rovieng District of the north-western Preah Vihear Province in Cambodia, and the third in the adjacent Kampong Thom Province.
INTRODUCTION

Research tells us that the understanding of ‘social economy’ (a general term describing social enterprises in collective terms amongst other economic activities with social objectives) is contingent on the relative strength of welfare states and market mechanisms as well as cultural variables like the presence of cooperatives and associations (Amin 2009 see figure 1). The Less Developed Country (LDC) context in this analytical framework is borne out in Cambodia where not only are market mechanisms and welfare provision both weak, but trust and cooperation is still being restored in communities after decades of conflict. Also today Cambodia has one of the highest concentrations on NGO’s by population worldwide (Frewer 2013). The NGO and donor community which was built up as part of post-conflict reconstruction in the 1990’s is constitutive of a ‘parallel state’ that takes care of welfare concerns in separation from the Royal Government of Cambodia (RGC). There are particular concerns with the fragmented and ad-hoc nature of this provision of social services and it is notable that the diversity of international and bilateral aid sources in Cambodia is three times higher than the LDC average (Chanboreth & Hach 2008; Ear 2012).

Perhaps because of this, in Cambodia social enterprises are generally dependent on the NGO sector without being supported by the institutions of government (Lyne 2012; Ty & Anurit 2009). It could be the case, as is observed more widely, that NGO’s who engage in social enterprise (or ‘social business’) are seeking to escape from the control of donors as much as they are seeking greater certainty about their future (Dey & Steyaert 2010). These insights bring the potential of ‘impact investment’ and ‘impact markets’ into question because NGO’s cannot give away equity in their organisations.

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<td>Social economy often blends with informal activity, high NGO dependency and (at present) a weak impact on poverty reduction</td>
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*Figure 1: Situated practice of the social economy (adapted from Amin, 2009: 13-17)*
1. (SOMETIMES CONFLICTING) ASSUMPTIONS ABOUT SOCIAL ENTERPRISE AND THEIR RELEVANCE IN CAMBODIA

A range of concepts, namely social capital; competition; solidarity; governance and social entrepreneurship go a long way towards explaining what is seen to be the raison d’être for social enterprises from different points of view. These issues will be now discussed, critically examined and reflected in terms of what this might mean in Cambodia.

1.1. Social Capital

It is commonly assumed that social enterprises enhance ‘social capital’ by strengthening networks, empowering communities and becoming agents of change in the process of generating and co-producing sustainable services to the poor (Dacanay 2009). It is even been argued that harnessing and strengthening social capital should be the explicit objective of the social enterprise (Kay 2006). However, other authors calls for a more cautious consideration of community participation, stratification and the propensity towards community fragmentation when social enterprises serve the interests of selectively defined groups (Evans 2008; Toner, Lyne & Ryan 2008). In such circumstances, social enterprises can be operated in a way which undermines people’s capabilities and the capabilities of communities as a whole by retaining people within narrow networks. This undermines the agency derived from a wider range of contacts and compels communities towards further disadvantage in the form of ‘adaptive preferences’ as they make compromises on their legitimate expectations and pursuit of ‘that which they have reason to value’ (Cornelius et al. 2006, p. 6).

Furthermore, there are questions about whether social capital in the form of weak ties across networks within and across communities are really what counts in the success of a social enterprise or whether ties with authority figures and well-resourced individuals and organizations (sometimes called ‘linking social capital’) really matter more (Hulgård & Spear 2006; Toner, Lyne & Ryan 2008). These observations are pertinent in Cambodia where patron-client relations have impacted on the way in which people gain resources and sell their surplus labour throughout history in Cambodia (Scott 1972; Thavat 2010), and are even embedded in moral and religious views about virtue and hierarchy (Chandler 1984).

1.2. Competitiveness versus solidarity enterprises

Social enterprises have been interpreted by some authors as a mechanism for competitiveness and greater efficiency in meeting social needs (in comparison to NGO’s and the public sector) which is driven, a priori, by business principles (Pitta & Kucher 2009; Thompson, JL 2008). In notable contrast to competitiveness, academics emerging from the EMES network, reflecting a cultural tendency towards grassroots organizing, have set out social criteria for social enterprises which are more driven by processes than efficiency results. Social enterprise is valued for its tendency towards co-production of services between the consumer and producer to endure that social needs are addressed (Laville & Nyssens 2000), it is also idealized as an enterprise that explicitly serves communities through collective decisions, even by stakeholders outside of the enterprise itself (a “multi-stakeholder enterprise”) (Defourny 2001; cited in Defourny & Nyssens 2006, pp. 4-5).

Moreover, the multi-stakeholder model opens a social enterprise to direct involvement from other stakeholder enterprises, evidenced in the spin-off enterprises resulting from Italian ‘social-solidarity cooperatives’ (Thomas 2004) which tell us that competitiveness can have a lower importance than cooperation in the emergence of new opportunities for social enterprises. One of the key articulations is the ‘work-integration social enterprise’ which exists to provide employment opportunities for disadvantaged or disabled community members, this is one particular type of multi-stakeholder enterprise which became popular in Italy (Borzaga & Loss 2006) and in the East Asian context it has
gained recognition in the formulation of a legal entity in for social enterprise in South Korea under the 2006 Social Enterprise Promotion Act (Bidet & Eum 2011).

Drawing from a reading of other literature and from experiences in Cambodia, while siding with the view that social enterprises are a democratic means for community development we find problems with both positions in the free market and solidarity economy perspective. The competitive emphasis is explicitly market driven and at best can be viewed as an attempt at market reform. This is limited as it cannot change the epistemic trajectory of social enterprise set by markets as the starting point (Ridley-Duff & Bull 2011, pp. 142-43). However, this not to say that a radically democratic social enterprise would make sense in Cambodia and neither is it to say that a social enterprise should be ‘equitable’ in every respect. In Cambodia, equality is often not expected in economic relations and especially in relations with elements of patronage where selling surplus for less than its true value makes sense to people if they see some form of protection or favor over others in the future (Ledgerwood 2007; Thavat 2010). The expectation of equality might also make little sense when it is believed that people with an advantageous position are benefitting from merit making in a past life (Chandler 1984). Finally, the expectation that people would take part equally in a social enterprise runs the risk of repeating countless failures in prior participatory development programs. The assumption that people will want to participate or cooperate has been met by rural communities with frequent despair at the thought of being cajoled into a return to the way of living/surviving experienced under the Khmer Rouge (Meas 1995).

1.3. Governance theory

Different emphases on the raison d’être for social enterprises have given rise to different emphases theories on ‘governance’ which seem to be at variation in accordance with their situated nature of practice and in particular with their degree of market orientation. Most simply put there are differences of opinion about whether full stakeholder governance is desirable as a means of accountability and balancing different interests, or whether more limited ‘stewardship’ governance is appropriate to provide a necessary level of accountability without undermining the capacity of a social enterprise to function like a business and without undermining the creative, entrepreneurial flair of its talented members (Low 2006; Mason, Kirkbride & Bryde 2007).

The question that the governance literature raises, giving consideration for situated practice and cultural theory, is the extent to which it presses on the emergence and success of social enterprises in Cambodia. Recent work done in South East Asia might give some clues. In the Philippines it has been demonstrated that governance approaches of social enterprises impact directly on the empowerment of primary stakeholders and their development of capabilities to exercise new forms of economic participation. However, it cannot be assumed that social enterprises will be orientated in such a manner and the cultural obstacles to this can be significant (Dacanay 2012).

More widely research on Third Sector governance in East Asia indicates that ‘corporate governance’ by a board of directors has become popular and that perhaps western models are taking hold, albeit to a lesser degree in more authoritarian countries like China and Vietnam. But what is of particular interest is that despite relentless lectures from donors on ‘good governance’, evidence shows that donors often tend to prefer dealings with social organizations run by authoritarian individuals (Lyons & Nivison-Smith 2008, pp. 172-3). This is pertinent in Cambodia which is notorious for a lack of transparency in economic dealings including Economic Land Concessions granted either to powerful Cambodian business people (‘Ohkna’) or to foreign consortia (Chinese, Vietnamese and Thai most commonly) in partnership with a ‘local representative’ (Kerbo 2011; Loehr 2012). Moreover, despite high donor expenditures on governance and democracy, Cambodia has lived with a de facto one party political system for 16 years without realistic opposition to the Cambodian People’s Party and more particularly to the Prime Minister Hun Sen. But even this is inverted by economic growth enthusiasts in the donor community as the type of ‘political stability’ that underlies reliable investment opportunities (Chandler 2010; Peou 2010).
1.4. Social entrepreneurship

The discussion about governance forms and the responsibilities of individuals is pertinent to the discussion of social entrepreneurship because it relates explicitly to the agency and room for initiative that can be afforded to individual social entrepreneurs within a social enterprise.

Where social entrepreneurs were characterized as opportunistic, resourceful, bold and determined risk takers at the turn of the millennium who are, in a Schumpeterian fashion always engaged in ‘creative destruction’ in their pursuit of new, innovative and revolutionary ways to address the social problems that they care about (Dees, Emerson and Economy 2001, pp. 2-3), this has since been taken up extensively in other management literature on social entrepreneurship. ‘Social innovation’ is at the heart of what ‘systems innovation’ means in the context of social entrepreneurship (Nicholls & Murdock 2012), and social entrepreneurship is expressed to be ‘delightful’, stubbornly ‘unreasonable’, a critical contribution to sustainable development and as nothing short of the ‘solution’ to failures in the way that business itself is conceptualized (Elkington & Hartigan 2008; Mair & Martí 2006; Seelos & Mair 2005; Yunus 2006).

Further literature has refined social entrepreneurship into a ‘multidimensional construct’ which embodies risk appetite, balanced judgment and appraisal in financial opportunities and social return, and the virtuous belief in entrepreneurship itself as a means of social change, all at work within, and interactive with parameters set by the environment, need for sustainability and the social mission at hand (Weerawardena & Mort 2006). In this sense, through processes of ‘structuration’ social entrepreneurship becomes necessarily innovative and above low level arbitrage (Nicholls & Cho 2006). All of the above points have been embedded in the literature to the point of uniformity in their acceptance of the social entrepreneurship modus operandi. These features are accepted to the extent that they are now considered tools for interventions in a manner comparable to project cycle management approaches (see Jacobs 2006; Robinson 2006; Zahra et al. 2009). Elsewhere, literature calls for a research which is acceptant of these principles, observed in now almost countless case studies, and to scale this up in a new research agenda with multivariate analysis of social entrepreneurship (Short, Moss & Lumpkin 2009).

However, literature which casts a critical point of view on the ‘heroic individual’ paradigm of social entrepreneurship tells us that social entrepreneurship has not been ‘reflected’ but rather ‘bought into being’ by research and the language which has been used (Steyaert & Dey 2010). The emphasis has religious overtones when they revitalize liberal capitalism by inviting people to ‘hope’, while these overtones are obscured by the technical emphasis that makes social entrepreneurship seem a simply common sense, ideology free approach to development problems (Dey & Steyaert 2010, pp. 91-2). These overtones might not be communicable across cultures and in Cambodia ‘hope’ could mean something quite particular. Furthermore, where there is talk of innovation as a necessity per se in social entrepreneurship there is a tendency to marginalise emerging social enterprises which are not innovative, even if they are entrepreneurial in the way they pursue an opportunity (Spear 2006, pp. 404-5). In this case ‘innovation’ also becomes a performative discourse separating ‘high-level’ and ‘low-level’ social enterprises which, in the context of Cambodia could marginalise many of the ways that ‘business’ would be understood.

The body of work developed by Dey and Steyaert seems to be more pertinent to a country like Cambodia. Social entrepreneurship can bring to life different and more resourceful ways to address pressing issues such as poverty and the need for certain services to improve wellbeing. However, local narratives which tell how social enterprises might emerge and how people play a part in them could be excluded by emphasising social entrepreneurship as a technical innovation rather than something that must be interpreted and related to. In the Cambodian context, it is important to explore critical discussions of individual heroism that emphasise collective innovation and ‘circles of entrepreneurship’ in the form of supportive/facilitating actions undertaken by a range of actors working in different institutions (Spear 2006, 2011).
2. RESEARCH PROBLEM

The literature reviewed has raised a number of thematic issues which are widely discussed in context of western societies but less well discussed elsewhere, and certainly less well discussed in the complex context of Cambodia. What emerges of relevance is the emphasis that social enterprises have been touted as a more sustainable, legitimate and focused way to address many development concerns than the avenues provided by aid and grant dependent NGO’s. However the technical measures prescribed and the assumptions about community empowerment, competitiveness, counter-posed by alternative interpretations of solidarity and participation, and the desired form of accountability, all need greater qualification in Cambodia. To date research on social enterprise is scarce, some articles have surfaced in recent years but there is a lack of comprehensive analysis particularly outside of the capital Phnom Penh. Our particular research questions were:

• How do ‘social enterprises’ emerge, survive and or thrive/succeed in rural Cambodia?
• How do the members of a social enterprise interpret its raison d’être and success?

3. METHODOLOGY

Three case studies are composed from data collection on organizations which broadly fit a social enterprise as defined in the literature. Drawing from Peattie and Morely (2008) they are united by the fact that they trade and, to varying degrees perform an explicit social purpose. Beyond this there is considerable room for variation as other features tend to be characteristic of ‘ideal types’ that raise contradictions in practice. The further connecting feature is that the studies are concerned with issues facing rural communities. These studies have been undertaken in close proximity (see appendices 1 and 2). Two studies are within 15 km of each other, the first in 2 villages close to the Phnom Daek town, within the Romoneiy Commune in Rovieng District, Preah Vihear Province, and the second in the Rovieng town centre. The other study was undertaken (partially) in Kampong Cham, but within 30km of the Romoneiy Commune which directly boarders the Kampong Cham Province to the north. These case studies were undertaken between March and May 2011.

Drawing from the literature on social enterprise and social economy, and placing this in the rural context of Cambodia, three typologies of social enterprise have been identified. Firstly, the standard interpretation of a social enterprise and the habits of social entrepreneurs that fit the description of the ‘enterprising non-profit’ (Dees, Emerson & Economy 2001) are identified in the study of rural health centers implemented by Marie Stopes International that specialize in family planning using a cost recovery model. Secondly, an organisation which fits the idealised typology of the ‘community-based social enterprise’ has been identified, called the Leukkompos Satrey Agricultural Development Cooperative. This model serves to diversify economic activities and improve rural community ‘resilience’ to shocks and stresses by identifying and harnessing local norms of mutual assistance and by developing capacities for resource sharing and reinvestment of surplus resources into the community (Community Economies Collective & Gibson 2009; Gibson, Cahill & McKay 2010). Thirdly, Resin Producer Associations in two villages in the Romoneiy Roveing District have been identified as a form of “commons-based social enterprise”. This model complements the theory of ‘community-based’ forms because it also explicitly targets ‘resilience’ but is more directly focused on complex systems, adaptive capacities and resilience in the face of competing claims on common pool resources which are linked from the local community level to the international level (Berkes & Davidson-Hunt 2007).
4. DATA COLLECTION AND ANALYSIS

The data for each case study has been collected through semi-structured interviews and focus group discussions. There were two different types of semi-structured interviews:

1. Semi structures interview with group members/primary stakeholders (8 interviews in each case study);
2. Semi structured interview with identified ‘group leaders’ (2 interviews in each case study).

Three focus group discussions took place, one within each social enterprise studied. Each involved four people who had previously been interviewed by semi-structured interview (enabling better reflection on the content). In each case at least one identified ‘group leader’ has taken part.

Drawing from the literature reviewed we have identified manifest variables and worked them into a series of thematic questions which explore:

• business and ‘business profit’ – including latent content like the importance of profit for different purposes, the roles performed by a business, its responsibility to others and things that make a business successful;
• innovation – including latent content like the importance and ease of doing something new, personal experience of doing something differently or likelihood to do so in future;
• risk – including latent content like necessity of risks, aversion to risk and moral concerns associated with risk;
• ethics and values – including latent content like social and religious norms or teaching, and whether it is ever necessary or acceptable for a business to go against these norms;
• community and business – including latent content like community involvement and responsibility and the relative responsibilities of different kinds of businesses;
• equity and decisions – including latent content like decision makers and the rights to make decisions by people internal and external to the enterprise in different types of business and views on the pricing and remuneration including compensation for the less able.

Insights have been organized by exploring sub-themes as follows:
1. Internal/external and micro/macro level ‘drivers’ for the emergence and development of ‘social enterprises’ and participation within them.
2. The importance of innovation and creativity and forces that constrain this.
3. The application of theoretical assumptions about empowerment and responsiveness to social needs which are expressed in the wider literature.

5. ROVYEUNG DISTRICT RESIN PRODUCER ASSOCIATIONS

Preah Vihear is one of four rural provinces targeted by the Creative Industries Support Program (CISP) which was jointly implemented by four United Nations agencies in Cambodia alongside Ministries of RGC. In Preah Vihear resin production and marketing was a CISP focus because it is a traditional product of the largely Kouy indigenous peoples in the province (EDI 2010). CISP aims to “revive Cambodia’s tangible and intangible cultural assets”, preserving Cambodian heritage in a way which realizes the potential of these assets for job creation, economic growth and poverty alleviation. Essentially CISP has sought to be relevant to “local people’s needs and expectations” by promoting “cultural entrepreneurship” and improving the identification and exploitation of market opportunities through better organizing (MDG-F 2008, pp. 2-4). Pertinently to the literature on social enterprise, CISP documentation identified deficits in human and social capital as a focus of attention, particularly amongst women who do not have access to business development and networking opportunities in the same way as men (p. 8).
It is noted that indigenous groups in Cambodia are increasingly vulnerable to poverty and that indigenous peoples themselves are expressing that access to natural resources, including non-forestry timber products such as resin, has decreased in recent years (Chhin 2005 cited in ILO 2010, p. 13). While indigenous resin tappers reported that they could collect 40 liters of resin per day before 2005, a baseline survey in 2009 found that they could rarely collect 20 liters in one day (p. 19) (ILO 2010: 19). Therefore protecting natural forestry resources and negotiating and managing access to Non Timber Forest Products (NTFP) are critical issues for indigenous peoples who have been using such resources to support their livelihoods for generations.

5.1. Drivers for emergence of the association and participation in its activities

Two Resin Producer Associations (RPA’s) have been researched. One emerged independently in the first instance but gained greater coherence with support commissioned from local NGOs and consultants by the United Nations Creative Industries Support Programme (CISP); the other RPA, emerged purely in response to efforts of agencies commissioned by this UN program. In both RPAs, the association leaders are males in their forties. It seems that the process of choosing leaders is impacted by a sense of trust (in mature villagers) and security (which the eldest are not able to provide). In both RPAs leaders have emerged democratically, this stands in contrast to village leaders who are business people with connections to more well-resourced or powerful actors outside of the village. This suggests that while ‘linking’ social capital is relevant to patron relations through the village leader, RPA leaders have a wider interaction and enjoy the support from village members and the outside agencies including the local NGOs commissioned by the UN to implement CISP (although this in itself may be understood locally as another kind of patron-client relationship). To some degree RPA leaders also negotiate with local officials including the representative of the forestry commission.

According to informants, the primary purpose of the association in both cases is financial security and its success is measured by almost purely in terms of the preservation of members and their families’ livelihood. All respondents over the age of 50 could not envisage any other benefit than selling resin, perhaps illustrating that the memories of conflict and near starvation still weight heavily on collective understandings of livelihood. Amongst other members, the expression that the RPA should bring people together and resolve differences is overshadowed by the widely shared view that the association exists to seek money or materials from the implementing local NGO. This reinforces criteria for selection of the RPA leaders, particularly within the association which was prompted by CISP consultants, and serves to underline the earlier point that NGOs and donors have become a parallel state of welfare providers on which rural communities are intensely dependent. It also raises the point that what is supposed to be a value chain intervention to promote trade becomes a source of aid on the ground, conferring with Thavat (2010) that attempts to distinguish gifts from commodities, or aid from trade (the donors raison d’être for social enterprises) lacks credibility in rural Cambodia. The RPA leaders express a much stronger sense of social and environmental purpose for association activities like forestry conservation and community organizing, but even their rationality is primarily one of better financial security and seeking the support of a local NGO for their activities.

5.2. Innovation and opportunity

RPA members are indifferent about whether it is better for the organization to try to do things in a new way or to continue as they are; where innovation is (rarely) talked about it is in the context of individual activity and not in the context of work undertaken within the RPA. One member was assertive about the need to find new ways to make the most of time in the forest, and had success selling wild animals in the district, but did not see this as a way of using RPA resources in new ways to better effect.
Leaders demonstrate some desire for experimenting, either by diversifying products and using the RPA to better effect in the process, or by organising into a larger group for selling that would allow wholesalers to come to them, reducing their own costs and promoting quality control to get better prices. Despite leaders expressed ambition, in practice innovation is heavily constrained by inertia and a perceived lack of resources and capability to act. There is a sense that it is for the NGO, procured by CISP, to come up with suggestions for doing things differently and to advise them accordingly. The same is true of opportunity recognition which seems easily stifled when respondents are quick to identify systemic constraints on their agency; selling bamboo shoots in Phnom Penh is seen as an opportunity but the transportation cost is too high, rice trading is attractive but there is a need for money to get started. Again, the sense is that they cannot do any of these things without the action of an external agent on their behalf.

PRA leaders also express that innovative selling is constrained by the accepted practice of selling to the community leader who then sells to the wholesalers outside of the village. Further exploration indicates this system is justified on the basis that resin producers do not trust each other and have failed to organize collectively for selling, and for this reason they continue to sell to the village leader (who is a trusted business-person). This is elaborated in group discussion where there is a sense that members do not benefit as much as they could from the value chain; some changes in selling practices have been accepted by the village leader but discussion about further resin processing (especially of liquid resin) demonstrates a reluctance to challenge the position of the village leader who would not pay them for processed resin products. This insight essentially tells us that vertical relations, particularly links to patrons directly or to more powerful actors through other actors, are a crucial factor in determining how far innovation is likely to go, at least in the short term, and whether innovations are likely to be adopted within the community. Where donors want to make a commodity chain more inclusive through social enterprise in forms like associations, concurring with Thavat (2010) there is a need to think more closely in the context of Cambodia about how the commodity chain is bought under the control of particular actors and who their interventions would be most likely to benefit. Where Dees, Emerson and Economy (2001, pp. 279-82) talk of innovators, early adopters, late adopters and laggards there is a need to consider whether accepted vertical relations dictate that the early adopter would often need to be in a position of accepted influence.

Furthermore, and perhaps most importantly, the idea of ‘social innovation’ gains very limited traction amongst respondents. In some instances respondents expressed that the association could find new ways to improve community organising and do things differently for social benefit (implicit social innovation), and it is encouraging to see this view expressed by a number of group members in addition to group leaders, but their elaboration on this view is constrained: firstly, there is a generally expressed view that better organising is what the association ‘should do’ but not a strong sense of what it ‘could do’; secondly, the idea that that the association can generate social changes is contingent on the advice of external agents, demonstrating again that significant innovations, for example in harmonising social relations in resin groups with other kinds of services to strengthen livelihoods, are unlikely to emerge from within the associations themselves and again there is an emphasised dependency on external assistance.

5.3. Community empowerment and responsiveness to social needs

Private responses do not indicate that membership of the association has promoted a sense of self-belief. For example business success is commonly attributed to relative inequality and the ‘starting positions’ of power and wealth. However, a small number of members (notably including RPA leaders) provide a relatively balanced view of structure/agency when emphasising the importance of knowledge at the same time as power or efficiency of connected networks. Nevertheless, the two issues tend to merge and the power to act through knowledge is subservient to where people start from. Respondents express that people with more power and better connections inevitably have more knowledge that is of value and are thus incomparably more ‘capable’ of taking action. The group discussion brought out a better sense of organization and awareness about cooperation that might
allow people to act in a more proactive manner. However, the responses of association leaders themselves are typified by a return to dependency logic, for instance the rationality for rules and better behaviour in the community is not related to greater likelihood of successful business and local economic development but rather that this will gain the trust and assistance of NGOs.

Privately villagers are divided over participation in decision making. While it was mostly expressed that leaders or ‘special people’ should not act alone because they might not act in the community’s interests, this varied by degree and in many cases respondents expressed that villagers should be involved in decisions only when the leader has determined what decisions need to be made. It is notable that the strongest difficulty in getting members to attend meetings was expressed among members of the association initiated by CISP consultants who expressed strongly that the leader should take care of matters and liaise with the NGO on their behalves. The focus group discussion contradicted private responses somewhat; respondents in public were more at pains to say there should be more involvement in decisions. However, the manner in which RPA members took their cue to speak from RPA leaders and also gave similar responses when speaking after RPA leaders, to the point that the researcher needed to ask leaders to speak last, not only undermines the articulation that involvement is desirable but also further underlines the dependency of RPA members on their nominated leaders. All of the above issues serve to further underline insights that social capital and trust were so damaged over the space of the last three decades of the 20th Century so badly in Cambodia, that for outsider agencies, whether they come with the conventional NGO project or the more recent social enterprise and value chain intervention, to expect the full cooperation of the community is naïve if not highly destructive and detrimental to the restoration of damaged social assets (Meas 1995).

In private, most respondents stress that any profit made through the association is the property of individuals and their families and there is no emphasis on pooling profits for community improvement. In some instances it is felt that the association should get involved in providing more wells and a latrine, or providing timber for construction, but even here there was scepticism and once again greater emphasis on NGOs as the means to gain these resources. The group discussion about profit presented a different perspective to the private responses as pooling profit and leverage credit for community village improvements, and the capacity to diversify revenues (implicitly promoting community resilience) readily came to the surface. Although there was a tendency for association members to follow the responses of association leaders, the differences in the public and private transcript were nonetheless remarkable and do suggest there is a potential for acceptance that resources could be reinvested into the community if the RPA leader were to push for it. The caveat here however is that responses in this respect were more assertive from respondents in the indigenously formed association than in the one which was prompted by CISP consultants. This raises the obvious emphasis that an organically formed association is more sustainable than an externally led one, and that it is not easily replicated.

There is no acknowledgement of equity by resin producers or of responsibility towards disadvantaged members; some respondents said those who work hardest should get more money regardless of the ability of others, while older respondents expressed that smarter people get more money and that people at a disadvantage (including disability) need to give more thought to how they get money. It is commonly said that if somebody is badly disadvantaged they must go to the NGO and that the association should not have any responsibility. In this instance, it is clear that understanding of the association would not fit that of a work-integration social enterprise. This is despite that the RPA membership included amputees and that the Preah Vihear Province was the scene of on-going conflict with Khmer Rouge guerrilla forces until 1997 and is one of five provinces which collectively account for more than 60 per cent of the landmine contamination nationally1. Aside from this there are situated variables for consideration. It is reported that families commonly consider a disabled child as punishment for misconduct, sometimes in a past life, and that parents might be inclined to hide disabled children at home out of shame (Takamine 2004, p. 18). Although in depth research

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finds that the influence of religion on how parents approach disability has rescinded as donor interventions have increased the inclination towards medical treatment (Morgan & Tan 2011), this is not to say not to say there is a sufficient propensity towards inclusion and equal rights for people with disability. Notably people who have a sexually transmitted disease or cancer, or who are deemed ‘mentally defective,’ can be forbidden to marry under Cambodian law while people with disability are also prohibited from teaching jobs (Connelly 2009, p. 136).

There is little evidence that RPA membership improves risk appetite. Risk aversion is evident across all ages but is much higher amongst older respondents. Risks are commonly expressed as ‘bad’ (in the ethical sense) and there is no recognition of (even in potential) of the ‘strategic risks’ that Weerawardena and Mort (2006) place at the centre of visionary social entrepreneurship. Where risk taking happens it is born of immediate perceived necessity, a commonly expressed risk is that they sell resin on a day to day basis as they need the money when they might get a higher price at another time. RPA leaders are also expected to mediate with authority figures on an ad-hoc to mitigate some of the risks of resin collection which result when more powerful agents want to exclude them from the forest. Critically for attention of the donor community, group discussion showed a lack of coordination with other government programs because the producers are frequently denied access to forestry by police and sometimes military agents. This is despite that CISP was coordinated across four RGC ministries (Culture and Fine Arts, Industry, Mines and Energy, Commerce, Agriculture, Forestry and Fisheries).

This discovery underlines the point in the literature review that aid projects invariably suffer when the agendas of one Ministry, or a consortium of Ministries, conflict within the parameters of a donor-led program. With the Ministry of Commerce aid projects even cause internal conflicts as they implement programs for Economic Land Concessions (ELC) which fundamentally undermines their commitments as eager aid recipients through programs like CISP. The researchers observed in the space of three months between a first and second visit to Romoneiy Commune that expansive areas of forestry were cleared in a short space of time to make way for cassava plantations. The findings suggest that demarcation of forestry for ELC is a main reason for the exclusion of resin producers. This in turn shows how palliative donor development projects are stymied by politics and rent-seeking of Governmental partner agencies and underlines the need for more attention to the range of interests that they can have.

5.4. Summary

Resin producer associations in Romoneiy Commune have begun to organise themselves to seek a degree of protection when collecting resin, so they can be represented collectively in discussion with local authorities about access to forestry resources. Overwhelmingly, members say they have joined the associations to improve their income, although some crucial distinctions between the two village associations significantly boil down to the way they emerged, one more organically and one through outsider intervention procured by a donor-led program. In the first instance, forestry protection seems to be more important for their livelihoods, given the rate at which deforestation has been happening sometimes with the participation of resin producers themselves when they are in difficulty. This illustrates how out of distress resin producers can be complicit in the destruction of their own livelihoods (see picture 1). There is also a strong sense that relations with outside forestry officials is important to maintain access to non-timber forestry products, and they have joined the association in part to promote better behaviour so that they are not denied entry by forestry officials.

In the second instance, there is less agreement about behaviour and less sense that regulating behaviour is necessary for their income. There is a more instrumental approach to getting a better income, there is less self-reliance and more inclination to think that the association should be organising more to sell resin on their behalf. In both instances it was sensed that resources should come from the local NGO, and that the RPA leaders’ main job was to ensure that this happens. The dependency logic has implications for innovation, risk taking and community empowerment, however
it is evident that the demand for resources from external agents was higher in the association prompted by outside consultancy.

In summary, the way that social capital and collective rationality works in one association is not easily replicated in another instance, and assumptions about participation are questionable when willingness is distorted by outside incentives. It could be recommended that in addition to marketing support for newly formed associations, donor interventions might draw more readily from ‘asset based’ approaches (see Cameron & Gibson 2005; Mathie & Cunningham 2005), starting with the people’s own ideas and invest the time into encouraging people to identify assets of their own. In addition implications for supporting natural resource based (or ‘commons-based’) social enterprise development which echo problems with aid programs to support livelihoods more widely include the need to identify conflicting agendas at the authority level to help with ensuring that resources and time do not go to waste, and also that the appetite of participants is not undermined in the process.

6. LEUKKOMPOS SATREY AGRICULTURAL DEVELOPMENT COOPERATIVE

Women Empowerment Associations (WEAs) were established in 2002 in 5 communes of the Rovieng District in Preah Vihear by the Canadian Adventist Development Relief Agency (ADRA), whose objectives include to find “culturally appropriate, yet innovative, sources of income to help people live interdependently and cooperatively while increasing their productivity and improving the quality and security of their livelihoods” (ADRA 2011, p. 14).

ADRA recruited local WEA leaders/facilitators and provided them with community development and personal empowerment training, with the objective that these women would develop the vision and skills to make a difference in their communities. Through WEAs, ADRA expanded community literacy services by training women facilitators to use participatory teaching methods like REFLECT (Regenerated Freirean Literacy through empowering community techniques). Particular pedagogic objectives included the promotion of greater voice in the community; sense of personal responsibility; and accountability among local authority leaders (p. 7). Facilitators were also trained in problem tree analysis and with other women in the community they developed action plans for improving livelihoods based on their identification of the underlying causes of poverty. WEAs started out with microcredit activities, each receiving a fund of USD 5000 to provide small loans for income generating activities.

In 2005, the Rovieng District WEAs amalgamated into one association which has an office in Rovieng Town and has operated independently of ADRA since March 2010, formed as the “Leuk Kompos Satrey Agricultural Cooperative” and registered as a Women’s Association Federation (WAF) by the Ministry of Agriculture, Forestry and Fisheries (MAFF). They have a total 14 staff who work full time.
Broadening from micro-lending, the Association has been successful in providing agricultural extension, veterinary, education, and marketing services, in addition to microcredit which is now linked to national networks of community finance institutions and is able to allocate a portion of the return from lending to local social and infrastructure development projects. The Associations services are not only accessed by its members but also by local private companies and NGOs that operate in the district.

6.1. Drivers for emergence of the association and participation in its activities

The most influential ‘drivers’ for the emergence and development of the Women’s Empowerment Association has been the technical support and loans provided by ADRA, and also the official recognition from MAFF with a small grant from the Provincial Department of Agriculture. The present membership is about 300 households and approximately 700 members. Committee members (and some association members) view the development of the association as a derivative of benefits garnered from comparatively-low interest saving/loans, relatively-low service charges for animal treatment and agricultural skill provision, and cheaper animal feed and drug sale in addition to other community development activities conducted by the cooperative. Members believe these businesses profit both members and non-members (although non-members are not permitted to get a loan from the association and they are charged a higher fee than members for services they purchase from the association).

Committee members express a strong commitment to “community development”, mutual help and motivation for “gaining experience” as their reasons for joining the association from the start. There is a strong articulation by committee members and community/association members that the association benefits both members and non-members as the gains from its businesses (mainly savings/loans, animal treatment, sale of animal feed and medicine) remain in the villages and are used for community development (such as road maintenance/repairing). Some committee and association members compared this sort of benefit with private businesses (such as microfinance institutions and commercial banks) that take the profits away from the villages. These indications of the social and cultural factors that underpin respondents reasons for joining, provides a sense of optimism that indigenous forms of self-help and mutual assistance, which are documented in anthropological texts in Khmer studies (Kim 2011; Thompson, A 2008), are being restored in a province which was among the last ones to see the end of civil war.

According with the theoretical framework for situated practice, this could be indicative of a move away from less formal and NGO dependent behaviours (the association now operates independently) towards a model of ‘community-based social enterprise’ that promotes economic diversity. In the continued context of weak markets and welfare, and in the wider context of support being provided to associations and agricultural co-operatives by Buddhism for Development with significant leverage of government support, this would be of interest to academics researching the ‘post-capitalist’ possibilities and solidarity economies being thought out elsewhere (Community Economies Collective & Gibson 2009; Lechat 2009).

However, optimism that the above incentives are enough to sustain a social enterprise needs to be tempered somewhat by other realities in Cambodia. Despite the importance attached to social development and improving the community, especially for women, community/association members still express that “improving income”, especially through saving and loans, has been their prime reason for joining the association. Out of over twenty committee members when it was formed in 2010, only 14 members remained at the time of interview and those who left had done so due to

\[2\] Buddhism for Development is an NGO based in Battambang Province but operate a program to promote agricultural cooperatives nationally. They provide direct support to more than 35 per cent of the agricultural cooperatives in Cambodia (see [http://www bfdkhmer.org/](http://www.bfdkhmer.org/)). Importantly, Agricultural Co-operatives are the only form of co-operative legally recognised by RGC.
“low incentives” (a meagre monthly allowance). By the time of this research, the Chair of Board of Directors had moved to another organization.

Association members hold dear trust for committee members and view them as devoted, hard-working and caring for the community. Committee members operate and decide on daily activities whereas association members partake in monthly meetings where saving/loans are settled, agricultural skills are trained and primary health education is disseminated. Association members also attend the annual congress where they decide on dividends from the shares they hold and on annual plans of activities. There are then very strong and organised principles of governance and accountability, some of which will have been learned through prior experience using REFLECT for literacy advancement in the community. Although decision power over dividends and the annual plans is dissipated widely amongst several hundred members, it seems that between the annual congresses democratic direction is more limited. Moreover decision processes fall firmly within the private member mind-set.

It does not seem that the ‘multi-stakeholder’ model with decision power granted to both internal and external stakeholders would be likely to emerge naturally. But an interesting point here is that such direction might be undesirable. While decision power outside of the enterprise is proven, for instance in Italy, to have a strong bearing on the likelihood that an enterprise will be responsive to social needs and less likely to experience ‘mission-drift’ (Thomas 2004), in the context of Cambodia decision power granted to individuals outside of a committee controlled by women could have negative consequences for female empowerment. It is notable in Cambodia that women tend to vastly occupy lower positions in industrial sectors. Women constitute half of the active labour force but 83 per cent of them are in self-employed or unpaid family work, when they work formally they are vastly over represented in low paid processing, notably in the garment sector (Ing 2008). This is not to say the position of women goes without attention from the RGC, the Ministry for Women’s Affairs (MoWA) is well resourced and is making some inroads into mainstreaming gender in trade policy and has paid attention to industries like silk which might have low export potential, but do have ‘medium to high development impact’ (p. 22). In this instance then, a WEA which limits the decision rights to female committee members becomes an affirmative form of action at the micro-level which is consistent with meso and macro level objectives developed by the MoWA.

6.2. Importance of innovation and opportunity

It is arguable that the use of REFLECT has been an innovation in developing the appetite for an association that serves women in the community, but this was on the part of ADRA externally and moreover the main impetus for the WEA was the loans that ADRA also provided. Throughout the development of the association, expanding from saving/loans, the committee members sought new training in animal treatment from the Provincial Department of Agriculture (the training was funded by ADRA) and they gradually provided animal treatment services additional to other agricultural skills. Moreover, they were active in the identification of these improvements and additions to their skill sets, demonstrating that although the training has come from ADRA the committee members are indeed innovative in the direction that they have taken the association and the way in which they put its resources into use. Going forward, committee members have expressed the intention to produce dish-washing liquid for sale as there are members who know how to manufacture this. Where indigenous innovation may not explain the emergence of the association, it has been important in its subsequent development.

Committee members also expressed a desire to implement rice storage and pig-raising as new business activities since they have seen associations in other districts doing these businesses successfully. This underlines the view expressed by Spear (2006) that an over emphasis on innovation can exclude the emergence of social enterprises which just ‘seem like a good idea’, and in Cambodia the habit of one person copying another when they sense a business opportunity is common place. This may suggest that the overemphasis on innovation and heroism performatively marginalises the sometimes remarkable social-business achievements of the least wealthy.
Notwithstanding the opportunities which the committee members would like to pursue, they need more capital to realise these business ideas. In addition to aid and loans from larger NGOs and donors they have also asked about the possibility for joint ventures with external organisations. To some degree there is initiative in considering the ways that finance might be raised and there is an identified need for more training and assistance in this respect. A few committee members also wish to transform the association into a microfinance institution. These responses show that innovation is again tempered with the tendency to copy what works elsewhere, however the paradox is that from most proponents of social entrepreneurship the move into microfinance itself would be applauded. If social entrepreneurship is a performative discourse then microfinance is perhaps the most performative part of all. Such is the weight of donor resources behind microfinance, which in the words of the former World Bank President James Wolfensohn (quoted Dey & Steyaert 2010, p. 90), it has “brought the vibrancy of the market economy to the poorest villages and people of the world” (our emphasis), that turning to microfinance in the interests of sustainability subjects social enterprises to a form of isomorphism which puts ‘markets’ at the centre of a post-ideological notion of social change that reifies self-service and profit maximising to the exclusion of other kinds of economies (Steyaert & Dey 2010, p. 248). The paradox then, is that writers on social entrepreneurship who applaud microfinance undermine the tendency for innovation which is deemed to be so important. It is a realization of the concerns expressed by Dart (2004) that the market-based trajectory of social entrepreneurship will inevitably undermine its own legitimacy in terms of innovation.

6.3. Community empowerment and responsiveness to social needs

The association seeks to empower its members through income generation from saving/loans for farming, animal raising and vegetable growing. The committee members express that many of the association members have stopped or reduced borrowing from private institutions at higher interest although there is no hard data to support the extent to which this has taken place. Social capital (mutual help) has improved among members, as there has been a growth in different forms of knowledge sharing. However, this social capital might be viewed as a ‘bonding’ form more than ‘weak ties’ because non-members are excluded from community development activities like agricultural skill training and primary health care education and they are also charged more for services. This could serve to limit the contacts that the group has with different people in the locality and in nearby localities raising concern that there is a failure to fully optimise the capabilities that can be developed through a social enterprise.

Despite not optimising capabilities to the fullest extent, the association has demonstrated a growing sense of ownership and independence, both officially since March 2010 and also in practice as it moved towards independence from ADRA over time. The association has increased its capital and savings and has been able to buy land, build a headquarters and has now paid back its loans to ADRA. But the need of the association to network more widely and operate more inclusively in the interests of optimising capabilities and the legitimate expectations of stakeholders is demonstrated by the its inability to meet the diverse and complex needs of members who have new business ideas, and by the need of the association to scale up its operations by leveraging more external resources. It is expressed that the association is especially unable to meet its members’ needs for more loans and it would benefit from having more money to this effect, although this returns us to the concern that performative language is taking hold of the association. Peoples’ ‘need for financial services’ seems to be the most often repeated logic for microfinance, but in this instance we are asked to question how does this ‘need to borrow more’ is determined and whether a better term is really ‘desire to borrow more’, and also if the real need is not the capacity to manage and use money more efficiently for investment.

3 This was recently reiterated by Álvaro Rodriguez, Chairman of the Board at Compartamos Banco, Latin America’s largest microfinance organization which has leveraged resources through stock market flotation, fundamentally questioning the notion of decisions being made on the basis of interest rather than ownership of capital that preoccupy other writers. The podcast is available at: http://www.bbc.co.uk/programmes/p0173gy0
6.4. Summary

The management committee members have identified some new business ideas (such as rice storage for sale, pig raising and production of dish-washing liquid) which they think are profitable and viable for their members. Notwithstanding, they do not have sufficient capital to finance these businesses. The cooperative needs external funding or joint ventures to start up these ventures. This requirement of external resources does not necessarily imply less ownership and independence of the association however the manner in which the leverage of these resources is perceived, either through more donor funding or funds to expand in microfinance shows that a degree of dependency logic remains and that there is a tendency for isomorphic pressure to impact on the strategic orientation. There is a very strong commitment to equitable community benefit but it is confined largely within the private-member mind-set and it does not demonstrate an appetite for multi-stakeholder democracy. Moreover, the manner in which decisions are routinely taken suggests there is an orientation towards stewardship governance that enables the board to think more independently about business decisions.

Despite the limitations, the development of the association is an overwhelmingly positive advent in the local economic development of Rovieng District which has been vastly beneficial for community members and for women in particular. The association has diversified its own economic activities and contributes to economic diversification and resilience in the locality, enhancing financial assets but equally importantly developing new physical assets in the community and harnessing and strengthening social assets including skills and relationships that enable skill sharing across communities. The association is both a business and a social innovation in the locality, it has managed to bring some resources into use in new ways and it has creative ideas for new business development. The solid foundation of the association in terms of its long history, accountable management structure, embedded membership and consistently increasing capital assets, demonstrate great potential for additional growth and sustainability if it manages to leverage greater external resources, although we are open minded about where these resources or finances might come from and sense that the association might fit the description of a ‘hybrid’ mixed resource organization.

7. MARIE STOPES INTERNATIONAL – CAMBODIA

Marie Stopes International is an International Non-Governmental Organization focusing on sexual and reproductive health. The organization advocates in favour of the right to termination and provides this service along with other reproductive healthcare services. MSI was founded in 1976 by Tim and Jean Black who had seen at first hand the devastating effects that unplanned pregnancies have on families in Africa and Asia. Dr. Tim Black pioneered a commercial approach to sexual and reproductive health services and Marie Stopes has grown through franchising arrangements. MSI is widely recognized for its innovative use of social marketing to get contraceptive products into poor communities. In 2010, Marie Stopes International’s 629 centers, across 40 countries provided seven million couples with health services, including family planning; safe abortion and post-abortion care; maternal and child health care including safe delivery and obstetrics; diagnosis and treatment of sexually transmitted infections and HIV/AIDS prevention. In 2011 Marie Stopes is estimated to have prevented 4.5 million unintended pregnancies worldwide.

Marie Stopes International – Cambodia is a self-defined social enterprise that provides reproductive and sexual health services in seven clinics across Cambodia (Phnom Penh, Kandal, Battambang, Koh Kong, Kampong Thom, Siem Reap and Svay Rieng). They aim to offer state of the art, friendly, highly qualified and welcoming clinical services to men and women in the country. Services range from advice to different forms of contraceptive including contraceptive injection and surgical procedures.

including vasectomies and termination. Interviews were conducted at the central office of MSI Cambodia in Phnom Penh and with staff of the organization at its clinic in Kampong Thom Clinic.

7.1. Drivers for emergence of the association and participation is its activities

MSI Cambodia used to work as an NGO, providing services for free and relying on external donors for funding. However, as donor attitudes have changed (due to several factors, such as the recent financial crises, donor fatigue or changes in donor priorities) they have adopted a strategy of becoming a social enterprise aspiring to eventually become financially sustainable. MSI Cambodia charge for their services at a subsidized rate and are working towards a model of full cost recovery so that the clinics are sustainable in the long-term and do not rely on external donor funds. This is in line with the reviewed literature that suggests that NGOs that are finding it increasingly difficult to raise funds should see self-financing as a more sustainable road. Discussions with senior actors reveal a strong market mentality in the MSI approach and it is evident that this case is illustrative of a growing trend in market-oriented development initiatives which are deemed more sustainable than NGO projects because the incentives to provide services that are responsive to stakeholders (including franchisee service providers and service users) is much stronger. In this regard the trajectory of MSI-Cambodia strongly echoes the predictions of Bebbington (1997) when he wrote about how rural-focused NGO’s were likely to seek legitimacy in the future.

The interviewed staff, in particular the head of the clinic, believe that the service they provide to the community is more important than the income that the organization obtains from the services, but he/she understands that without this income the clinic and the organization cannot survive, given their aspiration of being financially sustainable and reliant less on donor funding. However, as we interviewed staff at a lower level in the clinic, they see financial sustainability as less important. Instead they prioritise fulfilling the needs of potential patients/clients and reaching their own targets. This shows that financial sustainability is a higher level concern that has not been disseminated throughout the operational structure. It also shows that really the decision structure where the financial concerns are central exists in the context of a stewardship approach to social enterprise governance whereby business decisions are the domain of those most capable of taking them. Moreover, it would be simplistic to view financial considerations only in terms of a sustainable social mission. Personal incentives are also articulated by higher level staff who said that one of the reasons they work for MSI Cambodia is that here they get a better salary from MSI than they did previously when working in the public sector. It shows that ‘profit’ is a priority and that rather than being completely altruistic the phrase ‘doing well by doing good’ (Dees & Anderson 2003) resonates these employees.

7.2. Importance of innovation and opportunity

According to staff interviewed at the Kampong Thom clinic, providing innovative services and products (suited to the local context), is important for clients. Interviewed staff at different levels claimed that clients value the new services (equipment, tests, and services) that have been introduced to the area by this clinic. Through the head office in Phnom Penh, the clinic has also implemented innovative voucher schemes to connect supply and demand for services and increase the numbers of acceptors of modern family planning. Staff claimed that clients even ask for more new services to be introduced in this clinic, demonstrating that despite the conservatism of Cambodian society, Marie Stopes have been entrepreneurial in the manner that they have been able to get these innovations accepted and embedded into the everyday lives of female and male clients. Clinic staff expressed the desire to offer newer and more innovative services to their clients. However, there was a lack of specificity on what these products or services might be, highlighting that innovation might be a learned idea that is struggling to take hold in the rural clinics away from the headquarters in Phnom Penh.
Moreover the staff expressed reluctance to introduce new services which might present risks (the implications of this for empowerment are discussed shortly), for instance through the investment required to offer those services that clients would then be not able to pay for. This is significant because most of the clinic staff, as former employees of the public sector (public clinics and hospitals) or of other NGOs, have come from a working environment where the idea of “selling” health services is alien and where “clients” are really seen as beneficiaries of a donor funded organization. This cultural context shows that there are constraints on the recognition of market opportunities.

7.3. Community empowerment and responsiveness to social needs

According to the people interviewed, community involvement in the way that services are offered is key for the success of the social enterprise model they are trying to operate. For instance, in discussion with community members, staff from the Kompong Thom clinic conducts village visits where certain services are offered for free or at subsidized rates and information about services and treatments offered at the clinic is also provided. However, an interesting fact is that all interviewed staff thought that a hierarchical organizational structure was the best way for this and all organizations in Cambodia. They claimed that this organizational structure is what most people felt comfortable with as the lines of order and responsibility were clearly delineated. This seems to make sense with the way that, for instance, Cambodian villages tend to be organized with clear lines of authority that people respect. Some writing identifies paternalistic origins for this and the fact that Cambodians in rural villages seek to be close to people with power rather than to challenge them (Davis 2008; Meas 1995). This tendency is also characteristic of relations in many (public) institutions like hospitals, schools and government offices work in Cambodia where patron systems operate from the highest to the lowest level of organizing (Peou 2010).

Different staff at the Kompong Thom clinic thought that taking risks is the only way to grow as a business. It seems that risk is perceived to be a critical part of how the organization succeeds. This is tempered by their emphasis that risks should be calculated, to ensure the safety of their organization. However, this would be true in any business and it is consistent with the emphasis on ‘judgment capacity’ as one of the critical components of social entrepreneurship (Sullivan-Mort, Weerawardena & Carnegie 2003). In further analysis these statements felt/sounded more like they were learned in training about becoming a business with an entrepreneurial mind-set than a deeper understanding and belief in risk-taking. This shows that a reflection of concepts in the literature is maybe unsurprising and it raises questions about isomorphism and performative discourse more than it invites rigorous investigation of heroic social entrepreneurship.

7.4. Summary

This study tells us that the embeddedness of MSI in the international context of social entrepreneurship and social enterprise explains the emergence of a western market-orientated model, and also why concepts discussed in the literature review are more readily understood and articulated by MSI staff members at the provincial level. It has been demonstrated elsewhere the microfinance variant of social entrepreneurship has had a profound effect on the language used in LDC communities as they come into contact with it (Steyaert & Dey 2010). The evidence in this study is that the tendency to repeat alien concepts rather than to genuinely internalize them reflects the performative nature of the market-discourse. This might impact negatively on the diversity of economic arrangements although this observation is not intended to be critical of the manner in which MSI-Cambodia are delivering critically important services.
8. RESEARCH FINDINGS

This research has accounted for three different organisations, in close geographical proximity, which can be (loosely) defined as social enterprises in accordance with the literature in the field. However these social enterprises have to be appreciated in the context from which they have originated, or in other words, drawing from Amin (2009) they are ‘situated’ illustrations of social economy in practice. A summary of some of the issues for investigation is provided in Table 1.

We have sought to answer two central questions in this research and our reading of the data gained through the interview processes is as follows:

8.1. How do ‘social enterprises’ emerge, survive and or thrive/succeed in a rural Cambodian community

- In all cases the enterprises have emerged in response to local needs. However, local participation in the identification of ways to satisfy needs is variable. Even where there is indigenous ownership/leadership, the initial catalyst for implementing activities has been external and mostly expatriate.
- In most instances on-going capacity development and technical assistance has been provided by external agents.
  - The internationally-based enterprise, MSI Cambodia, will continue to draw its resources from international sources and hopes to become self-sustaining in the future although this is not the highest priority.
  - In the Leukkompos Satrey Agricultural Development Cooperative, which can be conceptualised as a community-based social enterprise, there is a growing sense of independence although there is still a perceived need for external support.
  - Within the commons-based associations of resin producers there is clear dependency on external agents.
- Social businesses and associations survive in some cases by innovating to meet social needs and implementing new business ideas for diversification and product improvement. However, innovation is context specific and it is not readily valued. Outside interventions such as value chain work do not easily install a sense of value for innovation amongst the target beneficiaries. Risk aversion in Cambodia also constrains innovation and frequently what might be called social entrepreneurship in rural Cambodia is not innovative, even though it is driven by opportunity recognition.

8.2. How do their members interpret the rationale for and success of social enterprises?

- Individuals are generally at the centre of driving the organisations forward. This can be explained not only by social entrepreneurial theory but also by hierarchical systems.
- Social capital is important for the survival of groups but this can be constrained by in-group membership and a dependency on external agents in every instance (but to a less degree with the Leukkompos Satrey Agricultural Development Cooperative) shows the significance of ‘linking social capital’;
- The success of a social enterprise might be viewed in terms of personal accumulation by members more than in terms of tangible improvement in the community. Although community improvement is an important ideal amongst staff of MSI-Cambodia KT Clinic, and committee members of Leukkompos Satrey Agricultural Development Cooperative, the emphasis on personal incentive is very high. Amongst resin producers community benefit would be a measure of success almost exclusively confined to RPA leaders although the FGD responses in public show that leaders could gain support for social objectives.
We recognize the limits of generalizing from just three case studies. However, we have found that in the rural north-west of Cambodia social enterprises tend to be instigated by external actors who continue to play an instrumental part in their growth/development. In all three cases, the social enterprises (or potential social enterprises) are connected to international resources, either directly or through intermediaries. We have found that these external resources do not necessarily reduce local ownership or generate dependency, in the case of the Leukkompos Satrey Agricultural Development Cooperative, external resources correlate with more robust mechanisms for participation and activities tend to diversify and members seem to be aspire more towards self-dependence over time. In only one instance was there an organic basis for the emergence of a resin producer association, but this not to say the association would have had the potential to become what we might call a social enterprise without the external assistance it has received. For future analysis, we have to consider how this external intervention impacts positively and negatively on the willingness and ability of Cambodians to cooperate in an organized capacity on their own account. This is an important drawing from past development project lessons where externally assumed ‘participation’ has instigated fear of a return to a kind of life under the Khmer Rouge.

It seems MSI-Cambodia have managed to engineer a situation where welfare needs can be addressed with a socially entrepreneurial business model that actually operates in similar circumstances to more developed countries with weak welfare regimes. Without being critical of the work conducted by MSI, without which family planning services would be non-existent, it is a concern that the market approach is informed by an emphasis on bridging social capital or ‘weak ties’ that risks undermining the realities of bonding social capital in close community groups and also the linking ties through patron relations that have been meticulously and built over time by people in the client position (Ledgerwood 2007). The danger is that rather than instigating healthy forms of interaction across community an excessive focus on markets could be incompatible with the diversity of economic arrangements including some forms of continued feudal systems, and it could just teach community members to more readily and justifiably ‘exploit each other’.

The capacity building work of ADRA in Rovieng serves to illustrate an approach to community empowerment using culturally appropriate preparatory activities that make independently operated social enterprises possible in the long term. However, the challenge facing the WEA now is whether it might adopt external, sometimes inappropriate models like microfinance. It remains to be seen whether ‘mission drift’ becomes a significant problem for the Leukkompos Satrey Agricultural Development Cooperative. Also, despite the propensity towards ‘in-group benefits’ which often characterize cooperatives, it is clear that the association has a strongly internalized commitment to community development through democratic processes and in this sense it differs from the market-led social entrepreneurship mind-set. Through these deliberations the cooperative is open to wider investment in a diversity of economic practices including subsistence activities and skills sharing projects.

Despite the value chain driven interventions of the UN, through CISP, it does not seem that RPA’s are working towards optimizing their status in the value chain as expected. The practice of selling to the village leader/local business person continues and this also limits the amount of processing that can be done which is the main focus of the intervention. However this raises the question of whether these practices, in the context of a social enterprise, really are undesirable. If the social entrepreneur must be the person best placed to run a business that meets people’s needs we could ask whether the village leader as patron might indeed be the best person for the job, or at least the most trusted through the eyes of resin collectors themselves. This would not be to say that a patron acts without self-interest, although social entrepreneurship is recognized to operate along a continuum of not-for-profit and for-profit anyway (Peredo & McLean 2006). We would suggest that instead of beginning with a value chain approach to natural resource based (or ‘commons based’) social enterprise which begins with marketing, it might be more productive to use approaches like Asset Based Community
Development which allow communities to build their self-esteem. By helping members to think about how they already successfully use identified assets in their community, interventions like ABCD that ‘cultivate economic subjects’ (Gibson-Graham 2006, p. 127) can position communities as economically active, socially innovative entities with control over distributive dynamics. This would bring all the non-financial dynamics along the value chain to life much more than value chain approaches do in general.

Table 1 – Discussion themes across 3 types of social enterprise

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<thead>
<tr>
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<th>Internationally-based Social Enterprise</th>
<th>Community-based Social Enterprise</th>
<th>Commons-based Social Enterprise</th>
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<tbody>
<tr>
<td><strong>Equity priorities</strong></td>
<td>Strong sense of equity in the provision of goods and services</td>
<td>Equity is desirable but there is a tendency to exclude non-members</td>
<td>Benefits are not equitable and there is no importance attached to equity</td>
</tr>
<tr>
<td><strong>Understanding of social enterprise - depends on the market place</strong></td>
<td>High competition in market / explicit understanding of profit/social goals</td>
<td>Limited competition in market / implicit understanding of social business</td>
<td>Low competition locally / no real understanding of social enterprise concepts</td>
</tr>
<tr>
<td><strong>Constrained by conservative forces</strong></td>
<td>Not heavily impacted and actively addresses power relations</td>
<td>Impacted by community expectations but challenges male dominance over local economic development</td>
<td>Heavily embedded within the structural features of communities.</td>
</tr>
<tr>
<td><strong>Driven by individuals?</strong></td>
<td>Yes – entrepreneurial individuals in Phnom Penh</td>
<td>Yes considerably – individualism balanced by democratic mechanisms</td>
<td>Yes somewhat – but leaders are dependent on external actors for legitimacy</td>
</tr>
<tr>
<td><strong>Social innovation?</strong></td>
<td>Very strong social innovation</td>
<td>Recognized social innovation to improve wellbeing</td>
<td>Aspiration for some social innovation is constrained by power and dependency</td>
</tr>
<tr>
<td><strong>Social Capital ‘typology’</strong></td>
<td>Bridging social capital across community groups has facilitated success</td>
<td>Linking social capital firstly – bridging capital harnessed but tendency towards in-group benefits</td>
<td>Linking and bonding social capital are most evident – not much contact with external actors</td>
</tr>
</tbody>
</table>

Essentially, if patronage is a system which is valued by participants, then to say there is no expectation of an equal exchange does not mean to say it is not deemed to be ‘fair’ or ‘equitable’. Cambodia historically has been a tributary society in which surpluses are extracted in different non-economic ways and through the eyes of the client selling surplus at below the market rate to the patron might seem like a fair exchange in return for some sense of protection (Thavat 2010, p. 338) which in this case might include mediation with other authority figures who would stop them entering the forest. There is a long standing debate about whether patronage damages development because it distorts market incentives and pricing welfare (Leys 1996, pp. 88-9) or whether, from a substantive position patron relationships are a cumulative asset which maintains a culturally specific context for solidarity (Scott 1972). We sense that by taking an ‘asset based’ approach to social enterprise development as part of a strategy for local economic development, where the community is an actor
as opposed to a recipient of interventions, then patronage does have to be positioned as an asset for such a strategy to be successful. Moreover, by positioning patronage as an asset we are more likely to work with power than conflict with it, and in some circumstances this would mitigate the failures witnessed because of poor coordination between competing developmental agendas and the power of local elite actors.

10. EPILOGUE: MOVING THE ‘SOCIAL ECONOMY’

If we return to the situated practice of the social economy drawing from Amin (2009) then it is apparent that the position or role which the social economy can take is subject to change over time. The culture of the social economy might strengthen as new endeavours and practices take hold, market mechanisms might be strengthened, for example in LDC’s through donor interventions that enhance value chains and create greater market inclusion, also some states might change their approach to welfare. We would like to present a brief discussion of how the three types of existing or emerging social enterprise we have studied may or may not be inducing a degree of movement in the role of the social economy (see figure 2).

This research suggests that despite the well-financed value chain interventions of the Creative Industries Support Program into resin production, the resin producer associations remain highly dependent on NGO and this is particularly the case with the resin producer association which was instigated by the value chain program. There is no real evidence that the resin associations signify a movement in the practice of social economy. This can be attributed in considerable degree to the nature of the support which has been given and for the needs for different kinds of capacity building approaches. However the Leukkompos Satrey Agricultural Development Cooperative and the MSI – Cambodia Health Centres provide some interesting points of analysis.

The primary reason for members joining the Leukkompos Satrey Agricultural Development Cooperative is to improve their income and access loans and isomorphic pressures are bending the organization towards conventional micro-finance rather than social business. But despite this the social objectives of the association, resulting from the way it was established using REFLECT, might be enough to mobilize resources into new, postulated forms of ‘non-capitalist’ ethical enterprise. This could be an enterprise where members more broadly consider what they really need and how their surpluses are to be used (see Gibson-Graham & Roelvink 2010). The caveat is that ultimately personal appropriation of surpluses over-rides other incentives if the surpluses themselves are deemed insufficient. Given the low levels of surplus generated, a non-capitalist enterprise could become a possibility if members come to view their incentives in terms of income diversification and strengthened, resilient livelihoods, rather than the generation of an independently successful venture and a sole or even main source of income. Furthermore, the recent research of Dacany (2012) is instructive because the ADRA approach is illustrative of a social enterprise which provide empowerment services to stakeholders and encourage the formulation of ‘sub-cooperatives’. Dacany finds that stakeholders in such social businesses develop a much stronger voice than in transaction based social enterprises that merely procure a product or the inputs for a product without focusing on capabilities in key stakeholder groups.

The MSI – Cambodia study presents a picture that requires some thinking through regarding the situated practice of social economy. It concurs that social enterprise is likely to be contingent on the NGO community when there are weak markets, weak welfare and a weak culture of social economy enterprises (although it is to be considered that MSI also provide services in countries with highly developed market mechanisms). But the explicit market orientation of MSI means that as markets are strengthened the practice of the social economy does not become an alternative to capitalism, and neither does MSI provide a cheap alternative to more expensive services because the services provided by MSI are the only ones of their kind on offer. It emerged that health authorities in Cambodia were not happy to permit MSI to offer these services as they sensed this was something they should be doing (and making money from) themselves, but the fact is that MSI are creating the market for the service, especially through innovative social marketing, and also strengthening the
cultural economy at the same time. The result is that certain inequalities are being remedied through a socially inclusive approach, in the situated context of a weak welfare state compensated by new market mechanisms and a strong culture of social economy. The social economy being created by MSI – Cambodia thus resembles closely the western-centric response to welfare deficit.

<table>
<thead>
<tr>
<th>Strong market mechanisms with strong welfare states</th>
<th>Strong social economy</th>
<th>Weak social economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>A parallel sector to the public and private sector; solidarity economy with a distinctive ethos</td>
<td>Emphasis on market orientation and reducing the role of government</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strong market mechanisms with weak welfare states</th>
<th>A remedy for some inequalities by promoting new markets or ‘socially inclusive markets’</th>
</tr>
</thead>
<tbody>
<tr>
<td>A cheap substitute for more expensive services</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Weak market mechanisms with weak welfare states</th>
<th>‘Post-capitalist possibility’, social economy may be promoted to develop economic alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social economy often blends with informal activity, high NGO dependency and (at present) a weak impact on poverty reduction</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2: Situated practice of the social economy—moving practices in Cambodia
REFERENCES


Thompson, JL 2008, 'Social enterprise and social entrepreneurship: where have we reached?: A summary of issues and discussion points', *Social Enterprise Journal*, vol. 4, no. 2, pp. 149-61, <http://dx.doi.org/10.1108/17508610810902039>.


