

**SOCIAL ENTERPRISES AND THEIR MARKET ENTRY
BARRIERS
(A CASE STUDY OF INDONESIA)**

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Abstract

While previous research recognises the presence and relevance of social enterprises, there has been relatively little in-depth investigation of the motives, obstacles, and impacts that create the context of social enterprise in varied and dynamic emerging countries, for instance, Indonesia. Social enterprise has the potential to be an alternative technique for boosting economic and social development in Indonesian provinces, for example, East Nusa Tenggara, which is one of Indonesia's poorest provinces. The Indonesian government is seeking to improve the economic sector by providing micro, small and medium enterprise (MSMEs) and businesses with incentives/stimulus packages. Its efforts to advance the Indonesian economy through grants and financial support have had significant effects on the country's social enterprises. East Nusa Tenggara is confronted with issues such as a lack of infrastructure and human resources, which can obstruct effective governance and service delivery. Local governments in the surrounding area must tackle these challenges while also fostering socioeconomic growth and reducing poverty. Therefore, the objectives of this thesis are to investigate social enterprise market entry barriers and reveal how social enterprises in Indonesia overcome market entry barriers. This thesis strives to uncover the complex motives that drive social enterprise stakeholders in the context of Indonesia, and to analyse the problems they confront in pursuing their social goals, and to assess the wider effects of social enterprises on communities at large. By fulfilling knowledge gaps in the Indonesian social enterprise setting and achieving relevant goals, the study hopes to add useful insights into scholarly discourse as well as tangible implications for the discipline of social enterprise. Furthermore, the overarching research question is: How is it possible to establish strong social enterprises amid the social challenges in East Nusa Tenggara Province? The sub-questions are as follows:

What is the motivation of social enterprises in The East Nusa Tenggara Province market? How do social enterprises operate in the market in East Nusa Tenggara? (Based on demand, stakeholders, and the barriers originating from social problems that exist) and how do they continue to operate while trying also to solve social issues?

This study provides an understanding of social enterprises in terms of how the social ventures reach out in the rural areas to obtain their social objectives. The social ventures connect the local community with other stakeholders including local government as well as decentralized government agents. The research applied qualitative approaches. In-depth interviews with the owner/director/manager of social enterprises, stakeholders, and people in the community are used to obtain

qualitative data. Thematic coding is used in the qualitative analysis to identify patterns and themes that emerge from the interview materials. The triangulation of findings helps to validate the data. The investigation uncovers a spectrum of motivation of social enterprises, which include internal motives to identify extrinsic factors like financial viability. Financial limitations, legal impediments, and cultural barriers are among the issues that social entrepreneurs encounter. Despite these obstacles, social companies make substantial contributions to poverty reduction, environmental protection, and community and cultural development.

The thesis findings have consequences for both theory and practice. The study adds to the theoretical knowledge of social enterprises by giving detailed insights into the motives and obstacles experienced by the East Nusa Tenggara social enterprises in Indonesia. In practice, the study informs policymakers, support organisations, and social entrepreneurs about the key determinants impacting social company performance.

While the study provides significant insights into the contextual contributions, it does have certain limitations. The number of participants is relatively small and may not represent every aspect of social enterprises in the East Nusa Tenggara province, Indonesia. Further, this research was carried out at a specific moment rather than over a longer period that may not reflect on the momentum of social enterprise aspects in current research settings. Furthermore, the study is based on data collected by the researcher, which may result in biases. Future study on this topic might look at the long-term phenomena of social companies, their growth and profitable models, and the significance of government regulations in cultivating a supporting environment. Comparative research across developing nations could shed light on cross-cultural differences in social enterprise.

Keywords:

Social Enterprise, Social Enterprise Stakeholders, Local Community, Market Entry Barriers, Social Mission, Product and Services.

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Table of Contents	
Abstract.....	i
Acknowledgement	v
Table of Contents	vii
List of Tables.....	xi
List of Figures	xiii
List of Abbreviations and Acronyms	xv
CHAPTER 1 INTRODUCTION.....	1
1.1 An Overview.....	1
1.2 Background of the Study	4
1.3 Research Objectives and Questions.....	16
1.4 Significance of the Study	17
1.5 Scope of the Study.....	18
1.6 Limitations of the Study	19
1.7 Thesis Outline.....	20
CHAPTER 2 LITERATURE REVIEW.....	23
2.1 Chapter Overview.....	23
2.2 Definition of Social Enterprise	23
2.3 Social Enterprise Stakeholders	39
2.4 Primary Stakeholders.....	41
2.5 The Secondary Stakeholders	51
2.6 Theories on Stakeholder Motivation	54
2.7 Social Enterprise Market: Its Characteristics and Barriers.....	62
2.8 Social Enterprise Brand/ Marketing Performance Framework	75
2.9 Research Framework	79
CHAPTER 3 RESEARCH CONTEXT	87
3.1 An Overview.....	87
3.2 Indonesian and East Nusa Tenggara Social Enterprises.....	92
3.3 Social Enterprise in East Nusa Tenggara Province.....	99
3.4 Regulation.....	111
3.5 Rising Awareness.....	112
3.6 Summary.....	113
CHAPTER 4 METHODOLOGY.....	115
4.1 Chapter Overview.....	115

4.2	Research Paradigm	115
4.3	Research Design and Data Collection Method	119
4.4	Thematic Analysis	129
4.5	Creating Themes	130
4.6	Coding	131
4.7	Triangulation: The Use of Multiple Theories, Data Sources, Methods or Investigators within the Study of a Single Phenomenon.....	132
4.8	The Different Data Sources and Themes	134
4.9	Theme Matching.....	135
CHAPTER 5 FINDINGS OF THE STUDY: MOTIVATION SPECTRUM.....		139
5.1	Chapter Overview	139
5.2	Introduction: Why Motivation is Important in Social Enterprise	139
5.3	The Varying Motivation of the Social Entrepreneur	143
5.4	Category of the Social Enterprise in East Nusa Tenggara Province.....	157
5.5	Motivation Seen from Other Stakeholders' Point of View	172
5.6	Conclusion	187
CHAPTER 6 FINDINGS OF THE STUDY: ENTRY BARRIERS AND OPERATIONAL PROCESS		195
6.1	Chapter Overview	195
6.2	What is the 'Market' (Product, Activities, Social Target) for Social Enterprises?	196
6.3	Integrating Social Activities and Market Activities.....	208
6.4	The Potential Conflict.....	216
6.5	The Basis of Social Enterprises Activities	221
6.6	The Impact.....	223
6.7	Conclusion	240
CHAPTER 7 CONCLUSION		243
7. Chapter Overview		243
7.1	The Findings	243
7.2	Implications for Theory and Practice.....	256
7.3	Limitation	259
7.4	Future Research Directions.....	260
7.5	Concluding Remarks.....	262
REFERENCES		265
Appendices		285
Appendix A: The Indonesian hierarchy of the Law and regulation.....		285

Appendix B Terms and Abbreviations.....	287
Appendix C: Working Guide Manual Protocol	289
Appendix D: Participation Information Form	295
Appendix E: Consent Form	299
Appendix F: Interview and Data Collection Request Form	301

List of Tables

Table 2-1 Social Enterprise Definition	32
Table 2-2 Social Enterprise Stakeholders	40
Table 2-3 Social Enterprise Consumer/ Product Buyer	62
Table 2-4 Social Enterprise Barrier to Entry Definition.....	68
Table 2-5 Social Enterprise Barrier to Entry Types	69
Table 2-6 Social Enterprise Critical Performance Factors.....	76
Table 3-1 Social Enterprise Organizations in East Nusa Tenggara Province.....	109
Table 4-1 Social Enterprise Targeted Respondents	125
Table 4-2 Categorisation of Cases	126
Table 4-3 Interviewed Cases, Ventures Sizes, their Codes.	126
Table 5-1 Social Enterprises in East Nusa Tenggara Province: Primary Stakeholder Concern	159
Table 5-2 The Social Enterprise Primary Stakeholder Motive	160
Table 5-3 Category of Social Enterprises in East Nusa Tenggara Province.....	163
Table 5-4 Social Enterprises Founder Motives	172
Table 5-5 The East Nusa Tenggara Province's Social Enterprise Themes.....	192
Table 6-1 Market Entry Barriers Analysis Case 1	225
Table 6-2 Market Entry Barriers Analysis Case 2	230
Table 6-3 Market Entry Barriers Analysis Case 3	235

List of Figures

Figure 2-1 Social Enterprise Spectrum.....	37
Figure 2-2 Theoretical Foundations.....	81
Figure 2-3 Research Framework.....	86
Figure 3-1 Social Enterprise Spectrum.....	97
Figure 5-1 East Nusa Tenggara Province Social Enterprise Spectrum	161

List of Abbreviations and Acronyms

APBN	Anggaran Pengeluaran dan Belanja Negara
AKSI	Asosiasi Kewirausahaan Indonesia
ADHB	Atas Dasar Harga Berlaku
BPPT	Badan Pengkajian dan Penerapan Teknologi
BIT	Balai Inkubator Teknologi
BPS	Balai Pusat Statistik
BAPPENAS	Badan Perencanaan Pembangunan Nasional
Covid-19	Corona Virus – 19
DKI	Daerah Khusus Ibukota
ENT	East Nusa Tenggara (Province)
GRDP	Gross Regional Domestic Product
GDP	Gross Domestic Product
IMF	International Monetary Fund
IDR	Indonesian Rupiah(s)
MSME	Micro Small Medium Enterprise
NGO	Non-Government Organisation
NTT	Nusa Tenggara Timur
PEN	Program Pemulihan Ekonomi Nasional
RPJPN	Rencana Pembangunan Jangka Panjang Nasional
RBT	Resource Based Theory
SGD	Singaporean Dollar
SDT	Self Determination Theory
SME	Small and Medium Enterprise
SE	Social Enterprise
SDG	Sustainable Development Goals
UN-ESCAP	United Nation for The Economic and Social Commission for Asia and The Pacific
UKM	Usaha Kecil Menengah
UMKM	Usaha Micro Kecil dan MEengah
VRIN	Valuable, Rare, Inimitable and Non-Substitutable

VCO

Virgin Coconut Oil

CHAPTER 1

INTRODUCTION

1.1 An Overview

This chapter will discuss the importance of social enterprises as a crucial tool for addressing societal issues or problems. Social enterprises have tested new business models that combine social or environmental objectives with financial imperatives. Positioning a productive social outcome as a core part of their operations (Alter, 2007), enables these organizations to tackle social challenges while maintaining their finances in a satisfactory state. This was demonstrated by the Nobel Prize winner, Muhanad Yunus from Bangladesh, who introduced the concept of micro-lending and social financing programs. In the second half of the twentieth century, scholars and practitioners advocated for a new approach to social concerns, one that blended entrepreneurial concepts into the philanthropic sector. Academic research on social entrepreneurship, led by researchers such as Bill Drayton and Greg Dees, helped to establish it as an entirely separate area of study (Dees, 2003). Unlike traditional businesses, social enterprises are more adaptable and flexible in adjusting to the changing social and market or industry conditions (Battilana & Lee, 2014; Elkington & Hartigan, 2008).

Many reasons have been put forward as having shaped the development of social enterprises; these range from the economy to technology, to society. In recent years,

interest has increased in social entrepreneurship and the role that business can play in solving historically have been social and environmental problems. Social enterprises work in a range of sectors such as healthcare, education, environmental conservation, and most importantly of all poverty alleviation. This is a quite recent phenomenon and is an innovative way for organizations to strike a fine balance between making a positive social impact and at the same time maintaining financial sustainability, so that it constitutes what social enterprise is all about. Social entrepreneurship is a very dynamic discipline, with new models and processes constantly evolving to solve the difficult problems that beset society.

The urgent need to improve local communities confronting complex socioeconomic imbalances in Indonesia, notably in the region of East Nusa Tenggara (ENT), highlights the importance of social enterprises. East Nusa Tenggara Province stands to gain a lot from the creation of social enterprises suited to its unique requirements and difficulties. This research focused on the challenges of the viability of social initiatives under the direction of social entrepreneurs in rural as well as financially underprivileged places.

The need for social enterprises is critical in Indonesia, especially in East Nusa Tenggara, where there is enormous opportunity for transforming the growth of wealth and household income, education, and environment in a society with complex socioeconomic issues (Kerlin, 2010; Neverauskiene & Pranskeviciute, 2021). The area, which is distinguished by its varied cultural landscape and remote location, struggles with continuing problems of poverty, and lacks access to healthcare, education, and

infrastructure. Social enterprises have the potential to address these complex inequities as engines of equitable development and long-term change. Social enterprises can utilize community assets and cultural expertise to provide livelihood possibilities, empower marginalized groups, and improve access to key services through creative business approaches that combine economic endeavours with social aims. The development of social enterprises in East Nusa Tenggara is unusual due to the clash between the region's wealth in cultural diversity and its economic constraints.

The creation of social enterprises in East Nusa Tenggara has the potential to spark community-led initiatives that are in line with the demands, desires, and beliefs of the region's residents, fostering a balanced relationship between social and economic development and advancing Indonesia's larger developmental objectives. There is significance of developing positive relationships with stakeholders and matching incentives to their requirements. This comprises utilizing indigenous knowledge, forming alliances with regional players, and jointly developing solutions that meet urgent community needs. Additionally, adopting cutting-edge technologies and business models can get around infrastructure problems, and building partnerships with political and non-governmental institutions can help to gain assistance in order for social enterprises be able to generate a sustainable socioeconomic ecosystem by navigating these complexities, allowing social activities to flourish and survive even in isolated regions with little economic activity.

1.2 Background of the Study

Indonesia experienced the most challenging year in 2020 due to the Covid-19 pandemic, echoing the economic crisis of 1997-98 and the Global Financial Crisis of 2008-2009. The International Monetary Fund (IMF) reported that in 2020 the actual real GDP growth rate was -2.1%, yet the economic recovery was expected to accelerate in 2021 and the GDP forecast for 2021 was 4.8% (IMF, 2021). It is furthermore expected that the level of real GDP in 2025 will be 5.0% lower than that anticipated in the January 2020 WEO trajectory (IMF, 2021). The economic reform programs initiated by the Indonesian government have consistently followed the guidelines documented in Rencana Pembangunan Jangka Panjang Nasional (Indonesian Government Long-Term National Development Plan/ RPJP) 2005-2025 through Jokowi's Nawacita Program, for example, Program Pemulihan Ekonomi Nasional (PEN). This seeks to maintain economic stability through incentives programs for healthcare, social security, cash buffer for MSMEs and tax incentives offered to all sections of the community (BI, 2020).

Meanwhile, the creation of job opportunities is difficult due to poor governance procedures/routines and lack of capital resources. Improving microeconomic activities through cross-sectoral collaborations is assumed to improve the material and social resources required to support people (Gray et al., 2003; Midgley, 1996). Starting a business in the social sector needs collaboration through agencies, for instance: community-based organizations; regional and international humanitarian organizations and charitable organizations; social enterprises; institutions; and

religion institutions dedicated to promoting human rights and social equity at the local, national, and global levels.

The government is attempting to advance the business sector by offering incentives/stimulus packages to MSMEs and corporations. Its attempts to progress the economic sector in Indonesia via grants and financial assistance have had a significant impact on the country's social enterprises. To encourage business growth, government subsidies and package deals frequently include financial assistance methods such as grants, loans, or tax breaks. While these tools are meant to aid a broad spectrum of organisations, especially micro, small, and medium enterprises (MSMEs), social enterprises may also benefit from them. Government attempts to spur economic growth may result in the creation of new markets and possibilities. This growth has the potential to assist social entrepreneurs. The working environment for social companies is directly influenced by government policies and regulations. Social enterprises, in many situations, occupy a distinct position since they adhere to social purposes.

The government offers deferred Instalments and interest subsidies for bank loans and through People's Business Loans, namely, guarantees for working capital up to the value of Rp. 10 billion, and tax breaks to support MSMEs that formally began on May 11th, 2020. The government of Indonesia introduced a loans policy to help small and medium-sized businesses with debt amounts ranging from IDR 500 million to IDR 10 billion, and they qualified to apply for a 3% interest subsidy for three months and a 2% interest subsidy for the following three months with a three-year financial term. National economic recovery was made possible by the implementation of

comprehensive fiscal and monetary policies, and Indonesian's government recovery program was relatively gradual up to the first quarter of 2021, although leading indicators pointed to a stronger rebound in the second quarter (UNESCAP, 2021).

The Indonesian government has allocated Rp. 695.2 trillion in Anggaran Pendapatan dan Belanja Negara (APBN) funds for economic recovery. The (three) policies being implemented by the government to meet the objectives of its national economic recovery program are: expanding domestic consumption; increasing corporate activity; and sustaining economic stability and monetary expansion (Nainggolan, 2020). Other support comes from the DBS Foundation Social Enterprise Grant Program that disbursed Singaporean Dollar (SGD) 13 million funding for The Social Enterprise program in South Asia, which includes Indonesia (www.dbs.com, 2021).

Several support programs come from foreign countries and world organisations such as Australia, China, the United Kingdom, the United States, The United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP) and the British Council (Council & ESCAP, 2018; UNESCAP, 2021). All funding and support programs for Indonesian MSMEs are expected to empower these businesses, as they are the cornerstone of economic productivity and stability. Indonesia's government launched the Economic Strengthening Program (PEN) during the Covid-19 pandemic to generate some economic growth through strategic programs to assist small and medium-sized businesses to the tune of IDR 699. 43 trillion in funding. The government has fought to eradicate poverty and improve the education system for decades. They seek to realize these ideals through advocacy, customer support,

policy research, and/or investment (Rabbat, 2018; Tirmizi & Vogelsang, 2016). These are just some of the strategies devised to help solve social problems.

The establishment of a social enterprise begins with the goal of assisting the community to improve financial, social, environmental, and community empowerment issues (Cole, 2007; Pitaloka et al., 2020; Sulthanah, 2019; Yunus, 2007), specifically in remote areas such as the eastern part of Indonesia (East Nusa Tenggara Province) where there is much poverty, lack of education and little or no use of natural resources such as: sandalwood trees; palm trees or lontar or siwalan (*Borassus Flabelliformis*/ *Lontarus Domestica*); gawang trees (*Coryphe Utan*); sorghum (buckwheat), and minerals such as manganese and marble stone (<https://ntt.litbang.pertanian.go.id>; (Barlow et al., 2017; Erb, 2016; Matondang, 2017; Raharjo et al., 2013; Sancayaningsih et al.; Witono et al., 2018). In this case, social enterprises and micro, small and medium enterprises (MSMEs) are two kinds of social engineering tools that are widespread in developing countries (Akcomak, 2009; BB et al., 2014; Madu & Yusuf, 2015).

The Indonesian National Long-Term Development Plan (Rencana Pembangunan Jangka Panjang Nasional/ RPJPN) 2005-2025 aims to increase competitiveness in industries through the support of production and innovation strategies that increase human resources capacity through technology and sustainable production practices. This is in accordance with point 7 of the long-term development plan. Social enterprises creatively encourage the economic growth of nations, starting at the grassroots of communities (Putri, 2017; Safitri, 2020; Yaumidin, 2013;

<https://www.financierworldwide.com>) to boost productivity and community prosperity through the development of MSMEs.

It will furthermore provide employment opportunities for community groups, particularly those in the remote areas of Indonesia where there is not much industrial activity. Indonesia ranks fourth in terms of the world's population and is home to 44.2 million business people who contribute significantly to the economy (Septiyaningsih et al., 2016). The majority of enterprises in Indonesia comprise only 2% of the overall business sector, which is low compared to the neighbouring countries of Malaysia, Thailand, China, and Singapore. Only a small proportion of total entrepreneurs are social entrepreneurs/social value creators (Thompson, 2002) or change agents (Dees, 2003). It is frequently stated that the country's lack of entrepreneurs is the primary cause of the country's slow economic progress (Tambunan, 2008).

In Indonesia, research into business been undertaken on a variety of topics, including entrepreneurship education (Abduh et al., 2012; Kristiansen & Indarti, 2004), entrepreneurial Indonesian women (Loh & Dahesihsari, 2013), and small and medium businesses (Papanek, 2006; Tambunan, 2008; Vial, 2016). Although research on social entrepreneurship in Indonesia is limited, it is not a new phenomenon. According to Idris and Hati (2013), social entrepreneurship existed during the Dutch colonial era, and it helped poor people to achieve financial independence. Several studies have been conducted on Indonesian social enterprises. Mulya (Mulya, 2014) highlighted the transformation of Non-Government Organizations (NGOs) in Indonesia from charity-based ones to social enterprises. In East Nusa Tenggara Province there are

only a few NGOs, namely, World Vision International, Nusa Tenggara Association, PLAN International, SANLIMA, and ILMU (Blyth et al., 2007; Rozali, 2007). Other research is mainly based on case studies that have a common focus on how social enterprises in Indonesia play important roles in enhancing the lives of the poor (Lestari, 2016; Pitaloka et al., 2020; Safa'at et al., 2014; Zainudin et al., 2019).

Social enterprises in East Nusa Tenggara have potential as an alternative strategy to boost economic growth and community welfare. East Nusa Tenggara is one of the poorest regions of Indonesia (Aba et al., 2015; Blyth et al., 2007; Djoeroemana et al., 2007; Matondang, 2017; Niki et al., 2020; Tjoe, 2013), and it urgently needs investment to boost economic growth (Koli et al., 2020). The use of social enterprise as a tool to combat poverty is encouraged by many scholars (Kernot & McNeill, 2011; Yunus, 1998), for instance: women who are the key elements in making progress (Robinson & Bessell, 2002; Yunus, 1998); microfinance for developing poor communities in East Nusa Tenggara (Rozali, 2007); and community efforts to save the environment (Meo & Panda, 2020). Social enterprises have a lot of potential to empower the East Nusa Tenggara community through setting up businesses (Council & ESCAP, 2018). It is very economically important to understand that social enterprises can bring about good changes in East Nusa Tenggara if supported by all the stakeholders (Kumara, 2020; Mimba et al., 2020).

Social enterprises in East Nusa Tenggara and throughout the whole of Indonesia are facing serious challenges, for instance, finances, cost barriers and start-up capital (Mimba et al., 2020; Pratono et al., 2019b; Pratono & Sutanti, 2016), and they need more government support to effectively solve those problems. Technological and

market factors are other existing challenges (Barlow et al., 2017; Hill, 2001), as are the lack of entrepreneurs and low levels of education (Barlow et al., 2017; Matondang, 2017), and poverty (Suharsono & Nugroho, 2018). Entrepreneurs face a variety of obstacles and challenges while establishing and managing a business, (BB et al., 2014), and they are very vulnerable to failure during the start-up process.

Social venture is an entity that explores local human and natural resources and then refines them with skills and knowledge through adequate funding and implementation, forming the start of a business that can empower local people. This is suitable for East Nusa Tenggara Province, which has more than 500 islands, mountain ranges and forests with potential resources, but local people have hardly any access to proper education and skills improvement courses. Only a few social enterprises operate in East Nusa Tenggara currently, and they are: Marada Kelor, Muri Jamur, Geser Coffee Alor (Geser Coffee), Pubila Alor Alor, Genk Motor Imut, and Hyuna Madu Tanah, Industri Pangan Lokal, Jarpuk Ina Foa- Fua Funi and Trinity Academy. Social enterprise strategies in East Nusa Tenggara play an important role because they can realize community potential, yet the public service authorities cannot (Matondang, 2017; Niki et al., 2020). Moreover, social enterprises are able to reach the poor without having to go through complex administrative procedures. However, some schemes were recently terminated since they encountered some difficulties such as operational aspects and inability to cope with market demands (Erb, 2016; Silaen et al., 2023; Tjoe, 2013; Wabang et al., 2022).

Social enterprises such as those mentioned above can maintain themselves in the medium-term. Some have operated for approximately seven years and are able to

continue functioning in difficult times. They have been able to empower women and improve people's livelihoods, and the general tone of the culture. Others mentioned how they build customer satisfaction through on-time delivery to customers, good communication, value branding and understanding market trends (Defourny & Nyssens, 2008; Loh & Dahesihsari, 2013; Weerawardena & Mort, 2006). The study investigates how new social enterprises in East Tenggara Province, Indonesia, have coped with market entry barriers and increased awareness and interest in their value in the region. This study consolidates the currently scarce literature on social enterprises in Indonesia and, to a greater extent, literature on social enterprise in developing countries, especially in relation to young entrepreneurial activities.

Social enterprises are attracting more academic interest around the world. Mainly, these ventures are defined as businesses that strive to realize a social mission for the benefit of people by solving problems, generating employment and revenues for marginal people, innovating services and products or goods/services, developing local livelihoods and businesses, and respecting the environment (Chelliah et al., 2010; Doherty & Kittipanya-Ngam, 2021; Mort et al., 2002; Yunus, 2011; Živojinović et al., 2019). They tend to be hybrid ventures wherein the profits are re-invested into the business and target participants. Social enterprise differs from the common business model since this institution has its social mission as the main or major objective.

Social enterprises in Indonesia for the last decade tried to generate much-needed products, services, and activities, and this is similar to the common business model.

The outputs vary from basic needs to lifestyle products, saving the environment and understanding ecological issues. For example, natural healthcare products and services, sanitary products, waste products – if produced and disposed of in the right way – will help to conserve the environment. They also have ‘knock-on’ effects for information and technology services, consumer goods, farming products, retail clothing, tourism services, financial and micro finance support, education services and other parts of the economy (Battilana & Dorado, 2010; *Duanyam-kewirausahaan-sosial-yang-sejahterakan-wanita-ntt-lewat-anyaman*, 2021; DuAnyam, 2010; Hudon et al., 2020).

Social enterprise functions utilize the resources found in the surrounding environment and transform them into economic value-added products and services for the economy. The outputs have significant and unique values since Indonesia is an archipelago country and most communities are out of reach of the central and even local authorities (Aba et al., 2015; Matondang, 2017; Niki et al., 2020; Tjoe, 2013; Wijaya, 2019). Social enterprises indicate that the market needs must match accessible resources in the region (namely, agriculture, nature, skills, herbs, community bonds and others), and they operate in the region where they are situated but must learn to maximize the talent they have with support of stakeholders (local government, volunteers, donors, etc.). Social enterprises in Indonesia vary widely from the west to the east parts of the country due to the geographic, topographic and access issues (Baharuddin et al., 2022; Margiono & Heriyati, 2022; Pratono et al., 2019b).

Social enterprises in East Nusa Tenggara Province are needed to improve the economic and social state of the area (for instance, poverty, poor health conditions, and low education level). Despite the negative issues that exist, the natural resources, significant cultural values, and unique talents of the local community are major assets for social enterprises to build on for the benefit of the local community and global economy (BB et al., 2014; Suharsono & Nugroho, 2018). East Nusa Tenggara Province is in the southeast region of Indonesia, covers an area of 47,931.54 km² spread across 566 islands, and had 5,325,566 inhabitants in 2020. The province is home to the world famous Komodo dragon. In year 2020, it scored IDR 29.95 billion for the gross regional domestic product on valid price and IDR 16.74 billion on constant price. Meanwhile, the economic growth in year 2020 (first quarter) is 2.84% year on year compared to 2019 (www.ntt.bps.go.id). The poverty rate is still around 21.4%, which is high compared to other parts of Indonesia, adolescent malnutrition is 32% and mortality stands at 71% (Gah et al., 2020).

Due to the social problems in East Nusa Tenggara Province, for instance, lack of education, poverty, health issues, social enterprise is considered as the best solution due to its ability to create social and economic benefits (Miller et al., 2012). Social enterprise works without complex procedures and administrative routines, and offers the possibilities of direct, efficient, and effective operations to empower the community. Social enterprises in East Nusa Tenggara have the resources to operate where other authorities have limited access due to geographic, topographic and management constraints. On the other hand, most common businesses that focus on

profit failed to operate in mentioned areas (Dees, 2003; Dees & Anderson, 2003). Some scholars agree that social entrepreneurs offer more benefits because they deliver social impact of greater importance than direct financial income (Short et al., 2009). Others place greater focus on financial income (Thompson, 2002). While there is a debate among scholars about what social entrepreneurship and social entrepreneurs mean (Mort et al., 2002; Powell et al., 2014), the principles have been applied as a method to solve social problems throughout the world. However, social enterprises in Indonesia face similar social, political, cultural, and economic barriers to operating and maintaining their profit-oriented or not-for-profit business models (Islam et al., 2017; Rahim et al., 2015). In contrast to government-supported enterprises in other parts of the world (Dobele & Dobele, 2014; Korosec & Berman, 2006; Van Ryzin et al., 2009), new social enterprises in Indonesia must overcome obstacles on their own. As a result, despite adversities, certain social projects have thrived and made significant contributions to society.

In practice, social entrepreneurship in Indonesia became important nearly ten years ago. Some social ventures, for example, include Ashoka Indonesia, the Academy of Social Entrepreneurs, and PT. Indonesia's social entrepreneurs are consciously committed to the creation of social entrepreneurship (Idris & Hijrah Hati, 2013; Pratono et al., 2019b). These organisations not only support community programs financially, but also fund administration and connections between institutions (Klyver & Foley, 2012). Most of these organizations were founded by successful entrepreneurs who share a common passion for improving society. According to

Ashoka Indonesia, 172 successful entrepreneurs have assisted in the development of social enterprises (www.ashoka.com/id), while the Social Entrepreneurship Academy assisted 65 social entrepreneurs in expanding their operations (<http://sea-dd.com>) in 2013.

Prior to accepting routine financial support from donors or sponsors, social enterprises struggled to operate due to a lack of resources, expertise, and capital. Furthermore, those nascent social enterprises that entered the start-up system seemed to find it difficult to keep operating for more than four years (Renko, 2013). This motivates the study to identify barriers to social market entry and to reveal how social entrepreneurs in Indonesia overcome barriers to market entry in the initial years of a company's growth. There is a specified market for social enterprise in East Nusa Tenggara Timur, which ranges from local communities throughout the nation and then the global economy. Given the natural resources potential and unique values of the local culture, East Nusa Tenggara Province's social enterprises, namely, Genk Motor Imut, Pubila Alor Alor, Timor Moringa, and Du Anyam, put enormous effort into working with the resources and stakeholders. In contrast to the enormous natural and unique cultural value that has market potential, there is a very small number of social enterprises in East Nusa Tenggara Province. The stakeholders, including the government, must pay attention and provide the support needed by the young and creative entrepreneurs who are willing to deliver a social mission and help to develop the local community economically. This is very essential for comprehending that the stakeholders should bridge the vast potential resources and

the market, locally and globally. All the interested parties, individuals, decision-makers, and funding bodies should understand the barriers faced by a social enterprise in East Nusa Tenggara and devise proper strategies to deliver their social mission and make profits.

1.3 Research Objectives and Questions

Exploring difficulties and approaches to gauge the influence of social enterprises is vital for contributing to social enterprise study (Rostiani et al., 2014). The social entrepreneurship field encounters numerous hurdles as a result of the uncertainty associated with new and emerging sectors (Margiono & Feranita, 2021). This research aims to “Investigate social enterprise market entry barriers and reveal how social enterprises in Indonesia overcome market entry barriers”. Furthermore, the overarching research question is: “How is it possible to establish strong social enterprises amid the social challenges in East Nusa Tenggara Province?”

In addition, the sub-questions are as follows:

- 1.3.1 What are the motivating factors of social enterprises in the East Nusa Tenggara Province economy?
- 1.3.2 How do social enterprises operate in the economy in East Nusa Tenggara?
Based on the demand, stakeholders, and barriers caused by social problems that exist in the province, how do they continue to operate while at the same time try to solve social issues?

1.4 Significance of the Study

This research has practical and theoretical significance. Information regarding how social entrepreneurs in Indonesia cope with market entry barriers and their contribution to the country's economy raises awareness about the importance of social entrepreneurship. This study also contributes to the paucity of Indonesian social enterprise studies (Marshall et al., 2014; Nurfaqih & Fahmi, 2018) and to the wider context of developing countries, where social entrepreneurship is still nascent (Germak & Robinson, 2014; Gupta et al., 2020; Sengupta et al., 2018). This study provides understanding of social enterprises and remoteness, how the social ventures reach out to the rural areas to obtain their social objectives. The social ventures connect the local community with other stakeholders including local government as well as decentralized government agents. They frequently make use of the local resources, and it has been shown in several studies the existence of entry barriers while the social enterprise operates in developing countries (Bhatt & Altinay, 2013; Meyskens, 2010; Sharir & Lerner, 2006).

The researcher believes that the study is highly significant from both theoretical and practical standpoints. This research advances the theoretical knowledge of social entrepreneurship and its transformational potential in many socioeconomic contexts by analysing the shifting patterns of market entry barriers and social innovative contributions. It provides information about the tactics, ideas, and resilience used by social enterprises in Indonesia to overcome market entry barriers and address socioeconomic issues. The importance of establishing a social enterprise in the

growing economy of the country is highlighted by this knowledge, which highlights its ability to promote inclusive growth, create jobs, and support long-term solutions to urgent problems. Furthermore, given the absence of thorough studies on Indonesian social enterprises, this research fills a glaring hole in the literature by offering empirically supported conclusions that can guide policies, programs, and practices meant to promote the expansion and effectiveness of social enterprises in Indonesia. This study connects with the wider world beyond its national context.

Understanding the social enterprises in Indonesia, and that we should support them, is critical for generating constructive effects on society and the economy. In Indonesia, social enterprises play a critical role in tackling societal issues including poverty, preservation of the environment, education, and healthcare. They must be supported for a variety of convincing reasons including innovative solutions, the targeted local people, the impacts, environmental issues, and economic empowerment. Furthermore, this study promotes and builds practical guidance in social enterprise journeys in Indonesia (particularly for young enthusiasts). Additionally, it investigates the concrete benefits that these social companies provide to the national economy, illuminating how they promote fair expansion and sustainable development.

1.5 Scope of the Study

This study connects with the broader environment of social enterprise in developing countries, where the concept of the social enterprise is still in its infancy. This study's

scope is broad and encompasses both theoretical (Haugh, 2012) and practical aspects of Indonesia social enterprises, and particularly the case study of East Nusa Tenggara Province social enterprises, during the year 2018 to year 2022. In terms of practice, it is a study of the methods and techniques used by social enterprises in Indonesia to get over market entry obstacles, providing practical insights into their methods (Alter, 2007; Royce, 2007; Verreynne et al., 2013).

The study's importance extends beyond Indonesia; it has repercussions for developing nations generally, where social enterprise is still in its infancy. Theoretically, it fills a significant research need by adding to the sparse collection of research on Indonesian social enterprises. Additionally, through offering particular insight to the setting of empirical data, the study contributes to development of the worldwide conversation on social enterprise and provides more insight through the understanding of more comprehensive sectors and resources capacity for both social and economic circumstances.

1.6 Limitations of the Study

This study does not have all the answers related to social enterprises, despite its efforts to present a thorough overview of the social enterprise sector in Indonesia. Since the study depends on obtaining information from a particular subset of social enterprise owners who might not accurately represent the broad spectrum of social enterprises nationwide, there is a considerable risk of sampling bias. Furthermore, the research mostly uses self-reported data, which may involve subjectivity or

response bias. Additionally, the study's focus is on the social objectives and the revenue generation and obstacles to entry into the market, thus excluding other aspects of social entrepreneurship, including sustainability and social effect.

The study is also constrained by the time and resource limitations, which restricts the scope and depth of the investigation. Finally, the findings may only be useful for a short period of time, as the social enterprise landscape is dynamic and constantly changing. Despite these drawbacks, the study seeks to provide insightful analyses of the social venture landscape in Indonesia and its broader ramifications.

1.7 Thesis Outline

This chapter introduced the idea of social enterprises and their link to Indonesia's economic progress for the past five years, background of the study, research objectives and questions, significance of the study, scope of the study, and the limitations of the study were articulated. Chapter 2 covers the literature review of social enterprises and debates within this field of scholarship. It then describes the social enterprise economy and entry barriers to it.

Chapter 3 details the research context, both Indonesia in general and specifically East Nusa Tenggara social enterprises. The history of social enterprises and what they are doing currently are reported, with reference to connection to community, and the efforts that have been made to encourage social enterprises in this region. Then, it describes the existing social enterprise ventures' role in Indonesia and East Nusa Tenggara Province. Prevailing rules and regulations on social enterprises are

explained. The theoretical foundations and research framework of the thesis are described in the last section of the chapter.

Chapter 4 describes the methodology of the research, including the overarching paradigm, design, data collection method, implications of the study, and ethical considerations. Chapters 5 (Finding of the study: Motivation spectrum), 6 (Finding of the study: Entry Barriers and Operational process) and finally, Chapter 7 (Conclusion).

The next chapter will discuss the literature review of the idea of social enterprise, the definition, stakeholders, motivation, and market entry barriers.

CHAPTER 2

LITERATURE REVIEW

2.1 Chapter Overview

The previous chapter provided the context for this study by outlining the existence of social enterprises in Indonesia, with a particular focus on East Nusa Tenggara Province. Despite the features and nature of social enterprises, it is important to study the aspects behind their operations in order to point out the achievement of objectives in their social mission.

The aim of this chapter is to determine the theoretical framework for analysing the nature of social enterprise, the definition, stakeholders embedded in the social venture, and the social enterprise market and market barriers – both definition and characteristics. The last section outlines the research framework.

2.2 Definition of Social Enterprise

In retrospect, the area of social enterprise has developed in numerous dimensions over the last decade. A qualitative review of the field, according to perceptions from the literature and the Social Enterprise ecosystem, reveals four key concepts (Sassmannshausen & Volkmann, 2013). The first aspect is conceptualisation, which is critical for every new field. There are various approaches to defining social enterprises (Bouza et al., 2012). The sector currently offers a variety of themes, namely business, social entrepreneurship, and enterprise with social impact, among others. Despite their differences, they all share the idea of adopting a company

model with a greater purpose, is financially sustainable, and has an impact on society (Young & Lecy, 2014).

Most European nations recognise social entrepreneurship as a legal form of organisation, which often includes non-profit organisations. It is also frequently centred on cooperatives with beneficiary participation, which aim to address issues such as community integration and employability (Kerlin, 2007). Social entrepreneurs are comparable to typical entrepreneurs, but they focus on solving a societal need or need. According to (Dees, 1998) social entrepreneurs prioritise creating and maintaining social value. (Martin & Osberg, 2015).

The second major debate focuses on the definition's inherent difficulties. Social enterprises introduce a challenging paradox into the notion. How can corporations become more social? The third issue pertains to social innovation. Research suggests that understanding the challenges of social innovation is crucial for social enterprises (Dees, 2003). The fourth issue of theme in the retrospective view is, researchers are focusing on measuring social effect, a crucial step for organisations with a social mission. Although the literature on social impact is extensive (Palmer-Jones, 2010), there is no simple technique to conduct it.

The prospective study in the future related to the discipline of SE evolves, the initial challenges of conceptualisation and the friction between social and financial aspects may become less important and focus on increasingly complicated topics. Investors, entrepreneurs, and researchers still have a long way to go in terms of defining social innovation processes and improving social impact measurement methodology. The

procedure of social innovation, and particularly the evaluation of social effect, are topics that must be prioritised due to their essential position in a sector pursuing higher ranks of expertise and influence. Furthermore, few academics have addressed the opportunities and challenges of connecting impact on society and the environment. There is a significant opportunity to analyse innovations that consider social, environmental, and business models.

There are many definitions of social enterprise as proposed by scholars. Social enterprise can be defined as a venture that focuses on applying business methods and thinking to solve problems in local communities and especially those beset by low incomes and marginalization (Alter, 2007; Bielefeld, 2009; Gray et al., 2003; Harding, 2004; Hartigan, 2006; Katz & Page, 2010; Shaw, 2004; Thompson & Doherty, 2006b; Zahra et al., 2008). Other scholars state that social enterprises put in vast efforts for social and environmental reasons, and not only to generate a profit (Austin et al., 2006; Haugh, 2006; Katz & Page, 2010; Paton, 2003), while several researchers define social enterprise as an organization that is owned by the society (Shaw, 2004); this entity discovers, defines, and exploits opportunities, and in an innovative manner (Zahra et al., 2008).

This venture result cannot be financially measured (Haugh, 2006). It also encompasses a variety of initiatives (Gray et al., 2003), that in some instances are efficient and effective (Paton, 2003). For example there are conventional ventures that are profit-oriented but reinvent themselves to mix business goals with a social mission (Harding, 2004). Social enterprises' operations in the community can be

accelerated by the stakeholders. A venture gains and maintains support in the form of good management, consistent financial assistance, supply of materials, legal matters, etc. The primary stakeholders put enormous effort into the practicalities of running social enterprises including capital, maintaining credibility, and commitment (Freeman, 1984; Magness, 2008; Waddock & Post, 1991).

Defining a social enterprise is challenging since every scholar has their personal 'take' on what it actually does. While regular businesses want to maximize profits and expand their capital and market share, social enterprises differ in terms of wanting to deliver social outcomes through business activities and reinvesting profits into community activities as well as the business. Social enterprise is about trade to bring benefit for the community/society using business tools and strategies to achieve explicitly social goals. A social enterprise is an entity with a social mission rooted in a system of social ownership and governance, and the way it uses profits it generates from commerce. Organizations are established by a group of people with the explicit goal of benefiting society and in which the material interests of capital investors are restricted. The autonomy and economic risk-taking associated with ongoing socioeconomic action are also highly valued by social enterprises (Defourny & Nyssens, 2010). Social enterprise is a broad concept that refers to a variety of businesses with a social mission. They use several legal structures, but they all follow the same principles of seeking business-led solutions to achieve social goals and reinvesting surplus for the good of the wider society (Haugh, 2006).

A social enterprise is a company that is committed to a social mission or earns a profit to support one financially, though these are likely not the only reasons for its

existence (Gould, 2006). The term 'social enterprise' refers to a wide range of approaches that use business acumen to achieve social or philanthropic objectives (Gray et al., 2003). Pearce defines social enterprises as: not-for-profit organizations that strive to achieve social goals through economic and trade activities; legal mechanisms that ensure all assets and accumulated wealth are kept in trust and for the benefit of those persons and/or areas who are the intended beneficiaries of the enterprise; and legal structures that ensure all assets and accumulated wealth are not in the hands of individuals but are held in trust and for the benefit of those persons and/or areas who are the main beneficiaries of the venture (Pearce & Kay, 2003).

Social enterprises are entities that scholars have sought to define. They can be simply defined as an organization that uses methods of business with innovative and creative ways to address community/ social missions (Dees, 1998). They are differentiated from other socially oriented organizations and initiatives that provide (sometimes substantial) benefits to local communities and do not want or seek to be businesses (Thompson & Doherty, 2006). In broad terms, the social enterprise definition can be categorized into non-profit, for-profit, and government activity. Eliot Jamison stated that "a social enterprise is an entity that generates products and services through the prism of business activity and enhances what the wider society needs while minimizing negative environmental consequences" (Bielefeld, 2009, p.72). The products or services generated by the social enterprise vary widely and depend on the social mission that it delivers (Katz & Page, 2010).

With reference to non-profits and for-profits, social enterprises exist across a spectrum of organizational contexts (Alter, 2007), wherein non-profits rely on philanthropic capital and are solely concerned with social returns. Conversely, for-profit businesses rely on commercial capital and are concerned with financial returns. Between those certain two extremes exist a variety of organizations concerned with both socioeconomic returns. In the context of a non-profit institution, social enterprise is characterized as “any earned-income corporate or strategic plan undertaken by a non-profit organization to generate income in support of its altruistic mission” (Alliance, 2005). The social company is motivated by an innate calling or vocation as a result of previous crucible experiences or leadership milestones. This implies that social entrepreneurs are motivated differently than their charity or commercial competitors. Religious motivation was particularly important in some cases. Implying that social entrepreneurs benefit from some business knowledge or expertise before starting their own enterprises (Lucas, 2012). Social enterprise then can be defined as an entity that strives to address social or environmental concerns while pursuing financial sustainability through creative business strategies and market-driven methodologies, integrating social goals with core operating processes.

Next section discusses the role of motivation in social enterprise.

2.2.1 The role of motivation in defining social enterprise

Motivation is a key concept in management and organisational behaviour, spanning a diverse set of psychological and behavioural processes. It is the internal driving force

that originates, guides, and perpetuates an individual's conduct or actions towards the achievement of a certain goal or the fulfilment of a specific need. This definition emphasises motivation's dynamic aspect, emphasising its significance in not only generating but also maintaining activities throughout time. According to Abraham Maslow's major work, *A Theory of Human Motivation*, human needs are organised into a hierarchical structure. Physiological requirements come initially, followed by security, affection and connection, respect, and self-actualization. Humans get inspired to meet lower level wants before moving on to higher-level demands. This hierarchy is frequently considered a fundamental paradigm for comprehending the drives of people (Maslow, 1943). Stakeholders at the lower end of the motivation scale may be motivated primarily by self-interest or economic reasons. Individuals in a social enterprise, for example, may be drawn to the organisation due to the provision of competitive compensation or benefits. Social companies may be viewed by investors as vehicles for financial gains in addition to their social impact (Peredo & McLean, 2006). At the highest level of motivation, stakeholders are profoundly dedicated to the enterprise's social or environmental objective. They may put the organization's influence ahead of personal gain. Employees, for example, may be strongly motivated by the chance to contribute to a worthwhile cause. Volunteers at social enterprises frequently exhibit this high level of motivation, donating their time and effort without monetary compensation (Mair & Marti, 2006).

Another scholar, Frederick Herzberg, in his essay, *The Motivation-Hygiene (or Two-Factor) Theory*, distinguishes between elements that induce fulfilment in work

(motivators) and those that prevent unhappiness (hygiene factors). Intrinsic elements such as achievement and acknowledgement are examples of motivators, whereas hygienic aspects are examples of external factors such as working environment and income. This idea emphasises the significance of intrinsic motivation in behaviour (Alshmemri et al., 2017).

The next scholars, Richard Deci and Edward Ryan's and their Self-Determination Theory, brought three broad types of motivation: intrinsic drive (participating in a task for its essential fulfilment); extrinsic drive (motivation from external advantages or reduction of sanction); and amotivation (lack of motivation). This theory is useful in understanding the many sorts of motivation (Deci & Ryan, 2013).

As defined in the above paragraph, motivation is the inner force of impulse that originates and supports human behaviour towards specific goals or the fulfilment of certain needs. This term is critical in the context of social enterprises' functioning in Indonesia, since it underlines the fundamental nature of their functions and goals. Social enterprises are companies that combine commercial and social goals, aiming not just for economic viability but also for the improvement of society challenges. In essence, their main aim is to affect good change by meeting the unfulfilled requirements of marginalised populations and attempting to close the nation's socioeconomic gaps. The inner ambition of social entrepreneurs, which is typically driven by an authentic dedication to the advancement of society, is inextricably linked to the objectives of their firms for empowerment and socioeconomic progress. In this sense, vibrantly engaged young people act as both users and catalysts of

change inside the social enterprise, expressing the ambitions of both the organisations and those whom they serve. Understanding the dynamics of motivation and social enterprises' operation is critical to obtaining not only scientific understanding but also meaningful consequences.

Shaw in his study, classified the characteristic features of social enterprise into three categories: (1) enterprise perspective, which refers to the provision of goods or services; (2) social aims, which focus on social benefit mission, community involvement, and environmental protection; and (3) social ownership, which places a strong emphasis on autonomy and economic motivation in relation to ongoing socio-economic action (Shaw, 2004, p.196). A social enterprise is an entity that seeks to discover, define, and exploit opportunities in order to increase social wealth by establishing new businesses or managing existing organizations in an innovative way (Zahra et al., 2008). Meanwhile, according to Austin et al. (2006), a social enterprise is an entrepreneurial activity with a social purpose.

Social enterprise is a catch-all term for a variety of organizations that trade for a good cause while using different legal structures, but they all share the philosophy of pursuing worthwhile social goals and reinvesting surplus for community benefit. Their goals are socially oriented, non-financial intentions, and their results are non-financial measures of implicit market dynamics for services (Haugh, 2006). Social enterprise is about procuring and selling with a social mission in mind, employing enterprise skills and methodologies to accomplish explicit social objectives.

The social enterprise can also be defined as an entity or institution that applies a socio-environmental mission with an entrepreneurial method (Katz & Page, 2010). The term 'social enterprise' describes a variety of initiatives that employ managerial skills to achieve social and/or philanthropic objectives (Gray et al., 2003). Paton summarized it as an institution where individuals must be efficient and effective, and not simply profit-oriented. In this sense, social enterprise is a broad term that encompasses a wide range of organizations (Paton, 2003). Other scholars define social enterprises as traditional businesses with social goals, "whose earnings are primarily reinvested for that objective in the company or organization or in the community, instead of being motivated by the need to maximize profit for shareholders and stakeholders" (Harding, 2004). Social enterprises are ventures founded by entrepreneurs and these enterprises function as platforms for alleviating social and/or environmental issues (Littlewood & Khan, 2018).

A social venture can also be a company seeking to realize a transformative change. Whilst profits are still being generated, the primary goal is not as much profit as possible for the owner, but to effectively help more people in need. In other words, money is not a priority; profits are reinvested in the business to subsidize wider social advancement (Hartigan, 2006). Below is a table of key points that describe the characteristics of a social enterprise.

Table 2-1 Social Enterprise Definition

Scholars	Year	Definitions of Social Enterprise
Littlewood and Holt	2018	<ul style="list-style-type: none"> • Venture established by an entrepreneur. • Serves as a platform for alleviating or attempting solve social and/ or environmental issues.
Thompson and	2006	<ul style="list-style-type: none"> • business ways to solve problems.

Doherty		<ul style="list-style-type: none"> • benefits to local communities • do not want or seek to be businesses
Alter	2007	<ul style="list-style-type: none"> • a revenue-generating venture • creates economic opportunities. • for people with very low incomes • focus on the financial bottom line
Eliot Jamison	(Bielefeld, 2009)	<ul style="list-style-type: none"> • generates products and services or mixed. • business activity • benefits to society • minimizing the negative environmental consequences
Shaw	2004	<ul style="list-style-type: none"> • provision of goods or services • social benefit mission • social ownership
Zahra et al.	2008	<ul style="list-style-type: none"> • discover, define, and exploit opportunities. • businesses • increase social wealth. • innovative strategies
Austin et al.	2006	<ul style="list-style-type: none"> • activity with a social purpose
Haugh	2006	<ul style="list-style-type: none"> • legal structures • socially oriented goal • the results cannot be financially measured
Katz et al.	2010	<ul style="list-style-type: none"> • institution or company • social or environmental mission • business method
Gray et al.	2003	<ul style="list-style-type: none"> • a variety of initiatives • employ managerial skills • to achieve social objectives
Paton	2003	<ul style="list-style-type: none"> • institution/ individuals • efficient and effective • not just in it for profit
Harding	2004	<ul style="list-style-type: none"> • conventional company • for-profit company • reinvented to achieve business goals • excel in addressing social objectives
Hartigan	2006	<ul style="list-style-type: none"> • a form of commerce • transformational change • generate revenue • reinvesting profits to develop a social venture • reach people in need effectively

Sources: Summarized by the author from many sources.

Although the attention given to social enterprises has increased, their contribution to society still needs to be agreed on (Akwagyiram, 2008). According to a review of the rapidly expanding literature on this topic, definitions of the relevant terms are far from agreed

upon. Authors have emphasized the difference in terminology and clarity of meaning (Defourny & Nyssens, 2008; Fontan et al., 2004). Social enterprises have their own characteristics in the United States and are influenced by the practices and traditions of large private sector corporations. In the United States, they aim to realize development, while achieving identity tends to be the goal in the United Kingdom. In Europe, the social economy and cooperatives are more important. Social enterprise is defined in many terms such as follows. First, it is any private activity conducted in the public interest, organized with an entrepreneurial strategy but with the goal of achieving certain economic and social goals, and capable of bringing innovative solutions to the problems of social exclusion and unemployment (Haugh, 2005). Second, it is operating with a social purpose, employing business tools and techniques to achieve explicitly social goals. The next section provides an explanation of social enterprise structure and operation.

2.2.1 Structure and operation of social enterprise

Another way to define social enterprise is that it is characterized not by its legal status, but by its disposition (related to the structure/ format of social enterprise) (Defourny & Nyssens, 2017; Hynes, 2009), with whom it works, the stakeholder (Hazenberg et al., 2016; Lerner & Mason, 2014) and the customer (Alter, 2007; Bandyopadhyay & Ray, 2019; Defourny & Nyssens, 2010b; Kerlin, 2009; Lee et al., 2021; Mitchell et al., 2016; Nyssens, 2007). How the social enterprise attracts market resources to execute its mission (Kerlin, 2007) refers to the social, principle and mission-based aspects that take the form of social shareholdings and governance. It uses the value created through its traditional business in certain ways since this dimension was originally built into the organization's objectives.

These basically underpin the social enterprise principle, namely social responsibility or social concern and integrate vulnerable people and collective services. A social enterprise is a competitive enterprise that is managed and run with a social purpose/reason to live or exist, and encourages meaningful changes in the community, whether socially, economically or environmentally (Barraket & Weissman, 2009; Lane, 2014). Utilizing the economy to generate profit/social mission with for-profit marketing is part of maintaining their existence (Andreasen, 2002; Mitchell et al., 2016; Moizer & Tracey, 2010). Social enterprise refers to an entity that is totally devoted to promoting economic, social, and environmental profits – referred to as “multiple bottom lines” (Alhaddi, 2015) – and is geared towards bringing about meaningful and long-term change in the community (Bibby, 2002; Diochon & Anderson, 2009). The term ‘social enterprise’ covers a broad range of methods that employ business strategies or practices to generate revenue or cash flow/profit so that operations are sustained well into the future for the benefit of the wider society (Besley & Ghatak, 2017; Gregory & Anderson, 2006). Important here is also the need to generate value-added economic growth through innovation or market-based solutions so that a local community gets the benefit (Dart, 2004; Gray et al., 2003; Gregory & Anderson, 2006; Kerlin, 2010).

A social enterprise is an entity in which people must be business-like but are not in it solely for the money. In this sense, social enterprise is a broad term that encompasses a wide range of organizations (Paton, 2003). Social enterprises as not-for-profit entities aim to fulfil society-related goals through commercial activities; they have legal structures that ensure all resources and profits generated are held in

trust for the benefit of those persons and/or areas that are the target respondents (Defourny & Nyssens, 2008; Crossan et al., 2003; Gould, 2006). Essentially, therefore, a social enterprise is devoted to a social purpose or generates a profit to support a social objective where they have recourse to several different legal structures, but all such enterprises share the principles of pursuing business-led solutions to achieve a wider social benefit when there is adequate demand for and supply of services for local communities (Haugh, 2006).

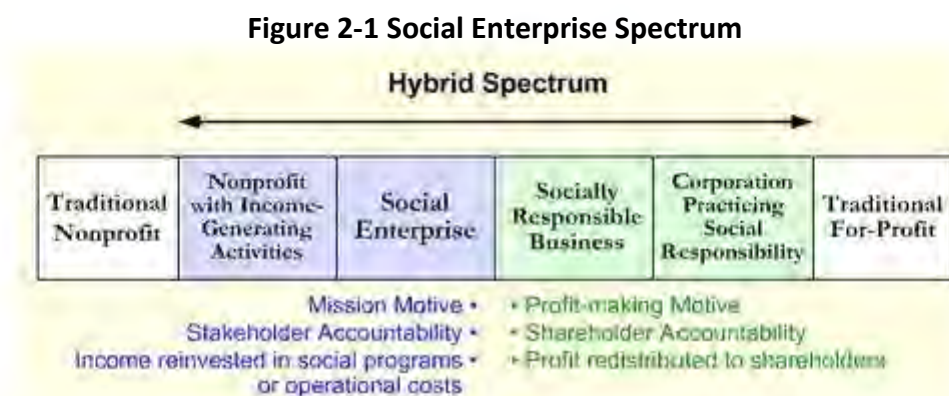
Social enterprises offer a wide range of products, goods/services, and activities for a chosen industry or more than one industry (Chew & Lyon, 2012; Ma et al., 2012; Oster, 2010; Thompson & Doherty, 2006b; Tsai et al., 2020). There is an emphasis on innovative activities and introducing new services or goods to the target community (Fayolle & Matlay, 2010; Ma et al., 2012). Some studies have assessed the commercialization of social enterprises (Diochon & Anderson, 2009; Khieng & Dahles, 2015; Laville & Nyssens, 2001), the profits they generate (Hudon et al., 2020; Low, 2006) and where these go (Besley & Ghatak, 2017; Katz & Page, 2010; Oster, 2010). In terms of community development, social enterprises contribute to the community and especially those people who are disadvantaged or marginalized, by prioritizing their needs as a business solution (Katz & Page, 2010; Reiser, 2012; Sepulveda, 2015; Zhao, 2012).

Compared to the usual kind of business, social enterprises function differently since the social mission is forefront in the organizational culture. Some social enterprises emphasize the economic aspects while others are ruled by the social mission (Fayolle & Matlay, 2010). It can be challenging to have a single formal definition of social

enterprise, as there are various types of enterprises that can be classified as such. The next section is the typology of social enterprise, categorized in a spectrum.

2.2.2 The typology of social enterprise

Alter (2007) defines the spectrum of social enterprise as shown in the next figure below.



Source: Alter (2007).

Alter's typology encourages researchers and industry professionals to look at social enterprises from several perspectives, enabling a more thorough examination of their functions and effects. Social enterprises are divided into two categories under Alter's typology: the social mission; and the revenue model. On the social mission dimension, organisations can range from those that are solely motivated by social goals (non-profit) to those that integrate social and economic aims (hybrids), to those that are primarily driven by profit but nevertheless support social goals (mission-driven for-profits). Organisations that rely on traditional grants and contributions, those that make money through earned revenue, and self-sustaining companies are

all included in the revenue model dimension. Understanding these factors makes it easier to describe and contrast social enterprises across the board.

This typology can be used by policymakers to create specialised support systems for various forms of social entrepreneurs, taking into account the unique possibilities and challenges they confront within specific segments of the spectrum. Researchers and scholars can use the typology to learn more about where their organisation fits within the spectrum and what strategic options are available (Zahra et al., 2006). Examples from different sectors of the economy and geographical areas show how organisations align with various facets of the spectrum as well as how positioning affects their strategies and effectiveness. Using case studies demonstrates the typology's adaptability and its usefulness in analysing and comprehending social enterprises in various circumstances. This spectrum, supported by a number of theoretical viewpoints, provides insights into the functional characteristics and societal effects of several categories of social enterprises.

Generally, the more usual business organizations operate according to an economic logic in terms of garnering profits and attaining market share (Handy, 2002; Wood & Wood, 2003). Furthermore, social enterprises can be compared to civil society groups and these are defined as engaging in actions that reflect social movements with non-government organizations (NGOs) representing their interests (Kasfir, 1998), against what is perceived to be unfair government (Allen, 1997). Civil society is generally a Western metaphor for more liberal-minded causes, charities, etc. (Seckinelgin, 2002).

It is important also to know the social venture stakeholders, as discussed in the next section below.

2.3 Social Enterprise Stakeholders

The topic of stakeholders is crucial in social entrepreneurship since the social mission implies that it will have an impact on the larger community, will require participation from others, and will attract interest from the larger society. There is broad agreement on who classifies as viable or existing stakeholders, which include individuals, communities, institutions, groups, organizations, society, and the environment (Benn et al., 2016). Stakeholder is an individual or a group who can influence or is influenced by the fulfilment of an organization's aims (Freeman & Reed, 1983), and categories for which the corporation is accountable (Alkhafaji, 1989). Stakeholders are defined as groups "in relationship with an organization" (Thompson & Smith, 1991), and Clarkson used the term 'stakeholders' to refer to "persons or groups that possess, or assert, rights, interests, or ownership in a business and its operations, past, present, or future" (Clarkson, 1995).

Social enterprise has garnered much interest from many groups in society, including scholars, since it has the ability to empower the community and benefit the target participants or target market with particular social mission objectives in mind. Stakeholders play an important role in the social venture as they have important functions to execute. Stakeholders consist of any cohort or participant who has an interest in a venture and wants to help accomplish the organization's goals (Freeman,

1984; Magness, 2008; Mitchell et al., 1997). They can be categorized into two groups: primary stakeholder; and secondary stakeholder (Clarkson, 2016). Stakeholders in social entrepreneurship, namely individual and human initiatives (Donaldson & Preston, 1995; Gray et al., 1996), natural entities (Starik, 1995), members of society (Crane et al., 2004), groups of people such as owners, managers, and employees, customers (Orts & Strudler, 2002), suppliers, government/regulators, supporters/volunteers, associations, donators, banks/creditors, and scholars, focus their attention on accelerating the social enterprise (Gamble & Kelly, 2001; Lin, 2018; Mattingly, 2004; Phillips & Reichart, 2000). Table 2-2 below shows the stakeholders in social enterprise as defined by scholars.

Table 2-2 Social Enterprise Stakeholders

Stakeholders	
Primary	Secondary
Owner	Government
Manager	Regulators
Employee	Associations
Local community / target participants	Scholars
Target market / consumers	
Suppliers	
Investor	
Donors	
Volunteers / activists	
Natural environment / resources	

(Clarkson, 2016)

As cutting-edge businesses that address urgent social and environmental issues while achieving financial sustainability, social enterprises have significantly increased in popularity. To increase their efficacy and impact, it is essential to comprehend the motives and traits of their owners. The ability of social enterprises, as mission-driven businesses, to address social and environmental issues through creative commercial

strategies has received global attention. Owners of social enterprises, who are the main proponents of these projects, are crucial in determining their influence and results. Social enterprise stakeholders can be divided as primary stakeholders and secondary stakeholders (Austin et al., 2006; Dees, 1998; Nicholls, 2010). Policymakers, professionals, and prospective social entrepreneurs can all benefit from a better understanding of the various viewpoints and strategies that go into the accomplishment and long-term viability of social enterprises, by categorizing the owners of those businesses. Donors and volunteers are the parties that directly play critical roles on monetary aspects and objective fulfilment, access to resources, and strategy outcomes, which are factors underpinning their role as primary stakeholders. Following, the discussion is about the social enterprises' stakeholders.

2.4 Primary Stakeholders

Social enterprise stakeholders consist of primary stakeholders and secondary stakeholders. Primary stakeholders are owners/founders, managers, employees, target markets, suppliers, investors/donors, volunteers. Secondary stakeholders are governments, associations, and the academician who study social enterprise.

The primary stakeholders play a vital role in the world of the social enterprise. People or institutions with a significant and immediate stake in the enterprise's initiatives and outcomes are considered primary stakeholders in the domain of social enterprises. Awareness of the complex web of interactions that underpin social enterprises and their achievement of social and monetary objectives requires a comprehensive understanding of these major stakeholders. Notably, the owners and

founders of social enterprises, the intended recipients or populations, those who invest, or donors are among the major stakeholders.

2.4.1 Owner / Founder

People who fall into the owner category are driven mostly by a strong desire to tackle social or environmental issues. These owners have a strong commitment to making a good social impact and consider their businesses as agents of change (Dacin et al., 2010). Their enthusiasm and commitment are frequently motivated by particular events or a sense of obligation to give back to the community, which inspires them to start businesses with a distinct social mission (Dees, 2003). Due to their ability to maintain focus on the mission in the face of operational and financial difficulties, leading academics have highlighted social purpose-driven owners as essential accelerators for revolutionary social change (Bacq & Janssen, 2011).

The first type of social enterprise owner is the hybrid entrepreneur, who combines social and business goals in an effort to strike a balance between their social and financial success. This group of proprietors is aware of how crucial financial stability is to achieving social goals (Mair et al., 2006). They want to create business plans that combine social and economic objectives, using market forces to finance charitable endeavours (Dees, 2003). According to Austin et al. (Austin et al., 2006), hybrid entrepreneurs are frequently propelled by the conviction that creative and economically sound solutions may best solve social concerns. Their strategy combines social missions with activities that generate income in novel ways, making them significant assets to the social enterprise environment (Haugh, 2006).

The second type defines those with substantial experience in the social or community improvement sectors as social advocates and activists. These business owners generally have histories in advocacy or non-profit work, where they developed skills in dealing with particular social concerns (Doherty et al., 2014). Their shift to social enterprise is frequently motivated by a search for novel, long-lasting solutions to societal issues (Turner & Endres, 2017). In order to effectively involve beneficiaries and other interested parties in the social enterprise's projects, social entrepreneurs and activists bring alongside them a strong grasp of community demands and networks (Doherty et al., 2014).

The third type is business owners that have substantial expertise in the business sector and make up a distinct group of social enterprise owners. They are motivated by the desire to address social issues with their corporate knowledge and expertise (Turner & Endres, 2017). In order to produce benefits for both stakeholders and society, business owners frequently view social entrepreneurship as a way to combine their commercial abilities with a social mission (Thompson & Doherty, 2006a). They are able to adapt market-driven strategies, marketing tactics, and principles of financial management to their social enterprises, thanks to their business backgrounds (Turner & Endres, 2017).

The fourth category is the leaders that emphasize partnerships and cooperation as a critical strategy to achieve impacts, and are known as connectors and network builders (Mair & Marti, 2009). In order to pool resources and experience, they aggressively seek partnerships with other social entrepreneurs, NGOs, governmental organizations, and companies (Battilana & Dorado, 2010). By fostering knowledge

exchange and collective influence, collaboration enables them to tackle complex societal issues more successfully (Battilana & Lee, 2014). These business owners are adept networkers who understand the value of group efforts in bringing about improvements in society (Doherty et al., 2020).

The fifth type have readiness to participate in risk-taking and innovation in search of fresh solutions, as a defining trait of innovators and experimenters (Phills et al., 2008). In order to achieve their social objectives more effectively, the owners of these businesses are prepared to consider adopting innovative technologies, business strategies, and processes (Dees, 2003; Dees & Anderson, 2003). To increase efficacy and scalability, innovators and researchers continuously iterate and alter their techniques in response to input and data (Mair & Marti, 2009). They adopt a growth mentality and see setbacks as chances for development (Dacin et al., 2010).

2.4.2 Manager

Social enterprise managers can be elaborated on in a few categories; for instance, social enterprise managers with in-depth knowledge of the charitable or social development sectors are referred to as social sector professionals (Doherty et al., 2020). They contribute experience in community development, social work, and program implementation, which enables them to fully comprehend the requirements and difficulties of the communities that they serve (Doherty et al., 2020). Social sector experts go from traditional non-profit organizations to social entrepreneurship to seek novel ideas and get beyond their restrictions.

Social enterprise managers who prioritize strong ties and partnerships with stakeholders, such as workers, participants, investors, and community members, are known as collaborative leaders (Battilana & Dorado, 2010). They value group efforts and think that working together can have a significant societal influence (Lee, 2015). All stakeholders are encouraged to actively participate in decision-making processes by collaborative leaders who develop an atmosphere of open interaction and participation.

Social enterprise managers who engage creativity, experimentation, and adaptation to drive social innovation are known as innovators and change agents (Phills et al., 2008). They look for fresh approaches to difficult societal problems and are prepared to engage in calculated risks in order to test and execute new concepts (Mair & Marti, 2006; (Mair & Noboa, 2006). According to evidence and best practices, visionaries and agents of change constantly seek input, learn from mistakes, and modify their methods (Mair & Marti, 2009). Within the social enterprise, their innovative approach promotes an environment of learning and progress (Doherty et al., 2020).

Managers that fall under this category are driven primarily by an intense awareness of social responsibility and a desire to help solve societal problems. Managers who have a social mission are passionate about having a beneficial effect and see their jobs as chances to make a real difference (Bacq & Janssen, 2011). Their commitment is frequently motivated by firsthand knowledge or a desire to help under-served groups of people and promote integration into society. Embracing the key principles

of social enterprise, social mission-driven managers put the company's social mission priorities ahead of financial success or profit-making (Phills et al., 2008).

The ability to strike a balance between social and business-related motivations in decision-making defines hybrid managers. In order to help achieve the social enterprise's goals, these managers understand how crucial financial sustainability is (Mair & Noboa, 2006). By combining market-driven tactics with objectives for social impact, they successfully navigate the difficult social entrepreneurship landscape (Austin et al., 2006). In order to guarantee the social enterprise's financial survival, hybrid managers are adept at utilizing multiple revenue streams, impact investing, and earned-income techniques (Doherty et al., 2020).

2.4.3 Employee

Meanwhile, employees and local participants who are being targeted for a social goal, are sometimes used interchangeably, but 'local participant' and 'social enterprise employee' have a slight difference. Local participants may be activists or get an income for their efforts, whereas social enterprise staff are often compensated for their job. Depending on the particular demands of the social company, staff or local volunteers may also fill a variety of different tasks (Austin et al., 2006; Dees, 2003; Mair & Noboa, 2006). For instance, in-person service providers who are staff members or participants give recipients direct services including instruction, medical care, or job training. Next, business managers or participants are in charge of the day-to-day management of the social enterprise's finances, human resources, and marketing. The last is employees or individuals who act as advocates

for social change and may influence governments or spread awareness of social problems. Other scholars mention those who put in full efforts to generate significant results and going with the venture's social goals (Bacq & Janssen, 2011). These donors see their participation as a means of securing their livelihood and financial security (Borzaga & Defourny, 2001). Their involvement in social enterprises is motivated by the pressing need to provide for their families and make a life.

2.4.4 Target market

The social enterprise target market on the other hand consists of underserved and marginalized communities. Social companies create solutions that meet their particular needs because these segments frequently face financial, social, or environmental issues (Bacq & Janssen, 2011). The value of social entrepreneurs in supplying goods, services, and opportunities that are sometimes disregarded by traditional market participants is frequently emphasized by academics (Mair & Marti, 2009). Serving impoverished and marginalized populations is consistent with social enterprises' fundamental goals of fostering inclusion and creating a positive social outcome (Dees, 2003).

The next type of social venture target market is those who make purchases, consumers who give greater weight to social and environmental concerns (Srivetbodee et al., 2017). Conscious customers look for goods and services that adhere to their moral principles and are prepared to support non-profit organizations that exhibit ethical and accountable business practices (Phills et al., 2008). By providing sustainable, ethically sourced, and socially responsible alternatives, social

firms cater to conscientious consumers (Austin et al., 2006). In order to draw in and keep ethical consumers, academics stress the significance of effective branding and communication (Mair & Noboa, 2006).

2.4.5 Supplier

The social enterprise supplier can be categorized based on the explanations given in more detail below.

One of the most important categories within the social enterprise supplier sector is mission-aligned vendors. These suppliers actively support the social enterprise's objective and share identical social or environmental ideals (Phills et al., 2008). In order to build solid alliances that have shared impact, academics emphasize the importance of mission alignment (Battilana & Dorado, 2010). Suppliers with a mission-aligned focus put social and environmental concerns first, making sure that their goods and services support the goals of the social company.

Another essential group of social enterprise vendors includes ethical and sustainable ones. According to Bacq and Janssen (Bacq & Janssen, 2011), these providers exhibit ethical sourcing, fair labour practices, and ecologically sustainable production techniques. To advance responsible supply chain management, social firms actively look to collaborate with ethical and sustainable suppliers (Battilana & Lee, 2014). The importance of the social enterprise in increasing supplier adoption of socially and ecologically responsible business practices is stressed by academics.

Advocates for innovation and sustainable business practices speak for vendors who include these concepts into their designs and production methods (Mair & Marti,

2009). These suppliers are motivated by a desire to use their products to bring about a favorable improvement in society and the environment (Dees, 2003). To create environmentally friendly or socially useful products, innovators and proponents of sustainable practices work with social enterprises (Mair et al., 2006). The widespread implementation of sustainable practices across industries is encouraged, according to academics, by the assistance and encouragement provided by social enterprises to these suppliers (Bacq & Janssen, 2011).

2.4.6 Investor/ Donor

Investors and donors in the social enterprise field play a significant role in establishing effective improvement and development as well as growth. Impact investors who operate within the social enterprise investment sector, are an essential subgroup. The desire for both financial gains and an appropriate social impact on the environment drives these investors (Bacq & Janssen, 2011). By providing patient finance and risk-tolerant investments, impact investors assist social companies, according to academics (Austin et al., 2006). According to Battista and Dorado (Battilana & Dorado, 2010), impact investors place a high priority on the assessment as well as transparency of both environmental and social results when making investments in social enterprises.

The second important group of participant in the social enterprise donor categories are philanthropic ones. By making charitable donations, these donors—who are motivated by a philanthropic spirit—seek to assist social enterprises (Dees, 2003).

Scholars stress the importance of generous donors in providing social enterprises with crucial seed money and grant support, particularly in the beginning phases of development (Mair et al., 2006). Through their donations, philanthropic contributors frequently favour social effect over monetary benefits and support a range of social issues (Thompson & Doherty, 2006a).

The third group of the participant is to entice mission-driven investors and contributors, social enterprises use strict impact assessment and reporting procedures (Battilana & Dorado, 2010). Establishing confidence and belief among stakeholders requires demonstrating concrete beneficial social and ecological benefits (Thompson & Doherty, 2006a). In order to successfully communicate their social impact, academics emphasize the importance of social enterprises adopting standardized impact-measurement methodologies (Bugg-Levine & Emerson, 2011).

The fourth group is investors and donors who act as capacity builders for the development and advancement of social enterprises, and provide not only monetary assistance but also knowledge, abilities, and networks (Battilana & Lee, 2014). To aid social entrepreneurs in achieving their goals, these stakeholders provide mentoring, instruction, and technical support (Mair & Marti, 2009). In order to increase social enterprises' organizational capacity and long-term sustainability and effect, capacity builders are essential (Dees, 2003).

2.4.7 Volunteer

People who voluntarily provide their time, talents, and effort to support the goals and activities of social enterprises without receiving financial compensation fall

under the category of social enterprise stakeholder volunteers. Leading academics in the discipline of social enterprise have paid close attention to this group of stakeholders. By contributing a variety of skills, engaging the community, and providing practical help, volunteers significantly increase the capability and efficacy of social enterprises (Özer et al., 2016; Salamon et al., 2017). According to Cruz and van Vuuren (2017), the stakeholder volunteer subcategory in the social enterprise context provides a vibrant and dynamic dimension of participation and demonstrates the potential for group activities to promote social change and strengthen the viability of social enterprises. The involvement of volunteers offers important insights into the crucial role of individuals in influencing the transformative influence of social enterprises on communities and society at large, especially as the field of social enterprise continues to expand (Bacq & Janssen, 2011). Following is a discussion of the secondary stakeholders.

2.5 The Secondary Stakeholders

The secondary stakeholders in the idea of social enterprise are also pivotal. Here, in this section the arguments of the secondary stakeholder will be elaborated on. The secondary stakeholders include governmental and regulatory bodies, associations, and the scholars or academicians who have interest and efforts in the social enterprise realm. Their participation in the social enterprise ecosystem has far-reaching ramifications for their governance, external surroundings, and social effects.

2.5.1 Government

Government significantly benefits the social enterprise by their programs and supports. Government representatives and regulators who actively promote the growth of social enterprise by policy efforts and assistance mechanisms are referred to as supportive policymakers (Battilana & Dorado, 2010). These stakeholders see social enterprises as essential contributions to equitable growth and are driven by a desire to address societal concerns (Mair et al., 2006). Supportive policymakers create and put into place regulations that give non-profit organizations access to money, tax breaks, and other resources to increase their social effect.

Furthermore, governmental officials who cooperate with social entrepreneurs to create regulatory frameworks that support their particular goals are known as proactive regulators (Battilana & Lee, 2014). These stakeholders are motivated by the knowledge that social enterprises are unique and have the capacity to affect positive transformation (Borzaga, 2013). The goal of proactive regulators is to foster the development of social enterprises while ensuring that all legal criteria are met (Mair & Marti, 2009).

2.5.2 Association

Associations, who are considered secondary stakeholders, are extremely important in promoting cooperation, knowledge sharing, and campaigning inside the social enterprise environment. Industry- or topic-specific groups of social entrepreneurs are represented by sector-specific associations (Bacq & Janssen, 2011). An association can be defined through its engagement with social entrepreneurs, and associations

frequently serve as supportive partners, providing crucial assets such as understanding, networks, or advocacy that encourage the mission of social enterprises in enabling social change (Mair & Marti, 2006). Associations can act as network connectors, linking social enterprises with various organizations, possible donors, banks, suppliers, buyers or other beneficiaries (Mair & Marti, 2006). These organizations may concentrate on industries like fair trade, sustainable agriculture, or renewable energy. Researchers emphasize the importance of sector-specific organizations in advancing best practices, exchanging information, and promoting favorable laws and funding possibilities for social companies operating in that industry (Battilana & Dorado, 2010).

National and global networks include organizations that function on a national or international scale and unite social enterprises from different areas or nations (Battilana & Lee, 2014). According to Borzaga and Defourny (2001), these networks act as venues for cross-border partnership, development of skills, and experience exchange. In order to promote cross-sector cooperation and push towards the acknowledgement and encouragement of social entrepreneurship on a larger scale, academics emphasize the importance of national and international partnerships (Mair & Marti, 2009).

2.5.3 The academician who supports social enterprise.

Finally, the scholar is the one who gives impacts through their study and important contributions. According to Bacq and Janssen (2011), academic researchers are experts who carry out thorough study on a variety of social entrepreneurship topics,

including organizational frameworks, effect evaluation, and sustainability. These scholars are driven by their thirst for knowledge and their desire to advance the conversation on social entrepreneurship in academia (Mair et al., 2006). Peer-reviewed journals are where academic scholars frequently publish their findings, helping to develop the field's theoretical and empirical underpinnings, including collaborative programs and support for the developing community (Battilana & Dorado, 2010). The next section provides detailed discussion on the theories of stakeholder motivation applied in the social enterprise literature.

2.6 Theories on Stakeholder Motivation

Social enterprises involve a diverse group of stakeholders, all of whom have a unique set of goals. These goals can range from maximizing financial gains to furthering social or environmental reasons. The prevalence of these disparate motives among stakeholders complicates management and matching of their respective goals (Dacin et al., 2011), stakeholders who care about the mission (Nicholls, 2010), evaluation of results (Battilana & Lee, 2014), considerations for morality and value (Battilana & Dorado, 2010), and divergence of stakeholders (Mair & Marti, 2006). Social enterprises are also distinguished by their 'hybrid' nature, in which they aim to achieve both financial resilience and societal effects. This duality of aim complicates understanding and balancing the driving forces of stakeholders. Financial returns, societal effects, and personal beliefs may all inspire stakeholders (Austin et al., 2006). Understanding the complexities of motivation that are evident among social enterprise stakeholders depends critically on the interaction of Resource-Based

Theory, Self-Determination Theory, and Social Exchange Theory. Adopting this concept, social enterprises can strategically utilize resources to engage stakeholders and increase their commitment. Resource-Based Theory emphasizes the relevance of distinctive resources and competencies in conferring competitive advantage (Barney, 2001). By matching efforts with stakeholders' psychological requirements, the Self-Determination Theory (Ryan & Deci, 2008; Vallerand, 2000), which places a strong focus on independence, competency, and connection, offers insights on generating intrinsic motivation among stakeholders. The reciprocity that underlies stakeholder interactions is further clarified by the Social Exchange Theory (Homans, 1958), highlighting the significance of mutual benefit. Social companies can develop strategies that connect with stakeholders' autonomy, use resources to meet their inherent needs and foster equitable partnerships built on reciprocal value by fusing these principles. The above highlighted social enterprise-related theories have been discussed in the sections to follow.

2.6.1 Resource-Based Theory

Resource-Based Theory (Barney, 2001) implies that entrepreneurs are driven by a desire to utilise distinct assets and skills in order to gain a competitive advantage. The potential to use their distinctive abilities, information, connections, and capital to achieve social goals may encourage social entrepreneurs in Indonesia. They may consider social enterprise as a chance to put their skills and abilities to use for the benefit of others. Resource-based theory (RBT) is a major concept in strategic management that has significantly altered how we understand how firms collect and

utilise resources to gain a competitive advantage. RBT highlights the critical role that resources play in determining an organization's choices regarding strategy and operational outcomes (Barney, 1991b).

First and foremost, Jay B. Barney's foundational work inspired Resource-Based Theory in his seminal essay *Firm Resources and Sustained Competitive Advantage* (Barney, 1991a; Barney, 2001), and Barney created the Valuable, Rare, Inimitable, and Non-substitutable (VRIN) framework (Talaja, 2012). Another notable scholar's (David J. Teece) work on dynamic capacities has enhanced our understanding of how businesses can generate and sustain competitive advantage through the successful application of their assets and abilities (Teece et al., 1997). Teece's contributions were crucial in closing the gap between the static character of resource abundance and the constantly changing character of competitive advantage.

Furthermore, scholars such as Wernerfelt considerably benefited the early conceptualisation of Resource-Based Theory. Wernerfelt emphasised the importance of asset rigidity and diversity in maintaining competitive advantage (Wernerfelt, 1984). In addition, some other scholars are proponents for RBT, for example, Grant (Grant, 1991), Hitt, Ireland, and Sirmon developed the RBT's framework to address difficulties related to company-level strategy, emphasising the importance of business innovation and organising resources in increasing competitive advantage (Sirmon et al., 2011).

Lastly, Collis and Montgomery's study in their 1995 book *Competing on Resources: Strategy in the 1990s* offered a practical viewpoint on how businesses might use RBT

concepts to make strategic decisions and obtain a competitive advantage. In addition, important improvements to RBT have been made by academics like Margaret A. Peteraf (Maritan & Peteraf, 2011; Peteraf, 1993). The research she has done is on the idea of 'dynamic powers' and its capabilities (Easterby-Smith et al., 2009).

2.6.2 Self-Determination Theory

Self-Determination Theory (Ryan & Deci, 2008; Vallerand, 2000) suggests that individuals are motivated when their basic psychological needs for autonomy, competence, and relatedness are fulfilled. Social entrepreneurs may be motivated by the autonomy and independence that social entrepreneurship offers, allowing them to pursue their passion and create their own solutions to social problems. Competence, or the belief in their ability to effectively address social issues, can also motivate social entrepreneurs. Relatedness, or the sense of connection and belongingness to a social cause or community, may be a strong motivator for social entrepreneurs who are driven by their desire to make a positive impact in their communities.

Understanding motivation and wellbeing in this special environment is of the utmost significance, which has led to increasing scholarly interest in the implementation of Self-Determination Theory (SDT) in the social enterprise sector. Even though the subject of SDT application in the social enterprise sector is still relatively new, numerous academics have made significant contributions to the study of motivational dynamics and SDT principles' implications in this particular setting.

Marylène Gagné is a well-known researcher in this area who has investigated how SDT might be used in various organisational and work-related situations, including social enterprises. Her study, *Autonomous Motivation and Quality of Life Among Social Workers: A Longitudinal Study* (Gagné & Deci, 2005), sheds light on how people working for social enterprises might benefit from autonomous motivation, improving their overall quality of life.

In addition, researchers like Adams et al. (2017) have studied the connection between social enterprise and SDT. The article *Self-Determination Theory* investigates how SDT's guiding principles can affect social entrepreneurs' levels of entrepreneurial self-efficacy, shedding light on the motivational elements of social enterprise activities. Lévesque is a well-known researcher who has made significant contributions to the understanding of SDT in the social enterprise sector. In his study *Motivation and Volition in the Course of Action* (Levesque & Pelletier, 2003), he explores the interaction between autonomous motivation and goal pursuit, which is particularly pertinent in the context of social enterprises working to fulfil their socially motivated missions.

Furthermore, in their article titled *The Social Entrepreneurial Antecedents Scale (SEAS): A Validation Study*, Blauth and Wuttke (Hockerts, 2015) investigated the motivational factors that underlie social entrepreneurial intents. In line with the concepts of SDT, this research offers insightful information about the elements that influence people's decision to engage in social entrepreneurship. The motivations and traits of social entrepreneurs have also been studied by academics like Sharir and

Lerner (Sharir & Lerner, 2006), explained in *Gauging the Success of Social Ventures Initiated by Individual Social Entrepreneurs*. Although their work isn't specifically framed inside the SDT paradigm, it nonetheless helps us understand why people start and maintain social enterprises.

As researchers continue to investigate the convergence of these fields, a thorough understanding of the use of SDT in the social enterprise sector must take into account the broader research on motivation, social enterprise, and well-being. The work of other scholars, such as Hockerts in *Organizational Social Entrepreneurship: Scale Development and Validation* (Kannampuzha & Hockerts, 2019), Mair and Noboa in *Social Entrepreneurship: How Intentions to Create a Social Venture are Formed* (Mair & Noboa, 2006), and Short, Moss, and Lumpkin in *Research in Social Entrepreneurship: Past Contributions and Future Opportunities* (Short et al., 2009), provides important new information about the goals, difficulties, and results of social entrepreneurship.

2.6.3 Social Exchange Theory

Social Exchange Theory by Homans (1958) suggests that individuals are motivated by the expectation of reciprocity and mutual benefit in social interactions. Social entrepreneurs in Indonesia may be motivated by the expectation of receiving social, financial, and reputational rewards for their social entrepreneurial efforts. They may see social entrepreneurship as a way to create win-win situations, where they can contribute to society while also benefiting themselves and their stakeholders.

Scholars can investigate the complicated interactions of motivation, kindness, and value creation in this particular organisational environment by combining Social Exchange Theory (SET) and the field of social enterprise. Several academics have made significant contributions, providing light on the motivational characteristics of people involved in social enterprise and value-driven businesses, despite the fact that the application of SET to the motivation inside social enterprises is a relatively new area of research.

Julian Birkinshaw is a well-known expert in this field, and his 2010 article *The New Management: Intelligent Options for Getting Work Done* (Birkinshaw, 2012) provides important insights into how SET concepts might be used in the context of social companies. According to Birkinshaw, social entrepreneurs are driven by a desire to contribute to society, and this drive is closely connected to the sharing of resources and advantages that occurs within the social enterprise ecosystem.

Furthermore, researchers like Minette Drumwright investigate how social enterprises develop mutually beneficial interactions with various stakeholders, including customers, donors, and partners, drawing on SET values to explain the motivations underlying these exchanges in her article *Socially Responsible Organisational Buying: How Could Motivation Solve The Problems?* (Drumwright, 1994). As shown in *Exploring the Link between Social Exchange Relationships, Commitment, and Organisational Citizenship Behaviour in Microfinance Institutions* (Abutaleb et al., 2021), these researchers have also looked into the function of relationships of social exchange in the context of microfinance institutions and social entrepreneurship.

This study mentioned above illuminates the ways in which social exchange dynamics might affect the motivation of social entrepreneurs.

Furthermore, researchers like Lynn Godkin and Elizabeth A. Minton examined the motivational elements of social entrepreneurship in the context of non-profit organisations (Godkin & Allcorn, 2008). Additionally, Othmar Lehner's research on Ideology in the Creation of Social Entrepreneurs (Dey & Lehner, 2017) explores how the calibre of interactions between individuals within the social enterprise sector affects motivation and performance, adding to our awareness of how SET principles manifest in this context. The desire to solve unfulfilled gaps in society and achieve good change is at the heart of social entrepreneurship. The emergence of social enterprises in the global setting can be linked to a variety of socioeconomic and environmental variables. Among these include rising inequality, environmental deterioration, shortfalls in services provided by the government, and shifting consumer expectations. As a result, there is a rising appreciation for the role that social entrepreneurs can play in pushing solutions to these difficult problems. Social enterprises, according to scholars and practitioners, are capable of bridging the disparity across the public and the business community by providing combined societal benefits and economic viability (Mair & Marti, 2006; Mair & Noboa, 2006). Next, there is discussion of the insight of the social enterprise market and entry barriers definition and characteristics.

2.7 Social Enterprise Market: Its Characteristics and Barriers

The social enterprise market is critically significant to ventures since it is connected to the approaches by social venture, shared value, provided feedback, financial sustainability, and invention and innovation, self-reliance, scale and scope. Enterprises' success depends on the long-term market orientation or industry in which they operate (Bhattarai et al., 2019; Ma et al., 2012). The demands of social enterprise can be categorized into five groups: target community, third party buyer, public at large, profit and charitable organizations, and the government. The chart below provides a summary of social enterprise product customers or clientele (Alter, 2007).

Table 2-3 Social Enterprise Consumer/ Product Buyer

Market	Description	Examples
Target Population	The client or the customer (user) of the service or product are similar.	Clients of microfinance purchase services that are offered by the social enterprise
Third Party Payer	Who provides the product or services is different from the buyer. Social enterprise third party buyers are donors, insurance, or government.	A social welfare program pays for health services provided by a community clinic to the poor. A local donor provides low-income working mothers with vouchers to pay for childcare services offered by a non-profit childcare organization.
General Public	Customers who purchase social enterprise goods and services on the open market. In some cases, their purchases may be motivated by social concerns.	The general public pays admission to see a cultural exhibition put on by an arts organization. Customers purchase used clothing from a thrift store operated by a disability organization.
Businesses and Non-profit	Non-profits or businesses that buy from the social enterprise on a 'business-to-	A national ice cream company buys brownies from a bakery run by recovering

	business' basis.	drug addicts and uses them in some ice cream flavors. A socially conscious business will buy renewable energy from an environmental organization.
Government Contracts	The government purchases services and products from social enterprises.	A disability organization provides janitorial and grounds maintenance services to a local government agency.

Sources: Alter (2007).

The social enterprise market depends on the entity's operational model, and a social venture's operational model generally reflects its aim and goals. Social ventures can operate in a variety of ways, including direct service provision, product sales, and collaborations with other organizations. The model chosen is affected by the target audience and the specific niche that the enterprise intends to fill (Alter, 2007; Dacin et al., 2011). First, the market that the social enterprise supports and offers business resources and assistance services to is its target respondents or 'clients', who are self-employed people or companies. Clients of social enterprises afterwards sell their goods and services on the open market. Second, the open market through the market intermediary model is one where a social enterprise offers supports to its target group or 'clients', small manufacturers (individuals, companies, or co-operatives), to assist them in accessing markets. Social enterprises offer more value-added goods and services to client-made products since these services typically involve product innovation, manufacturing sales-assistance, and credit. In this model the social enterprise either buys the client-made products outright or takes them on a consignee basis and resells them at a profit in high-margin markets.

The third variation of the social enterprise market refers to an open market through an employment model. The social enterprise runs a business that employs its clients and sell its goods or services on the open market. Fourth, the market is the target population in the fee-for-service model and here, the social enterprise manufactures and then sells social services directly to customer/market, which consists of individuals, companies, community members, or a third-party payer. Fifth, the low-income client model market is a modification of the fee-for-service model, in which the target population or 'clients' are recognized as a market to sell products or services. The primary focus of this model is on providing low-income customers with access to services and goods where price, distribution, product, and features are obstructions.

Sixth, the external market in the cooperative model of social enterprise is where the market can be both internal and external. It provides an immediate benefit to its target group/member market (clients, co-operative members) in terms of market information, technical assistance/extension services, collective bargaining power, bulk buying, access to products and services, and significant access to an external market for member-produced goods and services. Seventh, the external market that is part of the linkage model is one where the entity operates by encouraging commercial relationships between the target population/clients, small manufacturers, local firms and co-operatives, and the external market. The social enterprise serves as an intermediary, connecting buyers and sellers. Eighth, the external market, where the service subsidization model is predominant, functions as one where the social enterprise sells products or services to its external market. Most

of the program is integrated through the business activity separated from the entity social mission. Ninth, there is the external market in an organizational support model. The products and services are delivered to the external market. The organization works to generate a financial stream to fund the social program, which is separate from business activities.

Social enterprises operate in many ways in the wider community, yet some stakeholders can discern the terminology and validity of measuring the market as the key focus of any social enterprise (Alter, 2007; Cornelius et al., 2008). Social enterprises can operate in peri-urban to rural areas (Alter, 2007; Mardani, 2019; Suharsono & Nugroho, 2018). One study asserts that a social enterprise works well in urban areas (Bertotti et al., 2012). It is very important for the early years of a small firm to establish its business and stay commercialized. Some studies show social enterprises decline in a period of time when their operations do not attract much business (Low & Chinnock, 2008; Mawson, 2010; Scott, 2010). Many fail during the early stages of establishment since they have to battle for limited resources, cannot innovate and lack creativity skills, and poor capital management is evident (Renko, 2013). Social enterprises to survive must be very dynamic (Darrag & El-Bassiouny, 2015; Grassl, 2012; Tinsley & Agapitova, 2018; Trexler, 2008). The next section will discuss the social enterprise barriers.

2.7.1 Social enterprise barriers

Research has demonstrated there are numerous obstacles to business success. Some scholars characterize these briefly based on a few examples. There is failure to see opportunities to progress and innovate, as well as the battle to develop (Davies et al.,

2019; Morrison et al., 2003). Furthermore, there are complex patterns in the relationship between people, entities, and institutional restraints, and small company growth constraints across the life cycle (Felsenstein & Schwartz, 1993). In broad terms, enterprises are often unable to withstand business risks, and business owners close their firms in the first two years. There is in fact a 60% chance of survival and the threat of having to close will drop significantly after six years. Bartelsman et al. (2005) conducted research in underdeveloped countries and discovered that only 20-40% of companies endure in the first two years, whereas 40-50% continue to operate after the seventh year. These results are proof that, due to many challenges they need to tackle, new businesses still face tough times in their early years. The theory of strategic management and entrepreneurship research has advised that entry barriers are the main systemic features of any industry that affect performance (Robinson & Phillips McDougall, 2001).

Many social enterprises receive grants, donations, and earned income by selling products and services to create revenue and accomplish social, cultural, and/or environmental goals. These entities are dependent on financial support from external sources, but also have to demonstrate some degree of self-sufficiency in terms of cash flow; for instance, to finance a shortfall or gap in operating expenses, or revive some costs associated with their social programs (Alter, 2007). Social enterprises' ability to preserve charitable funding correlates with the active sector in which they are involved (Young & Grinsfelder, 2011). It is demanded that their expenditures be accounted for adequately and are justified, with the outcomes expected to be reduced poverty rates (Haugh, 2006).

The problems that remain in the community are first, economic slowdown, which reduces donor and consumer access. Also, second, to retain the customers, for-profit companies must transform their business operations to be more socially and environmentally conscious. Third, governments, organizations, and academics are unable to distinguish between attempts to differentiate corporate social responsibility, charity work, and acts conducted by social enterprises (Massetti, 2012; Nirarathi et al., 2013). The role of social enterprises in disadvantaged neighborhoods has provided some benefits to local communities (Dobele & Dobele, 2014). While social enterprise results are usually evaluated predominantly by material success, recent studies in developing countries indicate that social entrepreneurship has helped social sectors (Kostetska & Berezyak, 2014) and environmental sectors, for instance recycling and reusing waste products in their processes (Nwankwo et al., 2007).

Market barriers in the framework of social ventures relate to a variety of hurdles and obstacles that prevent these businesses from effectively entering, functioning within, and maintaining their market presence. These limitations can include a lack of market awareness, resource restrictions, regulatory hurdles, customer behaviour and trust, distribution challenges, impact measurement difficulties, and market hostility to social solutions (Amine & Staub, 2009).

Market entry barriers do wield an impact on new social enterprises, such as timing of entry (Karakaya & Stahl, 1989), and in large part explains why scholars continue to investigate the effect of barriers on start-ups' product/market scope and product differentiation. In the view of this researcher, industry entry barriers are a huge

obstacle (usually high costs) that inhibit a product from becoming popular in a given marketplace. Such problems can be natural (nature of the product and target market) or artificial (i.e., incumbent players or policymakers try to keep out new entrants so they can monopolize a given industry). The table below summarizes various authors' definitions of barriers.

Table 2-4 Social Enterprise Barrier to Entry Definition

Scholars	Year	Definitions of Barrier to Entry	Source
Bain	1956	<ul style="list-style-type: none"> Advantages of incumbent enterprise over a new start-up The established vendor controls the price 	(Fee et al., 2004)
Stigler	1968	<ul style="list-style-type: none"> Production cost advantage Should be carried by the new entry company 	(Fee et al., 2004; Schmalensee, 2004)
Ferguson	1974	<ul style="list-style-type: none"> Unprofitable factors Incumbent business has capacity to set prices higher than the cost of production Monopoly of established vendor 	(Fee et al., 2004; McAfee et al., 2003)
Fisher	1979	<ul style="list-style-type: none"> Factors that inhibit the entrant's venture Factors are socially advantageous 	(Fee et al., 2004; Gable et al., 1995)
Weizsacker	1980	<ul style="list-style-type: none"> Costs of production The costs that should be carried out by new firms From a social standpoint, this implies resource allocation has not been done properly 	(Demsetz, 1982; von Weizsäcker, 1980)
Demsetz	1982	<ul style="list-style-type: none"> Intellectual property rights should have been defined properly to 	(Demsetz, 1982)

		ensure protection	
Gilbert	1989	<ul style="list-style-type: none"> • A rent inferred from incumbency 	(Gilbert, 1989)
Carlton et al., and Schmalensee	2004	<ul style="list-style-type: none"> • Factors that inhibit the start-up to create its market segment • In long-term, the cost should be imposed on new start-up 	(Carlton et al. (Carlton, 2004; Schmalensee, 2004)

Sources: Summarized by the author from many sources.

The entry barrier to an industry or market is a major hurdle (usually high costs) that inhibits a product from achieving market share. The table below summarizes the types of barriers to entry.

Table 2-5 Social Enterprise Barrier to Entry Types

Scholars	Type of Barriers to Entry:	Source
Michael E. Porter	<ul style="list-style-type: none"> • Economies of scale (cost of advantages of established venture) 	<ul style="list-style-type: none"> • (Harrigan, 1981; Porter, 1980, 1997; Schmalensee, 2004; Stigler, 1983; von Weizsäcker, 1980) (Dixit, 1989; Geroski & Jacquemin, 2013; Spence, 1980)
	<ul style="list-style-type: none"> • Product differentiation of established player 	
	<ul style="list-style-type: none"> • Capital requirements 	<ul style="list-style-type: none"> • (Harrigan, 1981; Porter, 1980, 1997)
	<ul style="list-style-type: none"> • Switching costs 	<ul style="list-style-type: none"> • (Porter, 1980, 1997)
	<ul style="list-style-type: none"> • Distribution access 	<ul style="list-style-type: none"> • (Porter, 1980, 1997)
	<ul style="list-style-type: none"> • Proprietary assets 	<ul style="list-style-type: none"> • (Krouse, 1984; Löbbecke & Falkenberg, 2002)
Robinson and McDougall	<ul style="list-style-type: none"> • Economic entry barriers/ financial issues: <ul style="list-style-type: none"> ○ product differentiation ○ capital requirements ○ customer switching costs ○ technology investment ○ research and technology 	<ul style="list-style-type: none"> • (Demsetz, 1982; Harrigan, 1981; Krouse, 1984; Robinson & Phillips McDougall, 2001; Spence, 1980)

	investment and cost advantage ○ entry costs are substantial (including advertising)	
	<ul style="list-style-type: none"> • Social entry barriers: <ul style="list-style-type: none"> ○ Social network (lack access to): ○ Local business networks ○ Business and community-based organization ○ Political infrastructure ○ Pool of labor and talent 	<ul style="list-style-type: none"> • (Robinson & Phillips McDougall, 2001)
	<ul style="list-style-type: none"> • Institutional entry barriers: <ul style="list-style-type: none"> ○ Formal ○ Informal/ cultural <ul style="list-style-type: none"> ▪ Attitudes and beliefs in social market 	<ul style="list-style-type: none"> • (Demsetz, 1982; Harrigan, 1981; Robinson, 2006; Robinson & Phillips McDougall, 2001; Spence, 1980)

Sources: Summarized by the author from many sources.

Social enterprises deliver products and services to a designated target community, particularly one that the free-market system ignores (Thompson, 2002). They deliver a variety of products and services (well-being, affordable homes, social, and community support, youth development, mentoring, culture, and art activities). However, their major areas of business are employment integration and public care services (Borzaga & Defourny, 2001). Defourny and Nyssens (2010a) list about 15 types of production in social enterprise activities, namely social services, recycling, services for enterprises, gardening work and urban regeneration, processing industry, building industry, restaurants and hotels, traffic and telecommunications, culture and leisure, education, commerce, placement services, and agriculture.

More specifically, there seems to be a lack of awareness of the direct and indirect barriers to the entrant's product/market scope and product differentiation, which

can be significant. New entrants might encounter major hurdles that hamper the market's entrance and later achievement if they do not have a complete awareness of these barriers. Direct obstacles, such as established rivals or regulatory restrictions, can stymie market access and expansion, causing it to be difficult for a new entry to establish a foundation. Indirect challenges, such as shifting client preferences or rising trends in the market, might impair a new entrant's ability to effectively differentiate their products and remain competitive. Therefore, a lack of awareness about these barriers can result in market failure, squandered resources, and missed chances for new entrants, emphasizing the significance of rigorous market analysis and planning for the strategy to efficiently manage these challenges. The fact that competitors may be a primary source of barriers has been largely overlooked, and firms' market strategies most likely have an indirect impact on an entrant company's business strategy (Johnson & Tellis, 2008; Pehrsson, 2009). According to Santarelli and Vivarelli (2007), in the first two years, business owners tend to close down since they cannot afford unanticipated or changed business risks (Jolly, 2003; Santarelli & Vivarelli, 2007; Van Gelderen et al., 2006). It is argued that risks decrease after six years when businesses generally achieve a survival rate of 60%. Bartelsman et al. (2005) conducted research in developed countries and found that only 20-40% of firms survive in the first two years while about 40-50% of companies survive after the seventh year.

Strategic Management Theory and entrepreneurship research advises that entry barriers are key industry structural characteristics that guide business performance (Robinson & Phillips McDougall, 2001). Porter stated the significance of five entry

barriers for new firms: capital requirements (Porter, 1980); cost advantages (Dixit, 1989); switching costs; distribution access, and proprietary assets (Löbbecke & Falkenberg, 2002). These issues address the theme of economies of scale, and it is believed that overcoming these barriers would determine the success of new firms. Elsewhere, Stigler defined entry barrier as a cost advantage (Stigler, 1983).

Robinson, on the theme of social entrepreneurship, indicated three social market entry barriers in the early years of firms' operations, which are economic, social, and institutional barriers (Robinson & Phillips McDougall, 2001). Economic entry barriers linked to financial issues, such as product differentiation, capital requirements, customer switching costs, technology investment (Kazan & Damsgaard, 2016), research and technology investment and cost advantage (Couturier & Sola, 2010), include the entry costs, which are substantial (Das et al., 2007). These barriers need to be overcome by social entrepreneurs so that they have the technology, resources and competitive advantage in a given market. Second, social barriers (lack of access to local community business networks, political infrastructure, and poor labour talent) (Robinson & Phillips McDougall, 2001) are problems encountered by social enterprises in using social networks when they are trying to maximize their advantage.

Social barriers may exist in a market where the venture operates, namely the platform that consumers use due to poor quality of workforce or skills, inadequate business community-based organization, or poor political infrastructure in the business environment. Institutional barriers consist of, firstly, high taxes and inspection needs, business norms and regulations, and lack of information (Aidis,

2005; Bohata & Mladek, 1999; Hashi, 2001). Second, informal/cultural barriers such as putting business regulations into action, corruption, and unfair competition are evident (Bartlett & Bukvič, 2001; Bohata & Mladek, 1999; Muent et al., 2001). Formal institutional barriers exist when the economy does not have proper institutions that support or monitor entrepreneurial activity, while cultural barriers are informal institutions consisting of attitudes and beliefs in a social market. Failure to understand these institutions will lead to unsuccessful social enterprise operations. Inadequate business skills can stymie the long-term survival of private sector enterprises. By understanding these issues, the business may apply proper strategies and devise transformation policies that significantly help its target group (Aidis, 2005; Hoffman & Ventresca, 1999).

In general, many social enterprises depend on financial support from different sources, such as grants, loans, donations, and earned income. Moreover, the ability of social enterprises to maintain charitable support correlates with successful business processes (Young & Grinsfelder, 2011). Even for social purposes, donors who give financial support still require truthful accounts of the expenses and evidence of success, such as lower poverty rates or better education outcomes. This means that the point of social enterprises is measured by their contribution to society (Haugh, 2006). The market is one of the most significant elements in the life cycle of a social enterprise. In this case, a social enterprise gets attention in different ways in terms of communicating with the community, government, industry players, etc. (Nyssens, 2007). Kerlin (2009) found that in terms of sectors (regional/local

community point of view), southeast Asian social enterprises operate as a market economy as it brings social value and increases prosperity.

Insufficient resources in marketing can exist, such as lack of qualified personnel, sales department, and financial resources to invest (Bandyopadhyay & Ray, 2019; Bull & Crompton, 2006; Hines, 2005; Mitchell et al., 2016; Peattie & Morley, 2008; Roundy, 2017; Satar & John, 2016; Shaw, 2004). Social enterprises frequently highlight and position themselves as a platform to contribute to society in order to attract skilled professionals (Austin et al., 2006; Battilana & Dorado, 2010). However, as they struggle to provide attractive salaries or wages, this may deter potential employees (Doherty et al., 2014). Donors can lose interest in a social enterprise if the target market changes and consumers' patterns of purchasing change (Bandyopadhyay & Ray, 2019). Social enterprises have to deal with a variety of market entry barriers (Karakaya & Stahl, 1989), which are in fact an enormous obstacle for the social enterprise to overcome (Carlton, 2004; Demsetz, 1982; Dixit, 1989; Fee et al., 2004; Krouse, 1984; Löbbecke & Falkenberg, 2002; Robinson & Phillips McDougall, 2001; Schmalensee, 2004; Spence, 1980; Stigler, 1983; von Weizsäcker, 1980).

The main barriers can be categorized into three forms, namely economic entry barriers (Demsetz, 1982; Harrigan, 1981; Krouse, 1984; Robinson & Phillips McDougall, 2001; Spence, 1980), social entry barriers (Robinson & Phillips McDougall, 2001), and institutional barriers (Demsetz, 1982; Harrigan, 1981; Robinson, 2006; Robinson & Phillips McDougall, 2001; Spence, 1980). These barriers need to be addressed properly so that a social venture continues to operate and achieve its social mission. Implementing a good strategy response to the challenges (Carlton,

2004; Geroski & Jacquemin, 2013; Harrigan, 1981; Moizer & Tracey, 2010; Pehrsson, 2009; Porter, 1997; Robinson, 2006) can be based on a competitive advantage. Social enterprises with support from stakeholders can achieve their objectives through good economic, social, and environmental strategies (Alter, 2007; Guleid, 2014; Jenner, 2016; Liao, 2019; Madu & Yusuf, 2015; Meo & Panda, 2020; Moizer & Tracey, 2010; Powell et al., 2019; Powell & Osborne, 2015; Rahdari et al., 2016; Satar & John, 2016; Stratan, 2017).

The importance of branding and marketing in the environment of social entrepreneurship extends beyond ordinary corporate performance; also increasing understanding, mobilizing assets, developing trust, and cultivating stakeholder participation. As a result, a strong brand/marketing performance structure is essential for social enterprises in order to not only advance their objective but also establish their social effect to a larger audience. The next section will discuss a social enterprise brand/marketing performance framework.

2.8 Social Enterprise Brand/ Marketing Performance Framework

Scholars concluded that social enterprises should bring benefits to the community and other groups, and especially provide hope for future generations. Other studies noted the social enterprise multi-purpose objectives and the ability to operate for the long term (Dees, 2003; Mair et al., 2006). There are keys for social enterprises to maintain their long-term operations, namely: resourcing (the business's valuable assets and proficiencies); collaborative efforts and alliances; functionality and legitimacy (community's expectations, social standards, and belief systems), and

commercial orientation (Jenner, 2016). Marketing is a front line tool that may be applied as one strategy to maintain social enterprises' success (Powell & Osborne, 2015).

Some scholars in their findings emphasize the need to scale up and scale out (Pratono et al., 2018), and a venture's structure might lead to success, made possible by institutional factors (regulations and government assistance) (Trivedi, 2010; van Lunenburg et al., 2020). Stratan (2017) found that solid leadership, good governance procedures, collegial motivation and commitment, a legal and regulatory environment, business model, high quality management, experience and knowledge of key people in the venture, local community engagement, viability, capacity for innovation, and sensible resource management are the key attributes to social enterprise success (Stratan, 2017). Rahdari et al. (2016) reported a business model canvas as a tool for social enterprises to do well in the long term. The financial management and social impacts of a chosen social goal are elements that need to be given significant attention when evaluating social enterprise success (Guleid, 2014). Critical factors are documented in Table 2.6 below.

Table 2-6 Social Enterprise Critical Performance Factors

Factors		Scholars
Internal	Governance, strategies, and structures	Darby and Jenkins, 2006 Weerawadena and Mort, 2006
External	Community, donors, investors, and the government	
Passion/affective commitment	Intention to fulfil the social objectives	
Continuance commitment	Continuity in activities	
Normative	Taking out all the company's current	

commitment	plans and events	
Organizational citizenship behaviour	Culture of the institution and leadership style	
Performance	Profit	
Productivity	The viability of social goal(s)	
Defective rate	Product waste, proper resource utilization, and employee turnover rates	
Warranty claim	Excellent customer service	
Cost of quality	Correct retail prices of social enterprise product lines to compensate for expenses	
Customer satisfaction	Target market's initial reaction	Lyon and Sepulveda, 2009
Employee morale	Remuneration and benefits from the venture, as well as enhanced skills	
Organizational commitment	Planning and long-term planning/strategies	

Sources: Summarized by the author from many sources.

Discussing the social objective of a social company informs its mission, which reflects the particular social or environmental problem it strives to solve (Dacin et al., 2010). Researchers stress the need of having a distinct social mission that articulates the purpose of the organization (Defourny & Nyssens, 2010a). The social enterprise's mission statement directs its strategic direction and unites its efforts in support of a shared social objective (Austin et al., 2006).

2.8.1 Mission Statement

By identifying the target communities or local beneficiaries they want to assist, social enterprises can define their objectives (Mair et al., 2006). The groups or people who would benefit from the organization's actions, services, or products are frequently highlighted in the mission statement (Borzaga & Defourny, 2001). The mission of the

social enterprise must take into account the requirements and expectations of the target beneficiaries, according to academics (Battilana & Dorado, 2010). The dedication to advance society and the need to meet unmet social needs underpin the mission and goals of social companies (Battilana & Lee, 2014). According to Borzaga and Defourny (2001), social companies work to create new solutions for challenging social and environmental issues. Researchers emphasize how social companies act as change agents, upending the current quo and inventing novel solutions to social issues (Battilana & Dorado, 2010). Social ventures may utilize their specific and unique resources, capacity and capability to achieve their social objectives. They should recognize their uniqueness in their surrounding or environment.

2.8.2 Competitive advantage

According to Barney (Barney, 1991b), competitive advantage refers to the distinctive qualities and assets that allow a company to beat its competitors in the marketplace by demonstrating outstanding performance in both financial and non-financial aspects. Differentiation and cost leadership are emphasized as the two main elements of competitive advantage in Michael E. Porter's foundational work on competitive strategy (Porter, 1997). Since then, scholars have expanded this idea to include other kinds of advantage, like innovation, a focus on the needs of the customer, and network implications (Dierickx & Cool, 1989; Prahalad & Hamel, 1990). The categories of competitive advantage are:

- (a) Cost Leadership

Cost leadership means that by providing goods or services at a lower price than rivals, a company might gain a competitive advantage (Porter, 1997). In order to save costs, businesses that pursue cost leadership frequently simplify operations, improve manufacturing procedures, and bargain advantageous source arrangements (Dierickx & Cool, 1989; Porter, 1997). In order to achieve cost leadership, researchers emphasize the importance of economies of scale, experience curves, and effective resource allocation (Barney, 1991b; Prahalad & Hamel, 1990).

(b) Differentiation

Providing distinctive and unusual products or services that customers appreciate is a key component of differentiation (Porter, 1997). To develop a distinctive value proposition, organizations pursuing differentiation concentrate on product design, branding, and customer experience (Barney, 1991b; Porter, 1997; Prahalad & Hamel, 1990). In order to achieve a competitive advantage based on differentiation, academics emphasize the importance of consumer insights, innovation, and continual improvement (Porter, 1997; Prahalad & Hamel, 1990).

2.9 Research Framework

Social enterprise stakeholders, particularly founders, employees, beneficiaries, contributors, and volunteers, are engaged players in the social enterprise

environment rather than passive participants. These stakeholders are driven by a variety of goals, including social or environmental effects, personal values, and a strong affinity to the mission of the company. These stakeholders' motivations are influenced by the wider context in which the social enterprise operates (Alter, 2007; Austin et al., 2006; Dacin et al., 2011; Gray et al., 2003; Harding, 2004; Hartigan, 2006; Haugh, 2006; Paton, 2003; Shaw, 2004; Thompson & Doherty, 2006b; Thompson, 2002; Zahra et al., 2008). The environment in which social entrepreneurs operate has a significant impact on their operations and effectiveness. This backdrop includes monetary, regulatory, and social variables that either help or hinder them in carrying out their tasks. For example, favourable financial circumstances and supportive regulatory frameworks can foster the growth of social companies, whereas economic downturns and restrictive laws might pose obstacles (Battilana & Lee, 2014; Mair & Marti, 2006; Porter, 1980, 1997; Stigler, 1983; von Weizsäcker, 1980). The exact social challenges or problems that are addressed by social enterprises are also context-specific, with certain issues receiving a greater amount of support than others, influencing resource availability and public awareness (Nicholls, 2010).

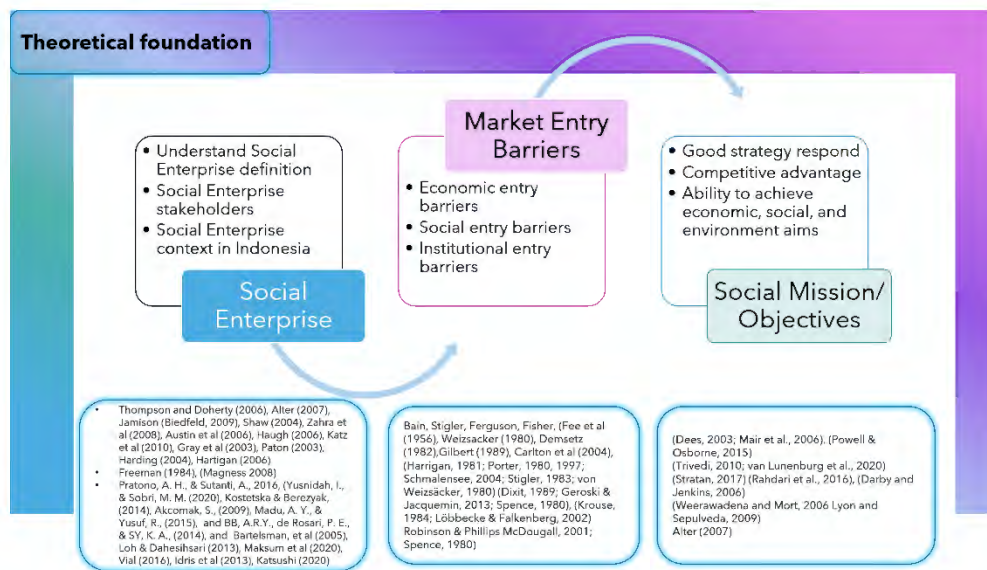
The obstacles that social companies confront are frequently the result of local circumstances and stakeholder interactions. Resource restrictions, competitiveness, regulatory impediments, and problems in measuring impact are also potential challenges. As social companies try to build economically viable businesses that

balance social and economic goals, they must employ innovative methods and adaptable techniques to overcome these problems.

How social companies achieve their objective within this complex network of stakeholders, settings, and difficulties is an ongoing endeavour that necessitates constant change. Mission-driven activities (motivation as main intention of primary and secondary stakeholder) (Caringal-Go & Hechanova, 2018; Christopoulos & Vogl, 2015; Germak & Robinson, 2014; Lucas, 2012; Thompson & Doherty, 2006b) include not just the provision of goods or services into the social enterprise market while encountering the market entry barriers (Karakaya & Stahl, 1989; Pehrsson, 2009; Porter, 1997; Tarry, 2017), but also the measurement and communication of social effects (Dees, 2003; Mair & Marti, 2006). In addition, social companies may attempt to create shared value by providing services that are advantageous to both their intended recipients and consumers (Darby & Jenkins, 2006; Porter, 1980, 1997; Rahdari et al., 2016; Stratan, 2017; Weerawardena & Mort, 2006). Furthermore, social companies frequently form alliances and collaborate in order to exploit collective resources and skills (Battilana & Dorado, 2010).

Underlying those theoretical backgrounds above, the researcher wants to draw these based on the discussion above as shown in the Figure 2-2 below, which illustrates the theoretical foundations of the study.

Figure 2-2 Theoretical Foundations



The concepts of stakeholders of social enterprise and market entry barriers encountered by social enterprises are the key elements that underpin this study. The study will explain how the primary and secondary stakeholders contribute to improving society (Clarkson, 2016). Both kinds of stakeholders manage to contribute to a social venture with their resources (Ojala & Luoma-aho, 2008), achieve organizational objectives (Miller & Lewis, 1991), and deliver outcomes to target participants/industry (Freeman, 1984; Post, 1989; Starik, 1995). Given the reciprocal relationship, the social venture leads to a constructive outcome for stakeholders (Freeman, 1984).

Based on the key factors in the linkage of social enterprise, the stakeholders, and transaction of exchange (Brenner, 1993; Hill & Jones, 1992), the business invents or innovates the joint value and aims to survive (Freeman, 1984; Miles, 2012; Miller & Lewis, 1991). The venture also focuses on the moral propensity-based obligation/responsibility aspects (Phillips & Reichart, 2000) of their resources (Hill &

Jones, 1992). The social venture has the resources (Hill & Jones, 1992) and puts effort into realizing the social goals. However, the market entry barriers (economic, social, and institutional) make this objective hard if not impossible to achieve. Anticipating the market entry barrier by devising a viable strategy will help a social enterprise to implement realistic operations and generate some profit (Alter, 2007; Jenner, 2016; Moizer & Tracey, 2010; Powell et al., 2019).

A social enterprise's motivation is critical to its definition. While standard for-profit organisations seek solely financial returns, social entrepreneurs distinguish themselves by combining financial viability with a commitment to achieving beneficial social or environmental outcomes (Dees, 2003; Dees & Anderson, 2003). This drive is frequently motivated by a strong feeling of social obligation and an urgency to address serious societal challenges. It is critical to analyse the objectives and ideals that motivate a social enterprise's founders and leaders, as these motives distinguish them from traditional corporations (Austin et al., 2006).

Furthermore, the activities carried out by a social enterprise are critical in establishing its purpose and identity. These operations extend beyond profit-generating to include intentional initiatives to alleviate social or environmental problems. To satisfy their objectives, social enterprises use a variety of techniques, including sales of goods, service provision, and partnership formats (Dacin et al., 2011). A social enterprise's specialised activities are representative of its dedication to producing social value in addition to economic profits. As a result, examining these activities is crucial to understanding what distinguishes social ventures. In this

environment, main stakeholders such as owner/founder, workers, and beneficiaries are directly involved in advancing a social enterprise's objective. Their motivations and behaviours are inextricably linked to the organization's social impact commitment (Mair & Marti, 2006). However, it is also critical to recognise the role of secondary stakeholders, who may include donors, volunteers, and members of the larger community. Secondary stakeholders give social enterprises critical support, resources, and legitimacy, influencing the scope and efficacy of their business operations.

Despite the increased interest in socially oriented companies, there are still significant gaps in the literature, particularly when it comes to Indonesian social enterprises and market entry constraints. Much of the published literature on social enterprises in Indonesia is descriptive rather than empirical analysis. Research can provide useful insights into the features and challenges of social entrepreneurs (Ariani & Pratono, 2019), but they frequently rely on qualitative data collected from a small number of case studies. More extensive empirical research is required, with rigorous procedures for analysing larger samples and providing more generalizable findings. While several studies highlight the problems that social entrepreneurs confront, few investigations particularly address market entrance hurdles. Barriers include legislative impediments, a lack of financial access, a lack of market expertise, and cultural reluctance. Existing literature frequently mentions these challenges in passing, but without going into how social entrepreneurs overcome them.

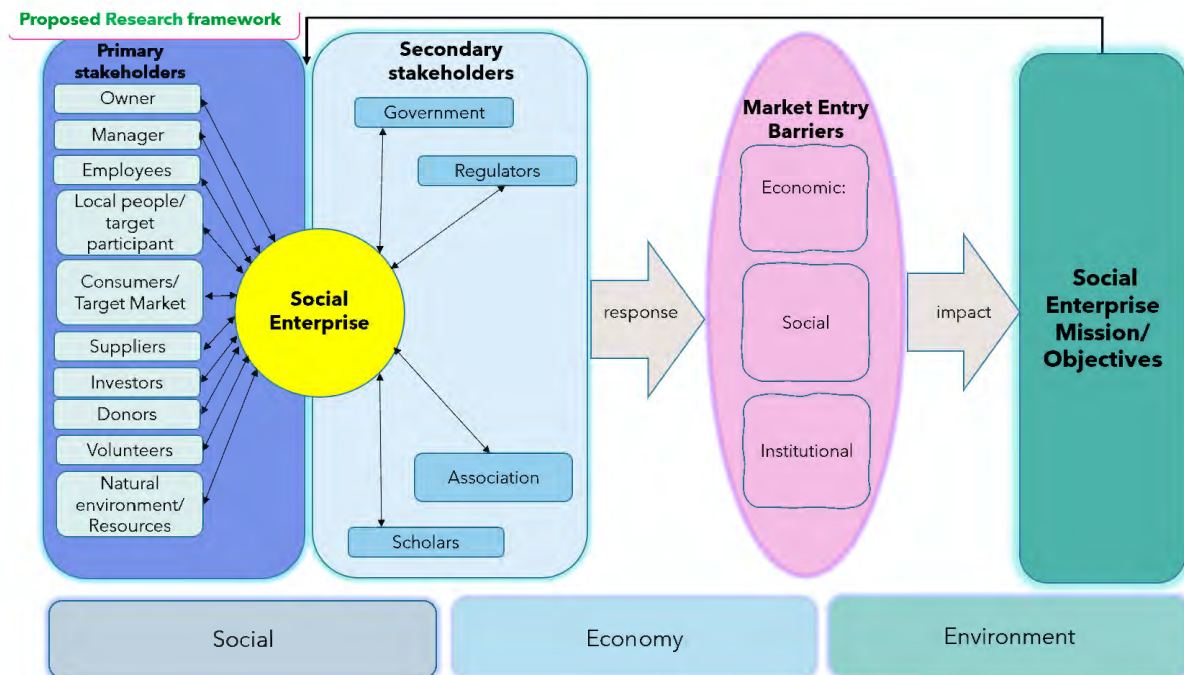
Addressing this gap demands a thorough assessment of the tactics used by established social enterprises to establish themselves and survive in the market.

The particular socioeconomic, cultural, and regulatory context of Indonesia is frequently overlooked in the literature. Studies undertaken in other nations are routinely applied to the Indonesian context but without adequate regard for local characteristics. Understanding the unique difficulties and opportunities confronting Indonesian social entrepreneurs necessitates a contextualised strategy that must take into consideration the country's distinguishing features. This research could help learn about common patterns, problems, and success-related factors among Indonesia's social enterprises. Market competence is required for effectively dealing with the fiercely competitive business environment. This includes knowledge of marketing, strategic planning, and accounting. Without this knowledge, social enterprises might find it difficult to gain clients and engage with established corporations. Cultural issues can also create considerable difficulties. Some communities may be resistant to novel and creative answers to social problems, especially if they threaten established norms and practices. This cultural resistance might make it difficult for ethical entrepreneurs to gain acceptability and experience success.

Based on the elaboration of the theoretical foundation mentioned above and discussion of the theories on social enterprise primary and secondary stakeholder (section 2.4), the theories of motivation (section 2.5) and the theories of market

entry barriers arguments (section 2.6) and social enterprise marketing performance (section 2.7), this study proposes the framework as shown in Figure 2-3 below:

Figure 2-3 Research Framework



The next chapter will discuss the research context that is in Indonesia and East Nusa Tenggara Province social enterprises.

CHAPTER 3

RESEARCH CONTEXT

3.1 An Overview

This chapter discusses an analysis of the social enterprises in Indonesia, particularly in East Nusa Tenggara Province. In East Nusa Tenggara local government behaviour and the decentralization movement create an extensive interaction of characteristics and obstacles. In Indonesia, decentralization is a significant policy aimed at empowering regional administrations to manage their own issues, including economic and social advancement. However, the effectiveness and effects of decentralization can vary greatly across the country, with East Nusa Tenggara serving as an interesting case study in this regard. It presents the nature of social enterprises and their background in the area.

East Nusa Tenggara's local government behavior is influenced by a variety of variables, such as the region's distinct socioeconomic and geographical traits. Local governments now have more independence when it comes to overseeing their assets and amenities, which can result in a variety of results depending on the capacity and dedication of the local leadership (Salam, 2019; Sumarto et al., 2014). East Nusa Tenggara faces challenges, such as a shortage of infrastructure and human resources, that can impede efficient government and service delivery. Local authorities in the

region must overcome these obstacles while encouraging socioeconomic advancement and decreasing poverty (Sumarto et al., 2014).

The start of the chapter considers the beginning of social enterprises and paying attention to the solutions for the multifaceted problems in Indonesia. The second section outlines the social ventures in East Nusa Tenggara Province. The dedication of social ventures in Indonesia to addressing pressing issues including poverty, access to healthcare, education, and the environment, as well as economic inequality, is one of the distinguishing characteristics. These businesses frequently provide creative solutions to persistent problems by utilizing market-based mechanisms to have a beneficial social impact.

3.1.1 Location and population

East Nusa Tenggara, one of Indonesia's provinces, has a population of about 5.5 million people, located in eastern Indonesia, and is made up of a diverse collection of islands. Its isolated location makes accessibility difficult for social enterprises. Because of the scattered nature of the inhabitants across these islands, reaching rural villages might provide logistical challenges.

3.1.2 Socio-economic condition

Indonesia is a lower-income country with a broad and expanding economy. It has a sizable informal economy and is dependent on a variety of industries, including agricultural, industrial, services, and mineral wealth. Inequality of income is a problem, with discrepancies between rural and urban populations, as well as

between regions. Through programs such as contingent financial assistance and infrastructure development, the government has been pursuing initiatives to decrease poverty and enhance living conditions. East Nusa Tenggara's socioeconomic realities create both obstacles and opportunities for social entrepreneurs. Because the region has greater poverty rates than the national average, it is critical for social enterprises to address social concerns such as poverty and unemployment.

East Nusa Tenggara is one of Indonesia's least developed provinces. It is confronted with socioeconomic issues, including greater poverty rates than the national norm. Agriculture is the province's primary industry, with its concentration for subsistence, livestock, and fisheries. Infrastructure and access to services, such as medical care and schooling, can be limited in some locations, posing difficulties for socioeconomic development. In term of market and main industry production, the main industries as well as production activities in East Nusa Tenggara, like agriculture and fisheries, have a significant impact on regional market dynamics. Social companies must link their goods or services with consumer needs and local manufacturing practices. Furthermore, the infrastructure and distribution aspects, in some sections of East Nusa Tenggara, infrastructure, notably logistics and distribution networks, may be inadequate. This creates distribution difficulties for social companies attempting to reach the people they want to help.

3.1.3 Government regulation

Decentralisation in Indonesia gives local governments greater independence in administering their resources and services, such as in East Nusa Tenggara. This has

ramifications for the regional regulatory structure that oversees social enterprises. This decentralisation influences local government behaviour, which affects the operational context for social entrepreneurs.

Social enterprises are governed by numerous laws and regulations in Indonesia, notably the Cooperative and Small and Medium Enterprises Ministry Regulation No. 13/PER/M.KUKM/XII/2016, which defines social enterprises. In Indonesia, social enterprises seek to have both a social and economic impact. They are frequently incorporated as cooperatives (koperasi) or limited liability corporations (PT).

Law and regulation include UU No 28/ 2008 on MSME, Presidential Regulation no 74/ 2005 on Acceleration of Social enterprise, Cooperative and Small and Medium Enterprises Ministry Regulation No 10/2016 on Government Grants to Social Enterprises, Minister of Finance Regulation Number 137/PMK.05/2021 concerning Procedures for Providing Income Tax Incentives for Social Entrepreneurship Business Entities, and Minister of Finance Regulation Number 123/PMK.05/2021 concerning Amendments to Minister of Finance Regulation Number 96/PMK.05/2018 concerning Procedures for Providing Income Tax Incentives for Social Entrepreneurship Enterprises.

Small and Medium Enterprises (SMEs) are vital to the Indonesian economy. To foster SME development, the government has implemented policies and support mechanisms such as financial aid, capacity-building programs, and regulatory simplification. The Ministry of Cooperatives and Small and Medium Enterprises

(Kementerian Koperasi dan Usaha Kecil dan Menengah) is the primary government agency in charge of SME issues.

In East Nusa Tenggara Province, there are several regulations, for example: East Nusa Tenggara Province Regional Regulation Number 5 of 2019 concerning Empowerment of Cooperatives, Micro, Small and Medium Enterprises (MSMEs); East Nusa Tenggara Province Regional Regulation Number 6 of 2020 concerning Amendments to East Nusa Tenggara Province Regional Regulation Number 5 of 2019 concerning Empowerment of Cooperatives, Micro, Small and Medium Enterprises (MSMEs); Governor of East Nusa Tenggara Decree Number 509 of 2019 concerning the Formation of a Development Team and Acceleration of Social Entrepreneurship Development for East Nusa Tenggara Province; East Nusa Tenggara Governor Decree Number 510 of 2019 concerning the Establishment of the East Nusa Tenggara Province Social Entrepreneurship Forum; Governor of East Nusa Tenggara Decree Number 511 of 2019 concerning Guidelines for Providing Government Assistance for Social Entrepreneurship in East Nusa Tenggara Province; and Decree of the Head of the Department of Cooperatives and Small and Medium Enterprises of East Nusa Tenggara Province Number 512.1/12/DIS.KOPERUMKM/2021 concerning the Formation of the Social Entrepreneurship Incubator (Wisesa) Guidance Team for East Nusa Tenggara Province.

3.1.4 Culture

The bureaucratic culture in Indonesia, notably for East Nusa Tenggara, is characterised by official processes and institutions. Authorities frequently adhere to existing norms and regulations, which can have an impact on how they supervise and oversee social enterprises and SMEs. The collectivist culture of Indonesia emphasises community and social interactions. This cultural feature may have ramifications for social enterprises, which frequently strive to meet community requirements while also building social wealth.

East Nusa Tenggara is noted for its great cultural diversity, which includes a wide range of ethnic groups and languages. The region's cultural characteristics are important in social enterprises' activities. Respecting and comprehending local customs, dialects, and traditions is vital for creating a relationship of trust with the communities that they serve, therefore social companies must be culturally aware in their efforts. East Nusa Tenggara, like a variety of Indonesian regions, has diverse historical records and customs specific to the area. These customs can have an impact on how firms are regarded and governed. Local authorities may in some situations encourage enterprises to cooperate with and preserve regional customs and practices.

3.2 Indonesian and East Nusa Tenggara Social Enterprises

Globally, social enterprises take up where governments, business sectors and NGOs fail to provide services to certain groups in society, and in developing countries they

are the hotbeds of social innovation (Apostolopoulos et al., 2019; Robinson, 2006; Scott & Teasdale, 2012; Sepulveda, 2015). Social enterprise (SE) in Indonesia serves to bring about positive changes to Indonesia's economic system and community empowerment, for instance, Asosiasi Kewirausahaan Indonesia (AKSI) in 2009 (Pratono & Sutanti, 2016). This study was conducted specifically in East Nusa Tenggara Province (ENT), a region with rich natural and human resources. However, these have not been maximized and not since the days of the Soeharto regime. Social enterprise brings economic added value to many aspects including business. Many small businesses have played a major role in a country's economic growth and Indonesia is no exception (Akcomak, 2009; Bartelsman et al., 2005; BB et al., 2014; Kostetska & Berezyak, 2014; Madu & Yusuf, 2015; Yusnidah & Sobri, 2020).

Indonesia is an archipelago country with approximately 275.7 million people (bps.go.id, 2022). The number of entrepreneurs is just below 2% of the total population (scored 20.7 and ranked 94 in the world according to the Global Entrepreneurship Index, 2018) (Acs et al., 2018), so it is much smaller than Malaysia, Thailand, China, and Singapore. There is only a small percentage of social entrepreneurs. The shortage of entrepreneurs in the country is said to be the most important factor for economic growth (Tambunan, 2008). Indonesian social enterprise research has been carried out on various subjects, such as enterprise education programs wanting to increase the number of students interested in starting their own business (Abduh et al., 2012). Kristiansen and Indarti conclude that Indonesian students have a higher level of entrepreneurial intention, and the

country's entrepreneurial women have the resilience and individual attributes to succeed in business by applying good strategies despite the social, cultural and political challenges (Kristiansen & Indarti, 2004; Loh & Dahesihsari, 2013).

Social enterprise as a model through social innovation programs has enhanced small and medium-sized enterprises in Indonesia (Maksum et al., 2020). This is the business model canvas for Indonesia's social enterprises (Vial, 2016). While research in Indonesia on entrepreneurial activities is very small, social entrepreneurship is not a new phenomenon in Indonesia itself. Idris et al. observed that local organizations engaged in social enterprises during the Dutch colonial period to support minority groups in their quest for more freedom (Idris & Hijrah Hati, 2013). Other studies and primarily case studies focused on how Indonesian social enterprises play an important role in powering the weak economy as it exists in marginal local communities through education, social actions, financial support, agriculture, housing, health, information technology, and simply creating a competitive advantage (Lestari, 2016; Safa'at et al., 2014; Zainudin et al., 2019). Katsushi (2020) found how social enterprises function as major investors, and researchers in Indonesia see investment as a critical step in raising partnership awareness while using their capabilities for solving problems in establishing mutual objectives (according to types of social problems) for each stakeholder and working collaboratively.

Social entrepreneurship has a long history in Indonesia. In the early twentieth century, the Kartini School was established in 1912 in Semarang, Central Java, by

Kartini van Deventer (van Deventer Foundation), and it was subsidized by the Dutch East Indies colonial authorities. The objective was to provide an education service for indigenous people (Council & ESCAP, 2018; Idris & Hijrah Hati, 2013). In the case of Muhammadiyah, in 1912, the founder KH Ahmad Dahlan devised the social mission idea to improve society's well-being. The organization empowered local people through religious and social actions, namely education, healthcare, and social care (Bidet & Defourny, 2019; Bush, 2014; Fauziah; Pratono et al., 2019b).

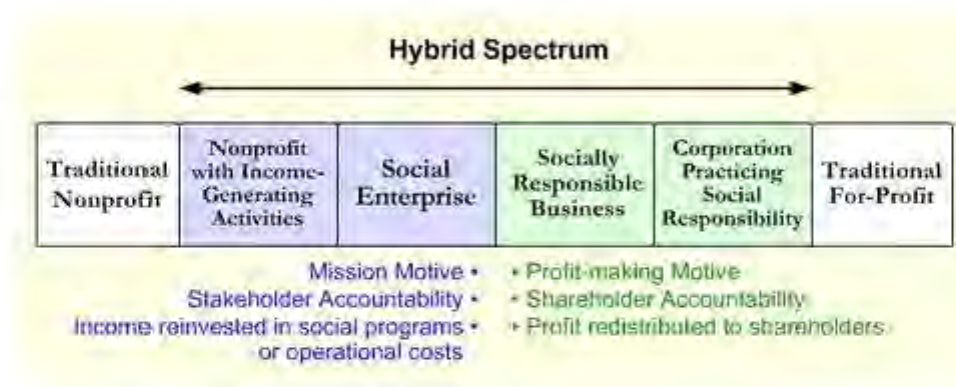
Several studies on Indonesian social enterprise and social entrepreneurship have been conducted in the past ten years, for instance (Hati & Idris, 2019), (Pratono et al., 2019b), and (Margiono & Heriyati, 2022). An institution named Ashoka Indonesia was founded by the Indians, working with more than 180 partners in Indonesia to help local people's health, education, environment, economy, and community participation. The main goal is to provide a chance for every person to be proud of leading a better life and being productive in one's endeavours. For instance, the Social Entrepreneur Academy generates synergy among people and is involved in a lot of youth mentoring, micro-finance, seminars, training, trips, and exhibitions. Many of these organizations were established by successful entrepreneurs who share common traits such as drive, enthusiasm, wanting to contribute to society in an effective way, etc. Ashoka Indonesia claims to have assisted 172 successful entrepreneurs in developing social enterprises (www.ashoka.com/id), while the Social Entrepreneurship Academy in 2013 assisted 65 social entrepreneurs (<http://dompetdhuafa.org/>).

Only a small number of studies have been done on social enterprises in Indonesia (Gullarbergs & Haugland, 2020; Pratono & Sutanti, 2016) and the published ones show that social enterprises seek to empower local communities (Maksum et al., 2020; Meo & Panda, 2020; Palesangi, 2012; Pemuda, 2018; Pratono et al., 2019b; Qastharin & Vanourek, 2020; Rahadi, 2015; Rahman et al.; Saragih, 2017; Saragih & Elisabeth, 2020; Solihin, 2021; Torri, 2012; Yanuar & Anggadwita, 2019). Some studies show that social enterprises in Indonesia have grown significantly in the last few years (Maulinda, 2019). However, we still need more research on social enterprises and particularly in the eastern part of Indonesia. There are several important steps that should be taken by social enterprise stakeholders, particularly the academic researchers, to help establish the circumstances in the affected regions. Social enterprise needs to know how to overcome societal threats, political regulation/government administrative burdens (Macculloch, 2001), and navigate cultural and economic barriers. The thesis will explore the problems that are endemic to social enterprises in Indonesia. Strict regulations will help to reduce many SME-related problems concerning security, process difficulties, and corruption (Maksum, et al., 2020). Micro-enterprises play a critical role in the Indonesian economy as they supply 99.8% of employment and account for more than 95% of all enterprises in Indonesia. However, these firms experience many impediments, including a lack of capital, skills, and technology, which creates poor competitiveness (Gullarbergs & Haugland, 2020; Pratono et al., 2019b).

Social enterprises in Indonesia support the need for social change and empowerment. They operate in various sectors, such as the health sector, energy

and environment, fisheries and agriculture, entrepreneurship, and micro-finance (Meo & Panda, 2020). Studies of social enterprises in Indonesia showed that they are eager to engage in innovative products (Palesangi, 2012; Pemuda, 2018; Rahadi, 2015; Saragih & Elisabeth, 2020; Solihin, 2021; Yanuar & Anggadwita, 2019). These ventures provide both private goods (products or services purchased for the sake of buyers' private consumption), social goods (products or services that benefit a larger number of citizens or mixed goods (both private and public) (Katz & Page, 2010). One study showed that the social enterprise model seeks to empower the local community through products and services based on social value creation, civil society, innovation (Moulaert et al., 2013), and economic activity (Palesangi, 2012). Practically, social enterprises in Indonesia provide solutions for communities' social problems in terms of solving issues of empowerment, education, poverty, finances, housing, health and sanitation (Katsushi, 2020; Maksum et al., 2020; Pratono et al., 2018; Pratono et al., 2019a, 2019b; Qastharin & Vanourek, 2020; Rahman et al.; Sulisty et al.; Torri, 2012). Social enterprises in Indonesia do have their own motives in terms of balancing social missions and market-driven goals, but the overall intent is to create economic and social value and the spectrum of such is shown in the next figure (Alter, 2007).

Figure 3-1 Social Enterprise Spectrum



Most social entrepreneurs are motivated by an individual who inspired them to help their community or a particular socioeconomic group. Donors usually take the form of philanthropists, private companies, banks, and big manufacturers who have empathy for marginalized people or communities (Yuniriyanti et al., 2020; Purnomo, 2018). The government of Indonesia supports all forms of entrepreneurs, including social enterprises, by issuing policies that support micro, small, and medium enterprises with finance and business training (Maksum et al., 2020; Katsushi, 2020). The government through Badan Pengkajian dan Penerapan Teknologi (BPPT) dan Balai Inkubator Teknologi (BIT) continues to support social enterprises through collaboration with ‘the socio-preneurs’ and local governments, which established 10 of 100 techno-parks (Jokowi’s NAWACITA) to encourage social entrepreneur ecosystems and start-ups (www.bppt.go.id, 2021). A number of Indonesian social enterprises were transformed from an NGO-based model, for instance Ayofest and Puskota UBAYA (Mulya, 2014; Sudarsono, 2015). This entity changed its organizational structure so that it received private funding sources as venture capital, investors, and loans. Financing is still a persistent issue for Indonesia's social

enterprises. Lack of capital stymies their efforts to make a valid social and environmental contribution (Council & ESCAP, 2018; Soukhasing et al., 2017).

In Indonesia, however, social enterprises face problems such as insufficient capital, a lack of entrepreneurial support, and market and technology challenges. The research focuses on social enterprises in East Nusa Tenggara, with the purpose of identifying market entry barriers and researching how these organisations overcome them. It is important to better understand social enterprise in Indonesia and its significance to rising economies. Social enterprises have the potential to alleviate social and economic issues in Indonesia.

The next section discusses the existence of social enterprises in East Nusa Tenggara Province and both their economic and social activities to accomplish their ventures goals.

3.3 Social Enterprise in East Nusa Tenggara Province

East Nusa Tenggara Province is located in the southeast of Indonesia and in 2020 the population was 5,541,394 (www.ntt.bps.go.id). The secondary education participation rate of 39% was significantly lower than the Indonesian average (80% in 2003 by UNESCO), leading to a shortage of clean drinking water, sanitation, and health facilities, with child malnutrition (32%) and child mortality (71 per 1000) higher in this region than in the rest of Indonesia. Maternal and infant mortality rates are high, partly due to limited access to healthcare (www.jakartapost.com, 2011). The region's rich natural resources are forestry and manganese, marine products,

namely fish and seaweed, and tourism. However, these are not exploited very well and local communities live in conditions of poverty. Agriculture commodities are mostly corn, coffee, palm sugar, and coconut. These are produced traditionally with poor touch of technology (traditional agriculture methods), relying on human capital/labour that impact on productivity level (bps.go.id, 2020). Those commodities are marketed to mostly local traditional markets, retail, weekly dan daily market around the region.

Poverty levels in the province are relatively high when compared to other parts of Indonesia. In 2010, 23% of the population was considered poor (using a very moderate-income level of around \$25 and \$17 per person per month for urban and rural areas), especially in contrast to 13.3% for the whole of Indonesia (www.ntt.bps.go.id). The following are the primary development issues in East Nusa Tenggara Province. Due to topography and geographical condition, the economic distribution and access are considered very poor, which inhibits the economic growth. According to the Central Statistics Agency (BPS), East Nusa Tenggara's (ENT) GRDP per capita at current prices (ADHB) was only IDR 20.58 million per year in 2021. This means that ENT citizens have the lowest income among the 33 provinces. ENT citizens earn barely one-third of the average annual income of Indonesian residents, which is IDR 62.2 million. ENT's GDP per capita is equivalent to 7.5% of DKI Jakarta residents' annual income of IDR 274.71 million (ntt.bps.go.id). There are clear disparities: living standards between urban and rural areas and rural poverty is widespread; agriculture is underdeveloped, with little implementation of modern technology or capital, and with limited market access; and deforestation has

exacerbated the province's water management and water access problems. The province's infrastructure is underdeveloped. Roads are frequently in poor condition and particularly in rural areas, and electricity is not widespread. East Nusa Tenggara Province is inhabited by a variety of ecosystems and confronts environmental concerns, including deforestation and global warming.

3.3.1 Social enterprise history in East Nusa Tenggara

Social enterprise in East Nusa Tenggara Province has its own unique story. The social ventures in this region started a few years ago when some young people wanted to empower the local community to live a better life. The local government encouraged young people to establish business start-ups, including social enterprises, because the central government recognized that social innovation is the critical force for resolving social issues and achieving long-term economic and social progress. Moreover, the local government facilitated the rise of social enterprises (Maksum et al., 2020). The role of decentralization provides a rapid decision-making for local authorities to accelerate their policies to be implemented. The market situation for social enterprise in East Nusa Tenggara Province is relatively encouraging since the region is developing and recently products and services offered by these entities are being purchased by the local communities (Suharsono & Nugroho, 2018).

3.3.2 East Nusa Tenggara Province social enterprise various sectors

Social enterprises in East Nusa Tenggara work in a wide variety of sectors, from household to health to agriculture sectors. For example, Marada Kelor is a social

company that supports the production, processing, and utilisation of moringa as a sustainable source of nourishment and revenue for local communities. The social venture collaborates with local farmers to create moringa plantations using sustainable agricultural practices, to give moringa farmer processing training, and to develop value-added moringa products such as moringa powder, moringa tea, and moringa-based food and beverages.

Marada Kelor is a social enterprise with a multifaceted approach that focuses on social, economic, and environmental factors. Its goals are to improve local farmers' livelihoods, create job opportunities, promote sustainable agricultural practices, address malnutrition or health issues in the community through moringa-based nutrition solutions, and contribute to environmental sustainability through moringa promotion as a climate-resilient and environmentally friendly crop.

Geng Motor Imut is another example of a social company that promotes animal husbandry, organic farming, appropriate technology and eco-friendly practices, community participation, and social welfare to more than 44 villages and 9 islands in East Nusa Tenggara Province. This social venture organizes training, workshops, and campaigns to increase awareness of environmental preservation, provide training session on generating eco-friendly energy (conservation skills), encourage positive behaviours to preserve the natural resources in farming (water conservation), produce organic fertilizer, and apply appropriate technology in farming. Geng Motor Imut also engages in community outreach with their biogas portable digester, biogas stove (recent ninth model), seawater desalinated device, and charcoal briquettes.

The social company uses young motorcycle riders' enthusiasm from university students to young professionals to promote good social change, cultivate a feeling of community and belonging among its members, and contribute to local communities.

Pubila Alor is an Indonesian social enterprise that promotes empowering local people. The social enterprise started collaboration with local communities to provide a rice milling machine for the local village and advanced the business to produce herbal beverages, for instance, ginger (including ginger tea powder), curcuma and turmeric, as well as moringa leaves tea. In addition, this venture is also very well-known as a producer of virgin coconut oil (VCO), black rice, candlenut oil, cashew nuts, fried corn and banana chips. Sustainable employment possibilities while promoting their cultural legacy is the mission of this entity. Pubila Alor works with local church members to preserve highlighted Indonesian heritage traditions. The social enterprise ensures that the local farmers are paid fairly for their hard work and they are protected from heinous-middlemen and wicked collectors at the sub-district centre.

Pubila Alor incorporates natural and eco-friendly components in its goods as part of its dedication to sustainability, such as natural and organic herbals. To reduce its chemical imprint, the social company encourages ecologically responsible practices by using organic herbs and spices and encourages organic farming to the farmer. Pubila Alor seeks to create social effect in addition to economic and environmental sustainability. The social enterprise provides training and capacity building to local farmers, equipping them with skills, knowledge, and resources to improve their

livelihoods. Pubila Alor also actively participates in community development projects, for instance, supporting education and provide a training program in digital marketing for its young local communities where it works. Pubila's products and services, which include beverages and snacks, are marketed both locally, regionally, and nationally. The social enterprise spreads awareness about the importance of fair trade, sustainable household income while also promotes the cultural preservation of their communities.

Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi is an Indonesian social enterprise that focuses on empowering and developing women and disabled people's capacity in East Nusa Tenggara Province, Indonesia. Through capacity building, market access, and social impact, the social enterprise aspires to establish sustainable livelihoods and economic possibilities for local target participants, particularly women and marginalized communities. Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi also provides the local women, disabled people, micro and small enterprises to improve their entrepreneurship abilities, product quality, and market competitiveness through training, mentoring, and resources. The social company also promotes the use of ecologically friendly and sustainable practices in manufacturing and marketing the products.

Jaringan Perempuan Usaha Kreatif (JARPUK) Ina Foa - Fua Funi connects local UKMs to larger markets, stakeholders, through its programs with governments and foreign donors. The social enterprise assists the local communities in improving their product packaging, branding, and distribution channels, as well as developing their own

market connections and promotional efforts to raise their exposure and sales. Jaringan Perempuan Usaha Kreatif (JARPUK) Ina Foa- Fua Funi places a premium on social effect, particularly in terms of empowering women and marginalized communities. The social enterprise promotes gender equality, reducing domestic violence, and social inclusion by creating opportunities for female entrepreneurs and overcoming social, economic, and cultural hurdles. Jaringan Perempuan Usaha Kreatif (JARPUK) Ina Foa- Fua Funi also supports community development efforts such as education, and traditional heritage conservation in the communities in which it operates. It provides a wide selection of locally created products, such as handicrafts, textiles, accessories, food products, and other traditional goods sourced from local participants. These products are marketed through a variety of channels, including e-commerce platforms, specialty stores, and social impact events, with a focus on highlighting the distinctive cultural heritage and craftsmanship of the local communities.

Trinity Academy is an Indonesian social enterprise that focuses on HOPE (Humanitarian Outreach Project for Education), and MEDITERANIA (Medical Outreach Project, and Humanitarian Actions). Trinity Academia concentrates on building human resources to upscale SMEs and start-ups in East Nusa Tenggara Province. The social enterprise strives to empower and educate young people in order for them to obtain jobs or start their own businesses, particularly in industries with high local demand. Trinity Academy offers a wide range of vocational training programs, including marketing, digital marketing, and information technology to

entrepreneurs and young people to satisfy the specific needs and demands. The social enterprise also provides mentorship, coaching, and job placement assistance for students in effectively transitioning into the workforce or developing their own entrepreneurial ventures. Trinity Academy's purpose originates from a desire to close the skills gap and reduce teen unemployment.

Muri Jamu, a social enterprise in Kupang, East Nusa Tenggara, Indonesia, is a fascinating case study for understanding the dynamics, problems, and impact of social enterprise in the region. This company specialises in mushroom cultivation and processing, notably oyster mushrooms. Sustainable agriculture, product creation, and community engagement are among its initiatives. Muri Jamu was founded with the goal of utilising the ENT region's vast natural resources, particularly its excellent soil and climate, to raise high-quality mushrooms. The enterprise's purpose is to promote sustainable agriculture while also creating economic possibilities for local communities.

Muri Jamu's main line of business is oyster mushrooms, which are well-known for their nutritional benefits and adaptability in a variety of culinary applications. These mushrooms are cultivated, harvested, and processed by the company. They make homemade mushrooms, frozen mushrooms, and mushroom snacks. Muri Jamu focuses a high value on community involvement. Local farmers and citizens are deeply involved in mushroom production, with training and capacity-building efforts assisting them. This not only creates job opportunities but also enriches the community's social network. The enhancement of employment in the region is one of

Muri Jamu's important consequences. It helps to alleviate poverty by offering job opportunities to local farmers.

Furthermore, the business supports women, who play an important part in mushroom growing. In addition, this venture welcomes agriculture university students or young mushroom enthusiasts to the training it provides. Muri Jamu's agricultural methods exhibit its devotion to sustainable agriculture. They place a premium on green and sustainably produced practices. The firm plays a role in organic local food and minimises farming's environmental footprint by supporting sustainable agriculture. Muri Jamu is an example of a social company that uses local resources to generate income while supporting sustainable farming and community development. The benefits it provides extends beyond monetary gains into the conservation of the environment and poverty alleviation.

Industri Pangan Lokal is an Indonesian social company that promotes and supports the local food industry. The social venture collaborates with local farmers, producers, and craftspeople to build inclusive and sustainable value chains for local food products. The mission of Industri Pangan Lokal is to revitalise and promote traditional food items, preserve local culinary heritage, and give economic opportunities for local populations. To improve production procedures, quality standards, and market access for local food products, the social enterprise works with local stakeholders such as farmers, processors, distributors, and retailers. Industri Pangan Lokal also runs awareness initiatives, educational programs, and marketing efforts to educate consumers about the necessity of supporting local food systems and the social,

cultural, and economic benefits that come with it. By resurrecting and supporting local food industries, Industri Pangan Lokal aims to promote local food sustainability, empower local communities, and produce positive social effects.

Geser Coffee Alor Alor is an Indonesian social company that promotes and supports the coffee industry in the Alor region. The social enterprise collaborates with local coffee growers to improve coffee production quality, promote sustainable practices, and expand market access for Alor coffee. Geser Coffee Alor Alor's mission is to empower local coffee producers, improve the Alor coffee value chain, and generate economic possibilities for the local community. The social enterprise provides local farmers with training, tools, and support to enhance their coffee production and processing practices, as well as access to fair marketplaces and fair prices for their beans. Geser Coffee Alor Alor also engages in marketing and branding operations to increase awareness of Alor coffee and promote its distinct qualities, characteristics, and flavours, and attract domestic and international buyers. Its motivation is to support and promote the sustainable growth of the local coffee industry, to enhance the livelihoods of local coffee farmers, and to produce a positive social impact through promoting Alor coffee in the market.

Hyuna Madu is an Indonesian social company that promotes beekeeping and ground honey production as a source of sustainable income for rural people. The social venture collaborates with local beekeepers, farmers, and craftspeople to build a ground honey value chain while also supporting environmental conservation and community empowerment. Hyuna Madu's mission is to help local ground honey

beekeepers, maintain ground honeybee habitats, and educate people about the health advantages of ground honey. The social venture helps local ground honey beekeepers with training, tools, and market access in order to improve their beekeeping practices, improve ground honey quality, and boost honey production. Hyuna Madu also participates in advocacy and education activities to raise awareness about the value of bees in pollination, environmental sustainability, and biodiversity protection. Hyuna Madu's objective is to provide sustainable livelihood options for local people, to promote beekeeping as a viable business, and to make a positive social impact by promoting the value of honey and environmental conservation. The table below lists social enterprises that operate in East Nusa Tenggara Province.

Table 3-1 Social Enterprise Organizations in East Nusa Tenggara Province

Social Enterprise	Sector	Product	Market	Social Benefits	Supporters
Marada Kelor	Health	Herbal products of moringa oleifera leaves	Regional and National	Health improvement, culture and ethnic products development, community welfare	Bank Indonesia, BRI, Indonesian, Local Government and Ministry of Creative Economy
Muri Jamur	Health	Food products	Regional	Local community food enrichment and Youth work opportunity	National and Local farmers, Banks and Local government
Geser Coffee Alor	Health	Local coffee seeds, agriculture, creative economy, services and products	National and Local (Global market trial in 2022)	Literacy improvement of young people, agriculture, culture, and local knowledge preservation of local coffee product	Local community, local government, church, school, and volunteers

Pubila Alor	Health, creativity and empowerment	Consumer goods, organic, herbal and products	National and Local	Business management skill and Local farmer welfare, fight against malnutrition	Bank Indonesia, nationwide sponsor, Local community and volunteers.
Genk Motor Imoet	Agriculture, creativity and empowerment	Education, farm, and organic agriculture services and creative empowerment	Regional and Local	Water, food, energy security and eco-friendly technology, Agriculture	Government, Asian Development Bank, Ministry of Communication and Information, Local community and volunteers
Trinity Academy	Creativity and empowerment	Education, Digital and creative empowerment	Regional and Local	Marketing education, digital technology empowerment and creatives economy skill and knowledge for starts up, the small and medium entrepreneurship training	Local government, Bank Indonesia and local young entrepreneurs
Hyuna Madu Tanah	Agriculture, food supplement and creatives economy empowerment	Agriculture products	Regional and Local	Local community empowerment and local household welfare	Bank Indonesia, National sponsors, Academician and local community
Pubila Alor Alor	Agriculture, food supplement and creatives economy empowerment	Agriculture products		Education for youth, Local community empowerment and local household welfare	Bank Indonesia, National sponsors, church, Local government, Academician and local community
Jarpuk Ina Foa- Fua Funi	Local weaving and household industry	Ikat weaving based products	National and regional		Bank Indonesia, National sponsors, church, Local government, Ministry of Creative Economy, Academician and

					local community
Industri Pangan Lokal	Local food and snacks	Snacks and local heritages foods	Regional and local		Churches and local community

Sources: Summarized by the author from many sources.

3.4 Regulation

The majority of social enterprise models, notably in the countries of Europe and Asia, are designed to meet the specific needs of special and/or marginalized populations.

In this part decentralization plays a critical role to sustain the existence of social enterprise in the region (Defourny & Kim, 2011; Liao, 2019). Regulations that manage the social enterprises in Indonesia derive from the State Law of The Republic of Indonesia on Small and Medium Enterprise No. 20, the Year 2008, and Government Regulation of the Republic of Indonesia No, 7 the Year 2021 on Protection and Empowerment of Small and Medium Enterprise. The above-mentioned law is supported by Law of The Republic of Indonesia No. 11 Year 2020 on Job Creation. The Indonesia government continues its efforts to generate more employment and devise policies that encourage micro, small and medium-sized enterprises. Meanwhile, the draft of the state law of The Republic of Indonesia on Enterprise and Social Enterprise has not yet been issued. The Government of East Nusa Tenggara Province has stated in its Medium-Term Development for 2018-2023 Plan on Government Regulation No. 4 for the Year 2019 that it will encourage micro, small and medium-sized enterprises.

The Government of East Nusa Tenggara Province regulates and oversees business activities and specifically those of small and medium enterprises and young entrepreneurs. This took the form of Regulation No. 2/ 2020 on Third Changing of

Regional Regulation on Trading Service Retribution No. 9/2011 (<https://peraturan.bpk.go.id/>). The Regional Regulation of East Nusa Tenggara Province on Capital Investment No. 7 for 2009 similarly seeks to sustain and empower the social enterprises in this region. Added to this, the Indonesia Development Supervision Body (BAPPENAS) has concluded that not all the regulations have been properly integrated yet into the Online Single Submission/PTSP (<https://oss.go.id/>). This is despite the fact it was implemented nationally on July 9th, 2018, as part of an effort by the government to support business, economic growth and investing in Indonesia (<https://www.investindonesia.go.id/>).

Most sponsors of and donors to social enterprises in East Nusa Tenggara Province come from private sector companies including banks (namely, DBS group [DBS Bank] who support Du' Anyam), manufacturers, and government-private sector grants (Pertamina). Young people contribute their knowledge and skills to establish social enterprises since they have the drive to increase the quality of life, social and economic status of target communities. The community response to social enterprise activities in East Nusa Tenggara Province is very supportive. Moreover, the young people want to be involved in terms of creative activities (Damayanti, 2020; DuAnyam, 2010) (www.kompasiana, 2021). Meanwhile, the operations and life span of some social enterprises are short, for instance Lakoat Kujawas and Budidaya Jamur Merang Liliba, since they have no continuous sponsors and donors.

3.5 Rising Awareness

There is rising awareness of social enterprises functioning in Indonesia as a tool to fight against poverty and empower people regardless of the number of barriers

existing (Hussain et al., 2014). It is important to address the challenges that social enterprise stakeholders encountered during the Covid-19 pandemic that are continuing to occur and greatly affect business opportunities and processes, and social enterprises are no exception. Social enterprises can potentially help to improve communities by accessing key resources and especially in East Nusa Tenggara (Matondang, 2017).

By examining the motivations of social enterprises in East Nusa Tenggara (through the lens of stakeholders) in this study, we may gain a more comprehensive understanding of the many motives, behaviours, and views of social companies in Indonesia. This can provide light on the diverse nature of motivation in social entrepreneurship, as well as how it influences the engagement and interactions of various stakeholders with social enterprises, as well as what inspires social companies. As previously said in the early chapters, various scholars discovered and indicated that basic motivation is crucial for small businesses as they lay out their objectives and societal missions (Caringal-Go & Hechanova, 2018; Gibb & Ritchie, 1982; Mair & Noboa, 2006).

3.6 Summary

With its many social and environmental problems, Indonesia has seen the growth of a thriving social enterprise sector that is committed to resolving urgent societal problems while fostering economic sustainability. East Nusa Tenggara Province, which is distinguished by its geographic remoteness, cultural diversity, and particular difficulties, stands out as a distinctive context within this environment. Operating

social enterprises in East Nusa Tenggara Province has shown a dedication to closing social disparities, especially in fields like poverty eradication, healthcare, and environmental preservation. Researchers are examining the effects of government regulations and support mechanisms and how they affect the development and long-term viability of these projects in the province. Additionally, East Nusa Tenggara Province is becoming more and more aware of social enterprises, which indicates a growing appreciation of their ability to promote constructive social change. Studies have the chance to not only advance knowledge of these dynamics but also to inform policies and practices that will better enable social enterprises to close the particular social disparities in East Nusa Tenggara and support Indonesia's overall development.

CHAPTER 4

METHODOLOGY

4.1 Chapter Overview

This chapter elaborates the methodological perspectives underpinning the study.

This analytical thinking will draw the research design, that consists of the methodological aspects, source of data, research design and data collection method.

The philosophical viewpoint that guides this thesis is described in this chapter. This viewpoint influenced the study design, which comprises the techniques, frameworks, and analytical techniques used to produce the desired results for the thesis. Although the underlying research paradigm is applied consistently throughout the thesis contents, the research design encompasses two levels of research investigation: the thesis as a single project, which is represented by the main research question; and the research problems connected to the examination of three research sub-questions. In Chapter 1, the research questions were listed. Therefore, the research paradigm, research strategy, methodologies, frameworks, and analytic approach are all included in this chapter's structure.

4.2 Research Paradigm

The rationale of this study is to explain why social enterprises fail to grow from their establishment and what the market or industry entry barriers are. This study aims to

identify the motive of social enterprises, and how they operate in a social market, sustain the existence through market entry barriers and how social entrepreneurs in Indonesia reach their objectives. Do social companies that get regular financial aid from donors or sponsors in their early years of operation have the means, skills, and capital to sustain their existence? Furthermore, budding social entrepreneurs that began the start-up process to benefit groups in society were more likely to fail during the first four years (Renko, 2013). In many cases, market funding (transactions) and volunteering are the most liked approaches by social enterprises (Kerlin, 2007) and few social enterprise primarily focus on market-based solutions (Dart, 2004). The last mentioned are applied by most social enterprises in Indonesia. Case study research emphasises the breadth of examination in specific circumstances. This approach is ideal for comprehending specific phenomena in a specific location and at a specific moment in time. A detailed examination is made of certain social enterprises or programs in order to comprehend their methods, impacts, and obstacles. Interviews, observations, and document analysis are common qualitative data collection methods used in case studies. Qualitative interviews to acquire in-depth insights and personal experiences connected to social entrepreneurship were done with social entrepreneurs, stakeholders, and beneficiaries. These methods yield abundant, detailed data for study and enable researchers to delve thoroughly into a specific social enterprise or program, acquiring a comprehensive understanding of its tactics, operations, and impacts. They offer extensive and thorough data that can throw light on the complexity and nuances of social enterprise in practice. Case studies help with the creation of theoretical frameworks and concepts in social entrepreneurship.

Researchers can find patterns, mechanisms, and linkages in a case through extensive study, which can inform and enrich current ideas or produce new ones. Case study findings can have practical consequences for practitioners, policymakers, and other stakeholders in the social enterprise in East Nusa Tenggara ecosystem. Case studies can give lessons learned, best practices, and recommendations to help social enterprises improve their effectiveness and impact.

Case studies serve as concrete examples that help to bring social entrepreneurship principles and theories to life. They tell compelling experiences and provide rich narratives to assist readers to understand the obstacles, dilemmas, and accomplishments that social entrepreneurs face.

The study investigated the characteristics of the market and what inhibits the growth of social enterprises, particularly in East Nusa Tenggara Province. A few scholars have debated how social enterprises define their market characteristics and identify the potential market entry barriers and issues of operational uncertainty (Sunley & Pinch, 2014). While some businesses are embracing a corporate outlook, others remain cautious of market-based approaches (Hackett, 2010).

According to the interpretivist school, it is necessary to reflect on the nature of actions, and in this way, we understand that the world is based on social constructs. The focus is on using qualitative data to generate results that enable us to understand relationships between social phenomena. The researcher realizes that every case is unique, and it is very individualized because it applies and refers to subjective experiences and feelings. For this reason, the interpretivist paradigm is

suitable for this research because it best explains the activities of social enterprises in East Nusa Tenggara Province.

This research applies case study and cross-cases analysis research to understand the work done by social enterprises in East Nusa Tenggara Province, so that we can understand them better (Perry, 1998a). In total, there are six cases of social enterprises in East Nusa Tenggara Province and this number is justified by the representativeness of each social enterprise operating in the province (Hedges, 1985; Miles & Huberman, 1994) and the extent to which they can be dealt with in empirical detail (Eisenhardt, 1989; Romano, 1989). The case studies represent several types of social enterprise ventures with their own particular social mission objectives for which there is evidence. The scholar chooses maximum variation combined with purposive sampling to generate an appropriate analysis and findings (Perry, 1998a). In this study, the six cases studies have been identified as representing a particular sector, product type, market, social objective, local culture, field of operation, and type of organization.

The researcher applied the exploratory case study approach to better understand the specific market entry barriers that exist in East Nusa Tenggara Province and determine the success of social enterprises in the region. The investigation seeks to be closely connected to the real life contexts of social enterprises in East Nusa Tenggara Province by looking at the realities of culture, geography, topography and human capital, and how the social ventures try to surmount market entry barriers with proof of how they do this (Yin, 2009). The case studies in do emerge as sharing

similar aspects of culture, local market, and social problems, but also the need to overcome the market entry barriers completely and in their own way.

An exploratory and inductive case study approach is one of the most widely used qualitative research approaches (Yin, 2009). It appears to be one of the best methods for documenting people's experiences in the contexts in which they live (Stake et al., 1978). The study employed semi-structured interviews to collect the information needed from key stakeholders who work with or in social enterprises.

4.3 Research Design and Data Collection Method

A case study is a phenomenon that is empirically selected, conceptualized, and evaluated as a representation of a wider class of behaviors or events (Vennesson, 2008; Yin, 2009). The research adopted the case study approach as the preferred research strategy to understand the process, contextual environment and events that are triangulated to produce the results. The descriptive case study (configurative-ideographic) was applied to describe systematically the phenomena. Case studies are often utilised in social entrepreneurship research for a variety of reasons, including enabling researchers to delve thoroughly into a specific social enterprise or program, and acquiring a comprehensive understanding of its tactics, operations, and impacts. They offer extensive and thorough data that can throw light on the complexity and nuances of social entrepreneurship in practice. By investigating a specific instance, researchers can unearth insights that are distinctive to the social enterprise, its working environment, and the social issue it tackles. This helps to contextualise the data and understand the elements that contribute to the enterprise's success or issues. Case studies can help with the creation of theoretical

frameworks and concepts in social entrepreneurship. Researchers can find patterns, mechanisms, and linkages in a case through extensive study, which can inform and enrich current ideas or produce new ones. Case study findings can have practical consequences for practitioners, policymakers, and other stakeholders in the social entrepreneurship ecosystem. Case studies can provide lessons learned, best practices, and recommendations to help social entrepreneurs improve their effectiveness and impact.

Social entrepreneurship research studies typically apply a range of approaches. The following are some common research strategies used in social entrepreneurship study. Case studies include in-depth examination of certain social enterprises or programs in order to comprehend their tactics, effects, and obstacles. Interviews, observations, and document analysis are common qualitative data collection methods used in case studies.

Following Robert Stake's case study argument, the epistemological commitment is to constructivism and existentialism (non-determinism) (Yazan, 2015). This is because the case study approach is a one-of-a-kind, complex functional thing, more specifically an "integrated structure" with "crossing point and working elements" and a "purposeful design" (very evident in the social sciences and human services-related research). The investigation of a specific event must be comprehensive (considering the phenomenon's interdependence with its context), analytical (premised on findings), interpretivist (based on intuition and a good understanding of the interaction between researcher and subject), and emphatic (convincingly

documenting the subjects' interactions with each other and their environment). This enables a flexible design with which the researcher makes substantial changes from the design to analysis stages (Carrol, 1999; Edelson, 2002).

Researcher require a set of two or three strong questions (research objectives and questions) that aid in the framework of the problem by doing the interviews and record analysis. The researcher exemplifies the belief in "progressive focusing" (Parlett & Hamilton, 1972), which is based on the assumption that "the course of the interpretation cannot be investigated in advance". This solely relies on qualitative data sources. Being a qualitative case study, the researcher understands what leads to significant comprehension, identifying what good data sources are, and actively and unconsciously checks the veracity and reliability of their interpretations and findings.

The data analysis employed the thematic analysis method (Braun & Clarke, 2006), and has been done after the data collection. Using NVivo software in analyzing qualitative data, all the transcripts were manually checked for all nuances of expression, pronunciations, etc. (Grégoire, Barr, & Shepherd 2010; Hall & Hofer 1993). Furthermore, the researcher-initiated interviews (online) were part of the qualitative method for collecting information. The analysis of data is a method of assessing the significance of both first impressions and final compilations. Categorical aggregation and direct interpretation are two approaches used in data analysis. The researcher needs to discover which research works best for him or her through experience and reflection. Data validation issues are involved in the concept of triangulation. Case studies have inherent limitations, including potential biases,

generalizability difficulties, and small sample numbers. To ensure rigor and validity, researchers must carefully evaluate these constraints and triangulate findings with other research methodologies (Denzin, 2017; Patton, 1999).

Qualitative analysis is multi-method in nature, requiring an interpretive, contextual approach to issues. Respondents in this research consist of the stakeholders who work in or for social enterprises in East Nusa Tenggara, such as the owners and employees, donors, policymakers, consumers of their goods and services, and suppliers. Furthermore, the researcher was required to follow certain ethical protocols that govern the investigative procedures that should protect all respondents; It starts with, The data collection organization, access, as well as forms of data collection range from observation, interview, document content analysis, and then record analysis; The analysis and interpretation of data aggregation via groups or direct perception (e.g., instructor, advocate, or assessor). Case study researcher positions were based on the study method; The triangulation and testing (by giving comments on the research report), included focus group members; Lastly, document writing necessitated early report organization, audience identification, and the use of vignettes (short descriptions describing some piece of evidence).

4.3.1 Design of the interview protocol

In designing the interview protocol, the following considerations are taken into account. First, research objectives were defined by explaining the study objectives and the precise information to acquire through the questionnaire. Second,

measurement constructs were considered to determine the primary constructs or variables to test and ensure they are relevant to the study aims. Third, the question's structure was formed by developing clear and concise queries that are easy to understand and interpret. Use of closed-ended e.g., multiple-choice) and open-ended questions to capture a range of responses was considered. Fourth, in this design step, the response options were formed by determining appropriate response options that allow respondents to accurately express their opinions or perceptions. Fifth, flow and order aspects were considered to increase respondent involvement and minimize bias, arrange questions in a logical order and maintain a consistent flow throughout the protocol.

- a. The motivation: the design of the protocol discusses the question with the owner and founder about their motivation, including story, support, and the issue in establishing the social venture.
- b. The motive of employee: how they relate to the institution and what skill they provide, what is their main contribution and the challenges they face.
- c. The motive and contribution of other stakeholders: including the government, associations, donors, academicians and volunteers.
- d. The challenges faced by the founder: in terms of economic issues, social issues, and institutional.
- e. The challenges faced by other primary and secondary stakeholders: in terms of economic, social and institutional.
- f. The impact from the view of the owner/ founder; to the community and to the business.

- g. The impact aspect from the view of the other stakeholders.

4.3.2 The use of information

Data collection and analysis: Data obtained by interviews of all the participants, through online and offline. It was recorded and the next step was transcribed into text using special programs, then translated from Bahasa Indonesia to English. The next step was the transcription process, followed by analyzed steps using Thematic Analysis. The data can provide useful insights into social entrepreneurship practices, stakeholder perceptions, and impacts. The possible issues are the differences and the unique language terms in Bahasa Indonesia that are difficult to translate directly into English. Researchers then draw conclusions, provide recommendations, and contribute to theory development or policy creation. This can be used to assess the success and impact of social enterprises' programs and activities. The information gathered can be used to evaluate outcomes, identify areas for improvement, and drive future program design and implementation. The key points in the interview protocols are: the motive, the involvement, the target market, the process and activities, the objectives, the results.

4.3.3 Sample and respondents

The sources of data (respondents) or unit of analysis (Perry, 1998b) for this research are selected among the social enterprises' (as identified in Chapter 3) business owner/founder, local employees, local buyer/market, sponsor, local authorities, and local communities. The researcher applied personal approaches to all of them and

conducted the interviews with those available. The respondents are reported in Table 4.1 below.

Table 4-1 Social Enterprise Targeted Respondents

Institutions	Expected Respondents	
	Role	Number of people
Primary: Marada Kelor Muri Jamur Geser Coffee Alor Geng Motor Imut Hyuna Madu Tanah Industri Pangan Lokal Jarpuk Ina Foa- Fua Funi Pubila Alor Alor Trinity Academy	Owners/founders of social enterprise	9
	Managerial staff	1
	Employees/target participants	7
Buyers	Target market/consumers	2
Local community	Supplier	1
	Donor/Investor	1
	Volunteer/activist Natural environment/ resources	1
Secondary: Local government/ Regulators Association of MSME Scholar Sponsor/ Bank	Policymaker	1
	The head of association	1
	Academician	1
		1

Sources: Summarized by the author from the collected data.

Selecting the informants was based on their position and tasks and they were asked specifically about the methods pursued by the enterprise to survive in the first few years. Meanwhile, those who work in local government and local citizens were asked to provide details on each social enterprise and what it contributes to the community. The identity and the samples' credentials will be categorized based on the requirements agreed to, at the beginning of all interviews. This step is taken to protect all the participants as per regulations issued by the University of Canberra Higher Degree School.

Below are the tables showing the social ventures and the participants taken as a sample in this research:

Table 4-2 Categorisation of Cases

Category Code	Category Description	Firm Size	Case Identification Code
SE ₁	Social Enterprise	Small	C1
SE ₂	Social Enterprise	Small	C2
SE ₃	Social Enterprise	Small	C3
SE ₄	Social Enterprise	Small	C4
SE ₅	Social Enterprise	Small	C5
SE ₆	Social Enterprise	Small	C6

Sources: Summarized by the author from the collected data.

**Table 4-3 Interviewed Cases, Ventures Sizes, their Codes.
and Experiences in the Industry**

Firms	Codes	Experience	Key Informants	Age (yo)	Gender
Case 1	(GI1)	> 5 years	Founder	54	M
Case 2	(GI2)	> 5 years	Co-Founder	43	M
Case 3	(GK3)	> 5 years	Founder	57	M
Case 4	(GK4)	> 5 years	Employee	43	M
Case 5	(HM5)	> 5 years	Founder	55	F
Case 6	(JPI6)	> 5 years	Founder	57	F
Case 7	(MK7)	> 5 years	Founder	50	M
Case 8	(MJ8)	> 5 years	Founder	37	M
Case 9	(PU1)	> 5 years	Founder	49	F

Case 10	(PU2)	> 5 years	Co-Founder	49	F
Case 11	(PU3)	> 5 years	Employee	30	M
Case 12	(PU4)	> 5 years	Employee	29	F
Case 13	(PU5)	> 5 years	Buyer/ Target Participant	44	M
Case 14	(MKE2)	> 5 years	Buyer	49	M
Case 15	(TA1)	> 5 years	Founder	47	M
Case 16	(TA2)	> 5 years	Employee	27	M
Case 17	(MKS1)	> 5 years	Supplier	55	F
Case 18	(MJS1)	> 5 years	Supplier	59	F
Case 19	(BI1)	> 5 years	Bank	48	M
Case 20	(BN1)	> 5 years	Bank	43	M
Case 21	(MKY1)	> 5 years	Donor/ Investor	50	F
Case 22	(BI1)	> 5 years	Donor/ Investor	48	M
Case 23	(DP1)	> 5 years	Government/ Policymaker	50	F
Case 24	(DIS1)	> 5 years	Government/ Policymaker	49	F
Case 25	(WL1)	> 5 years	Association Representative	45	M
Case 26	(HP1)	> 5 years	Academician	40	F

Sources: Summarized by the author from the collected data.

The in-depth interviews have been improved during the data collection. Data also gathered from secondary sources, including publications related to buyers, local citizens, and social enterprise materials gives better understanding of the barriers that social enterprises encounter (Powell et al., 2019). The implications are practical and theoretical and have two consequences: information on how new social

enterprises in Indonesia have coped with market entry barriers; and improving awareness of and interest in the value of social enterprises in the region.

Applying the qualitative paradigm method, this study investigated the market entry barriers (Engelke et al., 2015; Robinson, 2006), which fits the case study approach. Subjective introspection and reflection was conducted in an analysis/idiographic approach (Tuffour, 2017). This involves a naturalistic framework for understanding certain phenomena in context-specific environments, such as time and place, in which the investigator does not try to undermine the important variables and instead focuses solely on uncovering what is really happening (Golafashani, 2003).

Using a case study approach, the researcher argues that it is a very detailed knowledge of the process (Della Porta, 2008). Intentionally, case-oriented researchers can choose cases that vary reasonably little from each other in terms of the outcomes of the study (Ragin, 2009). The researcher specifies and defines the concept as basic thinking. Giving attention to the phenomenon that there is such complexity of events around the reality, the study found out the certain process by applying some knowledge. In particular, it focused on optimistic instances where a phenomenon is present.

4.3.4 Time and location

The location of the interviews was online and using a social media platform. The interviews were conducted from July 2022 to September 2022 based on the availability of the participants and the occasion or events they held. Since there are

time differences between Canberra and Indonesia mid-part time (East Nusa Tenggara) (3 hours), the researcher managed to contact the participants and conducted the online interview with ease. The researcher used the video call and voice call in the social media platform to obtain information during the interview, since most of the participants have limited access to Zoom or Teams platforms, due to the lack of infrastructure and knowledge in information technology.

4.4 Thematic Analysis

Thematic analysis is a qualitative data analysis method often employed in social science research, particularly social enterprise studies. It entails recognizing, analyzing, and interpreting patterns or themes in qualitative data. Interview transcripts, focus group talks, and open-ended survey responses are all examples of data sources that can benefit from thematic analysis. Here is an outline of the relationship between thematic analysis and its application in social enterprise research: in social enterprise-based research, as a qualitative data analysis approach it is well-suited for examining and comprehending complex social phenomena. It enables researchers to find and analyze qualitative data patterns, interpretations, and linkages. Thematic analysis (Braun & Clarke, 2006) is concerned with identifying themes or patterns that arise from data. Themes are repeating patterns of meaning or themes related to the study questions or aims. The researcher starts to become familiar with the data obtained, and tries to generate initial codes, then looks for themes raised during the analysis, reviewing and refining the themes, identifying and labelling themes, and finally, producing a final thematic map or report, which are all

steps in thematic analysis. In this study of social venture, the researcher used thematic analysis to investigate a wide range of subjects, including social entrepreneurs' owners and founders and the other stakeholders, their motivations, impact evaluation, stakeholder views, organizational practices, and obstacles faced by social enterprises. Researchers get insights into the experiences, viewpoints, and narratives of stakeholders working in social enterprises by using thematic analysis. It aids in the discovery of underlying themes and patterns in qualitative data, resulting in a more complete and nuanced knowledge of the social enterprise phenomenon (Joffe, 2011; Vaismoradi & Snelgrove, 2019).

4.5 Creating Themes

Thematic analysis requires the creation of themes, often known as theme formation or theme development. It entails organizing and grouping codes into cohesive and meaningful themes that encapsulate the data's core ideas or notions. The creation of the topics in thematic analysis, as code grouping is, after coding the data, researchers evaluate and examine the coded segments for patterns, linkages, and similarities. In this study, the researcher tries to connect the themes to the available literature as discussed in the literature review and construct of the framework; not based solely on the interviews but also on the literature review. They then combined related codes to build preliminary themes. To ensure that themes adequately represent the data, researchers may merge or split them, rename them, or change their bounds. Themes are consistent and relevant in order to capture the essence of the data and reflect the study aims. They should provide a thorough and nuanced understanding

of the phenomenon being studied. Themes should be based in the data and reinforced by evidence and examples from the coded segments. They are closely related to the participants' perspectives and experiences.

The further analysis is framework analysis, which is the process of developing topics utilizing established frameworks or theoretical models. It offers a disciplined and methodical way to organize and analyze qualitative data. Alternatively, pattern coding is the process of discovering larger patterns or arrangements within data. It goes beyond individual codes to build higher-level themes by focusing on interactions and associations between codes. The process of merging diverse types of data or several qualitative investigations to develop overarching themes that provide a full picture of the research issue is known as interpretive synthesis (Bacq & Janssen, 2011; Braun & Clarke, 2006; Denzin, 1969; Joffe, 2011; Vaismoradi & Snelgrove, 2019).

4.6 Coding

Coding is essential in thematic analysis for organizing and analyzing qualitative data. It entails categorizing and labelling data segments or snippets systematically using meaningful codes that capture essential ideas, concepts, or topics. Coding assists researchers in identifying patterns, similarities, and contrasts in data, allowing them to generate themes and interpret findings. Coding in thematic analysis is used for instance, for organization of data: the researcher handles and organizes some amounts of qualitative data and divides it into smaller, more manageable components. Coding aids in the condensing and summarization of complex data into intelligible codes, allowing the researcher detection of repeating patterns and

themes shown. For themes identification, researchers use coding to systematically discover themes and patterns in data, capturing the major ideas or insight or concepts that emerge from the analysis. Coding provided in this study allowed the researcher to understand qualitative data, allowing them to make sense of the material and develop useful insights. In this study, the researcher applied selective coding which entails refining and selecting the most relevant and significant codes in order to produce nodes and cases, then draw the view of the attribute value through matrix coding to understand the data and the concept relation. The primary themes will capture the essence of the material from transcriptions (Joffe, 2011; Vaismoradi & Snelgrove, 2019).

4.7 Triangulation: The Use of Multiple Theories, Data Sources, Methods or Investigators within the Study of a Single Phenomenon

Triangulation is a research strategy that employs various ideas, data sources, methodologies, or investigators to investigate a single topic. It seeks to improve the credibility, validity, and dependability of research conclusions by correlating evidence from many perspectives. Triangulation assists researchers in gaining a thorough understanding of the research issue and improving the overall rigor of the study. Triangulation types are first, methodological triangulation that refers to the use of several research methods or approaches to explore the same subject; for example, integrating interviews, questionnaires, and observations to collect data from many perspectives. Second, data triangulation for the use of several data sources to investigate a study topic. This can include gathering information from numerous individuals, regions, or time periods to gain a more complete picture. Third,

theoretical triangulation is the process of analyzing research data using several theoretical frameworks or perspectives. This enables a more nuanced and thorough analysis of the social enterprise issue being studied. Advantages of triangulation are to improve the validity of study conclusions by bringing together evidence from many sources, techniques, or perspectives.

Triangulation is also used to improve reliability and decrease the possibility of errors or biases in the research process. Moreover, triangulation allows researchers to acquire a more holistic and nuanced knowledge of the investigated phenomena by combining numerous viewpoints and data sources. Finally, triangulation increases the credibility of findings, making them stronger, reliable, and more trustworthy. Triangulation to the theory results in understanding how they are involved in each role in the social enterprise environment. This is important to understanding the theories being proved during the phenomena in operation of social enterprise, and finding the answer to the research question.

In qualitative research, matching findings from two separate sources or stakeholders entails comparing and contrasting viewpoints, themes, or insights acquired from numerous data sources or participant groups. This procedure aids in the identification of points of convergence and divergence and gives a more comprehensive grasp of the research issue. This starts from multiple data sources analysis and is followed by data integration, which is the process through which researchers analyse data from several sources, such as interviews with various stakeholders, documents to uncover common themes, patterns, or perspectives that emerge across the sources. Comparative analysis is also conducted by researchers to

analyse and contrast the data from various sources to detect parallels, differences, and contradictions. This analysis can aid in the discovery of fresh insights or viewpoints (Bartelsman et al., 2005; Kerlin, 2010).

4.8 The Different Data Sources and Themes

When performing triangulation research, researchers frequently draw on a variety of data sources, for instance, interviews, publications, regulations, and laws, to acquire a full knowledge of the topic under enquiry. This method enables a more thorough study and interpretation of the research findings. The use of different data sources, theories, and themes in triangulation, for example, conducting in-depth qualitative data collection online interviews with participants to capture their perspectives, experiences, and insights of the social enterprise stakeholders, enables the scholar to be able to figure out trending events while analysing existing records, company and government reports, or international organization reports, and all archive materials that are relevant to the study.

Furthermore, the theories, for instance, Social Exchange Theory, which is the exploration of the dynamics of social ties, rewards, and costs, as well as how they influence behaviour within the context of the research phenomena on social entrepreneurship practices, behaviours, and strategies. Namely, the Resource Base Theory studies how the availability, allocation, and utilisation of resources affects the performance and sustainability of social enterprises, or Stakeholder Theory,

examining the relationships, interests, and power dynamics among various stakeholders in social enterprises.

All ideas mentioned above also are able to bring results of various themes, such as economic viability that investigates themes including financial sustainability, revenue strategies, and economic elements of social enterprises. In addition, social impacts identifying issues connected to social companies' social missions, community development, and good social change. Besides that, the resources and environmental aspect theme investigates topics such as ecologically beneficial practices, conservation efforts, and the environmental impact of social enterprises. Organisational governance examines leadership, decision-making processes, accountability, and governance frameworks within social enterprises.

4.9 Theme Matching

Matching themes from data is a crucial stage in qualitative research because it provides a theoretical foundation to answer the main research question: “How is it possible to establish strong social enterprises amid the social challenges in East Nusa Tenggara?” The conceptual framework of social enterprise, the context in Indonesia and particularly in social enterprise in East Nusa Tenggara Province, acts as a guiding structure, allowing researchers to relate the topics to market entry barriers theoretical viewpoints and how the social enterprises apply good strategies with their competitive advantage to be able to achieve the venture social objectives. The researcher uses an existing conceptual framework of social enterprises definition,

social ventures stakeholders, and social enterprise contexts in Indonesia, especially in East Nusa Tenggara Province, market entry barriers, namely, economic entry barriers, social entry barriers, and institutional entry barriers, along with the theory of competitive advantages. This theory has been created and verified in the field to provide a structured lens for analysing and interpreting the themes. The scholar also creates a framework based on the research aims, where researchers may create their own conceptual framework by mixing components from current theories and concepts.

Researchers' framework compatibility can be conducted by an analytical process where the researcher compares and matches the identified themes to the components of the conceptual framework in a systematic manner, by investigating how the themes correspond to the framework's theoretical constructions, concepts, or dimensions. The next phase is analysis and interpretation which includes the matching process that entails a more in-depth interpretation of the themes within the context of the chosen framework. Researchers investigate the themes' links, associations, and implications in respect to the theoretical framework (Vaismoradi, 2019; Joffe, 2011; Braun, 2006).

The final crucial paths in the study are interpretation and integration, which elaborate on all the findings synthesis, where the scholar combines the themes and framework to produce a cohesive and thorough overview of the research findings. They investigate how the themes support or contradict established theoretical perspectives, as well as provide fresh insights or interpretations. Regarding theory Development: In some circumstances, the matching process may help to refine or

expand the existing framework or to establish new theoretical propositions or concepts.

CHAPTER 5

FINDINGS OF THE STUDY: MOTIVATION SPECTRUM

5.1 Chapter Overview

This chapter elaborates on the finding in terms of motivational spectrum. The chapter discusses the reasons why motivation is essential in the social enterprise market in East Nusa Tenggara Province, including the product or services related to the demand and buyers, the stakeholders, and the price asserted. The main research question was ‘How is it possible to establish strong social enterprises amid the social challenges in East Nusa Tenggara Province?’. Most of the analysed data show that the recent social enterprises have added an enormous amount of energy to the market itself in East Nusa Tenggara Province.

More than that, they also serve the local community with strong efforts and intentions with their resources. In addition, the sub-question was elaborated on in order to uncover and answer the key research question, as Sub-question 1: What is the motivation of social enterprises in the East Nusa Tenggara Province market? This chapter elaborates on the answer to this sub-question and explains the background of why the motivation of social enterprise in the market is important.

5.2 Introduction: Why Motivation is Important in Social Enterprise

In a growing country such as Indonesia with significant social challenges, establishing a social enterprise requires an extraordinary amount of commitment. The writer

found that the role and motivation of the social enterprise stakeholders both primary namely, owner/ founder, employees, local beneficiaries/target market, suppliers, donors, volunteers and natural resources or secondary stakeholders, authorities of East Nusa Tenggara Province/regulators (Department of Industry and Trade, National Crafts Council), associations (Young Entrepreneurs), and scholars have been significantly related to tackle social issues and how they affect the achievement of social enterprises in achieving the goals. This involved looking deeply into the reasons that motivation is important and presenting references to back up the statements, reflecting on the study of these scholars (Darby & Jenkins, 2006; Mort et al., 2002; Rahdari et al., 2016; Stratan, 2017; Weerawardena & Mort, 2006).

East Nusa Tenggara Province is one of the least in advancement of provinces in Indonesia, where the poverty ratio in ENT Province in September 2022 was recorded at 20.23%, which is higher compared to the national poverty rate at 9.5% (<http://databank.worldbank.org>, www.bps.go.id, www.bi.go.id). Motivation is critical to the long-term achievement of societal companies. Social entrepreneurs are frequently motivated by a strong desire to effect positive change in marginalised communities (Stratan, 2017). This motivation that drives the stakeholders to fight against poverty to accomplish their social goals arises from an intense feeling of empathy with the local community condition and an awareness of the severe social issues that must be addressed, for instance, lack of education (37% of the population has dropped out of formal education) and skills, poor traditional agriculture methods, scarcity of water due to climate in which low rainfall ratio is less than 20mm, and geography (mountain topography with poor infrastructure and the wet land covers

187.579 Ha, dry land covers 3.059.944 Ha, and non-farming land covers 1.487.467 Ha. The total area of wet land paddy planted is 193.441 Ha) (www.bi.go.id).

In the framework of social companies in the context of East Nusa Tenggara Province, Indonesia, intrinsic motivation of the founder or owner is very crucial (Rahdari et al., 2016). They invent tools as well as methods and innovate those to provide social assistance to local communities they targeted. Internal variables such as personal ideals, enthusiasm, and a feeling of purpose inspire social entrepreneurs with intrinsic motivation. This internal motivation drives their ambition to overcome obstacles and leaves a lasting impression on those who it assists. Poverty, inequality, an absence of education, and insufficient healthcare are all common socioeconomic issues in developing countries. Determined social enterprise stakeholders are critical in addressing these issues because they have the resilience and passion required to negotiate complex and difficult circumstances (Stratan, 2017). Their constant dedication to effecting positive change enables them to devise noble ideas and successfully engage resources. Operating the social venture in an underdeveloped region is fraught with difficulties. Limited resources, bureaucratic stumbling blocks, and cultural differences can all diminish motivation. Motivated social entities, on the other hand, find strategies to maintain their motivation by developing strong networks (through association, collaboration, projects and finding assistance from people who share their values, e.g. government, regulators, donors, and volunteers), and continually informing people of the positive value that they have promoted (Rahdari et al., 2016).

It makes common sense that the external variables are equally important in maintaining motivation in social companies. Darby and Jenkins (Darby & Jenkins, 2006) emphasize the necessity of collaborative connections, access to money, and community and stakeholder recognition in the case of social venture in East Nusa Tenggara, as primary stakeholders and secondary stakeholders obviously build networks and joint programs to provide knowledge, skills in various aspects (management, business process, information technology, and financial literacy), as well as capital access, legal assistance and critical business supports. External forces give social enterprise owners all the resources and validation they need to continue their activity. Weerawadena and Mort (2006) underline the need for developing skills in keeping social entrepreneurs motivated. The social entity founder should improve their capacities and effectiveness in tackling social challenges by making investments in knowledge opportunities, and skill training and development. This ongoing learning and development foster long-term drive and accomplishment of their mission objectives.

Motivation of the founder and all the primary stakeholders is shown as a critical aspect in the development of social enterprises in developing nations with diverse societal concerns. All the previous research emphasises the importance of internal motivation, external influences, and capacity building in motivating people. Passionate social enterprise owners tend to be motivated by a strong desire to effect positive change in marginalized communities. Their determination, perseverance, and inventive ways are critical in addressing the numerous socioeconomic issues that plague emerging countries. Most of the participants agreed that empowering social

innovators creates a long-term influence on society through grasping the significance of motivation and offering the appropriate support and resources.

Social enterprises have evolved as a new company model that integrates social and financial objectives. In East Nusa Tenggara Province, where concerns such as poverty and a lack of education exist, social enterprises are considered as a potential solution to boost economic growth and community welfare. These firms employ local resources, including human resources, financial resources, and natural resources and strive to create social and economic benefits for the local neighbourhood.

5.3 The Varying Motivation of the Social Entrepreneur

Understanding what the social enterprise does serves to provide a novel contribution on the economic situation in East Nusa Tenggara province in Indonesia. Social enterprises emphasize using business plans/strategies to provide support and solutions while generating improvements in terms of financial, social and environmental well-being (Defourny & Nyssens, 2010b; Mair & Marti, 2006; Mair & Noboa, 2006). On one hand, these organizations address a mix of activities which must be financially sustainable while connected to social objectives including alleviation of poverty (Battilana & Lee, 2014), infrastructure development, and improving education and health. In East Nusa Tenggara, where poverty is rife and infrastructure, education rates/illiteracy, health problems are all problematic, social enterprises provide real value in helping to solve these very issues (Yunus et al., 2010).

Social enterprises obviously have their own goals, and social problems are in the very first place. On one hand, producing financial rewards to accelerate business is

important, but in the first place, social enterprise is frequently motivated by a desire to have a beneficial social and environmental impact. Once a social enterprise has been validated and created, the stakeholders' motives may continue to evolve and shift over time. Personal beliefs, organisational aims, and external social and economic trends can all have an impact on these incentives. Some individuals provide their time and energy to manage their efforts, money and ideas to support their community in the long run. For example, the local atmosphere and economic situation incorporated with lack of education society triggers individuals' passion for helping out the targeted participants (Omoredede, 2014). Moreover, The Bolton report emphasised the founders' unique position in small ventures (Watson et al., 1998).

Social enterprises are businesses that strive to fulfil social goals while producing profits through commercial activity (Austin et al., 2006). Social enterprises have evolved as a new business model capable of addressing social and environmental issues in a sustainable manner by using market power and entrepreneurship (Dees & Anderson, 2003). They are becoming increasingly essential in developing nations, where the public and private sectors are frequently unable to handle social and environmental concerns effectively (Bacq & Janssen, 2011).

Indonesia is a fast-developing country that faces numerous social and environmental concerns, including poverty, inequality, and climate change. Social companies have the ability to help tackle these difficulties by creating jobs, providing access to essential services, and encouraging sustainable development. However, in Indonesia, social companies continue to confront major entrance barriers, limiting their

potential to make social impact while also achieving financial sustainability (Putra et al., 2021). In East Nusa Tenggara, it is important that researchers look at this conceptual framework in order to create a model showing how a social enterprise can be used to address many issues that exist in region. There are social enterprises that do not create any worthwhile advantage for the community or create new jobs or improve the local quality of life (Yunus et al., 2010). Nonetheless most of them are equipped to assist with infrastructure development through relevant projects undertaken for local communities (Battilana et al., 2015). In addition, there is the capacity to improve the rates of education and literacy through direct example or funding initiatives (Mair et al., 2012) which are shared by social enterprises. Social enterprises also need a clear understanding of the motivations of different stakeholders, such as employees, customers and people in the community (Freeman, 2010). Pro-social values are articulated through stakeholder engagement - the re-introduction of social commitment of such enterprises can indeed be a practical exercise (Battilana et al., 2015) and thereby this makes it harder for these organisations to engage in 'greenwashing' exercises.

5.3.1 The motive of social disadvantages

According to some researchers, there is intention of the founder of a social enterprise to help the community to bridge the social gaps by solving some problems (Coffie, 2013; Ghalwash et al., 2017) (Zahra et al., 2009); (Beugré, 2016; Haugh, 2007). Social enterprises in Nusa Tenggara can be classified into those concerned with inequality or social gap as shown by the following statements.

Statement from the founders:

Statement of participant MK 01: **'I see that the community or congregation that I serve lives with limitations, especially those who have poverty'.**

Statement of participant JIF 01: **'There are cultural myths and beliefs in the area that prevent the economic value for selling the innovative culture products.'**

Statement of participant MK 01: **'Especially with the current conditions. The high stunting rate'.**

Statement of participant GK 01: **'It is realized that the development of the coffee business (Robusta and Arabica types) in Alor, especially central region has begun to decline over time'.**

The consequences of cultural myth and beliefs that hinder a social company to operate in its ultimate performance are many. In several cases, they hinder the social entities to innovate their products or services, impeding the organization to diversify and differentiate their products and services. In the case of JPI the social enterprise founder had been working for more than five years with primary and secondary stakeholders to convince the employees, local participants, and elderly of the tribes through seminars, training, trade fairs/shows, and dissemination that the products of innovation and culturally based will benefit all parties. On another social enterprise case (GI), the founder and co-founder need extra efforts to encourage the donors, and volunteers to start exploring the forbidden mystical area to help the local communities to combat poverty and start new approaches of adequate farming method. In other social enterprise case (GK) the disappearance of traditional farming methods, which are ingrained in the villages of Alor's culture, has numerous

ramifications for inequality. In the past, communities relied on subsistence farming to ensure a certain amount of self-sufficiency. However, issues like shifting climatic patterns, declining soil fertility, and altering consumer preferences have made traditional farming less viable. The resulting economic differences worsen inequality by disproportionately affecting people who depended significantly on conventional agriculture for their livelihoods. This is in line with what has been observed by Kuala et al. (2019) and Silaen et al. (Kuala et al., 2019; Silaen et al., 2023).

As mentioned in Chapter 3, coffee has long been a key commodity in East Nusa Tenggara Province, but farmer productivity has been dropping in recent years, and this is the main motive for social enterprise owners to spread out the suitable method and technology for modern coffee growing, especially the Robusta and Arabica kinds. It has emerged because of these difficulties and offers an alternate economic path. Another cause is due to the substitution of coffee plants for traditional crops; there has been a change in how land is used. While increased market access and possible profitability are benefits of coffee cultivation, there are drawbacks as well. Small-scale farmers who might not have the tools and expertise needed for productive coffee cultivation may fall behind. This raises questions regarding farmers' access to education, training, and monetary assistance and could result in a brand-new type of inequality among them. The literature has shown that based on the motivation (Gagné & Deci, 2005; Ryan & Deci, 2008), resources (Barney, 1991b; Barney, 2001; Meyskens, 2010), self-belief, and the various capability and capacity (e.g. financial) (Putra et al., 2021) of the resources, determination among the primary stakeholders, especially local target community, leads to various results.

The transition to coffee growing is closely related to social and environmental processes. The local ecology could be impacted by increased attention on coffee, which could have an influence on the environment, the condition of the soil, and water supplies. Additionally, the change may alter social structures as certain people or groups who have broader access to commodities take advantage of the novel possibilities while others find it difficult to adjust. This can result in the distribution of advantages to a small group of people, increasing inequality in the neighbourhood.

Statement of participant GI 01: **‘There are lot of problems at the level of farming communities’.**

Coffee cultivation depends on market volatility for its economic viability, making growers susceptible to erratic income sources. Additionally, the switch from conventional crops to coffee necessitates hefty upfront investments in infrastructure, machinery, and seeds. Small-scale farmers frequently do not have access to financing, which limits their capacity to make these purchases. As a result of this financial restriction (Putra et al., 2021), resource-poor farmers find it difficult to keep up with contemporary techniques, perpetuating an ongoing pattern of reliance and inequity. Therefore, the involvement of the owners, donors, suppliers and volunteers, as well as regulators, associations, and scholars is crucial as a key factor for solving the problems by providing the governance, business management training, access to monetary lending, farming technology and marketing and distribution aspects (Darby & Jenkins, 2006; Talaja, 2012; Weerawardena & Mort, 2006).

Coffee cultivation methods have changed the social interactions in local communities. Changes in the relationship between power and social structures may result from the disruption of traditional roles and hierarchies. In the context of contemporary coffee cultivation, women, who have historically played crucial parts in the farming industry, may experience discrimination. Additionally, elder generations are having difficulty handling their farms as a result of young people moving to larger cities in quest of better possibilities. The intergenerational transmission of knowledge and know-how that could be hampered by this demographic shift is the resilience of coffee production practices.

Statement of participant JIF 01: **‘Violence against family members related to economic/financial issues is resulting in domestic violence’.**

The participant is motivated by the occurrence of domestic violence where victims become trapped in situations where their economic autonomy is weakened, making them vulnerable to ongoing assault (Bennett et al., 2011). Policymakers, other social enterprise primary stakeholders (namely JIF) recognized and addressed domestic violence as well as its immediate manifestations in order to properly tackle this issue by empowering women and the special needed people in the community. The efforts go against culture since in the East Nusa Tenggara Province with its patriarchal culture women are the housewives and the husbands are livelihood seekers.

This ensure that intrinsic combined with extrinsic motivation is essential for the social mission and objectives (Caringal-Go & Hechanova, 2018; Gibb & Ritchie, 1982; Mair & Noboa, 2006).

Statement from the co-founder:

Participant PU 02: 'I'm full time there as a social enterprise pilot that I and Mrs. Yupi are doing. So, in 2019 to Year 2020, when Mrs. Yupi started printing and was placed there, she had the same intention and aspiration to develop the MSMEs of the congregation's economy.'

The statement from the participants in this passage supports the literature that the personal value inside the founder and co-founder drives them to dedicate their time and efforts to empower the local community. It shows that the motivation or the acceptance of their target activities can increase their motivation even further. The external motivation is seeing the economic disparity in the community, which triggered them to do something for the advancement of the church member economy.

Participant PU 03: 'For health insurance. We are also making a proposal for a learning house or are you dealing with the stunting problem. So, it's a struggle to answer by providing products to overcome stunting since childhood from a golden age, but also the struggle to build a house to learn how to access it in Alor Regency. Reading activity is good like providing books for children. The library is also not very complete, we are living in our archipelago, another island in Alor Island. All those things in Kalabahi. So how can create a learning house here? I've given out a proposal, but so far there hasn't been one. Either it does not calm down and transfers. Transparency of the village government with regard to village funds is also not conveyed properly.'

The lack of infrastructure has motivated the social enterprise trying to fill the lack of infrastructure with their activities. The better the facilities and tools, the better and relatively straightforward to accomplish the goals (Dees, 2003, 2007). In most cases the support of the monetary aspect raised by local communities (PU cases – fundraising for padi skin peeling machinery), infrastructure built by government (MK case – moringa distribution and access network from and to the farmer, and production tools), proved that this requirement can accelerate the social venture to run effectively.

Motivation is important (Darby & Jenkins, 2006; Mort et al., 2002; Rahdari et al., 2016; Stratan, 2017; Weerawardena & Mort, 2006).

Participant HM 01: **‘Because people have been. It is still maintained traditionally. Yes, it was also there, which ended up being me and my friends because it seemed like we were forming a community whose goal was to help the community.’**

The statement from the participants in this passage is supporting the motive for innovation and sustainability of the ground honey farming which very warm welcoming from the local farmers. The most significant point is the fact that it is concerning how others with similar motivations can accelerate the recognition of social enterprises. This applicable to the case of GI.

Social entrepreneurs are frequently motivated by a strong desire to effect positive change in marginalised communities (Stratan, 2017).

Statement from the owner:

Participant MK 01: **'Because one of our obstacles in East Nusa Tenggara until now is stunting and malnutrition. High in Indonesia it is. Worst is us. So, in my opinion, development cannot be just infrastructure or potential, but human resources must be developed along the way. Because it is the human resources who will continue to work in ENT. As much as possible, don't continue the ancestry of the ENT people. So that's why we do more programs, that's how to eradicate malnutrition and prevent stunting. And it's not just me that's the difference between me and the programs at the service'.**

The statement from the participants in this passage is supporting that demonstrating that social drive is the foundation of activities, but it is unable to advance unless the economic situation improves as well (Huybrechts et al., 2014; Munoz et al., 2015).

Participant EK 02: **'Oh yeah, he helped reduce unemployment, helped reduce poverty, helped reduce what significantly reduced stunting, right? So, wow, it's amazing if I say a lot. I salute him, his ideas and consistency'.**

The statement from the participants in this passage is supporting the literature (Coffie, 2013).

Intrinsic motivation is very crucial (Rahdari et al., 2016).

One of the Social enterprise founders stated:

Participant MJ 01: **'I am a solo's characters. It does matter that there are no producers, then there is nothing for consumers. I have an experience. Some time it took about months to make the product. Sometime need to repeat 9 times, sometimes not. Some may just have the intention of going up and down the stalls. I**

feel it. We are lucky that there are still have loyal customers, loyal ones still exist until now. Around maybe 30s 40s percent. We manage special formula that supports traditional business efforts in generate profit. For example. profit is prioritized. but for new businesses. Is there any or not? Social goal is influence on it. The value of traditional business norms that only seek profit means that it does exist. So, the entrepreneurial spirit has a social purpose. Empowering youth and empowering communities. Provide educational knowledge about this oyster mushroom. To be stolen by thieves. The top norms are the norms that need to be embedded in the company in that social enterprise. The problem is from the first one. Business and social. Or social first, then business. Profit is the last. Where to buy what to put? The stop loss. Profit loss. Profit sitting or holding one. Then empowerment. Education. Increased socialization, education and next, social parenting style for foster children or youth empowerment through the nutritional value increases.'

The statement from the participants in this passage supports the literature.

5.3.2 The motive of human empowerment

Other scholars describe human empowerment motives behind the start of the social ventures (Kimakwa et al., 2023).

Participant EK 02: 'The basic question is why it is necessary to process moringa leaves with the economic value of world recognition for high nutrition food so called superfood'.

Participant GK 02: **'What Abang sees from the perspective of community progress. Empower them in the management of this coffee sector'.**

Participant JPI 01: **'We are committed to our mission that we make all women sit the same low, stand the same high'.**

5.3.3 The motive of social engineering

Another motive mentioned by previous study is the intention to generate social engineering becomes part of an important aspect in the social enterprise movement (Coffie, 2013).

Participants mentioned:

Participant GK 02: **'So, it becomes. What is the attraction for the community to continue to increase the better coffee businesses.'**

Participant PU 02: **'Disbelief that this something that is impossible for them to accept. That I had just come was already something strange. That's. The person from the city in question. Those Chinese people must have opened a shop for a while for real. Maybe they have had their own image of what people who come from Java should be like. And apparently, I changed all that. I kicked it like that and finally I asked to explain that this was for your interests, not for our interests, right?'**

Another participant said:

Participant PU 01: **'It starts in March. So, in April Year 2019, I came up with the idea, if we really want to start with hazelnut oil, of course it will be very, very profitable,**

yes in the sense that large quantities, cheap and can be developed with greater profits compared to rice’.

5.3.4 The motive of innovation and sustainability

The passion to be productive and innovative was also found in the interviews as mentioned by some scholars (Alam, 2019).

Some participants come with the idea that the production should be not only scaled up but also using the proper technology and methods in the business.

Participant GI 02: **‘It is still maintained traditionally. Yes, it was also there, which ended up being me and my friends because we seemed to form a community whose goal was to help the community’.**

Participant GI 02: **‘And we always are. Bring prototypes. and always directly practice like that there. At the headquarters we also make the same thing, make the stove, make the gas. From the time we went down to the field we brought it. What are we still weak in? From the production side. This is the beginning of the actual processing management’.**

5.3.5 The motive of personal value

This study figured out some ideas on the intention of personal value that triggered the founder of a social enterprise to gather his or her energy, resources and time to begin the social enterprise journey (de Queiroz Brunelli, 2021; Kimakwa et al., 2023; Sharir & Lerner, 2006). Leadership is one of the important elements of building and generating the successful journey of social enterprises. Some of the participants in this study have delivered a high-quality commitment for their community with

respect to the culture and value embedded in the local community for such a long-term period. Below are several statements of the participants:

Participant EK 02: **'Surely, it's so learned from that experience. I don't care. At first, I was sure that fish raw materials would be attacked by many. I don't care about labour while I still can afford it. Although sleeping only 3-4 hours without electricity'.**

Participant EK 02: **'Oh yeah, he helped reduce unemployment, helped reduce poverty, helped reduce what actually reduced stunting, right? So, wow, it's amazing if I say a lot. I salute him, his ideas and consistency'.**

5.3.6 The motive of environment preservation

Alam (Alam, 2019) noted that the caring of natural resources is included in the passion to start the social enterprise journey. A few participants mentioned:

Participant GI 02: **'Meanwhile, from a potential perspective, our natural resources support it. So, this might be one of our motivations to keep moving up to the current stage'.**

Participant MJ 02: **'Knowledge, technology that should be easy, inexpensive, and even environmentally friendly, has already been introduced in Indonesia'.**

Participant PU 01: **'So, it started with me. My initiative started from a quiet struggle to ministry. So how do I serve There I see that the community or congregation that I serve lives with limitations, especially those who have poverty, the crusade'.**

Social enterprise stakeholders in East Nusa Tenggara Province are people who have strong and good vision. They are able to recognize the resources potencies, how to

explore them, how to utilize them for the betterment of their community, and with outstanding performance have care to preserve the natural resources and the environment (Borzaga & Solari, 2001).

On the other hand, Germak and Robinson (2014) classified that there are several aspects that can be seen through the passion of the founder and other elements in the social enterprise. They appear to be predominantly at play during the operations of social enterprise, which are: personal fulfilment; helping society; non-monetary focus; achievement orientation, and closeness to the social problem.

5.4 Category of the Social Enterprise in East Nusa Tenggara Province

Social enterprises have developed as a potent force for positive change, motivated by a desire to provide social benefit rather than purely economic profit. The scholar investigates the motivations of social enterprise entrepreneurs who are committed to decreasing negative value, for instance, domestic violence through education and training in the local display. Gaining this benefit by shedding light on the substantial impact these founders are making in tackling this important societal issue is by exploring and raising the importance of social benefit and the techniques they adopt.

The importance of social value profit for the social enterprises differs from regular firms in that they place a premium on social effects over financial gain (Acs & Kallas, 2008; Alter, 2007; Dees, 2003). The creators of such businesses are driven by a strong desire to affect positive change in their communities. They recognise poverty, false myth and belief, malnutrition that led to high stunting rate, declining coffee plantation and production, as well as other farming issues, and domestic violence as

problems. These creators recognise the critical need to solve these prevalent issues and have dedicated themselves to developing novel solutions.

Education, employment, and training programs as change catalysts are some of the primary tactics used by social enterprise entrepreneurs to reduce the above-mentioned difficulties. These programs empower those targeted participants and also those who have been encouraged to be part of change by providing them with the knowledge as well as abilities they need to eradicate problems and gain social profit. Training and employment provided with practical methods for resolution of the issues, interpersonal interactions, livelihood, and well-being, education, skills and knowledge raise understanding of the local community about the social advantages and ability to elevate the community.

The importance of involving local communities in attempts to eliminate their own problem is recognised by the founders of social enterprises, by enlisting members of the community as active participants, adding value above economic profit. Unlike typical firms, which focus solely on generating revenue, social enterprises place a major emphasis on mission motives, stakeholder accountability, and income reinvestment in social services to achieve social impact.

The analysed data show that for the performance of their programs, the owners of social ventures dedicated to eliminating negative issues use a wide variety of criteria. These actions involve keeping track of the number of people trained, noting instances where a problem was minimized, and monitoring local participants' long-term well-being. Social enterprise owners make sure that their initiatives are making

an apparent impact in the livelihoods of those who suffer from previous listed issues by prioritizing these indicators of success.

The founders of social enterprises that focus on decreasing disadvantage values against the marginalized local participants, including women, through learning and employment are motivated by a strong desire to improve society. These entrepreneurs are making major attempts in tackling this important societal issue by prioritising social effects over commercial profit. Social enterprise creators are encouraging people and their communities to end the cycle of, namely, poverty, in effective farming methods, stunting rate among youngsters, as important as reducing the number of domestic abuses through awareness and employment programs, local engagement, and a commitment to quantifying effects beyond financial gain. Their efforts serve as a compelling reminder of social enterprises' transformative potential in establishing a better, decent and inclusive society.

Below, the table show the motives on the social enterprises in East Nusa Tenggara Province based on their activities:

Table 5-1 Social Enterprises in East Nusa Tenggara Province: Primary Stakeholder Concern

Social Enterprise	Activities	Social Benefit
Marada Kelor	Both social activity and business activity	Health improvement through moringa leaves and its derivatives products (tea, flour, porridge, etc.); product innovation and development, community welfare
Muri Jamur	Both social activity and business activity	Local community food enrichment (a variety of mushrooms) and youth work opportunity
Geser Coffee Alor	Both social activity and business activity	Literacy improvement of young people, agriculture, mostly about local Arabic and

		Robusta coffee plantation to the end products, local culture, and local knowledge, preservation of local coffee product
Pubila Alor	Both social activity and business activity	Business management skill and local farmer welfare including moringa leaves product and its innovative products to fight stunting problem, several types of local rice namely, black rice; the plantation and process to the end-product; currently work in cultural and product information and digital marketing
Genk Motor Imut	Social activity only	Water and food preservation, energy security and eco-friendly technology, agriculture, livestock and cattle farming; currently working in DIY household technology
Trinity Academy	The social activity and small number of business activities	Marketing education, digital technology empowerment and creatives economy skill and knowledge for start-up, small and medium entrepreneurship training
Hyuna Madu Tanah	Both social activity and business activity	Local community, women's empowerment, and local household welfare; exploring and producing consumer good as well as training people (also young generation) about the resource's potencies.
Pubila Alor Alor	Both social activity and business activity	Education for youth, local community empowerment and local household welfare
Jarpuk Ina Foa- Fua Funi	Both social activity and business activity	Education for youth, local community, disability and women's empowerment and local household welfare, increasing the quality and value of works of art (handicraft) and local culture
Industri Pangan Lokal	Both social activity and a few business activities	Women, economy household and community empowerment and local church household welfare; innovative program on local cuisine manufacture

Sources: Analyzed by the author from the collected data.

From the various activities of social entrepreneurs mentioned above, the scholar can highlight what motives are visible in their social activities, as explained in the table below.

Table 5-2 The Social Enterprise Primary Stakeholder Motive

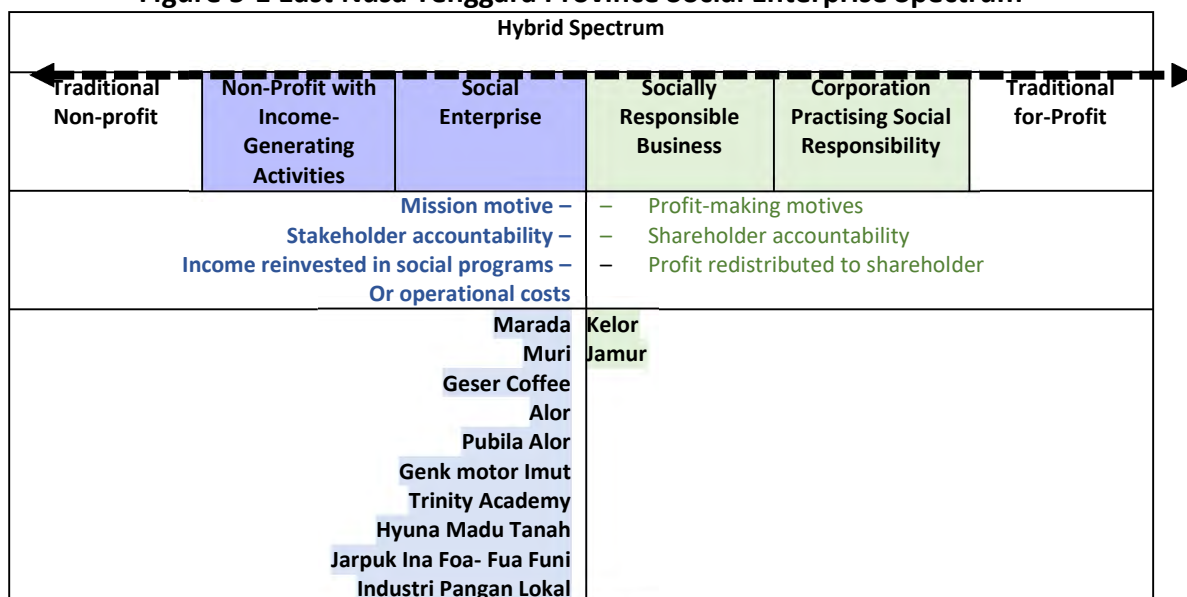
Motive	The Social Enterprise Primary Stakeholder
<ul style="list-style-type: none"> Fill the social gap (Coffie, 2013; Ghalwash et al., 2017); (Zahra et al., 2009) (Beugré, 2016; Haugh, 2007) 	Marada Kelor, Geser Coffee Alor, Pubila Alor, Genk Motor Imut, Hyuna Madu Tanah, Jarpuk Ina Foa – Fua Funi, Industri Pangan Lokal

<ul style="list-style-type: none"> Unique natural resources for the community advancement (Barney, 2001); (Sirmon et al., 2011) 	Marada Kelor, Geser Coffee Alor, Pubila Alor, Genk Motor Imut, Hyuna Madu Tanah, Jarpuk Ina Foa – Fua Funi.
<ul style="list-style-type: none"> Self-autonomy and inner passion to address social issue/self-determination (Ryan & Deci, 2008; Vallerand, 2000) 	Marada Kelor, Muri Jamur, Geser Coffee Alor, Pubila Alor, Genk Motor Imut, Trinity Academy, Hyuna Madu Tanah, Jarpuk Ina Foa – Fua Funi, Industri Pangan Lokal
<ul style="list-style-type: none"> Personal value (Sharir & Lerner, 2006) (de Queiroz Brunelli, 2021; Kimakwa et al., 2023) 	Marada Kelor, Muri Jamur, Geser Coffee Alor, Pubila Alor, Genk Motor Imut, Trinity Academy, Hyuna Madu Tanah, Jarpuk Ina Foa – Fua Funi, Industri Pangan Lokal
<ul style="list-style-type: none"> Mutual benefit both social goal and financial benefit/social exchange (Homans, 1958) (Drumwright, 1994) (Birkinshaw, 2012) 	Marada Kelor, Muri Jamur
<ul style="list-style-type: none"> Empowering local participants (Kimakwa et al., 2023) 	Marada Kelor, Muri Jamur, Geser Coffee Alor, Pubila Alor, Genk Motor Imut, Trinity Academy, Hyuna Madu Tanah, Jarpuk Ina Foa – Fua Funi, Industri Pangan Lokal
<ul style="list-style-type: none"> Social engineering (Coffie, 2013) 	
<ul style="list-style-type: none"> Innovation and stability (Alam, 2019) 	Geser Coffee Alor, Pubila Alor, Genk Motor Imut, Trinity Academy, Hyuna Madu Tanah, Jarpuk Ina Foa – Fua Funi
<ul style="list-style-type: none"> Environment preservation (Alam, 2019) 	Marada Kelor, Muri Jamur, Geser Coffee Alor, Pubila Alor, Genk Motor Imut, Hyuna Madu Tanah, Jarpuk Ina Foa – Fua Funi

Sources: Analyzed by the author from the collected data.

The figure below shows the social entities and their role based on the spectrum:

Figure 5-1 East Nusa Tenggara Province Social Enterprise Spectrum



The vast variety of professions and industries in which social entrepreneurs operate to address urgent social and environmental concerns while maintaining financial sustainability are included in the social enterprise area of operating category. The reduction of poverty, healthcare, education, environmental preservation, gender equality, and promoting community growth are only a few of the many areas of social entrepreneurship activities that have been recognised by academics (Bacq & Janssen, 2011; Mair & Marti, 2009).

Several categories of social enterprises in Indonesia can be grouped, for instance.

Firstly, Environmental Conservation and Sustainability: Environmental conservation and sustainability social enterprises seek to safeguard natural resources by fostering renewable energy, waste management, sustainable agriculture, and eco-tourism.

Secondly, Education and Skill Development: Social enterprises in this area attempt to provide access to excellent education, provide vocational training, promote literacy, and help individuals, particularly in marginalised communities, develop their abilities.

Thirdly, Agriculture & Rural Development: This category includes social enterprises that strive to empower farmers, promote sustainable farming practices, increase agricultural productivity, and develop market opportunities for agricultural products from rural communities.

Fourthly, Artisan Crafts and Cultural Preservation: These social enterprises seek to preserve traditional crafts and cultural heritage, empower artisans, and provide sustainable livelihoods.

Fifthly, Community Development and Social Services: This category of social enterprise addresses a wide range of social concerns, including poverty reduction, women's empowerment, youth development, and community infrastructure development.

The table below shows the categories of East Nusa Tenggara Province social enterprise sector.

Table 5-3 Category of Social Enterprises in East Nusa Tenggara Province

Social Enterprise	Sector
Marada Kelor	Healthcare & Wellness: These social enterprises provide affordable and accessible healthcare services, promote preventative healthcare, develop innovative appropriate technologies, or operate in areas.
Muri Jamur	Agriculture & Rural Development: This category includes social enterprises that strive to empower farmers, promote sustainable farming practices, increase agricultural productivity, and develop market opportunities for agricultural products from rural communities.
Geser Coffee Alor	Agriculture & Rural Development: This category includes social enterprises that strive to empower farmers, promote sustainable farming practices, increase agricultural productivity, and develop market opportunities for agricultural products from rural communities.
Pubila Alor	Agriculture & Rural Development: This category includes social enterprises that strive to empower farmers, promote sustainable farming practices, increase agricultural productivity, and develop market opportunities for agricultural products from rural communities. Community Development and Social Services: This category of social enterprise addresses a wide range of social concerns, including poverty reduction, women's empowerment, youth development, and community infrastructure development. Education and Skill Development: Social enterprises in this area attempt to provide access to excellent education, provide vocational training, promote literacy, and help individuals, particularly in marginalized communities, to develop their abilities.
Genk Motor Imoet	Environmental Conservation and Sustainability: These social enterprises seek to safeguard natural resources by fostering renewable energy, waste management, sustainable agriculture, and eco-tourism. Education, farm, and organic agriculture services and creative empowerment Water, food, energy security and eco-friendly technology, agriculture
Trinity Academy	Education and Skill Development: Social enterprises in this area attempt to provide access to excellent education, provide vocational training, promote literacy, and help individuals, particularly in marginalized communities, to develop their abilities. Creativity and empowerment Education, digital and creative empowerment Marketing education, digital technology empowerment and creatives economy skill

	and knowledge for small and medium entrepreneurship training
Hyuna Madu Tanah	Agriculture & Rural Development: This category includes social enterprises that strive to empower farmers, promote sustainable farming practices, increase agricultural productivity, and develop market opportunities for agricultural products from rural communities.
Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi	Artisanal Crafts and Cultural Preservation: These social enterprises seek to preserve traditional crafts and cultural heritage, empower artisans, and provide sustainable livelihoods. Community Development and Social Services: This category of social enterprise addresses a wide range of social concerns, including poverty reduction, women's empowerment, youth development, and community infrastructure development.
Industri Pangan Lokal	Community Development and Social Services: This category of social enterprise addresses social concerns, including poverty reduction, women's empowerment, and youth development.

Sources: Analyzed by the author from the collected data.

5.4.1 The importance of visible social goals

Social enterprises, in the middle of both societal and financial objectives, are frequently viewed as a means of addressing social issues while also generating income. To be truly effective, social companies must have defined and measurable objectives for society. There are several reasons why social companies must have social goals.

For a start, social objectives help guarantee that social companies continue to make a positive value of improvements in the world. It might be difficult to assess the consequences of a social enterprise's activity without explicit social aims. Second, social goals assist in attracting and keeping personnel who are motivated to make a difference. Third, social objectives can aid in the development of trust among stakeholders such as supporters, buyers, and partners.

Social enterprises in East Nusa Tenggara Province, Indonesia, require social aims for the same reasons that social enterprises everywhere do. However, those in East Nusa Tenggara Province have some unique problems that make social objectives even

more crucial. The stated commitment to social aims distinguishes social enterprises from ordinary firms. They use a variety of social enterprise concepts and scholarly viewpoints about critical performance factors (Darby & Jenkins, 2006; Lyon & Sepulveda, 2009; Sepulveda, 2015; Weerawardena & Mort, 2006).

Social missions are important as they provide a clear rationale for social enterprises to follow -- something that traditional business do not have. Conveying these goals clearly and openly attracts stakeholders (e.g., community members, investors, employees) whose objectives are aligned with the mission of the company (Smith et al., 2013). In ENT, where poverty is a key concern and there is only limited access to education as well as healthcare, there are other certain ecological challenges that entrepreneurs have to resolve. Social goals can provide some semblance of legitimacy and they call for stakeholder support; what is required is collective mobilization to eradicate market entry barriers. Achievable and fully disclosed goals can be a powerful demonstration of the enterprises' engagement in addressing these social challenges, so they establish trust and credibility with local communities and potential partners.

5.4.2 Passion/ affective commitment, the intention to fulfil the social objectives.

Employee morale is seen from remuneration and benefits from the venture, as well as enhanced skills.

Participant GK 02: 'Some of the problems mentioned above prompted me to voluntarily **facilitate old people in the village to start caring for coffee again by forming small groups to look for and solve existing problems together. I am grateful that these ideas and ideas were accepted by old people to develop coffee. Working together with our expertise and Mentors from Papua and Java, share links and posts (Mas Aries, ask Uncle Mobi), including further step when the lab results of Coffee testing were brought to the Netherlands and the USA for the promotion of Robusta coffee.'**

The vibrant socio enterprise owner positively encourages the local community elders to welcome the advancement of their ideas to collaborate with dedication in promoting the local natural resources and the other stakeholders namely, scholar, experts, donors, buyers to promote their local featured products.

Social entrepreneurs are passionate about their work, which motivates them to endure the daily work requirements and 'grind', so that they stay resilient in spite of the problems and the challenges. For employees as well as other partners of the social enterprise, they become more willing to stay involved over time and develop a strong passion in the leadership (Cardon et al., 2009). In the context of ENT, where economic conditions are not very favourable, their passion would drive them to help the social enterprise become a social bastion and transcend entry barriers. Internal motivation can result in creative solutions and the perseverance to survive while helping the business to grow.

5.4.3 Continuance commitment.

it shows the continuity of activities of the organization as well as Organizational commitment in planning and long-term planning/ strategies.

Participant GK 02: **'With 15 people have been formed to be together, including landowner to motivate the community for preparation – harvest – sorting – drying – drying – mashing – sorting the end products. Helping out to get the business license ready, labels of the products and all logo n products packaging. This group has been running for about 1 year and has received a lot of support from residents and the village government, sub-district and district governments. At the community level there are already some residents who want to join the group.'**

The statement from the participant in this passage supports the continuance commitment motive.

Continuance commitment can be defined as the extent to which employees stay with a company because of the perceived costs of quitting, which is an important factor in maintaining employee stability (Meyer & Allen, 1991). Retaining the important people and ensuring operational continuity, social entrepreneurs in ENT must develop and promote ongoing commitment. High-level continuous commitment diminishes the turnover rates, which is especially significant in areas where hiring talented staff might be difficult. Competitive benefits, a friendly workplace environment, and integrating employees' personal aspirations with the organization's mission and business strategies will help to increase long-term commitment.

5.4.4 Organizational citizenship behaviour.

The culture of the business and leadership style.

Participant GK 01: **'Talking about impacts, we saw that the result that at the beginning I felt it quite blurry, but now, I can share about it which it looks more visible in the society. Recently, when my brother with uncle friends' went down to the village, what they saw from the perspective of community progress, finally, we knew that we are empowering them in the management of this coffee.'**

Effective organisational behaviour practices are critical for enhancing team interactions, employee satisfaction, and productivity in general. Understanding how people interact within an organisation can result in more effective leadership and a better functioning workplace (Robbins & Judge, 2013). In East Nusa Tenggara Province, where social enterprises may encounter limited resources and operational issues, adopting viable organisational behaviour principles can assist teams to be resilient and capable of reacting correctly to economic situations. Practices that promote collaboration, creativity, and awareness of local needs can help the business manage and overcome market or industry entry barriers.

5.4.5 Productivity

Productivity in social enterprises entails making a meaningful social impact with given resources which are finite and need to be deployed wisely. Increasing productivity entails refining and harnessing procedures, deploying technology, and maximising resources for the best possible utilisation (Austin et al., 2006). The fact that resources are generally scarce in East Nusa Tenggara Province means that social enterprises must prioritise production and other business processes. By increasing productivity, these businesses may maximise their social impact while demonstrating their efficacy and value to stakeholders. This, in turn, can help the firm access new markets by demonstrating its capacity to execute its social goals efficiently.

Here the viability of social goals that the social entity shows and achieves, customer satisfaction is seen in the target market's initial reaction.

Participant GK 01: **'The impact is sufficient enough to motivate them. But what was like that in my previous talk is very related to me. Because the coffee is still limited, the supply is still limited. So, what is the season like when it is coffee season. So, they are so proud, happy when cutting commodities cheaply down from the border gate. But he started to take coffee directly from the community with a price that, if you want to say, is more than the market price in Alor. Potential for continuity, big word. Because he is the youngest brother, he will be big enough for the next 3 or 4 years and will not be affected by it. Yesterday, I counted two, if he has the system, at a general level, everyone can do even more business. Yes, yes, because yesterday was yesterday's experience. A few months ago, Apong's mother, who**

had sympathy for Alor, continued to visit several neighbouring villages. The village head and even the community all responded positively.'

Participant GK 01: 'Because they are at what price, if possible, even 25 to 30 thousand rupiah. Working with your brother who has started to provide motivation with the various networks he has. It's already started. What is the attraction for the community to continue to increase the bitter coffee business. That's amazing. Now. When talking about it, we can conclude this there is positive impact from the activities that have been carried out.'

The statements from the participants in this passage support the literature (Bornstein, 2007; Mulyaningsih, 2021; Niki, 2020). The social enterprise stakeholders' motive to explore and utilize the distinctive natural resources in the area to benefit the local participants, and moreover generate income, which is unpredictable in the sight of local communities, bring a vibrant motivation to the locals that they should keep it on the track.

The analyses and the rationale behind why social companies must have social purposes, which is referred to in Chapter 2, means the social venture is a business that is committed to a social goal or produces a profit to financially support a social mission, albeit these are likely not the only motivations for the company's existence (Austin et al., 2006); Gould, 2006;(Pearce & Kay, 2003; Thompson & Doherty, 2006b). **First**, this alignment is critical for avoiding mission drift and maintaining a laser-like focus on delivering the desired social impact. Social enterprises risk compromising their objectives and missing the sight of their fundamental purpose if

they do not have social aims. **Second**, social objectives are critical in engaging diverse stakeholders, such as consumers, staff, investors, and the general public. Social companies can gain support and participation from stakeholders who embrace the same beliefs and objectives by clearly defining their social mission. This involvement is critical for forming alliances, organizing resources, and magnifying the organization's social effect (Shaw, 2004; Zahra et al., 2009). **Third**, Social objectives help social enterprises gain legitimacy and accountability. Social firms develop confidence and credibility among those involved, especially customers, sponsors, and regulators (PEARCE, 2003) by publicly articulating their social purpose. The inclusion of social objectives displays an attitude to solving problems in society while also holding social enterprises accountable for their activities and impact. **Fourth**, social objectives serve as a foundation for gauging and assessing the social benefit of social enterprises. Organizations can measure their achievements, analyse their efficacy, and make educated decisions regarding how to enhance their influence by establishing defined social objectives (Gray et al., 2003). Without social objectives, measuring and communicating the social value provided by the firm becomes difficult, impeding their capacity to demonstrate their influence and seek additional funding.

Below is the table showing the motivation components that appeared in the interviews and that show the background initiative of the respondents.

Table 5-4 Social Enterprises Founder Motives

Theory Supported	Social Enterprise	Other Motives (Germak & Robinson, 2014)
The motive to solve the social gaps	Marada Kelor, Genk Motor Imoet, Jarpuk Ina Foa- Fua Funi	Non-monetary focus
The motive for human empowerment	Muri Jamur, Trinity Academy, Jarpuk Ina Foa- Fua Funi, Industri Pangan Lokal	Achievement orientation
The motive of social engineering	Geser Coffee Alor, Jarpuk Ina Foa- Fua Funi, and Pubila Alor	Non-monetary focus
The motive of innovation and sustainability	Pubila Alor, Trinity Academy, Industri Pangan Lokal	Achievement orientation
The motive of personal value	Genk Motor Imoet, Pubila Alor	Non-monetary focus
The motive of environment preservation	Genk Motor Imut, Pubila Alor, Hyuna Madu Tanah, and Marada Kelor	Achievement orientation

Sources: Analyzed by the author from the collected data.

5.5 Motivation Seen from Other Stakeholders' Point of View

The motivation of social entrepreneurs in Indonesia can also be understood from a theoretical perspective through triangulation, which involves the convergence of findings from multiple theoretical frameworks. Several theoretical perspectives shed light on the motivations of social entrepreneurs and provide a comprehensive understanding of their varying motivations.

Participant GI 02: **'In Kampung, especially here on the mainland of Timor, the customary territory of Fatumnasi Village and its surroundings. Well, what do I**

already know, finally when we have acquaintances everywhere we go again, in this village, in the midst of all kinds of problems that can be seen.'

The statement from the participant in this passage supports the statement of the owner (connected with the aims of stakeholder).

Participant GI 02: **'With the knowledge we have at the Faculty of Animal Husbandry, how can we intervene there. Well then that's a problem solving once. So yes, we always dig up the problem, the root of the problem, then we collect the results into the problem collector bin. So, we are just looking for a solution and what the follow-up plan is like. Running from around 2005 until the end of 2009. In 2009 then what? We are acquainted with a new approach.'**

The statement from the participant in this passage supports the founder (because they are perceived as solution providers).

Participant GI 02: **'The asset base versus segment, not opponent. Different series of approaches only with problem solving. Third, with this asset base, we must first see what potential is in us. Internally, the cute motorcycle gang personally, in the Cute Motorcycle gang, at that time there were no cute motorcycle gangs yet. At that time, it was still an ordinary discussion group. So then if we want to be in a community there must be something called visionary, appreciative, inquiry. So, what's it called? How do we properly explore who with this appreciative theory of inquiry? What is the strength of this asset base that we are actually digging in this limo motorbike gang? Well, it mapped out nicely. Then from the visionary what?**

From this approach, we happen to learn from the news. Invite friends to comeback and gather. How about we do zone within the community for that larger mapping and visioning? So, in early 2010, around February or March 2010 we did zoning and that's where the flag of a cute motorcycle gang was born.'

The statement from the participant in this passage supports the founder's statement (GI 01).

Participant GI 02: 'Okay, what do you think the Alliance of Livestock Care People will do for our alliance to take over. The bottom line is that the problem is that you care about having a big coverage.'

The statement from the participant in this passage supports the owner statement (on increasing the large mapping and coverage).

Participant GK 02: 'Lack of information on access to coffee farmers' markets, lack of knowledge, attitudes and skills of coffee farmers starting from seed selection, seeding, land preparation, planting, land clearing, maintenance, coffee bean picking, drying system to packaging for farmers. The community tends to cultivate types of plants that are felt to have a high enough price, so they ignore the coffee plants they cultivate, etc. Some of the problems mentioned above prompted me to voluntarily facilitate old people in the village to start caring for coffee again by forming small groups to look for and solve existing problems together. I am grateful that these ideas and ideas were accepted by old people to develop coffee.'

The statement from the participant in this passage supports the owner (GK 01) to motivate more participants from the local community to join the developing of Alor Coffee.

Participant GK 02: **'The main focus of the community is to develop agricultural and plantation crops which are considered to have high market prospects, for example the development of vanilla, candlenut, ginger, series etc. While coffee is set aside. Apart from that, there are several problem factors that I mentioned in point 1. This basis prompted me, together with some local residents, to start paying attention to, caring for coffee. This group has been running for about 1 year and has received a lot of support from residents and the village government, sub-district and district governments. At the community level there are already some residents who want to join the group. The problems faced are awareness of living in groups and also some of the problems mentioned in point 1.'**

The statement from the participant in this passage supports the founder, that the supportive local participants are crucial to operate the social enterprise in maintaining the market for long-term operation.

Participant GK 02: **'The basic reason that motivates in developing a coffee business is a sense of concern for their hometown where parents in the village have many shortcomings, both access to information on business development activities, quantity, quality, price, etc.'**

The statement from the participant in this passage supports the founder (GK 01) in initiating the development of KUBE Alor Robusta.

Participant GK 02: **'During this time many obstacles or challenges faced include:**

- 1. Economies of Scale/Business Size. The determination of economies of scale is indeed a challenge because they experience various limitations both in terms of**

access and information, capital in running a business and markets. Even though it is realized that the coffee development business is still at the Small and Medium Enterprises level, challenges are felt both within the group and outside the group.'

The statement from the participant in this passage supports the founder statement (GK 01) on maintaining the quality, the lack of capital, information of potential partner, promotion, and the market itself.

Stakeholder such as local participant response:

Participant HM 02: 'Also used it at the end of last February, at the end of last February we finally took the initiative to survey locations in several other villages as well, only this village had such an extraordinary response. So last May we started, we needed. Actually, we have been doing the research has been done since last year.'

The statement from the participant in this passage supports the founder statement (HM 01) on forming the community with the goal to help the community itself.

Participant JPI 02: 'Yes, the motivation is to help each other, and because they develop what they have from what they have to be able to have a decent economic value to be able to support people (focus on economic development and elevate women). After some time then we create diversify the product such as woven products.'

The statement from the participant in this passage supports the other founder statement (HM 01) on forming a community with the goal to help the community.

Participant JPI 02: **'Finally, there we motivated them to finally make it a substitute for finished plastic. Bamboo has potential for bamboo. We searched for that, found out that there was some woven. In that village we have some plants that have never been explored and turned it on again. That's because there really isn't a market for it.'**

The statement from the participant in this passage supports the founder statement and the Resource-Based Theory.

Several arguments behind the passion/affective commitment for instance; to help each other, to help elevating women, as women are victims, as well as the objective to focus on economic development.

One participant mentioned that:

Participant BI 01: **'The buyer come from France, and we met in Bali, they saw what the product was lacking. They said they were trying to fix it, improve there. If we already have a revised product, we will send it to him, so he will decide later. Well, think like that. Yesterday's stage had already passed, we also included it for one for Paris Fashion Week. So that was the second framework related to capacity building. So, the third pillar of the policy is our name on the financing side. So, this funding means that we encourage friends to support capacity building earlier. Second, if they wait from their own capital, development may take longer. But if we want to make them, they want to increase their capacity. They must be able to access financing from financial institutions. I think it's like that. And there are all kinds of financial institutions. It could be banking; it could be cooperatives. So that**

means we don't limit the financial institutions. The important thing that we teach is that they have good financial literacy like that. So, from the three pillars, we will work. So, what are we doing for friends? Are you friends in ENT in particular? So, from the three pillars, we formulated them. We see that the problems in ENT are actually not just the three pillars, but there are, for example, I'll add, there are factors related to distribution and the costs of distribution here and in ENT are quite large, significant.'

This statement confirmed the statement of the founder (GK 02) on lack of access to information, (JPI 02) there really isn't market for it, (PU 01) the bad transportation and this confirm the arguments drawn from Social Exchange Theory (Miller, 1991; Homans, 1958).

Participant JPI 01: 'We provide knowledge training to mothers in the groups we form. Well, educational knowledge is related to economic development and leadership knowledge. But for economic development, we manage the available potential to be developed into products that can be used as a source of income. For example, guava, we teach them how to make shredded guava. Then if other people's seaweed is on the coast, we teach them how to make seaweed sticks. Or we also teach them about how to make fish bone sticks. So, fish bones are not useless, but teachers are very useful because there is marrow that we have not used. Even though it has extraordinary substance, content and nutritional content which would be a shame if we just throw it away. And that's not yet, it's never been in any place and only in Info Kupang's pro-creative women's network. In addition to the knowledge to manage our potential, we also teach women's

leadership. These women leaders how they lead their small organization. This group plus we also teach how to manage group finances, manage the finances of existing family villas. Those things that we teach other than we teach them. But the seven of us also have our own businesses. We have our own businesses that we use, maybe the income is not only to help our families, but we also help our business groups. So, if we come to a training, we can help with a few raw materials that can be used to make the relevant training. If you want to see, for example, training like that actually makes us competitors as people who own a business. But we are committed to our mission that we make all women sit the same low, stand the same high.'

The statement from the participant in this passage supports the other founder statement (GI 01) on caring for the target community throughout the coverage area.

Participant DP1: 'What we were ordered to look for potential in the villages was packaged properly, to arrive at market share so upstream, middle downstream. So, what we are currently looking for is an example of the moringa itself, right? We build the moringa from the raw materials, from the planting first, right? So, if moringa is moringa, there is no need for large areas of land, so even fences can grow because this is included in the quotes. It is the tree that was a bit strong to live in harsh climate, stubborn to be able to grow in any weather. Then, from time to time, they don't just grow food to eat, but how to make money from it. So, we help them to provide tools so they can make moringa tea bags, moringa powder, moringa chocolate, moringa capsules and so on.'

The statement from the participant in this passage supports the other founder statements (JPI 01, HM 01, and GI 01) on development and empowerment, as well as the literature namely, Self-Determination Theory (Gagné, 2005; Ryan, 2008; Adams, 2017; Deci, 2013; Vallerand, 2000) and Social Exchange Theory (Miller, 1991; Homans, 1958).

5.5.1 Resource-Based Theory

Resource-Based Theory (Barney, 2001), suggests that entrepreneurs are actively reaching the community by the desire to leverage and exploit unique resources and capabilities for competitive advantage. Social entrepreneurs in Indonesia may be motivated by the opportunity to leverage their unique skills, knowledge, networks, and resources to create social impact. The stakeholders may see social enterprise as a way to harness their strengths and capabilities for the greater good. The assistance has come due to the social company being perceived as having resources that could assist people in improving their capacities. Social enterprise stakeholders bring collaboration among them to enhance their chances of helping out the community through their useful methods of management, methods of production, funding networks, information technology aspects, regulation issues and many more.

One participant mentioned about the important of networking:

(Participant BI01): **'For example, a national event or even if it's already very good, we'll scale it up to an international event. So, we will divide that means no, not all of them immediately. Oh yes, later so that those who go directly international won't be afraid of being surprised, so you are surprised, you know. What is that.**

Well, it just so happens that Indonesians themselves have networks not only in India. Not only in Indonesia. That means not only in the country, but there are representative offices abroad. They also synergize with KBRI. With what? Like a trading market institution. What trade is it? Well, sometimes you make exposure. So, from the information network, that's what is termed as one of the strengths of Bank Indonesia in promoting SME products. So, sometimes from Singapore, I just happened to send coffee to Asian for an auction in Singapore yesterday. Where did we send it before? Is Switzerland like that? That's Bajawa coffee, even the one from Paris Fashion Week yesterday. For knitted UKM, there is one unit of knitted fabric in the city of Kupang, which we send. Because we can see that his design has passed the curation and he have the capacity there, so we'll include him. Well, that. Oration right if you want to come along. If you want to take part in Paris Fashion Week, there is a curator, there is a selection team, internally. So, we can't immediately join SM, I have money, I want to register for it. They have their own team. So, when we apply, they check them down.'

This statement of this stakeholder confirmed the statements of the founders (GI 01 and GI 02) that based on the community resource potencies being explored and used to empower themselves, also the arguments are drawn from the Resource-Based Theory of the firm that what they have, either skills and knowledge, method or capital, will be elaborated with community resources for the sake of the target community (Grant, 1991; Putra, 2021).

Participant DP1: 'One more example, our strong potential is coffee. As the Chairperson of Dekranasda, I try to expand to other districts, there are 13 districts that have plant coffee now. Our coffee should be famous because Bajawa coffee, Manggarai coffee is good, has a certified geographical indication which international standards should be obtained. But often we have farmers who do not even have standard coffee and that's why they can't compete nationally or internationally. So, what are our interventions? From planting, yes, planting it. Our example is usually like I am a member of the DPR RI gets a ration for example. Seeds to be given to the community.

I feel that now one of the examples of our tourism is returning, while we have eggs, we have meat, we have fish, we have vegetables, including onions, just from outside okay, not from ENT. In fact, almost 90 percent of our farmers in ENT are like that and have been tested. We have avocados, cashews, vegetables, those have been tested for nutrition. If it is planted massively in ENT, the more people will have it, right? Well, it means that we have one of those potentials.'

The statement from the participant in this passage supports the other founder statements and the literature (GI 01, HM 01, JPIU 01, and EK 01).

In addition, the participant mentioned about the potential resources:

(Participant DP01): 'Farming could be one of the potentials that could improve their family's economy like that. So, those are some of the things I do. I hope that because our position can be permanent, right? If we make the program, it's just for social assistance in the community when it's over. What I want is that we want to

know how you become entrepreneurs, because from the potential that God has given you in front of your eyes, right, and be independent like that. So, in this state wants to be like anything, but at least they can live their lives continuously, sustainably, and independently.'

This statement of this stakeholder confirms the statement of the founders (GI 01, HM 01, and PU 01) also supports the arguments drawn from Social Exchange Theory (Homans, 1958).

5.5.2 Self-Determination Theory

Self-Determination Theory (Ryan & Deci, 2008; Vallerand, 2000) suggests that individuals are motivated when their basic psychological needs for autonomy, competence, and relatedness are fulfilled. Social entrepreneurs may be motivated by the autonomy and independence that social entrepreneurship offers, allowing them to pursue their passion and create their own solutions to social problems. Competence, or the belief in their ability to effectively address social issues, can also motivate social entrepreneurs. Relatedness, or the sense of connection and belongingness to a social cause or community, may be a strong motivator for social entrepreneurs who are driven by their desire to make a positive impact in their communities. Secondary stakeholders appreciate their competence and understand their passion for community advancement.

Others said:

(Participant WL01): 'So, he often makes competitions, what are the results of these business competition competitions by launching these winners to be able to compete nationally in the future. In fact, he can recommend to the government and banks to provide capital facilitation, because they have good business prospects. Well, that's probably one of what he is. He has a very good social entrepreneur mentality. Also, for the intention to find as many small entrepreneurs as possible, even the entrepreneurs who had already digitalization, it's here, already have the version and fix technologically. Even in the startup sector, he can. He collaborated with these friends to develop a digital business.'

This statement of this stakeholder confirmed the statement of the founders (GI 01, EK 01, PU 01 and HM 01) and also supports the Self-Determination Theory (Gagné, 2005; Ryan, 2008; Deci, 2013).

Participant DP1: 'So, I gave birth to millennial human resources programs and also financing them to get them certified for instance, to become coffee roasters or coffee baristas like that so, that at least they have shops, or they work wherever they are certified. They serve our coffee according to our premium like that. So that's part of what I did as Chair of Dekranasda and the last one was for which I am a member of the DPR-RI in the four commissions related to agriculture and etc.

However, one of our obstacles in East Nusa Tenggara until now is stunting and malnutrition. In my opinion, development cannot be just infrastructure or potential, but human resources must be developed along the way. Because it is the human resources who will continue to work in ENT. that's why we do more

programs, that's how to eradicate malnutrition and prevent stunting. I can give you an example of whether you want Java biscuits or if the maker is from Java. However, I like to take advantage of the possibilities of moringa, fish, sorghum, and other legumes. I also serve as the chairman of Dekranasda. Empowerment for Healthy and Prosperous Families is the title. In a way, those who originate from moringa, those who plant it, turn moringa into a product brand. So that the PKK understands what to use, they have the social enterprise, and the items that we distribute to the community, specifically pregnant women, nursing mums, toddlers, and teenagers, are exactly that.'

The statement from the participant in this passage supports the other founder statements (GI 01, EK 01 and PU 01) and the Self-Determination Theory.

5.5.3 Social Exchange Theory:

Social Exchange Theory (Homans, 1958), argue on how people are motivated in the social interactions are expected to be reciprocal and beneficial to both parties. Social entrepreneurs in Indonesia may be motivated by the expectation of receiving social, financial, and reputational rewards for their social entrepreneurial efforts. This means the secondary stakeholders also become motivated to help the local community and they may see social entrepreneurship as a way to create win-win situations, where they can contribute to society while also benefiting themselves and their stakeholders.

One participant mentioned this:

(Participant BI01): **'We gave Bimbingan teknis (technical assistance/workshops) and encouragement, we gave support regarding new information, or for example, what is currently trending is talking about digitization, yes, we will provide information related to digital payments, digital transactions in rooms and social media.'**

This statement of this stakeholder confirmed that of the founder. This claim also supports the Social Exchange Theory (Homans, 1958, Kazan, 2016).

One participant mentioned this:

(Participant WL 01): **'So, regarding the pattern of social entrepreneurship that we have built, one of our administrators is Jack Lolo Inn's older brother, he is engaged in the start-up academy, so he has business networks, how does he attract young people and entrepreneurs who want to start a business or have already started a business but are constrained by market facilities. So, he brought together a number of small and medium MKM entrepreneurs and then he built them, so he has a network, he has a network with Bank Indonesia, he has a network nationally, and what is it? Making, embracing, gathering. All of these MKM friends for how they promote these MSME entrepreneurs on a national scale as well as to their own local governments.'**

(Participant WL 01) furthermore mentioned: **'From there, in the end, there were many sponsors who, because they saw what they saw, had the enthusiasm to attract many small entrepreneurs who supported him, gave him encouragement, their facilities, capital for him (financial investment).'**

This statement of this stakeholder confirmed the statement of the founder (EK 01), also supporting the Social Exchange Theory (Homans, 1958).

(Participant DP01): **'So now I have approached the hotel through that day. Association of Hotel Restaurants, Association of Indonesian Hotels and Restaurants which are in ENT. In order for these hotels and restaurants to be obligatory, the coffee must be from the past ENT so that they have market share. So now it's like tea bags of moringa, coffee and ant sugar, thank God it's included in it, it's considered rich. Including we have soap in the hotel, there is soap made from salt. Another potential is sea-salt, or do we have moringa soap that has entered hotels to make that happen? But I want to ask the governor to make regulations.'**

This statement of this stakeholder confirmed the statement of the founder (EK 01), also supporting the Social Exchange Theory (Homans, 1958).

This combination deepens our understanding of stakeholder motivation and informs the design of programs that mobilise stakeholders' support increasing the transformative impact of social enterprises on the health of society and leading to long-term growth.

5.6 Conclusion

The interdependence of revenue generation, advancement of society, and environmental protection is emphasized in sustainable development. Social enterprises help to promote long-term development by matching their goals with the United Nations Sustainable Development Goals (SDGs). The challenge is that East

Nusa Tenggara Province represents a poor region. This means that social companies are in high demand to address societal issues involving income disparity, poverty, and environmental damage. Social objectives can assist social entrepreneurs in concentrating their initiatives on these critical issues. Another issue is that East Nusa Tenggara Province is at a distant location. As a result, it may be difficult for social companies to obtain resources such as funding, financing, training, and assistance. The social enterprises in East Nusa Tenggara look at their motivation to have their social entrepreneurship identity, but this is often mixed with the need to have a viable business model with profit – because the situation and circumstances in Nusa Tenggara are difficult, the business often has a roadblock, and the motivation as a social enterprise often helps them to survive – and this is also appreciated by the other stakeholders. Social aims can assist social enterprises in developing partnerships with stakeholders who can assist them in overcoming these obstacles.

Currently, social enterprises in East Nusa Tenggara have received a lot of supports as a way to address societal concerns while also creating economic benefit. However, the integration of social aims is a critical distinction between social enterprises and ordinary firms. Social venture capital, sustainable development and, namely, the concept of stakeholders provides theoretical foundations for implementing goals that benefit society into social enterprises. Social entrepreneurship is based on the concept that a business may act as a catalyst for social change. Societal enterprises strive to address difficult social problems such as poverty, unemployment, and deterioration of the environment by incorporating social aims into their mission.

According to scholars such as Dees (2003) and Zahra et al. (2009), social entrepreneurs purposefully prioritize social value creation over profit-generating goals.

Researchers such as Elkington and Hartigan (2008), Austin et al. (2006) and Yunus (2010) who argue for the incorporation of social aims into entrepreneurial operations, support this viewpoint. According to stakeholder theory, organizations should take into account the requirements of all stakeholders, particularly employees, local participants, and the environment. Social enterprises, as represented by the work of Freeman (1984) and Elkington (Elkington & Hartigan, 2008), transcend shareholder primacy and actively engage with a varied range of stakeholders, within the East Nusa Tenggara Province, Indonesia, facing a number of societal issues, including poverty, restricted access to education and healthcare, decline in the environment, and cultural preservation. Implementing social companies with clear social goals might be critical in tackling these difficulties.

For poverty alleviation in East Nusa Tenggara Province, social enterprises focus on developing income-generating possibilities for marginalised groups, economically empowering them, and lowering poverty rates (Putra, 2017). Local artisans, farmers, and entrepreneurs can benefit from vocational training, microcredit, and market access through these firms (Wahab et al., 2018). By collaborating with local communities, social enterprises can promote community development projects such as infrastructure construction, improved accessibility to clean water and sanitation, and healthcare promotion goals of generating positive social effects. Social

enterprises may support community revitalisation activities including creating infrastructure, providing people with clean water and sanitation, and advocating healthcare services by partnering with local communities (Kurniawan et al., 2019). Social companies can also use their resources to help women, marginalized populations, and indigenous cultures (Yuliani et al., 2020). They can boost renewable energy solutions and conservation efforts by adopting ecologically sustainable practices (Tanjung et al., 2021). This convergence of environmental as well as social objectives is consistent with the ideas of sustainable development.

Social enterprises incorporate social goals as well, as it is critical for confronting social and environmental concerns while promoting economic development. The case study of East Nusa Tenggara Province in Indonesia shows how social enterprises can help with poverty reduction, the development of communities, and sustainable development for the environment. This research underlines the importance of politicians, investors, and communities acknowledging and backing up social firms that actively seek social goals.

Nonetheless, despite their expanding relevance, social companies continue to confront severe entrance barriers, limiting their potential to provide social impact while also achieving financial viability. Using data gathered from interviews with social enterprise leaders and experts, this paper analyses the entry barriers faced by social entrepreneurs in Indonesia. According to the research, the main entry barriers for social companies in Indonesia include legislative limits, a lack of access to funding and markets, a lack of human capital, and inadequate infrastructure. The research

makes policymakers and social enterprise practitioners' recommendations for overcoming these entrance barriers and promoting the growth of social enterprises in Indonesia.

After being validated, the motivations of social enterprises in East Nusa Tenggara (ENT) Province may vary based on the unique enterprises and parties involved. However, the following are some typical themes that may encourage social enterprise in East Nusa Tenggara (ENT).

First, in addressing social and environmental issues, many social companies in social enterprise in East Nusa Tenggara are motivated by a desire to alleviate the region's social and environmental issues, such as poverty, a lack of access to healthcare or education, and environmental degradation. Second, in creating sustainable economic possibilities a desire to generate sustainable economic opportunities for local communities, particularly those in rural or remote places, may encourage social enterprise in East Nusa Tenggara.

Third, regarding themes of cultural preservation and heritage promotion, some East Nusa Tenggara social enterprise may be driven by a desire to preserve and promote local cultural traditions and history, such as through the manufacture and sale of traditional handicrafts. Fourth, for themes of improving quality of life, there is a desire to improve this for local communities, particularly those experiencing economic, social, or environmental issues, and may encourage social enterprise in East Nusa Tenggara.

Fifth, the themes of personal fulfilment and a feeling of purpose may be crucial motivators for social entrepreneurs and other stakeholders involved in social enterprises, particularly for people who are concerned about social and environmental issues.

The table below draw together the themes found in analysing the East Nusa Tenggara Province social enterprises:

Table 5-5 The East Nusa Tenggara Province's Social Enterprise Themes

No	Themes Demonstrated by Social Enterprises
1	Addressing social and environmental issues
2	Creating sustainable economic possibilities
3	Cultural preservation and heritage promotion
4	Improving quality of life
5	Personal fulfilment and a feeling of purpose

Sources: Analyzed by the author from the collected data.

Here, the researcher validated that all the motivations of social enterprises in East Nusa Tenggara Province are likely to be varied and impacted by a variety of human, organisational, and societal reasons. Understanding these common themes, on the other hand, revealed the insights into the unique motives of those social enterprise's stakeholders and how they drive their participation of social enterprises in the East Nusa Tenggara Province region.

Stakeholders play critical roles, and this could be challenging in the matter of unclear ideas of how important the networking is among them. Communication is undoubtedly crucial in social entrepreneurship since it facilitates the flow of ideas, resources, and expertise among stakeholders and aids in the development of connections and trust within the community. However, it is not the only element

driving social enterprise in East Nusa Tenggara or elsewhere. Social enterprise motivations are complicated and multifaceted, impacted by a variety of human, organisational, and societal factors such as personal values, organisational aims, and external social and economic trends. Communication can help shape these incentives and facilitate the interchange of ideas and resources among stakeholders, but it is only one piece of the puzzle. However, the motive also can be shown, for instance, by other studies (Fanggidae et al., 2021; Nuringsih et al., 2020) in the investigation of the motives of social entrepreneurs in East Nusa Tenggara raised by several intentions. For Instance, the desire to address social and environmental concerns, generate sustainable economic possibilities, and promote cultural preservation and history. These all have been identified as motivators for social enterprise in the region of the study. Social enterprise motivations are diverse and multifaceted, and they can be influenced by a range of individual, organisational, and societal variables. Diverse stakeholder interests might be a strong motivator for social entrepreneurship in East Nusa Tenggara or any other location. When stakeholders have varied interests, it can spur the development of social enterprises that strive to address a wide range of social and environmental concerns, respond to distinct community needs, and include several sectors. Stakeholders' interests in social entrepreneurship can differ depending on their jobs and viewpoints. Investors, for example, may be driven by financial rewards as well as social effect, but community members may prioritise solutions that directly address their most immediate needs.

Government agencies, as one of the key role player stakeholders, may be interested in encouraging economic development and social welfare, whereas non-

governmental organisations (NGOs) may be interested in addressing specific causes or issues; for instance, poverty alleviation, reducing illiteracy in children, financial literacy and eradication of malnutrition. These varied interests definitely influence social enterprises' aims, strategy, and operations.

CHAPTER 6

FINDINGS OF THE STUDY: ENTRY BARRIERS AND OPERATIONAL PROCESS

6.1 Chapter Overview

This chapter discuss the operation process to achieve their social missions of the social enterprises in Indonesia, particularly in East Nusa Tenggara Province, including the activities of their products and how they reach their target market or local target participants in their communities. Within the field of social entrepreneurship research, the investigation of entry obstacles and their ensuing effects on the operational procedures of social companies comprise a crucial and varied subject. This thorough investigation aims to explore the complex interactions between the obstacles social enterprises face when trying to break into a given market or establish their presence in a particular socioeconomic setting, and how these obstacles shape and affect their following business procedures.

Market entry barriers or the roadblocks that social enterprises must overcome in order to achieve their goal of making a positive social impact are significant in their activity/operation. These entry barriers range from economic, social and institutional (Demsetz, 1982; Harrigan, 1981; Porter, 1997; Robinson & Phillips McDougall, 2001). Understanding the complex interplay among these barriers and the operating processes is therefore necessary. A complicated and multifaceted link exists between market entry barriers and the motivation of primary and secondary stakeholders in

social enterprises. Understanding the nature of social ventures and their capacity to carry out their social goals while navigating difficult market circumstances requires an understanding of how these aspects interact.

6.2 What is the 'Market' (Product, Activities, Social Target) for Social Enterprises?

The market for social enterprises in East Nusa Tenggara Province varies depending on the products, activities, and social goals that they pursue. As discussed in Chapter 5, it was revealed that the social enterprises were operating in agriculture, tourism, crafts, healthcare, education, and community development, as examples in this region. It should be noted that this specific markets and target communities of social enterprises vary greatly depending on their individual missions, objectives, and strategies.

For social enterprises, their market can be seen as both a specific market with specific need on behalf of the social context, and the market that the for-profit business plays at most. The for-profit so called traditional companies operate the most for profit-generating causes, resulting in social companies facing challenging issues (Defourny & Nyssens, 2010b). Operating in this condition can lead social ventures to sell the products or services at unreasonable prices, experiencing severe pressure of competition, and undertaking financial risk then at the end declaring bankruptcy (Defourny & Nyssens, 2010b). The 'market' in the framework of social enterprises that operate in East Nusa Tenggara, Indonesia, is a complex concept that pinpoints its nuanced details. In this chapter, the discussion sets out on a scholarly

quest to analyse and elucidate the market's many facets, covering product offers, company operations, and the particular social goals that serve as the foundation for social enterprises operating in this area. East Nusa Tenggara offers an exciting platform for the emergence of social entrepreneurial activity, where grassroots efforts frequently converge with the necessity of tackling urgent societal concerns; for example, water scarcity, malnutrition, stunting, social disparity, and high poverty rate. This is due to East Nusa Tenggara province distinctive cultural patchwork and socio-economic dynamics.

This market's product landscape consists of a diverse range of options, each of which is catered to specific societal needs. East Nusa Tenggara's market is a dynamic, complex structure that demands a detailed knowledge. The market is a complex mixture of socioeconomic, cultural, and geographic characteristics (Mair et al., 2006). It represents the potential customers or beneficiaries whose particular needs and goals serve as the foundation for social enterprises' activities.

The good or service that social enterprises in East Nusa Tenggara Province provide is a concrete or intangible response to particular socioeconomic problems that are unique to this area. In addition, most of the products promote: environmental sustainability, using locally obtained organic resources; raising the awareness of healthy community; empowering people to be literate; financial literacy; living prosperously, digital literacy and many more. The social venture stakeholder's motivation plays a key role in the idea of social disparity, human (women) empowerment, social engineering, and ecology conservation. Moreover, they

conserve and revive the indigenous traditions by giving the finished product a profound cultural importance.

According to Zahra et al. (2009), operational activities represent the organizational foundation of social enterprises, outlining the efforts and approaches made to market their goods or services and produce the desired impact on society. One well-known social enterprise in the area, Trinity Academy, serves as a model for cutting-edge operational approaches to venture. This business combines information technology in the operation, provide training and workshops to educate mostly young entrepreneurs to address business problems while simultaneously equips them with digital skills in eradication of social gaps in the community. The blending of business operations and social effect is an example of the complex and mutually beneficial interaction that connects the two aspects within the East Nusa Tenggara social enterprise landscape.

The social target market for these social enterprises in East Nusa Tenggara Province is also closely related to the distinctive socioeconomic problems that the area faces. These social companies often prioritise marginalised populations as their major beneficiaries, according to the theory put forth by Austin et al. (2006). A model that resonates with the ideas outlined in Nicholls' study (2010) is the Geng Motor Imut, which uses a mobile method to reach and deliver practical knowledge and skills to distant and remote places. This company's social impact extends beyond the provision of efficient and effective agriculture methods and other appropriate technology or know how for local community empowerment. It exemplifies the

significant and varied influence that social enterprises hope to have on East Nusa Tenggara.

Geng Motor Imut has begun to reach the livestock farmers and then spread wide out to other aspects in the society, including civil engineering and others.

Participant GI 01: **'There are requests beyond entities of all sorts back to Java which was it finally. And it's not just the animal husbandry faculty that joins the Imut motorcycle gang, but then with friends from other disciplines. There are civil, engineering, there are all sorts of things. It morphed from the Animal Care Community Alliance into a mobilization innovation for our transformation it became like that.'**

This statement from the participant supports the literature that in several cases, the market is not always well-defined or identified (Alter, 2007; Nicholls et al., 2015).

The products that are served by this social enterprise varied from products in environmentally friendly household appliances (e.g., biomass and bio-gas stove fuelled by mostly animal manure), portable digester, saltwater desalination and training, workshop about green or ecological method in farming.

Participant GI 01: **'That was the agenda for the end of 2014, teaching people to make all kinds of organic fertilizers and thereby reducing the dependence on urea fertilizer in particular. In fact, there were several groups assisted by them who refused government assistance, urea fertilizer and the bargaining chip when harvesting onions.'**

This statement from the participant supports the literature since they have gained understanding of their resources potencies and how to explore them for good and that as a result of the social enterprise be able to reach out to those who are sceptical of the government (Sepulveda, 2015).

The activities of this entity were mostly to educate local participants to gain understanding and skills so that they are able to reach their social and environmental objective. Likewise, the statement below.

Participant GI 01: **'So, I think it's cool if we enter there with an approach to agriculture, animal husbandry, appropriate technology. But then apart from appropriate technology we can intervene from a conservation perspective. So how is the treatment of the community to become PU people? This water must be maintained, the water sources are spread out, if they run out for agriculture, right? And that get rid as well all kinds of polluted with chemicals, especially from urea fertilizer and so on, pesticides, herbicides.'**

This statement from the participant supports the literature of the motive of environmental preservation (Borzaga, 2001). The social enterprises integrate the social objectives of their institution to the market where they can provide goods and services.

Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi is one outstanding social company in East Nusa Tenggara that clarifies a wide range of products. This company specialises in producing innovative traditional handwoven textiles products that highlight the area's rich cultural heritage (e.g., handbags, earrings, necklaces,

keychains, accessories and shoes), other derivative product from natural resources like corn, banana, and guava products (e.g., shredded guava), fish stick snacks from waste fish bones. Marketing aspects (market survey, product labelling and packaging) include financial management and business analysis training. For the woven products, these are not only wonderful artisanal goods but also represent a dedication to environmental sustainability due to the use of natural colours and locally derived organic components and used products. These ikat weaving products have intrinsic value that goes beyond aesthetic appeal; it resonates with the region's cultural identity, maintaining and reviving indigenous traditions while providing marketable goods with a distinctive backstory.

This social venture, though faced a cultural conflict of interest in the beginning, kept moving forward by trying to convince the local community that traditional cultural values are possibly seen from wide various angles by the outside market, and this is a huge opportunity for the community to explore and positively exploit, and to benefit the whole stakeholder in many aspects. Firstly, it benefits the women and local disability people, by empowering their ability to generate income for their households. Secondly, it significantly reduces the number of youth unemployed in the local community. Thirdly, it is able to prove that women are equal to men, since they are able to generate economic value to the household and this significantly reduces domestic violence.

Participant JPI 01: **'We provide knowledge training to housewives/ mothers in the groups we formed. Well, educational knowledge is related to economic**

development and leadership knowledge. But for economic development, we manage the available potential to be developed into products that can be used as a source of income.'

This statement from the participant supports the literature that combining the social goal with the market goes beyond simply being socially responsible while chasing the market, but rather pursues the market to help realise and integrate the social goal.

Participant JPI 01: **'Violence against family members related to economic/financial issues resulting in domestic violence'.**

The statement from the participant supports the literature (Lane, 2014; Rahman, 2015; Datta, 2012; Meo, 2020).

This social enterprise manages to generate income: **(JPI 01): 'The averages annual turnover of this social venture is up to Indonesia Rupiah (IDR) Rp. 100 million rupiah, but in the last two years, due to the pandemic and the devastating Storm Seroja, their turnover has decreased to Indonesia Rupiah (IDR) Rp. 30 to 40 million per year'.**

Participant JPI 01: **'The positive impact makes participants have skills and income, become part of a business community. In the sense of sustainability, the more impactful to prepare young people and the values taught so they do the same thing.'**

The statement from the participant supports the literature (Guleid, 2014, Powell, 2019).

Social enterprise operations in this setting are distinguished by a synthesis of sociocultural concern and commercial viability. Consider Trinity Academy, a digital social venture group working to enhance educational outcomes for underprivileged adolescents in East Nusa Tenggara. This social company combats unemployment and educational inequality by empowering young people with broad marketable skills through a symbiotic partnership, through workshop training and digital marketing mentoring, and network building. Such endeavours serve as excellent examples of the intricate relationships among impact on society and financial sustainability that characterises social entrepreneurship efforts in this East Nusa Tenggara region.

This organisation helps and supports the existing businesses and new start-ups to go digital along with the Indonesia Government's grand program called National Movement of 1000 Digital Startups. They go from university to university, from ministry to others to educate students and young people to be digitally literate.

Participant JPI 01: **'We are an entrepreneurial incubator for East Nusa Tenggara and East Indonesia (pioneer), we also have project holders from Bank Indonesia, from the Ministry of Communications and Informatics to help start digital startups, what to help? Small enterprise in East Nusa Tenggara Province to be able to go digital, to be able to scale up people too while there are also several programs from outside East Nusa Tenggara Province, there are also from abroad to be able to help exposure for businesses in East Nusa Tenggara Province. We, currently also a regional present developing what the operational manager for the "National Movement of 1000 Digital Startups" from the Ministry of Communication and**

Information has been doing since 2020, is it entering its second year, it's a necessity now again. Meanwhile today there is also a socialization education on the Unika campus. So, to be able to attract more young people to be digitally literate.'

The statement from the participant supports the literature (Qastharin, 2020; Kazan, 2016).

The other social enterprise that empowers local farmers and community in advancing local coffee products mentioned activities in the targeted community by forming groups of people in Lembor Tengah Village, in total 24 members in June 2021. This entity concerns the shortcomings of both access to information on business development activities as well as quality, quantity and product price.

By motivating the targeted participant in land preparation, planting, harvesting, sorting, drying and mashed striping process, it advances the community to be skilful in developing their coffee business. The Geser Coffee Alor also collaborates with mentors and other stakeholders to educate in business license application, product labelling, logo creation and product packaging.

Participant GK 01: **'The development of Abui coffee in Lembur Tengah Village involves the local community. Approximately 25 members (male: 19, female: 6) with the group name KUBe Arabica Robusta Alor. KUBe Arabica Robusta Alor is one of the Joint Venture groups by a small portion of the people of Lembor Tengah Village, Kec. North Central Alor, Kab. Alor-ENT. KUBe Arabica Robusta Alor, starting in June 2021 with a total of 25 members. This group was initiated by me. Several**

factors have encouraged me to develop Alor coffee, especially in my village (Lembor Tengah), Alor coffee has a pretty good market prospect’.

The statement from the participant supports the literature ({Miller, 2012 #540}.

Health products such as superfood moringa powder and its derivative products, for example moringa tea, have been developed recently in East Nusa Tenggara Province, particularly starting from District of Sumba by Marada Kelor to prevent stunting. The target market is not only in District of Sumba but also outside its region.

Participant MK 01: ‘So in 2020 I started trying to introduce it in the community, in agencies in the village. In the end, the response came from the village to handle stunting. In year 2022, more or less one hundred dozen of villages have already worked with us. We also market it to areas outside of Sumba as well as throughout Indonesia through the Tokopedia marketplace. I am grateful because in Indonesia I am new to East Sumba, especially this year there are 52 villages working with us. The raw material supply reach 3 ton per moth can be produce to moringa products (1000 pcs moringa powder and 1000 pcs moringa tea) with the revenue Rp 70 – 80 million per month’.

The statement from the participant supports the literature (Resosudarmo, 2009; Pitaloka, 2020; Grootaert, 1999; Garba, 2010; Coffie, 2013; Matondang, 2017; Hussain, 2014).

The social enterprise activities collaborate with the moringa farmers runs from farm planning, planting, harvesting, drying, milling, product sorting, packaging and

labelling, marketing and distribution. Working with groups of farmers that results in the increasing of farmers' incomes.

Participant MK 01: **Yes, we employ people. The impact that follows is us. And first, what is the name of advancing the economy of farmer groups because its earning reaches of six million rupiah per month. Because the calculation is there, divide us up to the members so that it will increase the farmers' income, because if there are a lot of requests". It was immediately felt that it had a direct impact on the community from what is called this production activity, they get money from the sales".**

The statement from the participant supports the literature (Grant, 1991; Barney, 2001; Barney, 1991; Peteraf, 1993; Bertotti, 2012; Dierickx, 1989; Mawardi, 2009).

The social enterprise activities and the result on the social target show that the social venture has achieved its social goals in the journey.

Participant MK 01: **'The measurement of the stunting rate was in February and August until February 6th. East Sumba at 20 percent is the stunting rate. But last August, only 15 percent remained. So, this is one and a strong theory that the role of the village in fighting stunting with all of these elements has an impact and what is it for 2022". I am very happy that in this report from the health Office there is a decrease in the media". That's mean there are community progress and regional progress.'**

The statement from the participant supports the literature (Resosudarmo, 2009; Pitaloka, 2020; Grootaert, 1999; Yunus, 1998; Hussain, 2014; Sumarto, 2014).

The local social enterprise in Alor District, Pubila Alor, produces ginger drink, curcuma and turmeric drink, moringa powder, virgin coconut oil, candle nut oil, cashew nuts, fried corn, black rice, and banana chips. Apart from that, in the beginning of the journey, Pubila Alor operates the rice milling machine and it's started with an exchange goods system for the church members. Pubila Alor also provides a training service by raising a learning house for literacy, which teaches the community to assemble and explore their resources for economic development through tourism-based community. Pubila Alor also educates the community by promoting moringa powder tea to eradicate the problem of stunting, based on the first pillars of the church congregation, 'Health Aspect'. One other good example is how this social venture empowers the community through quality control, for instance rice cultivation.

Participant MK 01: **'For now, the participation of new congregations who want to work. So, we take care of the chairs, we take care of them without any product quality control. We gave them our chairs. The requirement to become a KUBE is not to use pesticides. We tell them during the socialization. I walk from groups to groups. This the system is not allowed to use this chemical. So naturally they are filtered there and those who want to join are filtered out.'**

The statement from the participant supports the literature that is ecology preservation motives, and this is one good example. (Silaen, 2023; Budiasa, 2015; de Azevedo, 2012; Zuhdi, 2021; Tinsley, 2018).

6.3 Integrating Social Activities and Market Activities

A complex and dynamic idea of different goods or marketplaces within the context of social enterprises calls for in-depth investigation. As organizations that operate in both the economic and social impact spheres, social enterprises have a wide range of goods and services and target markets, with each variation being influenced by a particular set of variables. These social enterprises' objectives in East Nusa Tenggara are mostly focused on enhancing the lives of marginalised groups.

The primary goal of social companies is to create both social and commercial benefit (Dees, 2003). This is where their core rests. Due to this duality, social companies are able to provide a diverse range of goods and services. These goods and services are effective tools for promoting constructive social change since they are frequently created to address certain societal issues or unmet needs. For instance, social enterprises might concentrate on making environmentally friendly products, supplying high nutrition supplements or superfoods to neglected populations, or providing job training courses for outcast people (Battilana & Lee, 2014).

Marada Kelor is a moving example that emphasises the importance of granting access to provide a superfood to the province's rural and underdeveloped communities. This social venture aims to close the malnutrition gap and enhance the general wellbeing of these communities by establishing a network of product availabilities in the local market for local participants. The social impact is significant because it not only resolves a stunting issue but also makes jobs available within the neighbourhood, encouraging self-sufficiency in the targeted group.

The possibility of diversifying revenue streams is one important consequence of different product offerings inside social companies. Social companies can increase their financial sustainability by diversifying their offerings and by reducing their dependency on a single revenue stream (Defourny & Nyssens, 2017). In addition to enhancing financial resiliency, diversification enables social enterprises to adjust to shifting market dynamics and new social needs.

Likewise, Marada Kelor and other social enterprises in East Nusa Tenggara Province are constantly looking for innovative methods to diversify their product offerings and aim for more target participants. One such company is Hyuna Madu, which sells a wide range of products in addition to its well-known ground honey. They serve moringa leaf powder and seafood snacks, which enables them to draw in a wider market and provide its devoted target market with other options. The social enterprise Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi offers innovative products in consumer groups areas: traditional pattern woven cloth wrapping, shoes and handbags, earrings, necklaces and various keychain models.

It is crucial to recognise and highlight that different products might also result in operational difficulties and complications. It requires strategic planning in terms of resources, improvement of practical skills, and creative collaboration to manage a number of goods or services. In order to remain financially viable across these various strategies, social enterprises have to achieve an acceptable compromise between promoting their social goal and their operation (Borzaga, 2013). Social firms with little resources may find it particularly difficult to maintain this delicate balance.

This specific case can be seen in the operations of Hyuna Madu, Industry Pangan Lokal, and Muri Jamur, where these ventures face difficulties to diversify their product and provide it to the target market. For years, as part of the pandemic Covid-19 impacts, they are merely able to sustain their main or major product rather than creating any brand-new, cutting-edge goods or services.

On the other side, differences in target markets might result from a variety of factors, such as geographic location, demographics, and particular societal issues being addressed. A social company might, for instance, concentrate on city regions to alleviate unemployed-related concerns while also focusing on rural communities to encourage sustainable farming (Barraket et al., 2017).

The social enterprises in East Nusa Tenggara Province serve and empower various types and models of targeted market, which range from agriculture and farming community (Geng Motor Imut, Pubila Alor, Marada Kelor and Geser Coffee Alor), housewives or women in general (Pubila Alor, Hyuna Madu and Jaringan Perempuan Usaha Kreatif Ina Foa), special needs people (Jaringan Perempuan Usaha Kreatif Ina Foa), youth generation (Trinity Academy and Pubila Alor), remote place society (Geng Motor Imut, Geser Coffee Alor and Hyuna Madu), rural community (Geng Motor Imut and Trinity Academy), educated and uneducated groups (Geng Motor Imut, Pubila Alor, Jaringan Perempuan Usaha Kreatif Ina Foa), employed and unemployed (Muri Jamur), religious community (Pubila Alor), and adult and adolescence groups (Trinity Academy).

Obviously the target market varies, however, this might also present logistical and operational difficulties. It may be necessary to localise products or services for various markets and to be sensitive to cultural differences and local circumstances (Mair & Marti, 2006). Additionally, social enterprises may find that entering various markets puts an impact on their resources and capabilities, requiring advance preparation and appropriate expansion (Elkington & Hartigan, 2008).

The idea that social enterprises can have a variety of products or markets highlights the capacity for change and creativity that these businesses possess. These variations present chances for diversification, increased social effect, and the capacity to tackle a wider array of societal issues. However, they also bring about operational challenges and problems with resource management. With strategic forethought and a dedication to striking a balance between their dual missions of creating social and commercial benefit, successful social entrepreneurs negotiate these issues.

However, it is common for social enterprises to confront a variety of obstacles and hurdles in their work, and it is possible that certain elements may be perceived as barriers based on their particular experiences and situations. Financial limits, restricted access to resources, legal difficulties, cultural or societal conventions, and personal limitations are all examples of barriers. Social entrepreneurs' perceptions of barriers can differ depending on their unique circumstances and the specific social and economic setting in which they operate.

In the case of Pubila Alor, the difficulties they encounter include the requirement to alter programs in response to changing conditions and obstacles. In particular, it is

essential that they modify their programs to get around obstacles and fulfil their social purposes.

Participant PU 01: **We start by facilitating the church assembly. So, the system goes to trainers of training, training of trainers is like that, Sir. So, from the new church council, they will lead groups like that. But finally, it didn't go as expected because of high jealousy. it was unexpected because the congregation had social factors, jealousy, suspicion, because there had never been a servant who had done something like that before. So, we were forced to get out of the church's very minimal participation due to suspicions of social factors. Finally, as a result, we dropped out of our church program. I redesigned our church program. Well, but I'm grateful that at that time I tried to socialize.**

The statement from the participant supports the literature {Zahra, 2009; Rout, 2015; Guleid, 2014).

Participant MK 01: **The following constraints is raw materials. So, before that, I just hope that only wild moringa. But because in 2021 the demand was increasing sir, so my idea arose to mobilize farmer groups to plant moringa so that it was approved by one of the farmer groups in East Sumba. The name of the farmer group is Lataluri. So, they have planted moringa. Currently there are approximately 15 thousand trees in an area of 1.5 hectares which will later be further developed into 2 - 5 Ha.**

The statement from the participant supports the literature ({Silaen, 2023; Guleid, 2014; Rout, 2015; Živojinović, 2019; Valler, 2012; Barlow, 2017}).

The Self-Determination Theory analysis of social enterprises provides a distinctive viewpoint on how these organizations view themselves and manage the difficulties they face, particularly the necessity of re-inventing their programs in response to barriers. Deci and Ryan (Ryan & Deci, 2008) underlined the significance of intrinsic motivation, independence, and expertise in influencing human behaviour when they perceived self-determination. Self-Determination Theory clarifies how social entrepreneurs' answers to obstacles, such as the requirement to adapt programs, are influenced by their self-perception, intrinsic drive, and demand for autonomy. The stakeholders in social enterprise in East Nusa Tenggara Province put their idea into action despite the difficulties and overcome the hurdles step by step. Founders or owners are more likely to behave in a way that fulfils their personal interests and needs whenever the owner and founder are intrinsically motivated (Mair & Marti, 2006), and social enterprise owners frequently view themselves as individuals who are highly motivated by their social missions. The crucial component of their self-perception is this inner motivation to put into real operation.

Participant PU 01: **And there are no mentors who teach us to do have market research. The real challenge is to enter the market because we don't have Topa branding yet. How do you want to convince the market that this product is good. We currently have limited water; we have bad transportation. Anyway, it's a real technical problem.**

The statement from the participant supports the literature. (Nielsen, 2008; Miller, 1991; Lee, 2021; Kerlin, 2007; Ridwan & Maksum, 2020).

According to Dart and Anderson (Dart, 2004), social entrepreneurs see their social mission as an element of intrinsic motivation and believe that they are aligned with it. They really identify with their mission, which strengthens their dedication to having a positive social influence. Self-Determination Theory also acknowledges the importance of autonomy and competence in promoting intrinsic drive as innovators bear capability and are always looking for new ways to solve difficult social and environmental problems. Their natural desire to bring about change is intimately related to how they see themselves as innovators.

Moreover, the key idea in Self-Determination Theory is autonomy, which describes people's sense of agency and control over their behaviour. How social enterprise founders view their level of autonomy affects how they react to challenges, particularly the requirement to adapt programs. Autonomy gives social entrepreneurs the ability to proactively recognise the obstacles and problems that the people they serve and communities are facing (Battilana & Lee, 2014). They believe they are independent agents that can recognise when a program needs to be adjusted, which emphasises the value of decision-making independence. According to Nicholls (2010), social entrepreneurs see themselves as independent decision-makers who may modify their initiatives in response to shifting conditions and developing roadblocks. They can alter their programming in accordance with their mission in an autonomy sense.

Social enterprise stakeholders usually start to convince themselves to actively take moves when they recognize the challenge or the problem that they as agent of

change can reach their mission to conquer the barrier by utilizing the resources, knowledge, skills and network they build to reach social goals.

Participant PU 01: **One of the communities that has really helped me in terms of support is “The Mama business community”. Indeed, she has his own business. And for me, I need the knowledge. The market is not small talk. As an entrepreneur, I can't do that. So finally, I joined the community. They're helping us from Kalabahi. If he's not online, sign him in Jakarta. So he is, he is like a community. They have a business. So, they have a business. Business collaboration with one supermodel in Korea. So, they are in the business development, they also teach us the digital marketing. So, I'm grateful that I got free mentoring from them. Finally, I have mentor in the business. They gave me knowledge on how to make content.**

The statement from the participant supports the literature (Ariani, 2019; Moulaert, 2013; Živojinović, 2019; Dees, 2003; Newth, 2016).

The inherent motivation of social entrepreneurs to bring about positive change typically drives their aspiration to scale their effect (Dacin et al., 2010). Program redesign for scalability strengthens participants' dedication to the program's mission and their own motivation. It requires the stakeholder's engagement, as social entrepreneurs involve stakeholders, such as beneficiaries, in program redesign, and their inner drive is further cultivated. According to Mair and Marti (2006) this participative method encourages stakeholders to feel ownership and internal motivation.

While the requirement of program reform necessitates intrinsic motivation and autonomy, social entrepreneurs nonetheless confront difficulties that call for resilience and resourcefulness. Program redesign initiatives may be hampered by a lack of resources, including in terms of funding and personnel (Battilana & Lee, 2014). Funding program changes can be difficult to come by. Social enterprises have to achieve an agreement between upholding their organization's basic beliefs and mission while remaining flexible and open to alterations (Dart, 2004). This necessitates giving considerable thought regarding what might and ought to develop.

6.4 The Potential Conflict

This concentration may result in more rivalry, fewer market prospects, or difficulty differentiating their products or services from those of competitors in the same market category.

Participant GK 01: **When starting product sales, of course the greatest challenge is how to maintain quality, quality of production so that coffee buyers or connoisseurs continue to buy the product. In addition, the trademark of production results is also one of the determinants in marketing business results. Lack of capital in doing business. Looking for or getting customers to cooperate is also a challenge for us. This is due to a lack of information related to potential partners in establishing cooperation. This indicates a lack of promotion of the potential of natural resources, especially coffee. Lack of information on access to coffee farmers' markets. Lack of knowledge at farmers. So, we educate them the skills of**

coffee farmers by starting from seed selection, seeding, land preparation, planting, land clearing, maintenance, coffee bean picking, drying system to packaging. The community tends to cultivate types of plants that are felt to have a high enough price, so they ignore the coffee plants they cultivate, etc. Some of the problems mentioned above prompted me to voluntarily facilitate old people in the village to start caring for coffee again by forming small groups to look for and solve existing problems together. I am grateful that these ideas and ideas were accepted by old people to develop coffee.

The statement from the participant supports the literature (Carlton, 2004; Kristiansen, 2007; Geroski, 2013; Pehrsson, 2009; Harrigan, 1981}.

According to Resource-Based Theory, a company's distinctive assets and skills are its main sources of long-term competitive advantage (Barney et al., 2001; Porter, 1997). An organisation needs valuable, rare, unique, and non-substitutable (VRIN) commodities to acquire an advantage over others. Farmers, local communities, governmental organisations, and purchasers in East Nusa Tenggara frequently focus their attempts and assets on, for instance in the case of Alor coffee, a specialty coffee renowned for its distinctive flavour profile. The stakeholders who are involved in the production and trade of Alor coffee provide important resources. Local farmers are familiar with conventional methods of coffee farming, whereas buyers have access to bigger marketplaces and monetary assets. For Alor coffee to remain high-quality and competitive, these priceless resources are essential (Nicholls, 2010).

Alor Coffee is a unique resource in the coffee industry since it has a particular flavour that is well known. East Nusa Tenggara stakeholders focus on this distinctive commodity (Mair & Marti, 2006) and work to keep it rare. Alor coffee stands out from other coffee varieties thanks to its distinctive flavour profile. The resources and expertise associated to the cultivation and processing of Alor coffee may be unique. Generations of local farmers have gained experience in growing and preparing this coffee. It is difficult for competitors to mimic the unique attributes (Dacin et al., 2010) of this coffee due to the unique climate and soil characteristics in Alor.

There are frequently no alternatives for coffee lovers and consumers looking for the peculiar flavours of Alor coffee. For those who cherish these traits, the distinctive flavour, aroma, and historical value of Alor coffee serve as an unavoidable resource. This lack of substitutability supports Alor coffee's competitive edge (Battilana & Lee, 2014). Stakeholders in the Alor coffee distribution network should work together to address regional hurdles. The difficulties in preserving coffee quality, involving producers and communities, and highlighting the possible benefits of natural resources are a few examples of these obstacles; for example, maintaining quality, it's important to keep Alor coffee at a high standard. Participants work together to make sure that conventional cultivation and processing techniques are maintained and that there are quality control procedures (Dart, 2004). This group effort aids in removing the obstacle of sustaining constant quality; engaging local farmers and local participant is crucial to maintaining the Alor coffee industry.

Stakeholders collaborate to give farmers access to resources, training, and fair compensation. The difficulty in obtaining farmer cooperation is addressed by this partnership (Austin et al., 2006). Even though Alor coffee is of high quality, there could not be enough marketing support or market access. Stakeholders work together to highlight the distinctive attributes of Alor coffee and reach out to potential customers. This collaborative effort aids in removing the obstacle of insufficient marketing and market exposure. Social companies in East Nusa Tenggara Province would gain a competitive advantage through stakeholder focus on Alor coffee and their joint efforts to remove hurdles. The combination of priceless, uncommon, one-of-a-kind, and non-replaceable resources enhances the distinctiveness and marketability of Alor coffee. Local businesses and communities may prosper while protecting their cultural and natural legacy thanks to this competitive edge.

Understanding the various conflicts that can operate as roadblocks within the area of social enterprises is critical for establishing effective solutions to these difficulties. Differences in culture, myths or misunderstandings about social enterprise, domestic violence affecting stakeholders, and conflicts of interest among diverse actors involved in social enterprises can all contribute to conflict. Cultural conflicts can emerge when social enterprises function in multiple cultural settings, particularly in regions with a complicated web of traditions and customs, such as Indonesia. Distinctions in communication techniques, value systems, and views of social enterprise operations might stymie productive cooperation and comprehension. The

conflict might occur in the journey of social enterprise (Hofstede, 1980; Smith, 1992; Treven et al., 2008).

The consequences of cultural myths and beliefs that hinder social companies to operate in ultimate performance are vary. In several cases, they hinder the social entities to innovate their products or services, and impede the organization to diversify and differentiate their products and services. In the case of JPI the social enterprise founder had been working for more than five years with primary and secondary stakeholders to convince the employees, local participants, the elderly of the tribes through seminars, training, trade fairs and shows, and dissemination that the product's culturally-based innovation will benefit all parties.

The other recognized barrier namely, domestic violence, is confirmed by the literature that identifies it as disturbing topic with broad repercussions for escalating inequality due to the complex relationship between family violence and monetary or financial stress (McCue, 2007; Stark & Flitcraft, 1996). This uncomfortable relationship illustrates how financial strains and economic hardships can exacerbate current conflicts inside households, creating a setting where power inequalities can deteriorate into violent acts (Hayati et al., 2011; Rahman et al., 2015). This problem disproportionately affects women, who frequently find themselves caught between financial dependence and abuse susceptibility.

6.5 The Basis of Social Enterprises Activities

It is crucial to examine the particulars of their real products and target demographics in order to have a thorough grasp of the social enterprises functioning in the Indonesian province of East Nusa Tenggara. The many social companies operating in the area will be thoroughly examined in this study, putting light on their distinctive goods and the consumer groups they cater to.

6.5.1 Social enterprises based in agriculture

A lot of social entrepreneurs in East Nusa Tenggara work with agriculture. They raise and refine agricultural products like coffee, moringa, black rice and spices. These businesses (Geng Motor Imut, Geser Coffee Alor, Marada Kelor, Muri Jamur, Pubila Alor) frequently manufacture speciality or organic goods that are in demand worldwide as well as in domestic markets. The target markets here is local participants, regional communities (East Nusa Tenggara Province), national and global consumers who value high-quality superfood nutrients, and sustainably produced agricultural-related products. They may also target companies in the culinary and drinks sector with the intention of supplying them with locally unique ingredient commodities. They also target the remote regions across the area to educate in the innovative agriculture approaches and methods.

6.5.2 Social enterprises based in handicraft and consumer products

Social ventures in East Nusa Tenggara Province, for instance, Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi, Hyuna Madu and Pubila Alor produce and offer a variety of handmade handicrafts, fabrics, and traditional artworks. These goods exhibit East Nusa Tenggara's distinctive craftsmanship and cultural heritage. Both regional and foreign markets are the target markets with a focus on people who value genuine, handcrafted products. These goods may be valued in export markets for their historically significant and cultural value.

6.5.3 Social enterprises that provide workshop, training and education

Some social companies (Trinity Academy, Geng Motor Imut Geser Coffee Alor, Pubila Alor and Hyuna Madu) offer services including workshops and training. These programs give people, especially young people and small enterprise owners, very useful information and skills in fields including farming, digital marketing, legal procedures, financial support, and customary arts and crafts. Business owners and local adolescents looking for chances to develop their skills and jobs are their main target market. These entities seek to share knowledge and skills to youth as well as business owners.

6.5.4 Social enterprises based in sustainable energy solutions

A few East Nusa Tenggara social enterprises (e.g., Geng Motor Imut) concentrate on eco-friendly energy options. They might offer local communities water salination

programs, biogas systems, or other renewable energy technology. Their target audiences are rural communities looking for sustainable energy solutions since they lack access to a dependable energy source. In order to advance clean energy options, they might also collaborate with governmental and non-profits institutions.

6.5.5 Empowerment and gender equality initiatives

Social companies in East Nusa Tenggara Province also help women's economic empowerment and gender equality, disabled people by frequently providing training, assistance, and products in these areas (Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi, Pubila Alor, and Hyuna Madu). Textiles, handmade items, consumer goods and agricultural products may be among them. Women from disadvantaged communities, grassroots, remote communities, disabled people who are looking for economic possibilities and empowerment make up their main target participants. These businesses seek to improve the social and economic status of those mentioned above.

6.6 The Impact

Stakeholders may disagree over whether the social enterprise's activities effectively address the specified social or environmental challenges, whether the business model is sustainable, or whether the intended impact aligns with their own beliefs or expectations. Social enterprises are frequently established with an overarching social or environmental objective. The impact viewpoint evaluates how successfully these

businesses accomplish their desired goals, such as reducing poverty, preserving the environment, or fostering community advancement (Dacin et al., 2010).

Different operational models and tactics are available for social companies to use. To support their social activities, most of them prioritise or reach social objectives in their strategy of the so called 'hybrid model' (Alter, 2007), and a very few may place more of an emphasis on profit generating or striking a balance between the two (Austin et al., 2006).

The distribution of resources across the social enterprise's operations in East Nusa Tenggara has a big impact on how the influence is perceived. Those stakeholders believe that a social enterprise is more effective if it devotes a sizable amount of its earnings to advancing its social mission (Battilana & Lee, 2014). In addition, it is essential to provide clear and open reporting on operational actions and how they relate to the social mission. Social companies have a greater opportunity to be positively seen if they successfully explain their attempts to achieve impact (Mair & Marti, 2006; Mair & Noboa, 2006).

The operational approach's compatibility with stakeholders' values, particularly those of investors, donors, and beneficiaries, is essential. The perception of influence is enhanced when operational choices align with stakeholder values (Nicholls, 2010). Impact perception is also influenced by the social enterprise's long-term viability. Stakeholders may believe that a company is better able to have a lasting effect if operational choices support the enterprise's sustainability (Dart, 2004).

Depending on their points of view and interests, stakeholders' perceptions on influence can differ. While donors and recipients may place a greater focus on social

benefits, investors looking for a financial return may prioritise profitability (Austin, Stevenson, & Wei-Skillern, 2006). In few cases the stakeholder needs to point out an acceptable compromise between operating viability and social benefit. Social companies frequently struggle to make enough money to support their objective while upholding their social principles (Cornelius et al., 2008).

Social entities commonly face the hurdles of market entry barriers in the beginning of the start-up along to the process while they are growing. The next tables are presented of the market entry barriers of three well-known social enterprises who serve in East Nusa Tenggara Province below.

Table 6-1 Market Entry Barriers Analysis Case 1

Social Enterprise: Geng Motor imut
Economies of scale:
<ul style="list-style-type: none"> • The argument is that Geng Motor Imut began as a small-scale project, missing the economies of scale that larger competitors possessed. • To combat this, the company concentrated on specialised markets and adapted its products and services to meet the demands of local communities, emphasising low cost and dependability. • 'So, it's very difficult to measure what kind of treatment we have for people. We just say wow yes, we are successful. Are our points of reach spreading here and there? Are all kinds of allocations a lot, but to measure it require us to focus. So, it occurred to us that we should start changing this sporadic approach to one focused on one specific area. At least because we are all basically the majority in ENT, I think we are looking for an island whose name can strongly describe East Nusa Tenggara Province. An area can represent the identity, so we then choose Semaun Island. As soon as 2014 we entered it.' • For example, Geng Motor Imut rose to prominence by offering low-cost and efficient biogas digesters and stoves, organic fertilizer, saltwater desalination, organic farming, primarily to low-income and remote communities who could not afford pricey devices.
Product differentiation:

<ul style="list-style-type: none"> • Product differentiation in the house appliances, e.g., cheap biogas stove as alternative and eco-friendly, organic and appropriate farming methods, training and workshops for the local participants and volunteers, which is critical for building a loyal customer base. • Strategy: Geng Motor Imut uses community movement and an asset-based approach by emphasising young volunteers and local participants, transparent low pricing on the making of devices and delivery of the service, eco-friendly, and a strong dedication to customer care. • For example, working together with the participants allowed local people to plainly understand the cost breakdown, increased trust, and customer loyalty.
Capital requirements:
<ul style="list-style-type: none"> • Geng Motor Imut likely initially struggled to secure adequate money for expansion. • The company investigated obtaining assistance of the donors (Asian Development Bank, local government initiatives, non-government organization, namely, Global Environmental Facilities-Small Grant Program (GEF-SGP) Perkumpulan Pikul, CIS Timor, Komunitas Kupang Batanam, Komunitas Tani Organik Dalen Mesa, Perkumpulan Tafena Tabua, OCD Beach and Cafe, Yayasan Alfa Omega, dan Yayasan Cemara) that promote their program.
Entry costs/switching cost (include advertisement):
<ul style="list-style-type: none"> • It quite generally is modest in entry cost but building the local community trust is crucial. • Geng Motor Imut made significant investments in establishing a great reputation in the region around East Nusa Tenggara Province and Indonesia through referrals from friends and colleagues and outstanding service quality. • The entity built trust by routinely providing high-quality education and training or workshops, and offering unlimited assistance on its work, lowering consumers' switching costs.
Customer:
<ul style="list-style-type: none"> • Initially, gaining access to a local community was easy and seamless due to the approaching method (asset-based and community movement) to the local participant.

<ul style="list-style-type: none"> • Geng Motor Imut is actively involved with the local community by sponsoring community activities, creating partnerships with other stakeholders who are already there, and marketing through social media. • Their participation in local events and sponsorship of community activities, for example, improved their vision based on the society's asset.
Distribution access:
<ul style="list-style-type: none"> • The paths/channels, infrastructure that delivered products and services on to the local consumer is mostly in poor condition. The use of motorcycles or 4x4 vehicles makes this social enterprise gain its uniqueness and loyal customers.
Production cost:
<ul style="list-style-type: none"> • Managing production costs is critical for Geng Motor Imut. It optimizes the operational efficiency by utilizing the asset-based approach in the community.
<ul style="list-style-type: none"> • Geng Motor Imut also collaborates with the prominent non-government organization, local authorities, international organization donors in training and employing the volunteer young enthusiasts.
Research and development:
<ul style="list-style-type: none"> • Regularly, investing in research and development for its product (e.g., biogas stove, currently version 9.0), innovation in eco-friendly farming methods (e.g., organic fertilizer and watering system), organic farming, agro-silvopastoral system (combine crops, multifunctional hedgerows, woodlots, or fodder trees with domestic livestock) and agroforestry development, land and coastline conservation for water and food security, development of local food supplies and products, community-based ecotourism, and pilot usage of renewable energy, are all examples of initiatives.
Proprietary assets:
<ul style="list-style-type: none"> • The major strengths of this venture (Geng Motor imut) are the local participant trust and product namely, biogas stove, and well-known asset-based approach.

Sources: Analyzed by the author from the collected data.

Social Entry Barriers
Community network/Networking to business community:
<ul style="list-style-type: none"> • From the beginning, Geng Motor Imut utilized community participation (known as community movement) and trust building. • They actively participated in local empowerment programs launched by local government and donors, sponsored community training and workshops, and provided appropriate know-how technology to the community.
Community acceptance:
<ul style="list-style-type: none"> • Geng Motor Imut acquired the confidence and loyalty of the people they served by becoming an integral part of the community and meeting its needs.
Political engagement/Political infrastructure:
<ul style="list-style-type: none"> • Political participation can be a huge impediment, but it can also be used to assist a social enterprise. Geng Motor Imut aggressively collaborated with local authorities, demonstrating the environmental and social effects of their work and requesting support for community-focused programs. • Geng Motor Imut obtained political support by engaging with local authorities and integrating their objective with community revitalisation goals, making it easier to surmount regulatory difficulties. • Political engagement encompasses a wide range of actions in which people form and express their ideas about the world as a whole and how it is governed, as well as attempt to influence and shape decisions that impact their lives.
Input and community empowerment:
<ul style="list-style-type: none"> • This entity working side by side with the local community in their program decision-making processes generates the sense of ownership and sustainability. • Geng Motor Imut proactively solicited feedback from people of the community, not only on individual but also on broader initiatives. • They enlisted the help of community leaders and promoted local participation in their efforts. For example, the company launched the Social Ecological Resilience program on the small island of Semaui Island, which trained community members, allowing them to gain understanding of eco-friendly farming.

Types of empowerments:
<ul style="list-style-type: none"> • Various approaches to empower the local participant might be critical for breaking down societal boundaries. • Geng Motor Imut intended to promote economic and social empowerment by providing the local society with workshop and skill training apart from their eco-friendly product. • This strategy contributed to a sense of improvement in both the economy and society in the neighborhoods. Geng Motor Imut's 'asset-based approach' not only provided essential knowledge to community members but also benefited the entire socioeconomic environment with the skills they needed.

Institution Entry Barriers
Formal/Regulation:
<ul style="list-style-type: none"> • To ensure compliance with essential rules, Geng Motor Imut collaborated actively with the community's leaders and government agencies. • They also took an active role in related rules. For example, Geng Motor Imut guaranteed that their operations met legal standards and minimised the possibility of regulatory hurdles hurting their business by engaging with regulatory agencies and being proactive in compliance.
Informal/Culture/Attitudes:
<ul style="list-style-type: none"> • A community's culture and attitudes can have an impact on the success of a social enterprise. Geng Motor Imut used a culturally sensitive approach, honoring local traditions and cultural norms. • They worked hard to understand the social, cultural, and political contexts of the communities they served and to incorporate that knowledge into the way they performed their duties. • For example, they not only force their program to the community but also served with respect to people in the community who knew the local way of life, creating a favorable attitude among local people.
Social belief/ belief in social market:

- Market behavior can be influenced by social ideas about the worth of a service or commodity. Geng Motor Imut was committed to gaining community trust and credibility by constantly providing loyal service and sticking to practices of social-ethical norm.
- Geng Motor Imut is considered one of the most dependable and honest social enterprises in the region over time, indicating a positive shift in social perceptions about the market.

Sources: Analyzed by the author from the collected data.

Table 6-2 Market Entry Barriers Analysis Case 2

Geser Coffee Alor
Economies of scale:
<ul style="list-style-type: none"> • Discussion: As a social enterprise who is a unique coffee grower, Geser Coffee Alor initially encountered obstacles due to economies of scale, as competitors that were bigger had greater resources. • Strategy: They concentrated on making high-quality, specialty Robusta coffee (Coffee in Abui-region) that is unique to Alor Island. They found specialised markets prepared to offer them a premium by emphasising their unusual coffee. • For example, Geser Coffee Alor's 'Robusta Abui coffee Blend' became well-known for its distinct flavour profile, drawing coffee connoisseurs and speciality cafes alike.
Product differentiation:
<ul style="list-style-type: none"> • Product differentiation can be crucial for success in the coffee market. Geser Coffee Alor Alor focused on the special features of Alor's coffee beans from Abui suburb, emphasizing their distinct flavor, and encouraging the organic farming practices, and the region's cultural history. • This differentiation can be a barrier since several factors can give influence, namely, lack of information, higher product price compared to the competitor, extra promotion cost, not fit to the consumer preference, and competition in the market. • For example, their marketing campaigns focused on Alor's coffee's story, distinguishing it from mass-produced brands.

Capital requirements:
<ul style="list-style-type: none"> • Access to capital is frequently a problem for small-scale agricultural operations. • Geser Coffee Alor investigated funding sources such as loans and philanthropic donations from organisations with similar objectives in terms of social and environmental sustainability. • For instance, they received funds from an environmentally friendly agriculture organisation to make improvements in technology that would improve quality control.
Entry costs/Switching cost (include advertisement)
<ul style="list-style-type: none"> • Establishing trademark trust as well as the credibility may be difficult, particularly when working in the coffee sector. Geser Coffee Alor pursued direct trade partnerships with global buyers (USA and The Netherlands), and currently they are still working to ensuring regional and national supply chain transparency and traceability. They also actively competed in coffee competitions in order to achieve a good reputation. • For instance, their direct trade method and award-winning coffee drew socially conscious shoppers and helped create a best brand.
Customer and distribution access:
<ul style="list-style-type: none"> • It can be challenging to reach clients and secure distribution channels. Geser Coffee Alor collaborated with local, regional and worldwide partners who shared the company's dedication to promoting equitable trade and sustainable. • They also established a café in Alor, establishing a direct relationship with local customers. For instance, their café, 'Kopi Alor', established a focal point for promoting their coffee products and establishing a relationship with the community.
Production costs:
<ul style="list-style-type: none"> • It is critical to manage manufacturing costs while preserving quality. Geser Coffee Alor used optimal agriculture as well as production processes to reduce waste and provide consistent quality. • They also spent resources on training and teaching local farmers. For instance, by optimizing production procedures they were able to maintain costs as competitive without sacrificing quality.

Research and development:
<ul style="list-style-type: none"> • Continuous improvement is critical in the coffee industry. • Geser Coffee Alor worked with agricultural specialists and academics to improve farming techniques. They also experimented with several coffee varieties in order to broaden their product line. For instance, their investment in R&D helped lead to the launch of new coffee brands that appealed to a larger group of consumers.
Proprietary assets:
<ul style="list-style-type: none"> • Developing a company and establishing a name is a significant asset. • Geser Coffee Alor invests in advertising and marketing to highlight the business's dedication to environmental sustainability and the distinctive features of Alor coffee. For example, their branding efforts were rewarded when they were recognized for their principles of fairness and excellent coffee quality.

Sources: Analyzed by the author from the collected data.

Social Entry Barriers
Community network/Networking to business community:
<ul style="list-style-type: none"> • Establishing an effective community infrastructure is critical for social entrepreneurs, particularly in rural locations. Geser Coffee Alor was heavily involved in regional community events, farmer cooperatives, and cultural activities as part of this strategy. They built relationships with key people of the community. For example, by engaging with local growers' groups, they acquired access to a more diverse community of coffee growers, facilitating collaborations as well as information sharing.
Community acceptance:
<ul style="list-style-type: none"> • Gaining approval in the neighbourhood is critical for the growth of a social enterprise. Geser Coffee Alor made certain that all of their actions were in line with local traditions and standards of conduct. They actively interacted with members of the community to address issues and solicit feedback. • They acquired recognition and trust by honouring cultural customs and including the community in decision-making.

Political engagement/Political infrastructure:
<ul style="list-style-type: none"> • Political involvement can either help or impede the success of a social enterprise. • Geser Coffee Alor actively worked with the municipality's officials and representatives as part of this strategy. They promoted policies that promoted environmentally friendly farming and fair-trade practices. • For example, their engagement with a regional coffee group resulted in legislation reforms that helped local coffee farmers and made selling the product easier.
Input and community empowerment:
<ul style="list-style-type: none"> • Discussion: Involving and empowering community members in decision-making can lead to long-term growth. • Geser Coffee Alor solicited information on coffee farming practices from local farmers. They gave equitable wages and trained folks in sustainable farming techniques. For instance, as part of their social mission they provided farmers with the necessary information and abilities, allowing them to improve their capacities.
Types of empowerments:
<ul style="list-style-type: none"> • Different sorts of self-actualization, such as financial, social, and political empowerment, can help people overcome social constraints. Geser Coffee Alor's strategy centered on social transformation through Robusta coffee production. • They guaranteed that Abui coffee growers were paid fairly and engaged in a social welfare program. For example, they supported training and improved the good standard of farming and coffee processing, proving their commitment to social empowerment.

Sources: Analyzed by the author from the collected data.

Institution Entry Barriers
Formal/Regulation:
<ul style="list-style-type: none"> • For social entrepreneurs, navigating regulatory impediments can be a substantial burden. Geser Coffee Alor works together with regional as well as local regulation organisations to ensure that it adheres to coffee industry standards.

<ul style="list-style-type: none"> • They also advocated for legislation that aided in the development of sustainable agriculture. For example, by working together with a regional agricultural government agency, they were able to shorten organic certification procedures, thereby making it easier for local farmers to embrace environmental practices.
Informal/Culture/Attitudes:
<ul style="list-style-type: none"> • Cultural variables and attitudes towards coffee can have an impact on market penetration. Geser Coffee Alor capitalized on Alor Island's rich coffee culture by adding conventional coffee-drinking traditions and narratives into their advertising campaigns. • They praised coffee's cultural significance. • For example, their 'Kopi Alor Study' trips to explore the Robusta Alor coffee immersed the members in the region's tradition of coffee roasting, attracting innovation and pride in residents.
Social belief/Belief in social market:
<ul style="list-style-type: none"> • Social opinions about the worth of specialty coffee can influence market behavior. Geser Coffee Alor's strategy was to educate consumers about the distinctive properties of Alor's coffee beans, while also highlighting the importance of environmentally friendly and ethical production. For instance, their marketing campaigns emphasized Alor coffee's distinct flavor profile as well as its role in helping local farmers, affecting consumers' opinions and purchase decisions. • Understanding customer behavior and awareness of the market is critical for successful market entry. • Geser Coffee Alor used market research to determine the needs of customers. They adapted their coffee goods to these demands, such as providing different processing profiles and blends. • Geser Coffee Alor, for example, established a competitive advantage in the market by modifying the products they sell in order to suit their customer's preferences, gaining a varied market share.

Sources: Analyzed by the author from the collected data.

Table 6-3 Market Entry Barriers Analysis Case 3

Social Enterprise: PUBILA ALOR ALOR
Economies of scale:
<ul style="list-style-type: none"> • Pubila Alor Alor, as a small social enterprise, had to compete with larger firms who benefited from economies of scale. Pubila Alor's strategy was to target niche markets by supplying distinctive and regionally sourced items. • They emphasised the backstory of each product, eliciting a strong emotional response from the target market. Pubila Alor Alor, for example, attracts clients interested in creation of a cultural product by highlighting the local and natural-based resources, namely, ginger drink, curcuma and turmeric drink, moringa powder, virgin coconut oil, candle nut oil, cashew nuts, fried corn, black rice, and banana chips.
Product differentiation:
<ul style="list-style-type: none"> • Product differentiation can be a critical success factor in a competitive market. Pubila Alor Alor specialized in production, marketing local products while emphasizing the principles of eco-friendly and environmental concerns. • They provide certain training and workshops to empower local women and young people so that every one of them has a captivating potency. Pubila Alor Alor, for example, brought the attention to the producers that their products, (e.g., candle nut oil for hair treatment) provide buyers with a one-of-a-kind and essential touch to each purchase.
Capital requirements:
<ul style="list-style-type: none"> • Access to money can be a challenge for small social entrepreneurs. Pubila Alor Alor investigated crowdfunding campaigns and collaborations with stakeholders who shared an ethic of dedication to socially responsible and environmentally friendly business practices. • Pubila Alor Alor, for example, gathered funds during a successful crowdfunding effort to extend their product line and reach the local participants. In fact, it will not be easy if they seek capital loans for an ordinary business, especially when the national economy has been hit by the Covid-19 pandemic, the impact of which has been felt by everyone. However, because it carries this social mission, plus there is community involvement in

<p>the form of contributions, potential investors and donors are also moved to participate.</p> <ul style="list-style-type: none"> • There are those who donate sincerely and there are also those who lend because they agree with the loan scheme offered, namely following the ORI interest rate of 6.3% for two years while their investment contributes to society. • Through these three methods – donations, loans and contributions – IDR 44 million was collected. It's not big, but it's enough as a first step. This experience of looking for investors is common in every social enterprise.
Entry costs/Switching cost (include advertisement)
<ul style="list-style-type: none"> • It might be difficult to build brand loyalty and trust. Pubila Alor Alor made an investment in developing a solid presence on the internet and engaging with clients on social media. • To foster trust, they also provided hassle-free return policies. For instance, the company's extensive audio-video for social media profile and local culture-centric strategy resulted in a dedicated natural-based products promotion. They eagerly to expressing their support for their products.
Customer and distribution access
<ul style="list-style-type: none"> • Gaining access to clients through various channels can be difficult. Pubila Alor's strategy was to collaborate with ethical online marketplaces and physical retailers that shared their products. • They used these alliances to broaden their reach. Collaboration with fair trade businesses and e-commerce platforms, for example, enabled Pubila Alor Alor to reach a larger market.
Production cost:
<ul style="list-style-type: none"> • It is critical to manage production costs while preserving product quality. Pubila Alor Alor collaborated closely with their creative partners, young energetic local people, regional and national mentors, giving training and resources to increase the efficiency and effectiveness of production while maintaining craftsmanship. • For example, by working together, they were able to minimize the cost of production and offer competitive rates while maintaining the quality of the product.

Research and development:
<ul style="list-style-type: none"> • Continuous improvement is essential for staying competitive. Pubila Alor Alor made an investment in studying consumer buying habits and market trends, which allowed them to tailor their product assortment properly. • For example, their ability to understand what the market wants and deliver one-of-a-kind, cultural and natural-based products guaranteed that they stayed relevant and desirable to their target market.
Proprietary assets:
<ul style="list-style-type: none"> • Collaborating with the donors, supporters, and government agencies, Pubila Alor Alor certifies their Halal product to meet the regulation and their product's legal certification.

Sources: Analyzed by the author from the collected data.

Social Entry Barriers
Community network/Networking to business community:
<ul style="list-style-type: none"> • Building an effective support network is critical for social entrepreneurs, especially in rural areas. Pubila Alor Alor positively encourage local community and traditional farmer to engage with them. They understood the need of exploring and enhancing local natural resources. • Pubila Alor Alor, for example, acquired access to unique natural resources in the local region while also strengthening their community network, resulting in mutually beneficial connections by working on behalf of local producers' groups and cooperatives.
Community acceptance:
<ul style="list-style-type: none"> • Gaining approval in the community as a whole was hard at the beginning of this venture, however, it is critical to proceed since the viability of the mission of this social company finally made it through the barrier. • Pubila Alor Alor made certain that their honest practices are consistent with the cultural

<p>and religious beliefs of the communities with which they worked.</p> <ul style="list-style-type: none"> • They were interested in the story behind each product. Pubila Alor Alor, for example, acquired the understanding and goodwill of local people through its open and equitable trading practices. They promoted the talents and traditions of the heritage, instilling pride and cooperation.
Political engagement/Political infrastructure:
<ul style="list-style-type: none"> • Political involvement can either help or impede the growth of a social company, particularly in places with strict restrictions. • Pubila Alor Alor collaborated with local government authorities and advocacy groups in order to promote local products and environmental methods of production. For instance, their partnership resulted in more support and recognition for local donors and volunteers, leading to improved access to suppliers and market prospects.
Input and community empowerment:
<ul style="list-style-type: none"> • Involving and engaging the community in decision-making helps foster a sense of stakeholder engagement and sustainability. • Pubila Alor Alor actively solicited feedback from artists and craft makers, encouraging them to influence product design and pricing. They offered adequate remuneration. • Pubila Alor Alor's actions enabled craftsmen to take advantage of their economic destiny while also maintaining and passing on ancient craft skills.
Types of empowerments
<ul style="list-style-type: none"> • Different sorts of self-actualization, such as social, financial, and other empowerment, can help people break down social boundaries. • Pubila Alor Alor was primarily concerned with socioeconomic empowerment through the provision of training and workshops for consumers' good production. • They contributed to issues such as education and healthcare, and programs for fighting stunting issues. They increased the community's living conditions and educational possibilities, displaying their dedication to social empowerment.

Institution Entry Barriers
Formal/Regulation:
<ul style="list-style-type: none"> For social entrepreneurs, navigating regulatory impediments can be a substantial problem. Pubila Alor Alor worked together with local and regional regulatory organisations, for instance, Bank Indonesia (Central Bank), Bank Nusa Tenggara Timur, Trinity Academy, and local government to ensure adherence to product and business standards practices. They also lobbied for policies that promoted natural and ecological sustainable products. For instance, their engagement with secondary stakeholders resulted in streamlined procedures for certifying their products as ethically created and environmentally friendly, which increased the legitimacy of their brand.
Informal/Culture/Attitudes:
<ul style="list-style-type: none"> Cultural considerations and attitudes towards production might have an impact on market penetration. Pubila Alor Alor embraced Alor Island's rich cultural legacy by blending traditional methods of production and natural resources, appropriate technology or methods to lead into its final product. They embraced the cultural value of product items. Pubila Alor Alor's product series, for example ginger drink, curcuma and turmeric drink, moringa powder, virgin coconut oil, candle nut oil, cashew nuts, fried corn, black rice, and banana chips, highlighted the craftspeople behind their items, their heritages, and the traditional techniques used. Customers looking for organic, natural and culturally relevant merchandise appreciated this approach.
Social belief/Belief in social market:
<ul style="list-style-type: none"> Market behavior can be influenced by social ideas about the 'worth' of local product items and ecological production. Pubila Alor Alor emphasized ethical production and environmental sustainability while teaching consumers about the distinctive attributes of their featured products. Their marketing initiatives, for example, encouraged the importance of social media advertising in maintaining cultural heritage and supporting ecological promotion. This strategy positively changed consumer impressions and purchasing decisions while aligned with their values.

Sources: Analyzed by the author from the collected data.

6.7 Conclusion

Social enterprises are essential for using local resources, sustaining cultural traditions, and meeting community needs in East Nusa Tenggara Province. Their goods and services exhibit the distinctive character of the area and support social impact, sustainability, and economic growth. There are several facets to the link between various points of view on how social enterprises are run and how their influence is perceived. Allocation of resources, openness, compatibility with stakeholder beliefs, and sustainability over time all have an impact on it. Social enterprises must traverse this complexity, even though there is no one solution that works for everybody, in order to show that they are dedicated to both operational performance and social impact. To achieve an equitable viewpoint on impact in the complex world of social entrepreneurship, stakeholder participation and open communication are essential.

Social hurdles such as low community acceptability or political participation stymie a social enterprise's attempt to effect beneficial social change. Due to cultural differences, the social enterprise may meet opposition or an absence of trust within a community, making it difficult to engage with local people's needs or effectively implement community empowerment programs. Institutional constraints, such as regulatory stumbling blocks or cultural incompatibility with government policies, hamper a social enterprise's progress towards its social aims. If a social enterprise runs into legislative roadblocks that hinder it from registering its products as ethically

created, it might find it difficult to attract environmentally and socially conscious customers, undermining its social objective.

Overcoming these entry barriers is critical for a social enterprise's long-term viability. Failure to do so may result in financial instability, limiting the ability of the organisation to invest in social programs. Successfully managing these obstacles is frequently dependent on remaining aligned with your company's social objective. Deviating from the purpose in order to overcome obstacles can lead to a loss of confidence as well as support from stakeholders who appreciate the mission.

CHAPTER 7

CONCLUSION

7. Chapter Overview

In this chapter the researcher summarizes the research objectives by highlighting the key findings and discussion, overall contribution and provides the theoretical and managerial implications. Furthermore, this section addresses the limitations of this research and suggests future research directions. This study explored the topic: 'Investigate social enterprise market entry barriers and reveal how social enterprises in Indonesia overcome market entry barriers. Specifically, it elaborated on 'How is it possible to establish strong social enterprises amid the social challenges in East Nusa Tenggara Province?' and answered the questions: Firstly, what is the motivation of social enterprises in East Nusa Tenggara Province market? Secondly, how do social enterprises operate in the market in East Nusa Tenggara Province? (based on the demand, stakeholders, and barriers originating from social problems that exist) and how do they continue to operate while trying to also solve social issues?

7.1 The Findings

In a developing country like Indonesia, where there are tremendous societal difficulties, starting a social company demands an amazing degree of dedication. The

author discovered that the owners' involvement and motivation have been significant in addressing social issues and how this affects the achievement of social enterprises in reaching their aims. Reflecting on the research of these researchers (Darby & Jenkins, 2006; Mort et al., 2002; Rahdari et al., 2016; Stratan, 2017; Weerawardena & Mort, 2006), the researcher looks thoroughly into the reasons why motivation is crucial and gave sources to back up the comments. Motivation is important to the long-term success of social enterprises in developing countries. Social entrepreneurs are often driven by a great desire to make a good difference in communities that are disadvantaged (Stratan, 2017).

Motivation of the entrepreneur and other major stakeholders of East Nusa Tenggara Province have been identified as an important factor in the creation of social enterprises in countries that are grappling with different societal challenges. Previous studies have always emphasised the relevance of internal motivation, external influences, and capacity building in inspiring people. A strong desire to make good change in marginalised communities drives passionate founders of social enterprises. Their endurance, determination, and innovative approaches are crucial in addressing the various socioeconomic difficulties that beset developing countries. The majority of participants believed that empowering social innovators has a long-term impact on society by understanding the importance of motivation and providing sufficient assistance and resources.

According to some scholars, the founder of the social enterprise intends to assist the community in bridging social divides by resolving various difficulties that have arisen

(Coffie, 2013; Ghalwash et al., 2017; Beugré, 2016; Haugh, 2007; Zahra et al., 2009).

Other scholars discuss the motivation for starting the social venture (Kimakwa et al., 2023). Another motivation noted in prior research is the desire to generate social engineering, which has been a major feature in the social enterprise paradigm (Coffie, 2013). According to several experts (Alam, 2019), the interviews in the past research revealed a strong desire to be creative and inventive.

Personal values motivated the social company creator to assemble his or her energy, resources, and time to embark on the social entrepreneurship journey (Sharir & Lerner, 2006; Kimakwa et al., 2023; de Queiroz Brunelli, 2021). Alam (2019) stated that caring for natural resources is part of the motivation for beginning the social entrepreneurship journey.

However, the significance of social value profit for social enterprises differs from that of traditional businesses in that the entrepreneurs prioritise social effects over financial gain. Such entrepreneurs are motivated by a great desire to influence positive change in their communities. Poverty, incorrect myths and beliefs, malnutrition that has resulted in a high stunting rate, falling coffee plantations and production, as well as other farming challenges, and domestic violence are all identified as problems by these creators. They acknowledge the crucial need for creative solutions to these frequent concerns and have dedicated themselves to developing them. Their intention is to meet the social objectives. Employee morale increased as a result of salary and advantages from the enterprise, as well as improved abilities.

Maintaining commitment, this study demonstrates the organization's commitment to long-term planning/strategies as well as the continuity of its activities as well as the present company's culture and leadership style. Here, the long-term feasibility of the objectives that the social organisation demonstrates and achieves, as well as customer pleasure observed in the target market's initial reaction, are discussed.

Triangulation, which refers to the convergence of evidence from several theoretical frameworks, can also be used to understand the motivation of social enterprise stakeholders in Indonesia. Several theoretical approaches shed light on social entrepreneurs' motivations and provide a full knowledge of their different motivations.

According to Resource-Based Theory (Barney, 2001), social enterprises stakeholders are highly motivated by the desire to harness and exploit unique resources and talents in order to gain a competitive edge. The potential to use their unique skills, knowledge, networks, and resources to achieve social impact may encourage social entrepreneurs in Indonesia. They may consider this type of business as a chance to put their skills and abilities to use for the greater good.

According to the hypothesis of self-determination (Ryan & Deci, 2008; Vallerand, 2000), people are driven when their core psychological demands for autonomy, competence, and connection are met. The liberty and independence that social entrepreneurship provides, allowing people to focus on their personal interests and develop their own answers to social problems, may encourage social entrepreneurs. Competence, or belief in one's ability to address social challenges successfully, can

also encourage them. Relatedness, or a sense of connection and belonging to a social cause or community, may serve as a powerful incentive for social entrepreneurs who want to make a positive difference in their communities.

According to Homans' (1958) Social Exchange Theory, individuals are driven in social interactions by the desire for exchange and mutual benefit. The expectation of earning social, financial, and reputational advantages for their social entrepreneurial endeavours may encourage social entrepreneurs in Indonesia. They may consider social entrepreneurship as a means of creating win-win circumstances in which they can assist society while simultaneously benefit themselves and their stakeholders.

Social enterprises in East Nusa Tenggara Province are currently receiving a lot of attention in East Nusa Tenggara as a solution to address societal challenges while simultaneously producing economic benefit. However, the integration of social goals distinguishes social enterprises from typical businesses. Social venture capital, sustainable development, and, in particular, the idea of stakeholders provides theoretical underpinnings for incorporating societal aims into social enterprises.

7.1.1 Entrepreneurship for social good

The concept of social entrepreneurship for social good is built on the idea that a business may act as a catalyst for social change. By incorporating social goals into their mission, social enterprises try to address challenging social problems such as poverty, unemployment, and environmental degradation. According to experts such as Dees (2003) and Zahra et al. (2009), social entrepreneurs intentionally prioritise the development of social value.

In East Nusa Tenggara Province, social enterprises focus on creating income-generating opportunities for marginalised populations, economically engaging them, and lowering poverty rates (Putra, 2017). These enterprises can provide vocational training, microcredit, and market access to local craftspeople, farmers, and entrepreneurs (Wahab et al., 2018). Social companies can support community development projects such as infrastructure construction, improved access to clean water and sanitation, and healthcare promotion with the purpose of generating beneficial social consequences by cooperating with local communities. By collaborating with local communities, social enterprises can assist in community development projects such as infrastructure development, providing people with clean water and sanitation, and campaigning for healthcare services (Kurniawan et al., 2019).

Following validation, the motivations of social enterprises in East Nusa Tenggara Province may differ depending on the specific enterprise and parties involved. However, some common themes that may stimulate social enterprise in East Nusa Tenggara are as follows: addressing social and environmental issues; creating sustainable economic possibilities; cultural preservation and heritage promotion; improving quality of life, and personal fulfilment purposes. Overall, if confirmed, the motives of the social enterprises in East Nusa Tenggara Province could be expected to vary and be influenced by a wide range of personal, organisational, and societal factors. Understanding these common elements, on the other opposite end of the spectrum, can provide contributing insights into the distinct motivations of

stakeholders and the ways in which they drive their engagement in and interactions with regional social enterprises.

Social enterprise stakeholders in East Nusa Tenggara Province play key roles, which can be difficult due to misunderstandings about how important networking among them is. Communication is unquestionably important in social entrepreneurship because it encourages the exchange of ideas, resources, and skills among stakeholders and promotes the formation of trust and relationships within the community.

Diverse stakeholder interests could be a powerful stimulus for social ventures in East Nusa Tenggara. When stakeholders have diverse interests, it can foster the establishment of social entities that aim to address a wide range of social and environmental concerns, respond to specific community needs, and span many sectors. The interests of stakeholders in social enterprises can vary based on their employment and perspectives.

East Nusa Tenggara Province's social enterprise market differs with respect to the products, processes, and social aims that they pursue. Social enterprises in this region include agriculture, tourism, crafts, healthcare, education, and community improvement. It should be mentioned that the target markets and communities of social companies differ widely based on their particular missions, aims, and tactics.

The product ecosystem in this market is broad, with each alternative products catering to certain societal needs. The market in East Nusa Tenggara is a dynamic, complicated structure that necessitates in-depth expertise. The market is a complex

blend of socioeconomic, cultural, and geographic factors (Mair et al., 2006). It represents potential consumers or beneficiaries whose specific needs and aims can act as the foundation for the actions of social enterprises.

According to Zahra et al. (2009), operational activities are the organisational foundation of social enterprises, describing the efforts and tactics taken to sell their goods or services and achieve the desired social impact. 'Trinity Academy', a well-known social company in the area, acts as a model for a cutting-edge operational technique's initiative. This company uses information technology in its operations, as well as training and workshops to educate largely young entrepreneurs on how to address business difficulties while also providing them with digital skills to close social imbalances in the community. This integration of business operations and social impact is an example of the intricate and mutually beneficial connection that connects the two parts of the East Nusa Tenggara's social enterprise environment.

The social target market that motivates these social enterprises in East Nusa Tenggara Province is likewise directly tied to the area's particular socioeconomic concerns. According to Austin et al.'s (2006) hypothesis, these social enterprises frequently target marginalised groups as their primary beneficiaries. The 'Geng Motor Imut' approach, which uses mobile methods to reach and convey practical knowledge and skills to remote and isolated regions, aligns with the ideas presented in Nicholls' (2010) study. The social impact of this company goes beyond providing efficient and productive agricultural practices and other applicable technologies or know-how for local community empowerment. It shows the large and diverse impact

that social companies seek to have on society. This study makes various key contributions to understanding in the Indonesian social enterprise setting. More specifically, the study provides better understanding of East Nusa Tenggara Province's social enterprise scenarios.

The social benefit of social enterprises is indispensable because it is not only addressing a stunting issue but also creates jobs in the surrounding community, boosting self-sufficiency in those who have been targeted. Furthermore, social companies may focus on producing ecologically friendly items, delivering high nutrition supplements or superfoods to under-served areas, or offering job training classes to outcasts (Battilana & Lee, 2014).

Social companies in East Nusa Tenggara Province are continuously looking for new ways to broaden their product offerings and reach a wider audience. Hyuna Madu, for example, sells a variety of items in addition to its well-known ground honey. They serve moringa leaf powder and seafood snacks, allowing them to reach a broader market while also providing its dedicated target group with other options. The social enterprise 'Jaringan Perempuan Usaha Kreatif Ina Foa - Fua Funi' provides unique consumer products such as traditional patterned woven cloth wrapping shoes and purses, earrings, necklaces, and numerous keychain models.

Financial constraints, limited ability to obtain resources, legal challenges, cultural or societal norms, and personal constraints are all examples of hurdles. The opinions of barriers held by social entrepreneurs vary depending on what motivates them and the particulars of the social and economic environment in which they operate.

Synthesizing the overall question, the researcher found that within the framework of Self-Determination Theory, when the owner and founder are intrinsically motivated, people are more likely to conduct business in a way that conforms to their unique needs and wants. According to Mair and Marti (2006), the owners of social enterprises usually see themselves as human beings who are strongly motivated by their social objectives.

Referring to Resource-Based Theory, a firm's distinguishing assets and talents are its primary sources of long-term competitive advantage (Barney et al., 2001; Porter, 1997). To have a competitive edge, a company must have valuable, rare, unique, and non-substitutable (VRIN) commodities. Farmers, communities, governmental agencies, and customers in East Nusa Tenggara commonly concentrate their efforts and resources on, for example, Alor coffee, a speciality coffee famous for its distinct flavour.

Stakeholders work together to provide farmers with resources and mentoring, as well as equitable compensation. This collaboration addresses the issue in securing farmer involvement (Austin et al., 2006). Even though Alor coffee is of good quality, there is an insufficient marketing promotion effort.

Many East Nusa Tenggara social entrepreneurs operate in the agriculture sector. They cultivate and process agricultural products such as coffee, moringa, black rice, and spices. These companies (Geng Motor Imut, Geser Coffee Alor, Marada Kelor, Muri Jamur, and Pubila Alor) usually produce specialist or organic goods that are in high demand on both the global and domestic markets. Local participation, regional

communities (East Nusa Tenggara Province), national and worldwide consumers who value high-quality superfood nutrients and sustainably produced agriculture related products are their primary target audience. They may also target enterprises in the culinary and beverage industries in order to supply them with locally distinctive ingredient commodities. They also targeted the area's outlying regions to educate them on innovative agricultural practices.

East Nusa Tenggara Province's social enterprises, such as Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi, Hyuna Madu, and Pubila Alor, make and sell a wide range of handmade handicrafts, fabrics, and traditional artwork. Some social enterprises (Trinity Academy, Geng Motor Imut Geser Coffee Alor, Pubila Alor, and Hyuna Madu) provide workshop and training services.

Several East Nusa Tenggara social entities (for example, Geng Motor Imut) focus on environmentally sustainable energy sources. They may provide water desalination programs, biogas systems, or other sustainable energy technology to local people.

East Nusa Tenggara Province's social enterprises also promote women's economic empowerment and gender equality, as well as for disabled persons, by routinely providing training, support, and products in the aforementioned areas (Jaringan Perempuan Usaha Kreatif Ina Foa- Fua Funi, Pubila Alor, and Hyuna Madu). Textiles, handicrafts, consumer goods, and agricultural products could all be included. Women from impoverished areas, grassroots communities, distant communities, and disabled individuals seeking economic opportunities and empowerment are their primary target participants.

Stakeholders may disagree on whether the social enterprise's mission is to succeed in tackling the specified social or environmental concerns. The impact viewpoint assesses how successfully these businesses achieve their desired goals, such as poverty reduction, environmental preservation, or community advancement (Dacin et al., 2010). Social enterprises can choose from a variety of operational models and methods. To finance their social activities, most of them prioritise achieving the social goals in their so-called 'hybrid model' strategy (Alter, 2007), while a few may lay more emphasis on profit generation or strike a compromise between the two (Austin et al., 2006). Social enterprises have a better chance of being perceived positively if they successfully describe their efforts to achieve impact (Mair & Marti, 2006; Mair & Noboa, 2006).

Stakeholders' perceptions of impact can differ with respect to their particular points of view and interests. While contributors and recipients may emphasise social advantages, investors seeking a profit may put greater emphasis on competitiveness (Austin, Stevenson, & Wei-Skillern, 2006). Social enterprises often find it challenging to generate revenue that allows them to meet their mission goals while adhering to their social beliefs.

Finally, the journey of a social entrepreneur demonstrates the enormous potential of purpose-driven businesses. Economic, social, and institutional market entry barriers may loom as immeasurable, but they may be overcome with strategic planning, community participation, and unrelenting devotion. The firm realises that it is not

only about financial success but also bringing about genuine social change simply by taking one step at a time with its products.

Social approval among the community is also important. Cultural differences and opposition are encountered, posing a social barrier that cannot be ignored. To address this, they spend time and energy in creating trust and acceptance. They incorporate the village's rich cultural legacy into their product tales, highlighting the artisans' skills and the community's customs. Slowly but slowly, they win the hearts of the residents, making certain that their social goals are met.

Another significant foe is institutional impediments. It might be difficult to navigate the complexity of regulations and policies. The company regularly participates with local and regional legal agencies, advocating for ethical and environmentally friendly business practices. They understand that institutional mismatch with their social goal threatens everything they've worked for. Collaboration with organisations that share similar goals is significant in the realm of social enterprise.

Market entrance obstacles can have a substantial impact on a social enterprise's capacity to achieve its social goals. Consider a sustainable enterprise dedicated to empowering rural village people. They make wonderful, social-benefited good products, each with a unique passion to tell. However, they must overcome the first formidable obstacle: financial limits. To have a significant social impact, the firm must allocate its resources wisely. Sufficient capital needs and production expenses jeopardise their capacity to financially benefit local participants with a fair income or

contribute to community development programs. Striking a careful balance between revenue and social mission is a daily challenge for them.

7.2 Implications for Theory and Practice

The findings of the research offer insights into the complex world of social enterprises in a developing country, specifically Indonesia. The findings reflect a thorough examination of the motives, problems, and implications faced by this purpose-driven venture. This discussion will focus on the narrative's overall contribution to the domain of social entrepreneurship, as well as its theoretical and managerial ramifications.

This study provides a comprehensive explanation of the motives that motivate social ventures in East Nusa Tenggara Province, Indonesia. It draws on a variety of sources and research studies to emphasise the importance of internal motivation (Deci & Ryan, 2013; Gagné & Deci, 2005; Maslow, 1943; Ryan & Deci, 2008), personal beliefs, a desire for social engineering (Massetti, 2008; Waddock & Post, 1991), and environmental concerns (Vickers & Lyon, 2014) as motivators for going on the journey of social entrepreneurship. This broad perspective on motivation adds to a better understanding of what motivates people to start and lead social enterprises.

The main focus on Indonesia, a developing country with distinct socioeconomic difficulties, makes it particularly relevant to emerging countries. It elucidates how social enterprises in such settings are driven by a strong desire to address serious challenges such as poverty, malnutrition, and domestic abuse. This study's result

emphasises the significance of social entrepreneurship as a catalyst for social transformation in regions dealing with complex issues.

Several theoretical frameworks, including Resource-Based Theory, Self-Determination Theory, and Social Exchange Theory, are widely referenced and applied in the current story. By connecting these theories to the motivations of social companies, the discussion gains a significant layer of academic rigour. This not only improves our theoretical understanding, but also serves as a foundation for future research in the field.

Beyond theory, the tale delves into the managerial consequences of motivation in social ventures. It emphasises the impact of motivation on organisational culture, leadership, and long-term planning. This practical aspect is crucial for all stakeholders, namely primary and secondary stakeholders interested in supporting and nurturing social companies.

The examination of various stakeholder interests in social enterprises creates a more sophisticated viewpoint. It recognises that stakeholders' objectives may differ, which can lead to the formation of social companies that address a wide range of social and environmental challenges. This acknowledgement of motivational variation sheds light on the dynamics of social entrepreneurship ecosystems; for example, ecosystem of the product is the story that acknowledges the variety of products and services provided by social companies in Indonesia. It emphasises the significance of adapting offerings to specific societal demands and highlights the possibility for innovation in

meeting these needs. This knowledge can help social entrepreneurs determine their strategic orientation.

The difficulties faced by social companies are by addressing the daunting task of integrating profit generation with social impact. This quandary is relevant to both practitioners and researchers and emphasises the importance of long-term business models in the social enterprise world. While not directly stated, the narrative indicates the significance of quantifying societal influence. This is essential for demonstrating the efficiency of social enterprises in attaining their social goals. Future research in this field could expand on the narrative's findings. The story recognises the geographical uniqueness of social enterprises in East Nusa Tenggara Province, highlighting the convergence of social missions with local socioeconomic problems. This acknowledgement of geographical differences emphasises the relevance of context in affecting the motivations and outcomes of social firms.

By providing a detailed exploration of primary and secondary stakeholders' motivation, market entry barriers and challenges, and impacts in the context of a poor country, the study greatly contributes to the field of social entrepreneurship. It bridges the gap between theory and practice, provides insights into stakeholder dynamics, and emphasises the significance of context in building social companies. This study is a great resource for scholars, practitioners, and policymakers interested in learning more about social enterprise and its potential to drive positive social change in the local community they serve.

7.3 Limitation

It is critical to recognise the limits of the study's conclusions and approach.

Recognising these limitations is critical for sustaining the research's credibility and guiding future research in this subject. One of the study's key weaknesses is East Nusa Tenggara Province, a remote area in Indonesia (a developing country with distinct socio-political issues) with its certain culture, being harsh and difficult in terms of geography and topography. While this context is important for understanding social entrepreneurship in these contexts, the findings may not be easily transferrable to other countries or regions with distinct economic, cultural, and regulatory environments. As a result, when attempting to generalise the results to different circumstances, caution should be exercised. The conclusions of the study are based on a specific group of social enterprises and stakeholders in Indonesia.

Because specific types of social enterprise or stakeholder groups may be overexposed or insufficiently represented, the sample selection process may be limited due to uncaptured phenomena such as experience and discontinued social enterprises. This limitation may have an impact on the breadth and depth of the insights presented, as well as the ability to capture the entire diversity of motives and difficulties in the broader social enterprise environment.

Evaluating the motivations of social entrepreneurs and stakeholders can be difficult. While the story highlights different motivating variables backed up by scholarly research, quantifying and objectively measuring motivation remains difficult. Use of self-reporting or qualitative methods may bring subjectivity and response bias.

This study does not give a complete assessment of the problems faced by social enterprises. It cannot capture the social enterprises that fail and, therefore, cannot differentiate or compare the ones that are able to survive with the ones that fail. A more in-depth examination of the specific barriers and challenges faced by social entrepreneurs in Indonesia would help us better appreciate the context's complexities.

The study does not go deeply into external issues such as government regulations, economic trends, or global events that may affect social initiatives in Indonesia. These external influences, which have a substantial impact on the motives and challenges faced by social entrepreneurs, have not been adequately investigated. While stakeholders are highlighted, the study focuses mostly on the motivations of social entrepreneurs. A more in-depth analysis of the motivations and viewpoints of primary and secondary stakeholders, which are the main players, could provide a more comprehensive picture of the social enterprise environment ecosystem.

The study briefly mentions the necessity of assessing social impact but does not go into particular approaches or issues associated with measuring influence in the Indonesian setting. More research may be conducted to investigate how social companies in Indonesia evaluate and promote their social outcomes.

7.4 Future Research Directions

This research paves the way for further research on social enterprise. Scholars are encouraged to go deeper into specific areas such as evaluation of the long-term

impact of social enterprises, scalability of successful solutions, and the role of policymakers in establishing a supportive ecosystem. Furthermore, comparative studies across different places in the world might shed light on cross-cultural differences in social entrepreneurship. The study's findings can be used by policymakers and support organisations to establish policies and programs that encourage the growth of social entrepreneurs in Indonesia. These activities should address the stated issues, foster stakeholder collaboration, and establish a climate conducive to the growth of social entrepreneurship.

The study looked at many motives that drive social entrepreneurs, but it did not establish causal linkages amongst these motivations and the real-world achievements delivered by social enterprises. The nature of causality in the field of social enterprise is complex and impacted by factors other than motive. More thorough study on causal links could be conducted in the future.

Future study on the topic should attempt to overcome these limitations by employing more diverse and robust research techniques, investigating a broader range of contexts, and giving a more comprehensive explanation of both motives and obstacles in social entrepreneurship. Scholars and practitioners can thereby increase our understanding of the topic while also promoting successful social change through pursuing the form of social enterprise.

7.5 Concluding Remarks

The study demonstrates that both primary and secondary stakeholders' motivation are playing an important role in pursuing social enterprise goals. The study highlights the complex nature of the reasons that drive the development of social enterprises in Indonesia. While being able to effect beneficial impacts on society is a driving force, it is driven by a complex interaction among the needs of the stakeholders, the local community, and environmental concerns. Furthermore, the study emphasises the importance of inner motives, such as a strong desire to make a positive social benefit, as well as extrinsic motivations, for instance, financial sustainability and recognition. These incentives are not mutually exclusive; rather, they coexist within the social sector, influencing their methodologies and strategies.

The social ventures prioritise social effect over financial benefit. Their dedication to bringing about beneficial outcomes in the communities they serve is a motivating factor that frequently outweighs profit maximisation. A focus on social value generation distinguishes social enterprises from typical firms and emphasises their ability to function as vehicles for long-term development.

In Indonesia, social enterprises encounter a mixed of obstacles, including financial constraints, regulatory impediments, cultural barriers, and resource constraints. These obstacles are not insurmountable, but they do necessitate creative solutions and collaboration with stakeholders to solve. To effectively address these difficulties, the study emphasises the necessity for targeted support systems and capacity-building efforts. The study shows the importance of stakeholders in the success of social companies. Stakeholders, such as investors, employees, and local communities,

are critical in contributing resources, fostering trust, and assuring the long-term viability of social initiatives. Effective stakeholder engagement techniques are critical for the success of social enterprises. The study fosters the need of taking into account the unique context of Indonesia while studying the social company environment. The incentives and problems faced by social enterprise are influenced by the mixture of a country's distinct cultural landscape, legislative structure, and economic realities. Researchers and practitioners in Indonesia need to view social enterprises with respect to these contextual nuances.

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Appendices

Appendix A: The Indonesian hierarchy of the Law and regulation

1 st	1945 Constitution of the Republic of Indonesia;
2 nd	Decree of the People's Consultative Assembly;
3 rd	Laws/Government Regulations in Lieu of Laws;
4 th	Government Regulations;
5 th	Regulation of the President;
6 th	Provincial Regulations; and
7 th	Regency/City Regulation.

Source: Indonesian Constitution No. 12 Year 2011

Appendix B Terms and Abbreviations.

A APBN AKSI ADHB	B BPPT BIT BPS biogas BAPPENAS	C Covid-19 church
D DKI	E East Nusa Tenggara Province ENT e.g.,	F fulfilment, fulfil. for-profit
G Global Financial Crisis government of Indonesia GRDP GDP grassroots	H healthcare handicraft	I Indonesian government indigenous IMF IDR
J	K	L labour (UK spelling) life cycle
M MSMEs microeconomic, microcredit moringa	N not-for-profit, non- NGOs NTT	O organization/organisation
P policymaker program PEN practice (noun) practise (verb)	Q	R RPJPN RBT rigor
S socioeconomic SGD South Asia, southeast SDT SET SMEs SE start-up sub-questions, subset SDGs superfood	T	U UN-ESCAP UKMs
V VRIN VCO	W Western well-being	X
Y	Z	

Appendix C: Working Guide Manual Protocol

Title: SOCIAL ENTERPRISES AND THEIR MARKET ENTRY BARRIERS (A CASE STUDY OF INDONESIA)

Working Guide Manual Protocol

Motivation

Question for the Owner and Founder

Q1. Would you please tell me about your social enterprise initiatives and engagement in the community?

Q2. Please explain your social enterprise activities/ processes? Does your social enterprise engage the community/ society? If so, how and why?

The story:
The support:
The issues:

Q3. Would you please tell me about what motivates you to establish your social enterprise? Have you had any negative experience that demotivate your social enterprise initiatives? Is it related to any social issues? Or is it related to income?

Motivation

Question for the employees

Q4. Would you please tell me how you have developed and created employment opportunity for yourself and for the community people?

Skill:

Contribution:
Challenges (financial):

Motivation

Question for the stakeholders

Q5. Would you please tell me how you have been contributed/ supportive to the social enterprise in East Nusa Tenggara area in general and in particular?

Government:
Association:
Sponsor/ donors:
Scholar:
Volunteer:

Challenges in entering the market.

Question for the owner and founder:

Q6. Would you please tell me about the challenges in starting your enterprise?

Please elaborate your ideas regarding below:

Economic issues

Economies of scale/ business size:
Product differentiation/ how is your product different from other:
Entry costs/ switching cost (include advertisement)

Customer:
Distribution access:
Capital requirements:
Production Cost:
Research and development:
Proprietary assets:

Social

Community network/ Networking to business community:
Community acceptance:
Political engagement/ Political infrastructure:
Input and community empowerment:
Information and knowledge of labor/ talent:

Institution

Building structure/ process/procedure:
Formal/ Regulation:
Informal/ Culture/ attitudes:
Social belief/ belief in social market:

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Challenges in entering the market.

Question for employee/ community/ other stakeholders.

Q7. Would you please tell me about the biggest challenge for the social enterprise in the beginning of its activities? In term of:

Economic and financial condition:
In term of social/ politic/ community relationship:
In term of institution/ regulation/ culture:

Q8. Could you tell me about the current biggest challenge for the social enterprise?

Economic and financial condition:
In term of social/ politic/ community relationship:
In term of institution/ regulation/ culture:

Q9. Could you tell me about what is the biggest challenge for the future or sustainability of social enterprise?

Primary stakeholders:
External stakeholders:

Question for the owner and founder:

Impact

Q10. Could you please tell me, how your social enterprise activities/ business is growing?

Q11. What impact do you think the social ventures has on the community in term of:
(describe please)?

Community advancement:
Benefit:
Direct empowerment:
Indirect empowerment:

Sustainability:

Profitability:

Q12. Would you tell me please about any specific community development program undertaken by/ integrated in your social enterprise activities?

What do you promote?
What is the engagement:

Q13. Could you tell me what success looks like your social enterprise/ business have achieved yet? In term of:

Community advancement:
Sustainability:
Profitability:

Impact

Question for employee/ community/ other stakeholders

Q14. Would you tell me what the impact of social enterprise has on below:

Community advancement:
Its own sustainability:
Profitability:

Appendix D: Participation Information Form



DISTINCTIVE BY DESIGN

Participant Information Form

Project Title

Social Enterprises and Their Market Entry Barriers (A Case Study of Indonesia)

Researcher

Name : Krysler Kaleb Adoe

Faculty : Business, Government, and Law

Email : Krysler.adoe@canberra.edu.au

Supervisor

Name : Dr. Abu Saleh

Email : Abu.Saleh@canberra.edu.au

Project Aim

This research aims to Investigate social enterprise market entry barriers and reveal how social enterprise in Indonesia overcome market entry barriers.

Benefits of the Project

The information gathered from this study will be used to support the Indonesian social enterprise, the authority, the local people and all stakeholders in practices, to prepare the manage the market entry barriers properly furthermore to apply good and fit strategy to help the social enterprise to overcome the market entry barriers.

General Outline of the Project

The research is expected to provide a reference to scholar, Government, regulators, or policy makers, social enterprise owner, local participant, donor and sponsor and buyer/ suppliers and volunteers (social enterprise stakeholders) about the nature of market entry barriers that inhibit the growth of social enterprises in Indonesia.

This proposed research is furthermore expected to inform the social enterprise stakeholders about the strategy that may be applied to deal with the market entry barriers.

Participant Involvement

Participants who agree to participate in the research will be asked to:

1. Grant their permission on acceptable way to inform to the researcher to gather some data dan recording during the interview.
2. Giving the feedback on the questions and reply to the information that will be asked.
3. Expressing on the consent of their participation to the research

Participation in the study is fully voluntary, and participants may decline to participate or withdraw at any moment (The deadline for participation/ information withdrawal is 30 December 2022 as the data already going through analyze phase) without giving a reason, or refuse to answer a question, without incurring any penalties.

Confidentiality

Only the researcher/s will have access to the individual information provided by participants. Privacy and confidentiality will be assured at all times. The research outcomes may be presented at conferences and written up for publication. However, in all these publications, the privacy and confidentiality of individuals will be protected.

Future Use of Data

The information collected in this study may be stored and used for future research project about Indonesian government sustainability practices. Any personal identifiers will be removed. You will not be asked to provide additional informed consent for the use of your anonymized information in future research.

Anonymity

All reports and publications of the research will contain no information that can identify any individual and all information will be kept in the strictest confidence.

Data Storage

The information collected will be stored securely on a password protected computer throughout the project and then stored at the University of Canberra for the required five-year period after which it will be destroyed according to university protocols.

Ethics Committee Clearance

The project has been approved by the Human Research Ethics Committee of the University of Canberra (HREC – insert number here).

Queries and Concerns

Queries or concerns regarding the research can be directed to the researcher and/or supervisor.

Contact details are at the top of this form.

If you have any complaints or reservations about the ethical conduct of this research, you may contact the University of Canberra's Research Ethics & Integrity Unit team via telephone 02 6206 3916 or email humanethicscommittee@canberra.edu.au or researchethicsandintegrity@canberra.edu.au

If you would like some guidance on the questions you could ask about your participation please refer to the Participants' Guide located at <http://www.canberra.edu.au/ucresearch/attachments/pdf/a-m/Agreeing-to-participate-in-research.pdf>

Appendix E: Consent Form

Consent Form

Project Title:**Social Enterprises and Their Market Entry Barriers (A Case Study of Indonesia)****Consent Statement**

I have read and understood the information about the research. I am not aware of any condition that would prevent my participation, and I agree to participate in this project. I have had the opportunity to ask questions about my participation in the research. All the questions I have asked, have been answered to my satisfaction.

Please indicate whether you agree to participate in each of the following parts of the research (please indicate which parts you agree to by putting a cross in the relevant box):

- ☐ Participate in an interview with the researcher.
- ☐ Agree to the interview being recorded digitally.
- ☐ Agree to the interview being recorded by video.
- ☐ Agree to the information being used in future research.

Name :

Signature :

Date :

A summary of the research report can be forwarded to you when published. If you would like to receive a copy of the report, please include your mailing (or email) address below.

Name :

Address :

Appendix F: Interview and Data Collection Request Form

Dear Sir and Madam,

Subject: Request for Interview and data collection.

First of all, let me introduce myself:

Name: Krysler Kaleb Adoe

Email Address: krysler.adoe@uni.canberra.edu.au

Doctoral student (DBA) at the University of Canberra, Australia,

Herewith I would like to ask for your willingness and permission to be able to provide free time to take part in an online interview that I will conduct in connection with my research entitled:

'Social Enterprises and Their Market Entry Barriers (A Case Study of Indonesia)'.

The aim of my research is to identify barriers to market entry for social enterprise enterprises and uncover how social enterprise enterprises in Indonesia are overcoming these barriers to market entry.

Here, I also have a request for Interview and data collection of the institution If you could grant me, then I ask for your willingness to provide me about the date and time.

I need to say here that all information and data that I will record, be in my responsibility to keep it confidential. For that I promise to maintain the confidentiality of all such data and information.

Glad to hear from you soon.

Yours faithfully,

Sign.

Krysler Kaleb Adoe.

Faculty of Business, Government, and Law

University of Canberra, ACT, 2601, Australia

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Appendix G. Map of East Nusa Tenggara Province

