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Mapping the Field of Social Businesses in Belo Horizonte, Brazil

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Social businesses are organizations aimed at addressing social problems through business and marketing strategies. Of particular concern are issues connected to poverty, social inclusion among emerging consumers and sustainable development (Travagline, Bandini, Mancinione, 2009; Márquez et al. 2010). However, due to its hybrid nature that pulls from different sectors, the notion of social businesses is generating significant debate among scholars and practitioners regarding its purpose, approaches, and identity. In an effort to shine a light on how the concept of social business is developing and playing out in a particular city in South America, this study examines the ecosystem of social businesses in Belo Horizonte, Brazil. Using qualitative methods, the study offers an in-depth look at the central actors, how they conceptualize social businesses, and the discourse around approaches they use to overcome these social issues. The findings reveal that social business actors are particularly concerned about impact and participatory action that ensures enterprises work with and not for marginalized populations. Of particular relevance to the EPIC audience, the paper adds insight into how inclusive practices, grounded traditionally in Brazil's third sector and solidarity economy movements, shape the conceptualization and operationalization of social enterprises, which aim to instigate new product and consumption patterns and inclusive capitalist trends. Being the first study in Brazil to examine how social business is framed within a specific urban context, the findings reveal new insights and old views on topics such as poverty, development, emerging consumers and emancipatory ways of overcoming problems caused by socioeconomic dynamics.

INTRODUCTION: THE BRAZILIAN ECONOMIC CONTEXT

Brazil is a country that historically has had high rates of poverty and extreme socioeconomic inequality. However, thanks in part to progressive public policies that took place from 2003-2010 and a boom in Brazil's economy, over 30 million Brazilians were lifted out of poverty, and the country refers to this new socioeconomic group as "the new middle class" or *nova classe média* (Souza, 2011). Defined as those whose monthly household income falls within three to five minimum wages, this new class certainly falls under the category of emerging consumer, since they just make it above the poverty line but have demonstrated an impressive growth in consumer spending. Despite their potential to spend more on consumer goods and benefits, Brazil's *nova classe media* still faces a number of troubling social problems, including, economic inequality, poverty-risk and social exclusion. For example, despite the fact that many citizens within this *nove classe média* bracket graduate from high schools and/or universities, they have joined the "super-exploited" working class who, out of financial need, must have at least two jobs in more than one location and whose work

days exceed 10 hours or more per day. (Souza, 2009; Yacoub, 2011). Further, many have long commutes and work in conditions that are less than desirable. Take, for example, the city where this study takes place, Belo Horizonte. Due to record car sales over the last 20 years with little city planning, rush hour is often bumper-to-bumper traffic, and four-hour commutes to and from work are not uncommon among those living in the periphery of the city. While in theory the *nova classe média* no longer live in poverty, one must question whether economic advancement is an adequate benchmark for measuring development. What about quality of life factors? Further, many have access to consumer goods that traditionally have been marketed toward the middle and upper class. However, access to these consumer goods through monthly payment plans has led to massive debt problems among the *nova classe media*. In an effort to address the aforementioned social issues, social businesses have become a hot topic, as they aim to encourage socially inclusive business models that not only augment buying power among financially vulnerable groups, but also aim to empower by addressing quality of life issues and encouraging them to take on the role of market co-producers and associates, among other approaches. Such a perspective frames emerging consumers in a development discourse, since the focus is on poverty alleviation and paths to social inclusion through appropriate business and marketing techniques. The development approach addresses, among other issues, boundary maintenance and social exclusion from mainstream lifestyles, as well as contributing to emancipatory economic and political theory. Social enterprise *could* help contribute to a more holistic notion of development, beyond economic factors, in which dignity and respect for all is incorporated into the fold (Chanlat (1999). But like any new emerging hybrid, it is necessary to better understand its role, ideas and actors.

What Is a Social Business?

Social businesses, broadly defined, are organizations aimed at addressing social problems through sustainable business and marketing strategies (Comini 2001). They encompass innovative organizational business models, grounded in economic *and* socio-environmental values, which aim to address new societal demands (with emphasis on those living in socially vulnerable conditions, referred to in this paper as the *nova classe média*). This type of activity (or business) is associated with a whole slew of names such as social businesses, social entrepreneurship, social enterprise and inclusive businesses. They permit societies to break away from, or at least minimize, social discrepancies that afflict a significant portion of the world population living in peripheral regions (Santos et al., 2010). The organization and approach of this type of entrepreneurship are situated somewhere between the private and third sectors (Abramovay, 2003; Bastos, 2013; Comini, Barki, & Aguiar, 2012; Fischer, 2007; Fischer & Comini, 2012; Tiscoski, Rosolen, & Comini, 2013).

Social business is an evolving field in the early stages of identity formation. If you were to ask a handful of scholars and practitioners to define the concept, you'd receive a myriad of definitions. While some scholars believe a social business is any kind of formal undertaking that has social impact regardless of sector, others believe that the term should be limited to organizations in the third sector and cooperatives (Nyssens & Kerlin, 2005; Kerlin, 2006). Márquez, Reficco and Berger (2009) clarify that the term social business fosters social inclusion by conceptualizing those from the lower-class bracket as not just consumers, but also producers, suppliers and distributors. This perspective differs from

Prahalad's (2002) early BOP (Base of the pyramid) work (which has shaped social business discussions), in which the poor were seen as only potential consumers. Comini & Teodósio (2012) argue that what distinguishes social businesses from other businesses is that they generate employment and income for groups with low to no mobility within the job market. Income generation can happen by either fostering profitable entrepreneurial opportunities among this population, or establishing relationships with corporate organizations that open up opportunities to vulnerable populations to take on the role of producers, suppliers and distributors of products and services.

One reason for definitional confusion is that social businesses are considered a hybrid organization (Haigh & Hoffman, 2012) that spans the private, public and third sector. They pull from both traditional business approaches grounded in capitalist principles, as well as from civil society organizations and the solidarity economy movement that focus on democratic and social justice principles. As will be discussed throughout the paper, this new hybrid format plays a role in shaping the business environment, including production and consumer patterns.

Another reason for definitional confusion is that the field has evolved in unique ways across the globe, focusing on distinct aspects in different regions. Western Europe, for example, serves as a model in terms of its governance of social businesses (Kerlin, 2006). Specifically, they tend to embrace a multi-stakeholder approach, spanning across sectors and grounded in a democratic management style geared toward building community. Contrary, the social business sphere in the United States is more revenue-driven (Kerlin, 2006). Comini points out that in the United States the term social business often refers to a project or segment of a business geared toward social good that is "inserted" into a traditional business. It also is used in the United States to describe non-profit organizations that partake in market strategies by selling goods and services.

Research on social businesses has predominately come from Western Europe and the United States (Defourny & Nyssens, 2012), but what about developing nations where the socioeconomic and political context is vastly different? In Latin America, for example, social enterprises evolve in countries with long political histories marked by corruption, clientelism, paternalism and assistencism, all inevitably feeding into extreme social inequality and high rates of poverty. Studying the social dynamics of those in the social enterprise ecosystem in developing countries can offer an important lens regarding the possibilities and risks of combating poverty through social enterprise (Abramovay, 2003; Comini & Teodósio, 2012; Fischer, 2007).

Of equal importance in understanding how Brazil's specific context shapes social enterprise, it is necessary to understand the influence of prior efforts to address social problems via the third sector and the solidarity economy movement. The Brazilian third sector has historically been viewed in opposition to the state and the for-profit sector. The strong anti-state perspective in Brazil reflects the fact that many third sector groups that began in the 1960s were against the military government. They also historically have aimed to overcome inequalities caused by practices and processes within the private sector. While there is still a strong liberal stance within the third sector in Brazil, perspectives toward working with the state in solving social problems have shifted since the end of the military rule in the late 1980s. Also, a trend in which non-profits partner with for-profits to foster sustainable initiatives has evolved over the last 20 years. The outcome is an interesting mash-up of the three sectors. Brazil has seen an impressive growth of non-profit

organizations. Today there are over 338,000 registered non-profit organizations in Brazil. Some researchers (Caldeira & Holston, 1999; Jacobi, 2006; Landim & Thompson, 1997) suggest that this increase in activity among civic society has made an important contribution to the democratization of Brazil because of their focus on social inclusion, human rights issues and civic engagement. The influence of civil society organizations has spilled over to the social business arena.

The solidarity economy movement also plays an important role in shaping Brazil's evolving social enterprise arena. Solidarity economics, which aims to promote a more democratic version of capitalism, developed in Latin America in the 1980s due to a number of key social factors (Ethan, 2016). First, massive national debt and structural adjustments programs exacerbated already existing economic expulsion among the poor, who were forced to create innovative and locally-based approaches to meet basic needs. At the same time, a movement across class borders evolved, which critically questioned the traditional market economy and explored new ways of providing services and products, as well as income generation. Cooperatives flourished along with other collective initiatives (some formal but many informal) that were grounded in principles of autonomy, and participatory local self-management. A global movement among supporters of solidarity economics started to take shape after an international meeting in 1998 in Porto Alegre, Brazil, where the Latin American Solidarity Economy Network was created. The movement enjoyed an even larger global following at the first World Social Forum in 2001. Organizations, communities, and social movements that make up solidarity economics focus on processes that support democratic and just revenues that meet the needs of underprivileged populations. At the heart of the solidarity economy movement "is supporting 'chains of solidarity production' through relationships that are mutually beneficial and enhance collective viability" (Ethan, 2016).

The core values among these third sector and solidarity economic movements can be found in social enterprises in Brazil, specifically its emphasis on participatory action (Comini, 2011; Teodósio, 2011; Santos et al. 2010) in which actors across sectors work *with* marginalized populations, and not *for* them. The emphasis on participatory action is reflected in the discourse around this evolving field, as the term inclusive business is preferred over social business in Latin America (Yunus, 2008). According to Santos et al. (2010) inclusive businesses embody a strategic position geared toward development and poverty alleviation and have become increasingly prominent in strategic action by both the public and private sector. They argue that Brazil has much potential for experimentation in which new forms of social interaction and coordination between various stakeholders, including those at the local level, can emerge, and that ultimately entail collective action from the ground up.

This new evolving phenomenon of social enterprise intersects in numerous ways with the aforementioned fields, which have thought deeply about issues of poverty and inequality alleviation. That said, social businesses have carved out their own unique forms, organizations and approaches. While solidarity economics often entailed informal agreements among producers with the aim of collective benefits, social businesses tend to have more formal structures and governance, even though the aim for social good is the same as solidarity economy efforts (Bastos, 2013). One might say they are new models that offer social value and commercial revenue through a unified strategy (Battilana et al., 2012). In light of Brazil's long history of extreme economic inequality and high rates of poverty, many social enterprises center around addressing these issues. In fact, some scholars argue

that poverty and economic inequality alleviation are defining features of social businesses. Yet, some argue that enterprises that address other social issues, such as gender inequality, should be included in the mix. This debate was a recurring theme at gatherings among the research participants in our study (to be discussed in more detail), which reflects the social forces that influence how social enterprises are evolving in Belo Horizonte.

How Do Social Businesses Intersect with Emerging Consumers?

Of particular concern to social businesses is addressing social problems that impact emerging consumers by using market strategies and approaches (Comini, 2011). Those in the field engage in hot debates on poverty, social inequality and participatory and emancipatory approaches to overcome social problems that have the biggest impact on emerging consumers. Depending on how one frames and "makes sense" of the aforementioned issues, inevitably impacts social business goals, approaches and practices. Some pull heavily from the third sector and solidarity economy that play particular attention to participatory approaches and citizenship issues (Borzaga, Depedri & Galera, 2012; Defourny & Nyssens, 2012). Others focus on a more traditional revenue- driven business model for income generation for the poor. Because "social business" is still a relatively new field and is in the process of carving out its purpose and identity, there are numerous and sometimes contradictory perspectives. In this qualitative study spanning a year of data collection that includes interviews, participant observation and archival research, we set out to understand how the concept of social business is framed within the city of Belo Horizonte, Brazil. We identify the central social business actors who are actively involved in pushing the field forward, analyze how social business is conceptualized among the main actors, as well as debates and challenges on whether social enterprises truly can help combat poverty and inequality.

METHODOLOGY

The purpose of this study is to understand the field of social businesses in the capital of Minas Gerais, Brazil, by observing how key players in this field frame, debate and problematize social businesses in the context of Belo Horizonte. Belo Horizonte is located in the country's lucrative and politically influential Southeast region. Historically the State of Minas Gerais has been an important economic force due to the mining of gold and gemstones, as well as coffee manufacturing. Today 85% of Belo Horizonte's GDP comes from the service sector. It also has an emerging technology scene. The third most populous metropolitan region in Brazil, the greater Belo Horizonte area is made up of 34 municipalities and a has a total population of just over 5,000,000 inhabitants.

Qualitative research by nature is an interpretative-holistic approach and therefore lends itself to research that focuses on subjective data, such as the values, attitudes, motivations and perceptions of research participants (Gil, 1999; Lakatos & Marconi, 1993; Minayo, 1995). To gather data, the primary researcher relied on individual life history interviews with the central actors in the social enterprise scene, as well as hundreds of hours of participant observation of key events and meetings in which the actors were involved.

In order to identify the central actors within the social enterprise domain in Belo Horizonte, and consequently potential research participants, we relied primarily on word of

mouth, or the "snowball" method (Coleman 1958). The principle researcher of this project has been actively involved in the social business sphere in Belo Horizonte for a number of years, so she began her search for research participants by creating a list of personal contacts, who she had observed as being actively involved in events and meetings explicitly aimed at advancing the field of social enterprise, such as Belo Horizonte's Social Entrepreneurship Meetup group. She also utilized mailing lists generated during such events to expand her search of potential key players in the social enterprise sphere. She then conducted life history interviews with this initial handful of individuals, and asked at the end of the interviews for names of individuals that the interviewee identified as central actors in the social business arena. A clear convergence of individuals emerged, as participants consistently referred to the same individuals as key players. She also kept a list of names of individuals mentioned during the interviews, who the interviewees described as central players in the social entrepreneurial space in Belo Horizonte. Again a clear pattern emerged among a core cohort of people considered central in the social enterprise field. In the end, the study revolved around 10 primary individuals that had been cross-referenced among the aforementioned outreach efforts. (All were considered practitioners, except two academics). By cross-referencing the data sources, we observed that the research participants in the study were part of a tight and closed network of actors who considered themselves, and/or others within this network, central actors in the social enterprise space in Belo Horizonte. A risk in using the snowball method among participants who make up a closed network of individuals is that other key players in the social enterprise world might exist, but because they are not part of this particular network of actors and therefore not referenced by research participants, they are not included in the study. Despite this limitation, we felt that the 10 individuals who ultimately participated in this study were representative of central social business actors in Belo Horizonte because they were identified and featured as important social business players in newspaper articles, and Web pages. That said it is important to be transparent about the limitations of a self-described and self-normalizing selection process.

The kinds of social enterprises in which the research participants are involved vary. For example, one of the participants created an organization that serves as a social business accelerator for *favela* residents who have entrepreneurial aspirations. The program provides economic, social and human capital aimed at turning individual entrepreneurial dreams into reality and that benefit the entire community. Another research participant supports rural tourism by promoting locally-owned micro-businesses that offer lodging, leisure activities, and dining options in rural areas. Inversely, another participant owns a fair-trade boutique food shop in Belo Horizonte that sells items produced by local farmers. Her aim is to support local agricultural producers by connecting them to urban consumers. She augments their profits by cutting out the middle-man, and she also hopes to encourage conscientious consumerism by including a brief description of where the products come from. Another research participant is part of a non-profit organization led by designers who promote social inclusion by focusing on special needs children in schools. Three of the participants in the study orchestrate events aimed as fostering collaborations among social start-ups and social enterprise initiatives. As demonstrated, the research participants vary vastly in the ways they engage in social business approaches and organizations.

In addition to interviews, the primary researcher also attended key events and meetings aimed at advancing social enterprise in Belo Horizonte. During these meetings, she took careful notes and photos in order to capture the central participants in these events, themes

and debates, interactions among participants, and the meeting setup. This table offers a snapshot of the events she attended in 2015.

2015 Social enterprise events in Belo Horizonte ethnographic data collection sites

Event	Description	Website
Café Social	Organized by Global Shappers, the Café brings together individuals connected to social entrepreneurship, for debates and networking. Em 2015 there were 3 meetings.	https://www.facebook.com/media/set/?set=a.1594553910777255.1073741836.1418264488406199&type=3
Baanko Challenge	This event aims to foster social enterprises, and at the same time, offer workshops, lectures, mentorship and networking.	https://www.facebook.com/media/set/?set=a.976603355735219.1073741846.712175318844692&type=3 https://www.facebook.com/media/set/?set=a.739007499494807.1073741834.712175318844692&type=3
Emprederisso	An academic event on creative social and economic entrepreneurship, orchestrated by Publicity students at Centro Universitário UNA.	https://www.facebook.com/events/498116603677163/
Redefinindo o conceito de sucesso nos negócios: Empresas B*	Executed no IBMEC e promoted by the group, Global Shapers, this was a discussion on *Sistema B*, facilitated by Tomás de Lara, co-leader of *Sistema B Brasil (movimento de Empresas B)*.	http://www.dzai.com.br/ibmec/blog/ibmec?tv_pos_id=182831 https://www.facebook.com/events/1500810696903709/
Empreendedor, com certeza cerveja	Executed by Impact Hub, they discussed daily issues of entrepreneurship, mixed with brainstorming, brainstorming, and networking.	https://belohorizonte.impacthub.net/2015/05/04/empreendedor-com-certeza-cerveja/
Dragon Dreaming	Promoted by Impact Hub they use methodologies aimed at generating social change agents.	http://www.dragondreamingbr.org/portal/index.php/component/content/article/80-quem-somos/91-equipe-belo-horizonte.html https://www.facebook.com/dragondreamingbrasil/posts/806791729433865
MÊS – BH Social entrepreneurship Meetup	Debates about social entrepreneurship in the capital, orchestrated by Grupo Empreend. Social Beagá	https://www.facebook.com/groups/MESBeaga/?fref=ts

A Fieldnotes Diary Designed for Mapping Social Businesses

An important tool during data collection was a fieldnotes diary specifically geared toward capturing the ecosystem of social businesses in a city in the South America and how actors within the field frame this new concept. As described by Maria Cury (2015), fieldnotes can be broadly understood as "a written account of fieldwork happenings at the end of each day in the field, in a form that is more coherent and reflective than the notes taken in-the-

moment, but nowhere near the level of analysis and insight of the finished product that arises from the fieldwork" (p.2). Geertz (1973) described ethnographic work as not simply participant observation, but also consistent reflection, analysis and interpretation of said observations through notes. At the heart of ethnographic research, therefore, is participant observation along with the process of carefully writing up notes in such a way that fosters reflection and leads to significant data analysis (Emerson et.al. 2011; Taussig, 2015).

In light of fieldnotes being such an essential component of ethnography (Emerson, 2011), shining a light on the process and outcome of writing up fieldnotes could help advance the field of applied ethnographers. As Cury succinctly states, "The way we think about, talk about, and generate fieldnotes lends us credibility as practitioners of ethnography out in the world. That said, in applied ethnography, the discussion around ethnographic fieldnotes has also been thin." Within the EPIC community, specifically at conference proceedings, fieldnotes have received little central attention. Accordingly, this paper aims to advance the field by discussing how a fieldnotes diary played a key role in data collection and analysis.

In this study the primary researcher conducted life history interviews and engaged in participant observation during events aimed at advancing social businesses in Belo Horizonte in 2015, accompanied with fieldnotes that evolved into the development of a fieldnote diary. All of the interviews were transcribed verbatim. The diary was full of photos and ethnographic notes about the frequency and patterns in behaviors of participants at relevant events and meetings, the configuration of meeting spaces, most commonly-used phrases and expressions among participants, as well as personal and theoretical reflections by the researcher regarding the social phenomena under study (Brazão, 2011; Caliman & Costa, 2008). She filled the diary as a method of data collection, with the aim of noting subjective observations such as the development of social business actors, their life history and their relationship to this central group of social business actors. During the analysis phase, the primary researcher carefully reviewed all transcribed interviews, as well as her notebook of participant observations, and coded themes that emerged in the data that spoke to the original research questions. She also coded themes that related to the literature on social business previously reviewed in this paper. Because we were interested in uncovering the primary players in the social enterprise space, as well as social forces that shaped their perspectives on social enterprise, important factors such as family, experience with social projects, educational background, and international experiences emerged from the analysis. Coding based on participant observation provided rich data on the interactions among the participants, which spoke to social positionality (Bourdieu, 1998), as well as how these dynamics played a role in shaping the field of social enterprise. The primary researcher played special attention to key debates and coded words and phrases used during meetings and events in order to examine how the research participants' notions of social businesses intersect with prior literature and debates among scholars and practitioners in the social business world.

The field notes diary served as a vital tool in terms of keeping in check how the researcher's perspective (past personal experiences, social positionality within the social enterprise ecosystem, cultural influences etc.) inevitably influenced the kinds of data she selected during data collection and the interpretation of this data (Peirano, 2008; Cavedon, 2003; Caliman & Costa, 2008). To facilitate this process, she shared her diary on a weekly basis with her academic mentor, who offered a more "objective and distant set of eyes" and

asked critical questions regarding her observations and analysis of data. One could argue that this shared experience speaks to Cury's (2015) work on the value of collaborative fieldnotes. Based on experiences with this project, the primary researcher gleaned some insights and suggestions on how to set up a fieldnotes diary for those interested in studying the social enterprise landscape, which is discussed in the concluding section of this paper.

WHO, WHAT, & HOW

The Who

One of the objectives of this study was to identify the central actors advancing the social enterprise field in Belo Horizonte. Accordingly, this study revolves around 10 primary research subjects who were repeatedly referenced as trailblazers in this field in Belo Horizonte. In addition to the majority co-founding and managing social business entities and programs, they are active members of events aimed at promoting and advancing the field of social enterprise, such as social business accelerators and cooperative workspaces. As a cohort, they are a young group – the average age being twenty- something years old. A friendly group, they typically welcome "old-timers" and "newbies" with a hug at events. While dedicated to inequality and poverty alleviation, the vast majority would not be considered *nova classe média.* Only one of the 10 participants came from an informal settlement (*favela).* They are a highly educated group relative to Brazil's general population; in addition to having postsecondary degrees (predominately in the social sciences and humanities, such as sociology, design, communication and international relations) they seek new knowledge and social experiences via advanced degrees and other courses that cover topics such as innovation, poverty reduction and social development. Take João, for example, the one participant in the study who grew up in an informal settlement. Unlike most of his childhood friends and family members, he had the opportunity to attend university and receive a master's degree from the University of Coimbra, a prestigious university in Portugal.

A similar narrative emerged among the research participants when describing their social entrepreneurial trajectories. The participants described how their professional path could be traced back to experiencing feelings of indignation and frustration regarding the state of poverty and extreme inequality in their country. Joaõ, for example, grew up in a *favela* and experienced firsthand the repercussions of minimal access to resources that encourage social mobility, such as quality education and social networks that lead to good jobs. Many of the participants described how participating in social projects, social movements, and educational programs helped them realize that pity for those most impacted by poverty and inequality would not make a difference. Instead, critical-reflexivity that leads to awareness of one's social positionality encourages folks to resist hegemonic political and social processes, such as paternalism and welfarism. One of the participants, for example, described how participating in a month-long educational residential program in São Paulo aimed at supporting emancipatory social projects had a profound influence on his professional trajectory. One of the older participants described a long trajectory of participating in social movements against the country's military government. All of the participants described international social projects in which they participated and they borrowed heavily from these experiences when thinking of social enterprise approaches and processes. Case in

point, one of the participants had participated in an exchange program in India, with a focus on social enterprise. He borrowed many of the practices when setting up projects back in Brazil. Another talked about his time in the United States, which encouraged him to engage in entrepreneurial practices. While the participants referred to social enterprise models and approaches that they had seen or heard about outside of Brazil, curiously none mentioned internationally renowned Brazil programs such as *Banco Palmas*. International influence is also reflected in the language that they use as English terms and expressions were frequently integrated in their discourse during meetings, in the names of events, during presentations, on posters at events, and within the social programs they initiated. The research participants also align with Fligstein's (2007) description of entrepreneurs in terms of their capacity to connect people (Granovetter, 1973; Burt, 1992) and generate collective action. They described how they began to design projects and successfully encouraged others to collaborate on the project, which today are referenced as exemplary social businesses in this field in Belo Horizonte. In sum, the stories of respondents suggest a process in which they first reacted emotionally to injustices around them, which led them to engage in social projects both in Brazil and overseas aimed at addressing injustices. These experiences helped springboard them to a more advanced stage in which they wanted to disrupt hegemonic social processes and institutions in order to fight injustices and inequalities on a large scale through social enterprise.

The What

An impact business, not a social business – What is a social business according to the central players of this emerging field in Belo Horizonte? Is there divergence or convergence in the way they understand social businesses?

The data tells us that the participants in our study shared similar values, beliefs, objectives and identities that shaped their work. Specifically, the participants across interviews reported a shared desire to transform society and its problems through the creation of projects and businesses that "generate impact". In fact, the term "impact" seemed to be of particular importance to this group, so much so that during the social enterprise events, as well as during the life history interviews, the primary researcher observed that the term "impact businesses" was used significantly more than the term "social business". (A handful expressed a degree of repugnance for the term social business, as they believed it was a "trendy term" used in rhetoric but not in practice. "Impact" they felt, better represented their work). During one of the interviews, a research participant explained, "It's been a few years now since we've abandoned the term 'social business' and have lifted the 'impact business' flag." Building on this sentiment, a number of the younger participants stated in varying ways that they believe a social business must cause a positive impact in society, transforming the way we live (specifically in terms of consumerism and inequality) and ultimately lead to a more just life for everyone. The finding suggests that in Belo Horizonte, a defining characteristic of social businesses revolves around impact. But what kind of impact do the social enterprises among this network have in Belo Horizonte? The focus seemed to be mostly on supporting income generation geared toward poverty alleviation. Case in point, one of the initiatives served as a social enterprise incubator and helped folks from an informal settlement start over thirty successful businesses within the community (we describe this accelerator in more detail below). Others utilize traditional profit-making

business approaches aimed at generating income for low- income populations (such as rural tourism mentioned above in which income opportunities are generated by promoting rural tours and supporting local businesses in exchange for an authentic countryside experience). Such approaches speak to scholars that conceptualize social businesses as an entity that generates employment and income for groups with low- to- no mobility potential within the job market (Teodósio & Comini, 2012) Considering that Brazil is one of the world's most socioeconomically unequal countries it is not surprising that impact pivots primarily around issues of poverty. We also see here the potential influence of Brazil's solidarity economy movement in which participants focused on alleviating poverty and social problems caused by unequal opportunities in the traditional capitalist system. Yet, debates on impact at social enterprise events also focused on the notion of addressing issues beyond poverty, such as environmental problems, improving public spaces, or racial and gender discrimination. One of the participants argued that a business could not call itself a social enterprise if it only had an impact on alleviating poverty but at the same time limited opportunities for women or Afro-Brazilians. Perhaps as the field of social enterprises grows in Belo Horizonte, social businesses will become more adept at simultaneously addressing numerous social issues beyond economic ones.

With the community, not for the community – The primary researcher repeatedly heard a handful of other key words or phrases during interviews, formal presentations and informal conversations that seemed to be a mantra of sorts among social businesses in Belo Horizonte. Popular terms during meetings included: "a shared dream"; "dialogue"; "empowerment"; and "need to work with the community". Such words and phrases offer insight into the values that shape this emerging field in Belo Horizonte, specifically the notion of participatory action and collective good. One of the participants described, for example, a month-long community project that he helped coordinate. The project was sponsored by a major Internet company that provided funds for a renovation project in a peripheral neighborhood. The research participant facilitated a series of design-thinking oriented discussions and activities that aimed to work from the ground up, by engaging the community residents in a collective challenge to renovate a community plaza. Community members were directly involved and drove each phase of the project, including ideation, problem-solving and implementation. In addition to funding the public space renovation project, the Internet company also promised to provide free Wi-Fi access in the renovated public plaza. The project illustrates the hybrid nature of social enterprises in Belo Horizonte as it involves a major corporation (the private sector), as well as bottom-up grassroots strategies traditionally utilized by the third sector in order to empower community members. At the same time, the sponsoring corporation influenced consumer patterns by offering free Wi-Fi in the renovated public space. Prior to the project, residents of this peripheral neighborhood did not have access to public Wi-Fi.

The emphasis on collaboration aligns with Brazil's third sector and solidarity economy movements. Indeed the value of collective action and working with communities could be seen in the approaches of various social businesses among the participants. Across interviews when describing social business activities, they described how their approach worked *with* citizens within the *nova classe média* and not *for* them. To highlight the two major themes of impact and collective action among the social enterprise sphere in Belo Horizonte, we describe below in detail the work of one of the research participants, who we feel best

embodies the conceptualization of social business as discussed during debates among participants.

Local participatory action + impact – João was born and raised in one of the largest informal settlements (commonly referred to as a *favela*) in Belo Horizonte. João noticed that many people in his community wanted to leave in order to find work, as well as have access to consumer goods that they could not buy in the *favela*. Friends and neighbors also expressed their desire to leave the community because of its lack of infrastructure, such as streetlights, a sewer system and public schools, which impact the quality of life of residents. João wanted to change this exodus by creating job and revenue opportunities within the community using a social enterprise approach. He believed that creating income opportunities through local business generation would positively impact the community on three fronts: one, community members would no longer have to look for job opportunities outside of the community. Two, local businesses could provide services and products within the community that previously did not exist (and thus stimulate local economy). Three, as a collective, business owners could invest in community improvement projects with the income earned through their local businesses. To support this process, João initiated a social business accelerator (Yunus, 2015). While traditional business incubators aim to help new businesses get started so that they can become financially profitable, João aimed to create a whole slew of businesses that ultimately would create social impact within the community through income generation, access to products and local community investment. Similar to other incubators, João's program included a local business pitch competition in which the winners would have access to a series of supports including initial financial backing and training. Prior to the pitch competition, however, João organized a myriad of community gatherings to encourage dialogue among community members, as well as external experts on topics revolving around business and community development. Using a discursive approach, the gatherings were geared toward understanding the needs, expertise and challenges that community members face, as well as fostering human and social capital development. However instead of solely inviting external experts to speak on entrepreneurial topics, João invited social business owners within the community to serve as mentors. The audience (community members) of the gatherings was encouraged to actively participate in conversations and was perceived as valuable resources. The meetings helped João gain insight into the kinds of educational approaches and supports that would be best suited for community members interested in starting a local business. An accelerator, for example, that demanded participants to complete reading and writing assignments would not work because some of the residents were functionally illiterate. Equally as important, João absorbed the local knowledge and expertise of community members, which outsiders (considered experts in management and business development) could not possibly understand. In this sense the project is not just about providing money to aspiring business owners but it is also about including community members in a creative process aimed at collective benefit. Such a process is important to address Brazil's long history of paternalism, which stifles agency among community members.

During pitch competitions organized by João's social business accelerator, local business ideas are evaluated not only in terms of viability, but also the potential for community impact. Specifically, the accelerator is interested in businesses that provide a service or product that is currently unavailable in the community and therefore inaccessible to

community members unless they leave the *favela.* (One of the pitches, for example, was a business that provides "*buffet infantil*", a children's birthday party package that is popular in Brazil, but historically only financially feasible for the middle or upper class). Social enterprises are judged on how many employment opportunities will be generated by the business and whether the business will provide a service that will benefit the entire community. For example, if a person pitches the idea for a construction company, would the company be able to help with improvements to community buildings and necessary street renovations? Another factor that distinguishes the project as a social incubator is the form of communication and process of evaluating projects. While many pitch competitions in Belo Horizonte are run and directed by external "experts" who assume to have a superior level of knowledge to community members, João includes community members on the panel, as they are considered local experts. Also, the language that is used during the pitch evaluation process is aimed at being constructive as opposed to critical. Since its inception, the accelerator has supported over thirty micro-businesses within the community. Reminiscent of the solidarity economy movement, João's social accelerator encourages relationship-building among businesses owners so that they can exchange products and services that mutually support the enterprises.

Yunus or bust – In many ways João's social business accelerator encapsulates many of the exciting debates revolving around social enterprises. For example, his project challenges scholars that advocate that social enterprises should only fall within the third sector or a cooperative (Nyssens & Kerlin, 2005; Kerlin, 2006). His work also serves as an example of how to go beyond revenue-driven social entrepreneurial approaches by engaging in grassroots practices that give voice to community members by respecting local knowledge and that support the development of social capital among entrepreneurs.

João's work also touches upon how social enterprises have the potential to instigate new capitalist trends that align with the solidarity economy movement. Ultimately the aim of João's accelerator is to instigate a shift in product and consumption patterns so that community members no longer have to leave the community in search of income, products and resources that play a role in quality of life factors.

The research participants in this study often engaged in debates about whether the fundamental aim of social enterprises was to enhance income opportunities, augment the buying power of emerging consumers, or encourage more democratic management practices and participatory market production. (In João's case, his project touched on all three fronts). The research participants often situated this discussion around philosophical differences between Yunus (2008) and Prahalad (2002). One participant explained, "It is an eternal fight between Yunus and Prahalad. Prahalad says that a business that gives access to products that the poor didn't have before, [referred to as] the Base of the Pyramid, is a social business, and we begin to have this here in Brazil…" Most participants (though not all) were critical of conceptualizing social enterprises under Prahalad's BoP. One participant expressed his concern, "So does a person that wants to use social businesses to sell more to a low-income population really believe that he/she has a social business? Ok, people are able to buy more, but do they have more dignity because of access to more goods? Do they have more citizenship, or are they just able to buy X tennis shoes because a certain company has a cheaper shoe for them to buy?"

The participants overwhelmingly felt that social enterprises in Belo Horizonte aligned

with Yunus' vision of social businesses, which emphasize participatory structures both on the production and consumer side, as well as conceptualize development beyond economic terms. One participant stated:

"In Belo Horizonte, the (social enterprise) practices align with Yunus, …. There is a tremendous amount of divergence among the people that work with social businesses here in Belo Horizonte that goes beyond the debate between Yunus and Prahalad… I believe that social impact is a change in the reality of low-income people. I think that in Belo Horizonte practices have occurred *with* communities, and examples of these are Oásis, Engeneiros da Alegria and Fa.Vela. I don't think there is anything more Yunus that that."

Despite the overwhelming enthusiasm for Yunus' approach to social enterprise (2008), we'd argue that in reality there are some social businesses in Belo Horizonte that have a mission and vision that align with Yunus (2008) but in practice adhere to a more traditional business model with a top-down management style. One of the research participants in our study, for example, undoubtedly helped generate income opportunities through her social enterprise, but she made all of the decisions and told the micro-business collaborators to simply follow through with decisions made by her. What was missing was a dialogue among participants, such as in João's project, which could have offered a "voice" to the micro-business owners.

What these debates among the participants symbolize is that there is an evident change in the market (albeit in its early stages) that is directed toward the periphery. Accordingly, organizational models are emerging that embrace varying visions and values. The debates among the participants in this study reflect an evolution of sorts, potentially moving toward a more inclusive economy.

FUTURE ETHNOGRAPHIES ON MAPPING SOCIAL BUSINESSES IN CITIES ACROSS THE GLOBE

This study offers a snapshot of the current debates, conceptualizations and practices of the social business field in a city situated in South America. The finding helps us problematize this new field, which promises to address issues of poverty and other social issues. But can it deliver? To build upon this research, it would be interesting to conduct a longitudinal study that examines the same group of actors five and ten years from now and examine how this field has evolved.

It would also be interesting to compare how the notion of social enterprise is evolving in other cities. A multi-site study could offer a comparative global perspective that examines similarities and differences in conceptualization and practice. Building off the findings of this study, it would be particularly interesting to examine the impact of social businesses on emerging consumers and the business environment, the ways hybrids play out in this field and ways in which participatory action is encouraged within social enterprises. Naturally every city is unique in terms of its behavior, infrastructure and culture. Therefore, to move forward with such a study it is critical to examine the unique space of each city in which the social business sphere encompasses, including but not limited to its organizational makeup and infrastructures, actors, interactions among stakeholders, values and culture. If the researcher is not already embedded in the social business space, we would suggest as a first step in the research process to survey main events as well as the actors who organize them. We found cross-referencing names and resources an important part of understanding

networks within the social business field. To overcome the limitations previously mentioned regarding cross-referencing participants in a closed network, we encourage researchers to look outside of spaces and places of self-proclaimed social enterprise actors, as well as include the perspectives of actors from the peripheral social enterprise movements.

As previously mentioned, the fieldnotes diary was a critical tool in the data collection process. Based on our experience, when attending events and observing the organizers and primary players who take a central role during the events, we suggest utilizing a fieldnotes diary with dedicated pages for the following data points: participants, space layout, discourse (language used, highlighting key words), symbols, event programs, and notes on events as they unfold. Certainly pictures helped capture details that might have otherwise been forgotten or difficult to analyze later. Based on prior research, we also found it helpful to have a separate paper dedicated to follow-up questions to be addressed during future events and/or interviews. Doing so helped affirm that these data collection goals were addressed and not forgotten during follow-up field site visits. Based on prior research, we also found it helpful to color-code the data immediately after data collection, and coding for specificities such as theory, method, insight etc. We found sharing and discussing the fieldnotes diary with a trusted colleague who was not directly involved in the data collection process helpful in our efforts to engage in an objective data analysis process. Finally, though not utilized in this study, we suggest creating a visual story arc for each research participant and visually mapping how key life events and individuals involved in these key moments are linked together (Scheiber, 2016). Visual story arcs are often used in the video production process and can offer a powerful tool to create a visual understanding of social factors that shape the trajectories of social enterprise actors.

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