The Interface Between Social Entrepreneurship and Governance

A qualitative case study including eight social entrepreneurs operating within regions of India

Gränssnittet mellan socialt entreprenörskap och interaktiv samhällsstyrning
En kvalitativ fallstudie innefattande åtta sociala entreprenörer aktiva på regional nivå i Indien

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Abstract

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Instead of asking why governments in developing countries are not doing what (Western) governments can (or at least in the past could) be expected to do we may need to ask the questions of how governance empirically is provided and by whom. While the involvement of non-public actors within processes of governance is far from new, the increased interest in social entrepreneurship, both as a practice and scholarly, is. The aim of the present study has been to explore and describe the interface between social entrepreneurship and governance within regions of India.

The study has been inspired by a case study research design, including a set of qualitative methods: A generated sampling frame has facilitated the selection of analytical units; The collection of data has been conducted by semi-structured interviews; The data has been analyzed by a comparative approach. Based on a broad analytical governance framework provided by Kooiman et al (2005a) three research questions have guided the analysis:

1. What arguments are provided by the examined social entrepreneurs for their intentional action?
2. May action taken by the social entrepreneurs in this study be understood as an expression of hierarchical governance, self-governance and/or co-governance, and if so, how?
3. How may action taken by the social entrepreneurs in this study be related to first-order governance (day-to-day problem-solving and opportunity creation), second-order governance (institutions) and/or third-order governance (principles)?

The result of the study reveals how the action taken by the studied social entrepreneurs interface with several aspects of governance. The arguments presented for intentional action, related to the provision of collective goods to marginalized citizens, may be understood in relation to two themes: perceived government failures (as well as failures by traditional NGOs) and the self-perception of being “value-driven”. The data reveals strands of hierarchical-, self- and co-governance. The studied social entrepreneurs are understood to contribute to first-order governance. Their action is further suggested to be challenging existing institutions in the long-run and perhaps also dominating principles guiding the “governance of governance”.

Key Words: Action, Governance, India, Private-Public, Rationalities, Regions, Social Entrepreneurship, Spheres
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1. Introduction

The following chapter introduces the reader to the background, the focused problem, the purpose and the initial overall research question underlying the present study, followed by an overview of necessary limitations and an outline of the forthcoming disposition.

1.1 Background

At the World Summit on Sustainable Development (WSSD) in Johannesburg 2002 the world's heads of state and governments defined "eradicating poverty" to be “the greatest global challenge facing the world today and an indispensable requirement for sustainable development, particularly for developing countries.” (United Nations 2002: 9). As we are realizing that economic and social disparities between and within regions are becoming wider (Chen & Ravallion 2012) in an increasingly global economy, government failure as well as market failure comes to mind (cf. Delmas & Young 2009; Young 2009). Shared responsibility across sectors and levels are frequently presented as necessary to meet contemporary global challenges (see e.g. Kooiman & Chuenpagdee 2005; Young 2009). The report from WSSD (United Nations 2002) constitute an accurate example, emphasizing the responsibility of the public and private sectors of society, as well as the need to involve civil organizations, across national, subnational and supranational levels in the global community's path towards sustainable development (i.e. economic development, social development and environmental protection) (United Nations 2002: 1). It is for an example stated that “[w]e agree that in pursuit of its legitimate activities the private sector, including both large and small companies, has a duty to contribute to the evolution of equitable and sustainable communities and societies” (United Nations 2002: 4, italics added). It is further argued that there is a need to “[e]nhance partnerships between governmental and non-governmental actors, including all major groups, as well as volunteer groups, on programmes and activities for the achievement of sustainable development at all levels” (United Nations 2002: 72).

The imposed, shared responsibility among different types of actors and across levels expressed at the WSSD is central to contemporary understandings of “new” forms of governance, going from government to governance, highlighted in the governance literature. Governance, in its broadest political meaning, can be understood as “all modes of coordinating social action in human society.” (Risse 2011: 9) The perceived shift from government to governance signals that the provision of governance by hierarchically organized government is accompanied by other modes of governance, such as self-regulation by market actors and cooperative arrangements between governmental and non-
governmental actors (Kooiman and Bavinck 2005; Pierre & Peters 2000; Young & Delmas 2009). Thus one could argue that government is only “one approach to the supply of governance” (Young 2009: 13). Of course, there is nothing new about non-governmental actors involved in the activities of social coordination (see e.g. Conrad & Stange 2011; Pierre & Peters 2000; Risse 2011). The “new” may rather lie in (a) the recognition of non-governmental actors' roles within processes of governance and (b) the recognition that the state and its institutions alone may lack the capability and resources to meet contemporary challenges (cf. Pierre & Peters 2000; Risse 2011)\(^1\), such as environmental decline and widening social disparities (United Nations 2002; cf. Young 2009).

In this context, *social entrepreneurship* has gained increasing attention across the globe: As a practice (Terjesen et al 2011\(^2\)); Among policymakers (Short et al 2009); Within science across disciplinary fields (for an overview see Short et al 2009; Hill et al 2010) and in media (Thompson et al 2000). The bottom line is when a majority of the world’s states no longer have\(^3\) (or never had) the capabilities and resources to provide basic welfare services\(^4\) to marginalized citizens and the “invisible hand” of the market is yet to show its capability of enabling some kind of fair distribution (Stiglitz 2007; Underhill 2003) the complementary and sometimes interchangeable concepts of entrepreneurship and innovation are being presented as *the* answers (cf. Sud et al 2008). The increasing demand for traditional entrepreneurs operating in the economic private sphere (i.e. the market) bringing about economic growth, has thus been accompanied by the demand (and/or increasingly interest) for (innovative) entrepreneurs in other spheres of society, such as the political sphere (*political entrepreneurs*) and the social sphere (*social entrepreneurs*) to solve contemporary problems, not least related to the provision of welfare services (see e.g. Gawell et al 2009; Bergmann-Winberg & Wihlborg 2011; Palmås 2003).

As most concepts, *social entrepreneurship* is understood in a variety of ways (for an overview see e.g. Hill et al 2010; Short et al 2009; Zahra et al 2009). To distinguish social entrepreneurship from commercial entrepreneurship the former is commonly thought to have a primary social mission while the latter is thought to have a primary economic mission (Certo and Miller 2008; Palmås 2003; Seelos & Mair 2004). More concrete, although still broadly defined, social entrepreneurship can be understood as “a process involving the innovative use and combination of resources to pursue opportunities to

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\(^1\) Note that Pierre and Peters argue in these lines, however they also argue that hierarchical governance by government has *increasingly* been accompanied by other modes of governance in the West.

\(^2\) The study reveals that the majority of social enterprises (whether for-profit or non-for-profit) across 49 countries are nascent, new or early-stage.

\(^3\) Among discussed reasons we find privatization, political decentralization and economic globalization (see e.g. Pierre & Peters 2000), as well as post-colonialism (see e.g. Conrad & Stange 2011).

\(^4\) Basic welfare services is here used synonymous to public goods as defined by Tandon (2009), see page 5. Also see *Public Goods under 1.3 Definitions*. 

catalyze social change and/or address social needs” (Mair & Martí 2006: 375, italics added). However, as Certo and Miller (2008: 268) points out “commercial entrepreneurs may produce social value in the process of creating private gains, and social entrepreneurs may produce private gains in the process of creating social value.” The point made is that even though the concept of social entrepreneurship is highly contentious, a unifying component among understandings is that a social entrepreneur's primary goal is thought to be social. The meaning of social is of course debatable. Palmås (2003) argues that social within the concept of social entrepreneurship commonly is associated to the provision of welfare services and as such a social goal becomes incompatible with goals such as profit-maximizing.

It may further be helpful to divide the organized forms of social entrepreneurship into two broad categories: (i) existing nonprofit organizations entering the market, seeking revenue-generating opportunities and (ii) social enterprises relying on a business model where the second (social) or even triple (environmental) bottom line is made explicit. The first category represents the growing trend among already existing non-profit organizations (e.g. NGOs) entering the market for income, additionally to private donations and/or public grants (Dees 1998; Short et al 2009). Social enterprises, on the other hand, are in a greater extent than the first category thought to rely on a business model when achieving an explicit primary social and/or environmental goal (c.f. Dees 1998; Short et al 2009; Palmås 2003). In a similar way Palmås (2008) distinguishes between an Anglo-American Project and a Continental-European Project related to social entrepreneurship. The Continental-European Project emphasizes reciprocity, participation and democratic principles and can be understood as striving to “upgrade, and develop, the already existing role of nonprofit organizations in the social economy” (Palmås 2008: 3, author's translation). The Anglo-American Project on the other hand, is argued to emphasize business like organizations, financed accordingly, striving to “establish a new sector of “hybrid organizations” where activism and business is allowed to meet” (Palmås 2008: 3, author's translation). Palmås is here borrowing Latour's hybrid concept, which Latour has used to criticize the object-subject division, as well as the nature-culture division (Palmås 2008).

In line with the above categorization one may look at the proliferation of organizations working to promote social entrepreneurship in one way or another, such as Ashoka (www.ashoka.org), Dasra (www.dasra.org), Social Earth (www.socialearth.org), Intellecap (www.intellecap.org;

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5 In a comprehensive review of social entrepreneurship literature across disciplinary fields, Short el al (2009: 169) suggest future researchers to adapt a broad definition of social entrepreneurship like the one provided by Mair & Martí (2006).

6 Consequently, social and environmental focused actions taken by existing private companies (with an explicit primary economic goal), often referred to as “Corporate Social Responsibility” (CSR), is here distinguished from social entrepreneurship.
www.sankalpforum.com) and Acumen (www.acumenfond.org). These organizations represent a notion of (i) the civil sphere - or as some prefer to call it the non-profit sector, the third sector, the independent sector or the social economy (PRIA 2000; Palmås 2008) - as an increasingly important arena for collective action towards social change (Ashoka) and/or (ii) a spreading acceptance of actors using the market to achieve social goals (Acumen; Dasra; Social Earth; Intellecap). Actors using the market to achieve primary social goals are argued to challenge the traditional understanding that market actors are guided by a certain kind of rationality (i.e. profit-maximizing), deriving from economic theory. In contrast, this form of social entrepreneurship is argued to represent a hybridization of rationalities or logics associated with the private (for-profit) and civil (non-profit, charitable) sector, at times referred to as the fourth sector (Billitteri 2007; Palmås 2008).

1.2 Research Problem

Within the governance discourse power is assumed to be shifting from the state up to the supranational level, down to the sub-national (local and regional) levels and out towards the private and civil sectors of society (Pierre & Peters 2000; Bache & Flinders 2004; Marks & Hooghe 2004; Risse 2011). However, the state's current (and desired) role within this framework is contested. While some argue that the state is “hollowing out” others claim the continuing importance of the state, although its role is understood to be transforming (Pierre & Peters 2000; Scholte 2005). From this latter point of view, the state (generally speaking) is not only thought to strategically have chosen new forms of governance but is also thought to possess the capacity to exert 'metagovernance', enabled by the position to control these new forms of governance arrangements by coordination or via a 'shadow of hierarchy' (Jessop 2004; Pierre & Peters 2000; Risse 2011). Returning to the WSSD document we can find a similar assumption. Despite emphasizing the need of different actors across sectors and levels in the supply of governance, there seems to be an underlying assumption of the transforming state rather than the eroding state (United Nations 2002, see e.g. p. 71f). Yet, if we consider the governance discourse to be strongly biased towards the modern nation-state in the West (or the ideal image of the same), theoretical as well as policy implications arise (Risse 2011). By using data from Bertelsmann Transformation Index (BTI) Risse (2011) reveals that the majority of countries in the world can be described as having areas of limited statehood. Risse's conceptualization of limited statehood refers to areas were central authorities lack either (i) monopoly over the means of violence or (ii) the ability to make and implement central decision, even if only occasionally. With other words, a state's (generally speaking) capability of enforcing and implementing decisions in all policy areas is questioned (Risse 2011).

Note that the examples are only a small selection of existing organizations.

Dasra promotes non-profit social organizations as well as for-profit social enterprises (www.dasra.org).
By recognizing that the modern (Western) nation-state, from a global as well as from a historical perspective, can be understood as a rather unique phenomena, as well as a phenomena that is widely recognized as changing (Conrad & Stange 2011; Risse 2011; cf. Pierre & Peters 2000), analyzing governance in areas of limited statehood becomes relevant. Even more so, governance in India becomes an interesting context for exploration. Firstly we know little about governance systems in non-OECD countries. “While the political importance of this part of the world [non-OECD] increases significantly, the knowledge about actors, forms and objectives of governance remains marginal” (Brozus 2011: 267). Secondly, despite being an internationally recognized (formal) democracy as well as the second fastest growing economy in the world, India remains to have the highest percentage of its population (approximately 24 percent) defined to be living in absolute poverty9 (BTI 2012). Referring to the public sector's responsibility for poverty reduction and the provision of basic welfare services, as declared in India's Eleventh Five Year Plan (2007-2012), neither the Government of India nor the Federal States of India are living up to their responsibilities (Planning Commission Government of India 2008a, 2008b). However, in line with Risse's (2011) argumentation, Western scholars tend to ask the wrong questions. Instead of asking why governments in developing countries are not doing what (Western) governments can (or at least in the past could) be expected to do we should ask the questions of how governance empirically is provided and by whom.

As elsewhere, India is experiencing a growing trend of market-based social enterprises (Terjesen et al 2011; Allen et al 2012; Seth & Kumar 2005). How can this trend be understood in relation to governance? According to Risse (2011) and Tandon (2009; cf. Tandon & Mahotny 2000) one aspect of governance is the provision of collective or public goods. The accurate meaning of collective or public goods is of course debatable. When discussing democratic governance in India, Rajesh Tandon distinguishes between public goods in a narrow, tangible sense and public goods in a broad, less tangible sense, where the former include education, health, water and transportation and the latter “security of people and property, social justice and inclusion, respect for diversity and pluralism, freedoms of speech and association, human dignity, etc[.].” (2009: 3). Following this theoretical perspective, many of the social entrepreneurs in India (as elsewhere) are providing what Tandon describes as public goods (see e.g. Allen et al 2012; Seth & Kumar 2005; cf. Gawell et al 2009; Palmås 2003). Consequently, social entrepreneurs, given they perform specific functions, may be perceived as actors involved in governance at local and regional levels.

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9 Absolute poverty, here referring to living under 2 USD per day (BTI 2012: 2, 11).
If social entrepreneurs, given they perform specific functions, are contributing to governance, their actions may also be contributing to \textit{regional building}, given they operate on a regional\textsuperscript{10} level. According to Jönsson et al (2000: 146) regional building may be understood as processes “where local and regional forces deliberately strive to create a new region, or to strengthen a weak one.” Providing collective goods to marginalized citizens within a specific region may (at least from a democratic perspective\textsuperscript{11}) be understood as a process strengthening that particular region.

Following the outlined conceptual interface, i.e. common boundary, between social entrepreneurship (that is to say the action taken by social entrepreneurs) and governance the \textit{empirical} exploration becomes interesting. The aim of this study is therefor to \textit{explore and describe the interface between social entrepreneurship and governance within regions of India}.

By exploring how and why a number of social entrepreneurs, according to their explicit reasoning, take action related to the provision of collective goods to marginalized citizens, we may gain greater understanding for the focused phenomenon, i.e. how social entrepreneurship and governance may interface. The aim will be elaborated and eventually expressed in more specified research questions (see 2.4 \textit{Research Questions and Analytical Model}). For now we may have the following overall research question in mind: \textit{How and why do a number of social entrepreneurs, according to their explicit reasoning, take action related to the provision of collective goods to marginalized citizens in regions of India?}

\textbf{1.3 Definitions}

\textit{Government, Governmental Actors and the Public Sector}

Distinguishing between a narrow and a broad definition of \textit{government}, the former may refer to “the highest level of political appointments: to presidents, prime ministers and cabinet members” and the latter to “all organizations charged with reaching and implementing decisions for the community” (Hague & Harrop 2004: 5). In the present thesis government is understood in its broader meaning. As such all formal authorities, politicians and public servants at different political levels, national as well as subnational (regional and local), represent \textit{governmental actors}. From this perspective government and governmental actors in turn represent what commonly is referred to as the \textit{public sector} (cf. Hague & Harrop 2004; Kooiman & Bavinck 2005).

\textsuperscript{10}The concept \textit{region} can be defined in a number of ways (see e.g. Herod 2011; Jönsson et al 2000; Syssner 2006). In this thesis the concept refers to a sub-national administrative unit, such as the Federal States of India (cf. Jönsson et al 2000: 139).

\textsuperscript{11}A \textit{democratic perspective} here refers to the perspective put forward by Dahl (1999, also see 5. \textit{Discussion}).
Governance
The concept of governance will be discussed in the second chapter (see 2. Theoretical Framework), eventually suggesting the following definition:

“the whole of public as well as private interactions taken to solve societal problems and create societal opportunities. It includes the formulation and application of principles guiding those interactions and care for institutions that enable them.” (Kooiman & Bavinck 2005: 17, italics in original)

This definition of governance highlights interactions, actors, institutions and principles, as well as the societal aspect inherent to the governance concept. Consequently, if “societal” may be understood as opposite to “private”, a prerequisite for governance is that the problem solved or opportunity created needs to be common or collective in nature (Kooiman & Bavinck 2005).

Governance Actors
Following the definition of governance outlined above, a governance actor may be any social unit, involved in the activity of solving societal problems or creating societal opportunities. A social unit includes individuals as well as organizations (Kooiman & Bavinck 2005).

Marginalized Citizens
Marginalized citizens is here used as an umbrella term for citizens understood as under-served regarding collective goods such as clean water, electricity infrastructure, healthcare and education (cf. Risse 2011; Tandon 2009). As such the concept of marginalized citizens is here based in a democratic (and human rights-based) discourse, highlighting a certain economic and material equality among citizens as a prerequisite for de facto democracy (Dahl 1999; c.f. Dye 1990; Jencks 1990; Tandon 2009).

Public Goods
As earlier mentioned public goods may be understood in a tangible and in an intangible sense, where the former include “education, health, water, transportation, etc.” and the latter “security of people and property, social justice and inclusion, respect for diversity and pluralism, freedoms of speech and association, human dignity, etc[.]” (Tandon 2009: 3) The concept of public goods is here understood in its broadest sense, including a tangible as well as a less tangible dimension.12 In discussions related to

12 This understanding does not exclude the possibility that the social entrepreneurs included in the present study foremost
prerequisites for de facto (in contrast to formal) democracy, public goods (as understood here) may be understood as “basic” (cf. Dahl 1999; Risse 2011; Tandon 2009). Throughout the text public goods, common goods, collective goods and basic welfare services are used interchangeably.

**Social Entrepreneurship, Social Entrepreneur**

Social entrepreneurship is here understood as “a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs.” (Mair & Martí 2006: 37, italics added) A social entrepreneur is then understood as an actor exercising social entrepreneurship.

**State, Statehood, Limited Statehood**

The state, as a concept, is here used synonymously to statehood as conceptualized by Risse (2011), drawing on both Weber’s and Krazner’s contributions in the area. (Consolidated) statehood then refers to an institutional structure including (i) monopoly over the means of violence and (ii) the ability to make and implement central decisions in a specific geographic territory. Consequently areas of limited statehood then refers to the lack of (i) monopoly over the means of violence and/or (ii) the ability to make and implement central decisions in certain areas, for an example related to a specific policy area, a certain geographical area or a certain group of citizens (Risse 2011).

### 1.4 Limitations

As the present study is limited in time and space, necessary limitations are many. The following illustrates a selection of examples. Governance and social entrepreneurship are highly contested concepts and deserves more space than available here\(^\text{13}\); Even if desirable to enhance our understanding of governance within regions of India, there is no claim to describe the diversity and complexity of cultural, social, political and economic factors inherent to the context in which the studied social entrepreneurs are imbedded. Because it would be futile to take on such a complex task (given the time and space given here) this study does not include a chapter where the Indian regions concerned are described.\(^\text{14,15}\) The ways in which social entrepreneurship and governance empirically interface can - may be found to be providing public goods defined in its narrower sense.

\(^{13}\) For an overview of the concept of governance see e.g. Pierre & Peters 2000; Kitthananan 2006. For an overview of the concept of social entrepreneurship see e.g. Hill et al 2010; Short et al 2009; Zahra et al 2009.

\(^{14}\) For an overview and an initial understanding of the complexity of India as a country, consisting of 28 states and 7 Union territories (www.india.gov.in), see e.g. Kohli 2000; Official Portal of the Indian Government (www.india.gov.in); Shrumer-Smith 2000. Also note that we

\(^{15}\) Also note that we will not be discussing “the caste system” in India. There is foremost two arguments for this choice. Firstly I do not have the knowledge required to make the issue justice and secondly (or consequently) I am concerned to contribute to (the reproduction of) a “Western” image of the Indian caste system. I am not arguing that a caste system is not present, because according to my knowledge and experience it is, I am arguing that I am not qualified to describe its content
and preferably should (normatively speaking) - be explored in relation to a range of theoretical perspectives; If time would permit, including additional populations (e.g. governmental actors and targeted citizens), as well as a greater focus on formal institutions, would be desirable; Further limitations, related to methodological issues, will be addressed in chapter three (see 3. Methodology). In sum the empirical data underlying the present study was collected during April 2012 and May 2012 and limits itself to the interface between social entrepreneurship and governance related to the provision of collective goods, according to the explicit reasoning provided by a number of social entrepreneurs\(^{16}\), providing a starting point for further study by others.

### 1.5 Disposition

The text is divided into five chapters. Following this introduction the theoretical discussion, in which the research is situated, will be presented. Chapter three provides the reader with the methodology of the research project. Results and the analysis of the result are presented in chapter four. The final and fifth chapter provides a discussion of the results and analysis as well as suggestions for further research.

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\(^{16}\) See also 2.4 Research Questions and Analytical Model.
2. Theoretical Framework

In the following chapter we will be discussing the concept of governance. It is argued that governance foremost may be understood as a perspective, constituting a starting-point for an exploratory empirical study. The chapter will eventually enhance our understanding, suggesting that governance is about interactions, that is to say interactions between actors and between actors and institutions, which are guided by principles, solving societal problems and creating societal opportunities. Following this perception, governance may be conceptualized as divided into three analytical components: governance elements, governance modes and governance orders. From here we will be able to formulate three specific research questions.

2.1 Governance: Introduction

As governance as a concept is used in a variety of ways (for an overview see Pierre & Peters 2000; Kitthananan 2006) and governance as phenomenon tend to be confused with governance as theory and/or analytical framework (Pierre & Peters 2000) it is important to discuss how these categories are interpreted in relation to the present study.

The term governance derives from the Latin cybern and means steering (Pierre & Peters 2000: 23). Consequently governance as concept - in its broadest political meaning - can be understood as “all modes of coordinating social action in human society” (Risse 2011: 9). Note that nothing is said about how social action is coordinated; which actors that are involved neither in the coordination of social action; nor in which direction actions are or normatively should be coordinated.

In contrast to the above definition of governance, excluding the assumption of which actors that are “steering” and by which methods, the concept of governance in a Western context has for decades been equaled with government and as such related to hierarchical modes of governance led by the state. Not until the last three decades or so, in the wake of New Public Management, has the academic literature begun to highlight governance instead of solely government related to political steering (Montin & Hedlund 2009; Pierre 2009). However, instead of a clear distinction between governance as theory or analytical framework and governance as phenomenon, the new understandings of governance are filled with assumptions, especially regarding the role of the state. For example:

“In broad terms, 'governance' (in most usages at least) describes the increased role of non-
governmental actors in public policy making and delivery. The term is used to imply an appreciation of an increasingly complex state-society relationship in which network actors are prominent in policy making and the state's primary role is policy coordination rather than direct policy control.” (Bache & Flinders 2004: 97)

The quote describes how the role of non-governmental actors has increased and suggests that the state's primary role is policy coordination rather than direct policy control. Thus, the authors equal the concept of governance with a perceived trend in the West. Consequently governance as phenomenon (the trend from government to governance in the West) tends to be confused with governance as theory, especially with regard to the role of the state. The point is further emphasized by Risse (2011), criticizing the dominating (Western) governance discourse for being characterized by assumptions regarding what role the state is capable of having and what role the state normatively should have in governance. Jessop's (2004: 66) understanding that “possibly, the most important role for the national state here is in metagovernance, that is, coordinating different forms of governance and ensuring a minimal coherence among them” is yet another accurate example of Risse's critique. Risse (2011) on the other hand argues that the majority of nation-states lack capacity to exert metagovernance, at least in some areas.

Referring to the exploratory nature of the present thesis it is important to separate governance as theoretical and/or analytical framework and governance as phenomenon. Doing so requires an open analytical framework, enabling the empirical data to “speak”. Trying to pinpoint how governance as analytical framework within governance theory may be understood, comparing it to traditional political science frameworks, Pierre and Peters (2000: 24) highlight such an approach:

“The analytical framework in theories of governance differs in several important aspects from traditional political science frameworks. In governance theory many political science postulates concerning political institutions and their capacity to govern are not accepted at face value. The extent to which they do exercise such powers is, we argue, largely a matter of context. While political science has a natural interest in political power and assumes that such power rests exclusively with political structures, governance theories are more wary of political power as a base for governing. Instead, in governance, leverage is frequently derived from entrepreneurialism and political skill.”

Pierre and Peter's understanding of governance as analytical framework is thus that governance theory
excludes assumptions of the role of political institutions and political structures in governance. According to this understanding governance as analytical framework is about empirically exploring how governance is provided and by whom. As the authors argue “[i]t makes us focus attention on things that happen and the ways in which they happen. By so doing it moves the study of politics away from formal concerns and to some extent returns us to the classic question raised by Lasswell (1935) - ‘Who gets what?’” (Pierre & Peters 2000: 24).

The following may conclude, as well as clarify, the points put forward so far: Excluding assumptions regarding the actual and potential role of formal political actors and institutions within various governance processes facilitates a separation between governance as phenomenon and governance as analytical framework. Governance as phenomenon is here understood as the empirical finding of the processes of steering or modes of coordinating social action in human society, findings which are assumed to vary considerably depending on context and policy area, as well as on theoretical perspectives. According to this understanding governance as analytical framework should then be as open as possible, not making any assumptions of how or whom of governance, especially regarding the specific role of the state and its institutions.

2.2 Defining Governance

So far it has been argued that governance as concept - in its broadest political meaning - can be understood as “all modes of coordinating social action in human society.” (Risse 2011: 9) As this definition is too broad to be helpful in any single study (cf. Risse 2011) we need to find a working definition that is more specific. In the process of doing so we will also be gaining a better understanding of the governance perspective adopted here.

Following the discussions in the previous and present chapter, a working definition of governance could be “the various institutionalized modes of social coordination to produce and implement collectively binding rules, or to provide collective goods” (Risse 2011: 9). This definition reveals what governance can be about, without making any more specific assumptions of how or whom of governance, except for pointing to the institutionalized characteristics of social coordination processes. The possible limitation inherent to the definition is thus related to the structured and non-structured dimensions of governance. While Risse (2011) argues that his definition of governance includes both a structure (institutionalized) and a process dimension (modes of social coordination)\textsuperscript{17}, one could argue that a distinction between institutionalized processes and processes, which are not (yet)

\textsuperscript{17}A distinction also pointed out by Pierre & Peters (2000).
institutionalized, is missing. Inclusion of the potential non-institutionalized processes in the definition of governance is important as the very core of governance activity may refer to interactions (Kooiman & Bavinck 2005; Pierre & Peters 2000). Interactions between actors may be institutionalized, but they may also be ad-hoc, albeit still contributing to governance (see e.g. Marks and Hooghe 2004). The experience of institutional change may be used as example. Commonly argued prerequisites for change to occur includes (a) a so called window of opportunity\textsuperscript{18} (for example induced by an external shock or experienced policy failure) and (b) actors that are capable of identifying the opportunity as well as (c) having the ability and skills to use the opportunity to push for change (cf. Bergmann-Winberg 2011; Mintrom & Norman 2009; Santesson-Wilson 2009). Something new may then be presented and finally adopted, thus including a non-institutionalized initial step in the process. By turning to Kooiman and Bavinck’s (2005: 17, italics in original) understanding of governance we might find a more adequate definition.

“Governance is the whole of public as well as private interactions taken to solve societal problems and create societal opportunities. It includes the formulation and application of principles guiding those interactions and care for institutions that enable them.”

Without making any theoretical assumptions regarding how or whom of governance this definition highlights interactions, actors, institutions and principles as well as the societal dimension inherent to the governance concept. The definition may also be understood to capture institutionalized, as well as less institutionalized modes of action, which the authors further highlight when discussing how state, market and civil society (as societal institutions) contribute to governance:

“As social institutions they govern directly or indirectly, although their degree of institutionalised participation in governance will vary a great deal. In the governance perspective, institutions, i.e., state, market, and civil society, separately and in their interrelations, shape and influence patterns of governing interactions.” (Kooiman & Chuenpagdee 2005: 339, italics added)

\textsuperscript{18} Cf. the concept of \textit{policy window} presented by Kingdon (1984/2011).
The definition of governance presented above reveals that any theory regarding governance needs to be highly contextual. Not only may it be assumed that the processes of solving societal problems and creating societal opportunities vary between regions, but also within regions, for example depending on policy area (cf. Pierre & Peters 2000; Risse 2011). Theories explaining why governance vary in different contexts and policy areas and how different modes of governance affect outcome are still under progress and covers a range of theoretical perspectives (Pierre 2009; Pierre & Peters 2000). Consequently, rather than interpreting governance as a theory one might foremost perceive governance as a perspective.\textsuperscript{19}

In order for a governance perspective to be helpful in the present study we need to pin point how the empirical data will be analyzed when exploring the interface between social entrepreneurship and governance. Drawing on the governance perspective presented by Kooiman et al (2005a) we may analytically distinguish between three main components of governance: (1) elements (2) modes and (3) orders. Governance is understood to involve both an intentional and a structural dimension of interactions, where the former is conceptualized as elements, including (1a) images (1b) instruments and (1c) action. Governance modes express the structural level of interactions and may be categorized in (2a) hierarchical governance (2b) self-governance and (2c) co-governance. Finally governance orders highlight the reciprocal and continuous relationship between agency and structure, as well as an analytical distinction between activity related to day-to-day problem-solving and opportunity creation (first-order governance), institutions (second-order governance) and principles (third-order or meta-governance).

The following is an attempt to outline the suggested main components of governance (elements, modes and orders), mainly drawing on the work of Kooiman et al (2005a) but also by bringing in the reflections of other relevant scholars. The chapter will eventually highlight perceived conceptual overlaps inherent to the presented framework, resulting in the concepts being modified, as in more narrowly defined, with the aim to serve as analytical tools in the present study.

\subsection*{2.3.1 Governance Elements}

*Elements of governance* refer to the intentional level of governance (regardless order) and include (a) image formulation (b) choice of instrument(s) and (c) action. These elements are understood to be\textsuperscript{19} Note that there is really no claim that governance is a theory, rather a mix of “borrowed” theories (see e.g. Pierre & Peters 2000; also c.f. Burchill’s (2001) understanding of a “theory”).
closely related and at times hard to distinguish from each other (Kooiman & Bavinck 2005; Kooiman & Chuenpagdee 2005; Kooiman et al 2005b).

**Images**

Intentional governance is here understood to be guided by *images*. Images “constitute the guiding lights as to the how and why of governance” (Kooiman & Bavinck 2005: 20). As images, by Kooiman and Bavinck (2005), is understood in its broadest meaning, referring to visions, convictions, ends and goals as well as to knowledge, judgments, presuppositions and hypotheses, images not only refer to the specific issue of concern (e.g. poverty reduction or the distribution of clean water) but also “assumptions on fundamental matters such as the relation between society and nature, the essence of humankind, and the role of government” (Kooiman & Bavinck 2005: 20). Further examples of images affecting the how and why of governance are provided by Kooiman and Chuenpagdee (2005) and include the image of “tragedy of the commons” and the vision of sustainability.

**Instruments & Action**

Instruments are then understood as the intermediary element between image and action and imply tools for bringing about action in governance processes. Instruments can be divided into “soft instruments” and “hard instruments”. While the former is quite broad including everything from information, negotiation and persuasion to regulations, grants and sanctions, the latter refers to influencing social interactions by force (Kooiman & Bavinck 2005). Finally, action refers to “putting the instruments into effect” (Kooiman & Bavinck 2005: 21).

**2.3.2 Modes of Governance**

*Modes of governance* are understood as the structural forms of governance, as in patterns of governance interactions, and may be divided into three types: (a) hierarchical governance (b) self-governance and (c) co-governance (Kooiman & Bavinck 2005; Kooiman & Chuenpagdee 2005). These modes of governance are frequently presented in the governance literature, albeit with somewhat different terms (see e.g. Risse 2011; Pierre & Peters 2000). Risse (2011) for an example, labels similar categories governance *by* government, governance *with* government and governance *without* government. As different governance modes are highly likely to exist in combinations (Kooiman & Chuenpagdee 2005; Pierre & Peters 2000; Risse 2011) modes may be understood as analytical *dimensions*. Rather than either or, the question is to what *extent* hierarchical, self-governance and co-governance exist and *how* these somewhat “blunt” (analytical) dimensions may play out empirically in
Hierarchical Governance

As the term reveals, hierarchical modes of governance is understood to be characterized by vertical, top-down, steering and control, commonly equaled to “governance by government” or “steering by state” (Risse 2011; cf. Kooiman 2005; Kooiman & Bavinck 2005; Jentoft et al 2005; Pierre & Peters 2000). The Weberian conceptualization of bureaucracy is a good example of how this form of governance is understood, emphasizing control, accountability and strict relationships between politicians and bureaucrats, as well as between governors and the “governed”, formally achieved by a legal framework (Pierre & Peters 2000; cf. Jentoft et al 2005). Recent governance perspectives (moving from government to governance) make the issue of governance more nuanced. The traditional view of hierarchical governance as a system, enabled by a bureaucratic structure may never have been as effective as once believed and clearly is not giving an adequate picture of the interactions (between different types of actors and between actors and institutions) that together “steer” common issues within contemporary societies (Kooiman & Bavinck 2005; Pierre & Peters 2000; cf. Montin & Hedlund 2009). If agreed that contemporary governance systems include different modes of governance (hierarchical, self- and co-governance) the remaining core of dissension among governance scholars evolve around the role of the state (Kooiman & Bavinck 2005; Pierre & Peters 2000). While some scholars emphasize the state's declining capacity to govern hierarchically others argue that hierarchical governance exists as one form of governance, albeit increasingly accompanied by other forms of governance (Pierre & Peters 2000). The latter perspective further highlights how the state increasingly chooses other instruments to stay in control. Traditional instruments (such as regulation, grants and subsidies) are thus accompanied by indirect instruments such as coordination and the threat to enforce regulation or reverse earlier decisions, thus exerting a “shadow of hierarchy” (Jessop 2004; Pierre & Peters 2000; cf. Risse 2011). According to this understanding traditional hierarchical governance instruments may be highly replaced by other instruments without resulting in the erosion of the state (Kooiman & Bavinck 2005; Pierre & Peters 2000). Consequently the question regarding the existence of hierarchical governance thus slowly glides over to the question of the actual role of the state, which in-turn makes hierarchical governance problematic as an analytical tool. The governance perspective adopted here separates between hierarchical (top-down) governance (enabled by traditional instruments such as regulation, grants and subsidies) and the role of the state. Hierarchical governance may very well be provided by non-governmental actors in areas of limited statehood (see e.g. Chojnacki & Branovic 2011).
In sum, if hierarchical governance is to be understood as a governance system where power relations within a society is defined by hierarchies, enabled by a top-down bureaucratic structure, the concept has little to offer in societies experiencing areas of limited statehood, perhaps due to declining state budgets, political deregulation, economic globalization and/or a past history of colonialism (cf. Conrad & Stange 2011; Pierre & Peters 2000; Risse 2011; Scholte 2005). As earlier mentioned, areas of limited statehood refers to a state apparatus lacking the (i) monopoly over the means of violence and/or (ii) the ability to make and implement central decisions, for example related to specific policy areas or in certain geographical areas (Risse 2011). If we instead understand hierarchical governance as one mode of governance among others the concept becomes relevant (Kooiman & Bavinck 2005; Pierre & Peters 2000). Hierarchical governance is then referring to steering by top-down soft instruments (e.g. regulation, grants and subsidies) or hard instruments (i.e. force). Hierarchical governance may be provided by governmental as well as non-governmental actors. The question of the state's role within a system of different modes of governance (hierarchical, self-, co-governance) using alternative instruments to stay in control becomes highly interesting although a separate analytical issue.

Self-Governance
If hierarchical governance is a somewhat problematic concept, so is self-governance, commonly associated with governance without government. When referring to governance processes within more or less consolidated nation-states one can question to what extent it is possible for non-governmental actors to govern without government. For an example, the action taken by market actors is clearly enabled by institutional frameworks arranged by governments (cf. Dahlkvist 1995; Pierre & Peters 2000; Underhill 2003; Zetterberg 1995). If self-governance instead is understood as one mode among several possible modes of governance, occurring more or less within a frame of authoritatively established institutions, “reflecting the situation in which actors take care of themselves, outside the purview of government”, one may argue that self-governance is an “ubiquitous phenomenon” (Kooiman & Chuenpagdee 2005: 334; cf. Khanna & Brouhle 2009). Here self-governance by non-governmental actors is understood as a dimension, going from self-governance to some extent to self-governance to a greater extent, highlighting more or less autonomous action.

Self-governance to some extent may then be categorized in two broad categories: (a) self-regulation by market actors and (b) self-governance by communities (cf. Risse 2011; Young 2009). The first category refers to self-regulation and agreements among market actors in the absence of regulation by government (Auld et al 2009; Börzel et al 2011; King & Toffel 2009). As self-regulating activities commonly relates to environmental and social issues the term “Corporate Social Responsibility” (CSR)
is often used (Auld et al 2009). This category also includes governance supplied by national and international NGOs as these actors are understood to play an important role stimulating self-regulation activities by firms (see e.g. Haufler 2009). The second category refers to self-governing communities, often occurring in communities dealing with common resources such as forest, water and fish (Kooiman & Chuenpagdee 2005; Ostrom 1999).

Self-governance to a greater extent may then refer to severe areas of limited statehood as conceptualized by Brozus (2011: 264): “If private NGOs do not provide health care for children in Somalia, then it is not provided at all.” Rather than complementing hierarchical governance by government, these actors may be taking action as “functional equivalents to developed statehood” (Risse 2011: 3).

**Co-Governance**

Co-governance is commonly understood as non-hierarchical, negotiating forms of governance between public and non-public actors (Kooiman & Bavinck 2005; Pierre & Peters 2000; Risse 2011), manifesting itself empirically via different types of networks and the growing number of national, as well as transnational Public-Private Partnerships (PPP) (Liese & Beisheim 2011; Carmen Lemos & Agrawal 2009; Scholte 2005; Pierre & Peters 2000). Non-hierarchical refers to the lesser or greater absence of formal institutions (e.g. regulations) controlling governance interactions between these actors, as well as to the collaborative and negotiating characteristic of the interactions associated with this mode of governance (Kooiman & Chuenpagdee 2005).

Once again one of the main issues for scholarly debate is how different types of co-governance may be understood in terms of power-relations between (i) public and private actors within these arrangements as well as between (ii) the state and its citizens as a consequence of this mode of governance. While the former may be referred to an on-going debate focusing on the state's capacity to steer these arrangements, either formally or informally (c.f. the discussion under Hierarchical Governance above) the latter may be associated to a debate regarding a democratic paradox. Swyngedouw (2004) argues that the commonly used arguments in favor of various co-governance arrangements, e.g. equaling this mode of governance with an increased level of democracy, are misleading. One of the main reasons for a democratic deficit, Swyngedouw (2004: 1999) asserts, is the lack of “codified rules and regulations that shape or define participation and identify the exact domains or arenas of power.”
Governance orders include (a) first-order governance (b) second-order governance and (c) third-order governance. These orders may be used to analytically distinguish between activities related to day-to-day problem-solving and opportunity creation (first-order governance), institutions (second-order governance) and principles (third-order governance). Orders should not be understood in temporal or geographical terms. Instead we might think of each order as a ring of an onion, constituting parts of a bigger whole, affecting each other in a reciprocal manner (Kooiman & Bavinck 2005). As such, the concept of orders also shed light on the continuous interactions between actor and structure.

**First-Order Governance**

First-order governance refers to the activity of solving day-to-day societal problems and creating societal opportunities (Kooiman & Bavinck 2005). When social entrepreneurs identify a problem and a solution, followed by action they may be dealing with first-order governance. According to Kooiman and Bavinck (2005: 19) a societal problem may be distinguished from a private problem by its “scale and shared nature”. Thus a prerequisite for identifying action as first-order governance is that the problem solved or opportunity created affects a bigger group of people, rather than single individuals.

**Second-Order Governance**

Second-order governance deals with institutions. The concept of institutions may be defined in a variety of ways, whereof Kooiman et al (2005a) choose to define the concept in its broadest sense, including formal and informal rules, standards, norms and beliefs: “Here we use the term 'institution' to denote the systems of agreements, rules, rights, laws, norms, beliefs, roles, procedures and organisations that are applied by first-order governance to make decisions.” (Kooiman & Bavinck 2005: 20; cf. Jentoft 2005) In other words institutions constitute “the rules of the game” and the framework within first-order governance occurs. Second-order governance includes maintaining, changing and creating institutions (Kooiman & Bavinck 2005; Kooiman & Chuenpagdee 2005). The meta-theoretical position adopted here (see 3.1 Meta-theoretical Position) includes a reciprocal relation between actors and institutions (also understood as structures). Consequently, when actors dealing with first-order governance make decisions, they affect, and are affected by institutions. In the same time first-order governance - if institutionalized - may result in second-order governance.

**Third-Order Governance**

Relying on an assumption that all action is guided by fundamental assumptions and worldviews, third-
order governance (or meta-governance) is about the principles and norms guiding first- and second-order governance. In other words, meta-governance may be equated to “the governance of governance” (Kooiman 2005: 241). If we remember the metaphor of orders as an onion then third-order governance is the core of the onion, holding the entire governance system (first-, second- and third-order governance) together (Kooiman and Bavinck 2005; Kooiman & Chuenpagdee 2005). To understand the goals and means of governance actors, we need to understand the underlying or guiding principles, for according to Kooiman (2005: 241) “[p]rinciples come before goals and means. They determine which goals are valid, ethical, and reasonable.” Kooiman (2005) then normatively suggests that third-order governance should concern making principles guiding the activity of first-order governance and second-order governance as explicit as possible.

**Summing Up**

So far the chapter has distinguished between three components of governance: elements, modes and orders. Governance elements refer to the intentional level of governance (despite order), including images, instruments and action. Modes of governance (hierarchical, self and co-governance) are understood as the structural level of governance, as in patterns of intentional governance. Governance orders may then be understood to enable an analytical distinction between the activity of dealing with (a) day-to-day problem-solving and opportunity creation (first-order governance); (b) maintaining, changing and/or creating institutions (second-order governance); and possibly (c) making principles guiding first-order and second-order governance explicit (third-order governance). Furthermore governance orders shed light on the mutual interrelation between agency and structure. Intentional action within governance processes both affect, and are affected by, existing institutions and underlying principles.

**Critical Reflection**

As the concepts of images, institutions and principles all have been defined broadly, we find conceptual overlaps within the framework presented so far. For example, it has been suggested that “the tragedy of the commons” may be understood as an image. “The tragedy of the commons”, as coined by Hardin (1968), stipulates that in the absence of regulation, humans will act accordingly to a certain rationality (i.e. in self-interest), resulting in negative outcomes (e.g. over-consumption) for the collective and its common resources in the long-term (cf. Ostrom 1990; Kooiman & Chuenpagdee 2005). As images are understood to affect the choice of instruments, “the tragedy of the commons” may perhaps result in privatization of common resources at the institutional level (Kooiman & Chuenpagdee 2005). How do we then distinguish between images, such as “the tragedy of the commons”, including fundamental
assumptions of individuals acting in self-interest, and principles which guide how to govern? If the assumptions inherent to “the tragedy of the commons” are held as “truths”, this specific image may by definition also be understood as a principle, as it comes before goals and means, determining which goals that is valid and reasonable (see the quote of Kooiman above). Furthermore, as the concept of institutions is defined broadly, including formal as well as informal “rules of the game”, both images and principles may be understood as institutions.

While the distinction between images, informal institutions and principles may not be possible to make empirically, we do need to clarify a possible analytical distinction (see also 2.4 Research Questions and Analytical Model below). According to my understanding, a first step towards such a distinction may be found in the level of abstraction. Images may then be related to a micro-level of governance, where an actor (or a group of actors) explicitly defines a problem and a specific solution. Institutions, formal as well as informal, on the other hand, are applied and more or less accepted by a greater collective. While formal institutions are written or at least articulated, informal institutions are often widely known (or at least felt) in the certain context which they operate and are adhered to. As such institutions are understood as the framework within which first-order governance takes place and may be revealed. Compared to both images and institutions, principles are highly intangible: “Principles come before goals and means and determine which goals are valid, ethical, and reasonable” (Kooiman 2005: 241) in a specific context. According to this reasoning, principles may be conceptualized in terms of discourses. Analysis of existing principles could then be conducted in form of discourse analysis inspired by Foucault, a method which is preoccupied with the question of power and the relationship between power and knowledge. Dominating discourses include fundamental assumptions that are hold as truths, penetrating the very perception of knowledge, influencing problem perceptions and definitions (why a problem is defined as a problem) and why certain solutions are understood to be “rational” while others “irrational”, here understood to be “guiding how to govern” (cf. Alvesson & Sköldberg 2005; Halperin & Heath 2012; Jørgensen & Phillips 2000).

2.4 Research Questions and Analytical Model

In the following we will be further clarifying and operationalizing the concepts used in the chosen frame of analysis, formulating specific research questions derived from the aim to explore and describe the interface between social entrepreneurship and governance within regions of India and the overall research question: How and why do a number of social entrepreneurs, according to their explicit reasoning, take action related to the provision of collective goods in regions of India?
2.4.1 Elements

When addressing elements, we will be focusing on the why and how of intentional action, including image formulation and choice of instrument(s). In order to distinguish images from informal institutions and underlying principles, we will be analyzing the explicit explanations for intentional action provided by the actors themselves. Why are the identified problems understood as problems, i.e. what arguments are used? Why are the identified solutions (choice of instruments) understood as solutions, i.e. what arguments used? The first research question is: What arguments are provided by the examined social entrepreneurs for their intentional action?

2.4.2 Modes

Modes of governance, as in structured forms (i.e. patterns) of governance-related interactions, may reveal itself by the type of interaction between the actors involved. The interactions go from interventions, the most formalized, vertical type of interaction constituting hierarchical governance, to interferences, the least formalized and fluid type of interaction constituting self-governance. Interplays then lie between interventions and interferences, being a semi-formalized and horizontal type of interaction (Kooiman and Chuenpagdee 2005). Risse (2011) then argues that non-hierarchical modes of governance (i.e. both self-governance and co-governance) include manipulating incentives as well as non-manipulative communication, persuasion, and learning.

The open governance perspective adopted in the present study may be associated to a bottom-up inspired approach, referring to a perspective were the type of actors involved in governance are not taken for granted, especially referring to the role of the state (governmental actors) (for discussions and examples of “bottom-up” as a method, see e.g. Aflaki 2009; Hjern 2000). Following this approach we will be exploring governance modes in the studied context by analyzing the studied actors’ views and experiences of interactions with a variety of players. Furthermore the earlier discussion on co-governance (see above) reveals the need to take eventual asymmetric power-relations into account. “Horizontal” interactions may thus show to be indirectly steered by one of the involved players. To identify power-relations within possible strands of co-governance we will be discussing which actor that here may be understood to be setting the goals for cooperation. We will also be addressing questions related to the involvement of targeted citizens in eventual co-governance arrangements, as well as possible cooperation forms between the respondents and traditional NGOs. The second research question is: May action taken by the social entrepreneurs in this study be understood as an expression of hierarchical governance, self-governance and/or co-governance, and if so, how?
2.4.3 Orders

When analyzing governance orders we will be addressing if the examined actors' action may be understood to relate to day-to-day problem-solving and opportunity creation (first-order governance) and if the examined actors are maintaining, changing and creating institutions (second-order governance). We will also be discussing third-order governance. As earlier mentioned, principles may be confused with both informal institutions and actors' images. Consequently the definition of images has been narrowed, referring to explicit explanations for intentional action. Principles, on the other hand, has been conceptualized in the terms of discourses and may possibly be revealed by discourse analysis. However, rather than conducting a discourse analysis (requiring significantly more time and contextual knowledge then available here) we will be analyzing how the intentional action taken by the actors studied may be understood in relation to existing dominating principles (discourses) regarding spheres, different types of actors and different types of rationalities. The analysis related to orders will be guided by the following research question. How may action taken by the social entrepreneurs in this study be related to first-order governance (day-to-day problem-solving and opportunity creation), second-order governance (institutions) and/or third order governance (principles)?
2.4.4 Analytical Model

The following figure is an attempt to visualize the above discussion in an analytical model.

Figure I: Analytical Model

Figure I (inspired by the synthesised scheme for governance presented by Kooiman & Chuenpagdee 2005: 325) reveals how governance is defined as interactions. Interactions include an intentional as well as a structural dimension. While the intentional dimension of governance will be analyzed by searching for explicit reasoning related to elements (image formulation and choice of instruments), structural governance will be analyzed by searching for patterns of interactions that may be understood as hierarchical, self- and/or co-governance. Governance orders, understood as the ring of an onion, reveal how action and structures constantly interact. In the same time governance orders may facilitate an analytical distinction between governance activity related to day-to-day problems (first-order governance), institutions (second-order governance) and principles (third-order governance).

Summing up

A broad analytical framework has been chosen to facilitate the exploration and description of how social entrepreneurship and governance may be understood to interface within regions of India. The framework is thought to be broad enough to enable the empirical data to “speak”. Letting the data “speak” is here equaled to letting the data reveal how different components of governance (elements, modes and orders) play out empirically, according to a number of social entrepreneurs. In order to explore the three governance components empirically, the following research questions have been expressed, aimed to be guiding the forthcoming analysis:
1. What arguments are provided by the examined social entrepreneurs for their intentional action?

2. May action taken by the social entrepreneurs in this study be understood as an expression of hierarchical governance, self-governance and/or co-governance, and if so, how?

3. How may action taken by the social entrepreneurs in this study be related to first-order governance (day-to-day problem-solving and opportunity creation), second-order governance (institutions) and/or third order governance (principles)?
3. Methodology

The following chapter outlines the qualitative exploratory methodology underlying the present study, including reflections on ontological and epistemological positions; research design; the process of data collection; method of data analysis; ethical principles and the study's credibility.

3.1 Meta-theoretical Position

Ontology and Epistemology

Instead of getting stuck in a tug-of-war between extremes of different meta-theoretical positions (going from a strict positivist to a strict interpretivist position), combining - or at least considering - selective strands from different traditions may be a constructive approach (c.f. Alvesson and Sköldberg 2008; Lin 1998; Marsh & Furlong 2002; Snape & Spencer 2011).

While I consider the possibility that there may exist some form of ‘reality’ beyond our interpretations of it (materialism, realism), I emphasize that we interpret the world in different ways, filling phenomena with meaning, thus contributing to social constructions (discourses) of 'reality' (interpretivism) (c.f. Marsh & Furlong 2002). Considering the possibility that there may exist a reality beyond our interpretation of it, I rely on the understanding that there is an “interactive or dialectical relationship between the 'real' world and the discourses” (Marsh & Furlong 2002: 35) meaning that 'reality' and interpretations of reality co-exist, constantly affecting each other (modern critical realism, see Marsh & Furlong 2002). In contrast to modern critical realism, as understood by Marsh and Furlong (2002), I do however emphasize that the relationship between 'reality' and social constructions of 'reality' may be so complex that we might only be able to acquire knowledge of the (multiple) interpretations of the world (critical or subtle realism, see Snape & Spencer 2011). Consequently, separating social reality from social constructions may be understood as an impossible task, meaning that objective research is a fiction. I thus rely on the understanding that “the researcher and the social world impact on each other” (Snape & Spencer 2011: 17). A researcher may then be more or less transparent about her or his assumptions and a researcher may be more or less reflective. By being reflective you force yourself to critically reflect upon your own interpretations of the gathered data (c.f. Alvesson & Sköldberg 2008: 20).

I further rely on the understanding that social interactions shape patterns, going from shallow to deep patterns. Deep patterns may be understood as structures, which both constrain and enable action. In the
same time actors may change as well as reproduce existing structures (cf. Bergmann-Winberg 2011; Kooiman & Bavinck 2005; Hill 2007; Marsh & Furlong 2002; Mintrom & Norman 2009). The problem of how to conduct research relying on a dialectical relationship between structures and agents, as suggested by Giddens (1981, 1984, see Halperin & Heath 2002), remains debatable. If actions and structures are “co-determined, or mutually constitutive,” how do we analytically distinguish them? (Halperin & Heath 2002: 93) The present study will not be providing any answers. The choice of analytical framework (see previous chapter and Figure I), including orders of governance, is however an attempt to highlight and analytically reflect upon the reciprocal relationship between intentional action and structure.

Following the outlined meta-theoretical position above, we may conclude that we have considered strands of a realist or materialist positions regarding ontology, while we have adopted a clear interpretivist position regarding epistemology (cf. Marsh & Furlong 2002; Snape & Spencer 2011). While the described meta-theoretical position enables a consideration of possible “mechanisms” explaining why we may see certain patterns in the social world (cf. Lin 1998), it is not compatible with any grand positivist theory of casual relationships beyond time and space.

3.2 Research Design

Research design is here understood as the relationship between the central components constituting a study.

“A good qualitative research study design is one which has a clearly defined purpose, in which there is coherence between the research questions and the methods or approaches proposed /.../. It is also one which is realistic, conceived with due regard both for practical constraints of time and money and for the reality of the research context and setting.” (Lewis 2011: 47)

In other words, an adequate research design needs to coordinate the purpose, research questions and set of methods used in a specific study in a coherent and convincing manner which is perceived realistic in relation to time and resources. The purpose of the present study communicates the focused phenomenon (i.e. the interface between social entrepreneurship and governance) and the context(s) in which the focused phenomenon will be researched (i.e. within regions of India). The overall research question then clarifies that a number of social entrepreneurs are perceived able to provide relevant
information regarding the studied phenomenon, thus representing analytical units within the chosen sample (see 3.3 Sample Frame and 3.3.1 Sample Presentation). Following the adopted epistemological interpretivist position, I find in-depth semi-structured interviews to be a fruitful data collection method (see 3.4 Method of Data Collection). A number of social entrepreneurs' constructions of the social world are understood to be important, as their constructions may bring understanding to their actions (cf. Lin 1998), which in turn may bring insight to the focused phenomenon of exploration. The data was collected during April and May 2012 and represents the views and experiences expressed by the individual interviewed actors at one single research episode. The views and experiences revealed by the respondents have eventually been compared (see 3.5 Data Analysis), searching for patterns and exceptions related to the specific research questions, aiming to bring understanding of the focused phenomenon.

Should the research design then be understood as a (single) case study or a multiple case study or perhaps a focused (small N) comparative study? As these categories of research design are defined and used in a variety of ways (see e.g. Denk 2002; Esaiasson et al 2012; Hague & Harrop 2004; Lewis 2011; Yin 2003), there is no straight forward answer. Although discussable, the present study is inspired by a single case study. The study is a case of the interface between social entrepreneurship and governance while the interface between social entrepreneurship and governance related to the provision of collective goods in regions of India represent the case.

3.3 Sample Frame

The sample frame, i.e. the method for sample selection, may be described as a generated sampling frame, which is relevant when “the study population is not one which can be identified through official statistics” (Lewis et al 2011: 91). In the present study the generated frame includes a choice of strategically chosen key contact and “snowballing” (Lewis et al 2011: 93f). The strategically chosen key contact was chosen due to his position as an operational manager at Centre for Innovation Incubation and Entrepreneurship (CIIE), located in the Indian Institute of Management (IIM) in Ahmedabad, Gujarat. CIIE supports and incubates social enterprises as well as traditional enterprises. The key contact has been in the position to connect me to social entrepreneurs as well as other relevant actors, contacts which in turn have connected me to further social entrepreneurs. In total eight social entrepreneurs are included in the study, hopefully reflecting a realistic number both due to the exploratory aim and the limitations in time and space.

Several of the respondents have however been contacted a second time with the aim to bring further clarification related to the “single research episode”.

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With the aim to control the relevance of the sample of analytical units in relation to the focused phenomenon (cf. Ritchie et al 2011), it was requested that the selected social entrepreneurs would meet the following four criteria: (i) have an explicit primary social mission related to the provision of basic welfare services (health care, education, clean water etc.) to marginalized citizens (ii) operate as for-profit organizations (iii) operate in the same region (state) and (iv) have mixed background factors (age, gender, number of years in business). While the first criterion was more or less fully met, the fourth criterion was partly met and the second and third criteria was not able to be met at all. The second criterion was required due to my understanding that this type of organization (for-profit social enterprise) is interesting in relation to traditional views of society divided into spheres, followed by different actors expected to follow different rationalities (see e.g. Zetterberg 1995; for a critical discussion see e.g. Dahlkvist 1995; Palmås 2011). However, as I learned more about social entrepreneurship, both generally and in relation to the given context (for-profit social entrepreneurship is still a fairly unknown concept in India, as well as an under-researched phenomenon (Allen et al 2012), the second criteria was adjusted to include social entrepreneurs using the market fully or partly for income, thus minimizing the demand for external grants and consequently still distinguishing them from traditional non-profit NGOs. The interviewed actors thus represent both the Anglo-American Project and the Continental-European Project, as conceptualized by Palmås (2008, see 1.1 Background). The third criterion was required due to methodological considerations, i.e. I wanted to minimize contextual variations. As this criterion could not be met (the key contact only generated five social entrepreneurs in the state of Gujarat) I chose to expand the study to further regions. Consequently there are regional contextual variations within the selected sample (an issue which we will return to).

One of the selected social enterprises, Awaaz.De, may be debatable related to the first criteria (an explicit primary social mission related to the provision of basic welfare services (health care, education, clean water etc.) to marginalized citizens). Awaaz.De sells communication technology services to social organizations. The technology enables audio mass-communication between the social organizations and its targeted populations. Is communication technology to be understood as a basic welfare service? While the spontaneous answer may be negative, we need to consider communication technology as an instrument to educate and empower marginalized citizens. This is how the technology foremost is used by Awaaz.De's customers (i.e. social organizations) according to Awaaz.De's description (http://awaaz.de/clients/). Second, basic needs (here understood to be related to basic welfare services) is a slippery concept. Relying on a Gallup study (conducted in the US), Christopher Jencks (1990: 59)
suggests that “our subjective conception of what a family needs to “get along” depends partly on what others have.” Approximately 24 percent of India's population is defined to be living in absolute poverty, in the same time India is the second fastest growing economy in the world (BTI 2011). Clearly, socioeconomic disparities are growing, resulting in a demand to think twice before defining basic needs or basic welfare services all too narrowly. That said I do consider the possibility that this particular analytical unit should be excluded from the study. The line between fulfilling basic needs and other forms of needs is understood to be blurry.

One of the critiques towards using a generated sampling frame - such as snowballing - as selection technique is that the selected actors tend to become unrepresentative of a bigger population. As the selected actors are selected among each other, they tend to be included in the same network, perhaps representing a specific socioeconomic group or a specific interest (cf. Halperin & Heath 2012). Even though the fourth criterion (that the selected actors would have mixed background factors such as age, gender and number of years in business) was required with the aim to broaden the variation within the sample, we need to have in mind that social entrepreneurs in India may not reflect any greater variety in socioeconomic status, nor gender balance.22 Also, the present study is qualitative in nature and there is no claim to generalize the findings as such. That said the fourth criterion was only partly met. While the respondents are of different age and have been in business different amount of time, only one of them is female.

Even if the analytical units vary in a range of factors (e.g. focusing on partly different social issues and operating within partly different regions), the unifying factor among the respondents, i.e. an explicit aim to provide basic welfare services to marginalized citizens, results in each analytical unit being appropriate and interesting from the chosen governance perspective (see the previous chapter) and as such possibly able to shed light on the focused phenomenon (i.e. the interface between social entrepreneurship and governance) in the specific contexts in which the social entrepreneurs operate (i.e. within regions of India). In other words, the selection of analytical units may be related to an “intensity sampling approach” which “focuses on cases [here analytical units] which strongly represent the phenomena of interest rather than unusual cases [here analytical units].” (Ritchie et al 2011: 79)23 However, this study needs to be aware of contextual differences within the sample, as well as take

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22 According to a professor giving courses in Social Entrepreneurship at IIM in Gujarat, social entrepreneurs in India do by no means represent mixed socioeconomic backgrounds; At the Sankalp Summit 2012 in Mumbai (which I attended) representatives of Intellecap announced difficulties in finding female (for-profit) social entrepreneurs within the borders of India.

23 Note that it is a conscious choice to exclude references to Most Similar Systems Design or Most Different Systems Design as I associate these categories to explanatory approaches (cf. Denk 2002).
advantage of the opportunity to explore if there are aspects of the interface between governance and social entrepreneurship that may transcend regional contextual variations. One may for an example reflect upon the following: Are the studied actors' explicit explanations for intentional action similar? Are there any similarities in the revealed structural patterns of governance interactions (governance modes)? May the studied actors' action be understood to relate to different orders of governance in similar ways?

In sum, the method of selection may be motivated as the most strategic approach possible due to the context in which the study has been conducted (cf. Halperin & Heath 2012; Ritchie et al 2011). Lack of available data on the population “social entrepreneurs in India” has obscured other forms of selection processes. The study's value is qualitative in nature and there is no claim to generalize the specific result as such. I do however argue, as stated above, that the data may serve to reveal patterns among the interviewed actors within the selected sample.

### 3.3.1 Sample Presentation

As earlier mentioned, the selected analytical units meet two general criteria: (i) they have an explicit primary social mission related to the provision of welfare services to marginalized citizens in regions of India and (ii) they use the market fully or partly for income. The actors and their organizations are spread out across four regions of India and have been operating various amounts of years. The following table (Table 1, see forthcoming page) highlights the most important characteristics (in relation to the purpose of this study) of the organizations included in the study.²⁴

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²⁴ Aabha representing Organization A and Baahir representing Organization B are fictitious names (see also 3.6 Ethical Principles).
### Table I: Sample Presentation

<table>
<thead>
<tr>
<th>Name of respondent, Organization</th>
<th>Main social area of activity(^{25})</th>
<th>Market-based (Partly/Fully)</th>
<th>Duration of business (Startup/ Routine/ Routine+(^{26}))</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aabha, Organization A</td>
<td>Job opportunities and education for marginalized women. Collaboration with sister organizations, focusing on community development, including child education, child care and dentistry.</td>
<td>Partly(^{27})</td>
<td>Routine+</td>
<td>Gujarat</td>
</tr>
<tr>
<td>Baahir, Organization B</td>
<td>The provision of water to under-served communities</td>
<td>Fully</td>
<td>Routine</td>
<td>Gujarat</td>
</tr>
<tr>
<td>Neil, Awaaz.De</td>
<td>The provision of communication technology to social organizations</td>
<td>Fully</td>
<td>Startup</td>
<td>Gujarat</td>
</tr>
<tr>
<td>Hasit, Duron Energy</td>
<td>The provision of green portable energy to rural households</td>
<td>Fully</td>
<td>Routine</td>
<td>Gujarat</td>
</tr>
<tr>
<td>Parag, Innovation Center for Poor (ICP)</td>
<td>The provision of innovative solutions for improved earnings and enhanced working conditions for marginalized citizens</td>
<td>Partly(^{28})</td>
<td>Routine</td>
<td>Gujarat</td>
</tr>
<tr>
<td>Sunil, Tanclean</td>
<td>The provision of technology to purify water</td>
<td>Fully</td>
<td>Routine+</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>Prasanta, SELCO</td>
<td>The provision of green portable energy to rural households</td>
<td>Fully</td>
<td>Startup</td>
<td>Karnataka</td>
</tr>
<tr>
<td>Simran, Boond</td>
<td>The provision of green portable energy to rural households</td>
<td>Partly(^{29})</td>
<td>Routine+</td>
<td>Rajasthan</td>
</tr>
</tbody>
</table>

### 3.4 Method of Data Collection

Serving the exploratory aim, the data has been collected through semi-structured interviews. Compared to structured interviews the approach has enabled an elaboration under themes aiming to gain understanding rather than structured quantifiable data. Consequently the semi-structured interviews have relied upon open-ended questions (in contrast to closed questions), pursuing a relatively high degree of flexibility and responsiveness towards the respondents, resulting in eight unique interviews (c.f. Kylén 2004; Halperin & Heath 2012; Trost 2005). Following the study's aim, the purpose of each individual interview has been to obtain as much information as possible related to the interface between social entrepreneurship and governance related to the provision of basic welfare services to

\(^{25}\) The main social areas of activity are simplified, as well as expressed using the author's terminology.

\(^{26}\) Startup: < 3 years. Routine: 3-10 years. Routine+: > 10 years.

\(^{27}\) Organization A uses the market to sell goods made by targeted citizens. Profits are used both for salaries and to finance the organization’s services in the targeted area. Organization A also accepts grants.

\(^{28}\) ICP sell goods and services to targeted citizens but are dependent on grants.

\(^{29}\) The for-profit organization Boond is tied to a non-profit organization accepting grants.
marginalized citizens in regions of India. More specifically I have searched to understand (a) why the studied respondents take action related to marginalized citizens and (b) how the studied respondents take action (including possible collaborations with other societal actors).

Among commonly perceived disadvantages with semi- and unstructured interviews we find limitations of comparing answers as the questions are adapted to each individual respondent. In the present study we need to compare the identified disadvantage with the advantage of enabling an exploratory, in-depth approach related to each individual respondent. Furthermore, even though comparing answers is more difficult compared to structured interviews, I argue that the use of themes has enabled a qualitative, comparative approach among the individual answers (cf. Halperin & Heath 2012).

Related to interview techniques in general the so-called interviewer effect deserves attention. An interviewer will inevitably influence the interviewee in some way, even if hopefully unintentionally (Esaiasson et al 2012). In the present study factors such as gender and cultural differences may have affected the respondents' answers. Likewise cultural differences may have affected my capability as an interviewer to interpret the full range of ways a person may use to communicate, such as under-tones and gestures. Even though the interviewer affect is inevitable, I have striven to be as open as possible in my approach, trying to reveal a non-judging mentality, letting the respondents share their stories in their way and in the pace chosen by them. With the aim to reduce possible misunderstandings made by myself several of the respondents have been contacted a second time, enabling certain clarifications.

Due to geographic distances two of the eight interviews have been conducted via telephone. Comparing the conducted face-to-face interviews with the telephone interviews the following may be mentioned. While the face-to-face interviews made the “interviewer affect” more present it also enabled a greater possibility for me as a researcher to interpret more than the spoken words, using all senses available (cf. Halperin & Heath 2012).

All interviews have occurred according to the respondents' preferences regarding date, time and location. Among the face-to-face interviews, two took place at relatively quiet restaurants while the remaining interviews took place within the respondents' office spaces. While one of the telephone interviews was rather short (approximately 30 minutes), the remaining (as in both telephone and face-to-face) interviews varied between one hour to two hours. All interviews have been arranged in similar ways, including the following steps: (a) a short presentation of my educational background and the overall aim of the thesis (first via email and then once again face to face or via telephone) (b) a broad
opening question regarding the respondent's business (c) supplementary questions both related to each individual story and related to the two themes outlined above.

Notes have been made during each interview, an approach chosen to reduce an uneasy interview atmosphere which a voice recorder may cause (Trost 2005).\textsuperscript{30} The quite lengthy notes from each interview have then, as closely in time as possible to the actual interview, been rewritten in form of continuous texts. Each text has been sent to respective respondent for comments and eventual corrections. Even though a voice recorder would have been more reliable in terms of “perfect equivalent reproduction” of each interview, the potential loss of not using a tape recorder can be understood as less problematic due to the opportunity given to each respondent to react upon potential misunderstandings after reading their respective “transcript”.\textsuperscript{31} Finally, as earlier mentioned, several of the respondents have been contacted a second time via email and/or Skype for further follow-up questions and clarifications, a sub-process which I have perceived appreciated by all players involved.

\textbf{3.5 Data analysis}

The data has been processed and analyzed according to the following steps (c.f. Halperin & Heath 2011). First the notes taken at each interview have been rewritten and sent to each respondent for voluntary comments and corrections. Second each interview has been printed and read repeatedly. Third the data has been reduced. In this process the perceived core of each individual interview has been summarized and areas and quotes relevant to the study have been highlighted. Fourth the data has been coded, meaning that I have categorized the areas and quotes accordingly to the analytical framework (elements, modes and orders, see previous chapter, including \textit{Figure I}). Fifth the data has been analyzed by a comparative approach, searching for patterns as well as deviations within the selected sample, \textit{aiming to bring understanding to the researched phenomenon}. Striving to enhance the opportunity for reflection, this final step has been repeated.

\textbf{3.6 Ethical principles}

The study has been guided by the following ethical principles: \textit{informed consent, voluntary participation, privacy} and \textit{research-related utilization}. Consequently all respondents have been informed regarding the overall aim of the study (informed consent); All interviews rely on voluntary participation, including the opportunity for each respondent to announce withdrawal at any point of

\textsuperscript{30} Also, uncertainty regarding how a voice recorder may be looked upon in the specific context made me hesitate to ask the respondents for permission to use a tape recorder.

\textsuperscript{31} When quoting the respondents in the analysis I have edited abbreviations such as it's, we'll etc.
time (voluntary participation); All respondents have been offered anonymity (privacy); Finally, the result of the study will be utilized for research-related purposes only (research-related utilization) (cf. Halperin & Heath 2012; Vetenskapsrådet 2002).

Regarding the ethical principle of privacy, two of the respondents wished to be anonymous. Consequently these actors have been given fictitious names and organization names: Aabha representing Organization A and Baahir representing Organizations B. The remaining respondents are referenced by actual personal names and organizational names throughout the analysis. There is however one exception where I have chosen to make a specific respondent anonymous (despite the person's will to be included in the study as non-anonymous) related to two quotes (see 4.2.3 Co-Governance), a choice made due to my understanding that the information revealed may be understood as sensitive (cf. Lewis 2011 discussion on “protecting participants from harm”).

3.7 Credibility

As both reliability and validity are terms commonly associated with positivist (often quantitative) research they are easily filled with meaning that may be at odds with qualitative research (c.f. Lin 1998; Johansson 2009; Kvale 2007; Lewis & Ritchie 2011). To escape such misleading connotations I prefer to follow Monica Johansson (2009) by using the term credibility.\(^32\) A study's credibility may then be discussed by using concepts such as communicative validity, “confirmability”\(^33\) and transferability (Johansson 2009).

A study's communicative validity is understood to be strengthened if the study's claim of knowledge is articulated and discussed in dialogue with others (Kvale 1997). The present study has been produced through continuous dialogues with various players. Firstly, the research was discussed with as many people as possible during my two months in India. The process included dialogues with managers at two incubators for social enterprises, one professor giving lectures in social entrepreneurship, as well as two former and one current government employee. These dialogues have foremost shed light on contextual factors, enriching my understanding for the contexts in which the empirical study has been conducted. Secondly, the manuscript from each interview has been sent to respective respondent for voluntary comments and eventual corrections. I believe that the given opportunity for each respondent to react upon the gathered data has an especially positive impact on the study's trustworthiness. Of course, assuming that all respondents have read the manuscripts sent to them. While some of the

\(^{32}\) The Swedish term trovärdighet has been translated to credibility.

\(^{33}\) The Swedish term bekräftbar has been translated to confirmability.
respondents have responded with feedback, some of them have not. I have further contacted several of the respondents for follow-up questions when deemed appropriate. This step has enriched the data with further data as well as improved my understanding for the data initially collected. Thirdly, the study has been continuous read by, commented on and discussed with my mentor at Karlstad University.

A study's confirmability requires the researcher to be as transparent as possible, enabling others to understand how the research has been conducted (Fangen 2005). The present chapter is an attempt to mediate why and how certain methodological choices have been made. The criteria of confirmability further prescribes that parts of the empirical data are presented as closely as possible to its “original” form (Fangen 2005). Consequently I have striven to present as many quotes of the interviewed respondents as possible (see 4. Result and Analysis), enabling readers to compare the current analysis with their interpretations of the data presented.

Transferability is then related to a study's generalizability, which in qualitative studies may be understood in a number of ways (Larsson 2009). I would like to address the question of what kind of generalizability we may be dealing with in the present study. One type of generalizability may be expressed as “[g]eneralization through recognition of patterns” (Larsson 2009: 33). This means that patterns found in one specific study may be used to understand the specific phenomena in other contexts even if the content is different (Larsson 2009). For example, even though different contextual settings may result in different outcomes (content) of how social entrepreneurship and governance interface, patterns revealed in the present study may be helpful to understand the focused phenomenon in other qualitative studies.

This brings us to the question if the frame of analysis used in the present study is relevant to capture what it is meant to capture (cf. internal validity: Lewis & Ritchie 2011 and construct validity: Yin 2003), i.e. how social entrepreneurship and governance empirically interface in a certain context. In the previous chapter I have argued that the task of exploring how and why the studied social entrepreneurs contribute to governance, calls for a broad frame of analysis, enabling several aspects of governance to be taken into account. The choice of using the broad framework presented by Kooiman et al (2005a) is thus a choice that reflects the exploratory aim of the present study, an aim which requires space for the empirical data to speak. Several of the concepts inherent to the framework, especially the concepts related to modes of governance, may easily be related to concepts developed and used by other governance scholars (see references in the previous chapter), thus further strengthening the appropriateness of the chosen frame of analysis (cf. Halperin & Heath 2011). As such, the analytical
tools used in the present study may be able to serve as an appropriate starting point for other exploratory, bottom-up inspired studies, hopefully enabling further discussion, criticism and development of the used framework.

I would finally want to shed light on the following issues (perhaps enhancing the level of transparency).

Firstly, the study has been conducted abroad meaning that lack of contextual knowledge may lead to misinterpretations and misjudgments. However, the fact that all respondents have shown to be excellent in English have made the communication easier than expected (I perceive my personal command of English to be fairly satisfactory) and (as earlier mentioned) the opportunity to contact respondents a second time with further questions when perceived necessary has been used. Further efforts aiming at gaining contextual knowledge includes participation at the Sankalp Forum 2012 in Mumbai (see www.sankalpforum.com), as well as spending time (talking, eating) with marginalized citizens in their homes and villages.

A second identified methodological concern relates to the chosen exploratory approach, an approach which has meant an exciting, yet highly bumpy road towards the goal. The reason for choosing an exploratory approach relates to what is said in the previous paragraph: the context is unfamiliar, thus making any other approach less reasonable (c.f. Esaiasson et al 2012). However, an exploratory approach has also meant that neither the theoretical or analytical framework was fully set when the interviews were conducted. Each interview has been guided by the themes described earlier in this chapter (see 3.4 Method of Data Collection). However the specific concepts used in the analysis have emerged over time. When eventually analyzing the result I have therefore been forced to ask myself if the data has been forced into a framework or if the data has been allowed to “speak” guiding the choice of appropriate concepts to describe the data. Aiming for the latter, the interviews have been read repeatedly, both before conducting the first draft of analysis and then again afterward. Reading the interview manuscripts after conducting the first draft of analysis has resulted in a confirmation of the previous analysis, as well as data being added to the analysis, making it more transparent, and as such more valid related to confirmability.
4. Result and Analysis

In the following chapter we will be analyzing the empirical data. Following the research questions and frame of analysis (see especially 2.4 Research Questions and Analytical Model) we will be searching for elements, orders and modes of governance related to, and revealed by, a number of social entrepreneurs. Rather than presenting interview by interview the material will be presented by highlighting patterns and exceptions related to the three components of governance (elements, modes and orders).

4.1 Elements

Elements (images, instruments and action) are understood to constitute the intentional level of governance. As the studied actors are non-governmental actors the interesting question is why and how these actors, according to themselves, choose to take action related to common problems such as the provision of clean water, portable energy, information technology, poverty reduction via innovation and community development (employment, education, child-care and dentistry). In other words we will be addressing the first research question: What arguments are provided by the examined social entrepreneurs for their intentional action?

4.1.1 Images

A repeated image among the respondents is that the dominating chosen instruments by government as well as by a majority of NGOs reinforce rather than reduce poverty. The instruments criticized are related to the provision of free or subsidized goods and services. While some of the respondents argue that these economic instruments produce and reproduce a “culture of subsidy”, others emphasize how the prevailing understanding of marginalized citizens include prejudices, resulting in using instruments such as subsidies even when not needed. Either way, the respondents agree that the chosen strategies tend to reproduce the targeted populations' dependency, thus keeping them in poverty. The following quotations may be used as illustrations, where the first two refer to instruments used by government and the second two to instruments used by NGOs.

“Subsidies have been used in the wrong way. It has been used as a magic word to get votes. When we became a republic the subsidies were put in place to make it possible for lower castes etc. to compete with others. It should be used to uplift people, not to keep them there forever.” (Prasanta, SELCO)
“Even people in the slums expect things for free. We face this a lot. The first questions we get: Is it through the government? Is it free? Is it subsided? Government made this culture, it is their fault.” (Hasit, Duron Energy)

“Many organizations have chosen to distribute their products for free or highly subsidized rates, through international and philanthropic grants. There are many inherited problems with this model, like lack of ownership and absence of after sales service support. Not to mention that this model is neither sustainable nor can it meet the needs of any major majority of the society.” (Simran, Boond)

They speak on behalf of the poor, making assumptions regarding what they can afford, followed by how much subsidy they should be given. So they create a culture of subsidy. Instead of bringing them out of poverty dependency is created. A lot of NGOs do this, say that people can't afford, that they should be given things for free and so on. (Prasanta, SELCO)

Further criticism among the respondents is based on (i) experienced governmental top-down approaches, resulting in policies distant from the needs of people at the grass root level and (ii) experienced governmental projects lacking in implementation capabilities. Two of the respondents argue as follows.

“The policies made in Delhi and elsewhere are very disconnected to the ground. SELCO works at the grass root level, we are working for policies that make sense to the people.” (Prasanta, SELCO)

“All these [water pump] projects are being filled with money from the government but it is not about installing, it is about running them. But running them is costly, that is why nobody is doing it.” (Baahir, Organization B)

The perceived failures in out-come resulting from traditional forms of governance (governance by government), as well as action taken by NGOs is here understood to constitute a so-called *window of opportunity* (cf. Bergmann-Winberg 2011; Mintrom & Norman 2009; Santesson-Wilson 2009), further highlighted by the following quotes.
“The government is not able to meet the need, not in the social area, not in the health sector, not regarding clean water etc. Social enterprises are coming up to cater to the needs which are not met by any other organizations or institutions.” (Simran, Boond)

“The government should provide electricity to all. The reason that we exist is that the government is doing a poor job.” (Hasit, Duron Energy)

The above indicates that the studied actors motivate their intentional action by perceived government and NGO failures related to the provision of basic welfare services. The failures are foremost argued to be related to choice of instruments, creating what some of the respondents refer to as a “culture of subsidy”.

The identified failures are in turn understood to form a perceived need to take action by using alternative instruments. The findings strengthen earlier research suggesting a relationship between perceived “state failures” and action taken by non-governmental actors in common issues. For example, when discussing non-governmental actors involvement in global governance, Ruggie (2004: 30) concludes “[i]n short, if anything these cases show how other societal actors are drawn into playing public roles to compensate for governance gaps and governance failures at global and national levels” (italics added, cf. assumptions made by e.g. Börzel et al 2011; Young 2009). With support in the present study we find how perceived governance failures within India's system of multi-level governance constitute a “window of opportunity”, perceived and used by the studied social entrepreneurs, taking action on local and regional levels.

As we are searching for explicit explanations given by the respondents, one additional theme may be touched upon. During the interviews several of the respondents chose to emphasize being “value-driven”. When asking them which values they are driven by, a couple of them referred to the values put forward by Gandhi, while others lifted values more directly related to the social mission of their organizations. The following quotes may serve as examples of values touched upon.

“[Organization A] is not working like corporates, it is about other things. /.../ It is about love...the people...that kind of thing.” (Aabha, Organization A)

“I'm not driven by profit. I want to create value. /.../ If we really want to learn from everybody we need to make it [communication] possible for everybody, empower all. /.../

34 The respondent’s perception of an Indian “culture of subsidy” may be associated to what scholars within Social Policy refer to as dependency culture (see e.g. Mullard & Spicker 1998: 176ff).
The more voices we bring in, the more growth for everybody. /.../ My main motive is to use external experiences for inner transformation, experiences that make me work hard towards our values. /.../ Inner transformation, as in purifying myself internally. Using experiences to change me towards a more pure-hearted person. Can I practice generosity genuinely? Can I be the values? Can I love my enemies, I mean literally?” (Neil, Awaaz.De)

“Such as caring why water is being delivered, understanding it is about health care, and understanding the importance of maintaining the equipment in order to actually be providing clean water, that kind of values.” (Baahir, Organization B)

The above may bring further understanding to why the perceived “windows of opportunity(ies)” are acted upon. Next we will be addressing choice of instruments.

4.1.2 Instruments

As the instruments used by the public sector (governments) and NGOs are understood to create a “culture of subsidy” a majority of the studied actors emphasize the need to change this culture by giving marginalized citizens the opportunity to pay for themselves. Paying for goods and services is argued to create a feeling of ownership, which in turn is thought to make people value the specific goods and services. For an example, one respondent share how he has seen people struggling to drink the very last drop of water from a water bottle after paying for it, and on the other hand how free water bottles can tip over without anyone paying attention. He adds “paying money makes you value it [the water].” (Baahir, Organization B) Even the single studied organization which is not selling services to the targeted population, working to empower women through employment and education, disagrees with providing services for free. “The women should not receive anything for free, not from the government or from anyone else.” She explains that “free money makes people lazy because money is then taken for granted. Earning teaches you value.” (Aabha, Organization A).

Several of the respondents share how changing the “culture of subsidy” requires efforts put into educating and convincing the targeted population regarding topics such as healthcare, educational value and personal finances, exemplified by the following quotations.

“Even if we can show them that using a specific product will increase their income with say 20 percent, or make their work significantly more efficient, it is still difficult to make them
buy the product. So it takes a lot of convincing. /.../ There is a lot of education going on at many levels. We need to educate the bank, the NGOs and the communities. /.../ So educating people in many levels is the key to being successful.” (Parag, ICP)

“You need the right amount of education about solar systems. For some people housing is not there, food is not there, water and education is not there. Their priority should be on solving those issues. But for education they need energy.” (Prasanta, SELCO)

Although the respondents agree that subsidies may be necessary to a certain degree, one entrepreneur may be distinguished from the other respondents by sharing a positive perception towards subsidies and free services for some. However, as the other respondents he is critical to dominating instruments and strategies related to poverty reduction and suggest a method used by Aravind Hospital. The respondent argues that if people are given the chance they will choose to pay according to ability. Consequently the solution is to let the customer decide what she/he can afford to pay, enabling an individualized cost system, which in-turn requires finding innovative ways of making money. The social entrepreneur explains:

“Research shows that even if you make people pay a token amount it will reduce the people that are provided with the service. Even a very small amount will make people hesitate because they have to do a cost-benefit calculation. So we will have to make it free for some, it will create more value. We will just have to be more creative in making money in different ways to cover it. /.../ I like giving people a choice regarding if they want to pay and how much they want to pay. If people are given the choice I believe they will make the right choice, I think they will take responsibility. I believe in the goodness of people.” (Neil, Awaaz.De)

4.1.3 Action

The third element of the intentional dimension of governance (i.e. action) is understood to occur when the chosen instruments are put into effect. By putting the chosen instruments into effect the studied social entrepreneurs' action may be forming patterns of governance interactions, our next area of exploration. First, we will be summarizing and addressing the first research question.
Summarizing: What arguments are provided by the examined social entrepreneurs for their intentional action?

Within the studied sample we find two themes of arguments related to the why of action. Firstly the respondents identify governance as well as NGO failures. The failures are foremost related to the dominating choice of instruments, understood to create a “culture of subsidy”, reproducing rather than decreasing poverty. Other failures are related to the formulation of policies (being distant from the targeted citizens) and the aftermath of implemented policies (lack of maintenance). Together, the perceived failures by government and NGOs are here argued to create “windows of opportunity” for alternative action. Secondly, several of the respondents emphasize being “value-driven”. Regardless of how the respondents' values may be understood or categorized (e.g. values advocated by Gandhi, personal values or perhaps religious values), self-perceptions of being “value-driven” (understood as distinct from being foremost driven by profit, see quotes presented above) may help to explain why the respondents choose to act upon identified “window(s) of opportunity(ies)”. Using the market is then, by the respondents, argued to be necessary to break the culture of subsidy, additionally to using soft instruments, such as education and persuasion.

4.2. Modes of Governance

In the following we will be addressing the second research question: May action taken by the social entrepreneurs in this study be understood as an expression of hierarchical governance, self-governance and/or co-governance, and if so, how? Following the adopted governance perspective, including a bottom-up-inspired approach, we will be analyzing interactions between the studied social entrepreneurs and (i) the public sector (ii) the targeted populations and when relevant (c) tradition civil society organizations (NGOs). However, we need to have in mind that modes of governance represent institutionalized patterns of governance interactions. In what degree the following identified interactions (between different types of actors) in fact are institutionalized (and if so, to what degree) is a topic for further discussion.

4.2.1 Hierarchical Governance

In the following we will be analyzing if the empirical data reveals expressions of hierarchical governance, searching for interactions that may be understood as interventions (Kooiman & Chuenpagdee 2005).

Interactions between the Studied Social Entrepreneurs and the Public Sector
The data reveals one instance of governmental vertical intervention affecting the work of one of the respondents and possibly soon to be affecting another. A nationwide investment in the area of renewable energy, led by the Ministry of New and Renewable Energy (MNRE), includes subsidies for loans that are aimed to cover the cost of solar systems in rural areas of India where the power supply is poor. A requirement to benefit from the subsidy scheme is that both the company selling such products and the specific solar system is approved and listed by MNRE (MNRE 2012). One of the respondents shares his experience from the scheme. As an approved channel partner his company no longer has a choice to be independent from the cash flow running from the government, something that according to the respondent has turned out to be problematic.

“Government subsidies for solar systems have been on and off during the years. The [governmental] policy was announced in 2008, so people started to expect subsidy. But the subsidies are not coming in time. It takes months to get it. The policy is not clear and it's not transparent. In April 2012 they [the government] simplified the policy a little bit, but we have not seen any change during the last month. So as a business you can't do that. So we took a policy as a company that we will not take subsidy if not forced. Now we don't have a choice. When you take loans for a [certified] solar system you get a subsidy from the government, so you are forced to take the subsidy, whether you like it or not.” (Prasanta, SELCO)

The quote clearly reveals an example of vertical intervention by government. Additionally to dissatisfaction with the pace of the cash flow, the respondent is concerned about how the policy indirectly hinders customized products and consequently hinders his company to meet the need of his customers. The respondent argues:

“A solar system cannot be standardized. It is area specific and it is customer specific. But they [the banks] have lists of which solar systems that are granted subsidy. So if SELCO goes to a customer and makes the system customer specific to meet that customer's needs, how do I tell that customer that this solar system will not be subsidized? There is a lack of understanding among policy makers regarding what the people need.” (Prasanta, SELCO)

**Interactions between the Studied Social Entrepreneurs and Targeted Populations**

Governance by *government* is by no doubt the most common understanding of hierarchical governance, including instruments such as laws, regulations and subsidies (Kooiman & Chuenpagdee 2005; Pierre
& Peters 2000; Risse 2011). However, hierarchical governance may also be played out by non-
governmental actors such as warlords and international organizations in areas of limited statehood
(Risse 2011) or by multinational companies, as highlighted by Kooiman and Chuenpagdee.

“[A]lthough hierarchical governance is mainly connected with the state, it is also a
common governing mode in the market sector. Because of tendencies where that state is
retreating, e.g. because of liberal-economic reasoning, the market takes over, often in the
form of multinational companies. In those cases, and they are not marginal ones,
hierarchical governance by the state is replaced by hierarchical governance by the market.”
(Kooiman and Chuenpagdee 2005: 335)

Even though economic liberalization and deregulation may not be as profound in India (cf. BTI 2012)
as in the West and although the studied social entrepreneurs do not represent multinational companies,
there is one instance of hierarchical governance, as in an interventionist-like interaction between a
social organization and its targeted population. One of the founders to the organization reveals how all
women living in the targeted area are welcome to join the “family”, as she puts it, on two conditions:
(1) the women has to agree that they will not give birth to more than three children and (2) the women
has to agree that they will support their children's education. The conditions are non-negotiable. If a
woman gives birth to a fourth child she is excluded from the “family” and consequently from the
organization's services. The organization has team leaders, controlling the status of the women and
their families, information that forms the basis for decisions regarding which families that are entitled
food loans and other services that the organization provides.35

Regarding to this finding it is interesting to note that the referenced actor represents an organization
which has the least in common with the remaining studied organizations. Additionally to not selling
products or services directly to the targeted citizens the organization contrasts itself by being part of an
organizational family of NGOs mainly focusing on one specific community. The absence of a
customer-based relationship and being part of a bigger network, thus assisting the inhabitants in a range
of ways, combined with operating in the same area for decades could be factors facilitating more
hierarchical interactions compared to the remaining respondents within the studied sample. Using
Kooiman and Chuenpagdee's (2005) terminology, the mentioned factors may be facilitating a greater
“governability” among the targeted citizens.

35 When the organization sets collective rules for the community the organization may be dealing with second-order
governance, i.e. the institutional level of governance, a subject which we will return to (see 4.3 Governance Orders).
The interaction between the remaining respondents and their targeted populations do not reveal rule-making as the case just described, or any other forms of interventionist-like interactions. Instead we need to consider possible strands of “co-governance” between these parties, an issue which we will get back to (see 4.2.3 Co-governance).

In sum the data indicates occurrence of hierarchical governance by the Government of India (and its institutions), taking the form of a subsidy scheme related to renewable energy. We also find strands of hierarchical governance between one of the studied social entrepreneurs and the targeted population in the form of collective rule-making. Next we will discuss possible expressions of self-governance.

4.2.2 Self-Governance

As the empirical data does not reveal any indication of self-governance including the targeted citizens we will be focusing on the possible expressions of self-governance by the studied social entrepreneurs in relation to the public sector (governmental actors).

As discussed in a previous chapter (see 2.3.2 Modes of Governance), actors will never act completely outside the realm of public governance (Kooiman & Chuenpagdee 2005; Pierre & Peters 2000; Underhill 2003). One can however find examples of “autonomy” to a lesser or greater extent (see e.g. Börzel et al 2011; Khanna & Brouhle 2009; Kooiman & Chuenpagdee 2005).

If associating self-governance to the local management of common pool resources such as forest, water and fish within a specific community (Kooiman & Chuenpagdee 2005; Ostrom 1999), this mode of governance is not relevant related to the information provided by the interviewed actors. The data may further dismiss any clear case of “governance without government” as the respondents share their experiences of (failed and/or failing) governmental policies. Yet, the concept of self-governance can be given other connotations, for example referring to market actors setting and implementing social and environmental restrictions in the absence of political regulation, commonly referred to as self-regulation (see e.g. Auld et al 2009; Börzel et al 2011; Khanna & Brouhle 2009; King & Toffel 2009; Young & Delmas 2009).

The studied actors represent “market actors” (more or less), using the market partly or fully for income. In the same time they are entering an arena which in an Indian context (as elsewhere) foremost is
understood as a political domain (complemented by the action taken by NGOs) (see. e.g. PRIA 2000; Tandon 1991; Vidyapeeth 2012). By having an explicit primary social mission these actors are challenging the traditional expectations related to market actors deriving from economic theory (cf. Palmås 2003, 2011; Kooiman 2005). The action taken by the studied respondents may thus be argued to be self-regulating in some respect, referring to the implementation of standards beyond expectations revealed by formal (and perhaps informal) institutions, complementing, or perhaps challenging, governmental policies related to the provision of collective goods to marginalized citizens.

4.2.3. Co-Governance

According to Kooiman & Chuenpagdee co-governance is understood as horizontal, cooperative interactions, “interplays”, between public (governmental) and private (non-governmental) actors, meaning that public and private resources are used to reach a common goal and where no single actor is in control (2005). However, as discussed in chapter two, even though no actor formally is in control we cannot assume symmetric power relations within these “horizontal” cooperative arrangements. For example, despite the increasing involvement of non-governmental actors in a range of cooperative arrangements in the West, many scholars argue that the state stays in control by using new techniques, providing coordination and goal setting rather than top-down central steering (see e.g. Didi 2010; Jessop 2004; Pierre & Peters 2000). The following paragraphs will take this point into account: what kind of power-relations does the data reveal? Which actor (private or public) seem to be coordinating and/or setting the goals for cooperation? We will also be addressing questions related to the involvement of targeted citizens in eventual co-governance arrangements, as well as possible cooperation forms between the respondents and traditional NGOs.

Co-Governance: Interactions between the Studied Social Entrepreneurs and Governmental Actors

While one of the interviewed actors describe a customer-producer relationship with governmental bodies (here understood as a more or less formal public-private-partnership), the remaining respondents describe more or less informal (past, present or planned) interactions with governmental actors at different levels. The described interactions are foremost initiated by the studied actors, revealing different aims for cooperation: The aim to gain access to governmental subsidy schemes; The aim to educate governmental bodies; and the aim to gain access to local governments' networks. While the first example is based on goals set by the central Government, the latter examples may be understood as interactions initiated and somewhat controlled by the respondents, representing interactions were the

36 As one of the respondents express “most for-profit social enterprises do not earn any money and most of them never will.” (Bahiir, Organization B)
studied (non-governmental) actors have set the goals for cooperation.
The first category, representing interactions were the goal for cooperation is set by the central Government of India, is related to the subsidy scheme for renewable energy described earlier (see 4.2.1 Hierarchical governance). The respondent who is not yet certified reveals how the process towards being granted subsidy is lengthy, requiring extensive networking. Except becoming certified by MNRE, the process is understood to require building relationships with local bank managers as well as with the National Bank for Agriculture and Rural Development (NABARD), the institution administering the subsidy scheme set by the central Government of India. The respondent who is waiting to be certified explains:

> The first challenge is getting the MNRE certification or being registered as channel partner for a MNRE certified manufacturer. /.../ This is a complicated process and takes up to four months. Once certified we hope to partner with local banks, which is the second challenge. /.../ Even though there are mandates from RBI [Reserve Bank of India] for promoting rural credits, rural bank managers are very cautious while issuing loans. Bank managers are more likely to give loans to rich people living in villages for buying luxury products like cars, etc. than for agriculture or income generating activities. A loan for Solar Systems is generally a concept which is unheard of. In the end it all boils down to getting a good bank manager who is at least ready to experiment and test the waters. Even after getting the MNRE certification and partnering with local banks, it is not always a smooth ride. The subsidy has to be released by NABARD, which is not as simple as it may sound. Therefore, it becomes very important that you develop good relations with NABARD. (Simran, Boond, communication via email)

In other words this respondent (in contrast to the respondent earlier discussed, see 4.2.1 Hierarchical Governance) reveals how his company is striving to become certified, where the process of becoming certified is imbedded in a system where establishing relationships with the “right” people is understood to be crucial.

The second category, representing public-private interactions were the goals for cooperation are understood to be set by the (non-governmental) respondents, includes a company devoting a great deal of time educating governmental actors related to the need of purified water and regarding technology necessary to fulfill the task of purifying water. The founder of the company shares his experience of more or less formal public-private partnerships (customer-producer-based relationships), highlighting
the need of education while in the same time experiencing public officials who lack the willingness to cooperate.

“They are like any other customer, they buy our services. But we have been educating the government. They don't really want to cooperate. We have had to do a lot of follow-ups. /.../ It is an on-going process. There are a lot to do in the government.” (Sunil, Tanclean)

Another example of public-private interaction were the goal of cooperation is understood to be set by one of the respondents (albeit less distinct) refers to a social entrepreneur sharing that the “ideal scenario is to not have anything to do with government” (Hasit, Duron Energy), yet in the same time revealing former relationships with local governmental officials initiated by his company with the goal to obtain access to the local government's network in a targeted area.

**Enhancing Understanding**

In order to obtain a greater understanding for the lack of more developed public-private interactions we need to turn to the respondents' general images or perceptions of the public sector. When receiving the question if the respondents are looking to cooperate (either for the first time or to further develop existing informal interactions) with governmental actors (despite level) they all express cautiousness. The arguments are foremost centered around experienced or assumed corruption, inefficiency, bureaucracy and undesired mindsets, exemplified by the following quotations.

The problem is the basic mind set and effectiveness. They are slow and they expect something in return. /.../ You can go to the district offices and meet low-level government bureaucrats that really care, they have relationships with the people, they care, and they want to bring about the change. It's really wonderful to see. But they lack training and resources. You could actually start a company on this idea: facilitating low-level government bureaucrats.” (Hasit, Duron Energy)

“Poverty is not the government's problem, it is the people’s problem /.../ Also the government has their own agenda.” (Aabha, Organization A)

“If we get that big, sure I would work for the government, why not? But it would be selling our services, not receiving permanent subsidy. The long time goal is to teach the government that there are better solutions to delivering services.” (Baahir, Organization B)
“There is a lack of committed people, people who get behind the problem. I mean there are some people who are doing stuff but the organization [the government] does not make people work hard, it is bureaucracy.” [Interviewer: Are you saying that it is a cultural organizational problem within the government? Do you think that organizations can make people work for the “right” values?] “Organizations can make people behave in certain ways but only to a certain extent. The inner voice must be there, so it comes down to the individual practicing his/her values. Like Gandhi.” (Neil, Awaaz.De)

Two of the respondents share how their organizations have wanted to cooperate with government, something that has changed due to negative experiences.

“We used to work closely with government but the amount of corruption that you see and the pace things are going in India, results in the conclusion that it does not make sense to work with government in the area of poverty reduction.” (Prasanta, SELCO)

“There is corruption at many levels. People are making a lot of money because of how things are, that is reluctance to change. There have been times when we wanted more collaboration.” (Respondent X)

When asking “Respondent X” to further develop his answer, I receive a lengthy answer revealing how a former water project, involving the public sector, has led to a situation where the organization now is trying to decide between (i) going to the press or (ii) directly approaching government with their concerns:

“Regarding a water project. The government claims that the water is of good quality. People have been told that the water is good and they [the people in the targeted area] believes the government over us. Even though I can show proof, test results showing that the water is not clean. And the government has refused to tell [the people living in the area] that the water is dirty. I mean, it would mean bad publicity for the government. We then have two choices, either we go to the press or we approach the government. We are still deciding what approach to take.” [Interviewer: Is the government actually lying to the

37 Due to the content of this respondent's next quote (see forthcoming page) I have chosen to make the respondent anonymous.
people or does the government believe that the water is clean?] “I mean the water is clean at the source but not when it reaches the slums.” [Interviewer: So the pipes are not clean?] “It may be the pipes or it could be many things like a crack in the pipe along the way. Government can then say “it is not our fault that someone broke the pipes.” [Pause]. We have not started to push buttons, but in the future this is something we might need to do.” (Respondent X) 

The general negative perceptions of the Indian state apparatus revealed by the respondents further supports the earlier suggestion that perceived state (government) failures constitute “windows of opportunity” for the studied respondents to take action. The negative experiences of corruption and implementation failures also support earlier research, suggesting that while both central and state levels in India do in fact formulate policies aiming to empower the unprivileged of society (see e.g. Planning Commission Government of India 2008a, b) the main perceived failure is related to policy implementation. Implementation failures are then especially related to widespread corruption, as well as to the tensions between central and state levels of government (BTI 2012; Kohli 2000; Planning Commission Government of India 2008a; Tandon & Mohanty 2000). In other words, the data underlying the present study may be used to suggest perceived government failures related to the provision of collective goods to marginalized citizens as a potential mechanism underlying the interface between social entrepreneurship and governance in the studied sample.

**Public-Private Interactions Involving Targeted Populations**

Several of the respondents describe the importance of involving “locals” in their businesses, referring to people living in the targeted areas which have awareness of the specific living conditions in these areas, as well as established networks. For example, one respondent shares how his company once started by identifying a problem, followed by a solution including locals as part of the infrastructure:

“The innovation was: how do we make a plan where we do not make money if it [the water equipment] is not running? We concluded that the solution has to include local ownership in the communities, which would turn them [the local entrepreneurs] into a part of the infrastructure. The local people are also driven to provide clean water to their family and friends in their villages.” (Baahir, Organization B)

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38 Due to the content of the quote I have chosen to make the respondent anonymous.
Another respondent reveals:

“Our core business model involves creating rural entrepreneurs, who are trained for basic entrepreneurship skills like product knowledge, marketing, accounts, selling and most importantly servicing. These entrepreneurs market and sell Boond products in their respective rural clusters, raising awareness about alternative energy and other issues, and along they are able to complement their livelihood income through the sales they make.”

(Simran, Boond)

Even though the respondents describe the importance of involving “locals” in their businesses, as well as educating them in “their best interest” (see 4.1.2 Instruments), none of the respondents reveal inclusion of the targeted populations in interactions played out between themselves and governmental actors. The perceived need of educating and convincing the targeted populations further indicate that these people have not been included in the process of identifying “the” problem(s), nor in the process of identifying possible solutions, thus there is a possibility that the identified goals may not be shared. As such the data suggests an unequal power relation between the studied actors and their targeted populations.

Cooperation Forms between the Studied Social Entrepreneurs and Civil Society (i.e. Traditional NGOs)

Despite negative attitudes towards traditional (non-profit) NGOs (based on the understanding that these organizations together with the public sector tend to reproduce the “culture of subsidy”, see 4.1.1 Images), a majority of the respondents also reveal cooperation with carefully selected NGOs. When asking the respondents why they choose to collaborate with NGOs, the respondents reveal that collaboration with NGOs is understood as necessary, enabling “entrance” to a targeted geographical area. Due to the long tradition of (national as well as international) NGOs operating within regions of India (for a more detailed description see e.g. PRIA 2000; Tandon 1991) these organizations are (by the studied social entrepreneurs) assumed to have built valuable trust as well as valuable networks among targeted populations. Consequently, there may be more indirect collaborations between the studied organizations and the targeted populations (i.e. via partner NGOs) then what the present data is able to reveal.
**Summarizing:** May action taken by the social entrepreneurs in this study be understood as an expression of hierarchical governance, self-governance and/or co-governance, and if so, how?

We may conclude by stating that the data does indicate expressions of all three modes of governance. As the presence of combinations of governance modes is widely recognized in the governance literature, and as such rather expected (see e.g. Kooiman & Bavinck 2005; Pierre & Peters 2000; Risse 2011), this finding is hardly surprising. The interesting question is thus related to how, as in what specific forms, governance modes play out empirically in the studied contexts. The present data reveals possible strands of hierarchical governance played out by one of the organizations, which in-turn gives empirical support to both Risse's (2011) and Kooiman & Chuenpagdee's (2005) suggestion that hierarchical governance does not necessarily need to be equaled with governance by government. The data further reveals strands of self-governance, as in action challenging traditional expectations (supported by formal and perhaps informal institutions) related to the role of market actors. The respondents' eventual economic mission is clearly secondary to the social mission, not least as the targeted populations are part of the lowest economic layer of society. Highly informal interactions have then been indicated, both between the studied social entrepreneurs and governmental actors, as well as between the social entrepreneurs and NGOs. The data does not indicate any significant involvement of the targeted populations. The data further supports the understanding that even if no actor is formally in control, the goals for collaboration may be set by one of the actors involved. In the present study, we have identified possible goal-setting both by the Government of India and the studied actors. It is also suggested that the expressed negative attitudes among the respondents toward the public sector may hinder further formal cooperation arrangements.

### 4.3 Governance Orders

The analysis has so far focused on elements and modes of governance. While elements have been related to the explicit why and how of intentional action, modes have been understood as the patterns of governance interactions. In the following we will be analyzing possible governance orders, guided by the third research question: *How may action taken by the social entrepreneurs in this study be related to first-order governance (day-to-day problem-solving and opportunity creation), second-order governance (institutions) and/or third order governance (principles)?*

**First-Order Governance**

The studied actors, according to their social constructions, are clearly dealing with day-to-day problem solving, such as providing clean water and portable energy to areas where water and electricity
infrastructure is identified as poor. The data further supports explicit aims to create societal opportunities, such as higher income via innovation, job opportunities and education in for example health care and environmental issues.

Second-Order Governance
Previous in this chapter we discussed an organization setting membership rules related to childbearing (see 4.2.1 Hierarchical Governance). Even though membership is optional, the organization and its sister organizations are providing enough welfare services in the area, directly or indirectly, such as school, child care and dentistry, set aside being a big employer of the community's female population, that the choice to reject being a member of the organization may not be perceived to be so “optional”. In India there are no laws constraining the number of children an individual may give birth to, consequently the organization may be understood to be dealing with second-order governance, i.e. the institutional level of governance, creating “rules of the game”.

The remaining respondents reveal no sign of collective rule-making like the instance above. Returning to the discussion related to self-regulation discussed earlier (4.2.2 Self-Governance) they do however reveal activity that may be understood in odds with traditional solutions related to the provision of collective services in regions of India. Firstly the studied actors are entering a traditional public and civil society (i.e. NGO-related) domain and secondly they are using alternative strategies and instruments to provide goods and services to marginalized citizens. Identifying more precisely how, and to what extent, the respondents' alternative actions are affecting existing institutions, would need a study stretched over a period of time, thus falling outside the scope of the present study. We may however suggest that public policies and existing institutions, constituting the framework for first-order governance, are complimented, and perhaps challenged, by the studied actors' activity, at least on an aggregated level and in the long-run, related to (i) the role of “market actors” and (ii) the strategies and instruments chosen to provide collective goods to marginalized citizens.

Third-Order Governance
The widespread discourse of society divided in sectors or spheres (a public and a private sphere or a public, private and civil sphere) (see e.g. Tandon 1991; Tandon & Mohanty 2000; Underhill 2003; cf. Dahlkvist 1995) is closely related to different actors taking action based on different rationalities. While the public sector as well as civil society is thought to deal with common problems, private actors (e.g. market actors) are thought to primary take action based on self-interest (cf. Wolf 2008; Zetterberg
Rather than reproducing the perception that individual and collective interests need to be in conflict, the present study reveals how these interests may be conflated. The highly questioned, still long-lasting, theories of economic players foremost acting in self-interest, which commonly is equaled to profit maximization, is thus once again questioned. It is here interesting to make a parallel to Wolf’s (2008) discussion regarding global governance. Like many other scholars Wolf suggests a division of society into three spheres, state, business, and civil society, followed by an understanding that actors are guided by different logics and rationalities. Wolf also suggests that each sphere has been socialized in different ways to govern. Trying to theorize upon global governance, characterized by “new” co-governance modes, Wolf then suggests that different actors from different spheres enter collaborative forms of governance with different traditions of reaching compliance. The compliance mechanism for each sphere is then presented as fear of coercion (state), self-interest (business) and belief in appropriateness (civil society). Wolf then argues that new governance modes, within a global governance framework, inevitably becomes a question of hybrid governance, combining different and conflicting rationalities and logics (cf. Delmas & Young 2009).

“Given this variety of resource, context-specific logics and rationalities which govern the behavior of the different actors in their respective spheres, their interaction inevitably must produce hybrid forms of governance which are characterized by the mixture of different resources, interaction modes and compliance mechanisms, often combining elements which may not be compatible or which may neutralize each other’s impact.” (Wolf 2008: 237)

Given this reasoning it is relevant to notice that the present data does not support the discourse of market actors following a specific sphere-related rationality. The data does however suggest a result at odds with the discourse of market actors following a specific sphere-related rationality.

**Summarizing:** How may action taken by the social entrepreneurs in this study be related to first-order governance (day-to-day problem-solving and opportunity creation), second-order governance (institutions) and/or third order governance (principles)?

The views and the experiences provided by the studied social entrepreneurs indicate that their action is contributing to first-order governance. While one of the respondents is understood to be dealing with second-order governance directly, the action taken by the remaining respondents may possibly
challenge existing institutions, at least on an aggregated level and in the long-run. The data does not support any definite conclusions regarding underlying principles or discourses. The data does however suggest a result at odds with the discourse of market actors following a specific sphere-related rationality.

4.4. Concluding Remarks

The three components of governance (elements, modes and orders) have facilitated an analysis and description of how social entrepreneurship and governance may be understood to interface in the studied contexts.

Firstly we have analyzed elements, addressing the research question: What arguments are provided by the examined social entrepreneurs for their intentional action? Within the studied sample we find two themes of arguments related to the “why” of intentional action. The respondents identify government as well as NGO failures. The failures are foremost related to the dominating choice of instruments, understood to create a “culture of subsidy”, reproducing rather than decreasing poverty. Other failures are related to the formulation of policies (being distant from the targeted citizens) and the aftermath of implemented policies (lack of maintenance). Together, the perceived failures by government and NGOs are here argued to create perceived “windows of opportunities” for alternative action. Additionally, several of the respondents emphasize being “value-driven”, which may help to explain why the respondents choose to act upon identified “windows of opportunity”. Using the market is then, by the respondents, argued to be necessary to break the culture of subsidy, additionally to using soft instruments, such as education and persuasion.

Secondly we have discussed modes of governance, addressing the research question: May action taken by the social entrepreneurs in this study be understood as an expression of hierarchical governance, self-governance and/or co-governance, and if so, how? Even though it is unclear to what degree the interactions revealed by the respondents may be understood as institutionalized, the data indicates (i) hierarchical governance by government (subsidy schemes) as well as traits of hierarchical governance by one of the studied social entrepreneurs (collective rule-making), (ii) self-governance (here self-regulation) by social entrepreneurs and (iii) foremost informal modes of co-governance, both between the studied social entrepreneurs and governmental actors, as well as between the social entrepreneurs and selected NGOs. The data does not indicate any significant involvement of the targeted populations. The informal public-private interactions are suggested to reveal asymmetric power-relations where the
goals for cooperation are found to be set by either the public or private parties involved. Negative experiences of public-private interactions, as well as general negative attitudes towards the public sector, is suggested to hinder more developed formal co-governance arrangements in the present.

Thirdly we have discussed orders of governance, addressing the research question: How may action taken by the social entrepreneurs in this study be related to first-order governance (day-to-day problem-solving and opportunity creation), second-order governance (institutions) and/or third order governance (principles)? The studied social entrepreneurs are suggested to be dealing with day-to-day problem-solving and opportunity creation (first-order governance). While one of the respondents is argued to be dealing directly with second-order governance, the remaining respondents' actions are suggested to be challenging existing institutions, at least on an aggregated level and in the long-run. The data does not support any definite conclusions regarding underlying principles or discourses. The data does however suggest that the action taken by the respondents is at odds with the discourse of market actors adhering to a specific sphere-related rationality.
5. Discussion

The following chapter will discuss the result, trying to place it in a wider context. What is the contribution of this study? What topics of discussions may the result stimulate? What issues may be interesting for future research to address?

**What is the contribution of this study?**

A discussion related to possible contributions of a study like the present one needs to be modest. Firstly the study is limited in time and space. Secondly and most importantly, the study has been conducted abroad. While a foreign researcher might bring light to details which an indigenous researcher may take for granted or simply not see, an indigenous researcher possess contextual knowledge beyond the information given in any text book.

That said the present study has facilitated an empirical exploration of a wider phenomenon, i.e. the interface between social entrepreneurship and governance. The contribution may then be argued to relate to a perceived research gap. Recent governance research criticizes the dominant governance literature for being biased towards the West, resulting in scarce knowledge of governance within areas of limited statehood (Risse 2011). Additionally the theoretical interface between social entrepreneurship and governance is understood as empirically under-researched. While the involvement of market actors and civil society actors within a diverse set of governance practices and systems, is widely recognized, researched and discussed, social entrepreneurs (as understood here) may neither easily be categorized as market actors, nor civil society actors. Based on the result of the present study, it is argued that these actors may have a unique role in governance practices. Expressed differently, in order to understand the highly complicated mechanisms and forms of present, and perhaps future, governance systems, these actors need to be taken into account.

Relying on an interpretivist epistemology, the exploration and description of the focused phenomenon is grounded on the views and experiences provided by a number of social entrepreneurs. A comprehensive analytical framework by Kooiman et al (2005a) has been presented, criticized and

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39 When the respondents have been referred to as “market actors” in the present study we have been referring to the fact that these actors use the market partly or wholly for income.

40 Analytical tools are according to my understanding tools which scholars use to grasp and understand small fractions of a complex social reality. As the reality is so complex, diverse and dynamic, we will never be able to catch the full picture. In general terms I find two extremes of scholars. The first category is aware of the complexity, diversity and dynamics of social reality but choose to use highly simplifying analytical tools in order to capture a fraction of it. The second category of researchers are also aware of the complexity, diversity and dynamics of the social world but choose a complex analytical framework to grasp as many aspects of it as possible. The problem with the first category is that in the process of
modified, eventually facilitating an analysis of the gathered data. The analysis has hopefully enriched our understanding of the “why and how” of intentional action taken by the studied social entrepreneurs; the patterns of governance interactions; and how the studied actors' action may be understood related to different orders of governance. Rather than revealing “functional equivalents to developed statehood” (Risse 2011: 10) the studied actors may be understood to complement, and perhaps challenge existing public policies and institutions regarding the “how and whom” of governance related to the provision of collective goods within regions of India.

As the present study includes the social constructions of a number of social entrepreneurs across four regions in India, patterns within the sample may indicate aspects of the studied phenomenon which transcend regional contextual differences. The interviewed actors express similar explanations for identified problems and solutions, highlighting governmental and NGO failures, and the need for uplifting targeted citizens by alternative market-based solutions. Assumptions regarding the relationship between action taken by non-governmental actors in common issues and perceived government failures (see e.g. Börzel et al 2011; Young & Delmas 2009) thus find empirical support in the present study. The sum of views and reasoning among the studied actors further indicate a mix of traditional sphere-related rationalities, consequently undermining economic theories such as rational choice theory (see e.g. Börzel et al 2011) as well as the widespread discourse of market actors following a sphere-specific rationality.

**What topics of discussions may the result stimulate?**

Exploring the possible interface between social entrepreneurship and governance has revealed a number of paradoxes. In the literature it is argued that nation-states (generally speaking) lack the domestic sovereignty nation-states in the West once (ideally) had (Risse 2011), thus “demanding” other actors to step in (see e.g. UN 2002), not least related to the provision of welfare services (Palmås 2003). In the same time, perceived “state failure” is assumed and argued to stimulate self-initiated action by non-governmental actors (see e.g. Börzel et al 2011; Delmas & Young 2009; Wolf 2008; Young 2009). While on the one hand, formal political actors are delegating and imposing responsibility for contemporary problems to other spheres of society, the prevalent perception of “state failure” on the other hand, is obviously grounded in normative expectations of what the public sector should be doing, as exemplified and supported in the present study (see also Delmas & Young 2009). The issue of simplifying social reality in order to understand a part of it, reality risks to be simplified to such an extent that the resulting analytical frame has little use to study the focused empirical phenomenon. The second category then tries so hard to capture the complexity of social reality that the analytical tools risk “failing” as analytical tools, i.e. serving the purpose of simplifying reality. As the analytical tools become questionable so does the result. I would say Kooiman et al (2005a) belong to the second category.
responsibility related to the provision of collective goods thus turns into a normative and a practical question of “[w]ho should and who can take responsibility for the needs of civil society[?]” (Roper & Cheney 2005: 95, italics added) This reasoning brings us back to the possible value of an exploratory study like the present. As mentioned in the introduction chapter, instead of asking why governments in developing countries are not doing what (Western) governments can (or at least in the past could) be expected to do, it may be more fruitful to address the questions of how governance empirically is provided and by whom (Risse 2011).

Another possible paradox relates to the explicit explanations for action. While the studied actors put forward “governmental failure” as one explanation for action, it is relevant to question if, and if so how, their own action (on an aggregated level and in the long-run) may reproduce certain government failures.

A third paradox is related to democracy. In a Western context, the arguments in favor for new modes of governance are commonly related to a view that these modes of governance are more inclusive and as such more democratic. Critics, on the other hand, highlight the paradox within this view, arguing that new forms of governance may be less democratic than governance by government, for example highlighting accountability issues (see e.g. Peters & Pierre 2004; Swyngedouw 2004). Related to the present study we find another type of democratic problem. The studied actors are not taking action within a well-functioning democratic state apparatus. The problems of corruption are widely known, resulting in accountability, efficiency and legitimacy issues (see e.g. BTI 2011; Kohli 2000; Planning Commission Government of India 2008a; Tandon 2009; Tandon & Mohanty 2000). As such the involvement of non-governmental actors in India may need to be understood in more pragmatic terms.

Looking at the very core of the ideal democracy concept presented by Dahl, political equality becomes central, as in equal opportunities to participate in collective decision-making. In “Democracy and Its Critics” (1999)41 Dahl repeatedly returns to this concept, emphasizing its relation to equal access to a range of rights among citizens. Unlike distinctive minimalistic definitions where theorists focus on formal rights and freedoms additionally to the electoral process, Dahl argues that a prerequisite for political equality is that citizens are given "assets that will allow them to participate as equal citizens in the collective decision-making of which they are bound" (Dahl 1999: 196, author’s translation). Dahl explains that the ideal of democracy thus requires economic and social equality on the grounds that "equal opportunities« means precisely »equal opportunities«” (Dahl 1999: 130, author’s translation).

Following this line of argument, the formally democratic institutions of India has not resulted in equal political opportunity for the 24 percent of the population classified as living in absolute poverty. The point made by Dahl, emphasizing prerequisites for ideal democracy (i.e. economic and social equality), applied to the context(s) explored in the present study, thus calls for humility regarding the focus on democratic procedures. There are democratic issues in “new” forms of governance for sure. The point made here is that we need to separate between democratic procedures and what democracy is thought to accomplish, as well as between ideal scenarios of well-functioning state apparatus and pragmatism. When basic needs are not met, how do we define the criteria for democratic governance?

The three paradoxes described above sheds light on the complicated task of defining if and how the social entrepreneurs in this study may be understood to contribute to regional building. Are their actions strengthening the regions in which they operate (see 1.2 Research Problem)? Relating to the bottom-up-inspired approach adopted here we may need to turn to the concept of regionalism as defined by Williams (1997: 114), suggesting that regionalism is “the attempt to optimise the interests of a region's population through the manipulation of the political process”. As the social entrepreneurs in this study are using alternative methods to provide collective goods to marginalized citizens, they may be understood to be manipulating the political process or at least providing alternatives to formal political processes. However, the present study cannot address the question if the actions taken by the social entrepreneurs reflect the interests of the targeted regions' populations. Future studies need to address the question if and how social entrepreneurs are optimizing the interests of a certain region's population.

Another question that remain (touched upon above) regards the utility of the common image of society divided in spheres, followed by different actors perceived to be guided by different rationalities or at least judged after different standards. In a historic perspective the sphere division of society is highly understandable, (perhaps) reinforcing the perceived positive effects of democratization and individualization processes. At least we tend to track the imagined division of spheres to the core of such processes (see e.g. Underhill 2003; Palmås 2003; Zetterberg 1995). However, I am arguing that we need to separate between the historical function of imagining society divided in spheres and the rationalities actually guiding the action of individuals at a micro level. It is not surprising that economic or rational choice theories are widely understood as inadequate to capture the complexities of action taken by “private” actors in public matters (see e.g. Kooiman 2005; Kooiman & Chuenpagdee; Palmås 2003, 2008, 2011). Yet we continue to use the division of spheres and sphere-related rationalities as mental maps. For an example, governance literature highlights the hybrid forms of governance
including a combination of different actors following different logics (see e.g. Delmas & Young 2009; Pierre & Peters 2000; Wolf 2008), thus reproducing the map of distinguishing between spheres, actors and logics. Even though the present study also may be reproducing this mental map, the data suggests a need for a more complex understanding of action taken by “private” actors related to public, political matters in order to gain further understanding for “new” modes of governance. Accordingly, a deeper understanding of social entrepreneurship and its interface with governance may demand a reorientation of the widespread perception of society divided in spheres.

Finally, what is social entrepreneurship, as a widespread global phenomenon, an expression of? Should it be perceived as action represented by certain actors challenging the market while in the same time using the market as its arena? With Palmås terminology: “what has happened to what we call capitalism if the market has become an arena for resistance, while resistance has become an arena for the market?” (2011: 14) And/or should this widespread phenomenon be interpreted as “neoliberal politics two-point-zero”?

**What issues may be interesting for future research to address?**

Among a range of issues for further research, the present study may be used to suggest the following. The present study is limited to the views and experiences of a number of social entrepreneurs. A broader and more comprehensive understanding for the relationship between social entrepreneurship and governance calls for further research in the area in general but also for the inclusion of other relevant actors' perspectives, such as targeted citizens and governmental actors. What are their perceptions of the provided solutions, as well as their perceptions of “the” problems and (perhaps alternative) desired solutions?

We need further studies to explore the effects of the studied actors' action in relation to governance. This brings us to the difference or perhaps interface between social entrepreneurs dealing with collective goods and political entrepreneurs (see e.g. Bergmann-Winberg & Wihlborg 2011), including policy entrepreneurs (see e.g. Kingdon 2004/2011; Mintrom & Norman 2009). As policy research has become increasingly inspired by bottom-up-methods (Hjern 2000) the action taken by social entrepreneurs becomes an interesting unit of analysis. How and to what extent do these actors affect policies and institutions and (how) does their action differ from other entrepreneurs' action related to public, political matters?
The result of the present study includes indications of certain patterns among the respondents, such as perceiving and defining problems and solutions in similar ways. Is there a dominating discourse among social entrepreneurs which transcend context? If so, how may such a discourse be described and how does it relate to other dominating (national and international) discourses of the how, whom and what of governance?
Bibliography


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