

Social Business in Brazil

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1. INTRODUCTION

In many parts of the world, the concept of entrepreneurship is no longer limited to the creation of capitalist firms, having expanded to encompass the ability to generate innovative organizational alternatives. These are innovative not merely because their models differ from those adopted by firms and corporations throughout the 19th and 20th centuries, but because they expand firms' strategic views beyond the market and its limited forms of transaction.

In this expansion, social entrepreneurs' initiatives extend well beyond the commerce in products and services, in an attempt to: (i) increase the socio-environmental development of places left behind by capitalist economic growth; (ii) oblige society to include those who were deprived of the physical, social, and economic means required to become social actors, whether as people, consumers, or citizens; (iii) expand the opportunities for individuals to become emancipated through their own initiative, generating income and being able to freely choose the lifestyle they wish to pass on to their children; and (iv) ensure that future generations have the right to be born and live in freedom, with equal access to the world's natural resources.

On one hand, what stands out is the organizational phenomenon of the emergence of enterprises geared toward generating both economic and social value; the latter is the chief differentiation, as it is expected to help reduce conditions of social inequality and exclusion that affect large segments of the population. On the other, we are witnessing the development challenge that is periodically renewed over the course of the country's history, showing that mere economic growth is not enough to overcome obstacles such as unequal income distribution, the absence of conditions for the exercise of citizenship, and the predatory use of human and natural resources.

The goal of this paper is to discuss the concept and practices of social business in Brazil in an attempt to find out whether this concept is well-understood within the academy and Brazilian business. The article is divided into three parts: the first provides a brief overview of the evolution of social enterprises and social businesses in the international literature, while seeking to understand how the theories and practices put forward therein are unfolding in the Brazilian reality. The second describes our exploratory research mapping the organizations that foster and support social businesses in Brazil (Ashoka, Artemisia, and the Avina Foundation), as well as the enterprises they support, in order to identify the definitions and formats of this type of venture in Brazil. The third part presents the results of the study.

The lack of legal definitions in Brazil imposes some challenges to social businesses being created in the country, particularly concerning their relationship with investors and the development of a governance model able to incorporate community participation, in order to align business values and organizational culture with the social sector *raison d'être* (such as solidarity, shared generation of wealth, or environmental preservation).

These challenges mainly emerge due to the insertion of a different way of thinking, one which raises the issue of income generation with the social sector only to meet resistance to private sector management and planning tools, lest the social character of the action be mischaracterized or misunderstood.

2. THEORETICAL FRAMEWORK

The literature on social businesses addresses three main currents that attempt to conceptualize and explain this new type of enterprise. The first is the European perspective. Born from the tradition of social economy, whose roots are associationism and cooperativism, it is a well-accepted model in which civil society organizations perform public functions. The second is the North American view, which sees these developments as private organizations, according to market logic, dedicated to solutions to social problems. A third current, predominantly in developing countries, emphasizes market initiatives aimed at reducing poverty and changing the social conditions of marginalized or excluded individuals (Comini, 2011).

Each of the perspectives will be detailed below.

2.1 The European perspective

Among the various nomenclature currently used to designate this new type of organization, the term social enterprise is more widely used in Europe. There are also European countries that are advancing the creation of specific legislation addressing this new model.

The process of social enterprises in Europe started during the crisis of the welfare state in the 1970s, mainly driven by the need to find new ways to control costs in the public sector through social causes, and also include the unemployed and marginalized populations (Borzaga & Defourny, 2001 cited in Young, 2009, p. 33).

Coupled with a rich tradition of cooperatives, European social enterprises were structured to deliver public services, which means that their governance structure is based on democratic decision-making processes. It is noteworthy that, in most cases, these organizations were financed with public funds, which created and maintains an interest for society itself to make the decision-making processes more transparent and participatory (Reficco et al., 2006, p. 407).

Travaglini et al. (2008) pointed out three performance categories of social enterprises: (i) those fostering social integration through work insertion (WISEs); (ii) those whose corporate purpose is to produce primary products and services with a social target or collective interest; and (iii) those fostering local economic and social development by promoting the participation of citizens and local government in their activities.

As defined by researchers from the Emergence of Social Enterprise in Europe (EMES) network, social enterprises are organizations with the explicit aim of benefiting the community. They are started by a group of citizens, and the material interest of capital investors is subject to limits. They highly value the independence of the organization and accept the economic risk related to socioeconomic activities.

Another definition widely used by European organizations is that created by the United Kingdom Department of Trade and Industry (2001), which states that "a social enterprise is a business with primarily social objectives whose surpluses are principally re-invested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners."

Travaglini et al. (2008) detail the characteristics of social enterprises as follows:

- orientation toward business—they are directly involved in manufacturing products and providing services to the market;
- orientation toward social causes—they have explicit social or environmental causes, such as job creation, training, etc., and their profits are reinvested to achieve their social objectives;
- social ownership—they are autonomous, their governance and ownership structure being based on the direct participation either of stakeholder groups (i.e. employees, users, customers, local community, and social investors), or administrators or directors who control the company in order to meet the needs of a broad group of stakeholders. Concerning profit sharing, the author explains that some of these companies distribute quotas among stakeholders, or use the profit for the benefit of the community, always with purpose of promoting the economic integration of excluded people.

A trend to value the collective is observed in the European model, with all stakeholders participating in decision making and the importance of accountability and transparency in management (Comini, 2011, p.10). This characteristic of European social enterprises is aimed at a "reduction of opportunistic behavior, creating a governance structure" (Borzaga & Galera, 2009, p.213). Thus, in the European model, besides having a social purpose, the organizations assign ownership rights and power of control to stakeholders other than investors, coupled with a model of open and participatory governance (Borzaga & Galera, 2009, p.213).

2.2 The North American perspective

Unlike Europe, the United States adopts the term social business, which is often used to define a company that has social objectives, like in Europe, but also a business unit inserted in a traditional company. Moreover, the term was appropriated by non-profit organizations that decided to act in the market through the sale of goods and services. This multiple use of the term is explained by the observation of two academic discussions and practices, concomitant in that country in the mid-1990s: one stemming from the corporate world and the other from context of other social enterprises. In the first case, there was questioning of business strategies adopted by multinationals, which were neglecting a large number of potential consumers classified as "Base of the Pyramid" (BoP). Authors such as Prahalad and Hart (2002) were pioneers in highlighting the important role that multinationals should place on mitigating social and environmental problems. The authors pointed out that the actions of corporate social responsibility would be limited, and in some cases ineffective, in contributing to the improvement of living conditions of marginalized people. The main contribution of multinational companies would be to offer services and innovative products that fulfilled a demand quite different from that traditionally served by large corporations.

Concurrent with this debate, in the context of social enterprises there was a discussion about the limited capacity of raising funds through donations, in part explained by the reduction of state funding beginning in the late 1970s (Kerlin, 2006, p. 251). In this sense, some social entrepreneurs argued that there would be space for non-profit organizations to operate in the market by offering goods and services and being innovative in achieving social outcomes.

Further exploring the North American approach, Kerlin (2006, p.248) pointed out that, in academic circles in the United States, a social enterprise is understood as encompassing organizations situated along a continuum of for-profit companies involved in socially beneficial activities; dual-purpose companies that mediate profit goals with social objectives

(hybrid); and non-profit organizations committed to developing commercial activities that support the execution of their mission (Social Purpose Organizations).

From the American viewpoint, social enterprises can be configured in different organizational forms, from initiatives related to corporate social responsibility or the marketing of large corporations, to institutions set up exclusively to pursue the creation of social value. Young (2009, p.35) sought to systematize these distinct identities by which social enterprises can be understood in the United States:

1. Corporate philanthropy: a for-profit organization that dedicates part of its resources to social programs as part of their competitive strategy;
2. Social-purpose company: an organization with a social mission, which operates in the marketplace to accomplish its mission more effectively;
3. Hybrid: an organization with the dual purpose of making money for its participants and addressing defined social goals;
4. Resource-generating project: an activity of the organization exclusively devoted to yielding revenue for the organization;
5. Social-purpose project: the activity of an organization exclusively aimed at addressing a social mission or social or selected goals;
6. Hybrid project: the activity of an organization focused on both generating income and contributing to its missions or social goals.

According to Borzaga and Galley (2009, p.7), in the US, unlike in Europe, the existence of an institutional arrangement specifically designed to pursue social goals is not deemed a necessary condition for an enterprise to be qualified as a social enterprise. Kerlin (2006) states that in the US context, social enterprises can take different legal forms, such as incorporated companies, limited companies, and non-profit organizations (Kerlin, 2006).

Nevertheless, there already exist initiatives in the US to refine the legal foundation of these new business models. Comini shows that:

In 2008, a new legal form of organization was approved in the United States, the L3C, or low-profit, limited liability company, which is a hybrid between non-profit and for-profit. This type of organization is legally classified as a limited company designed to attract investments and philanthropic capital to provide social benefit. This new regulated form of organization is mainly focused on the social factor, pushing profit concerns to the background. However, there is the possibility of profit sharing, after taxes, among owners or investors. This format is very recent and has not yet spread throughout the country. By the end of 2010, L3Cs had been regulated in only nine states. However, once established in one of these states, the L3C can operate in all 50 states (Comini, 2011, p.12).

Despite the ambiguity and difficulty in defining a single format in the United States, it is possible to observe a growing interest in this type of enterprise that allows matching the modus operandi of a traditional corporation with the social and environmental values characteristic of social enterprises.

2.3 The perspective of developing countries

According to Comini (2011, p.12), unlike Europe, where the term “social enterprise” predominates, and the United States, where it is more common to find the term “social business”, in developing countries the term "inclusive business" is more often used. The proposed baseline for these types of businesses is to contribute to the eradication of poverty.

According to Marquez et al. (2009), in order to be inclusive a business not only needs to be self-sustaining, but also profitable, and have as its basic premise the transformation of living conditions of the low-income population (Marquez et al, 2009, p. 29).

And in that sense, there is a great conceptual approach between the Latin-American and the Asian views, widely disseminated by Muhammad Yunus, Nobel Peace Prize winner and founder of the microcredit lender Grameen Bank. Yunus believes that there are two main types of social business:

"The first is a company with revenues and expenditures balanced, lossless and without dividends, which is dedicated to solving a social problem (i.e., the ultimate goal is the solution of these problems, such as education, health, housing, etc., and not maximizing profit). Their owners are investors who reinvest all profits in the expansion and improvement of business [...]. The second type is a for-profit company (but with the aim of maximizing profit) owned by poor people, either directly or through a fund addressing a defined social cause [...]. As the profits that flow to the poorest people are alleviating poverty, this company is, by definition, helping to solve a social problem." (Yunus, 2010, p. 19)

It is worth noting that, in Yunus' view, social businesses are necessarily enterprises, and other legal forms such as NGOs or foundations should not be characterized as social businesses. The author repeatedly argues that it is not correct to think of a social business as a type of non-profit organization (Yunus, 2010, p.19).

However, researchers at the Social Enterprise Knowledge Network (SEKN)—a network of knowledge on the subject formed by large schools of business administration from around the Ibero-American region—define social businesses as organizations or enterprises that generate social change through market activities, and thus may include NGOs, private for-profit businesses, and also businesses engaged in public sector activities producing goods and services of significant value. According to the network, that which determines whether or not a business falls in the social business category is its social purpose, and not a particular legal structure.

Yunus (2007, p.33) also posits that it is possible for different interests (social and economic) to coexist in the same organization, but in real life it is very difficult to operate one business with the two conflicting objectives of profit maximization and social benefits. The author states that social businesses differ from a philanthropic action or a non-profit organization because these are companies that have owners, and which are "allowed" to recover their investments. However, the author has a very firm position regarding the importance of reinvestment of profit in the business, and therefore does not advocate the distribution of profits in social businesses.

In the Brazilian literature, the most common terminology in the academic community and among practitioners is social business. Comini, Theodósio, Furtado, and Barros (2011) seek to draw a division and differentiate the two terms (social business and inclusive business). Inclusive businesses tend to be a subcategory of social businesses; the concept is little used in the daily life of Brazilian companies, even among NGOs—except perhaps in those aimed at the inclusion of persons with disabilities (PWDs) at work. However, the inclusion sought through this approach is not restricted to PWDs. The topic is also a new one in academic discussions; the few publications are mostly produced by NGOs and international organizations, with a strong normative content or orientation to praxis, but frequently let down by analytical and critical inconsistency.

Briefly, we can say that inclusive businesses are those aimed at generating employment opportunities and income for groups with low or no mobility in the labor market, within the standards of so-called "decent work" and in a self-sustaining manner, i.e. one which generates profits for the businesses. They seek to establish relations with typical business organizations, whether regarding the condition of suppliers of products or services, or in the distribution of such production through traditional companies or business. Working in this type of business are poor and uneducated women and men over 40 years old; local communities with strong ethnic ties and low educational levels (indigenous, maroons); young people with no work experience living in areas of high social vulnerability; PWDs; and other groups in similar conditions. In short, they comprise the majority of the poor living in a situation of social and environmental risk in developing countries. A similarity with Popular Solidarity Economy initiatives is evident in the proposal of Inclusive Businesses; however, it differs from them in that it is not limited only to self-management or cooperative ventures.

2.5 Characteristics of Social Businesses

Based on the perspectives discussed above, one can conclude that social businesses seek to improve the living conditions of the low-income population. However, the format of this type of business can vary widely: at one end are market initiatives developed by non-profit organizations, and at the other are initiatives created by multinationals aimed at the "Base of the Pyramid" market. In other words, these initiatives are either part of the core business of the organization, or refer to a peripheral or secondary activity. In general, they are included in the areas of Corporate Social Responsibility, without having any dialogue with the business area, showing a new vision and the possibility for large companies to act.

By analyzing the different concepts of social business proposed in the literature, one can plot on a line those propositions which are closer to the logic of the market and those where social logic predominates. As Austin has proposed a continuum to assess alliances and inter-sectoral partnerships, one can say that there is also a continuum in the types of social businesses.

Social businesses are multiple and have many ideas and ways of characterization. The following table summarizes their various dimensions.

TABLE 1: Main approaches to Social Businesses

	European Perspective	North American Perspective	Emerging Countries Perspective
Definition	Organizations are businesses governed by social objectives	Any market entrepreneurial activity that has social impact within its business action	Organizations or enterprises that generate social change through market activities.
Main Purpose	To offer services, formerly in the sphere of the public sector, at lower costs as well as to generate employment	Access to goods and services previously available only to the more affluent	Poverty reduction initiatives that necessarily have positive, effective, and especially long term social impact

	opportunities for unemployed or marginalized populations		
Who catalyzes the process	Socially-driven companies	MNCs	Usually SMEs and NGOs, but growing interest from MNCs
Format of the Business	Social enterprises are distinctive because their social and/or environmental purpose is absolutely central to what they do	Seek shared value: financial results + social impact.	Social impact is the main target
Scale	Not relevant	Extremely relevant	Desirable
Profits	Reinvestment of profits within the organization to enhance growth and social impact	Dividend distribution is part of the market logic	Asian view: profits are only reinvested in the business Latin American view: acceptance of dividend distribution
Governance model	Beneficiary participation in decision making	Corporate and centralized decisions, but with partnerships and a growing idea of co-creation	Asian view: more collaborative and with beneficiary participation. Latin American view: accept both models (participatory or centralized)
Measuring impact	Mainly social impact	Social and financial impact	Mainly social impact

Source: Barki, Comini, and Aguiar (2011)

3. METHODOLOGY

In the first phase of this study, we conducted a literature survey of publications related to the theme, which made it possible to construct knowledge on the subject in the literature, as well as identify the different streams of study, with its different nomenclatures and formats. After building the theoretical foundation, some features and gaps have been identified related to the Brazilian context, yet little studied in the literature.

Exploratory research was conducted in two main stages. In the first, we surveyed organizations that promote and support social businesses and enterprises in Brazil, aiming to raise the definitions and formats that are identified in the Brazilian context.

In the second stage of exploratory research, we analyzed the projects supported by the organizations surveyed in the first phase. Due to the large scope of activities of these

organizations, which included projects that could not possibly be construed as social businesses or enterprises, we established two criteria to classify the projects that fall under the survey's scope. These relevant enterprises are ones that:

- I) focus activity in areas such as Economic Development, Environment, and Alternative Technology, and;
- II) have an entrepreneurial or commercial arm, i.e. some initiative to generate their own income.

Having identified the supporting organizations, and the projects supported, which bear characteristics of social businesses, data collection occurred through (i) the analysis of secondary data, about both the supporters and the projects supported, mainly found on the websites of these organizations; and (ii) by semi-structured interviews by telephone with some of these social business entrepreneurs. The criterion for selection of entrepreneurs was that of convenience, considering the ease of contact by telephone or email.

Secondary and primary data were analyzed using the content analysis method, which according to Bardin (1977, p.42) is characterized by the ability to obtain meaning from messages, in order to describe the content of messages by systematic procedures, so as to obtain indicators that allow the inference of knowledge relative to the conditions of production and reception of messages.

4. PRESENTATION AND ANALYSIS OF RESULTS

This study identified three organizations that promote and support social businesses in Brazil. As a rule, their action strategy is to select people, entrepreneurs, or organizations and offer various types of support, whether in the form of financing, consulting, or leadership development. Once we identified these three organizations, we analyzed their websites to gather information about each organization, and the nomenclature and concepts that it adopts. The table below presents a summary of the information found.

PICTURE 1: Synthesis of the positioning of the organizations studied

ARTEMISIA	
What it is	Artemisia is a pioneer in Brazilian social business which seeks to attract and train qualified people to work in the creation and development of a new business model capable of helping to reduce socioeconomic inequalities in the world.
Nomenclature used	SOCIAL BUSINESS
Concept	Social Businesses are profitable initiatives which offer solutions to social problems through their core business, using market mechanisms. These ventures are part of the logic of different sectors and seek to provide quality products and services to a population traditionally excluded from the market, helping to fight poverty and reduce socio-economic inequality. Social businesses have different types of social impact:

	<ul style="list-style-type: none"> • Promote social inclusion through the provision of job opportunities that improve income and quality of life for the poorest people—including also the disabled, marginalized populations, or alternative communities. • Offer products and services—quality and affordable—that directly improve the quality of life for the poorest people: housing, food, health, drinking water, sanitation, energy, cell phones, computers, financial and legal services, insurance, etc. • Offer products and services that improve the productivity of the poor, contributing indirectly to increasing their income—access to productive credit, sales of technologies and low cost equipment, etc.
AVINA	
What it is	<p>Avina is a non-profit organization that contributes to the search for sustainable models of human development in Latin America, promoting the bonds of trust and fruitful partnerships among social and business leaders, and articulating agendas for consensual action.</p> <p>Avina seeks a prosperous, integrated, united, and democratic Latin America, inspired in its diversity and constituted by a society that is positioned globally through its own unique model of inclusive and sustainable development.</p> <p>Avina's goal is to be known as an effective and innovative organization that makes concrete contributions to the sustainable development of Latin America.</p>
Nomenclature used	INCLUSIVE BUSINESS
Concept	<p>Inclusive businesses are cost effective, environmentally/socially responsible initiatives which use market mechanisms to improve the quality of life of people with low incomes, by enabling:</p> <ul style="list-style-type: none"> • Their participation in the value chain as suppliers of raw materials, agents that add value to goods or services, or vendors/distributors of goods or services; and/or • their access to basic essential services of better quality or lower price; and/or • their access to products or services that allow them to enter a "virtuous circle" of business opportunities or improve their socioeconomic situation.
CHANGEMAKERS – ASHOKA	
What it is	<p>Ashoka's <i>Changemakers</i> is a global online community of action that connects people in order to share ideas, inspire and collaborate with each other, and seek and support the best ideas for innovation in the social field.</p> <p>This community is among the most robust laboratories in the world for launching, refining, and scaling ideas to solve the most pressing social</p>

	problems. At all levels of engagement—from new enthusiasts to experienced social entrepreneurs and executives seeking to engage new and promising business—the site aims to engage individuals who want to make change a reality and helps connect them to solutions that address the problems they wish to solve. Changemakers builds on Ashoka's three decades of experience identifying and selecting leading social entrepreneurs and furthers its ideal of a global society where everyone is a "change agent".
Nomenclature used	SOCIAL BUSINESS
Concept	<p>Social businesses are powerful mechanisms to benefit vulnerable low-income communities by providing essential goods and services needed to improve their lives and rescue them from poverty.</p> <p>Social businesses innovate in all aspects, creatively using market forces to generate social benefit, which may facilitate more inclusive participation in the ownership, management, and distribution of profit. Social businesses have pioneered new forms of distribution, the setting of affordable prices, and community participation throughout the value chain.</p>

Source: the authors

The first observation arising from the above table is that there is no conformity among the organizations studied, neither in terms of nomenclature nor in the conceptual detailing of social businesses.

Even with a defined nomenclature, the scope of the definitions employed means that there is no profound clarity about the types of projects that comprise their focus of support.

The only element that appears in all definitions is the proposal to approach social problems through market mechanisms, the basic premise of the social business.

Content analysis shows that some other ideas are common to the definitions and concepts used, such as sustainability and economic profitability, the human factor of development and innovations that seek to solve social problems.

Also noteworthy is that none of the definitions detailed governance models or profit-sharing systems. According to the European understanding, these are key issues in the delimitation of social businesses.

In addition to the survey of support organizations and the concept and nomenclature they use, we also examined the projects supported by Ashoka, Avina, and Artemisia. We must mention that a large part of the base of projects supported (approximately 85%) had no website, nor any other information on the Internet, factors that hindered the continuity of research. Faced with this adversity, the authors decided to exclude inaccurate information, focusing on entities which were more structured and offered greater chances of obtaining results with their respective founders.

Two criteria were used as evidence that the project could be a social business, namely:

- I) projects with a performance focus on areas such as Economic Development, Environment and Alternative Technology; and

II) projects with a commercial or entrepreneurial "arm", i.e. some sort of initiative to generate their own income.

Through analysis of existing sites (including those of Ashoka, Avina, and Artemisia), we found clear information with respect to criterion I, as regards the performance areas; however, in seeking information related to criterion II (business "arm"), the survey became quite detailed, given that:

- The information contained on the websites were generally considered insufficient to meet criterion II;
- When the identification of the possible business "arm" was identified, it was not clear whether such initiative was the main activity, or an extra product/service offered by the entity to finance its activities.

Based on this fact, we only considered for this study those entities that demonstrated they meet the adopted criteria, reducing the contacts through Ashoka, Avina, and Artemisia to 31, 26, and 15 respectively. Some of these contacts were approached through telephone interviews according to the criteria of convenience. The interviews had as their main objective identifying how entrepreneurs defined their own enterprises. The results are shown in Table 2.

Table 2: Entrepreneurs' conceptual definition of their organizations

Name of the venture	Supporting Organization	How do you define your enterprise?
Sementes da Paz	Artemisia	"A business that practices fair trade in ecological and solidarity foods and products."
Tekoha	Artemisia	"Tekoha is a social business that sells products developed by low-income communities, which express their culture and create a sustainable business for the local population. We commercialize these products primarily in the market for sustainable corporate gifts and also operate in the retail and exports areas."
Feira Preta	Artemisia	"A platform for the development of the black community. At Feira Preta [Black Fair] we work on two fronts: Culture and Trade. The cultural part aims to promote black culture through actions of inclusion. Through trade we work to foster this market."
Aoka	Artemisia	"A Social Business. AOKA is an operator of sustainable tourism."
Museus Acessíveis	Artemisia	"Museus Acessíveis [Accessible Museums] is a social business dedicated to the cultural inclusion of the disabled."
Solidarium	Artemisia	"Solidarium is a social enterprise that works with the creation, production, and distribution of products aligned with fair trade principles."
A Banca	Artemisia	"A cultural and social producer that promotes the

		inclusion of young people from outlying communities."
Mundaréu	Avina	"We are a NGO that promotes inclusion and development for craft producers under fair trade principles."
Copa-Roca	Avina	"A cooperative of women working in the fashion industry."
Aliança Empreendedora	Avina	"Aliança Empreendedora [Entrepreneurial Alliance] is a social organization that, through services, social businesses, and projects in partnership with public and private organizations, enables and enhances 'Access' for low-income entrepreneurs to develop their business."
IDEAAS	Ashoka and Avina	"IDEAAS is a non-profit organization. The projects we developed in partnership with companies and organizations are social business models."
CDI	Ashoka and Avina	"CDI is an NGO with two social business initiatives: (i) the CDI Consultoria, which offers consulting services to companies wishing to work in low-income markets; and (ii) CDI Lan, which aims to transform Internet cafes into spaces for education, culture, entertainment and information through training, formalization, and income generation for that channel."

Source: the authors

Analysis of this picture clearly shows a large diversity of definitions involving social businesses in Brazil. In this small sample alone we come across the terms "NGO", "cooperative", "platform", "enterprise", and "social business", among others, to illustrate the institutional structure adopted. Their foci are also distinct, involving production, fair trade, consulting, tourism, etc. These data about this multiplicity of institutional arrangements and foci of activity show that in the Brazilian context, the field of social business is under construction and therefore uses different conceptual influences to deal with a complex and challenging reality.

5. FINAL REMARKS

The present work shows that social businesses in Brazil, because they involve a new concept still under construction, have few models for reference and learning. This reference becomes even more diffuse due to the character of the movement in Brazil, which does not express a single identity but rather the simultaneous development of several concepts by supporting/fostering organizations, concepts, and identities that are stamped in the various projects supported.

Moreover, the lack of legal definitions appropriate for social businesses also complicates the search for unity of the movement, since these enterprises can be legally defined as enterprises, cooperatives, or non-profit organizations, which prevents the formation of regulatory mechanisms specific to this model such as laws, tax incentives etc.

This Brazilian context poses some challenges to the social businesses or enterprises that are established here, such as investor relations; development of governance and

management models that optimize the talent of people and distribute power, without losing efficiency; community involvement in the creation, implementation, and management of the business; and the alignment of business values and organizational culture with the social sector's *raison d'être* (solidarity, cooperation, shared wealth generation, environmental protection, among others).

These challenges are mainly due to the insertion of the issue of income generation to the scope of the social sector, which encounters resistance to the use of management tools and planning in the private sector, out of fear of the possible distortion of the social nature of the activity.

A fact that can be confirmed is that the social business movement in Brazil is booming, and it is imperative to expand the studies and regulations to maximize the potential of this new organizational model.

The main limitations to the study include the lack of national literature and previous studies that could help define objectives and methodology, since it is still difficult to define the boundaries and limits of the phenomenon. Moreover, the lack of consensus among the supporting organizations and enterprises about the scope of the phenomenon incorporates a range of variables and definitions into the research, preventing bolder generalizations.

A suggestion for further research is the challenge of interpreting the variables in order to create a more coherent classification of the types of social businesses, in both the national and international context. Such definition would facilitate the study, development, and support of these organizations through the search for more specific strategies and the analysis of their suitability for the different contexts of performance and insertion of social businesses and enterprises.

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