Study of social enterprise in CALD migrant and refugee communities in Sydney

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CERTIFICATE OF AUTHORSHIP/ORIGINALITY

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

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Glossary

BME	Black Minority and Ethnic
CALD	Culturally and Linguistically Diverse
MRC	Migrant Recourse Centre
NIES	New Incentive Enterprise Scheme
SEDIF	Social Enterprise Development and Investment Fund
SEM	Social Enterprise Mark
VCSO	Voluntary Community Sector Organisation
WISE	Work Integration Social Enterprise

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Abstract

Despite the popular discourse that social enterprise can positively engage the socially disadvantaged and address social issues affecting them, less is known about how and to what extent such processes occur. Similar to many other countries, Australia has also seen the rapid growth of social enterprise in recent years, particularly following the global financial crisis. However, the efficacy of social enterprise for engaging the socially disadvantaged and bringing about benefits such as creating employment opportunities and reducing social exclusion is largely assumed based on available discourses.

The research primarily employs the qualitative method of semi-structured interviews. A total of 40 informants were interviewed with two different cohorts: 20 of them were social entrepreneurs at managerial level involved in the establishment and management of social enterprises in CALD migrant and refugee communities, and 20 of them were stakeholders from various sectors who had expert knowledge about social enterprises in CALD migrant and refugee communities. The informants from the stakeholder cohort were recruited from a variety of organisations such as social enterprise intermediaries, local governments, impact investment organisations, and private social enterprise consultancies.

The increase of social enterprises as a practice aimed at engaging marginalised communities in recent years in Australia-such as CALD migrant and refugee communities- has primarily been driven by policies adopted in response to emerging social enterprise discourses. Many non-profit organisations hold the belief that social enterprise can provide community development opportunities for marginalised communities and empower their members, while establishments of social enterprises enable them to be financially independent from funding bodies. In the absence of empirical evidence in Australia and overseas, such decisions have been largely influenced by the dominant discourse created and catalysed by a number of institutional factors that emerged in a response to such discourses.

One of the consequences of such a policy driven approach is the fact that most social enterprises in CALD migrant and refugee communities were predominantly established and managed by non-migrants and non-refugees. The role of members from marginalised communities or beneficiaries of social enterprises is limited to passive participation. Though the idea of the enterprising self and self-help is an integral part of legitimising social enterprise discourse, the research found that the application of social enterprise as a policy instrument has largely been rendered a charity mindset rather than encompassing innovative and entrepreneurial spirits of members of disadvantaged communities. This has given rise to the issue of agency.

Chapter 1

Introduction

This thesis explores the role of new social enterprises in responding to the needs of CALD migrant and refugee communities in Australia. One of the distinguishing features of contemporary Australian society is that it has been shaped more by immigration than most other western societies (Productivity Commission 2016; Parliament of Australia 2017). This is the product of a sustained post-war immigration policy where Australia – together with Canada, the US and NZ – was one of the four western societies operating a traditional settler immigration policy (Collins 1991; Castles, De Haas & Miller 2014). While most if not all western societies receive immigrants, Australia has a relatively higher immigrant population than any OECD country, with the exception of Switzerland and Luxembourg (OECD 2015).

Moreover, the Australian immigrant population is very diverse, with the Australian immigration net drawing in immigrants from all corners of the globe. In the major cities of Australia, including Sydney – the key focus of this thesis – first and second generation immigrants comprise more than 60 per cent of the population. Indeed, Sydney is the fourth greatest immigrant city in the western world today (IOM 2015: 39). In the past decade, Australian immigration policy has changed dramatically, with temporary migration intakes increasing dramatically, outnumbering the permanent immigration intake by more than three times (Collins 2013, 2014, 2017, Markus et al 2007, Mares 2017). Annual immigrant intakes – permanent plus temporary – now exceed 750,000 per annum, far higher than in previous decades.

In the last few years the world has witnessed unprecedented flows of displaced people. According to the UNCHCR (http://www.unhcr.org/figures-at-a-glance.html) "we are now witnessing the highest levels of displacement on record. An unprecedented 65.3 million people around the world have been forced from home. Among them are nearly 21.3 million refugees, over half of whom are under the age of 18". Australia, which has a long history of refugee resettlement, has had a relatively generous humanitarian and refugee immigration program of just under 14,000 per

year in recent years, a resettlement program that is the third highest in the world and the highest per capita, though Australia received just 0.24 per cent of the world's asylum claims (RCOA 2016: 25). In addition, on September 9, 2015, then Prime Minister Tony Abbott announced that Australia would permanently resettle 12,000 refugees from the Syria-Iraq conflict. These have now arrived in Australia on top of the planned annual intake of refugees and humanitarian immigrants, which has now risen to 18,000 per annum.

Given the dramatic increase in annual immigration intakes – including refugee intakes – the focus on immigrant and refugee settlement becomes increasingly important. Immigrant community organisations have played a critical role in immigrant settlement since the introduction of a multiculturalism policy in the 1970s (Castles et al. 1988). Many ethno-specific programs and services have been delivered through community sector organisations such as Migrant Resource Centres. However, in the past four decades, many multicultural programs and services have been 'mainstreamed' as neoliberal policy under the conservative Howard Government increasingly relied on "market forces" to deliver social policy, programs and services.

At the same time many NGOs and migrant and refugee community sector organisations began to embrace the market as a way of generating income independent of government grants. This meant an increase in the importance of *social enterprises* in the migrant and refugee community sector. This thesis focuses on the role of new social enterprises in responding to the needs of CALD migrant and refugee communities in Australia. It draws on two bodies of literature – that of migrant and refugee communities, including the literature on immigrant entrepreneurship, and that of social enterprises and social welfare – to explore this recent development in the delivery of social services to migrant and refugee communities in Australia, with a focus on Sydney. Herein lie both the significance and originality of this thesis and its contribution to the literature.

Initiatives and projects that have traditionally been associated with the field of social work and welfare services are increasingly adopting a social enterprise approach as a means of addressing social issues in Australia (Gray, Healy, & Crofts, 2003). This is a reflection of the growing popularity of the term, social enterprise, in recent years. Marginalised groups or socially disadvantaged people who have been

subject to government intervention and community assistance have been introduced to the idea of social enterprise and encouraged to set up business ventures (Gray & Crofts, 2008). This trend has great implications for Australia, a nation of immigration (Jakubowicz, 1981; Collins, 1991; Jupp, 2007). The successful settlement of new arrivals into Australia is a matter of prime interest yet some groups, such as migrants from CALD n(culturally and linguistically diverse) backgrounds or refugees, face more difficulties in their settlement and employment due to differences in language, culture and life experiences (Colic-Peisker & Tilubry, 2006). Settlement services have long been delivered by NGOs to meet the special needs of these groups and many of these NGOs have now established social enterprises.

In addition, new social enterprises are being developed by CALD migrant and refugee communities to address social disadvantage and improve service delivery for new communities. Among the many benefits that social enterprise is believed to deliver is its ability to address unemployment and social exclusion (Haugh, 2005; Teasdale, 2011; Sepulveda, Syrett & Calvo, 2013; HM Treasury, 1999). This has attracted attention from policymakers and practitioners of social services who are swiftly introducing social enterprise practices across communities. The steady growth of social enterprise in the field of community service accelerated at a rapid rate after the Australian government injected large amounts of funding at the onset of the global financial crisis in 2009 (Bugg-Levine, Koguta & Klatikka, 2012; Probono Australia, 2009). As a result, numerous social enterprises were funded for both mainstream and migrant and refugee communities. The Australian government, concerned with the economic recession, provided a stimulus package, which prioritised social enterprise initiatives along with community infrastructure projects (Probono Australia, 2009).

The concept of social enterprise quickly began to occupy centre stage in social policies across different countries (Kerlin, 2010). However, it did not take long for researchers to realise that there was little theoretical background to social enterprise (Borzaga & Defourny, 2004). The popularity of social enterprise is not matched by empirical evidence validating some of its key assumptions. In more recent years, a growing number of voices have pointed to the extraordinary nature of social enterprise development and called for more awareness of the consequences that can arise from such developments (Dey & Steyaert, 2013; Blackburn & Ram, 2006). This is not just a theoretical debate. This area of knowledge deals with the socially

disadvantaged and affects the lives of people who need genuine support from broader communities. Therefore, a more cautious and well-examined application of the theory and practices of social enterprise is required. This research is one such effort.

1.1 Research Aims

The first research aim was to examine the effectiveness of social enterprises in assisting migrants and refugees in CALD communities. CALD migrant and refugee communities in Sydney, Australia, are among the marginalised groups that suffer most from unemployment and social exclusion (Colic-Peisker & Tilubry, 2006). The second aim was to provide a theoretical understanding of key factors that affect the development of social entrepreneurship in CALD migrant and refugee communities in Australia in order to identify key areas for policy development. CALD migrant and refugee communities in Sydney are well positioned to become a test site for the effectiveness of social enterprises in addressing social issues for disadvantaged groups

1.2 Research Questions

The primary research question was:

How do social enterprises assist the settlement outcomes of CALD migrant and refugee communities in Sydney through their programs and services?

Two of the most frequently cited advantages of social enterprises, namely, increased employment opportunities and reduction in social exclusion, are in fact the most serious issues faced by CALD migrant and refugee communities in Australia (Colic-Peisker & Tilbury, 2006). In Sydney and other major cities, a lack of employment opportunities for CALD migrants and refugees has been well documented over the years (Collins, 2017). Migrants and refugees, in particular those from CALD backgrounds, are also subject to various forms of personal and institutional discrimination (Collins 1995, 2003). They are a distinct segment within Australian society, and are recipients of government and community services.

The issues faced by these groups can be effectively assessed through a form of measurement referred to as 'settlement outcomes'. Settlement outcomes include areas such as health, housing and education, but employment and social inclusion have been identified as priority areas because they have far-reaching impact across all other areas (DIMIA, 2003). Therefore the study sought to identify how social enterprises and social entrepreneurship in CALD migrant and refugee communities are currently assisting these groups in relation to employment and social inclusion.

There is no agreement among academics or practitioners about how the outcomes of social enterprises are most effectively evaluated (Austin, Stevenson, & Wei-Skillern, 2006). This study will adopt a qualitative methodology, drawing on informants' insights into the operations of social enterprises for an assessment of their effectiveness in producing positive settlement outcomes for these groups.

The first sub-research question was:

How is ethnic social capital (ethnic community social networks) manifested in the development of social enterprise and how does this differ from private ethnic entrepreneurship?

The important role of ethnic social networks as a source of social capital in private sector ethnic entrepreneurship has been documented (Woolcock, 1998). The present study accordingly sought to explore the role of ethnic social capital in the development of social enterprise in CALD migrant and refugee communities. In particular, information was sought on the composition of social enterprises in these communities, the nature of their ethnic base (co-ethnic or inter-ethnic), and their relationships with generalist services. The purpose here was to examine the micro level operation of bonding and bridging capital within social entrepreneurship.

The study examined macro level relationships with key stakeholders and institutions to explore the nature and implications of such relationships for CALD migrant and refugee social development. The focus of this analysis is on assessing whether those relationships contribute to the 'linking' aspect of social capital based on integration and synergy, or hinder the development of CALD migrant and refugee social enterprise through control and the technologies and tactics of self (Foucault 1991).

The strong entrepreneurial traits displayed by migrants and refugees have been the subject of numerous academic enquiries (Collins, 1995, 2003, 2008), yet there has been little examination of social entrepreneurship within the immigrant entrepreneurship literature. Findings from the present study will therefore fill a gap in the extant literature on immigrant entrepreneurship. In particular, the study will provide insight into some of the characteristics of social entrepreneurs in CALD migrant and refugee communities, namely, their motivations, identification of business opportunity, relationships with institutions, community relationships within their ethnic group, and the processes involved in setting up a social enterprise. It is well known that newly arrived migrants and refugees often take up entrepreneurship as a way to earn a living and support their families as they settle into a new country (Collins, 1995). Yet the motivation for such individuals to engage in social entrepreneurship remains unclear. While it seems natural for new arrivals to set up a business in pursuit of their own self interest, it is less understandable why they would practise social entrepreneurship for mainly altruistic reasons when there are so many urgent tasks required for successful settlement in a new country. New knowledge in this area will be useful in understanding both social entrepreneurship and private immigrant entrepreneurship. Hence identifying major similarities and differences between social entrepreneurship and private entrepreneurship is one of the key questions in this research.

The second sub-research question was:

What are the implications of this research for the literature on immigrant entrepreneurship?

The strong entrepreneurial traits displayed by migrants and refugees have been subject to many academic enquiries within immigrant entrepreneurship (Collins 1995, 2003, 2008), yet there has been little study on social entrepreneurship within the immigrant entrepreneurship literature. Although the present study does not necessarily argue that social entrepreneurship among migrants and refugees should be included in the field of immigrant entrepreneurship, it suggests that a closer examination of social entrepreneurship will strengthen the immigrant entrepreneurship literature. Some of the characteristics of social entrepreneurs in CALD migrant and refugee communities that are identified in this research, such as their motivations, ability to recognise

business opportunities, relationships with institutions, relationship with their own ethnic community, and the processes and time required to set up a social enterprise will be compared with relevant findings in the immigrant entrepreneurial literature.

As an individual initiative of newly arriving migrants and refugees to earn living and support the family, entrepreneurship has been recognised as a key aspect of settlement in a new country (Collins, 1995). Nevertheless it is unclear what makes these groups take up social entrepreneurship. For example, while it might seem natural for new arrivals to pursue self-interest by a setting up their own business, it is less clear why they would engage in social entrepreneurship, whose motivation is mainly based on altruism, given the many urgent tasks they need to perform to successfully settle in a new country. It is expected that the new knowledge generated in this area will enhance understanding of both social entrepreneurship and private immigrant entrepreneurship. Hence identifying major similarities and differences between social entrepreneurship and private entrepreneurship is one of the key aims of this research.

The third sub-research question was:

What are the policy implications for creating a supportive environment for social enterprises in CALD migrant and refugee communities?

The research will also identify areas that require policy measures to create environments in which grassroots social enterprise initiatives in CALD migrant and refugee communities are effectively supported. Unlike some other countries, Australia has no official set of government policies or legislation with respect to social enterprise (Morgan, 2018). The special nature of social enterprise in the context of migrant and refugee groups must be taken into account in the development of social policy. The study will therefore explore how the Australian government's multicultural and settlement policies affect social enterprise development from the perspective of social entrepreneurs and operators in CALD migrant and refugee communities. In-depth interviews will be used to capture narratives of social enterprise at the coalface.

1.3 Significance of the Study

There is an imbalance in the extant social enterprise literature between empirically-based research and studies focusing on conceptual development (Dye & Steyaert, 2010; Madichie, 2008; Haugh, 2005). The present study will make important empirical, theoretical and practical contributions to the field.

First, by examining contemporary realities of social enterprises in Australia in the CALD migrant and refugee space, it will add to the knowledge base on social enterprises. In particular, it will address the gap in qualitative studies aimed at understanding the meanings of social enterprise phenomena, such as case study analysis, narrative analysis, discourse analysis and ethnography (Hammersley, 1992; Mair, 2004). By selecting a cohort of socially disadvantaged people and maintaining focus on the impact on target groups of social enterprise initiatives, it will generate data that can be used to evaluate some of the frequently cited benefits of social enterprise, as mentioned above. Such benefits are claimed by policymakers and social enterprise lobby groups, but have rarely been confirmed by qualitative research (Ganz, Kay & Spicer, 2018).

Second, the study will provide insight into the realities of social enterprises in CALD migrant and refugee communities by applying some of Foucault's (1991) ideas to a critical examination of the neo-liberal nature of social entrepreneurship (Ganz, Kay & Spicer 2018). There is a growing awareness among researchers of the multi-faceted and multi-dimensional nature of social entrepreneurship. Entrepreneurship in its broadest sense cannot be confined to the economic domain alone (Steyaert & Katz, 2006). Indeed, many immigrant (Collins and Low 2010; Collins and Shin 2014)) and Indigenous enterprises in Australia (Morrison et al 2017) are motivated by the importance of putting something back into the community and are embedded within community as well as family networks. Better understanding its nature requires an increased emphasis on the role of discourse in creating knowledge and meaning in the complex processes and negotiations involved in social enterprise development. Such an approach seems to be gaining some momentum as more researchers acknowledge the socially constructed or political nature of such processes using discourse as a key factor in their analyses (Dey & Teasdale, 2013; Mason, 2012; Steyaert & Katz, 2006; Teasdale, 2011; Thomson, 2011). What is required is further analysis of the

interrelationship between stakeholders to uncover the mechanism through which the technology of self or process of subjugation (Foucault 1991) is manifested in social enterprises. This will, in effect, shift the focus to the issue of agency among marginalised groups, who are willing participants but lack knowledge of the impact. Not much is known about the precise role of marginalised groups in social entrepreneurship. The members of marginalised groups are not necessarily social entrepreneurs themselves. In many cases, the benefits to them are the products or by-products of entrepreneurial activities with which they are involved. Such relationships need to be scrutinised further to clarify subject and agency in social enterprise.

Third, the project will apply several theories of ethnic entrepreneurship to social enterprises, thus contributing to the interdisciplinary approach required in this new hybrid area of study. The role of entrepreneurship in ethnic groups as a means of social and economic improvement has long been recognised (Waldinger & Aldrich, 1990; Light and Gold, 2000; Kloosterman & Rath 2001, 2003). This provides fertile ground for research on social enterprise, especially in relation to identifying an appropriate research agenda. Particular attention will be paid to the role of ethnic social networks.

Ethnic social networks or social capital in ethnic communities have been recognised as unique assets or resources in research on private entrepreneurship (Granovetter, 1985). To date, research into social entrepreneurship has identified the mechanisms of 'bonding', 'bridging' and 'linking' as a means of mobilising social capital in the development of social enterprises (Pretty, 2003). Bonding and bridging occur in the context of co-ethnicity or intra-ethnicity, whereas linking takes place in relation to stakeholders and institutions. The proposed research can identify the mechanisms through which linking between CALD migrant and refugee social entrepreneurs and stakeholders and institutions takes place. The relationship between social enterprise and social policy is not static or power-neutral (Dey, Steyaert, & Hjorth.2007). As the importance of social enterprise discourses indicates, this is a highly dynamic and politically charged environment where collaboration and the pursuit of individual agendas by diverse players take place simultaneously (Mason, 2012). Hence in-depth knowledge of how this complex array of relationships surrounding social enterprise development in CALD migrant and refugee communities will provide insight into the realities of social enterprise as a popular

practice of social policy, and identify some of the conditions necessary for assumptions about the benefits of social enterprises to be realised. Overall, this research will provide a unique understanding of some of the attributes of social enterprise in CALD migrant and refugee communities.

In relation to practical outcomes, it is noteworthy that social enterprise has received an unprecedented level of attention over the past two decades and it has usually been described in positive terms. This perspective is slowly being tested by more heterogeneous views, particularly in academic circles. Researchers are becoming more aware of the complex social, geo-political, environmental and cultural influences that shape social enterprise practice. However, even the harshest critics of the positive benefits of social enterprise continue to maintain that it has great potential. This cannot be easily dismissed. Although criticism is an inevitable aspect of providing a balanced interpretation of social enterprise, this does not constitute a total rejection of the potential benefits of social enterprise in Australia. Understanding the discursive nature of social enterprise, as discussed in the following chapters, suggests that social enterprise is a vehicle that offers enormous opportunities. The key benefits under discussion (including labour market integration and social inclusion of CALD migrants and refugees) have significant implications for Australian society, which has been involved in the settlement of new ethnic groups constantly throughout its history.

After steady growth in interest and practice over the past 20 years, there is currently a movement to establish legal models for social enterprises in Australia (UNSW, 2015). It is likely that Australia will implement a concrete social enterprise policy in the near future, which would put Australia on par with other countries that have already legislated such policies (Morgan, 2018). Therefore, it is time for Australian communities to explore what social enterprise really means for various communities and stakeholders. The examination of this concept requires approaches that will effectively accommodate the hybrid nature of both the social and commercial in social enterprise. This research will generate vivid narratives about social enterprises in CALD migrant and refugee communities and identify what is or is not working. The policy implications of social enterprise are significant, in that social enterprise is currently cited in relation to its potential to be an alternative capitalist

system or a catalyst for the creation of social bonds on a global scale (Chernega, 2007).

Social enterprise is a relatively new phenomenon that builds its own evidence-based theory (Kerlin, 2010). To date, research on social enterprise has identified a great need for interdisciplinary approaches, yet a significant gap in the literature remains. Economic activities of migrants have been subjected to a steady stream of research in relation to ethnic entrepreneurship in Australia and other western countries that have a significant migrant population, such as the US and the UK. As the research on social enterprise shares some characteristics with research on ethnic entrepreneurship, which is more established in its academic approach, significant gains can be made by transferring and applying some of ethnic enrepreneurship's key theories to the subject of social enterprise. One example from existing studies is the role of social capital in the form of ethnic social networks (Sepulveda, Syrett, Calvo, 2013). This is an area of substantial research within the ethnic entrepreneurship literature. Such a crossover in testing the applicability of theories can not only guide research on social entrepreneurship in terms of research agenda building, but will also promote a deeper understanding of the fundamental nature of social enterprise.

1.4 Personal Motivation

It is important to situate the researcher within the study, since the one shapes the other. I spent 10 years in the multicultural service area as a community worker in both an ethno-specific community organisation and a migrant resource centre, mainly assisting newly arrived migrants and refugees in Sydney's South West. During this period, I became familiar with the issues that affect the successful settlement of migrants and refugees and observed that most projects in the community were run on a short-term funding basis. What seemed to be very much identical work programs had to be renewed every year with the funding bodies, which created an enormous extra workload, while limiting opportunities for growth in areas other than that of the funded program. Activities and projects that were negotiated and agreed with funding bodies were often recycled, with a slight change in wording. At the same time, funded organisations lost enthusiasm for programs that had been funded for longer periods of time, and implementing organisations developed attitudes that neglected the needs of

target groups. Such superficial mechanisms provide some justification for the repetitive practice of applying for and renewing programs among both funding and funded organisations. Any advocacy by government-funded organisations was almost impossible. A new term, 'service advocacy,' was used to eliminate advocacy and impact political processes in the controversial domain of refugee policy in Australia.

While I was increasingly aware of the drawbacks of the funding system that many government-funded community organisations were facing, other types of community groups came to my attention. These were mostly ethnic community clubs that were engaging in commercial activities, before the term 'social enterprise' was widely used. I was interested in how the stream of income enabled various community initiatives, free from the constraints of funding bodies. This was in stark contrast to the government-funded organisations, whose activities were tied to their agreements with funding bodies.

From around 2006-2007, in both the community sector and in settlement services, social enterprise was swiftly introduced and incorporated into the existing activities. The prospect of securing an extra income stream while pursuing activities that were consistent with organisations' missions was exciting for both the funded organisations and the government funding bodies, which were always keen on new repertoires that would make their policy look new and innovative. Nevertheless, the actual practice of social entrepreneurship within these funded services came with a great deal of confusion and perplexity; most notably, any type of vocational training – even though it did not relate to the intended earning of any income – were called 'social enterprises'. Hardly any projects had a serious trading component; they were symbolic, and rather used as a way to attract further public resources. It was difficult to distinguish between the traditional ways and social enterprises, even though projects were increasingly referred to as 'social enterprises'.

The youth media group in which I was involved joined the trend and started to call itself a 'social enterprise' after assessing the earning potential of the video work the group had produced for local community organisations. However, it did not take long to realise that the promise of a social enterprise was a lot harder to achieve than expected. The anticipated transition from a community group to a business did not occur; there was not enough work to keep staff employed or a budget to run a

marketing campaign to get more contracts. Genuine interest was developed about what a social enterprise was and how to run it in a desperate attempt to sustain the group and realise the promise of social enterprise. Although I had to resign from my position of community worker, I retained an academic interest and my affiliation with Ethnoconnect also remained, allowing me to experience social enterprise theory and practice simultaneously.

1.5 Research Context

Three main bodies of literature are relevant to this research:

- Social entrepreneurship
- Social exclusion and immigration and settlement policies
- Ethnic entrepreneurship.

It is necessary to draw on a diversity of fields to fully reflect the complex environment from which CALD migrant and refugee communities emerge. There are some important characteristics of current social enterprise that must be taken into account in order to make sense of the three literature review chapters that follow, and the contribution of each. Over the past 20 years, there has been a rapidly growing volume of literature on social enterprise primarily based on UK and EU studies. Research based in an Australian context has also grown steadily and appeared in international publications as well as in social work, civil society and third sector-focused peer-reviewed journals in Australia.

Two major streams of literature in relation to social enterprise have emerged from management and social science disciplines. These emphasise different elements, which are complementary but mostly lack each other's specialised knowledge. However, most current, relevant literature that examines social enterprise with a focus on entrepreneurship and organisational development comes from business schools in the UK, EU and US. There is also an increasing number of publications on social enterprise within the social work and community development field. These provide analyses of social enterprise from the perspectives of third sector development or civil society. Nonetheless, they are outnumbered by the research undertaken in business schools, which tends to represent economic discourses (Gray, Healy, & Crofts, 2003).

Such a trend suggests a need for an interdisciplinary approach while posing significant implications for the position of this new sector in theorising and developing conceptual frameworks, as it is difficult to achieve a balanced approach that satisfies both academic traditions.

1.6 Methodology

The study employed a qualitative research approach and used semi-structured interviews as the main method of data collection. A total of 45 interviews were conducted with two main target groups: social entrepreneurs and social enterprise experts. The social entrepreneurs group comprised 20 people from CALD and non-CALD backgrounds who were engaged in running social enterprises in CALD migrant and refugee communities. The social enterprise experts group comprised 20 people from various organisations, such as social enterprise intermediaries, consultants, governments and impact investment, who possessed knowledge and understanding of social enterprises in CALD communities. An additional five interviews were conducted with beneficiaries of social enterprises in order to assess their level of satisfaction with the service offered by the social enterprise. The research also analysed a case study, which was selected to illustrate a number of issues in the overall business trajectory of an enterprise that were identified in the findings but which are difficult to convey through a thematic analysis. Other data collected included participant observations made at a number of social enterprise-related events such as conferences, symposia and workshops organised in the community. Secondary data were mainly to inform the development of the interview guides.

1.7 Structure of the Thesis

Chapters 2-4 present a critical review of relevant literature. This is perhaps more extensive than is usual in theses but was necessary because three major bodies of literature intersect in this investigation. Chapter 2, 'Social Entrepreneurship: Definition and Discourse', examines a variety of definitions of and conceptual debates around social enterprise. It describes the difficulties associated with conceptualising

social enterprise and the diverse academic definitions that have been developed in different parts of the world. The in-depth analysis of academic definitions in this part is intended to create awareness of the processes of discourse formation; particular definitions will therefore converge into social enterprise discourses by key players in the social enterprise landscape. The present study subscribes to a social constructionist approach rather than an essentialist view, hence the definition of 'social enterprise' adopted in this thesis does not focus on academic consensus as to what social enterprise 'is' but, rather, on an examination of the process through which each definition provides an ideological platform for discourse.

Amid the lack of consensus on the conceptualisation of social enterprise, an understanding of what social enterprise is must be achieved by close documentation of the various discourses at play. Academic definitions and subsequent discourses form only a part of the discursive forces that explain social enterprise. Background knowledge of how this ubiquitous phenomenon has been established and developed over past decades in different countries provides a useful historical context to explain how the diversity of discourses has come about. This analysis will adopt the Faucauldian approach of power and discourse as its central theoretical framework in order to illustrate how social enterprise development is conceptually, empirically and fundamentally shaped through political negotiations among key stakeholders. The documentation of the emergence of social enterprise discourses will therefore provide contextual information for a better understanding of social enterprise (Roper & Cheney, 2005).

The relevance of this review of literature on social enterprise definitions and discourses to the research question is not to add conceptual depth but to demonstrate the processes through which social entrepreneurship and a variety of emerging knowledge sets establish themselves as normative, accepted knowledge in CALD migrant and refugee communities.

Chapter 3, 'Social Exclusion and Labour Market Outcomes for CALD Migrants and Refugees in Australia', focuses on social exclusion and labour market outcomes as the most frequently cited benefits of social enterprise. Currently, most policies related to social enterprise are framed and promoted in political circles based on the premise that social enterprise can improve social exclusion and labour market

outcomes for marginalised groups. These outcomes, therefore, provide utilitarian criteria against which the efficacy of social enterprise as an instrument for addressing the needs of marginalised groups can be measured.

To this end, the concept of social exclusion and the nature of employment for members of marginalised groups are examined first. A case study is used to illustrate the rhetoric and realities of social enterprise through the experiences of ethnic minority social enterprises in the UK, based on data from before and after the London 2012 Olympic Games. Even though the case study is based in the UK rather than Australia, it effectively demonstrates the realities of social enterprises as experienced by marginalised ethnic groups. In particular, it shows how the ideals of social inclusion and economic participation – on which this unique event was based – actually played out. This is followed by a discussion of the difficulties faced by ethnic social enterprises that impede the full realisation of financial sustainability and the achievement of social goals. Finally, the implications of other relevant government policies, such as multicultural policies in Australia, are considered.

Chapter 4, 'Ethnic and Social Entrepreneurship', examines extant literature on ethnic entrepreneurship, which differs from mainstream entrepreneurship due to its focus on social and cultural variables that affect migrants and refugees in host economies. It is arguably better positioned to guide social entrepreneurship than any other discipline. In particular, the breadth of contextual diversity (which includes settlement policy, multicultural policy and even the cultural identity of ethnic minorities) may open up a new research agenda for social entrepreneurship. Although there is a great deal of literature on immigrant entrepreneurship and some on the economic contributions of refugees (Hugo, 2011; Collins, 2017), little is known about these emerging economic activities as conducted by refugee communities under the banner of social enterprise in Australia.

The review identifies an intersection between existing ethnic entrepreneurship and social entrepreneurship. Some basic theoretical concepts associated with entrepreneurship (such as 'embeddedness' and 'ethnic recourse') are explained, along with the key characteristics of private ethnic entrepreneurship. Areas in which private business as a means of survival is transformed into an innovative social business that embodies the notion of self-help are also identified. The processes of immigration and

settlement and entrepreneurial activities as a means of survival in a new country provide a unique environment in which a number of theories can be applied. The literature review in this section is an attempt to reverse this process in order to find out how knowledge in the field of ethnic entrepreneurship facilitates the study of social enterprise in CALD migrant and refugee communities. The key question that is explored is whether some of the patterns and characteristics that have defined ethnic entrepreneurship are equally applicable to social entrepreneurship. The research will define the position of ethnic entrepreneurship in relation to settlement outcomes as addressed by the social enterprise approach. This means the success or failure of social enterprises in CALD communities will inform ethnic entrepreneurship. The new literature, which assesses the settlement outcomes of entrepreneurial activities, is also included in this chapter. The findings show the actual nature of the entrepreneurship into which CALD migrant and refugee communities are integrated. Such information is essential in making a critical assessment of social enterprise in CALD migrant and refugee communities.

Chapter 5, 'Methodology', describes and justifies the research methods employed in this study and the procedures undertaken during fieldwork. Qualitative data were collected mainly via semi-structured interviews 40 informants from two cohorts: a group of social entrepreneurs in CALD migrant and refugee communities, and individuals who were deemed to have expert knowledge of social entrepreneurship in CALD migrant and refugee communities. Supplementary data were collected through participant observation, documentary analysis and case studies. The chapter also explains the selection criteria for participants and the recruitment process, and discusses ethical considerations and limitations.

Chapter 6, 'Key Research Findings', presents an analysis of the data collected through semi-structured interviews and secondary sources. It also includes researcher narratives and case studies to provide a comparative perspective on the research data. The findings are presented under the major themes that emerged from the analysis: (the following themes are to be revised) motivation and identifying business opportunities; the role of CALD migrant and refugee community members in social enterprise; resource acquisition and sustainability; double bottom line; evaluation and accountability; relationships with key stakeholders; social procurement and government policy; current employment service model; Centrelink payments; and

impact investment. The first six themes explore the structure and managerial practices of social enterprises in the study whereas the last four themes focus on policy issues.

Chapter 7, 'Conclusion', discusses the findings in relation to the research questions. It also offers the researcher's personal reflections on the project and its outcomes. The chapter also includes research limitation and future research agenda.

Chapter 2

Literature Review

2.1 Introduction

This chapter discusses various definitions of social enterprise, the difficulties associated with its conceptualisation, diverse emerging discourses and their historical and cultural backgrounds. A review of literature on the conceptualisation of social enterprise identified the following issues:

- the study of social enterprise is new and there is no established scholarly definition;

- the term 'social enterprise' is frequently used only in a discursive form or as a working definition for a specific research purpose;

- all definitions, whether used in policy or research, are constructed through interplay between key stakeholders and institutions.

An aim of this chapter is to explain why this thesis has adopted a particular definition of social enterprise out of the diversity of current usages. To this end, the chapter presents a lengthy discussion of the various definitions and their relevance. This is necessary to demonstrate how the very process of conceptualisation substantially affects the development of social enterprise itself. Understanding how a particular definition of social enterprise becomes established itself as part of the accepted or dominant discourse provides deeper understanding of the nature of recent developments in social enterprise. This is a central element of the interpretive approach adopted in this research. Such discussion also provides important background information about the historical and political contexts in which CALD migrant and refugee social enterprises developed and their strategic positioning in relation to various stakeholders and institutions that collectively form the Australian social enterprise landscape. This approach to exploring social enterprise as a constructed phenomenon via analysis of its definitions and discourses is consistent

with those of both historical institutionalism (Kerlin, 2006, 2010, 2013) and discursive institutionalism (Mason & Barraket, 2015) and lays the foundation for a comprehensive examination of social enterprises in CALD migrant and refugee communities.

There is much contention around the definition of social enterprise.[1] It is common practice to start any scientific enquiry with a clear definition of the research subject or concepts involved. It is not unusual for researchers to adopt different definitions, particularly in the social sciences. In the present context, however, the process of definition of social enterprise has itself become a topic of inquiry (Dacin et al., 2010), since the process has important implications for the nature and future direction of social enterprise enquiry (Teasdale et al., 2013).

Considerable discussion has been devoted to definitions and conceptualisations of social enterprise (Mair & Marti, 2006; Shaw & Bruin, 2013; Tesdale, 2011). Some scholars argue that the successful operation of any social enterprise has never been impeded by the lack of definitional clarity, while others argue that a clear definition facilitates support in the form of legislation and social policy (Haugh, 2005; Peredo & McLean, 2006). Definitions are also important in relation to evaluation, since outcomes are measured according to defined conceptual frameworks. Such definitional debates, by and large, can be viewed as an expression of the need to establish social enterprise as a new field of academic research (Nicholls, 2010). Increasingly, however, criticism is being levelled at the paucity of empirical evidence relative to the growing attention this field is attracting and, in particular, at the unequivocal praise social enterprise receives (Dey, 2007). Moreover, definitional uncertainty has led to disparate discourses being used in practice, which compounds the problem of definitional inconsistency. This issue has significant implications not only at the conceptual level but also for the development of social enterprise. As social enterprise increasingly becomes part of social policy, its social construction (Teasdale, 2011) can provide a focal point for analysis of the whole social enterprise movement.

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[1] See e.g. Defouny and Nyssens 2006; Kerlin 2006; Mair and Marti 2009; Teasdale 2011; Dey and Steyaert 2012; Thomson 2008; Nicholls 2006; Ridley-Duff and Bull 2014; Boschee and McClurg 2003.

2.2 Definitions of Social Enterprise

The term social enterprise is used in popular discourse in many ways and without a clear common denominator. Some academics have even resorted to the 'blind man and elephant' fable to describe social enterprise (Martin & Thompson, 2010). Following are just a few examples of the varied usages of the term.

In summer 2012, a five-week global campaign, 'Not in Our Name', was organised by the global social enterprise movement to stop a commercial US software giant, 'Salesforce', seeking to trademark the term 'social enterprise' and remove any reference to 'social enterprise' in their promotional material (Social Enterprise Mark, 2014). As a result of the campaign, which involved such prominent social entrepreneurs as Mohammad Yunus of Grameen Bank, Salesforce withdrew its trademark application (Social Enterprise Mark, 2014).

The CEO of Virgin Airlines, Richard Branson, portrayed himself as a social entrepreneur when he spoke at the Skoll Social Enterprise Forum (Entrepreneur, 17 June, 2013). On a visit to UTS Business School in March 2014, Dr Pamela Hartigan, then Director of the Skoll Centre for Social Entrepreneurship at Saïd Business School, Oxford University, stated that she was starting to dislike the term 'social entrepreneur', pointing out that, in an ideal world, the distinction between social entrepreneurs and private entrepreneurs must be arbitrary (UTS 2014). The term has also been used to refer to the use of social media by some large global businesses to receive instant customer feedback through social media (Burberry's Social Enterprise Story, 2013). This diversity in usage indicates the growing popularity of the term as well as the variety of academic and everyday contexts in which the discourse is deployed.

Within academia, the term transcends the individual domains of entrepreneurial studies, social movements and non-profit management (Mair & Marti, 2006; Perrini, 2006). In popular discourse, it is used in everything from business marketing to philanthropy and government social policy. In a way, however, this diversity helps to explain why social enterprise cannot easily be defined within a single academic tradition. Ever since social enterprise began to attract academic attention in the late 1990s, a sizable section of most scholarly work has been devoted

to defining social enterprise conceptually or justifying the working definition adopted in the research.

On a conceptual level, the term has been associated with certain characteristics, such as its 'public' or not fully private nature (Hockerts, 2006). Yet it is difficult to identify characteristics that are common to all its diverse usages. Reflecting such confusion, in the UK, the Social Enterprise Mark (SEM) is used to distinguish 'genuine' social enterprises from 'pretenders' (Social Enterprise Mark, 2014). SEM excludes cooperatives that pay out more than half their profits as dividends (Teasdale, 2010). As Dey and Steyaert (2010) observed, narratives of social enterprise appear in the most disparate sectors, within which it is envisioned as a solution to a particular problem, such as health (Drayton et al, 2006), education (Sperandio, 2005), work integration (Nyssens, 2006), or urbanisation (Leadbeater, 2006). On a practical level, no legal form or registration category accurately captures all the attributes of social enterprise. Some countries have created a new legal form, like the community interest company (CIC) in the UK, that is designed to deal with technical issues such as asset lock (Probono, July 15 2015) and which is distinguished from both a Company Limited by Guarantee (CLG) and a Company Limited by Share (CLS) (Calvo, 2012). By no means, however, does CIC represent the full gamut of social enterprise initiatives across diverse sectors, including charitable entities and private business.

To make the matter more complex, there are also noticeable differences in definitions and connotations between the US and Europe. These result from the two different traditions that informed the development of social enterprise (Kerlin, 2006; Dart, 2004; Peattie & Morley, 2008). They initially developed in isolation from each other but have converged in recent years to produce confusion in the way social enterprise is understood both in academia and in practice. As social enterprise emerges as a global phenomenon, the historical and political contexts of each country further complicate the task of definition and the development of measures to enable international comparative studies (Kerlin, 2010).

Given the current divergence in meanings and usages of the term, social enterprise, the adoption of a working definition in the present study is justified pragmatically. This definition is elaborated in Chapter 5. However, better

understanding the arguments that have underpinned various definitions of social enterprise and the historical and cultural contexts in which they have developed can in fact enhance knowledge of the phenomenon. To this end, this section documents in detail how social enterprise has been variously conceptualised and defined.

2.2.1 The Concept of Social Enterprise: Historical Perspective

How the term is understood in different countries reflects independent developments in different parts of the world. The characteristics developed in isolation during the early period partly account for the diversity of conceptualisations today. The characteristics of social enterprise associated with each stream of development have implications for the subsequent development of amalgamated discourses. For example, Australian discourse reflects a combination of British and American approaches, making its conceptual development less logical in Australia (Barraket et al., 2015). The U.S. emphasis on social entrepreneurs as individuals and change makers has recently gained popularity in Australia. This might be inconsistent with the broader social economy tradition with which the Australian third sector is aligned. The following discussion elaborates on the historical development of the streams.

According to some academics, the concept of social enterprise appeared more than a century ago (Dart, 2004). In the U.S., well-known philanthropists such as Carnegie and Rosenwald, who sponsored many public projects, are now referred to as social entrepreneurs. The first modern co-op model was established in 1844 in Rochdale, England (Institute of Social Entrepreneurs, 2008). In 1938, the Wagner-O'Day Act, the first in a series of legislative actions designed to employ people with severe disability, was passed in the U.S. (Institute of Social Entrepreneurs, 2008).

According to Ridley-Duff and Bull (2011, p. 57), the term 'social entrepreneur' appeared as early as 1972 to describe Robert Owen, the pioneer of cooperative communities in England. This suggests that the term was originally used to refer to an entrepreneur with strong social commitments, and no specific activity was agreed as constituting social entrepreneurship. The terms 'social enterprise' and 'community enterprise' were also used in Australia around the same time (Barraket et al., 2015). Despite the difference in terminology, the concept developed around

cooperatives and mutual organisations until the term social enterprise was popularised by members of the Social Entrepreneurs Network (SEN) in the late 1990s (Barraket et al., 2015).

The earliest known formal definition of social enterprise comes from a 1978 initiative to create a social audit framework for workers' co-operatives at Beechwood College in the UK (Ridley-Duff & Southcombe, 2012, p.182). The first social audit tool kit, which was published in 1981, claimed that:

> An enterprise that is owned by those who work in it and/or reside in a given locality, is governed by registered social as well as commercial aims and objectives and run co-operatively may be termed a social enterprise. Traditionally capital hires labour with overriding emphasis on making a profit over and above any benefit either to the business itself or the workforce. Contrasted to this the social enterprise is where labour hires capital with the emphasis on social, environmental and financial benefit (Spreckley, 1981, p.3).

It should be noted that a communal aspect was recorded, but there was no reference to activity related to commercial trade as 'entrepreneurial'.

According to Gozales (2010), social cooperatives[2] and their associated movement are based on principles of self-help and mutual society. The student and worker movement in the 1960s and 1970s, together with the strong cooperative tradition that developed in Italy from the 19th century, inspired new cooperative movements and led to increased services in areas such as education, health, recreation and labour force integration (Gonzales, 2010). The new social cooperatives, which primarily differed from traditional cooperatives in providing service to third parties beyond the cooperative membership, were regarded as effective in meeting demand for services in new areas while expanding third sector and participatory democracy (Gonzales, 2010). The new co-op movement became popular throughout Western Europe and, in 1991, the Italian Parliament passed a law (Law 381/1991, n.381) supporting creation of a new legal structure, 'social cooperative' (Gozales, 2010;

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[2] Social cooperatives are defined as renewed cooperative models that have added features such as caring activities and training activities (Thomas 2004).

Defourny & Nyssens, 2012, p .6; Ridley-Duff & Bull, 2011, p. 58; Doherty et al., 2009). The resulting social cooperative model has shaped some of the important characteristics of social enterprise in the European tradition today.

As Ridley-Duff and Southcombe (2012) suggest, at this stage social enterprise was characterised primarily by participatory democracy, which places more emphasis on 'socialisation' than on 'social purpose' because it is deeply rooted in the traditional co-operative movement. The characteristics of cooperatives that inspired social enterprise models differed from those developed later on. Where the co-operatives were characterised by their member orientation and employee-ownership movements (i.e. socialisation) charities, non-governmental and non-profit organisations were oriented towards beneficiaries (social purpose) (Borzaga & Defourney, 2001; Kerlin, 2010). In other words, the distinction was between socialisation characteristics and social purpose characteristics. Socialisation places greater emphasis on open membership, changes in the role of share capital, the principle of one person one vote and trading models that democratise the control of capital (Beaubin, 2011). Social purpose, in comparison, emphasises non-profit characteristics that increasingly provided most of the criteria in definitions of social enterprises. This shows how the conceptualisation of social enterprise has evolved over time as it has acquired more 'add on' characteristics.

One important aspect of social cooperatives is the inclusion of 'work integration social enterprises' (WISEs). In Italy, where legislation on social enterprise was first introduced in 1991, there are provisions for both type A and type B organisations. Type B organisations were mandated to employ at least 30 per cent of their workforce from disadvantaged groups. A number of regulatory exemptions, which were not available to other workers, were provided (Gonzales, 2010). Following the gradual withdrawal of the welfare state and the inability of the state to provide effective solutions for long term unemployment, third sector initiatives became attractive for employment creation as well as a response to unmet service needs for the disadvantaged (Kerlin, 2006). It is uncertain whether the provision of work integration social enterprises was part of a socialisation initiative to benefit the members or of a social purpose initiative targeting the broader public. Nevertheless, the work integration element played an important role in shaping social enterprise identity and discourses.

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This development inspired other European countries during the following two decades, and several countries introduced new legal forms to reflect the new entrepreneurial approach (Gozales, 2010; Defourny & Nyssens, 2012, p. 6). Growing awareness of the limitations of the traditional public and private sectors reactivated interest in 'third type' or 'third way' economics (Borzaga & Defourny, 2001, p. 3). Ironically, as social enterprise has become more prevalent and its social purpose aspect has been emphasised, it has been argued that cooperatives and mutual sectors should really be a part of social enterprise, since their legitimacy stems mainly from their membership base and profit distribution (Westall, 2002).

2.2.2 The US and Europe

Another stream of social enterprise concept development (Kerlin, 2009) takes into account the different historical, socio-economic and institutional factors that shaped the development of social enterprise in various countries. Some researchers, including a number of Australians, adopt an international comparative model using discursive (DI) and historical institutionalism (HI) as tools for analysis (Kerlin, 2010, 2013; Mason & Barraket 2015; Barraket et al., 2015). This reflects an attempt to enable research collaboration and comparison among countries with growing social enterprise interest, including many in South America and East Asia.

The U.S. and Europe have generated the two most influential conceptualisations of social enterprise. Although Kerlin (2006) notes differences between the European tradition and that of the UK, these are much less significant than the differences between Europe and the U.S. The latter differences are central to understanding the complex development of conceptualisations of social enterprise and its impact in a country like Australia, where the fusion of these two inadequately understood approaches largely explains the diversity in the current social enterprise discourse. The following account of the contrasting definitions of social enterprise in the U.S. and Europe draws on Kerlin's (2006, p. 248) study.

The work of the Ashoka Foundation, established by Bill Drayton, largely shaped how social enterprise has been understood in the U.S. since the 1980s. The

foundation uses a model of identifying and supporting individual social entrepreneurs who are considered to be champions of social change (Ashoka Foundation, 2014). The focus on individual social entrepreneurs as key agents of social change remains a distinct feature of the U.S. social enterprise tradition, which has influenced how the term is understood in other parts of the world.

Almost any type of revenue-generating activity by non-profit organisations is viewed as social enterprise, and the for-profit sector is acknowledged as a stakeholder in the US definition:

> Those organisations that fall along a continuum from profit oriented businesses as long as engaged in socially beneficial activities such as corporate social responsibility, corporate philanthropies to dual-purpose businesses that mediate profit goals with social objectives to non-profit organisations engaged in income generating activities, partnering with business, cause related marketing, sales of mission related products are all qualified to be defined as social enterprise (Kerlin, 2006, p. 248).

This is much broader than the European conceptualisation, which focuses on socialising rather than social purpose characteristics. This broad definition is consistent with the views presented in the leading American business schools (Dees, 1998).

A strong link with philanthropy, whereby money raised from wealthy individuals supports non-profit organisations that act in the public interest, is a distinctive feature of U.S. style social entrepreneurship (Dees, 1998). According to Crimmins and Keil (1983), the emphasis on revenue generation as opposed to the participatory activity of program beneficiaries (as in the European approach), is due mainly to the strong American tradition of fairs and sales of home made goods by religious and community groups. Kerlin (2006) documents the development of the 'earned income' discourse, noting that organisations came to define social enterprise as 'any earned income business or strategy undertaken by a nonprofit to generate revenue in support of its charitable mission' (p. 252).

It was estimated that some $38 billion in federal funds was lost to service organisations as a result of the economic downturn in the late 1970s and the 1980s, and this resulted in growth of nearly 40% in the income they derived from other commercial activities during the same period (Salamon, 1993, 1997). This has helped to shape the U.S. understanding of social enterprise as referring to activities, often outside the range of social services, undertaken by non-profits to finance the provision of existing services (Kerlin, 2006). This 'earned income' discourse, along with 'innovation' in charities and public service, has also influenced the U.K. social enterprise discourse, particularly since Tony Blair's New Labour government, and has replaced the co-operative approach in that country (Ridley-Duff & Southcombe, 2012; Ridley-Duff & Bull, 2014; Teasdale, 2012).

2.2.3 The EMES approach

EMES is a research network of established university research centres and individual researchers whose goal is to gradually build up a European corpus of theoretical and empirical knowledge around "third sector" issues that is pluralistic in discipline and methodology. The third major stream of social enterprise conceptualisation has been developed by this E.U network. This approach locates social enterprise mainly within the social economy tradition and the idea of a plural economy that emerged from scholars such as Polanyi, Mauss, Boulding, Perroux and Razeto (Defourny & Nyssens, 2012). This approach sees social enterprise as the social economy — the 'third sector' of advanced liberal economies (Pathak 2015) that consists mainly of non-profit organisations (Defourny, 2001). It should be noted, however, that that there is no agreed definition of 'non-profit' and how it differs from related terms such as volunteer organisation, third sector, civil society, charity, community sector and non-governmental organisation (NGO) (Salamon & Anheier, 1997). In this thesis, these terms are used interchangeably to denote the broad sector that gave birth to social enterprise.

In the European tradition, a plural economy brings together all types of not-for-profit organisations such as cooperatives, associations and mutual societies, which are referred to as the 'social economy' (Evers & Laville, 2004). Evers (1995) highlighted the role of third sector organisations in enacting reciprocity in the

community sphere. In legal and institutional classifications, cooperative enterprises, mutual organisations and associations are commonly recognised as key components of the social economy, along with a large number of *de facto* associations or informal activities in less industrialised countries (Borzaga & Defourny, 2001, p.6).

Under the social economy perspective, the term social enterprise is applied to a wide range of activities in different parts of the world. According to Amin (2009), the social economy refers to economic activities that prioritise social and environmental needs over profit maximisation by involving disadvantaged communities in the production or consumption of socially useful goods and services. Defourny (2001, p. 7) identifies the key characteristics of the social economy as:

- an aim of serving members or the community, rather than generating profit;
- independent management;
- democratic decision making process;
- primacy of people and labour over capital in the distribution of income.

It should be noted that the European understanding of social enterprise incorporates the U.S. approach because it includes the economic activities of non-profit organisations. It differs, however, in that the U.S. tradition is based firmly on the market economy, including cause-related marketing (Austin, 1999), 'philanthropic market' or philantrocapitalism,[3] without much recognition of the social economy. The European approach inherited a tradition of cooperative movements and mutual societies but is much wider in that it includes a large number of associations and informal activities embedded in civil societies. There seem to be many areas of overlap among the definitions and concepts of third sector, non-profit sector, social economy and social enterprise. Since most attributes of the social economy are inclusive of social enterprise, it would seem appropriate to draw a conceptual alignment between social economy and social enterprise. Beyond this, however, the unique dynamics of social enterprise cannot be adequately captured as a sub-category of social economy. Borzaga and Defourny (2001, p. 10) acknowledge the limitations of an approach that sees entrepreneurial behaviours or economic risks associated with social enterprise as unique to social enterprise.

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[3] Successful business people engage in philanthropy and use capitalist business practices for social projects; examples include Rockfeller, Carnegie, Ford and Gates (Riddle-duff & Bull, 2014, p.193).

In Europe, the definition of social enterprise developed by EMES is widely accepted, and the approach is gaining more attention in other parts of the world. This working definition of social enterprise has been agreed by academics in the E. U. member countries. It represents the diversity and heterogeneity of contexts in which social enterprise development is situated (Defourny, 2001, p. 18). Perhaps for that reason, it has broad appeal as a guideline. In this working definition, the key characteristics of social enterprise are:

- A continuous activity producing goods and /or selling services
- A high degree of autonomy
- A significant level of economic risk
- A minimum amount of paid work
- An initiative launched by a group of citizens or civil society organisation
- An explicit aim to benefit the community
- An initiative launched by a group of citizens
- A decision-making power not based on capital ownership
- A participatory nature, which involves the persons affected by the activity
- Limited profit distribution (Borzaga & Defourny 2001, pp. 16-18).

The list includes sets of indicators for three distinct dimensions of social enterprises: economic and entrepreneurial dimensions, social dimensions, and participatory governance (Defourny & Nyssens 2012, pp. 7-8). This too is an attempt to identify an ideal type or pure form of social enterprise with the understanding that, in reality, social enterprises display varying characteristics and should be viewed as a result of convergence of a number of traditions. This explains the diverse views encapsulated in the definition. The implications of such broadening of definitions and, in particular, the inclusion of private businesses as equally weighted stakeholders present significant benefits and challenges. This is elaborated in the following section.

2.2.4 Conclusion

In summary, this discussion has identified three streams of traditions that have shaped the concept of social enterprise: a narrow cooperative tradition developed in Europe; the U.S. model based on philanthropic non-profit organisations; and the

social economy based model of the E.U. research network. Defourny (2001, p. 18), however, argues that none of these traditional models fully captures the new dynamics that currently exist around the boundaries of markets, government and the third sector. Social enterprise and its major features transcend such traditional models and include new features that result from innovation within the third sector, which should be considered as an expression of new entrepreneurship. Perhaps those students who take social enterprise courses in the top MBA schools, who aspire to make changes in the community, reflect a new ethos that traditional approaches cannot fully capture (Hirzel, 2013).

The overall decline of the western economy, coupled with the reduction of the welfare state, has forced the third sector to adopt innovative measures to ensure the continuation of services. Work integration is an example of innovation driving services to respond to the needs of marginalised communities that traditional service models have failed to address (Defourny, 2001, p. 14). Advances in technology and the growth of educated younger middle class generations are not accounted for as qqq sources of new dynamics in any of these traditions. Other factors not considered include the changing role of women, globalisation (Guo & Bielefeld, 2014), partnerships with the private sector (which were not part of the social economy tradition), and effective and innovative use of volunteers as production inputs (Defourny, 2001, p. 14).

2.3 Discourses on Social Enterprise

The previous section examined in detail the definitions, conceptualisations and contextual backgrounds of social enterprise that have emanated mainly from the academic sphere. The difficulties associated with rendering practical meanings for social enterprise practices were also discussed. This section shifts the focus from definitions to discourses. The two main features of social enterprise — the 'constructed' nature of its definition and the interdependence across sectors necessary to effect social change — highlight the importance of discourses of social enterprise. The section compares various discourses employed in social enterprise development and examines how they have come about. The account demonstrates how the

constructed nature of social enterprise makes the sector vulnerable to political manipulation and the competing interests of various stakeholders.

Many governments, particularly in the U.K., have played a significant role in shaping social enterprise discourses and how social enterprise is understood (Calvo, 2012). Therefore, an examination of the 'constructing' nature of social enterprise theory needs to be situated in relation to emerging discourses, which reflect various interrelationships among social enterprise stakeholders. Discourses produced by these stakeholders and institutions form the realities of which they speak. Therefore, regardless of whether or not they are deemed scientific, discourses serve as rhetoric to convince the audience and therefore influence policies (Dey, 2007). Whereas an over-emphasis on the contested definitions of social enterprise, discussed in the previous section, might be counter-productive, an examination of social enterprise discourses provides insight into how these definitions have come to be understood and put to strategic social and political use at various times over the last 20 years.

This section introduces some of the theoretical frameworks that shed light on how discourses can be used to strategically position various social actors. This helps to understand why discourses matter, perhaps even more than academic definitions, in framing policies for social enterprise. In the Foucauldian approach, discourse is indicative of the complex political investment by multiple stakeholders and their interrelationships through which development of social enterprise takes place (Foucault, 1990). The analysis of discourse therefore reveals information about the strategic positioning of stakeholders in matters related to the current and future development of social enterprise (Mason, 2012). In many social enterprise discussions, governments are recognised as one of the central players since the issues of unemployment, social exclusion and welfare are intrinsically related to social enterprise. Discourses are of particular interest in relation to the migrant and refugee communities with which this research is concerned, as public discourses have traditionally exerted considerable influence on the development of immigration and settlement policies (Song, 2013).

A discursive tension that inherits the conceptual problems in social enterprise has already been noted (Cho, 2006). It seems that a lack of clarity in definitions of social enterprise is both a cause and result of diverse social enterprise discourses. This

indicates the possibility that social enterprise, as a site, is vulnerable to domination and manipulation by discourses. In this context, Foucault's lesser-known theories of governmentality and technologies of self can enhance understating of current social enterprise discourse construction. This section of the literature review accordingly examines various current discourses on social enterprise. More importantly, it investigates the processes by which different stakeholders construct their own understanding of social enterprise and impose their preferred views in order to solidify strategic positioning over an emerging social phenomenon.

2.3.1 Diversity in social enterprise discourses

The most notable features of the development of social enterprise discourse are, first, the concept has been praised by almost all sections of society and, second, it has rapidly been included in the mainstream agenda by political elites (Clark, 2009).

Increasingly, social enterprise has been portrayed as something of a universal panacea within public policy (ODPM, 2004; Sepulveda, 2013). Although some critical views have appeared more recently in academia (Dey, 2007, 2010, 2011; Mason, 2012; Teasdale 2011), and in the field (Probono, 2015), the overall assessment in the worst case is 'wait and see'. The negative aspects highlighted in some studies mainly relate to its association with neoliberal ideology, which is discussed further below, or on the lack of empirical evidence based on longitudinal studies. Examples of deviation from social enterprise ideals have been documented in some qualitative studies. Nevertheless, no researcher seems to challenge the legitimacy and potential of social enterprise as an important means of addressing social issues.

The extent to which it has been embraced globally by political elites is particularly noteworthy. Former UK Prime Minister Tony Blair, for instance, referred to social enterprise in his first speech in 2001 and, since then, a range of government and private funding has been used to support social enterprises (Boschee & McClurg, 2003; Ashton, 2012). In 2010, the conservative UK government published a policy document, 'Big Society Not Big Government', which described social enterprise as a pathway to social cohesion and economic renewal, a much debated 'third way' in politics (Bertotti et al., 2011; Ridley-Duff & Bull, 2014, p.37). The UK government

launched its first social impact bonds in 2000 to support projects delivered by social enterprises (Cave, 2013). The (then) Prime Minister, David Cameron, said he wanted to use the UK's G8 presidency power to push for increased finance bonds for social investment (Cave, 2013).

In the U.S., George W. Bush surprised some commentators in his 2007 State of the Nation address by citing examples of social entrepreneurs (Clark, 2009). The U.S. Obama administration established the Office of Social Innovation and Civic Participation (Guo & Bielefeld, 2014, p.18; Teasdale 2011). President Obama's Social Innovation Fund received particular attention (Hubert, 2012), and the federal government stated that the 'Pay for Success' (PFS) social financing scheme, which includes social enterprise initiatives, was a presidential priority. The movement has bi-partisan congressional support (the White House, 2014).

The U.N. also embraces the concept, believing that social enterprises empower community members and encourage social change through responsible citizenship that exercises control over production, consumption, savings, investment and exchange (Ocampo, 2007). In the EU, social enterprise is promoted as a key agenda item to improve the economy and reduce unemployment (Hubert, 2012). In Australia, a number of federal and state government social enterprise grants have been introduced, along with various awards to young social entrepreneurs (Social Enterprise Awards, 2014). Despite the fact that social enterprise is only in its early stages of conceptualisation, its widespread adoption by politicians is remarkable.

2.3.2 Historical context of discourse construction

What can explain the sudden rise in public interest in social enterprise over the past two decades and its status as a key policy agenda item? Social enterprise is not only under discussion in the Western world, but has also attracted interest elsewhere, including Asia (British Council Vietnam, 2012), whose welfare state traditions and experiences of social service are very different. It is therefore important to examine the historical context within which different discourses have been formed, as well as the policy frameworks that are the basis of current social enterprise practices.

In the U.S., the economic downturn in the late 1970s and the 1980s resulted in

welfare retrenchment and large cutbacks in federal funding, amounting to the loss of some $38 billion for non-profits outside the healthcare field (Salamon, 1997). The situation drove some non-profits to use commercial activities as a way of filling the gap (Crimmins & Keil, 1983; Eikenberry & Kluver, 2004; Calvo 2012). In the E.U., unemployment became a critical issue and challenged the whole notion of the welfare state. The unemployment rate exceeded 10% through the 1980s and 1990s, and measures to address unemployment, particularly long-term unemployment, were mostly ineffective (Defourny et al., 2001). Kerlin (2006, p. 252) argues that, coupled with the withdrawal of the welfare state and prevalence of unemployment, social service provision has shifted increasingly to the third sector in the Western world, which began to respond to emerging needs in the areas of unemployment, urban regeneration, childcare and aged care. Kerlin (2006, p. 253) further argues that most pioneering social enterprises in Europe were founded in this period by social workers and third sector organisations, which partly explains the narrower range of services associated with social enterprise in Europe in comparison with the wide range of social enterprise activities in the U.S.

2.3.3 The Australian Perspective

Australia is an interesting context in which to analyse social enterprise phenomena since it is equally exposed to both European and U.S. discourses (Barraket, 2010; Morgan, 2017). As a result, it displays a rather dialectical development in which the dominance of one or the other varies over time. Therefore it is not easy to single out what could be called an Australian perspective.

Barraket (2010) argues that, although the use of the term 'social enterprise' is new, Australia's social enterprise sector has existed for a long time and has matured over the years, due to the fact that the country's vast geography and relatively sparse demography encourage community-led solutions to local problems. Many community-led business initiatives have been delivered in remote communities, mostly cooperative forms that can be retrospectively identified as social enterprise, in a wide range of fields including health, home care, community energy, disability, agriculture and recycling. Along with other states, NSW has witnessed the development of a number of social enterprises. These include Work Venture, which is

one of the oldest and largest social enterprises in Australia, Bathurst Food Cooperative, Reverse Garbage, and many others in the fields of community energy and arts. Barraket argues that social enterprise is a part of European Australia's national story as, traditionally, agricultural consumer and producer cooperatives played a central role in local and regional communities (Barraket, 2010b; Barraket et al., 2015). This tradition was eroded by the rise of neoliberalism in the 1980s and 1990s.

She also discusses the applicability of the social enterprise concept to the activities of indigenous communities in Australia (Barraket, 2010). In such communities, social enterprise is increasingly viewed as a means of maintaining indigenous cultures (Tedmanson 2014), and considerable growth in social entrepreneurship has taken place. There are now more than 40 indigenous cooperatives in the social enterprise space, including the Boomalli Aboriginal Artists Cooperative in Sydney.

She further claims that the Australian use of terminology is less settled in civil society than it is in other countries (Barraket et al., 2015), although increasing self-identification with the term has led to somewhat misleading figures on the growth of the social enterprise sector and the actual number of social enterprises in Australia (Barraket, 2016). She estimates that there are up to 20,000 Australian social enterprises that fit the working definition of the mapping project that she conducted (Barraket, 2010, p. 4). This is the only estimate of the number of social enterprises in Australia and is based on the 2005 Department of Families and Community Services survey[4] of 500 not-for-profit organisational respondents (Department of Families and Community Services, 2005). The estimated number of social enterprises in Australia remained the same in 2016, at around 20,000 (Barraket, 2016). If this is correct, in comparison with the findings of the 2009 U.K. survey (Teasdale, 2010), Australia is out-performing the U.K. in terms of the number of social enterprises.

According to Barraket (2010), both conservative and radicalising impulses are created within civil society by diverse discourses surrounding social enterprise, while

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[4] According to the survey, 29% of 500 respondents operated commercial ventures or social enterprises. The figure of 20,000 was estimated by calculating 29% of 58,779, the number of not-for-profit organisations registered with the ATO.

social enterprise appears to have gained some symbolic legitimacy in Australia. These divergent discourses include commercialisation of the not-for-profit sector, transfer of responsibilities of governments to the community sector, creation of new opportunities, generation of social innovations in response to new challenges, and transformation of market economies (Barraket, 2010b),. The corporatisation of the third sector along with the rise of social enterprise is particularly concerning because the balance of power in the third sector has shifted to managerialism (Barraket, 2016) which, from a Foucauldian perspective, is a sign of voluntary subjugation to the dominating power. There is also an emerging trend towards devaluing the diverse sources of knowledge and specialised skill sets required to tackle social problems (Barraket, 2016). Many social enterprises have increased their focus on business success, which is often equated with the solution of social problems. There is an underlying assumption, even in social enterprise courses in universities, that business success will undoubtedly lead to the solution of social problems (Barraket, 2016).

From the preliminary workshops conducted as part of a study designed to map the Australian social enterprise sector, Barraket (2010, 2010b) documented how those diverse discourses on social enterprises were reflected among various actors in the social enterprise scene in Australia. The results suggested that social enterprise discourses were being constructed by dominant institutions such as governments and larger organisations and intermediaries, whose focus is on narrowly defined types of social enterprise activity, mainly employment service provision, while public awareness and the understanding of social enterprise remain relatively low (Barraket, 2016). Uniquely, she argues that social enterprise reflects generational change, whereby younger generations who are tech savvy and creative seek more efficient ways to bring about social change (Barraket, 2010b, 2016).

From an extensive discourse analysis, Mason and Barraket (2015, p. 12) concluded that social inclusion with a focus on employment for disadvantaged groups was the dominant discourse created during the 2007-2013 Labor government led by Kevin Rudd and Julia Gillard. At the start of the 2008 global financial crisis, the Jobs Fund was established to stimulate employment for people from disadvantaged groups. Since then, Australian government policy has focused narrowly on the role of social enterprise in employment service provision (Barraket, 2010, p. 8).

Considering the high unemployment rate among CALD migrants and refugees, this suggests they should be a priority target group for policy implementation around social enterprise. The study also found that the Australian social enterprise sector is well-governed and innovation-focused yet, contrary to the U.K., there is little public or philanthropic investment (Barraket, 2015, 2016).

The foregoing discussion has shown how the construction of social enterprise discourse in Australia has been shaped by institutional forces, such as governments and their intermediaries, and large non-profit organisations, with their emphasis on, or preference for, particular aspects of social enterprise.

The most recent development in social enterprise discourse in Australia emerged from the recommendations and findings of the Legal Models Working Group (LMWG, 2014).[5] Morgan (2017), a key member of the group, described the current state of the social enterprise sector in Australia as a complex landscape containing multiple threads that could weave together diverse forms of social enterprise, emphasising the design of governance rather than legal forms. Australia is unique in the Anglophone and European world as it does not have an enacted legal structure that is specific to social enterprise (Morgan, 2017). The empirical data collected by the working group indicated that there is great diversity in the legal model choices of individual social enterprises, which does not justify the creation of a new legal form of social enterprise. Rather, current Australian practice demonstrates a degree of flexibility and customised governance (Morgan, 2017). She identifies three institutional factors that account for the absence of legal models for social enterprise in Australia: the constitutional structure of federal and state power; key macro-political policy trends in the late 1990s; and the distinctive nature of the Australian wage-earners' welfare state. Another institutional factor identified by several commentators (Passey & Lyons 2006; Barraket, 2008, 2016) is the ambivalent nature of the relationship between government and the third sector in Australia. However, recent developments in community share offers in the cooperatives sector and in benefit corporations targeting social businesses with social commitments suggest that

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[5] The Social Enterprise Legal Models Working Group (LMWG) was originally convened by the Centre for Social Impact as part of the "Social Innovation, Entrepreneurship and Enterprise Alliance" (SIEE). to investigate the issue of social enterprise business models/legal structures.

aspiring social entrepreneurs should not be concerned about any 'gap' in legal provisions.

In summary, there is a contrast in Australia between the impact of discourses at the micro operational level, which do not affect the business, and those at the macro level which, paradoxically, lead to the absence of broader policy work and legal provisions despite the growing popularity of and rhetoric around social enterprise in the Australian political arena. Amid these disparate discourses, the government introduced the controversial National Disability Insurance Scheme (NDIS) in 2016, a market-based disability service, and invited third sector organisations to bid to become providers. This experience will have important implications for the future of the social enterprise landscape in Australia

2.3.4 Social enterprise discourses in the U.K.

It has been suggested that the U.K. has the most developed institutional support structure for social enterprise in the world (Nicholls, 2012; Calvo, 2012). Understanding the role of government is critical in appreciating the emerging dynamics of dominant discourses among various stakeholders involved in social enterprise development. The constructive nature of the social enterprise definition implies that discourses carry substantive currency to reach consensus about 'what social enterprise should be'. Government, as a dominant stakeholder, can exert enormous influence during the process. Therefore, an examination of the U.K. government's role provides a useful context for understanding how social enterprises in CALD migrant and refugee communities in Australia are framed within a particular political agenda.

Governments around the world began to embrace the social enterprise concept in the absence of any long-term evidence; social enterprise discourses were largely based on rhetoric and policy advocacy (Dey, 2007; Sepulveda et al., 2013; Calvo, 2012). The evidence to support claims that social enterprise provides a means of addressing social and economic problems is at best patchy and often non-existent (Hunter, 2009; Syrett et al., 2011). Although there is growing awareness of this lacuna in academia, this has not yet entered mainstream policy-making in the U.K. or anywhere else.

Westall (2002) emphasises that U.K. ministers and civil servants are well-disposed towards the potential value of social enterprise. Teasdale (2012, pp.108-113) documents how social enterprise discourses have developed in the U.K. He argues that government policy has, in fact, played a major role in the construction of discourses, and that this has often been achieved in collaboration with key social enterprise interest groups in the U.K. Understanding the role of government is critical in appreciating the dynamics of dominant discourses among various stakeholders involved in social enterprise development.

According to Teasdale (2012, p. 115), social enterprise in practice adopts the favoured approach of the dominant funder. Close examination of the key role played by government in the development of the social enterprise sector in the U.K. illustrates the process of building social enterprise identity collaboratively and identifies its practical implications (Mason, 2012). The overview of social enterprise discourse development over time presented in Table 2.1 illustrates how various players position themselves strategically in relationships to shape the 'reality' of social enterprise.

Table 2.1
Overview of Social Enterprise Discourse Development

Period	Dominant discourse	Response to	Government department	Lobby group
1998-2001	Repositioning of cooperative and mutual societies	Market failure	Treasurer Neighbourhood Renewal Unit	Social Enterprise London
2001-2005	Social business discourse	Neo liberal response to state failure	Department of Trade and Industry	Social Enterprise Coalition
2005-2010	Earned income discourse	Voluntary failure	Office of third sector	Association of Chief Executives of Voluntary Organisations

Source: Teasdale (2011)

From 1998-2001 the term social enterprise was mainly used to re-position co-operative and mutual societies (Teasdale, 2012, p. 108; Ridley-Duff & Bull, 2014). During this period, social enterprise was understood in relation to the new co-operative movement that was becoming popular in Italy and some other parts of

Europe as a means of filling a large gap in public services (Borzaga & Sanuari, 2003). In the U.K., the merging of two co-operative development agencies into Social Enterprise London (SEL), which already had close links to New Labour, sparked the social enterprise movement (Brown, 2003). A strong response came from the New Labour government, which had just initiated neighbourhood regeneration (Ridley-Duff & Bull, 2014). This marked a departure from what can be thought of as the original meaning of social enterprise, which emphasised economic democracy and the aspirations of radical members who saw co-operatives as an alternative to capitalism (Amin et al., 1999; Amin 2005).

The term social enterprise first appeared officially in a government document in 1999. This was the Social Exclusion Unit's National Strategy for Neighbourhood Renewal (Westall, 2001, p. 25). Sepulveda (2013) suggests that this early partnership explains why, in the U.K., the government definition of social enterprise has been widely accepted and continues to be used today. This collaboration set the scene for social enterprise development in the following period (Ridley-Duff et al., 2008). According to Teasdale (2012, p. 109), the government used the term to include larger insurance mutuals, retail co-operatives, employee-owned businesses, intermediate labour market projects, social firms and social housing, which made its definition wider than those proposed by the Social Exclusion Unit. In the meantime, the U.S. perspective on social entrepreneurship, developed by the Ashoka foundation, began to appear in social enterprise debates in Europe (Leadbeater, 1997; Ridley-Duff & Bull, 2011).

From 2001-2005, there was a major expansion of the discourses of social enterprise, which resulted in multiple and often conflicting interpretations and models. This development was largely driven by the U.K. government, which saw social enterprise as an ideal program with which to implement a neoliberal agenda (Blackburn & Ram, 2006). The most notable developments during this time were the inclusion of social business, which involves applying business solutions and innovation to social problems (Grenier, 2009; Calvo, 2012), and the gradual dilution of the discourse of co-operatives (Pearce, 2003; Ridley-Duff & Bull, 2014). Social business, which can distribute profits to shareholders, reinforces a key principle of co-operatives – that of private benefits. Until this point, social enterprise was "institutionally dealt with as businesses and part of the market, rather than the third

sector" (Carmel & Harlock, 2008, p.160). Nevertheless, it contrasts with the other key principle of democratic control of co-operatives (Brown, 2003; Teasdale 2011). The government's definition of social enterprise appeared in the Department of Trade and Industry's publication, *Social Enterprise: A Strategy for Success*:

> Social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community rather than being driven by the need to maximise profits for shareholders and owners (DTI, 2002, p. 8).

It has been argued that the government wanted to create a loose definition in order to include as wide a range of organisational forms as possible in an attempt to reform the delivery of public services (Teasdale, 2012, p.110; Bland 2010; DTI 2002; Calvo 2012; Grenier 2009). From the same document:

> The government believes social enterprises have the potential to play a far greater role in the delivery of public services ... Entrepreneurial behaviour combined with a continuing commitment to delivering public benefit, can lead to local innovation, greater choice and higher quality of service for users (DTI, 2002, p. 24).

This statement already adopts some of the language of business discourse, such as 'choice' and 'quality'. These signal 'managerialisation' of the third sector by emphasising enterprise aspects such as business discipline (Parkinson & Hawarth, 2008). The public benefit principle of social enterprise was translated into the delivery of public services, thereby legitimising the involvement of the public sector in social enterprise discourse (Dey & Teasdale, 2013). The Social Enterprise Coalition (SEC) was established in 2002 by members of the co-operative movement to resist such encroachment from social business (Bland, 2010). The SEC adopted a social enterprise definition that explicitly excluded social businesses, which pay profits to shareholders (Teasdale, 2012, p.112).

The period 2005-2010 was characterised by earned income discourses, which consider social enterprise as an activity carried out by a variety of organisations within civil society (Kane, 2008, p. 1). In an era of government funding cuts, the third sector was expected to play a larger role in the delivery of public services (Davies, 2008), utilising volunteers and the skills of entrepreneurs and 'entrepreneurial enablers' (Thompson, 2011), thus filling the gap created by the reduction in funding via innovation. The policy emphasis shifted. Social enterprise was institutionalised as a means of privatisation of public services. This view was supported by the Association of Chief Executives of Voluntary Organisations (ACEVO) and the National Council for Voluntary Organiations (NCVO) (Davies, 2008; Calvo, 2012). The increased reliance on the third sector in the delivery of public services is reflected in another government policy document:

> Social enterprises are part of the Third sector which encompasses all organisations which are nongovernmental, principally reinvested in the community or organisation and seek to deliver social or environmental benefits (OTS, 2006, 10).

In the U.K., the social business discourse from the previous period was weakened during this time (Lyon et al., 2010). After the Coalition government was elected, it introduced the ideology of the Big Society, and social enterprise occupied centre stage in the government's policies (Thomson, 2011). The government stated that the third sector, through entrepreneurs and enablers, would receive resources from the government (Thomson, 2011). Many voluntary community and third sector organisations had their funding reduced following the introduction of a new model that expected the third sector to be more sustainable and financially independent by adopting a 'business-like' approach (Aiken 2007; Calvo 2012). The Social Enterprise Coalition (currently Social Enterprise U.K.), which had formed close links with the Conservative party while it was in opposition (Bland, 2010), was rewarded by government support for public services through the Public Service (Social Enterprise and Social Value) Bill, designed to help voluntary sector organisations and social enterprises compete for public sector contracts.

Teasdale (2011) shows that the U.K. government has played a more than active role in constructing social enterprise discourse, even to the extent of altering the natural development of key characteristics of social enterprise evident in the early cooperative movements. Such a construction, nevertheless, was not evidence based (Brown, 2003; Nicholls, 2010; Dey & Tesdale, 2013; Calvo, 2012; Ridley & Bull, 2014, p. 61). It has been claimed that the U.K. government positioned itself as the authority with the strongest rights to intervene. It aggressively pursued the inclusion of various organisational forms by adopting a 'looser' approach to defining social enterprise as part of the welfare and public service reform agenda, with resistance from the key industry body (DTI, 2002; p. 19; Ridley & Bull, 2014).

2.3.5 Policy implications

Figures from official government documents provide some perspective on the U.K. government's position on social enterprise. In 2007, the Office of the Third Sector commissioned a report to assess the impact of social enterprise. It concluded:

> According to the official research from U.K Department of Trade and Industry in 2005, the sector employs more than 775,000 people in U.K. It also shows that social enterprise has an annual turnover of 18 billion pounds (Hart & Houghton, 2007, p. 26).

This impressive figure grew even more in less than 10 years.

According to the UK government's *G8 Factsheet* (UK Government, 2013), social enterprises create jobs and offer employment opportunities to excluded groups:

- there are 180,000 social enterprise SME employers, representing 15% of SME employers
- including sole traders, the total number of SME social enterprises is 688,000
- the sector employs more than 2 million people, including half a million sole traders
- social enterprises are estimated to have total annual incomes of £163 billion a year and contribute £55 billion to the economy in Gross Value Added.

This shows that the U.K. government has reason to accept the success of social enterprise, although it is not clear how the government arrived at these figures or how valid they are.

Teasdale et al. (2013) dismiss the accuracy of the statistics, claiming that the figures have been manipulated to demonstrate the success of the government's social enterprise policies. Their analysis of the number of social enterprises in the U.K. shows that there has been continuous and rapid growth since 2003, but they also show how different criteria have been used in government sponsored surveys in order to suggest large numbers. For example, in 2003-2004, the number of social enterprises in the U.K. almost tripled from 5,300 to 15,000. This increase was, however, achieved by changing the definition of social enterprise used in the survey from one that required 50 per cent of income to be derived from trade to one requiring only 25 per cent. In the following year, the percentage of income from trade remained the same, but this time the survey relied on self-identification about the social purpose of the organisation. The government survey relaxed the income distribution criteria further and the number of social enterprises reached 70,000 in 2007, more than 10 times higher than the number of social enterprises in 2003. In 2013, the number was given as 688,000, but it remains unclear how this figure was reached.

Key economic performance indicators such as employment have also been used in this context in the U.K. without long-term evidence. As in other countries, there is no official recognition of social enterprise as a legal form, hence accuracy is not assumed. Yet these figures are arguably regarded by government as reliable estimations on which policy can be based.

In his comprehensive analysis, Mason (2012) showed how social enterprise discourses are manipulated by the U.K. government and political actors in order to appropriate the third-way ideology, and documented the process through which public policy is framed within such discursive space. His findings suggest that, through carefully crafted narratives adopted in speeches in parliament, media and publications, the government produced political rhetoric in order to dominate the broader social enterprise discourse while positioning itself as both advocate for and controller of the social enterprise sector (Mason, 2012). Dey and Steyaert (2010) also observed the process by which social enterprise presents social change as a harmonious process in

a de-politicised environment, relying only on a messianic script, favoured by political circles. Social enterprise attracted political attention as a way of managing the contradictions evident in the pursuit of neoliberal economic policies. It achieved this through its engagement with a communitarian and associationalist approach, using social democratic language that sought to redefine the role of citizens, individuals, and groups in a more inclusive and sustainable manner within the economic and social realms (Giddens, 1998; Ridley & Bull, 2014; Westall & Chalkley, 2007). Several aspects of this are important in understanding social enterprise as an emerging social policy instrument (Dey & Steyaert, 2010, pp. 88-89).

First, the narrative of social entrepreneurship in relation to performance requires that emphasis be placed on its utility. This functionalist and managerial perspective disguises the political agenda, as social enterprise is portrayed as the result of technical knowledge that social entrepreneurs acquire through innovative business practice (Dey & Teasdale, 2013). The move towards social enterprise is described as a process of marketisation that allows greater transparency and accountability (Pathak, 2015).

Second, social enterprise is linked to rationalism in the form of general problem solving in social spheres. Social enterprise has by far the greatest applicability to social issues as it is conceptualised as an almost universal solution to universal problems. It is applicable to any type of historical, cultural and political context. It can achieve greater social order and stability by removing uncertainties through the application of best practice in management.

Third, social enterprise is positioned as progressive through the juxtaposition of an obsolete set of behaviours in the third sector with good managerial technique. By accepting managerial discourse and market-based approaches, the third sector is expected to become more efficient and responsive (Thompson & Doherty 2006). According to Dey and Steyaert (2010, p. 89) such acceptance is widespread in the sector.

Fourth, most social enterprise narratives rely on an individualised notion of social transformation. They focus on entrepreneurial characteristics of pioneering individuals with capabilities such as commitment, determination, leadership, opportunity and self-reliance (Roling, 2002). Within the U.K. policy context, social

enterprise or 'socially enterprised', has been seen as an alternative to the privatisation of public services (Sepulveda, 2013, pp. 634-635; 2009), This pleases a broad sector – both centre-left and centre-right – because it implies an ability to enhance local community control as well as reduce state involvement in traditional public services in health, social care and education.

2.4 Governmentality and Social Enterprise

Foucault's (2003) concept of governmentality is a useful tool for understanding how governments constantly seek social policies that provide them with rationalities. It is particularly useful in the present research context, CALD migrant and refugee communities in Australia, whose livelihood in a new country is highly dependent on the host government's policy. The concept also helps explain why social enterprise presents itself as an ideal model of social change to advanced liberal governments, and why the narratives about social enterprise from political circles are universally positive (Dey, 2007; Mason, 2012). The combination of the words 'government' and 'rationality' presents a rationale for a governing act from the political circles.

Foucault (1991) defined governmentality as the ensemble formed by institutions, procedures, analyses, reflections, calculations and tactics that allows an exercise of this very specific but complex form of power, which has, as its target population, a principal form of knowledge, political economy, and apparatuses of security as its technical means. In other words, it involves a shift from a colonial state power to one concerned with constituting individuals and populations within a framework of normalisation, discipline, regulation, constitution and exclusion that apply to a community or social body conceptualised in the form of a nation state (Gordon, 1991). Numerous examples can be found of how these forms of power have been enforced in different eras — from the idea of the sovereign state, it developed into the police state, and this was replaced by liberalism in the Western world. Liberalism provided a pretext for the emergence of civil society.

Foucault saw the need for a state to find a balance between its exercise of power through its totalising legal and political forms, and its exercise of an individual form of power that regulates the pursuit of individual interest (Burchell, 1991).

Foucault (1979) defined civil society as a transactional reality existing at the mutable interface of political power — the characteristically hybrid domain between public and private where private forms of power are utilised for public ends. The transactional domain at the frontier of political power, which reconfigures responsibility for the social into communities and individuals, continuously seeks a space for problematisation, a fertile ground for experimental innovation in the development of the political art of government (Burchell, 1991, p. 141). Various institutions then come in and play their parts. Social enterprises are increasingly positioned as vanguard organisational actors with ideal attributes such as autonomy, market orientation and alignment with the prevailing forms of public accountability (Pathak, 2015).

What might be called a natural social demand for order, or for mechanisms to integrate individuals into appropriate schemes of behaviour and activity, is met by an expertise licensed by the state but formally independent of it: medicine, psychiatry, psychology, criminology, pedagogy, social work and so on (Burchell, 1991, p. 141).

> Civil society through its expertise in social work collaborated in conjunction with the possible liberal art of government and played a central part while the Welfare State was put on a trial during the course of the nineteenth century and throughout the present century. In the meantime, civil society was brought into being as both distinct from political intervention and yet potentially able to be aligned with potential aspirations (Barry, Osborne, & Rose, 1996, p. 9).

Foucault was interested in whether different types of capitalism were possible through innovations in governmental practice and institutional frameworks (Foucault, 2008, p. 94). He already held a neoliberal view, in the sense that he argues that opposition between state and civil societies, government and market does not accurately reflect how political power is exercised through a profusion of shifting alliances between diverse authorities in projects that govern the many facets of economic activity, social life and individual conduct (Song, 2013). The emergence of social enterprises as potential governing rationalities in the coming years is, therefore,

a result of natural progression, according to Foucault's view.

Foucault's governmentality accurately reflects neoliberal reality (Lemke, 2000). Foucault departs from the common diagnosis of neoliberalism as an extension of economy in politics, which asserted that there was no independence of the market from the state, a view held by Marx. Foucault's view was that the 'retreat of the state' is a prolongation of government; neo-liberalism is not the end but a transformation of politics, and one that restructures the power relations within society (Gordon, 1991). Today, state sovereignty and planning capacities have not been reduced or diminished but, rather, replaced by informal approaches and the appearance of new actors such as NGOs (Lemke, 2000). Therefore, Foucault's theoretical stance allows for a more complex analysis of neoliberal forms of government that feature direct interventions through empowered and specialised state apparatuses, which also characteristically develop indirect techniques for leading and controlling individuals (Lemke, 2000). The strategy of rendering individual subjects 'responsible' entails shifting the responsibility for social risks such as illness, unemployment and poverty (Danaher, 2000, pp. 82-96).

The following section demonstrates how the recent developed in the conceptualisation of social exclusion can be explained in the theoretical framework of Foucault.

2.5 Resistance to Dominant Discourses

Governments are not the only institutions to embrace social enterprise. Academic narratives of social entrepreneurship, which are becoming increasingly popular in business schools, are united by their utopian rhetoric and heavy emphasis on newness (Dey, 2007; Dey & Steyart, 2010, p. 85). Social enterprise has been embraced by civil society with a similar level of enthusiasm.

Seanor et al. (2013, p. 325) liken the movement of social enterprise narratives into civil society to an irresistible tidal force that, by becoming more entrepreneurial, enterprises become efficient and reliable in ways that fit the modernisation agenda for public services (see also Baines et al., 2010; Pestoff & Brandsen, 2010; Doherty et al., 2009). According to Frogget and Chamberlayne (2004, p. 71), a political culture that

values entrepreneurial success stories has permeated civil society.

Another dimension of social enterprise discourse involves the use of business language or the application of an entrepreneurship paradigm to the social sphere (Krashinsky, 1998). As previously observed, it is questionable whether social enterprise really has much commonality with the business world and whether the transfer of key business concepts will serve social enterprise practices without compromising core values. For instance, is 'business planning' the right word to encapsulate all the processes and aspirations involved in bringing about desired changes? Although a number of studies has examined the negative impacts of the language used in social enterprise discourse, their results are, by and large, inconclusive since the question of commonalities remains largely unexplored to date.

In one of the rare empirical studies of social enterprise discourse, Parkinson and Howorth (2008) documented the language used by frontline social enterprise practitioners and reported a discrepancy between popular discourse and the way social enterprises described themselves. Discourse analysis of 20 social entrepreneurs in the UK found that the language used was closely associated with community and social movement traditions such as local issues, collective action and local power struggles, rather than business language. This challenges the dominant discourse of social enterprises as businesses. The dominant discourse emerged at the end of the 1990s. It mostly portrays social entrepreneurs as unsung heroes with magical qualities, disembedded from their social environment, who build things from nothing (Dees, 1998; Pearce, 2004; Dey, 2007; Leadbeter, 1997; Pathak, 2015). This is consistent with the rhetoric of social enterprise as a progressive, business-like approach in which 'entrepreneurial flair' enables innovation in the delivery of social services (Michael, 2006; Pomerantz, 2003, p. 26).

This discourse prevails even though empirical findings challenge such discourses (Amin, 2009; Spear, 2006). Research suggests that social entrepreneurs adopt a frame of reference more closely aligned with community action, and challenges a view of social enterprise in which the managerially-defined rhetoric of enterprise is used to promote efficiency (Parkinson & Howorth, 2008, pp. 285-292). Such findings once again raise more fundamental debates about the conceptual, practical and ideological legitimacy of applying an entrepreneurial paradigm to the

social sphere (Krashinsky, 1998; Paton, 2003; Pearce, 2003; Dees, 2004; Cho 2006). The many activities labelled as social entrepreneurship are, in fact, political in nature (Cho, 2006). Pearce (2003) and Paton (2003) warn that unquestioning acceptance of managerial discourses in the social arena does not recognise the fact that social enterprises operate in a different world of meaning driven by social need and moral duty. Such acceptance can, therefore, undermine the positive attributes of social enterprises. Even in the private business context, entrepreneurship suffers from definitional and conceptual difficulties that have led to failure to pin down common attributes of the entrepreneur or entrepreneurship (Jones & Spicer, 2005).

In recent years a body of critical literature on social enterprise has emerged. Whereas the discourses described above were developed from the observations made in a number of qualitative studies, more evidence-based critiques have documented the poor performance of social enterprise in addressing social problems. Prominent journals such as *Stanford Social Innovation Review* (Ganz, Kay & Spicer, 2018) described how social enterprises in the U.S. failed to achieve their promises and actually weakened citizenry-based political power. Teasdale (2010, 2011) analysed the U.K. social enterprise discourse and identified flaws in the government statistics, as noted in an earlier section. Dey (2010, 2012, 2013) examined how, despite being celebrated in politics and academia, social enterprise has fallen short in bringing about social change. Roy (2014) demonstrated the lack of empirical evidence through an investigation of by social enterprises in the health industry. Other critical voices include those of Grant (2008), Ridley-Duff (2011) and Mason (2012, 2014).

The discrepancy between rhetoric and reality can be a source of discursive tension among policy makers, funders and intermediary organisations, and actual social enterprise practitioners (Parkinson & Howorth, 2008, p. 286). This may eventually lead to serious loss in the sector, resulting in flawed policies and misallocation of resources (Perrini & Vurro, 2006, p. 286). Parkinson and Howorth (2008) argue that the conceptual assumptions that underpin dominant entrepreneurship discourse, when applied to social enterprises, can only create an even wider gap between rhetoric and reality.

2.6 Conclusion

The terms social entrepreneur and social enterprise are appearing with increasing frequency in media and public discourses coupled with the term 'impact'. It is possible to discern a trend in how social enterprises are portrayed in popular discourse. The American business magazine, *Forbes*, for instance, published a list of 30 leading social entrepreneurs (Godelnik 2011). With no explanation of what social enterprise is, the list presents a picture of diverse industries and social-purpose activities that these individuals represent. These range from high tech to agricultural and organisational forms, and include foundations, private businesses and venture capital. Despite this diversity and the absence of a definition, it is supposed that readers will somehow come to understand that what they have in common is some sort of association with philanthropic and social-purpose activities. Some media articles link social enterprise with names with which the public can easily identify to help readers understand what social enterprise is (Huffington Post, 11/08/12).

Practitioners have their own definitions and interpretations:

There are social enterprises where you have a business idea in an industry or in a sector which will bring about social impact. Then there is one where you are trying to convert a social idea into business. I believe the first one is the real one (Sunday Times of India, 10/01/16).[6]

Similarly, an advocacy group in Australia views the motivations for setting up a social enterprise as a key determinant. Accordingly, it classifies social enterprises as employment focused, service innovation focused or income generation focused (Social Traders, 2011).[7] Here service innovation refers to turning social ideas into business whereas income generation refers to a business idea having a social impact.

The review of literature uncovered little evidence that diversity in the public discourse of social enterprises is seen as a problem itself. On the contrary, public

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[6] In the results section of this thesis, these categories are broadly denoted as not-for-profit stream and business stream.

[7] In this classification, employment focused is aligned with WISE, service innovation with NFP and income generation with business.

discourse and the politics of discourse approach the issue in a positive light, in the sense that they seek to "improve them, to make them more just" (Lyotard & Thebau, 1985, p. 23). This view is consistent with the recent findings of the Legal Models Working Group (LMWG) (Morgan, 2017). What matters more is the fact that the public needs to be vigilant about any policy development for social enterprise in Australia, which potentially has significant implications. It is misleading and counter-productive if a social enterprise project is initiated based on a policy that deliberately aligns with a specific discourse in order to produce a certain political outcome.

The subjects of this research, CALD migrant and refugee communities, are heavily influenced by government policies, so caution should be exercised when social enterprise is promulgated as a policy prescription. Concerned voices have recently been raised: the "expectation that social enterprises play a role in returning the socially disadvantaged into the formal economy is misguided and overly optimistic" *(Amin, 2009, p. 46)*. As Sepulveda (2013) and Calvo (2012) point out, most of the claims about the potential of social enterprise — the degree of financial sustainability (Hunter, 2009), its ability to fulfil a social mission (Arthur et al, 2010; Dart, 2004), its innovative capacity in delivering public services (Westall, 2007), and its ability to engage with disadvantaged groups (Aiken, 2007; Amin, 2009; Hudson, 2009; Macmillan, 2010) — have begun to be questioned. Such views must be presented to the Australian public and practitioners. If social enterprises do not achieve expected outcomes, the opportunity cost of failure will be very high, since the transfer of front-line public services to social enterprise has already begun (Sepulveda et al., 2009). Academia needs to reflect on its epistemological practice and, as Weiskopf (2002) suggested, engage in research that can "help us get us into the water, teaching us some strokes and guiding us through the water so that we may learn to swim" (cited in Dey & Steyaert, 2010, p. 101). The literature review presented here suggests that social enterprise presents a unique opportunity.

The next chapter reviews the literature on social exclusion. Because social enterprise is promoted as having benefits for the members of disadvantaged communities, and social exclusion is often cited as an example of such disadvantage, the chapter elaborates on the nature and characteristics of social exclusion to help understand how such an outcome might be achieved. The chapter includes a case

study of the 2012 London Olympics to illustrate how social enterprise's ability to reduce social exclusion among marginalised groups plays out in practice.

Chapter 3

Social Enterprise and Social Exclusion

One of the frequently cited benefits of social enterprise is its ability to assist socially-excluded groups (Haugh, 2005; SEC, 2009; Bridge et al., 2009). Before any other benefits of social enterprise were identified, it was precisely this ability that was cited when the term was first used in government policies to address social exclusion in deprived neighbourhoods in the UK. According to the national strategy for neighbourhood renewal, for instance:

> Social enterprises are in most ways like any other private sector businesses but they are geared towards social regeneration and help, rather than simply the generation of profits (HM Treasury, 1999, p.105).

It was believed that, through neighbourhood regeneration, members of marginalised and excluded groups would gain opportunities to reintegrate into mainstream society (HM Treasury, 1999). Throughout the policy statements, there is a strong link between social enterprise's business activity and the resolution of social issues faced by members of disadvantaged groups.

This section of the literature review on social enterprise and social exclusion analyses the theoretical foundations of the belief that social enterprise can address problems among marginalised groups. Most of the literature included is based on U.K. studies, since there has been little research with a specific focus on social enterprise in CALD migrant and refugee communities with respect to social exclusion in Australia. The U.K. studies have more relevance than U.S. studies on social enterprises in CALD migrant and refugee communities, since there are more similarities between the Australian and U.K. traditions of social enterprise in terms of the makeup of ethnic groups, settlement context and multicultural policies. In earlier sections, the lack of empirical evidence for the effectiveness of social enterprises was noted. There is even less shared understanding about whether social enterprises can

provide opportunities for migrants and refugees to engage with the wider community (Calvo, 2009). First, however, the concept of social exclusion itself needs to be scrutinised to develop an understanding of its complex, multi-dimensional nature.

3.1 Social Exclusion

The concept of social exclusion has traditionally been linked to poverty, situated within a wider pattern of social inequality. It is claimed that the term was coined in France, where it was used to refer to the 10% of French people who were not covered by social insurance (Amin et al., 2002). The U.K. government defines it as "a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, unfair discrimination, poor housing, high crime, bad health and family breakdown" (Office of the Deputy Prime Minister, 2004, p. 4). Burchardt et al. (2002) identify the dimensions of social exclusion as: consumption, production, political engagement, and social interaction. They further argue that it is necessary to participate in all dimensions to avoid social exclusion.

Although the causes of social exclusion are multifaceted, it was formerly addressed by redistribution of resources (Levander, 2009). In the mid-1990s, social exclusion was understood primarily as labour market exclusion. By the early 2000s, it was closely aligned with the New Labour government's neo-liberal polices (Levander, 2009). During this period, the focus of exclusion shifted to the 'deficiencies' of those who were excluded and then to how the attitudes of the excluded might be changed in order to enhance the possibility of their inclusion in mainstream society (Veit-Wilson, 1998; Byrne, 2005; Martin, 2004). According to Levitas (2004), new discourses emerged that characterised the socially excluded as morally distinct; integration through labour market participation rather than inclusion was presented as the way to address exclusion. By the mid-1990s, the redistributive discourse used in critical social policy had disappeared (Levander, 2009).

According to Koller and Davison (2008), the term exclusion was nominalised under British New Labour. The subject of the exclusion process is invisible while individuals are categorised as agents who can act. Discourse producers such as governments present themselves as problem solvers who are addressing the issue of

social exclusion through social policies (Fairclough, 1992) while endorsing the new exclusion discourses that attach negative labels to individuals, thereby reinforcing the political incentives of policy makers and justifying a reduction in the welfare state (Martin 2004; Levitas, 2004). In this sense, social exclusion and the attempt to address it through labour market policy provide a unique governing rationale based on paternalism and a superior moral stance. This way of thinking reflects the Foucauldian process of subjugation of individuals and the mechanism that enables such processes through discourses, as discussed in the previous chapter. It also implies that social enterprise can become a new site of governmentality or state policy intervention, as the 'enterprising' element of social enterprise involves a moral obligation to self-help and thus shifts the focus effectively from the state to individuals or individual groups.

Social exclusion has become a key policy issue in Europe, following a series of civil disturbances in many inner city areas in recent years. In particular, the London bombings in 2005 focused attention on the issues of social segregation and ethnic identity (Phillips, 2006). In a noticeable shift, there was recognition of a relational aspect, such that power was seen to reside in the 'included' only at various societal levels through institutionalised forms of control over access. These are consistent with some of the factors identified in this chapter, which outlines institutional barriers that CALD migrant and refugee community members face in Australia.

Since the financial crisis and the rise and demise of Big Society ideology in the U.K., the discourses have been replaced by those expressing more explicit concerns about economic growth and emphasising poverty reduction through employment. Padanipour (2015) recently provided an account of how European discourses on social inclusion changed after the global financial crisis in 2007-2008. He argued that the crisis wiped out years of economic and social progress in the E.U. (EC, 2010, p. 5) and led to a new conceptualisation of the economy with a greater focus on social inclusion. He identified three main categories or paradigms of social exclusion, based on Silver's (1994) framework, that are conventionally held in Europe: solidarity, specialisation, and monopoly. The 'monopoly' category stresses how "powerful groups, often displaying distinctive cultural identities and institutions, restrict the access of outsiders to valued resources" (p.543).

In Europe, the ability to address poverty and social exclusion has been increasingly linked to the economic growth agenda. This recent rise of 'growth-focused' social inclusion is closely associated with EU policies of economic competitiveness and cohesion. The new conceptualisation, linking poverty and social exclusion with economic growth and employment, resulted in active inclusion becoming widespread in Europe (Padanipour, 2015). European countries have begun to recognise social enterprise as a way to tackle social exclusion and achieve 'growth'. The OECD definition of social enterprise also asserts that social enterprise, through its innovative solutions, can address the problems of social exclusion (Defourney & Nyssens, 2006). This approach has, however been heavily criticised. Bermhard (2006), for instance, has argued that "establishing the goal of economic growth as an issue of overriding importance deprives social inclusion of its status as an end in itself" (p. 48).

In the Australian context, despite the rhetorical value of social enterprise as a means of achieving social inclusion, empirical evidence on social inclusion is also limited. In an attempt to measure the impact of social enterprise on social inclusion, Barraket and Archer (2007) evaluated a program involving eleven social enterprises that sought to foster pathways to employment and social inclusion for migrants and refugees. The program yielded a number of positive outcomes in terms of social inclusion at the individual and community level. Outcomes for individuals included improved literacy, educational attainment, employment, higher self-esteem, self efficacy and expansion of social networks. In some instances, where a number of CALD migrants and refugees were involved, social enterprise was claimed to contribute to cross-cultural learning and social participation. Nevertheless, it is difficult to accept the nominal value of these benefits, since it is hard to single out the impact of social enterprise without consideration of sustainability in commercial terms or cost effectiveness in social policy terms.

In their evaluation of the impact of a social enterprise intervention with homeless young people in San Francisco, Ferguson and Xie (2008) found the evidence inconclusive, as a broad range of activities was included under the rubric of 'social enterprise'. This imposed a number of limits on comparative analysis with other models, since no details of resource levels, sustainability and opportunity costs were provided. As well, the quality and sustainability of employment outcomes were

questionable since most of the jobs were located in secondary industry. Some of the outcomes cited, such as increased civic participation via meetings of community leaders at the cafeteria, which is run as a social enterprise, are identical to those documented 30 years ago when private ethnic entrepreneurs hosted community meetings at their own businesses (Song, 2013).

3.2 Ethnic Minority Social Enterprise

In her study of social enterprises in migrant and ethnic minority communities, Sepulveda (2013) presented a rationale for social enterprise public policy for migrant and ethnic minorities[8] in the U.K. First, U.K. demographics show that the number of migrant and ethnic minorities has grown significantly over the last 20 years. In London, for instance, one-third of the population is from a migrant background and, in some inner London boroughs, the foreign-born population exceeds 50%. Second, it has been documented in a number of studies that those groups are poorly served by existing state and private services (Torkington, 1995). Following the growth in ethnic minority populations, service needs in health, social care, and education have increased sharply, yet the existing welfare services cannot meet these newly-created demands. Third, there is well-documented evidence of a higher rate of entrepreneurial tendency or activities among these groups within the private sector. This leads to an interesting assumption that migrants and ethnic minorities might be more socially entrepreneurial than their 'white' counterparts, which supports the claim that cultural diversity leads to innovation and creativity (Florida, 2002; Wood & Landry, 2008).

This poses an important question about the nature of social entrepreneurship and the extent of innovation in entrepreneurship in migrant and refugee communities. Both 'push' and 'pull' factors appear to be involved in the need of newly arrived migrants and refugees to find employment and in their entrepreneurial attributes. The entrepreneurial tendency of migrants will be examined in more detail in the discussion of ethnic entrepreneurship in the next chapter.

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[8] Defined as a group possessing some degree of shared characteristics and solidarity, composed of people who are aware of having common origins and interests. The term implies the status of the majority of the population and a reminder of 'others' as minority groups (Cashmore, 2001)

The role of ethnic minority groups in general needs to be understood before their manifestation in social enterprise can be examined. In particular, there is a documented tendency for the majority of social enterprises within ethnic minority groups to involve transformation rather than creation. Ethnic minority groups are considered to provide an existing infrastructure and platform that enables such transformations into social enterprises to occur (Sepulveda et al., 2010). An examination of the communal or societal roles played by these organisations also provides an essential context for better understanding the 'social' side of social enterprises in these particular groups.

According to Craig (2007), ethnic minority groups support their community members, both existing and new arrivals, by offering collective political resistance and efforts to counter racism and discrimination. In some cases, migrants or refugees can be included in a group setting in terms of ethnicity but still remain socially excluded in relation to the country in which they live (Teasdale, 2010). Such organisations serve to facilitate employment when integration into the labour market is difficult, facilitate bonding among excluded members, and provide services that are not offered by mainstream organisations (Lyon et al., 2007; Blackburn and Ram, 2006; Ram & Jones, 2008; Sepulveda & Syrett, 2007). Some of the activities of these ethnic minority groups, particularly those related to employment, are highly entrepreneurial. This experience enables exchange of business knowledge and mutual support in the community, which leads to the regeneration of deprived neighbourhoods (Ram et al., 2008). The role of ethnic minority groups is significant as they not only serve as an organisational infrastructure but also provide necessary resources in the form of social capital. This is further explored in section 3.6 below.

3.2.1 Research implications of the definitions

There are a number of barriers to research into social enterprises in migrant and ethnic minorities in the U.K. that may also be relevant to research into social enterprises in CALD migrant and refugee communities in Sydney. First, there is the issue of defining 'ethnic minority group' (Jones et al., 2006). The definition of 'ethnic' is itself subject to debate, depending on the extent to which ethnic identity is emphasised within organisations and their environment. For example, an organisation

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can belong to a specific ethnic group in terms of ownership and control. In this case, its management or staff may come from different ethnic backgrounds. In this context, Olmec (2007) defines an 'ethnic' organisation as one that has "no less than 51% of board members being of ethnic minority descent" (p. 9). Such considerations in turn affect the definition of ethnic minority social enterprise. Voice (2008) defines it as "those organisations that trade in the market to primarily fulfil social objectives with social ownership primarily belong to ethnic minority community" (p. 2). This becomes complicated when taking into account ethnicities of service targets or beneficiaries (Sepulveda, 2010, p. 12).

The following excerpt from the Scottish government publication *Evaluating the success factors for establishing a thriving social enterprise in Scotland* (2010) illustrates the difficulties from an official point of view:

What is an ethnic minority group?

In practice it is difficult, and not always helpful, to talk about 'ethnic minority' as a single, homogeneous group or trait. Scotland is an increasingly diverse country, and ethnicity is a complex, and multi-faceted issue that encompasses aspects of identity, race, history, culture, discrimination and inequality. It is difficult to draw neat boundaries, as notions of ethnicity change over time and people's identity and views of belonging also change.

What is an ethnic minority social enterprise?

Given the somewhat woolly notions of both 'social enterprise' and 'ethnic group', the concept of an ethnic minority social enterprise can be contested territory. The Council of Ethnic Minority Voluntary Organisation (CEMVO) and others suggest that this term refers to not-for-profit organisations, in which 50% or more of owners/managers come from ethnic minority backgrounds, and pursue their social objectives mainly through trading. According to this definition it has not been possible for CEMVO or others to identify any fully established social enterprises in Scotland, where trading has become the dominant feature of their activity. This in itself is part of the public policy rationale for examining this issue.

This publication also displays the eagerness and commitment of the government to promote social enterprise despite uncertainty around its key concepts. The publication admits that the majority of ethnic minority social enterprises do not sit comfortably within the definition of social enterprise in terms of trading as a main means of income generation, yet reveals a rather desperate tone in advocating the need to transform such enterprises to a more market-oriented approach. Increasingly, services for ethnic minorities are delivered in complex arrangements, often in partnership with, or under the auspices of, non-ethno-specific organisations, making it even harder to define ethnic minority organisations.

3.2.2 Development of ethnic minority social enterprise

Most ethnic minority groups lack legal status and operate in an informal manner. Commonly, groups that have developed from a close network of community members within an ethnic or faith-based group do not have a formal structure and, therefore, remain under the radar of authorities or researchers (Holland & Ritvo, 2008; Zetter et al., 2005). Income-generating activities carried out by these informal structures are difficult for authorities or researchers to locate.

Yet the extant literature suggests that ethnic minority social enterprises have been developing in the U.K. along with broader reform in the third sector. According to Kandola (2004) and Olmec (2007), there is a growing propensity for migrant and ethnic organisations to become involved in social enterprises in the U.K. Accordingly, policy makers who are supportive of social enterprises have begun to acknowledge entrepreneurship among ethnic minorities and reflect on social enterprise policy (SEC, 2009). The Social Enterprise Coalition, for instance, now claims that ethnic minorities are a 'core part of the social enterprise movement' (SEC, 2009, p.4).

Madichie (2008) surveyed 300 organisations for his research on social enterprise among black and minority ethnic (BME)[9] voluntary and community sector organisations (VCSOs). He found that the UK government has been a key driver in expanding social enterprise into these groups, not only in terms of promoting the

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[9] The term is widely used in the literature to refer to subcategories of population and migratory statuses in the U.K. which include first generation migrants, second generation (British citizens), refugees, asylum seekers, and irregular and undocumented or illegal immigrants.

virtue of social enterprise but also inviting social enterprises to move towards income-generating activities through trade as a part of the 'modernising process' (HM Treasury, 2002).

The U.K. government is developing a new ethos for the sector. Organisations must aspire to and adopt strategies to transform themselves into entrepreneurial SMEs (Madichie, 2008). At the same time, however, it was argued that it had largely been government policy, which moved away from traditional streams of grant-aid towards the payment of fees for the delivery of services, that caused financial distress among those organisations (Afridi & Warmington, 2009). Grants represented more than 50% of all government funding for charities in 2001-2002, but this figure fell to 38% in 2004-2005 and, in 2006, fees surpassed grants as the main source of all third sector income in the U.K. (Afridi & Warmington, 2009). Therefore, it is apparent in the government policy context that 'modernising' means non-reliance on government funding. Furthermore, the government adopted an official view that discourages funders from awarding grants to activities based on single identities in ethnicity, nationality or religion (CLG, 2008). This suggests a sharp decline in financial resources for black and minority ethnic (BME) VCSOs.

Boschee's (2005) description of the ways in which most non-profit organisations go through transitions helps to develop an understanding of the 'modernising process':

1.   Dependency: a constant reliance on philanthropy, government subsidy and, to some extent, the Lottery Fund.
2.   Sustainability: a status that is achieved through a combination of philanthropy, government subsidy and earned revenue.
3.   Self-sufficiency: a situation achieved only by relying completely on earned revenue.

The core component of the modernisation process is diversifying revenue sources. Financial independence is the only parameter used by the government. The U.K. government position in this 'modernisation' agenda reveals its theoretical stance in relation to small community organisations which, it asserts, can no longer successfully operate and fulfil their social mission but must scale up and achieve financial independence. Despite the promising performance indicators of VCSOs, the

majority of BME VCSOs are small, remaining in the dependency stage. They rely heavily on small grants and donations. Amidst reductions from major funders, such as the European Social Fund (ESF), and the tightening of government grants, the transition from grant dependency to sustainability is becoming imperative. Under such circumstances, there is a mismatch between the stated government intention of creating employment, efficient service delivery and financial independence of third sector organisations and the operational realities of the majority of small BME VCSOs.

On the economic front, the results of the 2007 Department for Business survey (IFF Research, 2007) indicate that around 2% of the population in the U.K. is employed by social enterprises (Teasdale, 2010). No statistics are available on the number of jobs created for disadvantaged groups such as ethnic minorities. Some claim that the aggregate impact on the consumption dimension of exclusion is negative due to lower wages paid in social enterprises (Almond & Kendall, 2001). Evans (2002) further argues that much of the growth in social enterprise is actually a consequence of outsourcing public services. Those who find employment in social enterprises tend to be those on the margins of exclusion (Blackburn & Ram, 2006). Teasdale (2010) suggests that the overall impact of social enterprise in terms of employment and economic development is marginal.

On the social front, however, Blackburn and Ram (2006) argue that other dimensions, such as increased self-esteem, have not been assessed under the current economic outcome-focused approaches. According to Teasdale (2010), social inclusion through social enterprises can best be achieved by individuals who participate in collective decision-making processes and who develop managerial capacity, thus facilitating the development of bridging and linking social capital. Nevertheless, the ability of social enterprises to bring about such conditions through the mobilisation and reproduction of social capital is yet to be tested (Teasdale, 2010). Further, it is argued that government's narrow focus on addressing social exclusion primarily through economic means risks undermining the potential of social enterprise and, paradoxically, risks creating more inequality and exclusion (Blackburn & Ram, 2006).

3.3 U.K. Case Study on Ethnic Minority Social Enterprise

Sepulveda (2010) argues that, in the U.K., social enterprise has been primarily a 'white middle class affair' and that black and ethnic minorities have been left on the margins of the social enterprise movement. It has been claimed that policies have failed to capture the considerable dynamism and growth of social entrepreneurialism within black and ethnic minorities (Sepulveda 2009; Calvo, 2009). Evidence is starting to emerge that social enterprise initiatives in the BME sector have been marginalised.

In the absence of empirical evidence of social enterprise success, the 2012 London Olympics and Paralympics and the preparation period leading up to them provides an important case study. The event was heavily promoted by the U.K. government as a unique opportunity to represent the voice of ethnic minority social enterprises. It was expected to be a potential catalyst for the regeneration of East London, which had a high concentration (42%) of non-white ethnic minority groups (ODA, 2007; Calvo, 2014). It was even believed that diversity was a key factor in the Olympic Committee's choice of choosing London to host the 2012 Games (Benedictus, 2005; Ryan-Collins & Sander-Jackson, 2008; Thornley, 2012). In particular, East London was identified as an area for economic regeneration where social policies targeting the disadvantaged could be tested (Smallbone et al., 2008). 'Social Enterprise: Winning the 2012' was a national project funded by the Office of the Third Sector comprising a partnership between Social Enterprise London and the Social Enterprise Coalition, which focused exclusively on social enterprise within minority groups (Calvo, 2009, p. 13). In particular, it was believed that the creation of the Black, Asian and Minority Ethnic (BAME) Olympic Network to promote equality and diversity in the Games would provide opportunities for BAME social entrepreneurs (SEL, 2009).

It was estimated by the Department for Business, Enterprise and Regulatory Reform that approximately 70,000 contract opportunities would be generated by the 2012 Olympic Games. It was believed that a significant portion would go to businesses owned by ethnic minorities, women and people with a disability (ODA, 2007). The five East London boroughs, it was argued, provided a socioeconomic, ethnic and policy context that enabled the start-up and development of ethnic minority

social enterprises (Calvo, 2009). Prior to the Games, however, research by the Third Sector Research Centre (2010) in the U.K. concluded that BME social enterprises were likely to be excluded from the process unless some of the barriers they faced were addressed.

After the event, it appeared that the earlier predictions from the Third Sector Research Centre were correct. According to the government report after the Games, just 1.4% of private companies that won contracts were owned by ethnic minorities. Not a single social enterprise owned by any ethnic minority won any contract for the 2012 Games, contradicting the government's previous optimism (Calvo, 2014, p. 8). A survey of 200 ethnic minority organisations after the Games (Calvo, 2014) found that their relationships with the event were either non-existent (45%) or negative (40%); only 4% believed they had benefitted.

No data on the performance and sustainability of social enterprises in U.K. ethnic minorities are available, as the study primarily focused on the process through which these groups were excluded contrary to the government's promises and promotion. Extant data on the performance of social enterprises tends to assess the outcomes in qualitative terms based on case studies, as there is no agreed method. Some data on sustainability are starting to emerge (Barracket, 2015). Nevertheless the poor results for social enterprise among ethnic minorities during the 2012 Olympic Games identified some of the structural barriers that these groups face, and demonstrated the disparity between social policy expectations and the establishment of commercially sustainable businesses

3.4 Barriers to Ethnic Social Enterprise in the U.K.

Madichie (2008) argues that most social enterprises have been transformed from voluntary and community sector organisations (VCSO). Social enterprises are rarely established as social enterprises from the beginning. He identifies multiple barriers facing BME VCSOs in making such a transition. It is important to note that social enterprises are being transformed from VCSOs under the broad 'modernising agenda' rather than being created as new entities. This highlights the fact that the emergence of social enterprise in ethnic minority groups is primarily driven by

economic factors, such as the need to seek new funding sources and financial stability.

Madichie (2008) found widespread lack of awareness about social enterprise among BME VCSOs. The majority (66%) of respondents in his survey of 300 organisations reported that they did not know what the term social enterprise meant, while 16% were unsure. Some of them had not even heard of the term (p. 404).

Financial difficulties and lack of resources were also apparent among BME VCSOs. Most had small annual turnovers: £10,000-99,000 (31%) or below £10,000 (29%). More than one-quarter (27%) lacked legal status. More than three-quarters (78%) had never engaged in any form of income-generation; only 22% had done so. The setting up and transition into a business requires capital and investment. It was apparent during the 2012 Olympic Games that the small scale of organisations, their limited resources and lack of a business track record did not present these organisations as competent service providers to the Olympic Delivery Authority, which needed to comply with European Union public procurement directives (Smallbone et al., 2008).

Third, the survey revealed a lack of awareness of or access to support in establishing social enterprises. Many BME VCSOs did not know that their group could be transformed into a social enterprise. There are two issues here. First, BME VCSOs do not trust mainstream service providers in relation to information about where support is available, identifying services suitable for needs, and navigating through the complex process of accessing services (Sepulveda, 2010, p.14). More importantly, there is a lack of confidence in mainstream support agencies as the result of institutional racism and discrimination (Sepulveda, 2010, p. 14; Calvo 2012, p. 85). The assumption that small minority groups can receive support from mainstream service agencies is simplistic, considering the increasing complexity of the funding arrangements in the third sector. The shift to contract-based public service delivery has created a situation in which services compete against each other for the same funding source (Song, 2013). This explains the ambivalent attitude of smaller ethnic organisations towards larger mainstream services, which need clients of small ethnic organisations as their service targets. Madchie (2008) further argues that the services of BME VCSOs have been continuously undervalued, and that a balance needs to be

struck between the involvement of different social actors in social enterprise development.

Second, despite the increase in social enterprise support programs run by intermediaries, it is not clear to BME VCSOs what support is available to them. At the same time, support providers do not have the skills or understanding to liaise with and address the special needs of the BME sector (Hines, 2006). They often come with 'ready-made' services designed for general targets (Peattie & Morley, 2008). Their measures to solicit engagement with local ethnic minority organisations are superficial and fail to meet the real needs (Calovo, 2014).

Identification of the right organisational intervention point is crucial to the success of social enterprise in BME VCSOs. Of those organisations already engaged in some sort of income-generating activities, just 20% reported knowledge of social enterprises. The management and leadership of key decision-makers within BME VSCOs need to be guided continuously throughout the transition into social enterprises. No single support agency is specifically geared towards helping BME VCSOs. Further confusion has been created as mainstream social enterprise infrastructures in the UK have been divided into three levels—national, regional and local. More importantly, it is unclear whether all adopt the same definition of social enterprise and follow the same guiding principles (Calvo, 2009, p. 14).

Finally, there is a lack of awareness of business and commercial issues. As Boldero pointed out (2004) social enterprise is a business, which means it is engaged in some form of trading. However the majority of BME VCSOs have not engaged in income-generating activities and, even among those with some degree of experience, not all income-generating activities are enterprising and innovative, or have the potential to lead to financial sustainability. As BME VCSOs are increasingly required to adopt business-like practices, it is crucial that these groups develop such skills and become 'contract ready'. Yet, according to Olmec (2007), it is common for BME VCSOs to have a weak internal organisational system with poor bid-writing skills. They usually lack understanding of how business is done in the U.K. and have limited awareness of regional and sub-regional structures. Irregular cash flows and poor language proficiency are extra barriers to the development of social enterprises. In the absence of specialised business support targeting BME VCSOs, this could mean

severe disadvantage in the increasingly commercialised environment to which they are now subject. If social enterprise opportunities arise primarily in terms of public service delivery, as is the case under both New Labour and Coalition governments, the scope for participation by small-scale BME organisations is restricted. Social enterprise practices are therefore likely to exclude such groups unless they are built upward from existing BME activity (Hudson, 2010). This was the case for the 2012 Olympic Games: those social enterprises in the ethnic minority groups found the online registration process (which required producing a lengthy company profile) and navigating other bureaucracies difficult. They did not have a business network, which restricted their opportunities during the event, as many contracts went to large mainstream 'first-tier' contractors.

Sepulveda (2010) points out, however, that current social enterprise policy is not a recognition of the entrepreneurialism innate in ethnic communities but is largely driven by a policy agenda. In fact, BME VCOs have been under increasing pressure to secure organisational sustainability in the form of social enterprise as a result of a shift in the multiculturalism policy frame, which has moved away from recognition and celebration of ethnic and cultural differences towards integration within the community cohesion agenda (Craig, 2007; Reitz et al., 2009; Vertovec, 2007; Sepulveda, 2010). As a result of this shift in policy, BME organisations started to adopt new approaches that focus more on working across diverse communities. However, negotiating embedded forms of identity during the process of collaboration among BME organisations remains a major challenge – or even a threat – as it has serious implications for the very foundation and legitimacy of existing identity-based ethnic minority organisations. Such contradictions between the contraction of multicultural policy and the promotion of social enterprise in migrant and ethnic minority communities also imply a significant weakening of political power in BME VCOs with limited access to a diminishing pool of funding and the need to show their ability to comply with the community cohesion agenda (Afridi & Warmington, 2009, p.59). Therefore, continuous development into social enterprise is expected to accelerate the de-politicisation of BME VCOs.

Afridi and Warmington (2009, p. 83) further warn:

> For many new and emerging BME organisations the present environment presents even greater problems. Too many BME organisations have become divorced from their political roots. They are children of 'grant' funding, hamstrung by a legacy of state patronage that ideally they need to free themselves from.

The trend away from grant funding towards other forms of revenue is not restricted to BME organisations but is occurring widely across the whole third sector. Hence, such an assessment of the negative impact of the social enterprise movement and its grave implications for this third sector, which is unquestionably embracing social enterprise, is a matter of concern. Current policies on social enterprise in relation to migrant and ethnic minorities in the U.K. impose a narrow, neo-liberal-inspired, business-oriented development model based on a government-led agenda instead of seeking to broaden the social economy practice that is inherent in third sector organisations (Sepulveda et al., 2010).

3.5 Conclusion

This section has explored some of the factors that explain why there is a degree of ambivalence within the BME third sector in the U.K. in relation to its transition to social enterprises. Structural gaps between government rhetoric around the goals of social enterprise and the capacity of the BME third sector were examined. It is anticipated that, despite suspicion of and lack of knowledge about social enterprise among migrant and ethnic minorities, they will increasingly be required to adapt to this new reality.

From the literature review it is clear that addressing issues of social exclusion through economic outcomes—particularly employment creation, which relies on market strategies or highly market-oriented models such as social business—is less likely to produce the main conditions for social inclusion, such as participation in decision-making processes and emphasis on the social goals of organisations. Although it is generally agreed that the move towards social enterprise will bring both

challenges and opportunities, the literature identifies the paradox that marginalised groups will likely be marginalised from the promises and benefits of social enterprise, even in government-driven initiatives.

In the Australian context, there has been little evaluation of the long-term effects of social enterprises on the structural causes of social exclusion in relation to migrant and refugee communities. Song (2013) documents how the idea of social enterprise has been promoted by Australian governments as a means of helping newly arrived migrant and refugee groups settle into local communities. Government-contracted services, such as the settlement service funded by the Department of Immigration and Citizenship, strongly encourage funded service deliverers, which include migrant resource centres, to initiate and foster local social enterprise development through the settlement service program. Such encouragement, however, is not supported by an appropriate level of investment and planning. The approach taken in Australia is ad hoc, and settlement service workers are expected to perform this role without substantial resources.

The following chapter presents a critical review of literature on ethnic entrepreneurship. Unlike mainstream studies into entrepreneurship, ethnic entrepreneurship has placed greater emphasis on the integration of social elements into its economic analysis of human activities, and the literature has developed a number of key concepts that research on social enterprise can borrow and apply. The chapter also presents a brief historical account of ethnic entrepreneurship in Australia, and concludes by examining the applicability of those theoretical foundations to the study of social enterprise.

Chapter 4

Ethnic and Social Entrepreneurship

A steady stream of literature has developed in the field of ethnic entrepreneurship in the U.S., U.K. and Australia (OECD, 2010). There has been recent academic interest in how established theoretical understandings of ethnic entrepreneurship can be applied to social enterprises in migrant and refugee communities (Calvo, 2009). By comparing and contrasting ethnic entrepreneurship and social entrepreneurship through established theoretical understandings, some of the key characteristics of social enterprise that lead to success or failure will be identified. This chapter begins by providing a general understanding of entrepreneurship and its relevance to the study of social enterprises in CALD migrant and refugee communities,. This is followed by a discussion of a number of important characteristics that are unique to ethnic entrepreneurship and which are generally absent from commercial or mainstream entrepreneurship. As such, the chapter identifies potential theoretical frameworks for the analysis of social enterprise in CALD migrant and refugee communities.

4.1 Entrepreneurship and Social Entrepreneurship

An understanding of entrepreneurship is central to the analysis of social entrepreneurship. The term social entrepreneurship portrays entrepreneurship as an inherited core characteristic and an identifier, which differentiates it from other terms such as earned income strategy or commercial activities of non-profit organisations.

Despite the criticism that academic enquiry on entrepreneurship relies on personal attributes as a key element of success (Stevenson & Jarillo, 2007), three streams of research have developed. These are: the results of entrepreneurship, the causes of entrepreneurship, and entrepreneurial management (Stevenson & Jarillo, 1991). While these approaches tend to focus on individual entrepreneurs, more recently the focus has shifted to the 'how' of entrepreneurship.

The 'social' dimension of social entrepreneurship has been discussed in previous sections from a conceptual perspective. This section focuses mainly on the 'how' of entrepreneurship, using Sahlman's (1996) framework of people, context, deal and opportunity (PCDO). According to Sahlman (1996, pp 5-7), the success of entrepreneurship depends on the creation of a dynamic alliance or combination of these four interrelated components.

People are defined as those who participate actively in or bring resources to a venture. They include both those within the organisation and those outside. People's skills, attitudes, knowledge, contacts, goals, and values provide the resource mix that contributes to success.

Context is defined as those elements outside the control of the entrepreneur that will influence success or failure. Contextual factors include the macroeconomy, tax and regulatory structure, and socio-political environment.

Deal is the substance of the bargain that defines who gives what, who gets what, and when those deliveries and receipts will take place. They include economic benefits, social recognition, autonomy and decision rights, satisfaction of deep personal needs, social interactions, fulfilment of generative and legacy desires, and delivery of altruistic goals.

Opportunity is defined as any activity requiring the investment of scarce resources in the hope of a future return. It is a critical factor that creates motivation for joint action arising out of the ability to create a common definition of opportunity that can be shared.

Austin, Stevenson and Wei-Skillern (2006, pp. 8-15) applied these four elements to social entrepreneurship. A summary of their findings is presented below.

Opportunity is the element that shows the starkest contrast between commercial entrepreneurship and social entrepreneurship. If market failure holds as a key rationale for social enterprise, then failure in commercial entrepreneurship can in fact be turned into opportunities for social enterprise. Whereas commercial enterprises strive to grab a larger share of the market, for social enterprise a recognised social need already guarantees a market. However, this can also mean available resources for social enterprise can be outstripped by social needs, which often cannot be recovered by consumers. The scope of opportunity for social entrepreneurs can be

considered wider, as they have more options for financial resource mobilisation in the form of donor subsidies or government grants. .

Context is the element that both overlaps and differentiates between commercial enterprise and social enterprise. The macroeconomy, tax system and economic outlook are major factors not only for commercial enterprises but also for social enterprises, which depend on the philanthropic market. However, the socio-political environment, such as social policies related to social needs, may have direct implications for the context in which social enterprises operate. One of the key differences is that social entrepreneurs will often respond to unfavourable contextual conditions more enthusiastically as the social needs that social enterprises are established to address arise from the same conditions.

People, as human capital, are important for both commercial and social enterprises. However, two key aspects are specific to social entrepreneurship. All entrepreneurs are required to have knowledge and skills in a chosen industry, which includes relationships with key suppliers, customers and competitors. For social entrepreneurs, the relationships need to be broadened to include a variety of stakeholders such as the funding body, board members and project partners. Another aspect is the involvement of volunteers. Not only is there a lower rate of financial remuneration for paid workers, social enterprises rely on volunteers in varied capacities.

Deals are the exchange of values. The value transaction in social entrepreneurship differs from commercial entrepreneurship in kind, consumers, timing, flexibility and measurement. Non-pecuniary motivation of staff, transactional relationships with the consumer and accountability in outcomes, which involve complexity in measurability, are some of the features of deals in social enterprise. In particular, social investors, including funding bodies, provide relatively small amounts for a short period of time, thereby creating ongoing pressure to meet varied expectations.

Three important considerations for the present research emerge from this comparison. First, the key elements of comparison between social and commercial enterprise were theoretically generated at a relatively early stage of social enterprise research in the mid 2000s. Yet the 'how' aspect of social entrepreneurship still largely

lacks empirical underpinning. Accordingly, Austin, Stevenson and Wei-Skillern (2006) proposed that future research should address each of the four elements in order to substantiate the validity of the distinctions. How each of the four elements is manifested in the daily operations and service delivery of social enterprises remains largely unexplored today.

Second, a closer examination of each of the key elements suggests that behind all these dynamics lies a social mission or social value proposition (SVP) serving as a key variable. The centrality of social mission may seem natural, since it was the driving force for establishing a social enterprise in the first place. Nevertheless, understanding of social mission as the integrating variable and its impact on the respective key areas can provide valuable analytical insight into the complexity of entrepreneurship in social entrepreneurship.

Finally, the review of literature on the key elements of entrepreneurship in social entrepreneurship—in particular, the centrality of social mission—indicates that the individual effect of each variable and the overall impact on management can be effectively analysed using the familiar concept of social capital. One of the unique aspects of social capital is that it is an input as well as an output. The input side of social enterprise means it is possible to substitute analytical approaches based on an individual element and its interrelated complexities with analysis based on social capital. The advantage of a social capital approach is that a number of empirical studies are already available from the field of ethnic entrepreneurship. The rationale for the use of social capital as an analytical tool is elaborated later in the chapter.

4.2 Ethnic Entrepreneurship

When the focus on entrepreneurship is narrowed down to ethnic entrepreneurship, the relevance to social entrepreneurship becomes clearer. The key aspects of ethnic entrepreneurship that are relevant to social enterprise are elaborated below.

First, ethnic entrepreneurship has traditionally been studied in relation to labour economics. The perceived difficulties of newly arrived migrants and refugees—particularly CALD migrants and refugees, or even established ethnic

minorities—in accessing the labour market have been a major focus of research on ethnic entrepreneurship. The provision of an employment path for new arrivals, therefore, has long been recognised as a unique contribution of entrepreneurship, since the establishment of new business leads to job creation. It has been well documented that employment growth in Australia has been achieved in the small business sector, where the majority of ethnic entrepreneurship is located (Collins, 1995).

In recent years, ethnic entrepreneurship has been rediscovered by policy makers in the U.K. as an effective way of dealing with employment issues (Blackburn & Ram, 2007). Although not afforded equal emphasis with the other two elements (trade and public benefit), employment creation has been recognised as an underlying characteristic of social enterprise (Micahel, 2017). It is implicitly assumed in many instances that this function is inherent in social enterprises (Defourny et al., 2001). A segment of the social enterprise movement, in particular Work Integrated Social Enterprise (WISE) programs, closely resembles ethnic entrepreneurship in terms of its explicit focus on participation in labour markets through economic activities. WISE programs and ethnic entrepreneurship acknowledge difficulties for ethnic minorities and see business creation, in particular small business, as a main means of generating employment opportunities. It is a frequent topic of debate in discussions of ethnic entrepreneurship as to whether employment conditions represent an opportunity or exploitation (Blackburn & Ram, 2007).

Second, some of the key theoretical foundations, such as mixed embeddedness (Kloosterman, & Rath, 2001, 2003) and social capital (Putnam 1995; Evers 2001), also provide useful frameworks for analysing social enterprise activities within ethnic networks. Some of the traits unique to ethnic entrepreneurship, such as the role of family and extended communal networks, have implications that touch the very core of current social enterprise movements. Ethnic entrepreneurship has been described as a "new sociology of economic development" and has been used to test a number of economic theories since immigration, with its often complex set of social and cultural parameters, presents itself as an ideal environment for such experimentation (Waldinger et al., 1990; Woolcock, 1998). The process whereby migrants arrive in a new country with a set of group characteristics then employ various strategies to identify and explore opportunity structures bears a great deal of similarity to the steps

that social entrepreneurs take in order to identify opportunities and create social values through the entrepreneurial elements described earlier.

Third, while the social enterprise approach is new and the lack of empirical evidence is apparent, governments have already implemented policies, usually in the form of small business support, whose underlying rationale—in particular, the focus on employment—is very similar to that of social enterprise.

Such microeconomic policy derives mainly from the government's recognition that most employment growth has been achieved by small businesses, a large section of which is comprised of ethnic entrepreneurship. For instance, U.S. 'microenterprises', the equivalent of Australian New Enterprise Incentive Scheme (NEIS) programs, have much in common with the current social enterprise movement from a policy perspective. These have already attracted interest from researchers and a number of evaluations have been produced. In some cases, government programs that support business enterprises (even though they are private businesses) and social inclusion policy objectives are brought together under the term 'social enterprise', sometimes without distinction between commercial and social (Smallbone et al., 2001, DTI, 2002).

Finally, some of the changes that are taking place in Australian immigration, settlement and multicultural policies, which have been an important context for ethnic entrepreneurship in Australia, have the potential to generate social enterprise in CALD migrant and refugee communities. Increased numbers of skilled and educated migrants, urbanisation, and the diverse domestic and international networks that migrants and refugees bring with them (Collins, 2013) can provide fertile ground for social enterprise to emerge in these particular groups. These new trends in immigration are worthy of attention, as they not only explain how new elements alter the existing interplay between opportunity structure and group characteristics in a traditional mixed embeddedness model, but also illustrate how they manifest as social capital in CALD migrant and refugee communities. Therefore, it is important to examine the current practice and prospects of social enterprises in CALD migrant and refugee communities within the broader context of such policies.

An important purpose of the present study is to better understand the economic behaviours of CALD migrant and refugee groups within a changing socio-political

environment, since such behaviours are intrinsically linked to the social values in which CALD social enterprises are embedded. The following discussion identifies some of the key bodies of knowledge on ethnic entrepreneurship that can be applied to the study of social enterprise and, in particular, its efficacy for employment creation and social inclusion in CALD migrant and refugee communities.

4.2.1 Introduction to ethnic entrepreneurship

As explained in Chapter 1, social enterprise can be conceptualised in terms of a continuum between organisations or enterprises with purely economic purposes and those with social goals. It is important to note that, long before the advent of social enterprise, some economists argued that no economic activity is free from social relationships; this perspective provided contextual background to the theory of embeddedness. In this regard, the comparison between the 'social' aspect in commercial entrepreneurship and the 'entrepreneurial' aspect in social enterprise can be made to mirror each other.

Granovetter (1985) argued that, despite the assumptions in classical and neoclassical economics about the rational economic actor, in reality, no economic action is free from broader social systems on which economic transactions are based. All forms of exchange are inevitably embedded in social relationships or generalised morality (Granovetter, 1985; Woolcock, 1998). The embeddedness theory proposes that economic behaviour, which is fundamentally a part of social relations, is rooted in the interplay between agent and the structure in which the agent is embedded (Granovetter, 1985). This position derives from the 'substantivist' tradition, in particular, that of Polanyi (1957), who viewed a market as an essentially social institution (Krippner, 2002) and invented the idea of 'moral economy' (Granovetter, 1985, p. 482; Woolcock, 1998, p.162).

Granovetter (1985) put forward a number of arguments to illustrate the importance of the social system and how economic decision-making is fundamentally embedded in networks of interpersonal relations. Of these, the theory of a segmented labour market is of particular interest for the present study. According to Piore (1975, cited in Granovetter, 1985):

Members of each labour markets segment are characterized by different styles of decision making and that the making of decisions by rational choice, custom, or command in upper-primary, lower primary, and secondary labour market respectively corresponds to the origins of workers in middle-, working-, and lower class subcultures (p.506).

Granovetter (1985) argued that different cognitive processes result from class-based differences in education. For example, those who find low-level jobs are trained to be dependable followers of rules while elite position seekers acquire a four-year college education which emphasises social relationships that conform with higher levels in production. Each group 'masters' relevant behavioural dispositions (Bowles & Gintis, 1975, p.132). Social influences, including culture, are now inside individuals' minds. In other words, economic activities—here, participation in labour markets—are inevitably embedded in broader systems of social relations and the anonymous market of the neoclassical model is virtually non-existent in economic life (Granovetter, 1985, p. 495).

According to Granovetter (1985), then, what seems a rational economic decision is, in fact, the result of years of socialisation in an internalised form, and this is the basis of individual choice in economic life. He further proposes that entrepreneurship is inextricably social. Commercial transactions are virtually impossible without social ties, which create the trust essential for transactions to take place. In fact, the Durkheimian, Weberian and Marxist traditions within classical sociology were all heavily influenced by economic debates at a time when the division between the social and the economic, or the self-regulating capacity of the market, was ambivalent (Woolcock, 1998, p. 159). Granovetter (1985, p. 507) predicted that the role played by small businesses embedded within a dense network of social relations and connections would become increasingly important in the future.

4.2.2 Key elements in ethnic entrepreneurship

More recently, Aldrich and Waldinger (1990, pp.114-131) proposed a framework to understand ethnic entrepreneurship based on three components on which ethnic business development is built. As elaborated below, this is not dissimilar

to the PCDO framework introduced earlier, since these three components incorporate all four cross-cutting elements. These three components are opportunity structure, group characteristics, and ethnic strategy.

Opportunity structure refers to an environment in which favourable market conditions and access to business opportunity exist. Ethnic consumer products, ethnic residential concentration, access to ownership and inter-ethnic competition are some of the key factors in an opportunity structure. Where there are low economies of scale (e.g. taxi industry), low barriers to entry (corner shop closed after introduction of supermarket), or lower skill requirements (construction and retail), a comparative advantage is created for migrants who are willing to work longer hours for less pay (Collins et al., 1995). Based on the PCDO model, it is theoretically possible to claim that it is created by a mixture of opportunity and context.

Group characteristics include predisposing factors such as selective migration, culture, aspiration level, ethnic social network, resource mobilisation and organising capacity. This explains why some migrant groups recognise opportunity structure while others do not. An ethnic social network consists of kinship and friendship ties within the community that generate positions in the economy (jobs), in space (housing) and in society (institutions). There are also religious institutions, associations, and fraternal and mutual benefit societies. Blocked mobility is one of the predisposing factors. The hypothesis is that difficulties with language, lack of recognition of overseas qualifications or inadequate skills block migrants from the labour market. There is substantial evidence to support this in Australia, Canada, New Zealand and the U.S., particularly in relation to NESB groups (Castle, 1984; Piore, 1980; Collins, 1991). These factors play a vital role in ethnic entrepreneurship, since business-related information, such as licences, laws, management practice, reliable suppliers and promising business lines, is typically obtained from such networks. Specialised associations and ethnic media can strengthen social networks, often resulting in domination of and concentration in particular industries. New arrivals find employment in those industries and gain access to contacts, opportunities to learn on the job, and role models. A rotating credit association is an interesting feature of the ethnic social structure and has attracted the attention of many researchers. This component is closely aligned with the 'people' factor in the PCDO model and, to some degree, with context elements.

Finally, *ethnic strategy* emerges from the interaction of opportunity structure and group characteristics as ethnic entrepreneurs adapt to the resources available to them, building on the characteristics of their group (Boissevain et al., 1990). It refers to ethnic entrepreneurs' positioning of their business to overcome various problems associated with its establishment and operation while securing loyal customers in order to compete with other ethnic businesses (Aldrich et al., 1983). The ethnic strategy component demonstrates the process through which people, opportunity and context manifest themselves in deals.

The ethnic entrepreneurship theories outlined above lack universal applicability, because the interaction between opportunity structure and group characteristics varies from country to country and from time to time. In other words, they need to be understood within specific historical conditions (Waldinger et al., 1990). The mixed embeddedness theory partly acknowledges this in its greater emphasis, compared to the embeddedness theory, on the role of national state regulatory authorities and institutions (Kloomsterman & Rath, 2003). In contrast to the embedeness model, whose primary focus is on the micro-level social networks of co-ethnics, mixed embbeddedness facilitates meso and macro level analysis by taking into account broader institutional frameworks (Kloosterman, 2010).

Nevertheless, both embeddness and mixed embeddedness largely fail to take into account other significant factors that are increasingly relevant, such as racialisation, gender, class and economic restructuring (Collins et al., 1995). In Aldrich and Waldinger's model, the role of the state is defined in relation to resource acquisition. Better understanding of immigrant entrepreneurship, however, requires that more attention be paid to the way in which government authorities develop a range of institutional structures, policies, practices, procedures and by-laws (Collins, 2003).

Further, these theories do not address the differences between ethnic and non-ethnic entrepreneurs (Collins et al., 1995) or inter-ethnic variation (Peters, 2002). Moreover, in the development literature, embeddedness requires autonomy as a complementary concept to denote a macro-level social relationship, which entails cross-institutional networks (Evans, 1995). Existing theories do not fully capture the

complexities of such social relationships, and earlier models depend on the assumption of independent autonomous economic actors.

In the classical sense, entrepreneurship refers to the combination of resources in novel ways to create something of value (Bird, 1989). Innovation and risk-taking behaviours are agreed to be key characteristics of entrepreneurship. Nevertheless, the term is not used consistently in the context of ethnic entrepreneurship. Most of the literature on entrepreneurship has adopted a broad definition, which includes self-employed persons and business owners without much regard to innovation and, to a lesser degree, risk-taking (Aldrich & Waldinger, 1990).

This review of dominant theories has identified the key factors, both individual and institutional, in ethnic entrepreneurship that provide the foundation for the present study of social enterprise in CALD migrant and refugee communities. This analysis is relevant to the research questions as it sheds light on the ways in which social enterprises are set up to capitalise on opportunities in terms of resources and social context. At present, little is known about how the existing social capital in CALD migrant and refugee communities is mobilised in cross-institutional relations to catalyse unique opportunities

4.3 Ethnic Entrepreneurship in Australia

A body of literature on ethnic entrepreneurship in Australia provides an overview of the local environment of social, economic and cultural factors that might give rise to social enterprise development in CALD migrant and refugee communities. As explained in the previous section, a range of factors mitigate against any unilateral approach to ethnic entrepreneurship. The distinctions that underlie the Australian experience of immigration are substantially different from those in the U.K., from which a great deal of the literature has been drawn. Therefore, the situation in Australia needs further exploration (Collins, 2013). This section presents a brief history of Australian ethnic entrepreneurship and introduces a theoretical approach that is better suited to analysing the experiences of Australian ethnic entrepreneurs and which can shed light on social enterprise among CALD migrant and refugee communities.

4.3.1 Historical Overview

Australia is a nation founded on immigration (Collins, 1991; Jupp, 2007; Jakubowicz, 1981). The country has been built by waves of migrants. Over the six decades since the Second World War, more than 6.4 million immigrants and more than 590,000 refugees and humanitarian entrants have come to Australia. The annual immigration intake fluctuates between a record low of 52,700 in 1972 to the highest intake of 190,000 in 2012-2015 (Department of Immigration and Border Protection 2015; Collins, 2013). Australia has actively followed an immigration policy from federation onward, initially to address a perceived need to 'populate or perish' and, later, to solve the post-war labour shortage. It has become one of the few nations to be built by planned immigration (Markus, 2009) and has become one of the world's most cosmopolitan nations (Collins, 2006, 2013).

Migration was mainly understood as the movement of labour as an element of production, driven by economic incentives. There was no understanding of the social and cultural needs of migrants during the first decades of Australia's immigration program until the migrants started to return to their home countries (Grant, 1983). Immigration was seen as providing 'a reserve army of unskilled migrant labour' during this period (Collins, 2005). In 1978, following the recommendations of the Galbally report[10], a wide range of institutions and services targeting migrants was established (Collins, 2013; Jupp, 2007). An Ethnic Affairs Council was inititiated, followed by the national network of Migrant Resource Centres. Informal networks of ethnic communities started to develop formal structures with government support, such as that provided under the Grant in Aid (GIA) Scheme (Song, 2013). The importance of education and training for employment was recognised in a number of programs, such as the Adult Migrant Education Program (AMEP) and employment-focused components of the Settlement Grant Program (SGP).

In the meantime, Australia experienced economic recession, followed by global restructuring. These changes severely affected NESB migrant workers, who

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[10] 'Review of Post-arrival Programs and Services to Migrants', published in 1978, represented a key development of multicultural policy. It made 57 recommendations in relation to equity and cultural maintenance in settlement services.

were mostly employees with a lower level of skills. In the 1990s, NESB immigrants continued to bear the greatest burden of economic recession and economic restructuring in Australia. Also in the 1990s, innovative strategies designed to increase both the rate of ethnic small business formation and the success of existing ethnic small businesses were believed to strengthen the Australian economy in general and employment creation in particular (Collins, 1996). Therefore, both domestic and international factors have largely shaped the development of ethnic entrepreneurship in the Australian context. In particular, absorption of NESB migrant workers through employment creation in the form of ethnic small business shows similarities with the current rationale for social enterprise as part of social policy to improve employment outcomes for the disadvantaged.

All of these served as strong 'push' factors for NESB migrants to move into small business (Collins, 1995, p. 58). Ethnic small businesses since then have grown steadily and become an integral part of the urban landscape of Sydney. They transformed run-down inner suburban areas into dynamic new commercial districts. Greek fish shops, Italian grocery shops, Chinese restaurants and Vietnamese hot bread shops have become familiar sights on Sydney's streets. They represent the entrepreneurial experiences of new migrants as a means of settling into a new country with hopes, dreams and hardships, providing useful reference points for the economic and social transformation that has accompanied their ventures (Collins, 1995).

4.3.2 Characteristics of ethnic entrepreneurship in Australia

This section identifies some of the key characteristics that justify the transfer of knowledge about ethnic entrepreneurship into the study of social enterprises in a localised context. In accordance with the rationale presented earlier, the section is divided into four parts: characteristics of ethnic entrepreneurship in relation to labour markets; the role of social networks and social capital; approaches to ethnic entrepreneurship as government policy; and the impact of changes in immigration policy in recent years. Specific implications for CALD migrant and refugee social enterprises are discussed.

4.3.2.1 Ethnic entrepreneurship and employment

Jones (2012) argues that the major characteristics of ethnic entrepreneurship have remained unchanged throughout the world over the last few decades. These characteristics include the fact that immigrant businesses consist mostly of small firms operating in low-value sectors of the economy, where survival is contingent on an extreme degree of labour intensiveness that would be impossible unless subsidised by exploited family and co-ethnic workers (Ram & Jones, 2008).

In traditional ethnic entrepreneurship studies, the theory of blocked mobility is frequently cited to explain why migrants set up small businesses and become entrepreneurs (Dana, 2007). Although there are a number of broader structural variables that need to be considered, blocked mobility, along with an 'accent ceiling', remains an issue in Australia for migrants from NESB countries (Collins & Reid, 1994). There is still racial discrimination in the contemporary Australian labour market, where overseas qualifications are not recognised and the poor communication skills of those from NESB countries present a major barrier to employment, while migrants' cultural assets are not viewed as an advantage (Collins, 1996, 1998).

The Australian small business sector holds the greatest chance of generating sufficient new jobs to reduce the unemployment rates of NESB immigrants and others in Australian society (Collins, 1996). Employment creation strategies for NESB immigrants should therefore include strategies that encourage the growth and expansion of small businesses in these ethnic communities (Collins, 1996). As noted above, ethnic businesses often rely on families, relatives and members of co-ethnic groups as sources of cheap labour. This can lead to exploitation, particularly of women. International literature affirms that jobs created through small businesses generally come through low wages, poor working conditions, insecurity, and lack of a career structure (Waldinger, 1986; Mitter, 1986, Phizacklea, 1987). Much of the new employment targets groups who lack educational and vocational credentials. Employers do not invest in further training for fear of their employees moving on to jobs with better conditions (Collins, 2014). This raises interesting questions about the degree of labour intensiveness in social enterprises in CALD migrant and refugee communities and the process by which labour is supplied in the form of social capital or ethnic resources, which is one of the key questions addressed in the present study. Little is known about the nature of new jobs created through social enterprises, their

working conditions, ethnic make-up, and the prospects of these workers to move into the mainstream labour market.

4.3.2.2 Ethnic entrepreneurship and gender

A complex pattern of segmentation along gender and ethnic lines has emerged from analysis of the role of ethnic entrepreneurs in the Australian economy as a key characteristic. According to the findings of the Global Entrepreneurship Monitor (GEM) survey (GEM UK, 2004), female and ethnic minority entrepreneurs were more likely to be social entrepreneurs than mainstream entrepreneurs. The gender aspect of ethnic entrepreneurship, although largely neglected in international studies of ethnic entrepreneurship, is an important area for exploration of social enterprise in migrant and refugee communities.

The gendered nature of ethnic entrepreneurship has been characterised in terms of paradox, duality and non-duality. First, the 'feminisation of migration' (Castle & Miller, 1993) has led to the feminisation of Australian small business (Collins et al., 1995). Women are often the ones who receive an initial job contract for migration, and they outnumber men in some international migration streams (Bretell, 2003; Donato, 1992; Ho, 1993). The number of women represented in small business has increased at a much faster rate than that of males since the 1980s (Collins et al., 1995). In Australia, women represented about one-third of small business owners in recent years (ABS, 2015).

However, a distinction needs to be made between female entrepreneurs who own and operate the business on their own and those who support the family business with their husbands in addition to their domestic work. In this sense, women in small business face both opportunities and challenges, and the potential for empowerment and disempowerment. Both U.S. and Australian studies report that women often work as the cash register operator and bookkeeper at family businesses while the husband looks after the overall management. Such work enables migrant women to combine business, social and even cultural life (Dana, 2007, p. 86). Women appreciate the time they can spend with family members at work while serving ethnic clientele in an industry where they maintain cultural links with their country of origin, such as an Asian grocery store meeting the social and cultural needs of migrant women.

Yet most of the literature points out the high levels of exploitation that women experience. This occurs in the form of non-payment, subordination to patriarchal control, longer working hours and double workload (Phizackea, 1989). Ethnic entrepreneurship or migrant small business is a social field with no clear cut opposition between business and family, public and private, and production and consumption dualities (Collins et al., 1995).

No previous research has suggested any strong correlation between ethnicity, gender and business success. However, some traits are more evident in migrant women in small business today. The roles of social networks and social embeddedness of social capital for women are an important area to explore in relation to social enterprises, as migrant women rely more on social networks than formal business networks (Blisson & Rana, 2001). Migrant women are also reported to possess closer links with international trade networks (Collins & Low, 2010). This involves activities such as import, export, overseas investment, marketing or technical support for overseas local agents or suppliers. The importance of diasporic networks has increased in recent years. With bilingual and business skills, the migrant women can be considered the new 'middlemen' in today's Australian business landscape (Collins & Low, 2010).

4.3.2.3 Ethnic entrepreneurship and ethnicity

Societies and communities that hold different cultural values have different levels of entrepreneurial activity (Lee & Peterson, 2000; Morrison, 2000). Although it is generally understood that immigrants are more entrepreneurial than the native Australian population, there is no clear link between immigrant status and entrepreneurship. Some groups, such as Koreans, Greeks, Italians, Israelis, Cypriots and Lebanese, have a higher rate of entrepreneurship than the Australian born, while immigrants from Taiwan, Singapore, Sri Lanka, Vietnam and Turkey have a lower rate. Immigrants from England, China, New Zealand, Canada and Pakistan have a similar rate to the Australian average (Collins, 1995, 2003; Collins & Low, 2010). A complex set of variables comes into play to explain such patterns. English fluency, educational levels, and immigration category are some of the variables that have been identified as affecting rates of ethnic entrepreneurship among NESB and ESB

immigrant groups. Overall, a range of factors other than migrant status accounts for the rate of entrepreneurship in migrant communities.

The blocked mobility theory (Dana, 2007) has largely served to explain ethnic entrepreneurship in the post-war period when the policy of assimilation was imposed, until it was replaced by a multicultural policy. In the absence of service provision in education, health and welfare, migrants were subject to racial discrimination in the labour market and, as a result, many were encouraged to take up entrepreneurship by setting up a small business (Collins et al., 1995).

4.3.2.4 Ethnic entrepreneurship and globalisation

Although the earlier experience of post-war ethnic entrepreneurship is in line with trends in international ethnic entrepreneurship, the increase in ethnic entrepreneurship through small business in recent decades is more aligned with economic restructuring, which occurred on a global scale. The decline of Fordism and of the manufacturing industry in Australia due to economic restructuring, microeconomic reform and the emergence of global cities, gave rise to a demand for customised consumer products, restaurant meals, cleaning and other services, which led to the growth of the service sector, subcontracting, and casualisation and feminisation of the workforce (Collins et al., 1995). Previously, the manufacturing sector in industries such as electronics and clothing employed large numbers of lower skilled migrant workers, in particular CALD migrant workers. The policy focus by the Labor government on microeconomic reform in the areas of transport, communication and education from 1983 created demand for highly paid professionals and led to a resurgence of the *petit bourgeoisie*.

4.3.3 Implications for CALD migrant and refugee social enterprise

Ethnic entrepreneurship in Australia is characterised by considerable diversity along important dimensions such as gender, racialisation, the family, social class and globalisation (Collins et al., 1995). This highlights the potential complexity of research on CALD migrant and refugee social enterprises. Not only is there great variety within CALD migrant and refugee communities, thus ruling out any cultural, geographical and contextual homogeneity, the paths to ethnic entrepreneurship on an

individual level have become increasingly diversified to include manual labour, professional labour (doctors, etc.), the corporate primary sector and business migrants (Collins et al., 1995; Collins, 2002). This imposes limits on the scope of the present study, which does not seek to identify factors that are specific to each cultural or ethnic group within the CALD migrant and refugee cohort, broadly defined. Nevertheless, such analysis points to important questions which have not been addressed in social enterprise research. For example, to what extent does ethnicity or other attributes related to migrant and refugee status affect the establishment and management of social enterprises whose remit has been framed largely as a response by not for profit organisations to market failures?

Running small businesses is a tough environment in Australia, where less than 10% survive beyond 10 years and 30% do not survive even the first year (Burke, 2012). What drives social entrepreneurs in CALD migrant and refugee communities to set up social enterprises in such a harsh environment and how the desire to bring about social change is manifested in CALD migrant and ethnic communities in the form of social enterprise activities remain unanswered questions. Ethnic entrepreneurship is grounded in individual migrants' urgent need to find employment so that they can earn income and make a living in a new country. In other words, they are fundamentally driven by individual interest. The question than arises as to how the same outcome can be generated by means of social enterprise, which rests mainly on the pursuit of collective interest. This in turn leads to a series of sub questions, which revolve around identifying how the pursuit of social goals is converted into a comparative advantage in social enterprise. If, as the literature suggests, volunteerism or acceptance of lower wages in the non-profit sector is the source of such advantage, this implies that there is a trade-off between financial reward and personal motivation. It may also suggest that employment generated from social enterprise does not constitute a primary income source but only a secondary or supplementary source. Marginalisation and exploitation without proper entitlement exists in ethnic entrepreneurship in Australia (Collins et al., 1995). Therefore, questions regarding the voluntary nature of working conditions and entitlements of employees and their willingness to accept them need to be addressed.

Another area of enquiry is the role of women in social enterprise. Some of the gender analysis in ethnic entrepreneurship suggests a dual role of women's

employment in both the acculturation process as well as income generation. Therefore, social enterprises may represent new opportunities for migrant women who face the accent ceiling or exploitation from their family business while generating substantial employment outcomes.

Even though it is difficult to draw a direct parallel between the experiences of ethnic entrepreneurs and social enterprises in CALD migrant and refugee communities in terms of labour market integration, key research questions in this investigation, relating to profiles of social entrepreneurs, their motivations for setting up social enterprises and their entrepreneurial strategy, are expected to address some of these issues.

4.4 Social Capital and Social Enterprise

According to Laville and Nyssens (2001), social capital is now generated more by social enterprises than by the private or public sectors. Although little research has been conducted on the relationship between social capital and social enterprise, a growing number of researchers acknowledge that it is essential to include social capital as an essential dimension of social entrepreneurship, which deals with multiple goals and resource structures (Borzaga & Defourny, 2004). Earlier, it was briefly argued that the influence of the social mission or social value proposition on the key elements of entrepreneurship can be usefully analysed using the social capital framework. Evers (2001) also argues that the multiple goals of social enterprises can be better understood using the concept of social capital, which takes into account issues of power and civic participation that imply more complex social links than those involved in merely rendering better services. Importantly, this suggests that the development of social enterprises is a more political and contingent phenomenon that cannot adequately be investigated through a simple economic analysis based on institutional choice (Evers, 2001). Therefore, an understanding of social capital is particularly critical in assessing the broad impact of social enterprises in terms other than those of financial sustainability and accomplishment of social mission (Evers, 2001).

4.4.1 Social capital and ethnic entrepreneurship

In elaborating social embeddedness, Granovetter and other researchers frequently used immigrants and their settlement experience as examples to develop the general applicability of the model. It is typically manifested in the form of social capital[11]. This points to the importance of social networks or social capital in entrepreneurial activities in migrant communities and, in particular, CALD migrants, who are unable to integrate freely into the host community.

Paradoxically, the role of social capital has been underplayed in ethnic entrepreneurship, where the focus of analysis is on economic or human capital accumulation (Woolcock, 1998). As Granovetter (1985) notes, the value of social capital is often enhanced when it is confined within specific boundaries. It is also believed that social capital arising from mutual solidarity is richer and more active in migrant communities (Flap, 2000). Ethnic minorities in a country, therefore, draw the attention of researchers as a controlled environment in which to study the impact of social capital.

Ethnic entrepreneurship researchers have observed the stronger presence of social elements in ethnic business development, and the unique role played by social capital. Entrepreneurs are embedded in social contexts that influence their decisions and these social contexts are embedded in social networks that consist of a variety of social relationships developed by the entrepreneurs (Davisson & Honig, 2003). The literature suggests that such social networks create opportunities based on the reciprocity principal, where social entrepreneurs gain an understanding of complex situations through mutual learning, reputation and perceptions of trustworthiness (Ridley-Duff & Bull, 2014). For ethnic entrepreneurs, due to their cultural and linguistic differences, the capacity to form or be part of mainstream organisations is limited in host societies. This requires ethnic entrepreneurs to place greater emphasis on networking with co-ethnic members. This is in contrast to Indigenous entrepreneurs, who have the capacity to network with the mainstream business community but have to forsake ties with their own communities, which often view their entrepreneurial activity with the mainstream business community as

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[11] The term usually refers to the collective value of elements such as trust, norms of reciprocity, civic spirit, solidarity and the readiness to associate and to build communities (Putnam, 1993; Woolcock, 1998). However, there are different types, levels or dimensions of social capital.

inappropriate (Foley, 2008). For ethnic entrepreneurs in Sydney, this has resulted in strong bonding, which is manifested in different forms. For instance, some of the early ethnic business establishments, such as Chinese restaurants, acted as a quasi-welfare agency or settlement service assisting family members, friends and communities (Collins et al., 1995), thereby qualifying as a form of 'civic community'. Rotating credit associations among Korean migrants in the U.S. are frequently cited as an example of a social element in business, along with the Chinese tradition of 'guangxi', which involves the cultivation of a long-term relationship based on mutual respect and reciprocity (Light & Gold, 2000, p. 95; Woolcock, 1998, p.158).

4.4.2 Benefits of social capital in ethnic entrepreneurship

Social capital and social networks in ethnic entrepreneurship largely explain why ethnic businesses hire co-ethnic workers, and why co-ethnic workers want to work in ethnic businesses at an individual level. There are strong grounds to claim that these are economically rational decisions, at least in the short term. The positive benefits of co-ethnic employment usually derive from the fact that shared characteristics, such as language and culture, create positive effects and externalities for both employer and employees. In such cases, social capital and social networks in ethnic communities function as resources (Dana, 2007). This leads to the emergence of ethnic precincts, commonly known as ethnic 'enclaves', a concept that is central to the theorisation of ethnic entrepreneurship:

> Values and norms make the behaviour of other people more predictable. This lowers information costs as part of transaction costs by reducing uncertainty without needing the help of expensive formal co-ordination system such as police or legal system (Dana, 2007, p. 48).

The main rationale for the capacity of social enterprises to create employment opportunities is based on the same idea, a reliance on social capital. It believes that good informal contacts drawing from non-governmental and non-market resources built on a unique level of trust achieved over time, solidly rooted and embedded in the local community are the major factors (Evers, 2001).

The economic theory of clubs provides an appropriate theoretical paradigm for the analysis of social capital in ethnic business. Tiebout (1956) argued that pure public goods violate market efficiency and therefore a quasi-spatial adjustment mechanism emerges to reach efficient equilibrium for local public goods. As a result, the individual household, in an attempt to maximise its utility function, congregates with similar households in geographical areas where cost-competitive public goods are available. Although there are several other socio-economic variables, such as education, income and occupation, language and ethnicity are the main criteria for membership of such a congregation (Heikkila, 1996).

Social capital, traditionally defined as an asset, resource or capability that arises from trust, reciprocity and good will (Woolcock, 1998), is understood as an economic good situated between public good and private good (Fukuyama, 2001). Whereas pure public goods do not discriminate against anyone using them, social capital that exists within ethnic networks has the nature of club goods, which excludes non-members from using it. Being pseudo-public goods, they are not free; there are costs associated with discounts, free services demanded by co-ethnics and purchasing of ethnic goods (Martes, 2000).

From a government policy perspective, it is important such goods are provided by communities, which are smaller than a governmental unit and which are delineated differently – for example, along particular cultural and ethnic lines - from the 'median voter' in a given population (Evers, 2001). Public goods that are provided by central governments require local support and trust when targeting differentiated and fragmented communities, who might be indifferent to government actions (Woolcock, 1998). It is evident from recent changes in public service delivery that governments want to leverage the social capital created by local associations in order to improve cost effectiveness (Laratta et al., 2011). Locally available social capital gives social enterprises the advantage of easier access to resources (Evers, 2001). The benefits of these goods are diminishing over time, however. As businesses mature, ethnic businesses rely less on ethnic networks. As well, crowding or congestion occurs, creating economic inefficiencies.

In practice, the recruitment costs involved in hiring co-ethnics are lower for both employer and employees. More importantly, this serves as an effective device to

transcend the inherent incompleteness of contracts. It is not possible to draft a complete and legally binding contract that covers every aspect of a mutual relationship, since employers and employees have different objectives. Co-ethnic workers are perceived as more trustworthy since there is an understanding based on shared norms and values. Failure to meet such expectations will lead to a loss of reputation and, in the worst case, exclusion from the network. Co-ethnic employees can also experience cultural familiarity and acceptance instead of the discrimination they encounter in the mainstream labour market.

4.4.3 Costs of social capital in ethnic entrepreneurship

Although social capital is considered beneficial to members of particular groups, some negative externalities can stem from over-embeddedness (Calvo, 2012). It is argued that a disproportionate share of resources through excess claims for usage can detract from macroeconomic growth (Woolcock, 1998). The costs of excess embeddedness include lost network opportunities in the rest of society, ethnic segregation, barriers to non-co-ethnic groups and restrictions on individual freedom (Woolcock, 2001). For instance, a higher degree of bounded solidarity is a key characteristic of a community that experiences external discrimination based on cultural differences, and whose return to home country is somehow blocked. A greater level of conformity is imposed on individual community members in this case.

Social networks function as a communication mechanism, collecting and disseminating key information, for instance about job opportunities (Portes, 1998). A general sense of reciprocity based on mutual trust is developed such that, by helping each other in a foreign land, migrants will 'survive' better (Putnam, 1993). Based on Putnam's study of social enterprise (1993), Bertotti et al. (2011) argued that, although bonding social capital is high among ethnic groups, their bridging social capital, or the capacity to create cross-community interaction, remains low, which explains the poor mainstream labour market performance of ethnic groups. At the same time, an excess of bonding or intra-community obligations prevents individuals from interacting across ethnic groups, thereby limiting bridging social capital at the group level (Bertotti et al., 2011). Whereas bonding functions as 'glue' between members

of groups, bridging requires boundary crossing to obtain external sources of information, support, finance and expertise (Cope, 2007, p. 214).

According to Woolcock, 1998), Putnam's social capital model points to 'linking' with stakeholder and institutional realms, which can pull together and mobilise power and resources. Within the development context, Woolcock proposed, autonomous social relationships emerge as a complementary concept to embeddedness. These enable more extensive and sophisticated exchange networks coordinated by formal institutions, thereby encapsulating the elements of 'linking'. Without the establishment of autonomous relationships, no micro level synergy in development could occur to leverage resources, ideas and information across sectors and institutions. The result is often predatory relationships due to power asymmetries.

4.4.4 Social capital in refugee communities

Research on social capital in refugee communities is scant (Pittaway et al., 2015). Only a few studies are available in Australia, and these have focused on refugee communities in different contexts, from resettlement to community harmony. Some research has investigated social capital in refugee communities in relation to employment (Fozdar, 2011), but no Australian literature on social capital in refugee communities in relationship to entrepreneurship was identified for this review. Nevertheless there is some emerging literature on this, particularly after the recent Syrian refugee crisis.

Social capital is critical to every stage of the refugee journey and has direct implications for the survival of refugees (Pittaway et al., 2015). When refugees flee from conflicts in their country of origin, they often rely on a network of families and relatives for support. Applications for refugee status are often sponsored by family members, who also provide assistance with settlement in a new country.

Although the Hugo report (2011) on the contribution of refugees in Australia acknowledges the social capital created by these new members of the population, the social capital available in refugee communities is low, since most have experienced enormous changes in their personal circumstances, such as the loss of immediate family, relatives and friends (Pittaway et al., 2015). Refugees fleeing from conflicts resulting from civil war or political persecution develop distrust towards members of

the same community or ethnicity, which deprives them of the opportunity to form new relationships and build social capital (Pittaway et al., 2015).

Many factors affect bonding processes among newly arrived refugees. The existence of a diaspora community in the new country and the size of the community are considered to be major factors, yet there are a number of communities where racial divisions or political feuds are the very source of internal conflicts (Workshop in Refugee Social Capital, STARTTS, 2016, Australia). In such instances, refugees may choose to opt out of new bonding opportunities. Another determining factor in the bonding process is how soon newly arrived refugees meet someone from the same ethno-cultural background who can link them to existing communities. Other factors include access to transport, language and childcare.

One distinctive feature of social capital research in refugee communities is its emphasis on the role of social capital enablers (Pittaway et al., 2015). Enablers are people who possess cultural fluency in both the original and host countries and have access to information and resources to initiate and mobilise networks (Pittaway et al., 2015). Therefore, an exploration of the role of enablers in refugee communities is necessary in any examination of social entrepreneurship in CALD refugee communities.

With regard to social capital in the context of social entrepreneurship, it needs to be understood that how social capital is mobilised by social entrepreneurs can differ between developed and developing countries (Gubernick, 2017). In terms of employment opportunities, social enterprises in developed countries focus on training and job placement in an existing job infrastructure, thus leaving less scope for social entrepreneurs to mobilise personal networks and capitalise on skills they already possess (Gubernick, 2017). This contrasts with developing countries, where social networks are used as infrastructure for job creation based on shared resources, skills and needs (Allen, 2009). While developed countries often have a stronger economy that provides job and career opportunities in a more systematic way, the skill sets of refugees from developing countries have developed to suit their economic systems, which tend to be based on intensive manual labour (United Nations Conference on Trade and Development, 2012). The present study found that this is particularly the

case for female refugees, who rely more on social capital during settlement than male their male counterparts (Allen, 2009).

This highlights the importance of understanding the cultural context of the target population, including values, needs and skills, in the operation of successful social enterprises (Stanford Social Innovation Review, 2010). The way in which social enterprises utilise social capital needs to be specific to the cultural context and job infrastructure of a given country; which requires careful examination of the social entrepreneur's cultural background and the environment in which the enterprise is being established if social capital is to be fully mobilised. The context in which these social entrepreneurs from refugee backgrounds have worked and lived in their country of origin must be taken into account when social enterprises are promoted in a developed country.

Whereas the various manifestations of social capital in developing countries has a direct impact on employment, the current strategy adopted in social enterprises in developed countries mainly focuses on integration and the need to create tools to support the settlement of refugees. Here, the use of social capital in employment is secondary, in the sense that refugees have limited social networks in a new country and the networks on which social enterprises rely in developed countries such as Australia are usually at the formal institutional level rather than individual and personal. Furthermore, when social enterprises are established by mainstream community organisations or non-migrant or non-CALD communities, refugees themselves may have a limited role in the social networks on which the social enterprises are established. Despite the importance of understanding the cultural context of refugees' country of origin, the literature review failed to identify any studies that examined cultural aspects of social capital in the context of social entrepreneurship in Australia.

4.4.5 Implications for CALD migrant and refugee social enterprise
The literature on social capital suggests that social change or the achievement of the social mission of a social enterprise will not be possible for CALD migrant and refugee social enterprises without a sufficient level of links—what Evans (1995) calls "embedded autonomy"—with key institutions and stakeholders. Hebson et al. (2003)

warn that a 'contracting culture' based on large commissioning organisations, which has already permeated the third sector, is not conducive to the development of social capital.

From research on a community café in London, Bertotti et al. (2011) proposed that the social entrepreneurs or managers of social enterprises play a considerable role in facilitating the development of social capital. Nevertheless, they concluded that, due to the lack of linking capital that provides access to power, the issues affecting the community are unlikely to be identified by policy makers as an important political agenda. Social entrepreneurs' ability to develop networks of relationships and contacts is a key capability and critical skill (Prabhu, 1999; Thomson et al., 2000).

There is a wide spectrum of social enterprise models that represent different degrees of theoretical applicability. Therefore, the impact or relevance of social capital depends on individual characteristics of specific social enterprise models, such as the nature of their social and economic orientations. Based on two years of observations of social enterprises in disadvantaged areas in London, Teasdale (2010) argued that social capital and its bonding, bridging and linking effects are likely to be achieved by social enterprises that exhibit amore social orientation. In other words, increased social capital is achieved by social enterprises that place higher emphasis on social aims and democratic principles, such as cooperative or community development activities, rather than market-oriented social businesses. He further proposed that involvement in an organisational capacity through participation in collective decision-making enhances the development of linking social capital on both organisational and individual levels. This finding contrasts with the social capital approach taken in ethnic entrepreneurship, which sees private and commercial economic activities as a main source of social capital creation.

In one of the rare empirical studies of social enterprises in CALD migrant and refugee communities in Australia, Barraket (2013) documented a number of positive outcomes in relation to intermediate labour market integration. The seven social enterprises, operated across four industries by the Adult Multicultural Education Service (AMES)[12], target newly-arrived migrant and refugee clients. They have

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[12] This research investigates both the social enterprises established independently as a business entity (business stream) and the social enterprises established by not for profit or larger parent organisations (not-for-profit stream). Details are provided in the methodology section.

produced a number of employment outcomes, including secure employment of 31 clients, mediation of further employment with local employers and increased employability from the acquisition of new skills. Other outcomes reported include improved self-esteem, improved connectedness and positive intergenerational and intercultural effects. AMES has long been established in Australia as a specialised service for multicultural communities, hence its clients also benefited from interaction with members from different cultural backgrounds, which led to enhanced cross-cultural understandings for the program participants. Nevertheless, the study had its limitations, as the evaluation did not fully account for sustainability of the program and other important factors such as occupational downgrading or 'occupational skidding' (Colic-Peisker & Tilbury, 2009; Collins 2016). The study also noted the 'work first' logic of the employment service, in which emphasis is primarily on securing any type of employment without much regard to the realisation of the longer-term potential or aspirations of clients.

The importance of social capital in research on ethnic entrepreneurship leads to a series of questions. Are the types of social capital required for social entrepreneurs similar to those used by ethnic entrepreneurs? What is the basic process by which social enterprise mobilises social capital as a resourse then reproduces social capital as an output of the social business? How do social entrepreneurs establish networks and links with various stakeholders in order to achieve social missions and generate social change? To what extent is the employment of co-ethnic workers in social enterprises embedded in social networks of CALD migrant and refugee groups? To answer these questions, we need to know more about the process through which social enterprise is conceived and established in CALD migrant and refugee communities and the process by which entrepreneurs draw on resources and identify opportunities. It is also critical to determine whether such social capital involves any negative effects or externalities through domination, control or collective sanctions in social enterprises (Mair, 2004).

4.5 Ethnic Entrepreneurship as government Micro-economic Policy

In recent years, self-employment through the creation of small business opportunities has been interpreted as a response to economic and social exclusion

from mainstream society (Blackburn & Ram, 2007, p.76). It is also argued that, by emphasising efficiency - which has been the keyword in microeconomic polices - such an approach shifts the focus away from governments' macroeconomic policies, which have greater potential to address the root causes of social exclusion (Mitchelle, 2009). Despite the criticism that pursuit of a social inclusion agenda via stimulation of enterprises and competitiveness is potentially paradoxical (Blackburn & Ram, 2006), small business-related policies are increasingly popular among western governments.

A small business strategy is attractive to governments as they believe it can address both social and economic domains at the same time. The U.K. government, for instance, has adopted a strategy to support unemployed ethnic minority groups to form small enterprises and business cooperatives (Cabinet Office, 2003). In the U.K., developments such as the creation of Ethnic Minority Business Initiatives in 1985, the emergence of ethnic enterprise agencies and the proposed creation of a national ethnic minority business taskforce are evidence of government policy interest in this approach (Blackburn & Ram, 2006).

Although not set up specifically as social enterprises, small business programs have a number of commonalities with social enterprises in terms of government responses to unemployment issues. They therefore provide a useful reference for the study of social enterprise. It was suggested in earlier chapters that government policy for social enterprises has been centred on the creation of employment opportunities. Even when social inclusion is the policy aim, the key strategy has been to create employment opportunities.

The specific aim of these policies has always been to increase the overall rate of business start-up and growth (SBS, 2004). It is rare for policies to be framed in terms of the achievement of a social mission – which is what social enterprises set out to achieve. Those policies designed to create employment through business start-ups also qualify as social enterprises when they emphasise job creation, as they meet the public benefit criterion. Therefore, an examination of existing government policies for small business can indicate what government social enterprise policies might look like. Unlike social enterprises, such policies have been the subject of several international and domestic evaluations.

In the U.S., government support for entrepreneurship as a route out of poverty was realised in the form of microenterprise programs in the 1990s. This was an initiative designed to encourage the establishment of small businesses in disadvantaged groups as a means of fighting poverty through the creation of self-employment opportunities. In this context, Servon's and Bates's (1998) evaluation of microenterprises is of particular interest because it examined the efficacy of the employment creation aspect of publicly-assisted business venture start-up programs. Despite strong belief in the range of benefits that microenterprises can produce, the study's overall findings were inconclusive in relation to the efficacy of the program as a key instrument in alleviating poverty through employment. In 1995 alone, there were more than 300 microenterprise programs across 46 U.S. states, which assisted with the creation of 36,000 businesses (Severans & Kays, 1997). Many of these programs were believed to benefit ethnic minorities, particularly women, since the program addressed areas where these groups often face disadvantages, such as access to credit and business training.

Servon and Bates (1998) identified a number of areas that were not initially considered as key variables in the success of the program but were found to be important. First, for successful small business creation, it is vital that some preconditions are met. These included skills, resources, a support network, motivation and determination. These are traits that entrepreneurs need to bring in with them, rather than traits that can be developed in the program. As a result, a screening process is increasingly considered to be important. Second, the target market is of great importance. When ethnic businesses cater primarily to the needs of ethnic markets, it becomes difficult to achieve business viability in the long term. In order to ensure business viability, it is essential that they compete in the mainstream economy. Ethnic small businesses do not last much longer than the start-up phase (Ram & Smallbone, 2003). Third, the type of business is crucial. More profitable businesses require a high level of capitalisation; however, lines of business that are preferred by participants of microenterprise programs tend to be small-scale retailing, which is the least profitable.

In an evaluation of another microenterprise program, Self-Employment Investment Demonstration (SEID), Raheim (1996) reported that microenterprise development was shown to be a viable approach to creating economic opportunity for

many low-income and unemployed people (1996, p. 72). Contrary to this finding, however, Servon and Bates (1998) argue that the evaluation must take into account different levels of educational qualifications, as a higher level of education strongly correlates to the success of businesses in the program. This finding is in line with the widely accepted view that 'class resources', such as the possession of capital, educational qualifications, self-confidence, articulacy and communication skills, matter more than ethnic resources (Collins, Light & Bonacich, 1988). They further argue that income earned from the business is usually in addition to other existing income and does not constitute enough to serve as a single income for households. Also, in comparison with other waged employment, the average hourly earnings are significantly lower.

More recent evaluations of micro-enterprise programs, however, suggest improved outcomes. There programs were designed to support refugees in the U.S. through micro-enterprising; they include the Microenterprise Development Program (MED), the Individual Development Accounts Program (IDA), and the Refugee Agricultural Partnership Program (RAPP). In the fiscal year 2015, MED alone contributed to the creation of 1,163 jobs in the US economy, servicing more than 2,000 refugees at a cost of US$4.5 million (Office of Refugee Settlement, 2015).

The New Enterprise Incentive Scheme (NEIS) is an Australian equivalent that was introduced as a pilot program in the late 1980s to encourage business start-ups for the unemployed. The program is still in operation. Any job-seeker who believes he or she has a viable business idea can participate and the NEIS provider will help develop a business plan. Once the plan is accepted, income support is provided for a period of 12 months along with training in small business management, mentoring and business advice (DEET, 1993, p. 1).

The evaluation of the program largely confirmed the findings of the overseas studies. The overall labour market participation immediately after the program was very high, with around 80% of participants being in employment three months after cessation of assistance (Dockery, 2002). However, the program was not specifically targeted to disadvantaged job seekers. Those who benefitted most from the program would have secured other forms of employment, therefore creating higher levels of deadweight loss. Despite some of the technical difficulties associated with the

evaluation, due to the fact that entry to the scheme had no selection bias, it was concluded that NEIS is a relatively expensive form of assistance in terms of dollars per net positive employment outcome (Kelly et al., 2001).

A NEIS for immigrants, which was founded in 1995 had limited participation from immigrants with low levels of English language and literacy skills and who were reluctant to join in mainstream 'classroom style' training (Collins, 2003). The review of the program noted a lack of cultural understanding from service providers and recommended marketing strategies in conjunction with local migrant services organisations and use of a combination of English and community languages (Department of Employment, Education and Training and Youth Affairs, 1995).

The study highlighted the need for longitudinal evaluation to monitor whether the businesses set up under the program lasted longer than the start-up phase. Control groups need to be included in the evaluation to project the opportunity costs. In addition, the evaluation pointed out that, despite the program specifically targeting disadvantaged groups, it was not clear whether it succeeded in reaching out to the groups that most needed help.

4.5.1 Implications for CALD Migrant and Refugee Social Enterprises

One topic absent from the social enterprise literature is the importance of 'failure', which is recognised in mainstream entrepreneurship literature (Shepherd, 2003). Failure is considered to be an almost inevitable process in any entrepreneurial trajectory and should be understood as sowing the seeds for better outcomes (Woolcock, 2001). The question remains whether the policy frameworks of government initiatives or even the culture in the NGO sector, where the whole concept of evaluation is regarded with ambivalence, would acknowledge that such business failures are considered to be part of an indispensible process in entrepreneurship and, therefore, likely to occur in social enterprises.

Such findings have substantial implications for future social enterprise policies. It is debatable whether a program, despite contributing to increased self-esteem and greater economic literacy (Servon, 1998), creates outcomes that actually address the root causes of poverty by providing solid income self-sufficiency or

whether an immediate cash injection into already poverty-stricken lives creates the 'working poor'. Haugh (2006) argues that the quality of jobs created by social enterprises is questionable. This view is reinforced by Blackburn and Ram (2006), who conclude that recent expectations of the role of small firms and entrepreneurship through employment creation were over-optimistic. Mitchell (2009) argues that small gains in employment opportunities may partially or totally offset losses in employment opportunities in the private sector.

The studies reviewed here do not necessarily dismiss the merits of microenterprises or the changes that social enterprise can bring about. Rather, it needs to be understood that what researchers have identified so far does not provide support for neo-liberal and post neoliberal government rhetoric derived from 'high hopes' and denial of neoliberal failure rather than an empirically-informed independent position (ODPM, 2003; Mitchell, 2009). It suggests that the drivers of government policy fail to recognise that the multifaceted nature of social issues cannot be rationalised by existing evidence. One predictable adverse effect of such policies is to divert attention from more traditional strategies to address the structural causes of marginalisation, such as policies for equality of opportunities in housing, employment, training and education (Basu, 1991, p. 236). Government macroeconomic policy as the main systemic instrument for full employment has become a thing of the past (Mitchell, 2009).

Despite the lack of comprehensive evaluations that examine the real costs and benefits of social enterprises, there has been an interesting development in the overlapping domains of ethnic entrepreneurship and social entrepreneurship. A current program supports newly arrived refugees to set up their own businesses. It is publicly funded and run by a specialist migrant and refugee service based in Sydney. The approach differs in that, instead of setting up a social enterprise and giving newly arrived refugees training and employment opportunities, the program focuses on the development of entrepreneurial skills that already exist among newly arrived refugees. The main advantage is that, rather than spending years in local vocational training and gaining local employment experience, newly arrived refugees can go straight into the industry in which they already posses various levels of entrepreneurial experience from their country of origin (Collins, Watson & Krivokapic-Skoko, 2017). For example, a former restaurant owner does not have to receive

training in the hospitality industry in Australia in order to enter the catering business, where local employers typically require training and local job experience. This is mainly achieved by facilitating the processes involved in setting up a new business in Australia. Nevertheless it should be noted that the decision to open a business is mainly due to the inability of the refugee to find employment in his or her desired field (Collins, Watson, & Krivokapic-Skoko, 2017), which supports the blocked mobility[13] theory. Therefore it is reasonable to say that the decision to follow an entrepreneurial path in Australia is a realistic choice after the individual has assessed the prospects for obtaining employment. However, more information is needed to determine how long into their settlement in a new country the reality or perception of blocked mobility occurs and influences the decision to start a business.

A recent evaluation of the refugee start-up support program mentioned above (Collins 2016) identified three main areas that are relevant to the research questions in this study. These are addressed below.

First, the approach is based on 'social ecology' theory (Panter-Brick et. al., 2006). Based on an analysis of successful interventions in public health, this approach argues that interventions must be designed to fit within the social and ecological landscape of local communities. This means that, for refugee businesses to be successful, the first requirement is for an environment in which various interactions between the past and present experiences of refugees and the wider Australian society take place. This is an acknowledgment of embeddedness theory (Kloosterman & Rath, 2001, 2003), where the focus is not just on the individual - in this case, the skills acquisition of a new refugee - but on the broader environment and community support required:

> The model has developed out of an understanding of the particular way in which the experiences of refugees are embedded in a complex cultural, social, religious, ethnic and economic geopolitics at the global, regional, national, provincial and local level (Collins, 2016, p. 23).

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[13] As previously explained, the blocked mobility theory of immigrant entrepreneurship argues that, for refugees today, opening a business is the only pathway to access the labour market and engage meaningfully with the economy (Collins, 2003)

Such an approach will have a significant influence on other key elements in ethnic entrepreneurship, such as resource acquisition, identification of business opportunities and having the right people at the right time. These areas have been identified in forms of ethnic entrepreneurship in which already established co-ethnic communities play a major role on behalf of the host community (Collins, 2003, 2008). As this process requires social integration between host community and refugees, social ecology has also been suggested as a new approach to successful settlement and multiculturalism (Collins, 2016).

Second, one of the distinctive characteristics of the program is the close relationship between employment facilitator and refugee entrepreneurs. Under the program, the refugee entrepreneurs can rely on the business facilitator. The role of business facilitator is beyond the conventional engagement that one can expect from a business consultant. For instance, the business facilitator is accompanied by the refugee entrepreneurs when they make key business decisions. The facilitator helps to link the clients to micro-finance organisations and leads them through the processes of obtaining an ABN, developing a product name and logo, developing a web site, sourcing suppliers, seeking out distribution opportunities, working out pricing options and marketing arrangements and developing business plans (Collins, 2016). The facilitator functions as advisor, friend and mentor. This acknowledges that new refugees need a 'helping hand', providing a hands-on approach rather than simply institutional support, and takes account of their low level of knowledge about the system in a new country and their lack of connectedness. In this way, social capital is made available to refugees who otherwise have few means of accessing it (Pittaway et al., 2015; Collins, 2017), while simultaneously increasing their bonding and bridging capacities.

Third, one of the implementation strategies involved the use of a resource group comprising successful professionals from diverse industries and backgrounds, such as entrepreneurs, lawyers, accountants, bankers, social workers and local government employees. The refugee entrepreneurs were offered a period of intensive engagement with members of the resource group (Collins, 2016). The resource group is not just an advisory committee but, in consultation with the project facilitator, provides hands-on assistance, advice and access to resources, often utilising their own personal connections or professional networks in a form of 'linking' that newly

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arrived refugees typically lack (Bertotti et al., 2011). As a result, they have access to information and people that would not otherwise have been possible.

Despite these potential benefits, caution needs to be exercised in evaluating the long-term effects of such programs. As the evaluation notes, becoming an entrepreneur in Australia can mean as little as having an ABN (Collins, 2016). It is also questionable whether the kind of individual support and level of resources needed under the program can be sustained in the long term, while no existing ecology emulates the landscape of local communities that provide refugees with a solid platform for their entrepreneurial ventures. Social policy needs to be better informed if it is to help develop more workable forms of support to maximise the well-documented economic contribution of migrants and refugees in Australia.

4.6 Implications of Changes in Immigration and Settlement Policy

In the past two decades, Australian immigration and settlement policies have changed considerably, reflecting the impact of globalisation and post 9/11 geopolitics (Collins, 2013). These are important contextual factors to consider in relation to the emergence of social enterprises in CALD migrant and refugee communities. Since ethnic entrepreneurship is not amenable to analysis by any universal theory, social enterprises in CALD migrant and refugee communities must be understood in the context of the changing domestic and global environment (Syrett & Sepulveda, 2011).

The most notable change in Australian immigration policy has been the sharp increase in the skill levels of migrants. Migrants coming to Australia now are more skilled, educated and professionally trained than their predecessors (Collins, 2013; Iredale, 2001; Kuptsch & Fong, 2006). This trend has been accompanied by a substantial increase in numbers of temporary residents, with an annual estimated intake of 700,000 (Phillips & Simon-Davies, 2017). Some of these factors are identical to those that are believed to have contributed to the development of social enterprises. As previously explained, ethnic entrepreneurship depends on a range of factors that are not accounted for in the traditional embeddedness model. Hence diverse factors might explain the development of social enterprises in CALD migrant and refugee communities. The rise of an educated middle class with the skills and aspirations to become change makers for communities, the changing role of women

and advances in communication technology provide fertile ground for the growth of social entrepreneurship (Guo & Bielefeld, 2014). The role of social networks as key drivers in individual decisions to migrate assumes greater importance. Beyond the traditional model of international labour movement, social, cultural and political contexts are critical to understand the global dynamic of immigration and newer trends, such as the role of diaspora networks, call for more academic attention (Collins, 2013).

Under multiculturalism, Australian settlement policy encouraged the development of many ethno-specific community organisations in the 1970s. Quasi-social welfare services, voluntarily provided to their communities by early ethnic entrepreneurs, were transformed into professional community services supported by the government's Grant in Aid (GIA) program (Song, 2013). However, following the lead of the U.K. government (Sepulveda, 2010), the Australian government changed the framework of its multicultural policy. Since the Howard government (1996-2007), recognition and celebration of ethnicity have been largely replaced by a focus on integration and community cohesion, leading to the demise of support for ethnic community organisations (Song, 2013). The role of providing settlement services to newly arrived migrants and refugees has been reassigned to larger generalist charity organisations that were believed to be able to achieve economies of scale and thus bear the costs of the administration component internally (Song, 2013).

In the U.K, the move away from the co-ethnicity approach following a change in multicultural policy had various adverse effects (Sepulveda, 2010), and the Australian experience has been similar. In the Australian context, a move away from a multicultural policy resulted in the depoliticisation of ethnic communities and the emergence of discourses around community harmony and 'tolerance' (Brown, 2006). For migrant and refugee communities, this has led to the overall demise of ethnic organisations and networks. From operating as self-sustained community services, ethno-specific organisations have become clients or quasi-partners to large generalist charity organisations (Song, 2013). Social enterprises began to be introduced to CALD migrant and refugee communities in the context of settlement and employment. Community workers were instructed by funding bodies to facilitate or even assume a leading role in establishing social enterprises in a very *ad hoc* and unstructured way (Song, 2013). However, it is not clear how the sector understood

'social enterprise' nor how such understanding affected the operationalisation of social enterprise among CALD migrant and refugee communities.

It is crucial to determine whether social enterprises in CALD migrant and refugee communities reflect the aspirations of these communities to create community values based on changing group characteristics (such as higher skills levels and the growth of social networks), or simply manifest the populist motivations of new government approaches. Ethnic entrepreneurship is grounded in the group characteristics of migrants and how they relate to opportunity structures. Therefore, changing group characteristics must have implications in terms of opportunity structures.

Hence the present study aims to shed light on the ethos of social enterprise in CALD migrant and refugee communities: Does it reflect the authentic and innovative efforts of ethnic entrepreneurs as dynamic economic and social agents seeking business and employment opportunities in a new country, or is it merely an expression of the maturity of social networks or community institutions in CALD migrant and refugee communities that have rediscovered a community development strategy which has been rebranded as social entrepreneurship.

4.7 Conclusion

This chapter has presented a review of literature relevant to the research questions that address the soundness of social enterprise development as a policy strategy for newly arrived migrants and refugees. The world is currently witnessing unprecedented flows of displaced people, which has been described as a 'refugee crisis'. The United Nations High Commissioner for Refugees (UNHCR) reports that, worldwide, 65.6 million people have been forced from their homes, amongst whom almost 22.5 million are refugees (UNHCR, 2017). As one of the largest refugee intake nations, Australia will continue to face the challenges of settling new arrivals into the country.

The chapter has presented a comparison between the elements and conditions that characterise the entrepreneurial activities of CALD migrants and refugees and those of social entrepreneurship in order to identify the key factors that are likely to lead to successful entrepreneurship in CALD migrant and refugee communities. Key areas of interest include motivation - the key starting point for determining whether refugees voluntarily enter social entrepreneurship to secure a livelihood for themselves and their families, which is a key motivation in ethnic entrepreneurship (Collins, Watson, & Krivokapic-Skoko, 2017). The extent to which altruistic and philanthropic considerations motivate migrants and refugees to establish social enterprises will also be examined, along with other important factors such as agency. This can help to identify whether social enterprise employs a top-down approach when it is implemented as a social policy prescription for newly arrived migrant and refugee clients or whether it represents the bottom-up aspirations of members of CALD migrant and refugee communities.

The findings will provide a new perspective on ethnic entrepreneurship that invites future research to examine not just the relationship between policy intervention and the creation of start-ups but also assess the need for ongoing support to ensure long-term sustainability of these small businesses. Increasing the number of successful small business entrepreneurs from CALD migrant and refugee communities does not necessarily equate with successful settlement of new arrivals. More longitudinal studies are needed to examine business failures and the consequent costs and impacts on the lives of new arrivals beyond the initial start-up phase. This is necessary in both identifying characteristics of social enterprises in CALD migrant and refugee communities beyond the publicly funded period and also making meaningful comparison with ethnic entrepreneurship. This kind of data can inform policy responses that can help to create a social ecology in which the livelihoods of newly arrived migrants and refugees can take root. The results of the present study can make an important contribution to these undertakings.

Chapter 5

Methodology

5.1 Introduction

In broad terms, the study aimed to explain the development of social enterprises in CALD migrant and refugee communities and assess their effectiveness in delivering social benefits to those communities, such as a reduction in social exclusion and improvement in employment outcomes. In other words, it had both investigative and evaluative aims. It should be emphasised, however, that the research was not intended to provide an evaluation of the overall performance or impact of CALD migrant and refugee social enterprises, even though these are important considerations. Rather, it sought to test widely-held assumptions about the ability of social enterprises to address social issues and bring about changes within these communities. This chapter describes the research design and the processes used to collect and analyse data.

5.2 Research Design

The research aims and research questions indicated the need for a comprehensive investigation of the realities around social enterprise practice in CALD migrant and refugee communities in order to identify the conditions that lead to success or failure of social entrepreneurial endeavours and the factors associated with these conditions. The use of simple quantitative indicators, such as the number of people employed or business turnover, as measures of success can be misleading since, as the literature suggests, it is the capacity of social enterprise to reproduce principles of reciprocity in the broader society on which such assessment should focus. Reciprocity can be only be measured in terms of relationships, including relationships with external stakeholders and institutions, which collectively form the contemporary realities of CALD social enterprises. In other words, what is required is an understanding of the extent to which structural alignment of CALD migrant and refugee social enterprises enable or disable social enterprise development at an

operational level and to assess the extent to which each social enterprise delivers the social benefit that is identified in its social mission.

These considerations influenced the research paradigm underpinning the study design. A research paradigm is "the set of common beliefs and agreements shared between scientists about how problems should be understood and addressed" (Kuhn, 1962, cited in Patel, 2015).

5.2.1 Research paradigm

The key research question posed in the thesis aimed to fill the knowledge gap in the social enterprise literature by collecting information about the contemporary realties of social enterprises in CALD migrant and refugee communities, specifically, whether they help new arrivals to settle into a new country. In doing so, the research also attempts to address a number of issues that have been identified as problems, such as how social enterprises can effectively assist new migrants and refugees in relation to social inclusion and unemployment. These considerations influenced the research paradigm, which adopts the ontological position that there is an objective reality independent of consciousness (Crotty, 1998); therefore, social enterprises can be effectively used in social policy and relevant knowledge and information can be gathered from the research participants. There is a state of intrinsic betterment or improved wellbeing that potentially exists empirically, as opposed to conceptually, in the form of an improved settlement experience for CALD migrants and refugees with the support of social enterprises. This reality may include conditions that are identified through the investigation that lead to the successful settlement of CALD migrants and refugees. Hence this research adopts an objectivist position (Crotty, 1998). A looser definition refers to an ontological position in terms of the claims and assumptions that a particular approach to social enquiry makes about the nature of social reality (Blaikie, 1993). This perspective regards social reality as the product of processes by which social actors together negotiate meanings for actors and situations (Blaikei, 1996). Research on social enterprise in CALD migrant and refugee communities inevitably focuses on a social domain in which various stakeholders and other actors are interconnected and interact. The analysis of discourses on social enterprise, primarily obtained through interviews, involves reflecting on negotiated meanings that inform their respective realities based on individual consciousness

(Burrell & Morgan, 1979). The perspective adopted in this research to examine such subjective processes can best be described as an idealist ontological position.

The strategies used to collect and interpret data need to be relevant to answering the research questions. The lived experiences of social entrepreneurs in CALD migrant and refugee communities and the testimonials of social enterprise industry experts, primarily collected through semi-structured interviews, are the main sources of data in this study. This approach is based on the belief that different people construct meanings in different ways (Crotty, 1998). The engagement or participation of the researcher during data collection is kept to a minimum. However such information needs to be categorised into themes and interpreted based on relevant literature and theoretical frameworks. This process can best be described as a constructionist/interpretative approach as it inevitably involves the researcher's engagement in selecting data and applying a theoretical framework to its interpretation, which has consequences for the 'reality' of the phenomenon. For example, a social entrepreneur may narrate a success story about his or her business based on current performance, when the business is heavily subsidised and has little regard to long-term sustainability. In this case, instead of presenting the entrepreneur's view as 'the truth', it is interpreted in relation to extant knowledge derived from the literature review, that is, as 'constructed' knowledge. Hence the research paradigm that underpins this study can best be described as constructivist/interpretivist.

Accordingly, the study adopted a qualitative, mixed methods research design in which rich data were collected through semi-structured interviews with social entrepreneurs and stakeholders, participant observation and documentary analysis. These methods are elaborated in a later section. First, however, it is necessary to explain the working definition of 'social enterprise' that guided the selection of research participants.

5.2.2 Defining the phenomenon under investigation

As previously explained, the definition of social enterprise is controversial, and it was therefore necessary to adopt a working definition for the study based on the main structural components identified in the literature. To be defined as a CALD

migrant and refugee social enterprise for the purposes of this study, the enterprise had to meet the following criteria:

- It should be an organisation, a subdivision of an organisation or a group of people linked to an organisation that engages in structured commercial activities as a substantial means of achieving the social mission of the organisation.

- It should not have external shareholders and should reinvest a significant portion of its profits into the community.

- Members of CALD migrant and refugee communities[14] must be involved as entrepreneurs, active participants or participating beneficiaries.

The basic unit is taken to be a 'structured commercial activity' rather than an organisational form or legal entity. This takes account of the fact that many CALD migrant and refugee communities are small and rely on the support of larger organisations. It also reflects the absence of any official category under which social enterprises can be registered as an organisational form or legal entity. The exclusion of external shareholders in the working definition distinguishes social enterprises in CALD migrant and refugee communities from ethnic entrepreneurship (Nyssens, 2007). Although it is theoretically possible to have a social enterprise in a primarily private form with shareholders, in the present study this is considered to be ethnic entrepreneurship rather than social entrepreneurship. It is difficult to define the role/s of CALD migrant and refugee communities in these social enterprises because there is no clear boundary between the roles they could play in various arrangements with external stakeholders, usually auspicing organisations. If a social enterprise produces end products only for CALD migrant and refugee communities without involving them in production, it is not defined as a social enterprise in CALD migrant and refugee communities in this study.

5.3 Sampling and Recruitment

Participants were sought who could provide rich data on the creation of social enterprises and their everyday practices in CALD migrant and refugee communities.

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[14] Other conditions specifically related to CALD migrant and refugee status are covered in subsequent sections.

These were likely to be found in numerous social enterprise initiatives that have been set up in the last ten years by specialised services, such as settlement services, or by a geographical service cluster such as Addison Road Community Centre in Marrickville in inner-city Sydney (www.arcco.org.au), among others. First, however, it was necessary to establish a sampling frame.

5.3.1 Sampling frame

As explained in the previous chapter, it has proved difficult to develop a precise definition of CALD migrant and refugee groups based on ethnic identity (Sepulveda, Syrett, & Calvo, 2013). This is due mainly to the fact that commonality in ethnicity can reside with the ownership or control of CALD migrant and refugee organisations, including informal groups. It can also be reflected in the presence of managers or staff who share the ethnic background of the migrant or refugee group in the organisation. It is possible that a focus on ethnic identity is embedded in the constituencies that organisations are set up to serve. Alternatively, social enterprise can serve CALD migrant and refugee communities as beneficiaries or clients of their services. In the case of WISEs (Work Integrated Social Enterprises – see below), they could be participating beneficiaries. For example, catering trainees might not be the consumers of the business but still benefit from participation. Therefore, the precise nature and degree of ethnic representation necessary to qualify as a CALD migrant and refugee community is the subject of debate. Indeed, there is a broad spectrum of enterprise activities that could be considered within this category. They range from private enterprises owned by immigrants – who often give high priority to ethnic community obligations (Collins and Low 2010) - to social enterprises owned by immigrants that serve CALD communities directly or indirectly, and social enterprises owned by non-immigrants that serve CALD communities directly or indirectly. The very imprecision of the definition of social enterprises – highlighted in earlier chapters – is a function of this spectrum of difference within the CALD social enterprise space.

For the purpose of this research, which used qualitative research methods, such definitional consensus was deemed less critical to the research outcome, as one of the aims was to explore the nature and extent of ethnic representation and analyse the implications for local social enterprises. Many generalist services, such as migrant

resource centres, have constitutions and structures that recognise the special service needs of new arrivals and, therefore, their board members and staff usually include representatives of migrant and refugee communities. Given the study's focus on services for newly arrived migrants and refugees, social enterprise projects initiated by these resource centres have been included in the working definition of social enterprise in CALD migrant and refugee communities. Most migrant resource centres have a long history of working with migrant and refugee communities through various partnership and auspice arrangements. Evidence suggests that there is increasing interest in social enterprises among those migrant resource centres and their funding bodies (Song, 2013). A number of social enterprises in the migrant and refugee community are being initiated in association with migrant resource centres. Therefore, it was an opportunity to investigate how social enterprise activities were being encouraged from the start.

As well, there are a number of generalist services whose target is the general population but which also include migrant and refugee populations due to the geographical location of the services. Religious groups often deliver community services. Such services have not been established as a special service for migrant and refugee communities but their location commonly means that a large proportion of the local population is from migrant and refugee backgrounds; a well-known example is the South West Sydney area.

Some local governments in Sydney also have social enterprise-related programs. The extent to which social enterprises have been set up under this type of service arrangement is unknown. On the other hand, there are services that specifically target CALD migrant and refugee populations within a specialised service unit of larger charities, such as the refugee service unit within Anglicare. A number of social enterprises have been set up and supported by such services. They were all considered to be important potential sources of informants. In particular, they were likely to provide a supportive structure for social enterprise development in migrant and refugee communities. An examination of how such services are utilised and how or whether they meet growing demand is an important policy consideration.

Finally, a number of social enterprises are both owned and operated for and by migrant and refugee communities. Social enterprises can be established directly from

the community or as a subsidiary project of an existing organisation within migrant and refugee communities. Such a scenario would provide an opportunity to investigate whether social enterprises were emerging in a transformational process from small ethnic community organisations, along similar lines to the U.K. study described in the literature review.

An early decision was made to include participants from both Work Integrated Social Enterprises (WISE) and non-WISE groups WISE is a particular type of social enterprise whose main focus is on promoting the employment of highly disadvantaged groups through the creation of ongoing training sites. Therefore, WISEs were ideally positioned to yield data relevant to this research. Non-WISEs were included for two main reasons. First, WISEs have a narrow focus on job training and social inclusion and only account for a small proportion of the wide range of social enterprise models (Spear, 2006). Second, there is an emerging view that, due to limited focus on job creation, the ability of WISEs to generate business turnover through trade could be naturally limited, or even not considered appropriate (Barraket, 2014). As a result, they are not an ideal model for analysing the dynamics and innovation through which social enterprises achieve their goals and impact on social exclusion and the labour market for marginalised groups across different phases of social enterprise trajectories. The inclusion of non-WISE social enterprises provides a more authentic picture of how social enterprises can deliver such benefits while securing financial sustainability. Further, it is has been suggested that non-WISEs have increased their focus on creating employment opportunities and reducing social isolation (Defourny, 2001; Borzaga & Defourny, 2004).

5.3.2 Participant selection

The study originally aimed to recruit a total of 40 participants: 20 CALD social entrepreneurs in the migrant and refugee communities and 20 social enterprise intermediaries, policy makers, investors or others who had expert knowledge of social enterprise. The former group comprised persons who were considered to play a key role in running and managing social enterprises in CALD migrant and refugee communities. Some of these were themselves from CALD migrant and refugee backgrounds, while others were born in Australia and had no association with migrant and refugee status. The latter comprised persons considered to have in-depth

knowledge of some aspects of social entrepreneurship related to CALD migrant and refugee communities. The majority of this group were not migrants or refugees. The sample of social entrepreneurs could provide detailed information about the everyday operation of social enterprises; the sample of experts could provide information related to broader policy issues or in-depth knowledge about specific topics that could inform the interpretation of the data collected from social entrepreneurs. In addition to these two groups, five end-users of the products produced by social enterprises in CALD migrant and refugee communities were included in order to evaluate service delivery in social enterprises in CALD migrant and refugee communities from the end-users' point of view.

The initial sample size (40) was considered to be appropriate for a qualitative study of this nature and scope, for the following reasons. First, the aim was not to operationalise the (imprecise) concepts that have been developed in the field of social enterprise research. Nor did the study seek to generate quantitative data to validate existing theories. Rather, the aim was to capture the lived experiences of social enterprise practice in marginalised communities, in order to examine their alignment with the conceptual framework of the study. From this perspective, the key consideration was not sample size but, rather, the ability of the study to generate rich data (Bryman 2004). The sample size also reflected the constraints of time and resources available for completion of the study but was sufficient to achieve the research aim without compromising the rigour of the research.

It is also important to note that the research does not necessarily consider the members of CALD migrant and refugee communities only as social entrepreneurs. It is not yet known in what capacity the members of these communities are involved in social enterprise. Although it is sometimes assumed that the members of CALD migrant and refugee communities are themselves social entrepreneurs in CALD social enterprises, the evidence suggests that various types of arrangements can be in place. These involve layers of stakeholders assigning various roles and capacities to the members of CALD migrant and refugee communities. For instance, they might operate a social enterprise but have limited entrepreneurial skills to apply to the overall operation. Alternatively, community members could be mere participants in a social enterprise project that was set up by others outside the community. In other scenarios, their involvement might be limited to the role of project beneficiaries who

have no direct involvement in the project, yet benefit from the social goals achieved through social entrepreneurial activities. The key task here was to identify various factors related to social exclusion and employment outcomes across the spectrum of involvement of CALD migrant and refugee communities.

5.3.3 Recruitment

Recruitment strategies took several forms, including networking, snowball sampling and random selection. According to Seawright and Gerring (2008), random sampling is not typically a viable option when the total number of samples to be selected is small. Purposive sampling modes are preferred in this case. Nevertheless, since no precise information was available about the number of social enterprises existing in CALD migrant and refugee communities, it was difficult to determine an appropriate strategy at the outset. Initially, the researcher was anxious to conduct the first interview in order to initiate the snowball effect, so he approached any social enterprises that fit into the working definitions. The subsequent realisation that the number of social enterprises in CALD migrant and refugee communities was much smaller than expected existing left the researcher with little choice. As the fieldwork progressed, however, the snowball effect took off and the researcher's network also increased. From this point on, purposive sampling was possible to some extent. For example, when it became apparent that there was a higher concentration in certain industries, such as hospitality, the researcher made a decision not to include too many of these and seek a more balanced representaiton across industries. Similarly, when it emerged that social enterprises in CALD migrant and refugee communities were mostly established by services, an effort was made to locate a social enterprise independent of existing services to ensure a more balanced representation.

Below is a description of the actual processes involved. First, participants were searched from databases of registered or affiliated social enterprises held by social enterprise intermediaries, such as emerging industry bodies, training organisations and consultancies. Some of these organisations have a policy of sharing information with researchers who study social enterprises in Australia. Other intermediaries develop lists of locally based and affiliated social enterprises. The researcher approached a number of these organisations to obtain permission to access their databases in order to search for the names of eligible social enterprises. These

databases did not provide a search option specifically for CALD migrant and refugee communities. Therefore the initial search was conducted according to geographical areas that contained large migrant and refugee populations.

Participants were then recruited through the networks of humanitarian organisations that specifically assist migrant and refugee communities, such as migrant resource centres and settlement service agencies. These networks often share information through email groups, regional planning meetings and interagency meetings. They tend to have good knowledge of social enterprise initiatives at the local level. Information about the study and an invitation to participate were disseminated through these networks in order to reach social enterprises in CALD migrant and refugee communities. This was the starting point of the recruitment process. The first response to an interview request was received from a migrant resource centre in South Sydney. A Chinese bilingual staff member who was currently working for an employment project funded by the NSW government, agreed to an interview. Her project costs were covered by an individual settlement grant which she was responsible for delivering. This interview provided a useful opportunity to test the interview questions and the adequacy of the information sheet. This confirmed the relevance of the four main sections of the interview schedule, namely, how the social enterprise was established, the assessment of social outcomes, embeddedness and stakeholder relationships, and policy implications. From then on, snowballing was used to recruit other participants. At the end of each interview, the participant was asked to identify social enterprises in CALD migrant and refugee communities, or any stakeholders in the local government area or in the same service networks. The interviewee was invited to send an introductory email to potential informants, informing them about the project. This got the 'snowball' rolling and further interviews were subsequently arranged with those who responded positively.

Another starting point was a large specialist refugee service organisation that runs a social enterprise at an organisational level. The service has a number of branches across Sydney. In contrast to the project in which the first interviewee worked, the social enterprise projects of this refugee service were run as part of an affiliated employment service. The employment service was established by the organisation using financial resources from a number of different sources, including multiple government departments. The employment service has a social enterprise

division. There were several advantages for the research in working with such a large organisation. First, the organisation ran multiple social enterprises in different industries. The researcher was introduced to all of the social enterprises via a single point of entry, an employment service coordinator, and was then introduced to individual social enterprise managers. Four social enterprise projects had been initiated, with three still operating at the time of fieldwork. These involved food retailing, catering and craft.

The hierarchical organisation of this organisation, in which an employment service coordinator oversaw all social enterprises, facilitated the researcher's access to potential participants. Both program participants and beneficiaries were invited to participate in an interview. Because such requests were likely to be sensitive, participants were not approached directly without permission from site managers. After permission had been obtained from the employment coordinator and passed down to site managers, interviews were arranged by phone or email with participants or beneficiaries across all three social enterprises.

Recruitment of participants from the stakeholder cohort was usually more difficult than that for the social entrepreneur cohort. First, there were fewer potential informants. Although there is no official record of the number of industry bodies, training organisations and stakeholders, the literature review indicated that the number was relatively small. In addition, potential informants in this cohort were spread out across different sectors, making it difficult to implement snowballing. Nevertheless, those who agreed to be interviewed expressed appreciation of the project and their inclusion in it. This can be attributed in part to the nature of their professional roles, which tend to involve meetings with a variety of people in relation to social enterprise. This was in contrast to the situation among CALD social entrepreneurs, who had to take time from work to meet the researcher.

Information from websites was useful in helping the researcher to prepare for interviews. A comprehensive review of this information before the interview saved time and allowed the interview to focus on information of direct relevance to the research questions, rather than background information. Having previous knowledge of the participant's business also helped the interviewer to develop rapport; interviewees became more engaged and responsive, as the questions were better

targeted to individual circumstances. The websites typically included information on the legal status of the enterprise, staff, board members, and a brief history of the business. Since social enterprises are established in a variety of ways, background information on how they started, which is usually contained in general descriptions, provided a starting point for the interview. If the information suggested something unique to the participant's business, additional specific questions were prepared to supplement the interview schedule.

Social media websites were also useful for establishing rapport with social entrepreneurs, prior to and following interviews. Most social enterprises have websites with links to social media. Facebook, in particular, proved to be a useful source of access to information about project activities, past events, promotional materials and photos. Potential participants could look up the researcher's Facebook page when a 'friend' relationship was formed or when the researcher made comments on the social enterprise website. When entrepreneurs received an interview request, they could view the researcher's profile and gauge his trustworthiness. As many social enterprises in CALD migrant and refugee communities were in the early stages of business growth and had not yet achieved organisational sustainability, they might have felt reluctant to share their full stories with strangers. In such cases, familiarisation via social media helped to establish an initial rapport. This continued to be useful even after the interview, if some information was found to be missing or a follow-up request was made, for instance, a request to provide a copy of the business plan. There was no guarantee, however, that the webmaster was also the relevant person to be interviewed or that the researcher's information would be passed on to potential participants. An extra feature of Facebook that assisted the research process was the 'like' function. The 'likes' on the page of a particular social enterprise generated a list of similar organisations. By connecting to these organisations, the researcher could receive information about future events and updated information.

Although Facebook was mainly useful for the interviews with social entrepreneurs, LinkedIn was used on several occasions to facilitate interviews with stakeholders. It was useful in identifying the appropriate personnel when there were a number of potential interviewees in the organisation. The researcher subsequently learned that some potential interviewees had in fact checked his LinkedIn profile to assess his credibility. However, as a data source for the research, it had limited use.

5.4 Data Collection

There were four main sources of data: semi-structured in-depth interviews with 45 informants; participant observation, one case study, and documentary analysis. Each of these is elaborated below.

5.4.1 Interviews

As noted earlier, semi-structured interviews were conducted with 20 CALD migrant and refugee social entrepreneurs, 20 stakeholders and social enterprise industry experts, and 5 social enterprise clients. Semi structured interviews allow researchers to explore participants' horizons of meaning by sharing 'real life' experiences (Horton et al., 2004). By asking a series of open-ended but pre-determined questions, researchers can delve deeply into the informants' experience while still maintaining control over the topics (Denzin & Lincoln, 2011). This method requires a subtle balance between setting a context and boundaries within a limited time and collecting as much information as possible during the interview process. Some social entrepreneurs actually had little understanding about social enterprise and were not familiar with the terms associated with it. In a semi-structured interview it was possible to take this opportunity to explain the question and receive instant feedback, which often helped to develop rapport and trust. Nevertheless it should be noted that the extent of the researcher's involvement and control varied according to the cohort. Informants in the stakeholder and industry expert groups were more familiar with the topics and terminology and had more control during the interviews. As far as actual interview questions are concerned, by and large, similar wordings are used from interviews to interviews for the first instant (Bryman 2004).

5.4.1.1 Interviews with social entrepreneurs

The interviews with social entrepreneurs focused on their experiences and perspectives in relation to how their social enterprises, across different development stages (establishment, operation and growth) had impacted the members of CALD migrant and refugee communities in delivering social outcomes. The interviews took place between April 2016 and December 2016 and lasted from 45-60 minutes. The first 5 minutes was usually spent in explaining the overall research aim, establishing rapport with the participants and obtaining written informed consent. In some

instances, participants offered to take me on a tour of the enterprise; this typically added a further 15-30 minutes.

Most interviews were conducted on the site of the participant's social enterprise in order to enable the researcher to record observations about the operation. If this could not be arranged for some reason, interviews took place in a location of the participant's choosing, such as a local community centre or cafeteria. No participant was required to travel to take part in the interview.

The interview schedule was designed to capture the everyday realties of social enterprises, with a focus on the micro-level internal mechanisms of the organisation as well as its efficacy in relation to social policy. It also sought to elicit information about embeddedness via questions about whether the social enterprise had been established as an independent entity or as part of an existing service, and the backgrounds and motivations of entrepreneurs. The latter established whether key entrepreneurs had been deployed by a service or had developed independently, and whether they possessed experience in business or community work. Participants' accounts about the processes of identifying business opportunities and acquiring the resources to set up a business within CALD migrant and refugee communities were an important source of data about the characteristics of social enterprise in these communities. Participants were asked about the progress of their business in relation to the achievement of economic and social outcomes and sustainability. Information was sought not only in relation to the number of employment opportunities created or the amount of sales revenue generated, but also in relation to participants' perceptions of their overall contribution to generating social capital and building principles of reciprocity in local communities. In order to investigate the relationship between Information about various dimensions of the social enterprise, such as co-ethnicity, intra-ethnicity, human resource policies, skills development or internal innovation was also sought to assess their direct and indirect impact on social outcomes

Participants were also asked to talk about their relationships with various stakeholders involved in their social enterprises. This was to ascertain whether their social networks constituted social capital that was realised in the form of infrastructure, resources or support systems. In other words, the interviews would measure whether there was a level of support from stakeholders and institutions that

were embedded in social relations yet remained externally autonomous. Finally, based on their experiences, social entrepreneurs were invited to identify policy-related barriers in their business operation and gaps in the support system.

The interview questions were divided into five sections: the establishment of the social enterprise and the motivations of the social entrepreneurs; the effectiveness of their social enterprises in delivering social outcomes; sustainability of their enterprises; their relations with stakeholders; and policy implications.

Information from the first section served two purposes; First, it clarified whether the social enterprise had been established through innovation and entrepreneurial spirit in the communities (i.e. bottom up) or whether it resulted from a social policy that was implemented by a community organisation or some other reason (top down). Second, it identified some of the roles that CALD migrants and refugees played in social enterprises in their communities, thereby enabling an analysis of the intricate dynamics around social enterprise, such as ownership and agency. These two factors informed the analysis of the embeddedness of social enterprises in CALD migrant and refugee communities.

Some questions in this section also sought to explore similarities and differences in the trading operations of social enterprises and private businesses. These questions examined the impact of social value creation on business operations and management in order to discover the extent to which, if at all, social value creation was manifested as outcomes, by-products, or inputs in relation to business operation. This was an attempt to identify innovativeness, which is recognised as an attribute of entrepreneurship.

The intention of Section 2 was to capture data on how social entrepreneurs assessed the effectiveness of social enterprises in addressing social issues in CALD migrant and refugee communities. The purpose of these enquiries was to understand what measures, if any, social entrepreneurs were using to gauge their progress with respect to achieving a social mission. As previously explained, there is no agreed method of directly measuring outcomes. Although the researcher was able to collect quantitative data, for instance on the number of employees in a social enterprise, this could not meaningfully be interpreted based on a comparison with some particular input or amount of resource used. Given these limitations, the focus was on

identifying how social entrepreneurs monitored their social performance, if at all, and how they justified their performance in relation to a double bottom line. These questions required sensitivity to avoid participants becoming reluctant or defensive.

Section 3 was designed to identify difficulties and challenges in achieving sustainability of social enterprises. One of the key justifications for social enterprise has been that NGOs can generate financial resources without continuously relying on government funds. Partnerships across sectors and innovation can result in viable commercial activities, which generate financial returns while achieving a social mission. Therefore, sustainability can be regarded as a key determinant of the likely success of a social enterprise. In other words, this section examined whether and how social entrepreneurs balanced social aspects with the financial performance of their business.

The questions in Section 4 were specifically designed to investigate stakeholder relationships and embeddedness. Social entrepreneurs in CALD migrant and refugee communities were asked to identify the stakeholders in their business network and whether they provided social capital input into the enterprise. They were also asked about the extent to which such relationships helped or hindered their business in order to assess the effectiveness of their embeddedness.

The final section contained one question that sought social entrepreneurs' views on building a better support system for social enterprises in CALD migrant and refugee communities. The purpose here was to draw on their experiences to identify gaps in existing policies to support social enterprises, particularly in relation to policies that could meet the specific needs of CALD migrant and refugee ommunities.

A copy of the complete interview schedule for social entrepreneurs is included in the key findings chapter.

5.4.1.2 Interviews with stakeholders and social enterprise industry experts

The second set of interviews was conducted with diverse stakeholder groups and industry experts, such as social enterprise facilitators, trainers, investors and advocates. The participants from this group included social enterprise consultants, government officials, personnel from social enterprises industry bodies and social financing organisations.

The interviews with stakeholders were designed to explore the interrelationships with CALD social enterprises, and the implications of those interrelationships, with particular focus on the mechanisms that facilitated or restricted the capacity for autonomous growth of these enterprises. These data would be used to conduct a systematic analysis of the structures with which social enterprises operate. The inclusion of government officials at various levels (local, state and federal) enabled the collection of policy-related information. Local government participants could describe their role in facilitating local social enterprises and express their views on the effectiveness of social policy at the grassroots level. Federal government officials could provide insight into how key policies were developed within their federal department. In this way, the political dynamics in which CALD migrant and refugee social enterprises were situated in relation to external stakeholders and institutions could be interrogated. The inclusion of industry experts from different backgrounds allowed the expression of diverse and even conflicting ideas, thus providing valuable insight into the strategic positions of different stakeholders or interest groups.

The ultimate goal here was to develop a macro picture of the policy environment in which CALD migrant and refugee social enterprises operate, and the potential for synergy and integration among key players or, alternatively, for control by dominant stakeholders. No geographical restriction was applied, given the fact that this cohort potentially included individuals operating at state or national level.

The interview schedule was designed to elicit information on the following broad topics areas: the nature of the stakeholder's involvement with and support of CALD migrant and refugee social enterprises; the funding structure of the organisation; the effect of social enterprise performance on the work of the organisation; the major barriers to assisting CALD migrant and refugee social enterprises; and how social policy can create a supportive environment for these enterprises.

Since potential informants were expected to come from very different kinds of organisations, the semi-structured interview format provided flexibility to modify the questions to reflect the differences between various stakeholder organisations.

5.4.1.3 Interviews with clients

Clients of social enterprises or beneficiaries of the goods or services they provided were also interviewed to provide an assessment of the social enterprises from an end-user's viewpoint. This cohort included trainees who participated in WISE programs. Since it would be difficult to assess the usefulness of the service based on responses from such a small sample, the focus of enquiry was on identifying avenues through which CALD migrants and refugees could make an input as participants. Although in some instances they play an important role in the running of social enterprises, they differ from social entrepreneurs, as they do not have major decision-making power.

All interviews were audio-recorded, with the participant's permission. A professional high-end audio recorder was used in the beginning, but the device appeared to make some informants nervous so it was replaced with a mobile phone that had audio recording function. The recordings were manually transcribed as soon as feasible thereafter.

5.4.2 Participant Observation

Reflecting the growing popularity of social enterprise, community events are often organised by social enterprise training organisations, intermediaries, migrant resource centres and universities. These events can take the form of conferences, training, seminars, forums, network meetings, business start-up information sessions and workshops. The researcher attended many such sessions as a participant observer. Participant observation involves the researcher immersing himself in the setting and observing what is said and done (Bryman, 2004). The events provided useful opportunities to meet people involved with social enterprises and to collect information relevant to the research. Information sharing, personal testimonials, training materials and speeches about individuals' entrepreneurial journeys provided a rich source of data and a vivid picture of a wide range of practices at the coalface. In particular, the events organised by specialist migrant and refugee services were highly informative. Events specifically focusing on social enterprise in CALD migrant and refugee communities were rare, but some that had been organised by specialist migrant and refugee services were held during the period of data collection. It was

also possible to meet social entrepreneurs from CALD migrant and refugee communities at mainstream social enterprise events; in this case, preliminary research on invited speakers was necessary to determine their relevance to the project.

Participant observation has a number of limitations as a data collection method in these settings. Typically, such events unfolded around the personal experiences of individual social entrepreneurs. They shared their entrepreneurial journey, which generally included motivations, personal values and circumstances during the start-up phase. A celebratory atmosphere usually pervaded such occasions, and words such as 'inspiration', 'innovation', and 'changemakers' were used frequently. No critical views on the practice of individual entrepreneurs or social enterprise as a policy were expressed at any of the events attended by the researcher. Furthermore, many of the terms, definitions and concepts were used without distinction or clarification. For instance, NGOs that ran successful fundraising campaigns but lacked a trading component were often represented as social enterprises. It is difficult to link data from such a narrowly focused perspective to broader social policy impact or embeddedness within larger institutional frameworks. Nevertheless, such events generated useful data on social entrepreneurs' personal motivations and the process of initial set-up. Another benefit of attending social enterprise-related events was the opportunity they provided to request an interview with a potential participant from one of the research cohorts. In such cases, mutual understanding of the research context facilitated acceptance of the invitation. Field notes were taken at each event and recorded in a journal.

The events attended by the researcher included: Logan Social Enterprise Expo 2016; Changemaker Social Enterprise Symposium, UTS 2014; Crowd Funding Symposium, UTS 2016; Refugee Night Market, Marrickville 2016; Start Up Information Day, UTS 2015.

5.4.3 Use of secondary data

The research also relied on secondary data as a source of information. This included publications such as annual reports, information available on websites, social media, and project reports, as discussed below.

Internet searches were also used to identify social enterprises and potential participants. A preliminary search using the words 'social enterprise' generated

numerous entries, but it was difficult to differentiate social enterprises in CALD migrant and refugee communities from other categories. Narrowing down the search to 'social enterprise and migrant' generated a higher number of relevant listings and a variety of document types and websites. The most prominent of these were social enterprise projects run by migrant and refugee services such as migrant resource centres and the Adult Migrant English Service (AMES). The entries also included large international organisations, such as International Organisations for Migration (IOM). A click on these sites usually took the researcher to general information, project descriptions and geographical locations of social enterprise projects. As these organisations are public entities, it was relatively easy to make enquires and request interviews using the templates provided on the websites.

The search also produced listings of social enterprise intermediaries, such as Social Traders and Social Venture Australia. These intermediaries tend to purchase advertisements in search browsers; therefore, their names are more visible, and they remain at the top or bottom of pages during the entire search.

There were relatively fewer listings of stand-alone social enterprises that have no association with larger charity organisations. These covered a range of industries, including fashion, design, hospitality, baking and catering. Social enterprises in migrant and refugee communities could be identified from descriptions beneath the name of the listing using the keywords 'migrant' and 'refugee'.

There were also several listings for local governments that run social enterprise support programs or offer small grants for local social enterprises. The only central government site for social enterprise is located on the Department of Employment website. This was established in December 2012 with the announcement of Social Enterprise Development and Investment Funds (SEDIF) of AUD$20 million. Some key documents, such as progress reports, are available on this site, along with details of recipients of three major industry funds, namely, Foresters Community Finance, Social Enterprise Finance Australia, and Social Venture Australia. The information is provided under the broader social investment category, along with information regarding impact investment.

Finally, the search produced local newspaper articles on 'success stories' of social enterprises run by migrants and refugees.

Other data sources included resources that had been developed by social enterprise intermediaries and training organisations and which addressed a number of areas. Unlike academic research papers, they specifically targeted practitioners. It was therefore possible to gauge how practitioners in the field understood and applied theconcept of social enterprise. The material tended to be fairly simple and lacked theoretical depth, but it provided a more authentic picture of social enterprise at the coalface and often used actual social enterprises as illustrative models. Information provided on social enterprise intermediaries was particularly important, since it was often linked to a broader social policy perspective.

5.4.4 Case studies

Case study methodology is most commonly used to investigate bounded local communities or organisations (Bryman, 2004, Denxin & Lincoln 2011). It allows for the development of a comprehensive picture of the whole 'case', including internal and external relationships and dynamics, and facilitates assessment of the conceptual framework. In the present study, case studies were able to generate holistic understanding of the entire business trajectory.

The research questions covered a broad spectrum of social enterprise in CALD migrant and refugee communities, from inception to current daily business practice. A detailed and intense analysis of individual cases provided a more comprehensive picture, which covered entire business trajectories and the interconnection between individual aspects and phases of business. Such an approach is effective in substantiating the conceptual frameworks generated.

From analysis of secondary data and interviews with social entrepreneurs, one social enterprise was selected to serve as case study to exemplify different aspects of social entrepreneurship. The case study, the Lemongrass Café, illustrates a number of organisational factors that influence the operations of social enterprises, such as difficulties in balancing financial and social aims. This was critical case that represented unusual circumstances or developments that helped to contextualise the key themes emerging from analysis of the interview and secondary data. It facilitated in-depth analysis of the relationships among a number of operational variables.

5.5 Data Analysis

The transformation of raw data into meaningful knowledge requires the researcher to engage in a demanding analytical process (Thorne, 2000). Analysing qualitative data typically involves the researcher immersing him- or herself in the data to become familiar with it, then looking for patterns and themes, searching for relationships between data that support the enquiry (Kawulich, 2004). The present study primarily employed narrative analysis since the data largely involved participants' accounts or 'stories' about an or event (Merriam, 1998). In relation to Bernard's (2000) classification of data analysis approaches, however, the present approach can be seen as a more complex combination of hermeneutics (in which text is constantly interpreted), discourse analysis (how actors interact), and grounded theory (themes and concepts are grounded in and emerge from the data). This approach enabled me to capture various dynamics beyond participants' or even meanings that could be read 'between the lines'. For instance, with a couple of exceptions, the majority of interviewees were very diplomatic and careful in describing their stakeholders. Nevertheless it was possible to detect tension amongst diverse actors or the strategic positions of particular organisations by adopting this interpretative approach.

Coding is a process that generates categories by seeking relevant data bits that inform the category (Kawulich, 2004). In the research, data-driven coding was employed as the primary coding method. This involved inductively developing codes based on the data (Kawulich, 2004). Common structural features were identified and grouped into subcategories through the repeated process of within- and cross-case analysis. For example, texts were coded under the topics such as sustainability, relationship, social procurement and so on. From this process, which was ongoing as more texts were added, themes were generated. Themes were identified according to the frequency with which they were mentioned and the emphasis placed on them by the interviewees (Guba & Lincoln, 1981). During the coding process, there was naturally a close relationship between the interview question and the types of information obtained (i.e. the questions represented *a priori* themes). For instance, the question on sustainability generated data that were coded under 'sustainability'.

However information related to one theme might also appear in the answer to a different question. The initial plan to employ data analysis software was abandoned when a clear pattern emerged in the early transcripts, which made the task of sorting the data into themes simple and straightforward. Moreover, manual processing allowed the researcher to immerse himself in the data.

5.5.1 Role of researcher

The researcher has been personally involved in social enterprises in CALD migrant and refugee communities for many years. He has done so in two capacities. First, he is a founding member of a social enterprise in the media industry, Ethnoconnect, which was established in 2004, and has served as its coordinator since 2013. The social enterprise is a community video production organisation, comprising several videographers, film directors, actors and graphic designers. Its aim is to promote multicultural Australian society and empower young people from migrant and refugee communities. The video production specialises in developing multilingual visual resources for CALD communities and providing media support, such as live streaming, for community organisations. Currently, its main clientele consists of NGOs and local governments. The researcher also served on the management committee of a local ethnic organisation, which ran a community cafeteria and barista training program as a social enterprise in South West Sydney. The project operated from 2014 to 2016, every weekend, at a cafeteria run by a Christian charitable organisation. A social enterprise project was initiated by local refugee women, in order to secure funds to run the organisation without relying on small annual grants; however, the café was closed in early 2016.

Although the researcher's personal experience of running a social enterprise was directly relevant to the research questions, it was not used as data *per se*. Rather, his 'insider' status was used to facilitate interaction and rapport with interviewees, and assisted the interpretation of the results.

5.6 Ethical Considerations

The main ethical considerations in this study related to participants' privacy and confidentiality, and informed consent.

To protect participants' privacy, all data collected were stored in non-identifiable form and pseudonyms have been used in this thesis for the participants, related stakeholders and organisations, with the exception of government agencies.

Nevertheless, in certain industries which contain only a small number of social enterprises associated with CALD migrant and refugee communities, there is some risk of the social enterprise being identifiable. In such cases, caution was exercised in deciding how or whether any potentially sensitive information provided by the informant should be presented. If there was a possibility that disclosure of such information might harm existing relationships with stakeholders, the material was not used or potentially identifying details were altered.

In relation to informed consent, all participants were provided with verbal and written information about the project, its purpose and aims, and the nature of their participation. Since one of the research aims was to contribute to policy development around the creation of supportive environments for social enterprises in CALD migrant and refugee communities, it was important that participants were fully informed about how their input had been used and where it might fit within the broad policy framework.

Copies of the final thesis will be distributed to research participants who requested.

5.7 Limitations of the Study

Like all research, the study had some limitations. First, the sample included participants from a diverse range of social enterprises which met the working definition of social enterprise. Hence it was not possible to determine the extent to which key characteristics of the social enterprises might be shaped largely by the external environment within which they are situated. For instance, social enterprises in the recycling industry and social enterprises in the catering industry are differentiated not by social entrepreneurial characteristics but by influences unique to the particular industry.

Second, the sampling strategy did not differentiate between enterprises in long-established established migrant groups, such as those in the Chinese community,

and those in emerging groups, such as Sudanese refugees, which are likely to differ in terms of the community resources they can draw on and the strategies available to optimise these resources.

Third, the use of snowball sampling risked potential bias towards a particular sector or group within CALD migrant and refugee communities, as the initial contact has influence over the subsequent contacts (Bryman, 2004). In particular with regard to the lack of CALD founders of social enterprises, further research is needed to test the veracity.

Fourth, some participants might not have been entirely forthcoming in revealing all relevant information. Public service employees were limited in terms of how much policy-related information they were able to give out. Social entrepreneurs who run their social enterprise on a business model rather than a WISE model tended to be reluctant to reveal potentially sensitive information about their business performance.

Fifth, although the literature review on ethnic entrepreneurship identified female entrepreneurship as an emerging field of inquiry, the scope of the research questions and the sampling strategy adopted precluded the collection of sufficient data for a comprehensive analysis of the role of gender. The primary focus of the study was on the overall impact of social enterprises in CALD migrant and refugee communities. For practical reasons, the scope of the fieldwork had to be limited and it was not possible to ensure that specific segments within the CALD migrant and refugee communities were represented in the sample. Hence the results reported in the following chapter do not present a systematic analysis of the role of gender in ethnic entrepreneurships.

The following chapter presents the results of analysis of the primary and secondary data collected in this research. The chapter includes two case studies and an account of the researcher's personal experience with social enterprise in CALD migrant and refugee communities. The results are presented under ten broad themes that emerged from data analysis.

Chapter 6

Key findings and Discussions

This research aimed to discover how social enterprises assist the settlement outcomes of CALD migrant and refugee communities in Sydney through their programs and services?

Two frequently cited benefits of social enterprise - employment and social inclusion - provide key measures to test the efficacy of these enterprises for CALD migrant and refugee communities, who are considered to be disadvantaged and in need of significant support to enter the labour market in Australia.

This chapter presents the key findings from the study. It begins by describing the socio-demographic and organisational characteristics of the study participants. This is followed by a detailed discussion of the key themes that emerged from analysis of the field data, which were mostly collected between April and December 2016. In addition to data from interviews and observations, this chapter also presents a case study of one social enterprise, the Lemongrass Café, to illustrate the multiple effects of the various issues in real CALD communities.

6.1 Profile of Participants

As shown in Table 6.1, a total of 20 social enterprises was selected for interview. They broadly represent nine different industries: hospitality, education and training, art, food retail, textile, finance, manufacturing and employment; 6 social enterprises were specifically set up under the WISE model. There were almost equal numbers of NFP stream and business stream social enterprises, although this was not intended. The majority of NFP stream social enterprises belonged to larger parent organisations and were not independent legal entities. All of the 12 females and 8 males interviewed in the social entrepreneurs' cohort held a high position in their organisation, such as founder, coordinator or business manager.

Table 6.1

Interviews with Social Entrepreneurs

Industry	Business	[15]Orientation	Legal form	Gender	Position
Catering	Women's catering service	NFP	Attached to NFP	Female	Settlement service worker
Hospitality	Retreat for refugee women	NFP	No status	Female	Business manager
Education	Cultural competency training	NFP	Incorporated association	Female	Employment coordinator
Pastry	Bakery training (WISE)	Business	Company limited by guarantee	Male	Founder of organisation
Hospitality training	Cooking training (WISE)	NFP	Attached to NFP	Male	Business manager
Catering	Cafeteria for refugee youth (WISE)	NFP	Attached to NFP	Female	Service coordinator
Catering	Cultural Food Taste Tour	Business	Company limited by guarantee	Female	Service coordinator
Art & craft	Candle craft (WISE)	NFP	Attached to NFP	Female	Business manager
Weekend market	Refugee market	NFP	Attached to NFP	Male	Social enterprise coordinator
Fashion & textile	Fashion boutique	Business	Company limited by guarantee	Female	Founder of organisation
Hospitality training	Catering training (WISE)	Business	Company limited by guarantee	Female	Founder of organisation
Affordable food	Food retail	NFP	Attached to NFP	Female	Business manager
Catering	Cafeteria for youth (WISE)	Business	Sole trader	Male	Business owner
Catering	Cafeteria	Business	Company limited by guarantee	Male	Founder of organisation

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[15] For heuristic purposes the the continence in analysis social enterprises are divided into two main groups according to depending on their orientations. NFP stream denotes social enterprises established by not-for-profit parent organisations in order to generate income or support the organisation's missions. Business stream refers to other social enterprises, which do not have direct associations with not-for-profit organisations, but were established by individual entrepreneurs. However These terms do not necessarily relate relay to legal forms typically found in not-for-profit or private business.

Catering	Cafeteria	NFP	Attached to NFP	Female	Business owner
Training	Start up Incubator	Business	Sole trader	Male	Technical manager
Art & craft	Online flower	Business	Sole trader	Female	Founder of organisation
Micro finance	Refugee micro finance	Business	Australian Public Company	Male	Operation manager
Manufacturing	Beverage manufacturing	Business	Sole trader	Female	Founder of organisation
Employment	Online employment service	Business	Sole trader	Male	Founder of organisation

The 20 informants from the experts' group (Table 6.2) represented various fields. The largest subgroup was social enterprise consultant, with 6 informants, although they specialised in were in diverse fields, such as capacity building, innovation, technology, public procurement and social accounting. The government sector was also well represented with three local government staff, one former state government official and two federal government employees. The backgrounds of other informants in the group included impact investment, policy think tank, social enterprise expo organiser and university-based start up social enterprise incubator, and cooperatives industry body coordinator.

Table 6.2

Interviewees with Stakeholders

Organisation	Informant gender	Position
Local government	Female	Community Development Officer
Local government	Female	Community Development Officer
Local government	Female	Community Development Officer
Social enterprise consultant	Male	Former federal government employment service staff
Social accounting consultant	Male	Impact investment evaluator
Social procurement consultant	Female	Social procurement specialist
Social enterprise finance service	Female	Fund manager
University social enterprise group	Male	University incubator coordinator
Cooperative industry body	Male	State coordinator

Impact Investment Australia	Female	Senior policy officer	
Social enterprise intermediary	Male	Chief Consultant	
Local government	Male	Social Impact coordinator	
Department employment	Male	Team leader	
Social enterprise consultant for NFO	Male	Business manager	
SEDIF	Female	SEDIF designer	
SEDIF	Male	SEDIF manager	
Government business advisory committee	Male	Adviser	
Social enterprise expo	Male	Organiser	
Innovation consultant	Female	Technology based NFP sector consultant	
Social economy institutes	Male	Director	

Five participants were interviewed in the beneficiaries group (Table 6.3). They were mostly trainees in WISE programs or social enterprises who had no role in managing the organisation.

Table 6.3

Interviews with End Users/Beneficiaries

Social enterprise	Gender
Arts and crafts	Female
Affordable food	Female
Hospitality training	Female
WISE cafeteria	Male
Refugee market	Male

The 20 informants from the experts' group represented various fields. The largest subgroup was social enterprise consultant, with 6 informants, although they specialised in were in diverse fields, such as capacity building, innovation, technology, public procurement and social accounting. The government sector was also well represented with three local government staff, one former state government official and two federal government employees. The backgrounds of other informants in the group included impact investment, policy think tank, social enterprise expo

organiser and university-based start up social enterprise incubator, and cooperatives industry body coordinator.

6.2 Dominant Themes

The study was designed to provide a comprehensive picture of current practices in different phases of social enterprise development and their impact on the settlement of CALD migrant and refugee communities and at the same time explore the spectrum of activities and organisational arrangements that constitute CALD social enterprises, including the spectrum between CALD immigrant private and social enterprises. Ten key themes emerged from the data analysis, representing the steps involved in business development, starting from the motivation of individual entrepreneurs, as well as broader policy issues that affect the growth of social enterprises in CALD communities. The themes were:

- Motivation and identifying business opportunities
- The role of members of CALD migrant and refugee communities in social enterprise
- Resource acquisition and sustainability
- Double bottom line
- Evaluation and accountability
- Relationships with key stakeholders
- Social procurement and government policy
- Current employment service model
- Centrelink payments
- Impact investment

The first two themes represent the perspectives of individual social entrepreneurs and facilitate comparison with ethnic entrepreneurship (Kloosterman and Rath 2001; Kloosterman and Rath (eds) 2003; OECD 2010; Collins 2017a and 2017b). The next four themes encompass the daily experiences of managing a social enterprise, such as resource acquisition, profit margins and accounting. The final four themes are related to policy impact in relation to social procurement, employment

services, Centrelink payments and impact investment. Each theme is elaborated below.

6.2.1 Motivation and identifying business opportunities

This theme addresses the increase in the number of social enterprises in CALD migrant and refugee communities. Commercial activities designed to assist disadvantaged communities have long existed. Selling goods and services to raise funds for charity is an everyday part of life. In the Australian context, opportunity shops that bear the names and logos of large charity organisations are a familiar sight in many suburbs. Nevertheless, it is unclear what exactly gave rise to the current form of social enterprise practices in Australia. There is no literature that identifies the point at which such traditional commercial activities of charities and other NGOs began to be rebranded as social enterprises.

The findings from this research suggest that, in many instances, particularly in not-for-profit organisations, the decision is largely influenced by existing discourses that frame social enterprise as a new form of community development, or helping people in need. The data indicate that social entrepreneurs do not simply set up commercial activities after perceiving a social need. The majority of social entrepreneurs appear to have believed that their philanthropic aims could be achieved by becoming a social enterprise, and they made a conscious decision to do so. In the absence of a legal structure for social enterprises, 'becoming' means identifying with and following the developmental path of the emerging social enterprise industry. Most informants said they knew or had heard about social enterprises from various sources, such as community information sessions, workshops, funding bodies, university classes and overseas speakers before they made a decision to set up a social enterprise. Therefore, it is reasonable to speculate that the emergence of the social enterprise industry played an important role, by depicting this model as an efficient form of managerialism and a new approach to community development, in the decisions of social entrepreneurs and not-for-profit organisations to start up social enterprises.

No informant believed there was a direct causal relationship between the existing social enterprise discourse and their motivation, yet their decisions to start a

social enterprise, based on personal altruistic motivation, were at least informed by relevant knowledge and resources. This implies that, in the absence of a positive social enterprise discourse that framed commercial activities in terms of innovative practices that change makers could adopt to solve social problems, there would be fewer social enterprises today. For example, Sophia, a female social entrepreneur from a refugee background who now runs an online florist shop, had always wanted to run a business. At the time, she was not aware of what a social enterprise was. It was not until after she learned about social enterprise and decided to follow the social enterprise development path that her business idea finally turned into reality. Thus the emergence of what could be called "the social enterprise industry" contributed to social entrepreneurs' initial decision-making. The social enterprise industry includes: a government-subsidised impact investment program (which remains after a major investment through the Jobs Fund in 2009); intermediaries; start-up business incubators; specialised social enterprise training organisations; social enterprise awards; pitch competitions; and business mentorships offered by commercial banks. It has developed in Australia against the backdrop of the widespread influence of neoliberalism and economic rationalism within Australian governments and the Australian public culture. As Dennis (2018) recently pointed out neoliberalism has been the ideal cloak behind which to conceal enormous shifts in Australia's wealth and culture over the past thirty years. The language, ideas and policies of neoliberalism have transformed Australia's economy and culture. Australian neoliberalism is itself a by-product of the globalisation agenda based on the unfounded belief in the inherent efficiency of the free enterprise sector, unfettered markets and financialisaton of an increasing number of aspects of life in capitalist societies like Australia (Cassidy, 2009; Stiglitz, 2010).

At a more fundamental level, individual social entrepreneurs expressed altruistic motives, and philanthropic motivations are manifested in the mission statements of not-for-profit organisations. Whether the target groups were existing clients of not-for-profit organisations, members of the same community, or even strangers, concerns for the wellbeing of migrants and refugees was identified as a key motivation for the social entrepreneurs in the study. The results show that some individual social entrepreneurs' initial decisions were based on a strong sense of

social justice, particularly in relation to Australia's treatment of asylum seekers and refugees (Maley, 2016; Marr, 2011; Nakhoul, 2011; Phillips, 2015).

The research also revealed that individual social entrepreneurs' motivations were usually linked to certain events that led to or intensified their desire to do something for migrants and refugees. For example:

- Fatma, who ran a retreat for refugee women, heard a 'calling' from God instructing her to help disadvantaged female refugees.

- James, a successful global-hedge-fund manager, was disturbed by media coverage of the inhumane treatment of asylum seekers in Australia. One day, he said, he could not take it anymore. He quit his job and decided to do something to help asylum seekers and change the way Australians perceive them.

- Paul, a former advertising agent and the son of a Fijian immigrant, witnessed a great deal of racism in Australia while he was growing up. He saw how his migrant parents were treated unfairly, and was able to sympathise with asylum seekers and newly arriving refugees. He left his job and opened a cafeteria, a safe space where refugees are welcomed as new friends and are introduced to their local communities.

- Tony, the owner of a bakery franchise in Sydney, went on a trip to a town on the Thai-Burma border with his uncle, where he saw Burmese refugees operating bakeries to sustain themselves. Having a great deal of experience and skills in the bakery business, they stayed there and helped to set up more bakeries. Upon returning to Sydney, he realised he could deliver a similar service in Australia. He finally opened a new bakery to train and provide local experience for refugees.

The research failed to identify any social enterprise that assisted migrants and refugees entirely through the financial resources earned from the sales of products or delivery of services - for example, using a model in which profits from sales (of, say, bottled water) goes to the refugee cause, but does not involve refugees in the production. All social enterprises investigated involved some degree of interaction with migrants and refugees during production or training. The precise nature of this interaction is explored in the following section.

The decisions made by not-for-profit organisations to start a social enterprise depend on a range of factors associated with the strategic positioning of organisations in a changing environment. One key factor was recognition of the benefits that social

enterprises can offer. Yet their assessments of operating environments were largely informed by emerging social enterprise discourses. In other words, the philanthropic and altruistic motivations of individuals were put into actions by the perceived opportunities that social enterprise creates.

For example, Angela, a community worker at a local migrant resource centre whose main role was to assist newly arrived migrants and refugees, commented:

Social enterprise is the buzzword now. Everyone is talking about it. Every service wants to do it. It sounds fascinating running a business. It is a trend. It is a fashion.

Sophia, a young female social entrepreneur who ran an online flower shop, previously ran a women's group at the local community centre for many years. Two years ago, the group started selling the flowers online. She explained how she became a social entrepreneur:

I was always interested in business. My university major was business study but somehow I ended up as a community worker. I ran a weekly women's group at local community centre. It was when I met my business mentor that I found out about social enterprise. I went into social enterprise pitch competition organised by a major bank and won with the business proposal he helped. The prize money became our seeding capital.

Nguyen's experience in community service spanned more than 35 years. Seven years ago, he took one of the very first social enterprise coordinator positions to be created at a migrant resource centre in Sydney. He described his first days at work:

The position of social enterprise coordinator was created. The funding was from the state government not specifically tied to run social enterprise

but the organisation decided to run a social enterprise project. I was
employed then I started my research into social enterprise. I read many
successful stories then believed I could emulate same kind of success too.

According to Nguyen, social enterprise was widely accepted in the not-for-profit sector as a new method of community development that guarantees the long-term financial viability that is not possible in the traditional community development model. He identified three major advantages behind the decisions of many not-for-profit organisations to become social enterprises:

There are three strong incentives for not-for-profits. First, they already
have clients. The existing client groups that not-for-profit groups already
can provide a sufficient number of clients purchasing the goods and
services that the not-for-profit produces. Second, not-for-profits can rely
on volunteers, which is difficult for private competitors. Third, if business
is carried out by not-for-profit organisations, it gives more credibility to
clients as opposed to private business.

Based on such perceived advantages and inspired by success stories, social enterprise has become a new community development model used by many not-for-profit organisations.

According to a number of people from not-for-profit organisations, interest in social enterprises increased after the introduction of the Jobs Fund. Success stories, including that of the Grameen Bank, were widely circulated. The discourse about social enterprise was overwhelmingly positive, which motivated them to act. The data revealed that funding bodies also encouraged social enterprise projects but did not provide any guidance. The approach was ad hoc. Social enterprise intermediaries made an appearance, and spread the model throughout the not-for-profit sector by organising seminars and workshops. Soon 'social enterprise' became the 'buzzword' in not-for-profit organisations. Through interviews with personnel from many not-for-profit organisations that had started social enterprises, it was evident that little

information was available on the risks involved. The data suggest that this still is the case for most not-for-profit organisations.

Social entrepreneurs' motivations for setting up social enterprises are intrinsically linked to identifying business opportunities. Although an altruistic motivation is common to every social entrepreneur's decision to start a social enterprise, there is considerable diversity in how they identify suitable industries and recognise business opportunities. Motivation for, and identification of, business opportunities may occur sequentially or spontaneously without sequential relationships. This means social entrepreneurs can be motivated first then look for the right industry, or they can identify a business opportunity first and then be motivated to take action. In choosing the industry, some social entrepreneurs make a natural transition from their previous business experience, while others spend time to locate a suitable industry. In both cases, key decisions are made based on the identification of areas where social entrepreneurs believe they can make the best use of their skills and current circumstances.

This process is vastly different from how business opportunities are identified in ethnic entrepreneurship. The ethnic entrepreneurship literature reviewed in earlier chapters indicates that the key factors in business initiation are low entry barriers, demand for an ethnic product, low capital requirement, availability of cheap labour and reliance on social capital (Kloosterman et al, 1999). At the same time, these ethnic or immigrant enterprises are embedded within their families and communities (Collins & Low, 2010; Collins & Shin, 2014), with ethnic and family resources (Light & Gold, 2000) a critical factor in establishing their business enterprise. Nevertheless there is a clear contrast with the ways in which business opportunities are identified in social enterprises in CALD communities and in the higher business priority given to ethnic community outcomes rather than private profit for the family (Light & Gold, 2000).

Analysis of the data identified three main ways in which social entrepreneurs identified business opportunities and choose industries. Each of these is elaborated below.

6.2.1.1 Organic growth within the existing environment

It was often the case that groups supported by not-for-profit organisations, such as a refugee women's group, whose regular social activities involved the production of items or services evolved into more structured social enterprises in CALD migrant and refugee communities. In such cases, the participants are already reasonably well informed about the core business in which they are going to engage. Further, as the decision to set up a social enterprise relies on previous experience, less business planning is involved. Examples included:

- An Arabic women's group that used to cater informally at the parent organisation's functions turned this into a social enterprise by seeking more clients, developing menus and promoting their services to the public.

- A Cambodian women's group that used to run a flower art class, as part of the healing process for women with traumatic experiences, developed this into an online florist shop business.

- A TAFE vocational teacher, the son of immigrants, who provided barista training in his employment decided to open up a cafeteria as a social enterprise, which he saw as the most natural way for him to help young people.

6.2.1.2 Needs assessment

In this approach, business opportunities are identified after a formal needs assessment, which involves interviews with potential clients, observations and personal experiences. Once the social needs have been established, business feasibility is assessed through business planning and market research. The majority of employment training or skills development programs fell into this category. For example:

- A driving school was established by a migrant resource centre as a social enterprise after a need was identified among refugees whose employment prospects were impeded by the lack of a driving licence but who could not afford the high cost of driving lessons.

- James, after resigning from his previous employment in the private sector, spent several months volunteering at a refugee support service as a way of identifying

the real needs of refugees. During his volunteer career, he was convinced that employment is the most urgent issue for migrants and decided to run a business that would assist with employment.

6.2.1.3 Identifying a niche market

In this approach, unique opportunities based on the assets and strengths of migrant and refugee communities are seized upon to satisfy both social needs and the need for financial success. This approach relies on entrepreneurs' abilities to identify market opportunities, pull in resources and use networks. Immigrant entrepreneurs running private enterprises have long responded to, and served, ethnic niche markets for goods and services (Bonacich and Modell 1980).

There is an emphasis on the uniqueness of the product or service and its advantages. In this category, the market has not been explored and access is limited to those with cultural links or existing working relationships. For example, having worked for CALD communities and being located in culturally diverse areas, Jane had strong links with many business owners. Being aware of Australians' fondness for Asian cuisine and dining culture, she identified a niche market for an ethnic food tasting tour.

The distinction between these three categories was not always obvious. For example, a large multicultural service established an employment service for refugees in which part of its income is derived from its contracts with the Job Active model and work placements for 'work for the dole' participants. Such organisations usually have long-lasting working relationships with government funding bodies and have previously worked on other employment-related projects. They are also well aware of the employment needs of refugees from previous needs assessments. However, it is also true that such services have responded to new opportunities in the emerging refugee labour market, which has only recently been recognised by governments.

Discussion of the motivating factors behind the establishment of social enterprises is largely absent from previous research. The present study's findings indicate that, in the case of CALD migrant and refugee communities, individual altruism and/or organisational missions, which derived from very diverse experiences,

encountered the emerging social enterprise discourse, which acted as a catalyst in actualising philanthropic desires into entrepreneurial activities. In both streams (NFP and business), the processes of setting up social enterprises and identifying business opportunities were largely driven by the perceived advantages of being part of the social enterprise trend. This situation can be described as a case of *mixed embeddedness* in which the emerging social enterprise discourse became embedded in institutional form.

Whereas Kloosterman and Rath conceptualised mixed embeddedness within the space of private immigrant entrepreneurship, it is my contention – based on the fieldwork for this thesis – that is also has utility in understanding the space of immigrant and refugee social entrepreneurship. This embeddedness moves through several levels. At the **macro** or international level: the impact of globalisation on the widespread acceptance of neoliberalism; international conflicts and inequalities that drive refugee displacement and international migration through formal and informal channels. At the **meso** or national level: The Australian adoption of neoliberalism; the privatisation of many programs and services directed to migrants and refugees; the constraints on welfare spending and funding for migrant and refugee specific services by successive Australian governments; the annual immigration intake and its division into permanent skilled, humanitarian, and family and business categories; the mandatory detention of refugee *boat people* and their offshore processing; the anti-refugee political discourses; the promotion of market-led solutions to settlement needs of immigrants and refugees; the transition of NGOs into social enterprises to serve the needs of clients, including immigrants and refugees. At the **micro** or neighbourhood and suburban level: The concentration of CALD immigrant settlement in Sydney's western and South western suburbs where unemployment rates are highest in Sydney; the transformation of Migrant Resource Centres in western and South western Sydney into social enterprises;

Nevertheless, as illustrated in the ensuing sections, one key element of embeddedness - the availability of social networks or social capital – was not significantly present in social enterprises in CALD communities. Whereas co-ethnic and/or intra-ethnic networks play a pivotal role in the identification of business opportunities and management of commercial activities in ethnic entrepreneurship, the process is different in social enterprises in CALD communities. The mobilisation

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of social capital will be analysed in ensuing sections in conjunction with the roles that migrants and refugees play in CALD social entrepreneurship. The process more closely resembles the process of voluntary subjectivity discussed in the literature on governmentality, whereby individuals and social institutions voluntarily subjectify themselves to the dominant power through a knowledge-based discourse. Although the main focus of some social entrepreneurs in this study was on running a successful business and they had little knowledge of or association with social enterprises, the majority of the participants appear to have 'joined the bandwagon' based on their knowledge of or exposure to the social enterprise industry, despite the fact that the effectiveness of social enterprise has not been evidenced in the local context. Social enterprise intermediaries played a large role in facilitating this process.

6.2.2 The role of CALD migrant and refugee community members

This section addresses the question: "Whose social entrepreneurship is it?" This aspect of social entrepreneurship in CALD communities not only reflects the unique characteristics of social enterprise in CALD communities but also informs much broader aspects of social enterprise's contribution to successful settlement.

Unlike the other themes, the role of community members in social enterprises was a largely neglected topic in participants' narratives. Yet it has an overarching impact on diverse aspects of social enterprises and has implications for other sub-questions: how social capital or social network is manifested in the development of social enterprises in CALD communities? What are the policy implications for creating a supportive environment for social enterprises in CALD migrant and refugee communities? The researcher consistently sought information about the role of community members during the fieldwork, since it is central to the legitimacy of some of the key assumptions made about social entrepreneurship.

The most unexpected finding from the research was that not many social entrepreneurs in the social enterprises in CALD migrant and refugee communities came from CALD migrant and refugee backgrounds themselves. The majority of social enterprises in CALD communities were established and run by non-migrants and non-refugees who were sympathetic to the wellbeing of migrant and refugees (see Table 6.4).

In the business stream, only 3 out of 20 business stream social enterprises[16] were established and run by migrants or refugees themselves. No social enterprises were established and run by migrants and refugees in the NFP stream. Most social enterprises in the NFP stream were established and run by large NFP organisations whose mission and clientele included migrant and refugee populations. Overall, the members of CALD migrant and refugee communities were poorly represented in social enterprises in CALD communities.

This raises the question of what role members of CALD migrant and refugee community members actually play in the establishment and management of social enterprises. In terms of the working definition of social enterprise in this context, the key criterion is the level of participation of CALD community members, whether active (as key drivers of social enterprise) or passive (as beneficiaries). There is an underlying debate as to whether large service organisations are truly representative of these communities, as they often claim (Song, 2013). Large organisations are often contracted to deliver special services (such as settlement services) for migrants and refugees. The findings in this study show that social enterprises were rarely established by grassroots community organisations that are established and managed by migrants and refugees themselves, such as ethno-specific organisations. It should be noted that the main purpose of the enquiry in this context was not to engage in debate about whether or not large organisations should be considered as representative of CALD migrant and refugee communities but, rather, to investigate the extent to which grassroots migrant and refugee communities aspire to empower themselves through a spirit of social enterprise as opposed to remaining the target of of funded services.

The research confirmed that members of CALD migrant and refugee communities are predominantly beneficiaries of the social outcomes produced by social enterprises; they were rarely active drivers of social enterprises. The analysis identified five categories into which the roles of members of CALD migrant and refugee communities can be classified, according to the degree of their entrepreneurial

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[16] The term is used hereafter to refer to social enterprises established and managed without a not-for-profit parent organisation whereas the term not-for-profit (NFP) stream denotes social enterprises established and managed by not-for-proft organisations. The distinction is made according to how the social enterprise was conceived. It does not necessarily relate to the current legal structure of the enterprise (i.e. incorporated association or Pty Ltd).

input: *Social entrepreneurs; Social enterprise facilitators; Social enterprise participants (paid or unpaid);WISE trainees; Non-participating beneficiaries.*

Table 6.4

Nature of CALD Community Involvement

Business	Orientation[17]	Founder	CALD community involvement
Retreat for refugee women	NFP	CALD	Some entrepreneurial involvement
Cultural competency training	NFP	CALD	Some entrepreneurial involvement
Bakery training (WISE)	Business	Non CALD	Program participants
Cooking training (WISE)	NFP	Non CALD	Program participants
Cafeteria for refugee youth (WISE)	NFP	CALD	Limited entrepreneurial involvement
Cultural Food Taste Tour	Business	Non CALD	Program participants
Candle craft (WISE)	NFP	Non CALD	Program participants
Refugee market	NFP	Non CALD	Limited entrepreneurial involvement
Fashion boutique	Business	Non CALD	Program participants
Catering training (WISE)	Business	Non CALD	Program participants
Food retail	NFP	Non CALD	Program participants
Cafeteria for youth (WISE)	Business	Non CALD	Program participants
Cafeteria	Business	Non CALD	Program participants
Cafeteria	NFP	Non CALD	Program participants
Start up Incubator	Business	Mixed partnership	Social entrepreneur
Online flowers	Business	CALD	Some entrepreneurial involvement
Refugee micro finance	Business	Non CALD	Program participants
Beverage manufacturing	Business	CALD	Social entrepreneur
Online employment service	Business	Mixed partnership	Social entrepreneur

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For the continence in analysis social enterprises are divided into two main groups depending on their orientations. NFP stream denotes social enterprises established by not-for-profit parent organisations in order to generate income or support organisations missions. Business stream refers to other social enterprises, which do not have direct associations with not-for-profit organisations, but established by individual entrepreneurs. However these terms do not necessarily relay to legal forms typically found in not-for-profit or private business.

6.2.2.1 Social entrepreneurs

Three social entrepreneurs from CALD migrant and refugee backgrounds were identified in the business stream. Two of these came to Australia as overseas students and gained permanent residency. The other obtained refugee status in Australia. Two of these social enterprises had Australian business partners; one participant stated that English had been a barrier to running a business in the beginning. The remaining social entrepreneurs were from non-migrant and non-refugee backgrounds, mostly of Anglo-Saxon ethnicity. Two further social entrepreneurs from the business stream had parents who came from migrant backgrounds and they strongly identified with migrants. Social entrepreneurs in this category played major roles in establishing and managing their social enterprises.

6.2.2.2 Social enterprise facilitators

Of the 20 social entrepreneurs interviewed from both NFP and business streams, five were from migrant and refugee backgrounds. Their role was to facilitate social enterprise projects in large not-for-profit organisations. They were primarily community workers and most had no previous business experience. One person who came to Australia at an early age is now head of her community organisation. Another three interviewees ran social enterprises within their settlement grant program portfolio, which meant they had to manage social enterprise programs on top of their existing responsibilities. The other person was coordinating a social enterprise project run by a specialist refugee service agency at an organisational level. His sole responsibility was to manage social enterprise projects. The people who acted as social enterprise facilitators all spoke fluent English with little or no accent. Social enterprise facilitators differ from social entrepreneurs because the decision to establish a social enterprise was made primarily by their employers, although they played a role in identifying the business opportunity and industries.

6.2.2.3 Social enterprise participants

When it became evident that the majority of social enterprises in CALD migrant and refugee communities were established by non-migrants and non-refugees, the study turned to focus on what roles the members of these communities actually played within the social enterprises. This was achieved mainly by requesting interviews with key personnel of the social enterprises. The findings showed they had

varying levels of involvement. In a small number of social enterprises, members of CALD migrant and refugee communities were employed at managerial level; therefore, they had input into the management of the enterprise. For instance, in a social enterprise run by a group of women from the same ethnic background, there was a high level of involvement in management and decision-making. In most cases, however, the managerial positions were filled by staff from non-migrant and non-refugee backgrounds.

6.2.2.4 WISE trainees

One of the common types of social enterprise in CALD migrant and refugee communities is the work integrated social enterprise (WISE). The research found that many social enterprises in CALD migrant and refugee communities, in both NFP and business streams, had been set up specifically to offer employment training in a real work environment to help migrant and refugee jobseekers gain work experience. It is common practice for such training to run in conjunction with other existing programs, such as Job Active, Work for the Dole, and TAFE vocational training. The greatest number of CALD migrants and refugees identified during the course of research were trainees in this category. The role of trainees in WISE is, of course, limited to participation in the training. They had nothing to do with the establishment of the social enterprise. They were recruited as participants after the social enterprise was established. They had no input at a managerial level.

6.2.2.5 Non-participating beneficiaries

The term "non-participating beneficiary" refers to CALD migrants and refugees who consume goods and services produced by social enterprises without participating in the production itself. The consumption of public goods produced by social enterprise can provide benefits (Defourny, 2001). However, the goods produced by social enterprises in CALD communities in this study were mostly personal consumables such as coffee, candles and clothes that were not targeted at CALD migrants and refugees. In some cases, even the consumption of such goods, such as affordable food, can be seen to benefit CALD migrant and refugee communities. However, the direct impact on social outcomes, such as creating employment opportunities or reducing social exclusion, is largely non-existent.

In summary, **the study identified five different roles played by CALD migrants and refugees in social enterprises in CALD migrant and refugee communities.** It was clear from the results that these social enterprises were predominantly established by people who were not members of the respective communities. There was minimal involvement of CALD migrants and refugees in the management of social enterprises. Few social enterprises were established *by* CALD migrant and refugee communities; most were established *for* them.

This finding raises two questions. First, there is a question about the existence of social entrepreneurs and social entrepreneurship in CALD communities. Even though the study investigated a number of social enterprises in CALD migrant and refugee communities, this does not necessarily mean that those social enterprises were established and managed by social entrepreneurs and that they constitute social entrepreneurship. As explained in the literature review, interchangeable use of the terms "social enterprise" and "social entrepreneurship" is being challenged based on the existence of entrepreneurial attributes in some social enterprises (Luke & Chu, 2013; Douglas & Grant 2014). In particular, it is unclear what kind of entrepreneurial characteristics or qualities exist in NFP stream social enterprises and what types of entrepreneurial attributes are possessed by those who play facilitator roles in social enterprise projects. The majority of the literature on entrepreneurship asserts that attributes such as innovative ideas, risk-taking behaviour, the ability to seize business opportunities, and the capacity to build networks are primary characteristics that entrepreneurs possess and which they can deploy in certain circumstances. The findings from this study, however, indicate that those characteristics are primarily exhibited and contributed by non-migrant and non-refugee social entrepreneurs in CALD communities rather than members of CALD communities themselves.

The second question is whether social enterprises are adopted by many not-for-profit organisations as a new approach to community development. There are implications for the project outcome when the ownership and management of projects largely belong to parent organisations rather than individual CALD communities. The nature of participation by members of CALD migrant and refugee communities is an important variable in determining the effectiveness of social enterprise in tackling the social issues faced by these communities. The key measure used to determine the degree of involvement in social enterprise in the present study was to gauge whether

collective decision-making processes or internal mechanisms were in place to allow members of CALD migrant and refugee communities to have an input into management or collective entrepreneurship. The closest example of this was their presence at staff meetings. Some social enterprises hold staff meetings which members of CALD migrant and refugee communities can attend and at which they may share ideas. Nevertheless, it is unclear whether this means that the members of CALD migrant and refugee communities are participating in the management of social enterprises collectively and their entrepreneurial input is being realised through staff meetings.

In a number of NFP stream social enterprises, a clear organisational hierarchy was observable. There were facilitators on the top and paid staff and volunteers or other unpaid staff at the bottom. Throughout the entire research process, no informant highlighted any particular practice designed to encourage entrepreneurial input. However, in small, NFP-affiliated co-ethnic social enterprises facilitated by bilingual community workers, there was a degree of self-management based on close personal relationships and kinship among the participants. This was observed in the Chinese mothers' cultural competency training social enterprise, the Arabic women's catering social enterprise, and the Cambodian women's flower business. In these cases, the bilingual workers had strong community ties. The small size of the enterprise enabled frequent face-to-face interactions. There was less organisational hierarchy in the groups and the key decisions were made collectively through ongoing communication. However, two of these social enterprises operated only for a short period of time. Only one is still operating.

WISE trainees are another group where members of CALD migrant and refugee communities participate in social enterprises. In fact, the largest number of CALD migrants and refugees in this research fell under this category. In order to interview WISE trainees, the researcher was required to ask permission from social entrepreneurs or social enterprise facilitators to access them. The original intention was to survey their level of involvement and level of satisfaction. In many instances, however, the researcher was only allowed to interview paid staff who had moved up from training. Requests to interview trainees were not approved. Those few who had moved from training to employment in the same social enterprise tended to come from non-migrant and non-refugee backgrounds and invariably spoke native-level

English. This was particularly the case in large NFP stream social enterprises. This rendered irrelevant the initial concern about providing interpreters during the interviews. In fact, throughout the entire period of fieldwork with both the social entrepreneur and stakeholder cohorts, there was minimal presence of CALD migrants and refugees. In this sense, the validity of the CALD aspect in this research is largely assumed rather than individually verified, as the majority of informants were non-CALD or people already integrated into Australian society. Only three co-ethnic social enterprises fitted neatly into the CALD category (the Chinese women's group, the Arabic women's group, and the Cambodian women's group).

This particular aspect was actively pursued during the interviews as it provided critical background information to address the research questions. Within the allotted time, the researcher devoted a considerable part of the beginning of each interview to exploring this issue.

From the interviews, there were strong grounds to suggest that the role of CALD migrants and refugees was primarily limited to that of beneficiaries of social outcomes. They were seldom social entrepreneurs themselves or part of the driving force behind social enterprises. With the exception of a few small, co-ethnic social enterprises, in most instances, CALD migrants and refugees played a passive role as participants.

In the literature, social enterprises have been commonly associated with disadvantaged communities for their assumed ability to empower members of disadvantaged communities based on self-enterprise and self-help principles. For this reason, social enterprise has been presented as a new model that is distinct from a conventional charity model. It is believed that this is the reason why many not-for-profit organisations took up the model as a new model of community development.

The findings from the present study, however, indicate that, in CALD migrant and refugee social enterprises, the benefits are primarily produced and offered to disadvantaged people. The benefits are not a result of innovation and entrepreneurial input from the disadvantaged people. Such an approach is inconsistent with the empowerment and self-help ethos that has been one of the major legitimising social enterprise discourses. The success of social enterprises in disadvantaged communities depends largely on forces outside of the communities. Those who succeed are usually

those who have the skills and resources (such as language proficiency) to mobilise themselves and cross their CALD community boundaries. Social work has made very little contribution to the literature interdisciplinary social enterprise literature from the perspective of self-help and empowerment. Yet, in business terms, it seems that such an approach produces no more than the charity model.

Al was an advocate for co-operatives and employment ownership in Australia. He was originally from the UK and was knowledgeable about the social enterprise sector in that country. Much of his work focused on the shared ownership of organisations and community enterprise development. He was currently involved in the Legal Models Working Group for social enterprise, which was set up to advise the government on the creation of legal forms for social enterprise in Australia. He explained why participation is important in social enterprise:

> *There is a narrow view that social enterprise is doing something for people. We see it as doing something by and with people, whether they are consumers, suppliers or employees. Social enterprise is not about employing people from disadvantaged groups either. It is only a small portion but they are the ones that get funds. Participation is important. It generates control of social enterprise for the benefit of community members. Otherwise it becomes top down and that is charity and managerialism. Social enterprise never started like that. It was about participatory business.*

According to Al, participation allows people to have control over their own destinies, which leads to better results. He believes that shared ownership is the core characteristic of social enterprise. Self-help does not mean people from disadvantaged communities do everything by themselves. They need to be connected with stakeholders but they have to make the decisions.

Ann was an innovation consultant for technology-based enterprises. She had 30 years' experience in NGOs and government but now believed the business sector holds the key to solving the problems. She commented on the implications of the absence of migrants and refugees from the management of social enterprise.

Refugees should be at the centre. Social enterprise should not be about we have to build social enterprises to help refugees. It is about listening to refugees and understanding their problems. It has to be business with them, not for them. It is not about businesses that will employ them either. It has to be co-designed with them based on their lived experience. It should not be about white men doing something for them.

Given the apparent failure of social enterprises to develop in CALD migrant and refugee communities, the only way to ensure the meaningful participation of the members of these communities is to encourage self-management and collective decision-making. Despite the fact that these principles were original characteristics of social enterprise, whether these principles should still be the characteristics of social enterprise is a contentious issue.

It should be noted that the present study does not interpret the involvement of non-migrants, non-refugees, established institutions or others involved in running social enterprises in a negative light just because they do not come from the target group. Rather, it highlights the fact that it is not a bottom up process initiated by the community, which has implications for the principles of empowerment and self help on which social enterprise is founded. It cannot be denied that the core of empowerment and self-help is better aligned with a bottom up approach in which the members of the community have ownership. The word 'self', which appears frequently in the social enterprise discourse, has almost no meaning or relevance in the actual practice of social entrepreneurship in CALD migrant and refugee communities. The ideals of social enterprise are largely built on its potential to foster entrepreneurial spirit in the community to generate social and economic outcomes. Therefore, the benefits should come from both processes and results. A lack of participation and managerialism do not foster such approaches. Hence, the research found that the major benefits of CALD social enterprises are created in the form of indirect externalities, specifically in the form of participation at lower production levels. This is based neither on the community development model of self-empowerment nor entrepreneurship based on innovation. The research findings

suggest that social enterprises in CALD migrant and refugee communities are better understood as just another form of charity as far as disadvantaged communities are concerned.

6.2.3 Resource acquisition and sustainability

This section presents findings related to resource acquisition and sustainability of social enterprises in CALD migrant and refugee communities. The data have implications for all three research questions. The sustainability of organisations has a direct impact on the effectiveness of social enterprise as a social policy, which addresses the primary question: How do social enterprises assist the settlement outcomes of CALD migrant and refugee communication in Sydney through their programs and services? Resource acquisition explores how ethnic social capital is manifested in the development of social enterprises in comparison with ethnic entrepreneurship, which addresses the first sub-question: How is ethnic social capital (ethnic community social networks) manifested in the development of social enterprise and how does this differ from private ethnic entrepreneurship? The findings discussed below identified structural barriers and lack of institutional support, which points to the need for more realistic and responsive policy measures. This is relevant to the third sub-question: What are the policy implications for creating a supportive environment for social enterprise in CALD migrant and refugee communities? Resource acquisition is one of the main characteristics of social enterprise that distinguishes it from other types of businesses; therefore, it provides an important context for organisational sustainability. For this reason they are discussed together in the following section.

The research findings showed that social enterprises in CALD migrant and refugee communities rely substantially on a variety of financial resources, including both public and private funders, but in many instances receive little income from trade. Social enterprises in CALD migrant and refugee communities can acquire resources such as set-up capital, working capital and human resources in a variety of ways. The most common source of funding to cover the initial set-up cost for not-for-profit (NFP) stream social enterprises is government grants, whereas business stream social enterprises have access to diverse sources, including combinations of private investment, personal savings, government grants and philanthropic funds.

For many NFP stream social enterprises, grants were identified as the main source of finance. Research participants received grants ranging from $1,000 to almost $1 million dollars. In some cases, the funds were not received specifically for a social enterprise, but to fund the position of a community worker, who then decided to initiate social enterprise projects. Nevertheless, NFP-stream social enterprises can benefit from in-kind and other non-financial resources, particularly during the start-up period. Most social enterprises in CALD migrant and refugee communities can use the infrastructure of parent organisations. Office rooms, meeting rooms, community halls and even kitchens are accessible to them free of charge or at a low cost. They can also benefit from administrative support such as insurance cover or the use of a financial officer for their activities. The ties with local communities that the parent organisations have developed over the years enable these social enterprises to access project participants and volunteers. In fact, some social enterprise interviewees stated that their business opportunities largely stemmed from in-kind support from their participants and volunteers.

None of the NFP-stream social enterprises in the study had used either private bank loans or social impact investments, although some indicated that they would be interested in taking out bank loans in the future in order to scale up. This suggests NFP-stream social enterprises do not seek other types of funds during the initial set-up stage, even though they may have more than one grant or use the organisation's internal resources. One social enterprise had used crowd funding in an attempt to diversify its income source. Overall, business-stream social enterprises showed less reliance on government grants than NFP-stream social enterprises, but government grants were still widely used by a number of them.

A small number of business-stream social enterprises deliberately distanced themselves from seeking government grants and working with governments. Amir, who ran a cafeteria to train newly arrived refugees, said he would never consider any form of government grant as it would compromise his and his social enterprise's integrity in achieving their mission. Paul, on the other hand, conducted a business activity whose income was derived from the state government; nonetheless he publicly stated that he did not wish to work with governments.

The findings showed a large discrepancy between NFP-stream social enterprises and business-stream social enterprises in their views about seeking financial resources from the private sector. A number of NFP-stream social enterprise interviewees stated that, although they were interested in seeking private investments in order to scale up at some stage, their boards would never approve private loans. Overall, there was more conservatism and lack of familiarity with respect to private investments in NFP-stream social enterprises. The degree of resistance, however, depended on other factors as well. One social enterprise facilitator who ran a cultural competency training program believed that her participants would have sought private investment if the business had gone well. She described them as relatively well off or financially stable. Most joined the social enterprise to socialise while pursuing personal development opportunities. The social enterprise did not go far. Nevertheless, she believed that, at least in principle, the participants would approve of private investments and take the risks associated with them. Other factors included the size of the parent organisation, whether finance staff were employed, whether the parent organisation had previous experience using private finance, and the membership of the board.

Two social entrepreneurs from the business stream financed their social enterprise entirely from their personal savings; the amount of personal funds used for the initial set-up exceeded $1 million dollars for one social entrepreneur. Both had strong business backgrounds. No social enterprise in the NFP stream, however, primarily relied on personal or private funds.

One key issue that emerged from analysis of the data on initial finance concerned the terms of grants, particularly the timeframe imposed on grant recipients. Social enterprises whose primary source of initial finance is government grants must operate within the time frame negotiated. This often becomes a hindrance to natural business development. Some local grants are offered as a seed fund with a timeframe of one year. For most social enterprises, this is too short a time to produce outcomes. Searching for a venue and staff usually takes several months. Social enterprises then realise that there is not enough time to satisfy the service delivery agreement. From that moment on, the projects start taking detours from the original intentions to find shortcuts to comply with the agreements. If the fund is a multiyear fund, it is likely to impose certain conditions that leave little room for entrepreneurship. In this study,

most NFP-stream social enterprises were required to start delivering services as soon as they signed the funding agreement.

On the other hand, business-stream social enterprises spend a longer time in preparation, carrying out market research, needs analysis or enhancing their understanding about social enterprises, even before the initial set-up period. One social entrepreneur from the business stream spent the first six months studying refugees' needs while working as a volunteer in a refugee service organisation. Another social entrepreneur from the business stream decided to wait indefinitely until she had raised sufficient funds. She used this preparation process not just for fund raising but also as an opportunity to develop a network with potential stakeholders and to deepen her understanding about the market before the official launch of her social enterprise. Nevertheless, the findings showed that the resource acquisition process in social enterprises in CALD communities differs from the typical process in ethnic entrepreneurship, where initial capital is often raised from members of co-ethnic communities through a rotating credit system.

In terms of sustainability, one of the main findings was the low level of dependency on trade as an income source among social enterprises in CALD migrant and refugee communities. This was particularly the case for NFP-stream social enterprises. Overall, there was a positive, shared understanding of the importance of trade, yet the proportion of income derived from trade as part of overall income was generally low. Due to the sensitivity of the information, it was difficult to obtain exact figures. Ideally, NFP stream enterprises should make this information publicly available through annual reports; in reality, only a couple of large organisations did so. Even in these cases, it was difficult to single out the relevant data because these organisations ran a number of projects concurrently. Most small organisations reported this information to their funding body in the form of project reports, or even reports that focused solely on social outcomes and provided no detailed financial information.

Some informants also commented that there is ambiguity around the concept of 'trade'. In many government-contracted services, such as those located in a workplace as part of the work for the dole scheme, some of the activities are designed to keep participants occupied or develop their skill levels, and the main income comes

from the fee-for-placement rather than from sale of the items produced by the participants. Even though more social enterprises in the business stream derived a larger proportion of their total income from trade, it was still the case that many business-stream social enterprises also depended considerably on non-trading income.

Tactical Gig is a start-up incubator program specifically targeting migrants and refugees who want to start up their own businesses instead of looking for employment. Although one of the co-founders has a strong community-sector background, from the beginning, Tactical Gig chose a business-orientated model with a legal structure as a private business entity (Pty Ltd). The founders believed that incubators, which have become a popular accelerator model for start-ups in Australia and overseas, could help entrepreneurs by providing opportunities to learn from each other and developing mutually beneficial networks. Like other existing incubator models, Tactical Gig seeks to implement a system in which income is derived from the program participants depending on the success of the business. Although it had a concrete plan for revenue generation, only having been in business for less than year since its foundation in 2016, the entire amount of its current income came from non-trade revenue such as crowd funding and prize money that the founders earned from pitch competitions and local grants. The business had so far derived no income at all from trade.

Sophia, who ran an online florist shop at the time of interview, also largely relied on prize money that she won from the national pitch competition organised by a commercial bank. Although revenue from sales was increasing, no profit had yet been generated. She understood that this was a critical period in terms of marketing and establishing her brand. Its current income could not support marketing activities and non-income generating activities such as floristry training. The prize money ($10,000) she personally earned enabled such activities to continue. She had also secured another grant from a local club for the upcoming year.

Together, these results provide important insights into the realities surrounding the sustainability of social enterprises in CALD migrant and refugee communities. Out of 20 social entrepreneurs interviewed, no social enterprise had yet achieved sustainability, and no entrepreneur believed that his or her social enterprise had achieved sustainability. In only three social enterprises did the informants believe that

they were coming close to a sustainable level. One social entrepreneur stated that, this year, by not paying himself and saving his salary, the business had broken even. Another explained that she now believed her social enterprise would improve its financial position. However, it is also important to note that not a single social enterprise was coming close to financial sustainability through business trading alone. Regardless of whether they were from the NFP stream or the business stream, the social enterprises in CALD migrant and refugee communities depended heavily on a variety of public funds.

Nevertheless, the data related to sustainability needs to be interpreted with caution, as almost all the social enterprises were less than five years old and some were only one to three years old. Therefore, it would be premature to come to any conclusions based on the current level of sustainability, since most businesses wished to grow. At the same time, the study found no evidence that the proportion of income from trade was increasing. Continuing reliance on public funding seemed to be part of strategic planning for social enterprises in both the NFP and business streams. This suggestion was reinforced during the process of arranging interviews, when the researcher made initial contact with potentially eligible social enterprises. On numerous occasions, he was told that the projects were no longer running. The usual explanation was the former social entrepreneurs or parent organisations had failed to receive grants. Several participants from the stakeholder cohort cited many examples of business closures.

From social entrepreneurs' accounts of the circumstances surrounding low levels of sustainability, it is possible to conclude that the situation is linked to the pool of resources that have been made available for start-up social enterprises across different sectors in recent years, as a result of the growing popularity of social enterprises. Such resources exist in the form of philanthropic funds, loans, seeding grants for start-ups, scale-up grants, crowd funds and prize money from social enterprise-related promotional events. The findings indicated that an increasing proportion of government grants for community service had been awarded to social enterprise projects. Both funding bodies and funded organisations, which have ongoing relationships, perceive social enterprises as an ideal opportunity to implement their strategies. Even some local governments had introduced grants to support social enterprises or recognised social enterprises as a priority area. This is in

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addition to the Jobs Fund of $100 million in 2009, and the Social Enterprise Development and Investment Fund (SEDIF)[18] of $20 million from 2010–2012 (Department of Employment 2016). Collectively, these have created a niche social enterprise industry, providing both NFP organisations and aspiring social entrepreneurs with opportunities and financial means.

An interesting finding was that many of the social entrepreneurs interviewed, regardless of their stream, had a high level of skills and experience in navigating and manoeuvring within the industry and obtaining resources. Large NFP organisations already have the necessary skills, networks and pre-existing working relationships with public funding bodies. Their public reputation and credibility as a community entity often provide them with advantages when seeking public resources. Most business-stream social entrepreneurs in this study were well capable of also had applying for and obtaining public resources, as their previous experience and skills spanned the community sector.

Two different attitudes were displayed by social entrepreneurs who relied heavily on public resources instead of trading income. One expressed the following justification for her continuing reliance on public resources:

What is sustainability? Can you please define it for me: what financial sustainability is? How long should it take? What are the indicators? Everyone has different ideas about sustainability. I think what matters more is the outcome.

She founded her textile business in 2014. When the interview took place in 2016, the business primarily relied on public funds, although no precise figures were provided. Nevertheless, she was optimistic about the overall sustainability of the business. It was later confirmed after the research ended that the business was

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[18] A total investment pool of $40 million was created by three fund managers: Foresters Community Finance (Foresters), Social Enterprise Finance Australia (SEFA) and Social Ventures Australia (SVA).

growing steadily while still relying on public funds through sources such as crowd funding.

On multiple occasions, however, participants voiced concerns about the inability to sustain businesses and the poor business skills possessed by social entrepreneurs from NFP organisations. On the whole, participants agreed that many social enterprises in CALD migrant and refugee communities managed by NFPs failed to achieve sustainability and hence soon went out of business, incurring significant social and opportunity costs.

Nguyen, who initiated a number of social enterprises for NFP organisations, attributed the low sustainability of social enterprises in CALD migrant and refugee communities to poor business planning:

Business planning was carried out based on the client group's needs. For example, when a driving school project was planned it took six months for the board to approve since the members were so afraid of the risks associated with it. However, the possibility of getting into accidents was never reflected in the business plan nor was the rising petrol price.

Business planning was based on a short-term projection of project sustainability, which in large part assumed a continuous supply of public resources, and income projection from trading was a secondary consideration.

Ann, who was an innovation consultant with extensive experience in government and NGOs, identified poor marketing skills as one of the reasons for low sustainability:

With the help of funding bodies, social enterprises manage to establish businesses but once that is done, social enterprises don't know how to do stay in business. There are not many people with such skills in social enterprises.

Matt, a consultant in one of the leading social-enterprise intermediaries and a long-time social enterprise advocate, warned that many NFP-stream social enterprises must be aware that running a successful business is difficult even for the most knowledgeable organisations. There are extra pressures and constraints that their for-profit counterparts are not subject to:

Making money is challenging enough on its own. If you have a workforce from disadvantaged backgrounds, you have to offset the extra costs by having such a work force. In fact, the more social responsibility social enterprise aims [there are], it is more difficult to achieve success. They are not able to scale up quickly due to the difficulties associated with taking equity investors.

The ability to attract investment and achieve scale-up is a critical component in business success these days. However, there is a structural weakness preventing NFP-stream social enterprises from achieving this.

Sophia was unique in her background as a social entrepreneur. Before becoming a community worker in Sydney, her previous experience was all in the business sector. Even though she was currently employed as a community worker, her social enterprise was independent from any community organisation. Unlike other social enterprise facilitators in community organisations, she strongly identified herself as a social entrepreneur. According to her, the difference between a successful social enterprise and an unsuccessful social enterprise lies in whether a social entrepreneur takes personal risks or not. She thinks this distinguishes social entrepreneurs from other social enterprise facilitators:

No matter how devoted they are, at the end of day it is their community development work. It is a part of their work contract. They are not responsible for anything, whereas I have a personal stake in it. I have invested in it. It is my passion.

She believed that, even though her social enterprise worked in a community context, she had the entrepreneurial attributes such as risk taking and a drive to achieve goals. She further asserted that most social enterprises in CALD migrant and refugee communities run by community organisations that lack in entrepreneurship are bound to fail.

Ann, an innovation consultant, commented on grants and how they deter entrepreneurship:

Entrepreneurs will stay in their pyjamas working continuously for six months if they have to. Ethnic entrepreneurs in earlier days were not given grants from governments to run fruit shops but they made it. But now social enterprises are given grants. That is not entrepreneurial. How are they going to make them competitive?

One major difference between a traditional business approach and a traditional social work approach is their attitude towards failure and its consequences. There is little discussion in the literature on what happens when social enterprises fail to achieve sustainability. The impact of business failure can be measured in business terms and social terms. For business entrepreneurship and start-ups in particular, a failure is considered a necessary stepping-stone that leads to future success. The narratives of nearly every successful entrepreneur indicated that they did not give up despite past failures. Nevertheless, the consequences of failure are different for projects that have been brought in to serve the socially disadvantaged or anyone in need. It is not a simple matter of services remaining available or not.

One of the research participants was running student clubs at university campuses in Sydney that were dedicated to developing social enterprises. The program began in the US and was subsequently introduced into Australia. It is now running in more than 30 countries around the world. The Australian model follows the US model in its implementation and management. The program is benchmarked on a campus start-up incubator model that is popular in the IT industry, but it places increased emphasis on businesses with a social impact, although it does not specifically use the term 'social enterprise'. The Australian club has many members

from an Asian, migrant background, usually second generation, and a focus on projects for migrants and refugees.

Throughout the interview, the club leader showed genuine good will and passion to help the disadvantaged. The whole program is structured around a model that is similar to a venture capital model, where there is greater emphasis on innovative ideas. The highlight of the program is the annual national competition in which clubs pitch their ideas against one another. The actual implementation of the selected ideas usually depends on the establishment of personal links with university staff and business mentors within the network. The clubs do not offer substantial budgets to implement the selected ideas. Over the years, the number of social enterprise projects sustained is very low compared to the number of projects that have been attempted. The ethos of the program largely affirmed the business discourse that is found in start-ups for high-tech industries in which the invention of innovative products becomes a focal point of business development.

Ann, an innovation consultant, commented on this trend. Although she was involved in a similar project, her view was critical:

> *The methodology is called rapid prototyping developed in the high-tech industry in the US. The whole idea is about minimising the time you try. What takes NGOs six months through a pilot project can be done in three days in this model. However, not much comes after the pilot. It has implication for the lives of already vulnerable people if simply tried out.*

Many of the benefits social enterprises bring to members of disadvantaged communities are achieved through increased self-confidence and raised self-esteem; hence, the social impact of failed projects can be far-reaching.

Al, a cooperative and employment ownership advocate, also warned about this trend:

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Most social entrepreneurs are not experienced with social issues. They are not from the disadvantaged communities themselves. There is heroprenurship. In fact many of them have never lived the problems.

In the Australian context, the question of how the "distilled and mass-produced version of the promise of the social entrepreneurs" (Papi-Thornton 2016) can be delivered without experience and understanding of problems remains largely unexplored.

The approach in traditional social projects is somewhat different. It focuses more on the outcomes achieved during the funded period. Projects are usually piloted before they get rolled out. This does not mean all the funded projects achieve social outcomes, but the expectation is that any new ideas and new projects are treated with more discretion than in the business sector. At the same time, however, the question remains as to whether the failure to achieve financial sustainability necessarily means the overall failure of the project. The project might have generated a high social value despite financial unsustainability.

It is evident from the research that social enterprises in CALD migrant and refugee communities lack the kind of entrepreneurship displayed in ethnic entrepreneurship. Newly arrived migrants have to struggle in order to earn a living for their families and face fierce competition. They reach out for whatever opportunities are available to maximise the advantages they have such as low labour costs and social networks, to such an extent that it could be considered exploitation. This process is absent in social enterprises in CALD migrant and refugee communities. Social enterprises in CALD communities also lack key principles that underpin community development. Most importantly, ethnic entrepreneurship relies on the support and involvement of the community in every stage of business development. Thus it reflects broader individual and community aspirations, and long term sustainability is gradually achieved as this process expands. In current CALD social enterprises, these processes are fragmented and partially or fully replaced by external groups, often with taxpayers' money, which creates a great deal of uncertainty around sustainability.

6.2.4 Double bottom line

Double bottom line is a unique characteristic of social enterprises, which seek to address social needs and achieve financial viability. Information about how social entrepreneurs pursue the double bottom line is therefore necessary in order to answer the primary research question: How do social enterprises assist the settlement outcomes of CALD migrant and refugee communities through their programs and services? Does the pursuit of both social and economic aims necessarily mean a trade-off between the two, or could there be a lock-step model[19] or win-win situation? Do social enterprises blend the pursuit of social and financial benefits simultaneously or sequentially?

In interview, social entrepreneurs were asked the question: "Was there an occasion that you experienced a conflict between pursuing financial interest and maintaining focus on social aims?" Further questions were asked to probe the nature of the interactions or transactions that social enterprises had with other businesses in order to discover whether these relationships were based on principles of reciprocity and mutuality and generated relationships between social enterprises and broader institutions.

The fieldwork data indicated that there were significant differences in how individual social enterprises pursued financial and social aims. The key factors that affected a social enterprise's approach towards balancing the double bottom line were identified as the social entrepreneurs' backgrounds, associations with parent organisations, business model, overhead costs, and business outlook. Two broad groups were identified, as explained below.

Social entrepreneurs in the first group believed that the business itself should be managed in a way to maximise financial outputs; it should be the same as any private business. Thus, the business side of the operation should be prioritised. In fact, some social entrepreneurs believed the success of social enterprise depended on how closely they adhere to this principle.

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[19] An organisational model in which financial return is generated in direct correlation to social outcome (Venturesome2008).

James comes from a strong business background. A former hedge fund manager for a large international investment fund, he found the concept of double bottom line to be straightforward:

At the end of the day it is business, like any other business you have to be financially successful first so that you can stay in business and continue to deliver service.

Although his business was one of the largest in the study, James's business model was rather simple. His business earned revenue according to the number of trainees going through the training programs. The business had registered training organisation (RTO) status. Even though detailed information was not obtained, it was estimated that the business incurred significant overhead costs as it employed eight full-time workers and rented an office in the middle of the central business district. For James, getting on top of financial matters was a priority that could not be compromised. Nevertheless, it had closed permanently a year after the research was conducted.

The majority of social entrepreneurs identified with this 'business first' approach. For example, most social enterprises that operated cafeterias managed them exactly like any private cafeteria. Sophia, who ran an online business, believed this is the key consideration:

We must make money first. People who don't understand this will fail in social enterprises. In order to stay a social enterprise and deliver service there has to be a financial resource.

The main belief in this group was that the service quality of the business should not be compromised in the pursuit of the social outcome. Social enterprise cannot compromise by providing a lower quality service from the customer's point of view as a result of its focus on social aims. Although the response varied somewhat according to the industry and skill levels required, the majority of informants

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indicated that customers would not buy a product just because it was produced by a social enterprise if the product was of lower quality than others available in the market.

According to Rick, who ran a social enterprise cafeteria in Western Sydney,

Some customers are aware that we are a social enterprise. So they support us. Maybe they feel good when they buy coffee from us. But it is the quality of our coffee that makes our customers keep coming back.

Tony, who ran a wholesale bakery he had founded as a social enterprise in 2011, shared a similar view.

Customers wouldn't buy from us only because we are a social enterprise. They will just switch the supplier overnight if they are not satisfied with our bread.

In no case did the social enterprise status of an operation positively and directly affect the consumption of its services, as witnessed in some recycling and energy renewal industries. In some industries, being a social enterprise and a public entity can favourably affect the business. However, in this research, with few exceptions, social enterprises operated in industries where there were private competitors. For consumers, being a customer of a social enterprise adds a little more value, but not to the extent that they would forsake the main value they are seeking from the purchase.

Although small in number, there were social entrepreneurs in the second group who believed that they could balance social and financial aims by sacrificing financial gain to social outcome. In these cases, social aims were pursued even during the production phase.

Lisa ran a food and culture tour service, taking groups to various ethnic restaurants (e.g. Chinese, Vietnamese, Lebanese, or Korean) in Western Sydney. The

business was initially set up by a large charity in Sydney but separated from it due to uncertainty around its financial viability. The new entity was set up and the management was handed over two years ago. The business has two social aims: to promote multicultural Australian society through enhanced cultural knowledge, and to support local ethnic businesses by bringing in more customers. The interview with Lisa revealed that some part of the business operation does not make much sense in conventional business terms.

Some courses are popular but some aren't. Some courses are not profitable and they actually incur business loss. But we let it happen because it is still important to promote diverse cultures and maintain our support for those communities.

Decisions had been made to continue operating at a loss as the service still met the social enterprise's social mission. There were two beneficiaries of the cultural food tour - the customers and local ethnic restaurants. The decision to maintain the unpopular course was made because it was felt to be important for the general public to have the opportunity to learn about the culture through its food, and the 'unpopular' participating restaurant still earned a share of the financial benefit, even though this means less profit for the social enterprise. In Lisa's case, there was a trade-off between financial gain and social outcome. However Lisa's business did not have large overhead costs since it did not need to rent office space.

An example of a win-win case was Sunshine Constructing Company, where addressing the social aims of the social enterprise directly enhanced business turnover. The company was set up by a large community organisation that delivers a government contracted refugee settlement service. As temporary housing is an immediate need for newly arrived refugees, the organisation decided to purchase a number of real estate properties. It gradually developed a property cleaning and maintenance business, and eventually started its own construction business. As the parent organisation's broad social mission was to assist the smooth settlement of newly arrived refugees, the social enterprise inherited this mission with an added focus on employment opportunity creation. The business adopted a policy of

recruiting tradesmen from refugee backgrounds. According to Trent, the business development manager, this happened naturally, without formal endorsement as a policy.

In financial terms, it is more costly to train newly arrived refugees. In the construction business, success depends largely on the punctuality and skills of tradesmen on the construction sites. It is essential that staff arrive on time and get the job done on time. In the construction industry, it is customary to work in pairs, and Trent always teamed newly arrived refugees with young local tradesmen.

They learn from each other. Refugees learn English, languages used in construction works and slang as well as Australian work culture. However, this system is equally beneficial to the locals. They see how eager these refugees are. Many of our local tradesmen have very relaxed laid back attitudes so sometimes they are not professional but they see how disciplined these new people are and change their attitudes over time.

The speed with which refugees learned skills and Australian work culture, which was one of the social aims, had direct implications for their business performance.

As previously mentioned, the researcher had been involved in the management of a social enterprise for more than eight years. Over this period, it became apparent that the pursuit of the double bottom line was in fact a major characteristic that distinguishes the management of social enterprise from the conventional management of for-profit organisations.

The present study's findings identified two main approaches in social enterprises' pursuit of the double bottom line. Some social entrepreneurs believed that profit should still be maximised first in order to achieve financial viability for the organisation. Social benefits can be derived from the profit earned but commercial aspects of the operation should not be compromised in any way. Other social entrepreneurs, however, sought to promote social aims even at the expense of financial revenue. In such cases, profit was not there to be maximised but to be

optimised by supplying the right amount of resources required for that given moment in the business. Delivery of social benefits is built into the process, and key managerial decisions are made based on the new equilibrium achieved through trade-offs between commercial gain and social outcome. Once the profit-maximising principle is compromised in the production stage, this opens up new ways of innovating business practices, which has the potential to radically change traditional views of organisational behaviour.

The social enterprise in which the researcher is involved is a video production service that produces visual resources such as DVDs and promotional show reels for CALD communities in Sydney. One key strategy to achieve the organisation's mission, which is to promote Australia's multicultural society, is through actively involving people from CALD backgrounds in the media industry as a means of empowerment. The Australian media industry presents high barriers to entry despite its importance for CALD communities in terms of representing ethnic minorities in the mainstream community. The main strategy for achieving the organisation's mission has been to provide members of CALD communities with local work experience in the media industry, which would otherwise have been difficult to obtain. Nevertheless, the industry requires a high level of skills, which can be learned only by years of training, to build and maintain a professional workforce.

For example, a newly arrived migrant, a former documentary film director from Egypt suffering from severe depression after separation from her husband, was offered the chance to run workshops on film-making targeting refugee women, despite her lack of language skills and local experience. A young university graduate with a high level of social anxiety was deliberately put into a marketing position to gradually increase her exposure to social settings and help her learn how to deal with them. Such strategies were usually implemented under the supervision of more experienced staff in situations that were assessed to be safe for the employee. Such arrangements require more attention and coordination than in a normal business. They also pose a risk for clients who might find that the quality of service provided by the staff does not meet professional standards. On occasion, this kind of approach was not in fact appreciated by clients and also entailed financial loss since clients, although they supported the cause of the social enterprise, did not return if they were not fully satisfied with their previous encounter.

Similar situations were reported by social entrepreneurs who participated in the research. The process requires a fine balancing act between maintaining standards and providing experience. Nevertheless, when employees described how much the opportunity meant to them in terms of gaining confidence and how their participation had improved their psychological wellbeing, it was clear that social enterprise can be truly empowering. Social enterprise can open up whole new dimensions of what employment can do for people in need.

The data analysis raised additional questions about the pursuit of the double bottom line. Does increased financial standing of a social enterprise necessarily mean increased benefits for disadvantaged community members? Does delivery of social benefits by social enterprises necessarily depend on the financial success of the enterprise? If social enterprises fail to achieve sustainability, this will naturally be the case, but if a social enterprise reaches sustainability, is there necessarily a correlation between the financial growth and social benefits produced? Can there be a social enterprise that is not intended to be sustainable but still achieves its aim, similar to a social development project? All of these issues remain unexplored.

One social enterprise consultant remarked that not everyone participating in social enterprise seeks highly paid full-time employment. Empowerment is achieved, rather, by acknowledgment of the potential contribution that members of disadvantaged groups can make and consequent social acceptance of such disadvantaged groups. Having a job title and a business card, making a contribution to the household income without fully depending on one's husband means more than a high salary to women who have been excluded and suffer from self-doubt and loss of confidence.

During the fieldwork, discussions about the achievement of social aims in the context of the double bottom line seldom included discussion of social capital. The social benefits identified by the social entrepreneurs centred around the creation of employment and its associated benefits. These benefits, however, are little different from the benefits identified in the ethnic entrepreneurship literature. For example, running a cafeteria, which provides employment opportunities as well as space for communities to meet and socialise, is typically cited as a benefit of both social entrepreneurship and ethnic entrepreneurship. In the present study, however, there

was no mention of the mobilisation of community or the use of community as input to social capital. In contrast, the mobilisation of co-ethnic and intra-ethnic community members in various steps of business development, from resource acquisition to human resource management, has been well documented in the literature on ethnic entrepreneurship, where it is central consideration in the embeddedness theory.

In this study, CALD migrant and refugee communities were largely rendered as anonymous beneficiaries. In fact, members of CALD migrant and refugee communities remained largely invisible, except for a couple of co-ethnic based women's groups and one cafeteria, which had become a refugee gathering space. The main link between social value creation and the involvement of individuals or groups who are motivated by social value creation at the community level was unclear. This also has important implications for the sustainability of social enterprises. As previously explained, when it comes to trading, businesses must be competitive. Ethnic entrepreneurship demonstrates the effective use of limited resources through the mobilisation of social networks. Some kind of added value is therefore required for social enterprises to effectively compete in the business. Yet the research failed to identify anything like this. Of course, there were some volunteers working for social enterprises but they were indistinguishable from volunteers in any other community organisation, and it was unclear what (if anything) entrepreneurship meant to them in terms of being part of or aligned with wider community or social goals. This observation supports the findings reported earlier under other themes, which showed that CALD migrants and refugees played limited roles as beneficiaries or trainees of social enterprise programs without direct involvement in entrepreneurship through collective decision making or participation in management.

Finally, during the course of the research, not a single social enterprise in CALD communities mentioned anything about the environmental impact of their social entrepreneurship, which makes the concept of triple bottom line irrelevant for the findings.

6.2.5 Evaluation and accountability

This section examines performance evaluation and accountability practices. This information is essential in answering the primary research question: How do

social enterprises assist the settlement outcomes of CALD migrant and refugee communities in Sydney through their programs and services? This theme is directly related to the assessment of the success of social enterprises in CALD communities in providing employment opportunities and reducing social exclusion.

During the research, social entrepreneurs in CALD migrant and refugee communities responded most poorly to the question related to accountability and evaluation. These questions were usually answered by short statements with limited information. The respondents were not able to elaborate on the answers provided. In the early stages of the fieldwork, attempts were made to collect performance data on both financial and social outcomes. It was hoped that some statistical information would help to measure the efficiency of social enterprise as a policy instrument in addressing social issues for the disadvantaged communities, which was one of the key research aims. In particular, the level of social outcomes produced in relation to the resources injected is thought to be an important indicator of the efficacy of social enterprises. However, the research was unsuccessful in obtaining such information, for the following reasons.

First, most social entrepreneurs were reluctant to reveal financial information, such as business turnover or profit levels. NFP stream social entrepreneurs were somewhat more accommodating in this respect than business stream social entrepreneurs, since they were more accustomed to the idea of sharing information as a public entity. However, the majority of business stream social entrepreneurs were not inclined to share such information. One social entrepreneur responded that if social enterprises were treated as trading businesses, such information should remain confidential as it is a norm in society that people do not ask private businesses such questions. Such experiences discouraged the researcher from pursuing financial information beyond a certain point when there was no voluntary input from the informants or willingness to share this information. As soon as it seemed that asking sensitive questions might adversely affect the atmosphere of the interview as a whole, subsequent questions were phrased in more general terms, such as: "How is your social enterprise performing in achieving financial sustainability?" as opposed to seeking precise numbers. Such questions typically led to simple answers; merely enough to suggest whether the business was making a profit or not. This meant it was not possible to measure efficiency or efficacy.

The responses varied when questions about measuring social performance were asked. With the exception of two NFP stream organisations, the social enterprises did not have a formal process or mechanism to measure social performance. One business stream social enterprise conducted a Social Return on Investment (SROI) analysis a couple of years ago via a volunteer from the Centre for Social Impact. The majority of social entrepreneurs responded with an apologetic tone and did not elaborate much on the topic, suggesting that they understood the importance of having such practices; some social entrepreneurs did in fact mention this. In some instances, the interviewees expressed general opinions around the issue of accountability and evaluation instead of identifying the social performance indicators. This had been anticipated to some extent, since the extant literature reported the difficulties associated with measuring social outcomes for social enterprises. For this reason, the interview question was designed to explore what methods social entrepreneurs used to gauge the progress of their missions rather than focus on identifying specific social outcomes produced by each participating social enterprise.

When the initial question about formal evaluation of social performance failed to elicit much response, the question was rephrased, such as: "How do you gauge progress towards achieving your social mission"? Again, the researcher was met with a mix of surprise and embarrassment, and almost regretted asking the question. However, the following patterns were observed.

The social entrepreneurs from NFP stream social enterprises were able to align the social performance of their enterprise with the social mission of their parent organisations and therefore had a better sense of the progress of their achievements. In fact, some could replicate the evaluation framework of the parent organisation in their social enterprise operation. For instance, an NFP stream social enterprise run by a youth service could apply their assessment tool, which measured the degree of gradual community engagement of their trainees during employment training. This was the system developed and used by the parent youth service organisation. The response from business stream NGOs tended to be more conciliatory.

Well, that is a good question. I am not sure to be honest with you. We haven't thought about it much. I guess we can improve on that. Yes that is an area we can focus on more.

This does not necessarily mean that social entrepreneurs were not aware of how they were performing in terms of achieving their social missions. Paul, who ran a café in Western Sydney, was not able to elaborate much when asked about how he evaluated progress towards achieving social goals. Yet it was apparent that he had a good intuitive feeling about the progress that his trainees were making. In a small cafeteria space, he spent six weeks with individual trainees and therefore had plenty of time to observe them. He also kept track of whether his trainees found a job or not and maintained personal mentor relationships, which often lasted beyond the traineeship. This was demonstrated when the interview was interrupted a couple of times by former trainees who dropped by to say hello or ask him to become a referee. In later interviews, he expressed his idea of establishing a local social enterprise hub where he could receive hands-on assistance with formal evaluation and writing reports. He believed he could turn his understanding of his trainees' progress into a formal evaluation process, an area he knew little about.

Lisa, who managed a cultural food tour, understood the importance of good evaluation from her previous community work. In the beginning, her social enterprise conducted regular surveys targeting both participating restaurants and customers. Later, as the business gained more experience and closer relationships were formed with participating restaurants, the need for such formal evaluation practices decreased and she discontinued them.

One of the characteristics observed during the course of this research, in particular in those organisations that achieved viable scale and reached a large size, was the emerging tendency towards a division of roles between financial personnel and social work coordinators. Although it is common for most social entrepreneurs to come from a unique background of business and social experience, as a business grows, social enterprises hire more specialised staff to build capacity. If a social enterprise is from an NFP stream and sizeable, the social enterprise usually hires a business specialist. Vice versa, if a social enterprise is from a business stream and

sizeable in operation, social workers or trainers from community service backgrounds are hired to build capacity to compensate for the social expertise lacking in the organisation. In this regard, the fact that some social entrepreneurs were unable to comment on the evaluation of social outcomes does not necessarily mean that it had been ignored. Although lacking formal accountability practices, social work background staff may still be well informed from everyday activities about the organisation's progress towards social goals.

From the interviews with stakeholders, a fundamental issue arose around accountability practice, namely, whether small social enterprises really need formal impact measurement reports. On this issue, stakeholders expressed opinions that seemed to contradict each other. Some acknowledged the growing importance of accountability.

According to Jerry, who ran a social impact consultancy, there was demand for social accounting, particularly after the 2010 Productivity Commission Report[20] was published. At the time of interview, his consultancy specialised in conducting social return on investment evaluations. The Productivity Commission Report devoted considerable attention to social outcome measurement, in particular the growing need for impact measurement as the government moved into areas such as social benefit bonds. However, social outcome measurement is an expensive practice:

SROI is not for everyone. It is time consuming, based on many assumptions and expensive. I charge around $10,000-$15,000. My clients are all large NGOs. Smaller organisations are better off using other methods such as logic maps[21] but it is not an established method either.

The growing importance of measuring social impact was confirmed by a number of impact investment consultants during the research. However, the role of

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[20] Contribution of Not-for-Profit sector, Productivity Commission Research Report, Jan 2010

[21] Logic model developed by Kellogg foundation

social outcome evaluation and its practical merits in impact investment was dubious in the opinion of other experts.

According to Miranda, an adviser at an impact investment organisation, although there are reporting or milestone requirements for social enterprises that seek loans from investors, these requirements are inconsistently reflected in the kinds of performance measurements used. This happened primarily because fund managers did not want to impose onerous tasks on social enterprises because frequent and comprehensive reporting can be a resource intensive practice for start-up social enterprises. In addition, there was no standard measurement framework in the industry. This is consistent with findings in the recent report from Impact Investing Australia (2016) that there is as yet no detectable convergence on the adoption of taxonomies or impact measurement frameworks.

Matt, who had many years of consulting with both social entrepreneurs and investors, doubted the practical usefulness of impact measurement:

At an operational level, there is no mandate to do any impact measurement. The main purpose of accountability or the ultimate group that social enterprises need to be held responsible to are their board and members. There is an assumption that investors want this information. On many occasions, investors are more interested in stories rather than formal reports on impact.

According to Matt, endorsing a particular type of impact investment measurement could, in the worst case scenario, have a perverse impact, as more social enterprises gear up towards achieving social outcomes favoured by certain measurements. For instance, according to Matt, any project with an early intervention focus will score highest under SROI. Additionally, a survey by Impact Investment Australia (2016) reported that around 20 per cent of impact investors were unaware of the social impact created by their investment.

Al, who was an advocate for cooperatives and employment ownership, was planning for Social Audit and Accounting (SAA) training in Australia based on the UK approach:

> *Currently our reporting is about descriptions of activities telling people how busy we are and how we spent the money. It reports the end result only. It should be a communication tool among stakeholders because participation requires good communication to keep stakeholders' informed. Social auditing should target performance improvement not just financial outcomes for investors*

According to Al, it takes a change of management culture. Social accounting should not be targeted as a self-promotional tool to attract more funds. It should be an instrument for improving performance, with the involvement of stakeholders.

When the refugee welcome café was initially contacted by the researcher, the owner emailed a copy of their impact report. The 10 page report contained a number of colourful photographs and outlined the key activities of the café in plain English. The report had a good balance of qualitative and quantitative measures. Along with descriptions about what the service means to new refugees, it provided information on the number of trainees, clientele, number of contracts, the largest contract and the largest number of clients served. The appendix to the report contained social media information and local newspaper articles related to the project. The report provided a clear picture of what was happening in the project and inspired confidence by conveying the impression that the enterprise was well managed. The report was exceptional for a social enterprise of its size. It was later explained that Tom, the social entrepreneur, used to work as an advertising company agent and therefore understood the importance of communication with stakeholders. He possessed the technical ability to produce such a report with minimal resources.

It is unclear to what extent a lack of standardised accounting and evaluation measurements or the convergence of practices impedes or benefits social enterprise development for smaller social enterprises such as those in CALD migrant and refugee communities. This is particularly so when impact investment is geared to

support larger organisations, as is elaborated below in the section on impact. The divergent and conflicting discourses about the accountability practices of social enterprises point to the emerging need for new practices that satisfy both legitimacy and practicality. It is highly unlikely that any particular method will gain prevalence as a tool for measuring social impact in the near future. As suggested by social entrepreneurs, any government leadership that endorses the use of simple but diverse formats and hands-on assistance and technical support through the establishment of local social enterprise hubs could provide a useful new direction.

This theme has particular relevance to the main research question, since the scientific assessment of social enterprises' success in assisting the settlement of CALD migrants and refugees through increased employment and reduced social exclusion requires a set of assessment measures. Nevertheless the data suggest that most social enterprises in CALD migrant and refugee communities do not measure their performance and have limited knowledge about how to do so. This raises an important question with regard to justification of social enterprise as a social policy and the main rationale for its growing popularity: if the majority of social entrepreneurs do not measure the performance of social enterprises or are not even aware of ways to do this, how can their effectiveness be assessed?

As explained earlier, the fact that social entrepreneurs do not measure does not necessarily mean they do not know. They may have a great deal of intuitive knowledge about their performance. Anecdotal evidence is also available in the form of case studies of successful individuals and organisations. Such forms of evidence, however, do not support or justify the use of current social enterprise discourse that is driving the social enterprise industry in relation to CALD migrant and refugee communities. There is a clear discrepancy between what social enterprises can potentially do for CALD migrants and refugees and hard evidence to substantiate these claims. This situation is created by the strategic positions that various players around social enterprises have adopted in their pursuit of organisational interest, a key process that leads to the submissive behaviour of the sector in response to perceived higher power, as Foucault would argue. The following theme explores this in more detail.

6.2.6 Relationships with key stakeholders

The information presented in this section primarily addresses the second research question: How is ethnic social capital (ethnic community social networks) manifested in the development of social enterprise and how does this differ from private ethnic entrepreneurship?

Relationships are an essential and integral part of social enterprise. Without relationships, the 'social' in social enterprise has no meaning. Social enterprises in CALD migrant and refugee communities develop relationships with various stakeholders as part of their social entrepreneurial endeavour. These relationships are forged through multiple layers of interconnectedness. The term 'ecosystem' is sometimes used to denote the totality of such relationships. This term, however, downplays any negative or unfavourable aspects of such relationships and implies an optimum equilibrium of multilateral relationships. The literature reveals that, whether through a focus on social missions or through embeddedness in institutions and societies, ongoing relationships with stakeholders are an integral part of social entrepreneurship (Borzaga & Defourny 2004). The literature also suggests that, according to the social capital perspective, the success of a social enterprise depends largely on its ability to replicate market conditions, which allows for the principles of reciprocity to be reclaimed on a larger, societal level (Woolcock, 1998). The ability to transcend mere transactional relationships with stakeholders and to form reciprocal relationships is key to the long term success of a social enterprise. The pursuit of the double bottom line and the creation of social values to benefit the disadvantaged can be meaningfully carried out by recognising and reproducing reciprocity on multiple levels; social enterprise can be used as a vehicle to achieve that.

Although all of the social enterprises in the CALD migrant and refugee communities had some stakeholders, the findings showed that the majority worked in isolation from and had low levels of meaningful engagement with, or support from, stakeholders. These relationships did not appear to provide substantial assistance or to play a determinable role in delivering social impact, thereby failing to embody the social enterprise principles of reciprocity. According to the social entrepreneurs, the nature of support could be described as sporadic, small scale, and lacking a systematic approach, although they did acknowledge that there was a great deal of goodwill

among stakeholders. Regardless of which conceptual lens is applied - ecosystem, embeddedness, mixed embeddedness, social network or social capital - it was clear that the relationships involved in social enterprises in CALD migrant and refugee communities displayed very loose reciprocal links. The situation is most aptly characterised using Foucault's idea of strategic positioning of various interest groups.

6.2.6.1 Relationships with funding bodies

A large number of social enterprises in CALD migrant and refugee communities received external funding in one form or another. Relationships with funding bodies were crucial for those social enterprises that depend on external funds. This was particularly the case for NPO stream social enterprises, which were more dependent on governments for funds. Nevertheless, the research found that business stream social entrepreneurs also successfully drew on government or public funds. For NPO stream social enterprises, government funds were often essential as seeding grants in the early phase, where they usually provided a large proportion of the initial setup costs.

It is not known exactly how much government funding has gone into social enterprise projects. Apart from two major social enterprise government initiatives, Jobs fund [22] and SEDIF [23], it is not possible to trace the funds that have been channelled into social enterprise projects from various government departments. There is currently no centralised government support for social enterprises in any government department. The experts interviewed pointed out the importance of the existing culture that government policy has created over the years.

Matt, a well-known advocate for social enterprises, had been a program manager for a leading social enterprise intermediary for eight years. He frequently delivered public talks on social enterprises and was regarded as a key industry expert. He believed that the social enterprise sector in Victoria was more active and robust

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[22] In 2009, the Australian government, though the department of Education, Employment and Workplace relations (DEEWR) introduced $650 million funds to protect and stimulate jobs. It is estimated that $80millon to $200 million were spent on social enterprise projects (more than 100 recipients) with the intention that social enterprises would be self-sufficient beyond 2011.

[23] A Social Enterprise Development and investment fund of $20 million was announced in 2010 and implemented in the following years.

than its counterpart in NSW. In his view, this was because of Victoria's well-established philanthropic culture and government policy over the years:

> *Here people tend to take riskier ideas. The pool of philanthropy money is much bigger than NSW. That is reflected in the government policy. Such policy setting cultivates certain behaviours in the f not-for-profit sector. The sector is more receptive here. Our service as social enterprise intermediary has been around for eight years and we used to be funded by the Victorian government for almost half of our costs. That allowed us to do a lot of capacity building. The Victorian government is about to launch Social Enterprise Strategy along with social procurement policy.*

In the absence of reliable statistics for the number of social enterprises in each state, it is difficult to ascertain the influence that state government policies have on the culture as a substratum for social enterprise developments.[24] The number of not-for-profit organisations in the states of Victoria and New South Wales is roughly proportional to their populations. However, Matt's claim that there is a more active social enterprise sector in Victoria as a result of the state government can be substantiated by secondary data as well as by information gathered from a number of informants in both the social entrepreneur and experts cohorts. Although a direct comparison of the numbers of social enterprises is difficult, a comparison between social enterprise stakeholders, such as intermediaries, confirms the existence of stronger social enterprise support in the state of Victoria than in New South Wales. This view was expressed several times by a number of social entrepreneurs who pointed to gaps in the extant research. According to Matt, when a social procurement policy is implemented by the Victorian government, there will be closer relationships between social enterprises and the state government.

Contributions from funding bodies were undoubtedly essential; however, the research found that funding bodies can present significant barriers to natural business

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[24] There are approximately 600,000 not-for profit organisations registered. 34% are in NSW and 24% are in VIC (Australian Charities and Not-for-profits Commission ,2016).

growth and capacity building. Most external funding bodies attach rigid terms and conditions, which are often unrealistic for start-up businesses and incompatible with their entrepreneurial nature. Dean was a social entrepreneur with extensive experience and knowledge of working with government funding bodies:

The departments are only interested in whether the projects produce the outcome or not within the agreed time frame. They have little knowledge about how the services are actually delivered not to mention how the businesses are run in that regard. It takes years for business to grow. During the early years of business, there is a lot of unpredictability yet ignoring all these factors while only focusing on creating agreed outcomes actually inhibit natural growth of business.

Having spent many years dealing with government funding bodies, Dean found ways to satisfy funding bodies while still taking courses of action that assisted the flexible development of his business. As grant consultants have low levels of understanding of service delivery, he negotiated targets that could be achieved easily, which allowed more time for long term natural development. However, this was only possible because of the accumulated knowledge and high organisational capacity of the parent organisation of his social enterprise. The difficulties that stem from the unrealistic expectations of government funding bodies are illustrated in the case study of Lemontree Café, which is presented later.

Sophia, who ran an online flower shop, also understood that, while some funding could help her project, other forms would adversely affect the course of natural business growth. She believed that many NFP stream social enterprises do not understand this and apply for any type of funding, which results in the development of social enterprises that deviate significantly from their original vision. Social entrepreneurs must have full control over every aspect of the business, she argued, and should not hand over any control to funding bodies.

Ann, an innovation consultant, explained the need for subtle balance between being strategically collaborative and being independent from government and NGOs.

Collaboration can be a useful strategy. No one should work in silos. But governments and NGOs are big now and they do not have urgent needs as refugees do. Big charities are part of the status quo. They have been funded for the last 100 years. They enjoy monopoly, duopoly. Survival of these organisations is always more important the people they serve.

Some participating social entrepreneurs accepted only non-government funding due to their disgust at the Australian government's treatment of asylum seekers. They did not bother seeking government funding as they saw the government as a source of problems for their main beneficiaries, rather than a solution. As a result, from the very beginning, they adopted a model that largely relied on business revenue.

Several social entrepreneurs commented on their relationship with government funding bodies during the research. However, it became clear that none of the government funding bodies understood what social enterprises are and how they work. There is currently no centralised unit within any Australian government to develop or implement social enterprise policy. There is, however, a team within the Department of Employment (previously DEEWR), which created the Social Enterprise Development and Investment Funds (SEDIF) scheme. The implementation of SEDIF was carried out by three fund managers. The program published its evaluation report in 2016.

Apart from SEDIF, there have been no government-initiated social enterprise support programs, even though grants are still offered by various departments. According to the government official involved in the creation of SEDIF, the problem is that there is no shared understanding of social enterprises in other departments, which must nevertheless respond to the needs of social enterprises and distribute funds. The SEDIF fund was aimed primarily at creating impact investment and building the social enterprise sector. According to the evaluation report (DEEWR 2016), it has been ineffective in building the social enterprise sector, making it largely irrelevant to social enterprises in CALD migrant and refugee communities. The need

to educate government funding bodies about social enterprises was pointed out by the experts who took part in this research. Therefore, it can be said that collaboration between social enterprises in CALD migrant and refugee communities and the current government funding bodies, based on a shared understanding of social enterprise, is extremely difficult to achieve. This will be discussed further in the impact investment section.

Moreover, the government's bureaucratic processes can often hinder the emergence of grassroots social enterprises. One informant had applied to the Jobs Fund in 2009. The business model was to set up a community newspaper following recognition that there was a unique market opportunity due to the area's demography, which has one of the highest concentrations of migrant and refugee communities in Sydney. There were a number of ethnic minority newspapers that served specific cultural and linguistic groups, but no medium served inter-ethnic relations across diverse communities while still maintaining a focus on ethnic minority affairs. Since the area had a number of large ethnic minority communities, including Chinese, Lebanese, Vietnamese and Korean, the combined market segment was larger than that of any particular ethnic minority. Potential business opportunities included, for example, a Chinese restaurant owner who wanted to attract customers from other ethnic groups and would not want to advertise in the Chinese language or mainstream media. The parent organisation had already established strong networks with all of these ethnic minority communities, which meant that the infrastructure was already there. A niche market was spotted. The proposal was well received by the grant consultants and seen as being innovative and viable. In particular, the fact that the proposal had a clear idea of how revenue would be earned through trade and selling advertisements appealed to the grant consultants, whose role at the time was to encourage and administer applications from community organisations to this newly-introduced pool of public funds. However, since the fund was administered by the Department of Education, Employment and Workplace Relations (DEEWR), the application could only be submitted by job network providers. Local community organisations had to form a consortium with a job network provider to negotiate the application. The initial proposal was significantly modified by the job network provider in a way that meant it could be incorporated into its existing employment training program. The social enterprise was largely interpreted as a form of job

training by the job network provider. The trading component of the original proposal was dropped and was replaced by employment training for jobseekers and work for the dole participants. The social entrepreneur commented:

> *The government seems to be interested in jobs creation only. I don't think they understand that jobs are created as a result of successful businesses. A job network services consider social enterprise as just another training program.*

The Department of Employment in the Australian government is the only government department that oversees social enterprise policy. This reflects the recognition of social enterprises' potential for job creation and the government's emphasis on that particular aspect in their policy development. This is consistent with the findings of the recent SEDIF evaluation report, which identified the employment focus of government as one of the barriers to building a more balanced ecosystem (DEEWR 2016).

6.2.6.2 Relationships with social enterprise intermediaries

Since the government has little knowledge or experience of social enterprises, it is sensible for government support to be catalysed through social enterprise intermediaries. One of the aims of SEDIF was to build the capacity of social enterprises through the creation of intermediaries. SEDIF's evaluation report (DEEWR 2016) found that the fund had not been successful in creating such intermediaries nor in developing the social enterprise sector by directly supporting start-up social enterprises. This is consistent with the information gathered from the social entrepreneurs in this study. Despite the initial assumption that there would be many social enterprise intermediaries in Sydney, the fieldwork established that, apart from three fund managers[25], who were recipients of SEDIF funding, only a few

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[25] Social Enterprise Finance Australia (SEFA), Foresters Community Finance (Foresters), Social Venture Australia (SVA)

intermediaries were active in Sydney. This is in contrast to Victoria, where there are a greater number of social enterprise intermediaries.

The research showed that, overall, there was little awareness of social enterprise intermediaries, including the three fund managers. Interactions with intermediaries were rare, while the social entrepreneurs who did deal with them mainly expressed disappointment or provided neutral statements about the value of their services. Two social entrepreneurs were not happy with the interest rates that the fund managers offered, which were higher than the rates offered by commercial banks. Other social entrepreneurs found them to be inaccessible as they charged high consultation fees. One social entrepreneur stated that he had the impression that the main reason they wanted to have his business registered with them was for their benefit, whereas he was not sure what they could offer his business.

This is not surprising given that these fund managers were not established to provide start-up or seed funding for social enterprises, but to provide later stage financing for organisations that had already been through the early phase of developing their operational model (DEEWR 2013). This model was chosen from the outset of SEDIF so that the fund itself could be sustainable for longer. As a result, those funded impact investments are run as social enterprises themselves, forcing them to prioritise services that yield returns, which is not relevant to most social enterprises in CALD communities. On the other hand, according to Matt, an expert from a leading social enterprise intermediary, activities related to building business capability were deliberately overlooked due to the associated high costs, according to the evaluation report. More information is provided in the impact investment section.

While the social entrepreneurs interviewed were unsure of the benefits that social enterprise intermediaries and fund managers could bring them, they highlighted the absence of a higher body in Sydney that they could rely on. One informant explained that a higher body in the area of social procurement would be of benefit. There was (and still is) currently no overarching structure to facilitate networking among social enterprises in Sydney. Matt commented that:

It is unlikely that we will see the emergence of peak industry body in Australia in the near future. A peak body requires a strong member base

as it is the case in the U.K. Validity is very important. Peak bodies are usually created by people who want a peak body. They don't go and claim that they are the peak body. It has to come from grassroots but social entrepreneurs in Sydney have no time to push that agenda. In Australia, the organisations with potential to become a peak industry body, deliver services such as impact investment or for fee consultations.

The only organisation that appears to have a strong member base is the Queensland Social Enterprise Council (QSEC). Nevertheless, their focus on Queensland makes it unlikely that they could become a national body. Although Victoria has a strong presence in terms of regional service and Social Traders whose work sometimes expands to other states, no organisation could be identified as a representative industry body in New South Wales or in Sydney.

Stephen was a business adviser to a large community organisation that ran a number of social enterprises in Brisbane. He was also a social enterprise advocate and an industry advisor in the Prime Minister's Business Community Partnership, which he used as a forum to discuss social enterprise with the federal government. He believed that a national body for social enterprise could deliver many benefits:

We need a national peak body to deal with federal government. Well it doesn't have to be peak body but we need something. There are real opportunities emerging particularly in the area of social procurement. Yet there is misunderstanding about social enterprise. We need to lobby and educate them. A national body can do that.

During the course of the research it became apparent that there was an ideological division among stakeholders and institutions on what social enterprise should be in Australia, although the government had distanced itself from this debate. Al, a cooperative and employment ownership advocate who was also involved in the Legal Models Working Group, commented:

It will be difficult to develop any consistent policy for social enterprise because different stakeholders and institutions have strong underlying self-interests. They all try to define what social enterprise is to suit their own interest. Yes we are one of them too. We think participation and ownership should be in the definition.

Diverse discourses on social enterprise will continue to compete against each other until one achieves dominance.

From the research, it is clear that the majority of social enterprises in CALD communities need government support at the local government level. It is questionable whether a national peak body could facilitate this due to the complexity of social procurement policy within local governments. Nevertheless, such a desire was expressed by social entrepreneurs. More information is provided in the social procurement section.

Social enterprise has emerged as a new hybrid space for both traditional not-for-profit organisations as well as conventional for-profit businesses. It requires new knowledge and understanding, leading to the need for appropriate managerial skills for social entrepreneurs. Capacity building in this sense is essential for many start-up social enterprises. In particular, NFP stream social enterprises, which lack business experience, will benefit from capacity building opportunities. For this reason, special social enterprise courses have been developed in other countries specifically for not-for-profit organisations. However, the research found a large gap between the current level of support for capacity building and what is required to grow social enterprises. There is no longer any specialised social enterprise training organisation in Sydney. Most social enterprises in CALD migrant and refugee communities, therefore, acquire these skills through trial and error.

During the data collection period, several informants mentioned their affiliation with the School for Social Entrepreneurs (SSE). This organisation was founded in the UK in 1997 and was launched in Sydney in 2009 as a specialised learning program for the development of entrepreneurial skills. The program officially ceased operating in December 2016. Efforts to interview representatives of the organisation and obtain information about its training program were unsuccessful due

to its imminent closure, making it impossible to analyse the effects of its curriculum. The social entrepreneurs interviewed, however, provided positive feedback about the service. The service clearly provided social entrepreneurs who were isolated with opportunities to meet other social entrepreneurs and learn from each other. A local social enterprise training program, such as Multicultural Enterprises Australia, which delivered social enterprise training in the Western Sydney area, had also ceased operating.

When SEDIF was conceived, one of the aims of the fund was to build the business capabilities of social enterprises. According to the evaluation report (DEEWR 2016), the effect of this was weak. Only applicants seeking debt finance were able to obtain assistance to build business capacity as part of their investment readiness. Activities targeting general social enterprises were largely avoided, as such activities incur high costs to fund managers. A secondary data search yielded a number of specialised training programs for social enterprises, but none of these organisations are currently located in Sydney. There are active incubator programs based in Melbourne, but Sydney has no organised outreach programs to meet the growing demand for capacity building training.

Al, a co-operative and employment ownership advocate, believed that current social enterprise training failed to provide the skills necessary to work with communities and stakeholders through facilitation of participation and shared ownership. In his view, current training focused on individual entrepreneurs' capacity, which leads to managerialism in social enterprise.

Sophia, who ran an online flower shop, felt very fortunate to have a business mentor after winning a national social enterprise competition organised by the largest commercial bank in Australia. She received on-going support in virtually any area of business from a senior banker, which had transformed her business;

I am very grateful that I have an experienced mentor but there were only three people who won in the competition and had opportunities to have mentor. I think it will be great if more social entrepreneurs have the same opportunity.

A government employee involved with SEDIF stated in interview that there was no longer a contractual obligation for fund managers to comply with government requirements. It is therefore unclear how SEDIF fund managers will increase activities for building business capability given the related costs, and how much the private sector will increase its volunteer service through business mentorship.

6.2.6.3 Relationships with other social enterprises

One of the most common statements made by social entrepreneurs who participated in the research was that they did not know where to turn for help when they started their social enterprise. They felt left out and without support. They appreciated opportunities to meet other social entrepreneurs and share information and learn from each other.

During the fieldwork, the researcher was invited to the social enterprise expo in Queensland, an annual event organised by the regional social enterprise network, Independent Social Enterprise Network Logan. The network had more than 50 social enterprise members at the time. One of the main organisers explained the benefits of having such a network. One of the key factors, which has not been identified in the literature, is that such networks can facilitate a consortium approach, thereby enabling small social enterprises to overcome barriers and bid for large government contracts, whilst avoiding any possible competition with other social enterprise competitors. The network also serves as a forum for the exchange of information and knowledge.

In most cases, NFP stream social enterprises already had existing networks, such as regional interagency meetings or service specific network meetings. Although they were not specifically social enterprise-focused, these networks increased awareness among member services of local social enterprise projects as well as providing networking opportunities. Such opportunities were not readily available to business stream social enterprises.

John felt that he was left alone when he first started his café. He did his own research into social enterprises to understand how he could do better. It was only after he opened his café that people dropped by and introduced themselves as social entrepreneurs;

They came and asked for permission to leave their promotional material on display. They started having their meetings here. We got to know more people and grew to be a network.

In the absence of a peak industry body for social enterprises, local governments are well positioned to play an important role in creating local social enterprise support networks. However, no network supported by local government in Sydney was identified. Some social enterprise training programs filled such a gap by providing networking opportunities for participants. During the course of the research, some participating social entrepreneurs were identified through graduates of training programs. In particular, several social entrepreneurs were introduced through a network of graduates from the School of Social Entrepreneurs (SSE). According to the SSE graduates, the curriculum mostly depended on the lived experiences of social entrepreneurs, who were often invited as guest speakers. The school provided opportunities to bond with other participants, who might otherwise have felt alone in the new social enterprise space. One graduate, who participated in the research as a social entrepreneur, said that he even used to attend sessions in Melbourne, travelling from Sydney, because he really wanted to know how other people ran their social enterprise and to learn from them. Despite the positive feedback given by the graduates of its curricular and networking opportunities, SSE was officially closed in December 2016. Being a social enterprise itself, SSE had not maintained its own sustainability, leaving the social enterprise training area largely unserved.

According to the research findings, not every relationship with other social enterprises is favourable. When there is a lack of solidarity and a shared sense of collaboration, the existence of multiple social enterprises in an industry with a limited market size may well turn into competitive relationships. Active local and regional networks, which enable more coordinated approaches among members, may create environments that are conducive to partnership development or the formation of consortia. Competition among social enterprises does exist, particularly in industries where the market cannot grow quickly, such as employment services for migrants and refugees.

Ann, an innovation consultant, commented on the competition, which resulted in duplication of services:

Now refugee issue has become sexy. There are many people who don't agree with the government view so it is easier to get some publicity out of this. Large corporations are in it for a bit of media coverage. They don't want to do the part that doesn't attract media attention even though they had to repeat the same process that has already been done.

6.2.6.4 Relationships with co-ethnic communities

One unexpected result of the research was the absence of CALD community members in social enterprises in CALD migrant and refugee communities. As previously reported, members of CALD communities played a limited role. This was particularly evident in their under-representation in management of the social enterprise, but it also has broader implications for other areas such as resource acquisition, sustainability and human resources. This absence of CALD communities, informants suggested, is largely due to Australia's multicultural policy, which does not support the growth of ethnic communities. Although Australia's multicultural society was primarily shaped from below by ethnic communities, through associations and networks in the 70s and 80s (Hinz, 2010), Australian multicultural policies did not intentionally empower ethnic communities, in fear of these communities becoming a significant political force (Galligan, 2003). This continued through the John Howard government era, which favoured the integration of ethnic communities into 'mainstream society', assisted by large, generalist charity services. This policy was justified by the saving of administration costs and by the service delivery capacity possessed by large charity organisations (Song, 2013). Similar experiences have been documented in a number of studies, including Colic-Peisker & Tilbury (2007) and Torezani, Colic-Peisker & Fozdar (2008). Whereas a large number of social enterprises have been established by community organisations (NFP stream), no social enterprises had been established by ethnic communities. One contributing factor to the failure of grassroots community organisations to establish social enterprises was the low organisational capacity of many small organisations. In

particular, the shift in multicultural policy and subsequent growth of larger organisations in favour of ethno-specific organisations provides the background to the inability to develop the capacity of ethno-specific organisations (Song, 2013).

Fatma was a local government staff member and a former refugee from Sierra Leone. She had years of experience in community organisations, in both a small Sierra Leone community service organisation and a larger, generalist charity.

The generalist organisations need to work with ethno-specific organisations. They need to train them and transfer knowledge and skills. But unfortunately, that is not the case. We are competing for the same grants. The large organisations just need us as clients. We (small ethnic organisations) have been bullied to cooperate.

Similar to the UK experience, Australian multicultural policy (which discourages emphasis on ethnicity), coupled with favourable treatment of large organisations with lower administrative overhead costs, has resulted in a situation in which many small ethnic organisations find themselves dependent on mainstream organisations with little organisational autonomy and capacity of their own (Song, 2013).

With the announcement by the NSW government of the recent Refugee Employment Support Program, which allocates $20 million for specialised employment services, competition is expected to intensify among social enterprises in the industry.

The existence of stakeholders is one of the main characteristics of social enterprises that distinguishes them from private businesses, which have shareholders instead. The relationship with stakeholders is essential for determining the embeddedness of social enterprise. The use of social capital also rests on various interactions among stakeholders. Nevertheless it was clear from the research that the relationships in which social enterprises in CALD migrant and refugee communities were embedded were fragmented, disjointed and self serving. Hence they failed to address the emerging needs of social entrepreneurs.

The relationships revealed in this study support Foucault's contention that the presence of interest groups is part of their strategic positioning in pursuit of their own interests and does not reflect an ecosystem that is natural, voluntary and has developed from the bottom up, which might have led to the creation of a more supportive and responsive environment. The current circumstances can be characterised as a case of governmentality, in which a top down approach is used to tackle the sensitive issues of employment and social exclusion with the involvement of various stakeholders. The relationships here delineate voluntary submission to power, which neatly demonstrates how governmentality works in practice through the establishment of social enterprises in disadvantaged groups.

6.2.7 Social procurement and government policy

The section primarily addresses the third research question: "What are the policy implications for creating a supportive environment for social enterprise in CALD migrant and refugee communities?" The findings demonstrate the inadequacy of current policy frameworks in assisting social enterprises in CALD migrant and refugee communities and suggest ways of providing support in the form of hands-on assistance.

The four key policy areas identified by research participants were:

1. Social procurement and government policy
2. Current employment service model
3. Centrelink payments
4. Impact investment.

Each of these is discussed below.

6.2.7.1 Social procurement and government policy

When informants were asked about what would have helped their businesses most in relation to social enterprise policies, social procurement was mentioned most

frequently by both social entrepreneurs and stakeholders. Several informants in both cohorts were not familiar with this terminology. According to a number of participants in the experts group, current discussions about government social enterprise policy centred around the issue of social procurement. However, social entrepreneurs indicated that the support they need is primarily at the local government level, whereas most development in social procurement is targeted towards state and federal governments.

No local government in Sydney has formally implemented social procurement enforcement policies. There is some encouragement for and awareness of the importance of social procurement but it is not mandatory. Parramatta City Council was mentioned by participants for its policies, which have supported local social enterprises in the past. They noted, however, that this was done mostly by encouraging and supporting the creation of a local social enterprise network among social enterprises. Despite considerable effort, the researcher was unable to arrange interviews with any council staff in Parramatta City, and the extent to which local government supports social enterprises through direct purchasing as a means of social procurement could not be established.

The concept of social procurement does not apply to social enterprises alone. It can include people with disabilities and indigenous businesses. Information was sought specifically in relation to social enterprises. Levels of understanding of social procurement varied considerably among local government informants. In general, local government areas with high concentrations of migrant and refugee communities showed a deeper understanding of social procurement and its benefits to the communities than did local government areas with smaller migrant and refugee communities.

While it is uncertain how local governments adopt and implement social procurement as a formal policy, the fieldwork suggested that there is an optimistic projection for social procurement at federal and state government levels. According to a social enterprise intermediary, an industry body whose recent advocacy work had focused on social procurement, the field of social procurement in Australia has grown exponentially in recent decades. According to Matt, there have been two noticeable developments in social procurement:

The indigenous social procurement policy, which started only recently, has been quite successful. This can be a real game changer for the whole of social procurement. The other development is a shift in state governments. The Victorian state government for example is adopting social procurement in large infrastructure projects. The future success of this will definitely inform other state governments of what they can do with social procurement too.

At the time, his organisation was trying to put social procurement for social enterprises on the government agenda while developing a database, a vendor list, to make the process easier for local social enterprises and buyers, including individual consumers. He also saw the corporate sector as another big opportunity for social procurement.

However, it is difficult to link such positive developments with the current needs of social enterprises in migrant and refugee communities. James, who ran a bakery with trainees of refugee background, had been seeking support from his local council for a considerable time. He was trying to develop an arrangement whereby whenever the local council organises festivals or events, his business could set up stalls to sell coffee and bread:

I contacted them (local councils) so many times and asked over and over. It didn't work.

Sophia, who ran an online flower business, believed that since her business was the only social enterprise business of its kind in the area, it would be beneficial if the local government purchased from her:

I don't think we can deal with state government but definitely if we can have some kind of deal with local government, that will help us a lot.

Due to the small scale and nature of such businesses, the majority of social enterprises in CALD migrant and refugee communities saw local government as their potential partner, rather than state or federal governments. Nevertheless, the findings suggested that this was the most difficult level of government with which to form such relationships. Matt, whose current work involved dealing with different branches of government, stated:

Local government's work on social procurement is pretty much about setting policy parameters. They create tick sheets and processes. Decision is up to individual staff. If you want to educate them you have educate 80,000 individual local government staff in NSW who will make purchases once a year. On top of that, councillors will also have to endorse it. It can be a more effective strategy to influence state government and expect a trickle-down effect.

Social procurement in local government is a highly political process, as there needs to be agreement between general managers, councillors, procurement officers and contractors. Having an understanding of such difficulties, Rachael worked as a specialist agent for local government procurement in Queensland. She stated that most local government level contracts are agreed based on personal networks:

I used to work for the state government for many years. So, I make use of my networks. I contact them and ask them to use suppliers in my list. Later they contact me first.

Her approach suggests that there is also a need to develop a local social enterprise or vendor list in Sydney to deal with potential buyers, whether governments, corporates or individual consumers. There was no such initiative in Sydney, whereas an intermediary for a Melbourne-based social enterprise encouraged registration from Sydney-based social entrepreneurs.

This again highlights the need for a peak body to represent social enterprises in Sydney. According to Stephen, who had advised governments and corporates on social enterprise on various occasions, all the largest corporates in Australia are interested in social enterprise but there is no medium to communicate with the sector:

If you look at the sponsors of social enterprise intermediaries in other states, you see the names of the 15 largest businesses in Australia. We need a peak body that can be a face of social enterprise and deal with them more effectively.

Two organisations have been established specifically to promote social procurement. Social Procurement Australia is a membership-based network established in 2013 by a group of purchasers and suppliers. It aims to promote social procurement through information sharing, collective lobbying and capacity building. The organisation puts high emphasis on the building and construction industry.

Local Government Procurement (LGP) is a business arm of Local Government NSW (LGNSW), a membership-based association for all councils in NSW. LGP was established in 2006 with the aim of creating procurement efficiencies and building procurement expertise. The LGP service targets council employees as well as not-for-profit organisations.

When council staff were asked during interview about social procurement policy at local government level, none was aware of these organisations or the types of service they offered. There was no evidence from social entrepreneurs that these services had ever been relevant to their operations.

There was almost unanimous agreement among the experts interviewed that social procurement would increase significantly in the future. This will have a positive impact on social enterprises. However, the consensus was that the majority of beneficiaries from formal social procurement policy will probably be the top 25 per cent of large social enterprises who have administrative power and are able to prepare competitive tenders and lobby stakeholders.

In the context of this research, social procurement provides a good example of how social capital and reciprocity are manifested in a form of social policy for CALD migrant and refugee social enterprises. This is a unique area where a contribution can be made via arrangements among social political institutions that mirror mixed embeddedness in ethnic entrepreneurship. They enable the growth of businesses by pulling resources together and forming supportive relations beyond immediate transactions, as is the case in ethnic entrepreneurship. This can effectively substitute for key factors in ethnic entrepreneurship, such as reliance on kinship and co-ethnicity, and provide opportunity structure. When the ability to mobilise kinship or ethnicity is limited, social procurement as an embodiment of community or institutional support can become a concrete form of assistance with immediate impact. Without such support, the principle of reciprocity is largely imagined by the outcomes and benefits deliverable to the final beneficiaries or vested in legitimacy as a social enterprise whose goal is social.

As evident in the previous sections, social capital does not stretch far as an input to social enterprises in CALD communities at any level - bonding, bridging or linking. The CALD social entrepreneurs clearly expressed their view. They wanted someone close to them with greater purchasing power, such as a local government, to form a concessionary relationship. Yet the research showed that this demand is unlikely to be met by emerging developments in the area of social procurement. The bitterness and disappointment expressed by the social entrepreneurs indicate that the relationships currently embedded in social enterprises are shallow and fragmented.

6.2.7.2 Current employment service model

When informants were asked about policy areas that may help social enterprises in CALD communities, multiple responses addressed the current government employment service model. The jobactive model, which replaced the Job Network service in July 2015, is a federal government initiative. According to government statistics, every year more than 350,000 positions are filled by jobactive providers (Department of Employment, 2017). Although jobactive does not have a service component that directly relates to social enterprise, a growing number of social enterprises are set up as WISE and run in conjunction with the existing

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jobactive programs; therefore, the relevance of jobactive for those social enterprises is increasing. Nevertheless, some social enterprises that target work integration and do not have any direct relationships with jobactive, take the view that they have to be there because the market has failed to serve refugee job seekers whose needs should have been met primarily by a government service. A special employment service tailored to the needs of newly arrived refugees, whose personal experiences are vastly different from local job seekers, has been advocated by settlement service agencies for a long time (Song, 2013), yet no such service has been introduced. The jobactive model also affects social enterprises in CALD communities indirectly. As there is limited market share for refugee employment services, those social enterprises that receive training or 'work for the dole' placements from jobactive tend to establish competitor relationships with other employment training social enterprises.

The main issue with the jobactive model, as identified by informants, is a fundamental mismatch between how profits are created for the employment service and how job seekers' needs are met. In other words, there is no real incentive for jobactive to find jobs for their clients. Instead, there is an incentive for them to reach a certain number or threshold. Jobactive classifies its clients into three groups depending on their existing numeracy and literacy skills. This classification is usually assessed based on telephone interviews. Someone categorised as stream B with reasonably strong skills who may have done some training before and who has been out of work for three to six months becomes a major target, as they are most profitable for the employment service. The national average success rate for group B then becomes an important threshold for payment for all the other employment services.

According to one informant, on average 10-15% of people in group B find meaningful employment. Service providers who reach the national average receive higher star ratings from the government. The jobactive model is exclusively geared to this particular segment. So, if they get the best 20% of that group and put them on the program, and if the majority complete the 26-week training, then the jobactive provider is paid a significant amount of money including a bonus for reaching their target. The other 80% simply do not yield much profit for employment services. There is no real incentive for jobactive providers to target the other 80%. These are the people who are asked to find jobs by themselves from the job lists without much

individual support. So the whole model is designed for larger jobactive participating agencies to cherry-pick some profitable clients in order to reach the national average target. This has had a perverse impact on the industry and on job seekers from disadvantaged backgrounds.

Adam worked for more than 20 years in the federal government's employment service. Since his retirement, he had been involved in regional social enterprise development, workforce planning, and corporate social responsibility. He was a member of several government and not-for-profit boards in the employment, education, and training sectors. He expressed his view on the jobactive model:

Policies are not designed for delivery. They are developed for politics. The current jobactive model is based on two main principles, which are compliance and benefit (income support) management or benefit reduction, really. Unfortunately what is happening over the years is that the system has been disconnected from employers and industry. The employers are an essential part of system. Employment trainings are designed when they are not connected with employers. So they do not understand the real needs of employers. The system does not encourage service providers to form relationships with employers. There is no financial resource made available for this key function.

There is no real effort to find out the real needs of employers and identify people with matching skills. The whole system, he claimed, had become pretentious and dishonest. Service guidance from at a macroeconomic level fails to take account of different characteristics in local areas.

According to Adam, many employers make the decision to hire based on the keenness and eagerness of job seekers. These elements come from self-respect, which is retained when they are in employment. Unemployment destroys that self-respect. The jobactive model does not consider that. Job seekers must wait for three months, which leads to loss of self-esteem and a perception of themselves as problems. If people have previously worked for a long time, three months of involuntary unemployment can be soul-destroying. His point about the destruction of self-respect

was reiterated by several participant social entrepreneurs, who described their dealings with jobactive in the initial period of their settlement in a very negative light.

Ann, an innovation consultant with extensive experience in both government and NGOs, commented on the inefficiency of the system:

The system is diabolical. I attended a government meeting on unemployment where 300 government staff attended where there was not a single people from an employer's group. Here people with 10-years experience overseas are told that they don't have experience. They cannot gain experience here because they don't have experience. It makes sense that if we want employment for migrants and refugees, we talk to business people not government and not NGOs. Forget about them, they do not have skills and they are a part of problem. They are status quo. If you want a fresh perspective we need to bring in people who were not part of the status quo.

According to the informants, other currently available government programs, such as apprenticeships and training programs, could be used in conjunction with social enterprises. If social enterprise worked effectively as an immediate labour market program, apprenticeships and other training programs could assist migrant and refugee job seekers to transition into longer career paths, rather than using up their training entitlement in the early stages.

As the literature indicated, employment is a significant issue for newly arriving migrants and refugees, particularly those from CALD backgrounds. The study findings indicate that the current employment system does little to assist CALD migrant and refugee clientele. Therefore, social enterprise as policy is unlikely to produce synergetic effects when used along with the current jobactive model, which has been the backbone of the employment assistance system in Australia for many years.

On the contrary, the findings showed that, in some cases, the natural development of social enterprise was hindered by the jobactive operation as it was

perceived as a competitor in this segmented market. In theory, the relationship between the main employment service and the employment outcomes that emerge from social enterprise represents an ideal case of mutual benefits and reciprocity. The reality, however, is strikingly different. When the main system (jobactive) is dysfunctional, it is difficult to expect any positive flow-on effect.

In ethnic entrepreneurship, many employment opportunities are created by co-ethnic employers who can recognise the linguistic and cultural skills that migrants and refugees possess. However, as the previous chapters demonstrate, shared co-ethnicity is not a characteristic of social enterprises in CALD communities, as they are largely driven by non-migrants and non-refugees who lack the capacity to mobilise the social networks and cultural assets of CALD communities. This renders problematic the idea of generating employment in CALD communities and places higher emphasis on the jobactive service as the main instrument of employment service for CALD communities.

Such findings lead to the conclusion that social enterprise in CALD migrant and refugee communities largely reflects the dynamics and relationships of dominant stakeholders as they pursue their perceived interests. They also demonstrate how social enterprise provides a rationale for policy makers and employment-related organisations dealing with a sensitive issue like employment. They can only avoid direct challenge to the legitimacy of governing power by deploying strategies, in this case the jobactive payment system, that largely fail to engage with the governed.

In November 2016, the NSW Government announced the Refugee Employment Support Program (RESP)[26], a $22 million, four-year program to support refugees in Western Sydney and the Illawarra region. These areas were targeted because 89% of new arrivals in NSW settle there (Training Services NSW, 2016). This was the first specialised refugee employment service of its kind. According to Professor Peter Shergold, who designed the program, it largely acknowledges the failure of the jobactive model to assist refugee job seekers (Training Services NSW, 2016).

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[26] 12month program (July 2017-June 2018) reported that more than 3000 refugees registered and 600 secured paid employment. NSW government estimated $200 million savings on welfare payment (NSW Government, 2018).

Three new approaches distinguish it from other services. First, under the new program, there are strong links with the business community, which can potentially offer employment opportunities. Second, the program is designed to maximise the current skill levels of refugees, particularly recently arrived refugees from Syria. Third, the program acknowledges the importance of entrepreneurship and refugees' desire to pursue family-owned self-employment opportunities. The program is at the tender stage and its success will depend largely on the capacity of a funded service to implement a quality service based on these principles.

6.2.7.3 Centrelink payments

Another finding that has a significant impact on the participation of CALD migrants and refugees in social enterprises relates to Centrelink payments. This issue has not previously been addressed in the literature on social enterprises; however, the participants emphasised the importance of a flexible Centrelink payment policy in encouraging more active roles within social enterprises. The meaningful participation of CALD migrants and refugees in social enterprises was evident primarily in NFP stream community enterprises rather than business stream community enterprises. Meaningful participation in a CALD social enterprise context refers to the ability of CALD migrants and refugees to have an input into the management or key decision-making processes of social enterprises. This is different from the type of participation that was typically found in social enterprises such as WISE, where the role of CALD migrants and refugees was limited to that of mere beneficiaries. The findings showed that, in most WISE activities, key managerial decisions were made by social entrepreneurs who were predominately from non-migrant and non-refugee backgrounds. A small number of WISE organisations had retained trainees as employees, but the majority of the larger WISE programs failed to offer trainees paid employment. Trainees in WISE participate in programs in order to acquire new skills and improve their employability, but there is no scope for participation in entrepreneurship for trainees.

The only social enterprises where participants contributed to collective entrepreneurship were those in which the social enterprise facilitator had formed close links with CALD migrant and refugee communities. In this type of social enterprise,

the facilitator came from the same cultural and linguistic background as the other group members. Examples included women's support groups, where regular meetings among members evolved into organised commercial activities. Such groups were characterised by good communication among members that has developed over time.

Problems arose when their social enterprises started generating an income. The research revealed that the small amount of income that the social enterprises earned through their trading may affect the participants' existing Centrelink payments. There is a requirement that any new income must be reported to Centrelink and this income may affect the outcome of the means test on which the amount of Centrelink benefit is based. According to Amal, who ran a women's catering social enterprise with Arabic-speaking communities in Southwest Sydney, this had a significant impact on the project:

> *When women earn income for the first time through our business, it really is a tiny amount. The payment is usually made by the parent organisation because we are using their administration, so we can't do cash in hand. The parent organisation has to record it. Then women worry that it will reduce their Centrelink payment. They can fill out a suppliers' form and declare but they get scared. Their husbands get worried too and ask their wives not to participate in social enterprises in fear of losing their payment.*

Under the current rule, not all income affects payments. If the amount is too small to reach the minimum income threshold and the frequency is irregular, it is unlikely to affect the amount of existing payments. Nevertheless, according to Amal, women did not want to fill out any paperwork that may complicate their dealings with Centrelink, which many of them already found frustrating based on their past experience.

The same issue was raised by David, who coordinated a monthly night market run by refugees, which had about 20 participating stalls. The stallholders were all from migrant and refugee backgrounds. The majority were new arrivals who started the stall in the market as their first business in Australia. The others had been here

longer and had opened restaurants or established a catering business elsewhere and wished to earn more income at the weekend. David described how, in his experience, the Centrelink policy adversely affected new migrants and refugees who wanted to start a new business. Whereas Amal's social enterprise comprised women seeking to learn new skills and have socialising opportunities, David assisted new refugees with more immediate needs who wanted to set up a business as soon as possible as the main means of supporting their lives in a new country. Centrelink payments were essential for them during the initial settlement phase. They chose to set up small businesses by identifying what they could do and the skills they had instead of seeking employment, which inevitably identified what they could not do and the skills they lacked. According to David, however, the fear of losing Centrelink payments impeded the process of participating in social enterprises and developing businesses.

Selva was a refugee from Sri Lanka. He had been living in Australia for three years. After initially settling in Melbourne, he recently moved to Sydney with his new wife. He was a street food seller in Sri Lanka for more than ten years. He was always clear about what he wanted to do and what he could do. Although he received some training for employment in the hospitality industry, he soon left and prepared to open a food stall in the market. As there was no market on weekdays, he mostly worked as a day labourer. Both Selva and his wife were currently on Centrelink benefits. His wife had a disability and was not able to work. He heard about the market through a friend. He hand-made all of the equipment for his food stall, including a gas burner and grills:

> *I like selling food. I like to do more so I am looking for other markets in Sydney. But I have to hide what I do from Centrelink.*

Sophia, who ran an online flower shop, believed that this barrier could be overcome, however. The participants in her flower group had a similar issue regarding Centrelink payments. Nevertheless, if the group members were seriously committed, they could persuade their husbands to forego some of the Centrelink income. In Sophia's group, however, a small number of paid staff had incomes that were

relatively higher than those of other women's groups due to the more rigid selection criteria relating to their flower arranging skills.

David, as well as other participants who facilitated business entrepreneurship, believed that self-employment by starting small businesses could provide more realistic solutions. Rather than going through the whole process of gaining new skills and local experience, which fundamentally locks job seekers into a deficit-based model, setting up a small business involves a more assets-based approach that can have a positive impact. Enrolling in a number of training programs for the sake of Centrelink payments results in a waste of time and deterioration of self-esteem, whereas starting a new business can put the eagerness and energy that new migrants and refugees bring with them to constructive use. A government-supported program is therefore needed to facilitate the transition into small business while the client continues to receive Centrelink payments. However, no such service is currently available for newly arrived migrants and refugees with low English language proficiency.

According to David, it would be difficult to develop a program tailored to certain communities and delivered in community languages, given the great diversity represented in CALD migrant and refugee communities. One approach suggested was to ensure flexibility in the delivery of the existing New Employment Incentive Scheme (NEIS) and to adopt an apprenticeship style of on-the-job training; for example, using business mentors recruited from the same cultural background who could replace the in-class theory component.

An employee at the Department of Employment who participated in the research commented on the possibility of the NEIS being delivered in a flexible manner:

> *I think those things (flexible delivery of programmes) are always an option. I don't think this is necessarily a social enterprise issue. I think that it is more about how government service is delivered to various groups. There are some of the mainstream employment services that people from a non- English background can access. We have provided many staff who can help people from a non-English background.*

The existing NEIS guarantees payments for up to 26 weeks for a new jobseeker who pursues self-employment business opportunities. Most refugee stallholders with whom Des worked in the market, however, would not meet the eligibility criteria due to their low level of English literacy skills. Therefore, they stayed with other types of Centrelink payment while seeking business opportunities. As a consequence, they had to be conscious of the income they earned all the time. They did not necessarily avoid starting up a business, they just experienced more difficulties as they made alternative arrangements, such as trading in cash only.

Overall, the research indicates that grassroots participation by CALD communities is essential in cultivating an enterprising spirit, which can transform and empower the members of disadvantaged communities. Existing policy in programs such as NEIS, which could address urgent employment needs while supporting social enterprises, needs to be re-examined.

During the fieldwork, the researcher met a number of members of CALD migrant and refugee communities, mostly women, who became emotional when expressing their frustration with the Centrelink policy. They demonstrated their willingness to participate in the community, meet new people and earn income - outcomes that are well aligned with the presumed benefits of social enterprise for the disadvantaged. Nevertheless they soon faced structural barriers that kept them from participating. The policy is contradictory and debilitating. As Centrelink provides financial support to many new CALD migrants and refugees, the relationship with Centrelink is very important and sensitive. If social enterprises are set up without taking such factors into consideration, this can not only result in discouragement for CALD migrants and refugees; in some cases, can create tension in families.

The researcher was informed of instances in which husbands used the Centrelink issue as an excuse to deny their wives the opportunity for social participation, thus further isolating women from the community, to protect them from 'bad influences'. This is exactly the oppose outcome to what social enterprises are set up to achieve. Centrelink payments also emerged as an issue in relation to those new migrants and refugees who were trying to set up a private business, since they had to give up their Centrelink payment when they started to generate income. Although

assessment thresholds are in place, the situation involves a great deal of administrative tasks for CALD migrants and refugees whose previous dealings with Centrelink had not been particularly pleasant.

The Centrelink issue clearly demonstrates how social enterprise as a social policy is being imposed in a top down approach without any understanding of the target groups. Policy discussions around employment, social inclusion, participation and self-help must consider the immediate effect of any new policy on the target group. Matters such as the status of their income support would therefore become a priority consideration. The lack of attention to social enterprises in CALD migrant and refugee communities indicates that stakeholders and interest groups rushed into social entrepreneurship in pursuit of their own interests, without any genuine commitment to benefiting target communities. The findings show that, rather than relying on natural growth arising from voluntary inputs from community members, as is the case in ethnic entrepreneurship, the current development of social enterprises in CALD migrant and refugee communities is largely a response to the ad hoc approach taken by governments and the social enterprise industry.

6.2.7.4 Impact investment

Despite the growing importance of impact investment[27], the benefits for social enterprises in CALD migrant and refugee communities have so far been minimal. Of the 20 social entrepreneurs interviewed, only one said his social enterprise was partially financed through the debt from impact investment. Two social entrepreneurs raised more than $10,000 through crowd funding. However, it should be noted that during the field research, some informants used the term crowd funding as opposed to impact investment. This is because the majority of impact investment is delivered in the form of loans, whereas crowd funding uses equity finance and grants. The rest of the social entrepreneurs did not use impact investment. Some had a vague understanding that the interest rate for impact investment is not cheaper than private banks' rates, so they did not pursue it as a viable option. In the interview with one of the specialist impact investment organisations that had come into being through the

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[27] Investment aiming to facilitate positive change in society, including both environmental and human considerations.

social enterprise development fund, it was revealed that, out of all the loans that the company gave out in the previous five years, there was only one whose beneficiaries included migrants and refugees. The loan was used to finance a project that did not specifically target migrants and refugees but included them as part of an early intervention strategy for disadvantaged youth in a 'high risk' area.

It was unanimously agreed by experts that the impact investment market would grow exponentially in coming years, both internationally and domestically. According to Jennifer, an impact investment consultant based in Melbourne, impact investment is a global agenda pursued by the G8 countries. In 2014, when the UK had the G8 presidency, a working party was set up and, although Australia is not a member of the G8, the working party invitation was extended to Australia. Therefore, it is government policy to build an impact investment market in Australia. In 2015, Impact Capital Australia, a blueprint for an independent financial institution to accelerate market benchmarks through the Big Society capital in the UK, was launched with the aim of raising $300 million.

This is consistent with the findings from the formal SEDIF evaluation, which concluded that the fund was largely successful in raising the profile of impact investment in Australia, but was not successful in assisting start-up social enterprise. The present study identified a number of factors that explain why social enterprises in CALD migrant and refugee communities do not rely much on impact investment. According to Paul, a social entrepreneur for specialist refugee employment and training services, most social enterprises in CALD migrant and refugee communities are too small in size and operation to scale up through extra injections of capital. Many social enterprises do not reach the point where capital investment can be used meaningfully. For example, the average loan disbursed to social enterprises through this fund manager was over $400,000 (Barraket et al., 2016).

During the interviews, it became clear that there were only four social enterprises whose total investment from various sources exceeded that amount. Two of them were from NFO streams. This suggests that the loans available from fund managers are too big for most social enterprises in CALD migrant and refugee communities. Also, most of the social enterprises participating in the research were

start-ups, which were assessed as a high-risk group. This was reflected in the comments made by a public relations officer in an impact investment firm:

> *Decisions regarding loan assessment are quite conservative. There is a high risk aversion tendency. Social enterprises without securities or guarantees, which do not demonstrate secure income stream, find it difficult to get loans. However, we do offer other services. We can direct them to find services that can help them with grants and so on.*

She explained that any loan of less than $50,000 is not dealt with by her firm but is referred to micro finance. The typical loan assessment criteria are past records of financial transactions, members of boards, financial skills and repayment ability. She believed it was her organisation's responsibility not to put any clients in a position where they cannot make repayments.

Currently only limited data, based on a small number of investors with varied investment amounts, are available. This makes it difficult to speculate on the likely impact on client groups in general and small start-up social enterprises in particular. However, some key industry reports (Impact Investment Australia 2016a, 2016b) indicate that small-scale debt finance to social enterprises may account for a large number of transactions, but these only represent 1 per cent of total impact investment market value. According to the government staff interviewed, SEDIF was designed to help sustain the mature or growth stage of a business rather than to support the start-up or seed funding stage. Another government staff member explained that SEDIF was created unexpectedly as a one-off emergency response to the global financial crisis. It was important, therefore, that the funds were preserved and used for the longest possible period to generate spin-off effects.

James, who ran an employment training course for refugees in a pantry industry, had a track record of business success through a bakery franchise he owns. He was able to obtain loans through impact investment as well as private banks.

The interest rate from impact investment is higher than private bank loans. So, I am considering reducing loans from impact investment and replacing them with private bank loans.

Other experts pointed to the higher interest rate of impact investment as the main barrier to increasing small social enterprises' access to financial services. According to one consultant, since most impact investments are run as social enterprises themselves, there is enormous pressure on cost savings. The average expected return on assets and the extra transaction costs can be quite expensive for fund managers. The interest rate charged by fund managers to clients averages between 10 and 15 per cent, which is considered too high in this historically low interest rate climate (Barraket et al, 2016). On the other hand this poses the risk of attracting short-term investors. Multiple informants confirmed that such investors were injecting their money into impact investment. This caused some tension and criticism from those who placed strong emphasis on the participatory and shared ownership aspect of social enterprise. If debt finance is difficult for most start-up small social enterprises because of high interest rates, equity investment can be another option. However, the governance structure in the not-for-profit sector is not ideally set up for equity financing.

Other major barriers identified by informants were the low level of awareness of the concept of impact investment and the psychological resistance of not-for-profit organisations in general to any kind of financial service.

Lucy was a social entrepreneur who ran a cultural food tour in Western Sydney. When asked whether she, as an operations manager, would consider using impact investment to scale up her business, she expressed interest:

Well, I personally think it is not a bad idea but I know that my board would never approve it.

When there was a recent need for a cash injection, Lucy used crowd funding instead and raised $10,000. She indicated that her social enterprise was not very

popular because it was involved in trade. Nevertheless the funding came as a great relief.

Stephen, who was hired by a large charity organisation, described his on-going efforts to educate the board about financial literacy. He reported that some progress had been made:

Charity organisations have board members who used to be representative of the constituency. But now we are moving to skill-based boards. So we have lawyers and accountants. It makes it easier.

The conservatism of NGOs towards the finance market is also reflected on the supply side. According to Impact Investment Australia (2016a), large not-for-profit organisations in Australia have fairly good balance sheets. However, large not-for profit organisations with considerable assets and sound cash flows, such as trusts and foundation groups, are poorly represented in impact investment.

On the other hand, social entrepreneurs from a business background displayed more openness towards the idea of debt finance. John, who ran a café in Western Sydney, was hoping to grow his business into a Sydney-wide franchise. He believed this would not only achieve scale but also boost people's understanding of social enterprise. So, when the time is right he will probably seek major capital investment. Hassan, who ran an online-based employment service for refugees, believed it was only a matter of time before he achieved scale through a financial service, although he had been able to arrange equity finance from his supporters so far.

Impact investment actually entails a broad range of services for different types of client groups. The service is not limited to start-up social enterprises; it is meant to service diverse financial needs for the whole NGO sector and some private ventures with social missions. The products range from financial capital, loans, patient capital, working capital, equity, quasi-equity and grants. They can be used to meet a variety of demands across business cycles. However, since most social enterprises in CALD migrant and refugee communities have not transited from the start-up phase to the growth phase, it is unclear how these services can assist them. Services such as

providing information about grants and philanthropic funds are offered as a complementary service. However, no social entrepreneur interviewed in the study was aware of such services, which clearly demonstrates information asymmetry.

In an attempt to raise awareness about financial services and increase investment readiness, Jennifer recently designed a program in which grants would be offered to organisations under the condition that they seek investment. In such cases, the grants would be used as leverage to engage organisations which otherwise would not consider investment. The investment firm will take this opportunity to build the capacity of organisations in terms of investment readiness. According to Jennifer, the program was piloted with six organisations. These ended up raising an amount that was 22 times greater than the amount of grants received. A similar strategy was also documented in other impact investment services across states. One impact investment service preferred mixing debt and grants in a 70:30 ratio and had spent more than 2 million over the last four years. No one defaulted on debt.

It is unclear whether investment readiness is equal to the capacity building of start-up social enterprises. The former has an increasing focus of investors and is offered as part of a risk aversion strategy, while the latter has a focus on service delivery, and clients and beneficiaries are also part of the equation. This was one of the points highlighted in the SEDIF evaluation, which recommended the widening of capacity-building opportunities for social enterprises that were not limited to potential clients (Barraket et al., 2016). However, capacity building also requires a level of investment. One impact investor had recently set up subsidiaries with Deductible Gift Recipient (DGR) status to link more philanthropic funds with small start-up social enterprises. Flexible approaches and increased communication with the Australian philanthropy sector via impact investment brokerage will benefit social enterprises in need.

According to Jennifer, impact investment in Australia in the 2015 financial year yielded a 5.4–17 per cent return, which is an attractive return rate for any financial investor. Considering the record low interest rates in commercial banks, it is anticipated that the trend will invite more competitors from the private investment sector whose prime motivation for investment is not necessarily associated with public benevolence. Jennifer explained:

A good social enterprise, regardless of social aims, should attract investors for its financial return only anyway. Because financial stability is a necessary component of successful social enterprises.

The influence of large investment funds on social issues will increase as a result, posing both opportunities and challenges. One of the main achievements of SEDIF was its success in providing a catalyst for impact market development. One of the fund managers recruited investors from Christian Super, opening up possibilities for finding more institutional investors in the future. Such developments will certainly create opportunities for smaller start-up social enterprises.

While debt finance can meet resistance among not-for-profit organisations, crowd funding can be an attractive alternative. Crowd funding, despite the common belief that it should raise funds for charities or start-ups from a large number of small investors or donors, entails much broader activities and financial services, including p2p (peer to peer) and debt finance. In fact, fund-raising for social enterprises or charities carried out through certain dedicated crowd-funding platforms represents only a small proportion of the amount of money involved (CFIA Conference 2016). Injection of public resources from crowd funding, particularly in the form of donations or equity investment, certainly benefits social enterprises.

This was the case for two of the social enterprises interviewed, who would have had difficulties with other forms of impact investment due to a lack of proven financial capacity for repayments and the resistance of the organisation and board to the financial market. At the time, the Australian government was introducing new legislation for crowd funding equity investment (Alois, 2016). Nevertheless, according to the informant, the new legislation will restrict the entry of ordinary individual investors due to fear of possible fraudulent schemes. Therefore, it is questionable how much impact the new legislation will have on satisfying the financial needs of start-up social enterprises.

According to a crowd-funding expert, the situation would benefit from an innovative service based on advanced communications technology that could bring social enterprises and potential donors or investors together. However, crowd funding

in Australia is in its infancy. Although many agreed that crowd funding in general was continuing to grow, it is unclear how the many platforms that benefit social enterprises will achieve public visibility among a growing number of other commercially focused crowd-funding organisations.

Lastly, governments are expected to play a critical role in devising incentives and bringing large institutional players into impact investment. According to Jennifer, this is a potentially enormous territory waiting to be explored:

Impact investment is still new in Australia. The government can play a role in areas like tax concession. I mean there is tax concession for investors but it is not really streamlined. Well over time if the government can leverage institutional investors such as superannuation funds then it will have a big impact.

She encouraged large not-for-profit organisations in Australia that have considerable assets and sound cash flows to forge closer relationships with social enterprises in financial need.

The most disturbing finding to emerge from this study was that if the social enterprise movement fails as social policy, this has the potential to further weaken the position of the disadvantaged. This goes back to the key question raised in the literature review as to whether a market approach can assist people whose disadvantaged position in society is closely associated with the market economy. According to the research findings, social entrepreneurs in CALD migrant and refugee communities seldom rely on impact investment, and there was a level of resistance in the minds of social entrepreneurs from the NFP stream. Responses, however, varied. Despite their cautiousness, informants also perceived impact investment as something they had to get into even though they were not yet ready to do so. The results showed that the broader system is being restructured around social enterprise in relation, for instance, to how non-for profit organisations work and how government services are delivered. It is not difficult to see that a new instrument like impact investment has potential risks as well as benefits. Its influence on a number of levels is growing rapidly.

The ideal of governmentality in practice always requires rationality as a main legitimising instrument. Issues such as employment and social exclusion not only provide justifiable domains for intervention but they also provide a way of further subjugating the governed to the dominance of the governors. In this regard, policy failure does not just mean that target groups continue to lack employment. When the disadvantaged group is involuntarily integrated into a market through support agencies or government services - the last bastions built on principles of reciprocity, trust, and even charity – even minimum levels of protection can be severely compromised. This signals a far more fundamental and profound impact.

6.3 Case Study: Lemongrass Café

The following section introduces a case study selected from the interviews. The case study is presented in order to demonstrate how the issues identified under the thematic analysis come into play in a real business situation. Whereas the thematic analysis can identify key individual factors affecting the development of social enterprise in CALD community, it is difficult to show how a number of factors impact the business development simultaneously and inter-dependently. A case study describing the trajectory of business development in its entirety can effectively demonstrate the impact of such multiple factors.

The café is located in a south-western Sydney suburb with a large migrant and refugee population. The suburb appears on mainstream media from time to time for issues related to youth crime, police and community harmony, and is classified as a 'high risk' area by policy makers. The café was initially established in 2011 by a local, multicultural youth service. The main mission of the service is to empower youth from diverse cultural backgrounds. The service is well known in the area, and has strong working relationships with a variety of local stakeholders, including politicians, local councils, local media and other service agencies. The café started as a small catering project based in the youth centre, and the value of using real learning experience as a development tool for young people was soon realised. The service coordinator, Maria, stated:

Young people learn that they can't just go out and have a smoke when
they are part of real business. They understand that they have to follow
procedures so they learn disciplines.

The operations manager, Ken, had lived for years on the streets and 'couch surfing', during which time he had abused drugs and alcohol. His family was originally from New Zealand and had always experienced financial difficulties, but access to Centrelink services was limited due to their citizenship status. He started stealing. He became involved in the project by accident. He went into the youth centre looking for his mate, then ended up working as a volunteer, which eventually led him in a few years to his current position.

I was lucky to be involved. I didn't know that there were services like that
existed. I had a mentor. I was troubled kid in school but here I received a
certificate for business training.

When asked to describe his current role in the café, Ken emphasised he was a mentor as much as a manager, and that being a mentor was his favourite part of the work.

In time, the catering project started to get requests for paid catering services in the area, and the business potential of the service was realised. The opportunity arose in 2010 to apply for the Jobs Fund, which was an urgent government initiative to pre-empt possible economic recession in Australia after the Global Financial Crisis in 2009. The service had to make a choice between the cafeteria project and building a new youth centre when submitting the application. Management preferred the cafeteria – it was a gender-neutral project and could therefore involve girls, whereas they thought it would be very difficult to find a site for a youth centre in this prime location in the city. The application was successful. Almost $900,000 was received to set up a commercial cafeteria that offered a professional catering service.

According to Maria, the board was very excited about the whole social enterprise idea, particularly the prospect of being independent from government

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funding bodies, which had been a dream for the organisation for a long time. They drafted a detailed business plan, which she subsequently came to consider a poor plan but it was based on the business skills available to them at that time. However, everyone was convinced that their business would produce a profit to help the organisation financially. When they started operation, they soon found it a lot harder than they had imagined. The youth service manager recalled how hard the first two years were for them:

There was a lot of pressure. The whole process was very political. They (the government) wanted the deliverable outcomes exactly at the given time. It wasn't really naturally organic for business to grow that rate. It was quite pretentious and artificial.

Once they had started, things developed in an unexpected way, and they realised that they were in fact in a commercial business world, unknown territory for them. The staff they hired to run the cafeteria and training were different from the community workers with whom they were used to working:

They were very industry and business orientated people. They had no tolerance for the young trainees placed to learn skills. There was no nurturing or mentoring.

The cafeteria was running at a loss commercially. They also realised that it was not developing anything for the young people, or serving any meaningful social purpose. It was just like any other business, constantly struggling to make ends meet. It also took some time for the young employees to develop a sense of ownership and be punctual. In an attempt to turn things around, the management tried a few things, such as changing the store managers, but the situation did not improve.

The cafeteria had already spent a great deal of time fitting out the shop. According to Maria, they did not spend much time finding a good builder. They rushed the process, and ended up hiring a builder who was not honest and whose

skills were poor. Things were not done on time, and he often requested more money for items not included in the quotation. Maria and her staff were inexperienced in the commercial business world, and did not know how to deal with the situation. They were unhappy about these unexpected developments but, due to the time frame agreed with the funding body, renegotiating the builder's requirements (or sacking him and finding a new contractor) was not a viable option. The time agreed with the funding body for this initial preparation prior to the launch was very short, as the funding body wished to see the commencement of training and business operations as soon as possible. They finally ended up paying double the amount, which created a significant level of pressure for Maria and her staff. As a result, they found themselves rushing every step during the initial set-up period.

Eventually Maria reached the point where she began to realise that the social enterprise was not delivering the training and benefits that it was supposed to.

I wondered why we were doing this for what purpose. We were not delivering the outcomes, we were not making money. We were just frantically running around.

Eventually the cafeteria management decided to cease trading, and it was almost six months before they reopened. They thought they would restart from scratch, but this time they took more time to plan thoroughly. The focus of the new model was to achieve balance between the commercial aim and the social aim. One strategy was to initially to open the business for only the first two hours of the day, closing for the rest of the day to focus on training. They tried hard to resist any business pressures, and to stay in control of every aspect of their operation this time. The project now relied on the organisation's own working capital instead of government funding. Gradually, they learned how to concentrate on sales during the peak trading time, and to make best use of the quiet time for training.

Although it was very slow, they felt that they were now definitely balancing the commercial aim and social aim much better. Maria expressed her understanding of the intricacies of pursuing the double bottom line. According to her, there should not

be a mix-up or trade-off in pursuing each of the aims; nevertheless, failure to achieve one aim would inevitably affect the other.

> *Social aims and commercial aims are independent from each other but at the same time they are together in a sense. You cannot give up one element over the other.*

The business slowly grew to what it is now. Its close proximity to the local council's main office building is one of the key contributing factors to its growth. Many council staff know that the business is a social enterprise and try to support it. During the fieldwork, it was earning around $4000 per week from sales, but its costs were around $6000 per week. It earned extra income from hosting TAFE student placements as well as 'work for the dole' participants, thereby making up the deficit. According to Ken, there was a difference between youth participants recruited through their service and the external participants sent to them, particularly 'work for the dole' participants.

> *Whereas young people are usually eager to learn things, 'work for the dole' participants are different. We aim for the same outcome for the 'work for the dole' participants. But they don't usually do much or they don't show up. It is sometimes difficult to accommodate them while running a business. It adds a lot more stress but that is all part of the job and it is important that we get extra income for doing this.*

Ken was proud of the cafeteria's employment outcomes. It employed 4-5 staff at the time. During the period of his stay, over the past 4 years, nearly 30 young people had gone through the program, typically in 3-6 months depending on their learning capacity. He was aware that most of them had found employment after the training. Nevertheless, no recent migrant or refugee arrivals were included in the training. All were born in Australia, even if they identified themselves as culturally diverse, and none had difficulties with English as far as Ken could remember.

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Any small deficit was still covered by the parent organisation. If they were to acquire Registered Training Organisation (RTO) status, Maria believed it would help the business greatly, but the application process would involve more administration. For that reason, the organisation had not yet really explored this option.

Maria believed the cafeteria had become sustainable because it took advantage of a unique opportunity, which capitalised on the cultural assets that young people from diverse cultural and linguistic backgrounds bring in. For instance, they witnessed an increased number of customers from Muslim backgrounds once Muslim staff began working at the café. The place was also being used as a cultural hub for local youth. Art exhibitions and music performances were regular features of the cultural program in the cafeteria. There was no fee for young artists. Over the years this had reduced the negative perception of young people in the area and increased appreciation of what they do, according to Maria.

Young people from CALD communities don't take thing for granted. That is a very eminent feature in CALD communities. They don't just settle and be satisfied. They are driven, thirsty, dynamic in a positive way. New ideas and excitement spring. We try new things and explore them and we are happy to do it. This turn into cultural richness. You can't create something like that artificially. When we do it, it is authentic and cannot be duplicated elsewhere artificially. We embrace it and build on it. It is our very social profitable asset.

Maria understood the importance of measuring social outcomes from the social enterprise since this was a not-for-profit youth service. In the café, social progress was measured by a results-based accountability practice, which the youth service had been using as an evaluation framework for their entire set of youth programs. They monitored the progress of their trainees in the café based on this framework.

For any clients, we apply scales. First stage is engagement process then we move onto skills development. In the third stage, we measure level of community contribution and volunteering. The goal for workers is to push young people all the way to the third level. It is not just getting numbers of participants. There is constant effort going in. We track what activities they have engaged in. The café sits between level 2 and level 3.

A social enterprise can take advantage of the knowledge and experience of the parent organisation. However, Maria admitted that moving into the business was something new for her and the organisation. Over the past few years she has had to develop business skills by herself. She enrolled in a business course and tried to pick up new skills, which was not an easy commitment on top of her already demanding managerial role in the youth service. However, the cafeteria was currently looking for a new member of staff, namely, a business and finance specialist who could oversee the growing demands of the cafeteria operation. In retrospect, the journey Maria, her staff and the organisation went through was much more difficult than they had ever imagined:

We didn't realise how hard it was going to be. The dream is much harder to obtain. You really need to know the business and have business acumen. There is no short cut. If you want to run social enterprise, you must learn business skill yourself.

There was a shared understanding among staff, who all went through the youth service themselves and had been employed in the cafeteria, that their hard work was benefiting youth in need. They understood that any income generated by the cafeteria went back into the youth service so that more programs could be run. This understanding encouraged these young people to strive harder to run the business successfully and create more social outcomes.

6.4 Conclusion

The research findings indicate how social enterprise development in the real world differs substantially from what is portrayed in social enterprise discourse. They also show how social enterprise policy development is largely based on imagined rather than actual impact. The evidence from the interviews and case study suggests that the practice of social enterprise in disadvantaged communities is accompanied by a significant level of risk that can further compromise their disadvantaged position in society. Yet at the same time, the factors and policy issues identified in the research can positively inform those associated with social enterprise development in CALD communities. The chapter also revealed the extent to which social enterprises run by or for CALD communities and refugees are embedded in broader macro, meso and micro structures of governance, politics, discourses and practices that constrain - and sometimes enable – their ability to reduce the disadvantage of CALD communities and refugees in Western and South Western Sydney, despite the best intentions of the social entrepreneurs themselves.

The following chapter draws on these findings to address the research questions. It also presents the researcher's conclusions about social enterprises in CALD migrant and refugee communities upon completion of the research.

Chapter 7

Conclusion

This thesis examined social enterprises in CALD migrant and refugee communities in Sydney Australia to find out whether the settlement of CALD migrants and refugees can be effectively assisted through the creation of employment and promotion of social inclusion as a means to assess the soundness of social entrepreneurship as a policy instrument in assisting socially disadvantaged groups. As creation of employment and reduction of social isolation for the socially disadvantaged groups are frequently cited as key benefits of social enterprises the research provides evidence to gauge the contemporary realities of social entrepreneurship.

The research carried out a total of 45 interviews. First 20 interviews with social entrepreneurs in CALD migrant and refugee social enterprises were conducted to hear the lived experiences of establishing and managing their social enterprises. Another 20 interviews were conducted with those who possess expertise knowledge on social enterprise for their views and commentaries. Finally 5 beneficiaries of social enterprises were interviewed for their inputs on the service standard of those social enterprises. This process was supplemented by extensive desktop research and the use of secondary data.

The data collected was collated and analysed to answer the key research questions using the theoretical frameworks rendered from the literatures reviewed. The first literature review on the social enterprise definitions and discourses helped to understand the constructionist nature of social enterprise development. The emergence of social enterprises in CALD migrant and refugee communities is the result and by products of multiple factors, conditions and pursuit of interest by stakeholders. The thesis demonstrated how such process fits neatly into what Foucault referred to as governmentality and technologies of self.

The literature review on social enterprise and social exclusion provides accounts on how the concept of social excision in the policy domain in recent years has been politicised and problematic. The case study in the UK, although located in

the UK, demonstrated a stark difference between what the rhetoric of social enterprise promised and the actual benefits delivered to social enterprises in the ethnic minority communities in the U.K. The case study also exemplified the structural issues constrain the competitiveness of the social enterprises in the ethnic minority communities.

The literature review on ethnic entrepreneurship provided means to highlight the key characteristics of social entrepreneurship through comparisons between two entrepreneurships. The development of ethnic entrepreneurship in Australian in the literature delineated successful cases of mobilising social networks for the collective benefits and provided measures how the examination of ethnic social networks and social capital can animate the current status of social entrepreneurships in CALD migrant and refugee communities. In other word a contrast between the top-down approach in the development of social enterprises in CALD communities and the bottom up approach in ethnic entrepreneurship and the role of cultural context and cultural assets as a dominating factor has been drawn.

The findings chapter presented the data from the filed work and the analysis according to the dominant themes emerged. The research employed semi structured interviews and received diverse responses from the CALD migrant and refugee social entrepreneurs yet key areas of concern and major factors in establishing and managing social enterprises in CALD migrant and refugee communities were readily identified. This enabled more targeted inquiries for the interviews with social enterprise experts and diverse views from varied fields were expressed.

The research findings are inconclusive in assessing whether social enterprises in CALD migrant and refugee communities are running successfully or not yet it provides relevant information in judging its soundness as a social policy for the disadvantaged by identifying a number of factors and conditions that lead to the desired social changes for such groups and assessing the current status of CALD social enterprises accordingly.

The issues identified in the research are in fact the ones that reinforce contemporary refugee and multicultural debate. The research illustrates how the policies focusing on integration without much regard to cultural aspects and the recognition as assets are unlikely to succeed. It requires an approach that celebrates

the cultural diversity. Once there is a shift in the mindset of policy makers, the focus of the policy will shift and increased attention will be paid to cultural context to ensure the environment or social ecology on which a platform is built for the migrants and refugees' entrepreneurial skills and energy to be expressed. This is a critical agenda for Australia and the nation building as Australia has been one of the most multicultural countries in the world in terms of its ethnic makeup and migrant and refugee intake, and the country will continue to be so in the future.

Nevertheless the narrowly defined current social enterprise policy is a reflection of government's stance, which largely subscribes to neoliberal policy, and many NGOs that reinvented themselves to align with the new government's policy direction.

The ensuing section summarises the research findings and addresses the primary and sub-questions. Each is discussed in relation to the literature. The sub-questions are discussed first, and the findings are then integrated into a discussion of the primary question. The chapter also makes recommendations for future research.

7.1 How do the ethnic community social networks (ethnic social capital) of social entrepreneurs and their relationships with stakeholders and institutions affect the establishment and operations of CALD migrant and refugee social enterprises?

This question mainly explored relational factors of social enterprises in CALD migrant and refugee communities. In other words, the focus of enquiry was on the social aspects of social enterprises in these communities. The key assumption was that, given the nature of the target communities, there should be considerable use of social networks as a unique driver of the entrepreneurial process, as is the case in ethnic entrepreneurship in Australia. This question is particularly important as this 'social' element - whether referred to as social networks, social capital or social value creation - lies at the heart of social enterprise identity and legitimacy. When the analytical lens is shifted from ethnic entrepreneurship to Foucault's governmentality and discourse, the relational aspects remain at the core of the strategic positioning among stakeholders and institutions around the development of social enterprise in these disadvantaged groups. From the perspective of social work or community

development, the relational dimension highlights the issue of agency, which has implications for self-help and empowerment - the key rationale for the promotion of social enterprises for the disadvantaged.

In contrast to ethnic entrepreneurship, no strong ethnic community social network was identified in social enterprises in CALD migrant and refugee communities. Some social enterprises in these communities were established by not-for-profit organisations whose existing clientele already included members of ethnic communities. Others were established by individuals concerned about the wellbeing of migrants and refugees, particularly in relation to the employment needs of newly arrived refugees. Unlike ethnic entrepreneurship, social enterprises in CALD communities were not much reliant on ethnic communities in terms of resources, markets and networks. The present study's findings showed that social entrepreneurs from CALD migrant and refugee communities relied largely on social networks outside of their ethnic communities. The existence of ethnic community social networks is particularly relevant here for three main reasons.

First, social enterprises that developed from women's support groups, such as catering groups and flower/art classes, were found to rely on ethnic community social networks, which supplied a continuous pool of volunteers and shared other resources based on co-ethnicity of its members. The research therefore supports the literature on ethnic entrepreneurship, which observed strong community social networks among co-ethnic members within perceived boundaries, in this case ethnic groups.

The absence of strong ethnic community social networks, including family and kinship networks, in social enterprises in CALD migrant and refugee communities can arguably be explained by three factors, identified by the research participants. First, it may be that migrants and refugees have been in Australia for relatively short periods of time, particularly those from emerging communities. It may take some time for them to find employment and settle themselves before they engage in organised altruistic activity for the benefit of other community members in the form of social enterprise.

Second, there may be information asymmetry. There is little information about social enterprise in CALD migrant and refugee communities. New migrants and refugees who wish to start a business are not always aware that social enterprise is an

option. As evident in the research, while non-migrant and non-refugee social entrepreneurs were informed by social enterprise discourses, newly arriving migrants and refugees do not have such opportunities.

Third, there is a lack of capacity in small community-based ethno-specific organisations. Government policy, which favours large mainstream charity organisations, has resulted in the concentration of resources and capacity within these organisations. Most NFP-stream social enterprises in the research had been established by these large mainstream or generalist organisations. There were not many grassroots community organisations, particularly from emerging CALD communities, which represented and worked for ethnic communities.

One of the key findings was the identification of the passive role played by members of CALD migrant and refugee communities. Whereas the role of ethnic, linguistic and cultural assets in building social networks has been well documented for ethnic entrepreneurship, these aspects were largely irrelevant in the social enterprises examined in the research. In this regard, the involvement of non-migrants and non-refugees should not be considered problematic in its own right; rather, it should be considered as a limitation to the channelling of cultural assets into social capital or social value creation. In most social enterprise literature this question is often ignored. There are assumptions that social entrepreneurs have some kind of shared identity and cultural context with target communities or beneficiaries. In CALD migrant and refugee entrepreneurship this aspect is crucial. Entrepreneurial skills that CALD migrant and refugee members may have are not transferable in a new environment where social structures and systems are more institutionalised such as Australia than the cultural bases on which those social entrepreneurs can apply their entrepreneurial skills and mobilise social networks. Now they have to rely on non-migrant and non-refugee social entrepreneurs to mobilise their social networks. While the inability of non-migrant and non-refugee social entrepreneurs to simulate the cultural context and use cultural assets was apparent, there was no evidence of their ability to connect CALD communities with broad social institutions - so-called linking capital. This point is illustrated below.

If the social enterprises in CALD migrant and refugee communities fail to mobilise their ethnic social networks effectively, the extent to which existing

stakeholders and institutions can replace these networks and provide support is questionable. The research also shows that, while some government initiatives played a key role in establishing social enterprises for CALD migrant and refugee communities, most of these enterprises were found to be operating in isolation and without much support from stakeholders and institutions. The findings demonstrated a mismatch between what social enterprises in CALD communities need and what is being offered. The various relationships that did exist, such as those with funding bodies, intermediaries, impact investments and governments, did not constitute social networks or social capital but only a strategic positioning of interest groups seeking assorted benefits.

Such unmet needs of social enterprises in CALD migrant and refugee social enterprises were partially satisfied by other services. The research found that, although small in number, programs that facilitated the establishment of small enterprises by a refugee settlement community organisation were valued by social entrepreneurs for their practical approach and accessibility. Research participants also appreciated the specialised training designed for social entrepreneurs. The effectiveness of private social enterprises as incubator or accelerator programs remains inconclusive, as little relevant data were collected.

Drawing on the social capital model in ethnic entrepreneurship, the research examined whether an ongoing relationship had been formed between social capital as an input and social capital as an output and, by extension, whether current practices within social enterprise represent a new expression of mixed embeddedness based on the principles of reciprocity, mutuality and solidarity between communities and social institutions. Here the analytical focus was broadened from the target group's position within the CALD communities to their interactions with the wider host community and the impact of these on both sides.

The research findings so far indicate that social enterprises in CALD communities mainly draw social capital from a wide host society, rather than from CALD communities. The implication of this on social capital is twofold. There are community members in the wider Australian society who are concerned about the wellbeing of refugees. Those who decide to establish social enterprises and become social entrepreneurs can be viewed as enhancing social capital by drawing resources

and facilitating exposure to the host community, altering the stereotyped views of the host community towards refugees. When social enterprises for CALD communities are established by institutional arrangements, through settlement services, government organisations and NGOs, the research identified some areas where social capital played a role. However, the impact of this can, at best, be described as peripheral. In particular, only marginal benefits were seen from the generation of social capital in CALD, migrant and refugee communities as a result of current social enterprise.

The research findings so far indicate that social enterprises in CALD communities mainly draw social capital from a wide host society, rather than from CALD communities. The implication of this on social capital is twofold. There are community members in the wider Australian society who are concerned about the wellbeing of refugees. Those who decide to establish social enterprises and become social entrepreneurs can be viewed as enhancing social capital by drawing resources and facilitating exposure to the host community, altering the stereotyped views of the host community towards refugees. When social enterprises for CALD communities are established by institutional arrangements, through settlement services, government organisations and NGOs, the research identified some areas where social capital played a role. However, the impact of this can, at best, be described as peripheral. During fieldwork, a great deal of interest was expressed by research participants about social procurement. Their interest was specific and practical. In many instances, they questioned how public authorities, such as local governments that they deal with closely, could support their businesses in a rather discontented tones. Social procurement is a unique area that embodies the concept of social capital as input. It is a system that enables the distribution of public resources by soliciting exclusive networks between suppliers and purchasers. Purchasers can use their purchasing power to advance social causes through expressions of reciprocity and cooperation at a societal level. Therefore, social procurement is a good indicator of how social capital can manifest in a community through the provision of supportive policies for CALD community social enterprises. For instance, local governments can hire catering services from local social enterprises or provide them with an exclusive right to supply at local festivals. State and federal governments can prioritise social enterprises in government tenders. Nevertheless, the research found little evidence that social enterprises in CALD migrant and refugee communities were being

supported through social procurement. Even though there is growing interest from governments and corporations, it remains to be seen whether significant benefits trickle-down to small start-up social enterprises in CALD communities, which lack experience and the administrative capacity to prepare for government contracts. As was the case in the UK, small start-up social enterprises in CALD communities are likely to miss out in this context.

7.2 What are the implications of this research for the literature on immigrant entrepreneurship?

Although there has been increasing interest in social entrepreneurship, there are few studies of social entrepreneurship in the ethnic entrepreneurship literature. Comparing and contrasting social entrepreneurship with ethnic entrepreneurship would allow some of the key theories related to social and relational aspects of economic activities in ethnic communities to be tested and evaluating, thereby contributing to the literature on ethnic entrepreneurship. This could be achieved by identifying the major similarities and differences between the two. The main aim would be to enhance understanding of how the pursuit of self interest in private entrepreneurship and the pursuit of altruistic ideals in social entrepreneurship lead to different practices and result in different outcomes for CALD communities.

The present study identified four main areas in which research on social enterprises in CALD migrant and refugee communities can contribute to the literature on immigrant entrepreneurship. Each of these is elaborated below.

7.2.1 How motivation is manifested in business practice

It is obvious that ethnic entrepreneurship is largely motivated by personal and individual interest, while this study found that social entrepreneurship was mainly motivated by altruistic aspirations. Nevertheless, and paradoxically, the findings identified a number of areas in which the pursuit of self interest had a positive impact and built on social capital, whereas the altruistic motivation ran the risk of impacting negatively on the communities in spite of its good intention. Social entrepreneurs present a contradiction, if one accepts that economic motivation is premised on personal gain alone. The motivation of entrepreneurs is an area where more research is being conducted. While social entrepreneurs have a number of diverse roles

(Christopoulos & Vogl, 2015), the assessment of the social capital created by social entrepreneurs is often complex and multi-dimensional.

One of the main findings was that there were many cases where social enterprises had been established *for* CALD migrant and refugee communities, rather than by social entrepreneurs *from* those communities. The distinction that must be made here is twofold. First, despite the establishment of a growing number of 'social enterprises', in most instances they only loosely met the key criteria of social enterprises, which are to trade and to have a social purpose (Borzaga & Defourny, 2004). There was little evidence of entrepreneurship in these social enterprises. This was particularly apparent in NFP-stream social enterprises that were investigated, which largely lacked the innovation and risk-taking that typically identified as key entrepreneurial attributes. The characteristics of these social enterprises resembled more traditional government contracted projects. What was observed in these NFP-stream social enterprises can be described as a form of income generation that has been rebranded as a new expression of conventional community development, based on interest and resources made available to the emerging social enterprise industry.

Second, although social enterprise as a policy for delivering social benefits builds on development models, the process did not engage members of CALD communities in its management; hence, it contradicts the self-enterprising and self-help ethos of social enterprise that has been widely promoted (Talbot, 2002). These considerations backgrounds shift the main focus to *the major reasons for social enterprises being established for CALD migrant and refugee communities in Sydney* instead of *the major motivations for social entrepreneurs in establishing social enterprises for CALD migrant and refugee communities in Sydney.*

The research found that most social enterprises established for CALD communities were based on the altruistic or charitable desire of the people involved to improve the wellbeing of disadvantaged migrants and refugees. Such a desire was expressed as the individual social entrepreneur's personal motivation in the case of most business stream social enterprises. For most NFP social enterprises, this motivation was expressed as an alignment with the social mission of the overseeing organisation. Diverse ancillary motivations led to subsequent decisions to choose

specific activities or industries. Among these, the most frequently cited factor was recognition of the employment needs of newly arrived migrants and refugees.

However, it was apparent that decisions to engage in new forms of income-generating activities were influenced largely by the emergence of social enterprise discourses. In this regard it can be said that the individual altruistic motivations of social entrepreneurs also fell within the scope of the wider social enterprise discourse. This contrasts with ethnic entrepreneurship, where newly arrived migrants and refugees try hard and make the best use of potential resources in order to earn a living for themselves and their family members. Nevertheless, in the process of doing so, they intentionally or unintentionally generate a great deal of community participation and rely on the social capital in the community. The function of ethnic social capital has been well documented in the research (Granovetter, 1985). Jobs are created as a result for co-ethnic community members who might not have found employment in the mainstream labour market (Collins, 1995). The growth in ethnic business also serves to reduce social isolation for those experiencing cultural and linguistic barriers.

The following section elaborates on how this process takes place based on shared ethnicity. However the implication of the study's findings is that there are no strong relationships between the type of motivation and the creation of community benefit. In other words, actions based on self-centred motivation may lead to benefits for the larger community, and actions inspired by altruistic motivation may produce little community benefit. This leads to the conclusion that what defines 'social' is not the type of motivation but, rather, *how* such motivation is manifested in business practice through interaction with members of the wider community.

7.2.2 The use of ethnic assets

The role of co-ethnicity, shared culture and language in bringing people together in social networks in CALD migrant and refugee communities has received attention in the ethnic entrepreneurship literature. This largely confirms the findings on the role of shared ethnicity in immigrant entrepreneurship. As Granovetter (1985) notes, the value of social capital is often enhanced when it is confined within specific boundaries. Co-ethnicity or shared ethnic identity among members of CALD communities has many benefits, such as easier access to the labour market as there are fewer cultural and linguistic barriers among co-ethnic workers. Co-ethnic

communities also provide informal support, such as dissemination of business-related information on licences, laws, management practices and reliable suppliers.

Most employment created in ethnic communities can take an advantage of the cultural and linguistic skills of employees. In ethnic entrepreneurship, the cultural contexts remain relevant even in a new host country through the existence of ethnic enclaves and the everyday practice of their cultural values and norms. This provides ethnic entrepreneurs grounds on which they start using their entrepreneurial skills and build their businesses. While this is a distinctive feature of ethnic entrepreneurship, the duplication of such cultural context was less visible in the social enterprises examined in this study. It is unclear how the process of social value creation is translated into business practice in the form of social capital (equivalent to cultural assets in ethnic entrepreneurship) in social enterprises. As evidenced in this research, when the members of CALD communities are primarily limited to the role of beneficiaries, the capacity for non-migrant and non-refugee social entrepreneurs to capitalise on such cultural assets is constrained. The cultural context is very different. The fact that some of the co-ethnic women's group members displayed a higher level of participation, ownership, sense of belonging and even collective decision-making shows that a shared identity based on ethnicity, culture and language can bring people together to engage in common activities. In this regard, the study largely affirms the critical role that ethnic characteristics can play in developing business and mobilising social networks.

Nevertheless more research is needed to identify factors other than ethnicity, culture and language that can act as a source of shared identity. The research documented a refugee women's group whose ethnic origin varied yet which still displayed a high level of group engagement and participation, presumably based on their shared identity as women of multicultural backgrounds. As well, one non-migrant social entrepreneur managed to mobilise cultural assets based on cultural skills and identity acquired through marriage to a migrant. This raises questions about the nature of such identities.

7.2.3 Labour market integration

While the use of informal kinship networks as an affordable and readily available labour force is a distinctive feature of ethnic entrepreneurship, the main

emphasis in social enterprises in CALD migrant and refugee communities was on on-the-job training to enhance the prospects for labour market participation. In Australia employment is usually secured through a series of formal processes based on local work experiences. The context is vastly different from the informal processes that CALD migrant and refugee social entrepreneurs are familiar with. The study found that those who were currently employed by social enterprises in CALD migrant and refugee communities were mainly those with a higher level of skills, such as proficiency in English, which enabled them to cross communal boundaries. Nevertheless their role differed from that of a social capital enabler who facilitates communication and engagement across communal boundaries. It is unclear to what extent those who were currently employed played this role, as most of the social lacked reciprocal relationships with the CALD communities.

The majority of people who are currently employed had been recruited from non-migrant and non-refugee communities. They were paid staff, not trainees in WISE programs. As a result, it remains questionable whether social enterprises effectively enhance the employment of disadvantaged members of communities as far as immediate employment opportunities created by social enterprises are concerned. The difference is clear when the employment needs to be addressed as a social policy goal and when the employments are created as a result of robust business activities of people. When social enterprises are not closely aligned with CALD migrant and refugee communities and their business activities fail to reflect or take advantage of cultural links with CALD communities, then the claim that social enterprises create jobs for the disadvantaged cannot be substantiated. It is further subject to the criticism that it does not do more than take employment opportunities away from the mainstream labour market.

There is another important aspect of employment in relation to CALD migrant and refugee communities. While many WISE programs target job seekers who wish to develop skills and find full-time employment, there is also a group of job seekers who do not necessarily want full-time employment, but who want to learn new skills and earn an income in order to supplement their primary income. Socialisation and the reduction of social isolation are important for those groups. The few women's group social enterprises in the research fell into this category. These groups aimed to provide women with opportunities to earn an income while offering socialising

opportunities. In such instances, there is less emphasis on creating full-time employment, scaling up a business and earning significant revenue; therefore, these social enterprises can choose to avoid risk and save costs at the expense of a higher turnover. Most WISE programs are not structured to reflect such needs.

This also contrasts with how employment is generated in ethnic entrepreneurship. In ethnic entrepreneurship, the primary aim is to seek financial benefits, yet it also has flow-on social impacts such as a reduction in social isolation. The involvement of family networks means that there is more flexibility in terms of working hours and the balance between financial and social considerations.

In the Australian labour market and training programs, the primary focus is on enhancing the ability to conform and integrate into the mainstream community. There is little recognition of the rich resources that members of CALD communities can bring with them. Their instinct for survival in a new environment, eagerness to succeed, dense social networks and links with domestic and international diaspora networks are largely left untapped. In this regard, it is not surprising that a restaurant owner with years of business experience in his or her country of origin only participates in a hospitality course in to demonstrate that he or she is capable of assimilating into the Australian context.

Such findings highlight the strength of ethnic entrepreneurship and its capacity to meet the immediate needs of newly arrived migrants and refugees. This needs to be acknowledged as a unique attribute of ethnic entrepreneurship, where the cultural assets of CALD migrants and refugees rather than deficiencies, such as English proficiency and local work experience, are highlighted.

However, it should be noted that the research identified a small number of highly skilled and innovative individual migrants and refugees in the business stream who were able to mobilise resources outside the boundaries of their communities and create employment opportunities for the wider community as well.

7.2.4 Support for small business

The fact that many social enterprises included in the research were established in response to new opportunities has shaped some of the major characteristics of

social enterprises in CALD migrant and refugee communities. With few exceptions, they were new and small in size and scale. The majority were less than five years old, while social enterprises less than three years old were not uncommon. The average size of a business within the NFP stream was very small. In fact, if the ATO definition is applied, all 20 social enterprises that participated in this research would be classified as small businesses. Therefore, social enterprises in CALD migrant and refugee communities can generally be described as 'small start-up social enterprises'. Such characteristics have significant implications for the scalability and sustainability of businesses, and constrain the formation of relationships with other stakeholders and institutions for possible support. It is also uncertain how business failures, which are considered to be an almost natural part of business development, would be viewed in the social enterprise context when it largely relies on public resources.

Significantly, the research largely confirms the critical role that ethnic entrepreneurship plays in this type of small business and indicates the value of acknowledging and supporting it. Although debate continues as to whether migrants and refugees choose the small business path largely due to the existence of barriers such as blocked mobility and 'accent ceiling', ethnic entrepreneurship clearly generates substantial benefits in terms of employment opportunities that stem from solid business growth and increased competitiveness. Moreover, some of the community initiatives designed to maximise the entrepreneurial attributes of newly arrived migrants and refugees that I encountered during the research suggest that ethnic entrepreneurship may represent an alternative to the social entrepreneurial path, as long as CALD migrant and refugee communities are involved. Instead of engaging in a celebratory discourse of social enterprise success in generating employment and reducing social isolation - which my findings largely fail to substantiate - we should encourage more hands-on assistance for individual entrepreneurial activities that can unlock the potential of ambitious new arrivals seem to be more practical ways. The call for more structured and responsive support resonates with some of the key policy issues raised in the third research question. While start-up rate is often used as a measure of success in the small business sector, in fact less than 10% of businesses in Australia survive beyond 10 years and 30% do not survive even the first year (Burke, 2012). Policy support for small ethnic business to facilitate the promotion and marketisation of unique goods and services can increase the success rate.

The research also demonstrated that the dynamic processes within CALD migrant and refugee communities go beyond the concepts of embeddedness or mixed embeddedness. The findings showed that more complex factors come into play, such as government's multicultural policy, class and the increasing role of new technology. For example, one young refugee entrepreneur who used internet technology instead of his co-ethnic social network represented an outlier in the thematic analysis; this warrants further attention.

Finally, the analysis indicated that the theoretical distinction between ethnic entrepreneurship and social entrepreneurship is in fact superficial. Both the continuum approach in the literature on social entrepreneurship and the idea that ethnic entrepreneurship can be a test ground for new sociology of economics point in the same direction, namely, that knowledge is transferable between two and the boundaries between them are fluid The findings clearly showed that how economic affairs are embedded in social relationships. In this regard, an exchange between the literature on social entrepreneurship, in particular that with an ethnic and CALD focus, and the literature on ethnic entrepreneurship will be productive.

7.3 What are the policy implications for creating a supportive environment for social enterprises in CALD migrant and refugee communities?

Any discussion of policies for social enterprises in CALD migrant and refugee communities needs to consider a broad spectrum of areas. The social entrepreneurs in this study operated in various spheres covering a wide range of activities. Policy development is therefore complex, as the social values pursued through social enterprise are inevitably subject to individual preferences, values and interpretations and it is also difficult to establish consensus at a societal level. For example, the overall impact of social enterprise on employment, wealth creation and income distribution, and its subsequent influence on the wellbeing of people from disadvantaged communities – which may have far- reaching consequences – cannot be easily substantiated. It is possible that pursuit of one social benefit may inadvertently result in an ultimate decline in overall societal wellbeing.

In the present study, for example, there was debate among expert participants as to whether providing lower paying jobs in an industry that requires fewer skills is

better than no job for skilled migrants and refugees. Some believed this would be a starting point, and that taking up any type of first job would provide networking opportunities. Others pointed out that this is unlikely to be the case in Australia; with its growing ageing population and labour force shortage. Additionally, it was argued that acceptance of low paid employment by members of disadvantaged communities would preserve the status quo and reinforce unequal income distribution, rendering them at additional disadvantage at a broader societal level.

In this context, it is useful to examine policy issues in relation to Foucault's discourse on governmentality and neo-liberalism, which lead to voluntary subjugation. The literature review clearly demonstrated that, at least in the UK, government intervention in social entrepreneurship was inspired by neoliberal ideology. The findings of the present study, however, suggest that neoliberalism has a two-fold impact on social enterprise in the Australian context.

First, direct and intentional government intervention in social enterprise as an instrument to advance the neoliberal agenda was less obvious. The only direct government involvement in social enterprise was the distribution of resources in the form of grants from various departments. No centralised Australian government department or office was responsible for social enterprise policies. Increasingly, social enterprise has come to be included in government grants as one of the government's funded activities.

Nevertheless, the increased interest in social enterprise in various government agencies does not necessarily mean that there is sufficient understanding of how social enterprise works. This poses a significant level of risk for the social enterprises that receive government funding, as the processes of business development differ significantly from traditional government service delivery. Government grants set terms and conditions for most social enterprises that impede the natural progression along business trajectories. As a direct government intervention, social enterprise has two underlying characteristics. First, the Australian government's primary focus with regard to social enterprise has been employment generation. This approach differs from the traditional Keynesian approach to fiscal policy and from the liberal economic approach of natural employment growth through economic growth. It is based on the dubious assumption that employment opportunities can be generated

through the promotion of market-oriented activities in the targeted segment of the economy, such as the not-for-profit sector. As such, the effect is to privatise the task of employment creation, which has been traditionally recognised as a key government policy area.

Second, the implementation through SEDIF itself reflects the neoliberal approach, which assumes a limited role for government. The research indicated that SEDIF and the broader impact investment market in Australia have been established with clear boundaries that are subject to market discipline. Although it seemed logical for the government to leave social enterprise development to market forces, it did not take long for the limitations of such an approach to be realised, namely, the absence of less-profitable activities such as capacity building and training from the contracted funds managers. The result was to defeat the original purpose of supporting social enterprise even though the establishment of the impact investment market has been partially successful. Despite the lack of compelling evidence that the Australian government is seeking to impose a neoliberal agenda through its intervention in social enterprise, it is more accurate to suggest that the neoliberal approach was already embedded in policymaking. Although the research findings on the impact of direct government financial support is inconclusive, more financial support that encourages targeted support for small scale start up social enterprises and addresses the training needs is required.

The research also identified a range of interests among stakeholders. Some identified social enterprise with neoliberal economics. The evidence showed that many not-for-profit organisations decided to operate social enterprises voluntarily. If such decisions are motivated by an agenda that subscribes to a neoliberal interpretation of economic activity, this would constitute what Foucault calls a technology of the self, a proactive strategy in which not-for-profit organisations voluntarily adopt the favoured practice of the dominant funder.

The Australian Government has had a very narrow focus on job creation since the inception of social enterprise, which has shaped some of the major characteristics of the social enterprise landscape in Australia, such as the widespread use of the WISE model. Heavy reliance on grants rather than trade income, particularly in NFP-stream social enterprises, can be attributed to such a job-creation-driven social

enterprise policy. Such emphasis on employment creation does not take into account broader community participation. It seeks to replicate the success achieved by some community-based cooperatives in creating jobs to benefit their disadvantaged members. The current approach only focuses only on the end results achieved by these cooperatives rather than examining the process. Other than this initial policy of the Department of Employment – which focused on job creation, despite the increasing distribution of funds to social enterprises and growing government interest in this sector is – the research established that there was no unified social enterprise policy or centralised government department in charge of social enterprise policy. Research participants who had dealt with politicians stated that there was very little knowledge about social enterprise among politicians or in the parliaments. Social enterprises were typically associated with the charitable efforts of not-for-profit organisations; thus, in the eyes of politicians, social enterprises are not equally competitive, making it difficult for them to be viewed them as eligible partners in government projects.

According to one research participant from the government sector, the ambiguity around definitions of social enterprise and the technical difficulties associated with applying ill-defined concepts to policy areas were major barriers to for more active governmental participation. There was significant lack of agreement on a definition of 'social enterprise', which further inhibited development. Most industry experts agreed that a shared definition would enable a more systematic approach by establishing clear parameters for research. Others, however, argued that no matter what definition is agreed on, it will always be incomplete in terms of capturing the full dynamics of social entrepreneurs. Nevertheless, an accepted definition would help to raise awareness about the potential scope of social enterprise, thereby preventing social enterprises with private legal structures from being disadvantaged in t seeking seeding funds.

At present, the Australian Government is increasingly dependent on community organisations for service delivery, which may provide a useful pretext for privatisation through social enterprises. The trend is likely to accelerate in the future, as shown in the recent introduction of the National Disability Insurance Scheme (NDIS). Hence there is a compelling case for the argument that neoliberal ideology is being realised through social enterprise.

It should be noted, however, that some of those involved in social enterprise recognise that government is not always the best deliverer of social services and who adopt approaches that seek to deliver services that cannot be regarded as neo-liberal. In fact, this field opens up opportunities for many social enterprises. The social entrepreneurs and stakeholders involved in the research mostly subscribed to the neoliberal view that condemns welfare dependency in the context of declining government welfare spending and praised the market's capacity to replace traditional welfare provisions. Due to the small size and early stages of most of the participating social enterprises, as well as the difficulty in accessing specific information, the research found no strong evidence to suggest that managerial practices within social enterprises are more closely aligned with liberal economic approaches that would further compromise social values, such as undemocratic decision-making within organisations. It is difficult to determine whether the low participation of CALD communities in management necessarily indicates an undemocratic system.

Nor, however, did the research reveal strong evidence that managerial practices within social enterprises were particularly aligned with social economies in which democratic decision-making processes are in place. As a result of the emphasis on employment in government social enterprise policy and the increase in the number of WISE programs, the focus of the relationship with disadvantaged people has shifted to one of trainers and trainees, rather than participants. This reflects the typical view in a commercial world that trainees are expected to develop their ability first before they can negotiate participation. In terms of income discrepancies between employer and employee in these social, again, it is difficult to draw any conclusions, due to the limited data, as to whether the characteristics of a liberal economy are present. Several social entrepreneurs decided to relinquish their pay until their enterprise became profitable; such behaviour, however, is also found in private businesses.

While there is no strong evidence that social enterprises in CALD communities are particularly driven by neoliberal economic ideology in terms of government policy or in their business practices, with the exception of some social entrepreneurial mindsets, the real issue becomes a lack of supportive government policy. As no government investment in social enterprises is planned for the near future, the need for capacity building is largely ignored or made reliant on the social

enterprise sector, which is struggling to organise itself. A larger role is required, particularly from local governments, in establishing local support networks and providing direct support through procurement. The establishment of local hubs or outreach services, where social entrepreneurs can receive face-to-face consultation and advice, would also be valuable. While it is desirable for SEDIF, as the single largest pool of available resources, to become more responsive to the needs of small start-up social enterprises, additional seeding funds from government or philanthropic sources that are flexible enough to allow for the natural growth of businesses would be beneficial.

Overall, the study's findings indicate the importance of ethnic entrepreneurship and the need for systematic support of new migrants and refugees who aspire to become entrepreneurs. Although the blocked mobility theory is still relevant (as demonstrated in the growing number of self-employed people who cannot find employment due to linguistic and cultural barriers), some groups of people find it is a waste of time to follow the typical employment path. This suggests the need for action on two levels. First, mainstream employment services need to recognise this situation and reflect it in their practice. Second, more resources should be targeted at creating and supporting a specialised service for the migrant and refugee labour market segment. It would also be helpful to develop policies that are designed specifically to support ethnic entrepreneurship, such as the flexible delivery of NIES programs, and a Centrelink payment policy that does not penalise new entrepreneurs. In this way, microenterprise initiatives can deliver substantial benefits to people from disadvantaged backgrounds in terms of achieving a higher living standard. This will not only help those who become social entrepreneurs, but will also facilitate the participation of local communities in social entrepreneurship, thereby promoting social inclusion.

7.4 Primary question: How can social enterprises assist the settlement outcomes of CALD migrant and refugee communities in Sydney through their programs and services?

Ultimately, social enterprises should be assessed against the social missions they set out to achieve. This study sought to assess the soundness of social enterprise as a social policy by examining its impact on CALD migrant and refugee

communities, one of the frequently cited disadvantaged groups in Australia, with particular emphasis on the areas of employment and social inclusion. Despite the uniform discourse of social enterprise, the research did not find strong evidence that social enterprise is effectively assisting the settlement outcomes of CALD migrant and refugee communities. It was unable to identify specific ways in which the current practice of social entrepreneurship could assist with employment and social isolation that differ from more conventional approaches.

This was largely due to the gap between the top-down, policy-driven approach and the real capacity of target communities at the grassroots level and a lack of context that enables transfer of entrepreneurial attributes between cultures. There is not enough embedded autonomy and cultural context within CALD migrant and refugee communities to support the initiation and leadership of the social enterprise development process. The self-driven process needs to be led by the community and requires a platform or focal point to anchor a natural community-based business development path. The community needs to be the main agent and to remain autonomous. It was unclear how social value creation in the CALD communities is transformed into the externalities that are relevant to the settlement experiences of new arrivals within social enterprises in this context. More time and experience will be required for CALD communities to establish social enterprises based on their capacity and drive the development by themselves. It remains to be seen how social enterprises make full use of their unique cultural assets within an appropriate cultural context and produce benefits in the areas of employment and social inclusion and how that process differs from the ethnic entrepreneurship pathway.

In the meantime, the research identified two areas that can facilitate the process. First the unique cultural heritage of people from migrant and refugee backgrounds should be celebrated through a policy based on multiculturalism rather than integration. Ethnic community organisations can play significant roles here. The study's findings raise questions about the efficacy of existing multicultural services and their capacity to reaching out to and work with CALD communities. The majority of established multicultural services were actively engaged in running WISE programs in conjunction with existing employment services, but they did not demonstrate their capacity to support CALD target communities to develop their business activities. The established multicultural services and policy makers need to

be reminded of vigorous commercial activities pursued by communities in the past in NSW. The establishment of numerous ethnic clubs and various non-profit commercial activities shows that social enterprise is not new to them and they are likely to have the capacity to run such activities more efficiently than the current multicultural services, given an appropriate level of support and cultural context.

Over recent decades, multicultural services have decreased emphasis on the community development components of their services and increased a focus on casework as part of the restructuring of community services (Song, 2013). The growing interest in social enterprise initiatives can be interpreted as a reflection of 'technologies of the self' that are deeply embedded the relationship between government and the NGO sector and in the delivery of public services in Australia. Settlement services for migrants and refugees, which are controversial in Australia, provide the funding body, the department of immigration and the funded settlement services with an ideal space where they can describe themselves with new vocabularies, such as entrepreneurship, innovation and employment growth. Despite the lack of business experience and appropriate staff, funded organisations realise the promotional effects of running social enterprises. Local politicians do not hesitate to join them and show their support. In fact, for both funding bodies and funded organisations who struggle to present recycled activities as new at every funding renewal time, social enterprise has provided safe grounds to experiment with their clients.

The example of social enterprises in CALD communities demonstrates how technologies of the self can be enacted through the voluntary supportive activities of the NGO sector, which rushed to establish social enterprises in the absence of capacity, resources and empirical evidence. This simultaneously reinforced the government agenda of privatisation of community services, which has significant implications for them.

As social enterprises grow in number and significance in Australia it is important to conduct research into the activities and effectiveness of social enterprises, the motivations and goals of social entrepreneurs and the policy and regulatory enablers and constraints that influence their activities and the extent to which they succeed in their goals. The key contribution of this thesis has been to

conduct research into social enterprises related to CALD and refugee communities. Australia is one of the world's most significant immigration nations with – in relative terms – immigrant populations greater than most other western countries. The field for this research was conducted in Sydney, recently described by the IOM as the equal fourth greatest immigrant city in the world today. Yet research on social enterprises related to CALD and refugee communities in Australia is very underdeveloped, so that this thesis fills an important gap in the literature.

One of the key contributions of this thesis has been to identify that there is a spectrum between private and social entrepreneurship which in part pivots on the importance of private profits and the community benefit of the enterprise. This is not a simple binary. Some private enterprises focus solely on material benefits of the owner – profit maximisation, the traditional neoclassical economic model. But many immigrant, refugee and Indigenous private enterprises – and no doubt a number of non-immigrant private enterprises – put a high priority on ensuring that their business provided benefits for their ethnic/Indigenous community in the forms of employment, financial support and/or volunteering for community-based organisations and so on. In other words many private enterprises are embedded within the community. At the same time most privately-owned SMEs are embedded in the family with business decisions and business dynamics reflecting the input and priorities of a partner or children/parents. Similarly government policy at federal, state and local government level directly and indirectly shapes private enterprises' business dynamics, as do layers of regulation and red tape from taxation rules, employment laws and wage and condition agreements and provisions under health and safety legislation. In other words, private enterprises are embedded within a range of personal, family, community and society regulations, norms and ethics.

Similarly, social enterprises vary in form and ownership and control structures and in the importance of profit and social impact in shaping business dynamics. In the case of social enterprises related to CALD and refugee communities – the focus of this thesis – some are owned and controlled by individuals of a CALD and/or refugee background while others are owned and controlled by individuals of a non-immigrant background but are motivated primarily to support individuals of a CALD and/or refugee background. Some of these social enterprise attempt to support employment generation for CALD and refugee communities while others support CALD and

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refugee private and social enterprises. Other services relate to family, education, torture and trauma and language needs of CALD and refugee clients. These social enterprise activities are also shaped by government policies, ideologies and practices related to the provision of services for CALD and refugee communities. In Australia this is primarily shaped by changing policy and practice related to multiculturalism in particular, and the ways that the adoption of neo-liberal policies has resulted in the privatisation of many government services, including those related to individuals of a CALD and/or refugee background. Indeed, the growth of social enterprises in the immigrant/CALD client arena and more generally across Australia is in part a response to the spread of neo-liberal ideology, policies and practices across federal, state and local government agencies and its impact on the provision of, and payment for, social policy related to individuals of a CALD and/or refugee background.

It is here that the mixed-embeddedness concept – popularised by Dutch immigrant entrepreneurship scholars Kloosterman and Rath - has application across the spectrum of private and social enterprises explored in this thesis. Much of the literature on social enterprises related to issues of definition. This preoccupation is understandable given the wide spectrum of enterprise types that runs between private and social enterprises, but it is ultimately a dead-end. A more productive approach is to focus on the ways that different levels of embeddedness at the social, economic, political, community, family and regulatory level shape and produce this spectrum of social enterprise dynamics in the CALD and refugee client space.

In other words, this thesis has begun to develop a *mixed embeddedness theory of social enterprises in Australia*. This is an exploratory development and is not yet fully formed or developed. However its key features are the following.

First, the analytical focus must be much broader than a focus on the social entrepreneur, *per se*. The background, motivation and characteristics of the individual social entrepreneur are very important in case studies of social enterprises developed to address the needs of CALD and refugee clients. Social entrepreneurs who elevate social need above material private benefits are impressive people, who do make a difference to the lives of others. Their efforts and contributions do need to be studied and acknowledged. Similar to the way that the fields of business and entrepreneurship have investigated the attributes of entrepreneurs (Stevenson &

Jarillo, 2007, 1991), there is a need to explore social entrepreneurs' attributes from the perspective of their altruistic motivations, and the impact of this on business. The entrepreneurial behaviour of individuals whose primary focus is to maximise financial profits cannot be assumed to be the same as individuals whose main purpose is to assist others. This may provide a useful ground for social entrepreneurship to be developed as its own research area, distinct from conventional business studies.

Second, understanding CALD and refugee-based social enterprises from a mixed embeddedness approach requires a focus on the complex global, national, provincial, local and neighbourhood dynamics at the economic, social, political, cultural and regulatory levels. These generate the immigrant and refugee flows in the first instance and also shape the size, characteristics and settlement patterns of CALD and refugee immigrants in Australia. Mixed embeddedness theory provides a useful tool for analysing the importance of institutions and the impact of diverse relationships among these institutions. Nevertheless, mixed embeddedness largely fails to consider other significant factors that are increasingly relevant, such as racialisation, gender, class and economic restructuring (Collins et al., 1995). A better understanding of CALD social entrepreneurship requires that more attention be paid to the diverse factors within the settlement experiences of migrants and refugees in Australia (Collins, 2003).

Third, an appreciation of the influence of neoliberal ideology as part of the way that globalisation has impacted the Australian political domain over the past three decades is critical to the growth of – and need for – social enterprises in Australia and to the privatisation of its general welfare sector. As a result, many NGOs have reinvented themselves as social enterprises, including those in the immigrant and refugee space. This is critical to understanding the *supply side* of CALD and refugee social enterprises.

In an effort to reduce costs, successive Australian governments have called for the increased engagement of community organisations. The rationale for such a strategy has been described as tapping into the commitment of individuals through

services offered by the third sector. This allowed for a shift in responsibility for service provision from the government to the third sector. Partnerships between the third sector and the business sector are encouraged, as they serve the government's neoliberal agenda (Gramberg & Bassett, 2005). Tactics such as the control of funding through performance and outcome measures, restructuring, amalgamation and closures have been employed to silence organisations. These organisations are, in turn, more compelled to take up business activities and compromise the standards of their core services.

Fourth, it is critical to understand the broader context of Australia's immigration and settlement policy (multiculturalism) and how this has changed over the past three decades to fully understand the emergence of – and impact of – CALD and refugee social enterprises in Australia today. The influence of globalisation and its consequences for migration and human mobility provides a background to such changes, to which the theory of social transformation is increasingly relevant (Castles, 2010). The incremental social changes taking place in any society, although heading in a different direction from what Polanyi (2001) anticipated in his 'great transformation', still provide fertile grounds for the application of mixed embeddedness and the issue of agency.

Fifth, it is important to understand the (changing) characteristics of – and settlement patterns and settlement needs of – CALD and refugee families themselves if we are to understand the *demand side* of CALD and refugee social enterprises. Along with the changing causes of migration under globalisation, settlement patterns and settlement needs are more diversified. This has a significant influence on immigrant entrepreneurship and social entrepreneurship. The changing characteristics of settlement, as well as the role of diaspora, cultural assets and inter- and intra-ethnic relationships and their complex linkages with social institutions in the host society are essential in the study of the business activities of CALD communities (Collins, 2003).

Sixth, a detailed understanding of the different powers and policy responsibilities of federal, state and local governments – the different regimes of

regulation – is critical for understanding the rules, regulations and red tape that govern how social enterprises can act in the CALD and refugee space. Governments are key stakeholders in the development of CALD social enterprises and the backbone of the institutional arrangements on which mixed embeddedness is originally based (Kloomsterman & Rath, 2003). It is not currently possible for any practicing social entrepreneurs in CALD, migrant and refugee communities to distinguish different policies from the different layers of government and receive assistance. Such information needs to be collated and passed on to the social entrepreneurs in CALD, migrant and refugee communities.

It is only through such a complex, multi-layered and multi-spatial approach – a mixed embeddedness approach – that an understanding of the dynamics of, achievements of and limitations of social enterprises who act in the CALD and refugee space can be evaluated, appreciated and understood. Moreover I would argue that one of the main contributions of this thesis is that these findings that emerge from a study of CALD and refugee social enterprises have resonance for other social enterprises in Australia and other countries. Through the lens of a mixed embeddedness theory of social enterprises the navel-gazing maze of a preoccupation with definitions of what a social enterprise is can give way to a more fruitful and complex understanding of the comparative dynamics of social enterprises in different countries and different market niches. Such an approach situates the conceptualisation of social enterprises within the broader international, national, provincial and local forces at the economic, social, political and cultural level that shape both the demand for the services of social enterprises and the growing supply of social enterprises in each country. The differences between social enterprises and their effectiveness in dealing with the social needs of clients then becomes one of different, uneven, levels of a social enterprises and social entrepreneurs mixed embeddedness at each spatial level and conceptual layer rather than one of definitional difference.

Another contribution of this thesis is that it links research into CALD and refugee social enterprises to both the social entrepreneurship and the immigrant entrepreneurship literature. Hitherto the social entrepreneurship literature often stands separate from and independent of the literature related to other forms of entrepreneurship and separate from literature related to the clients themselves. The focus on the immigrant entrepreneurship literature enables conceptualisation of social

enterprises within a spectrum from private to social enterprises where the importance of the *social* becomes one of degree rather than a simple binary of absence and presence. In this way social enterprises ran for and by CALD and refugee communities and private enterprises ran by CALD and refugee communities can be conceptualised as part of a spectrum of enterprises that relate to Australia's large but complex and different immigrant and refugee communities. A common denominator of all these private and social enterprise activities is their embeddedness in social and ethnic community networks and their embeddedness in families of the entrepreneurs and of their clients/customers.

Another contribution of this thesis is that it focuses on both the *agency* of social entrepreneurs and the *agency* of CALD and refugee communities. Though constrained by larger global, national and local circumstances, policies, procedures and politics the social entrepreneurs take innovative decisions to respond to the needs of their CALD and refugee clients by establishing a social enterprise. They must decide when, where and how to respond to their most important needs and who among the CALD and refugee communities to target their services. Nevertheless in the process CALD communities remain marginalised. The CALD and refugee communities are very heterogeneous, shaped by and constrained or empowered by the different social ecology of their experiences prior to and after settling in Australia, including their different levels of human, linguistic, financial, cultural and social capital. But within this bespoke social ecology – the particular set of experiences that shape each families unique journey to Australia and the challenges that they face in immigrant settlement – the CALD and refugee communities have agency in the ways that they help choose and shape their futures in Australia. A corollary of this argument is that this approach rejects a deficit model that focuses on the barriers that CALD and refugee communities face and on their level of disadvantage: rather the key focus is how they respond to their constrained circumstances and the strategies that both social entrepreneurs and clients use to overcome their disadvantage and move toward a better future and better settlement outcomes for their families in Australia.

7.5 Limitations of the Study

Some of the key findings presented in the research need to be understood in relation to the following limitations of the research. First, the research participants are recruited across industries; therefore, the research does not consider particular factors that are specific to industries. For instance, the factors and conditions that affect hospitality industry, which is highly represented in the research, may differ from those for IT industry, yet the research did not have enough scope to take into account in its analysis (Fowler, 1993). Second the research did not fully represent the cultural diversity and historical backgrounds within the CALD communities. The size and length of staying in Australia are the important variables that affect the cultural context and its position within the mixed enbeddedness. However in the research, such factors are all treated as uniform limiting the general applicability (Bryman, 2004). Third, the approach taken in the research to examine social entrepreneurship in a policy domain may have led to some bias in the ideological position when applying snowball sampling. For instance social enterprise experts that was introduced by previous expert interviewed, is likely share the similar ideological stance (Becker, 1963, Bryman 2004). Fourth, the research had little success in obtaining information relate to the financial performance of CALD social enterprises, therefore discussion on the sustainability largely rely on the personal projection of individual social entrepreneurs. Fifth, in retrospect, during the research there were more females visible in CALD social enterprises. It was apparent that there were relatively more active roles and participation by female members of communities in forming unique characteristics and dynamics for CALD social enterprises, therefore more detailed gender analysis would have been desired.

7.6 Future Research

This study has identified the need for a fundamental expansion of the scope of research into social enterprise in CALD migrant and refugee communities. Extant research increasingly focuses on innovation in institutional settings, modes of organisation, and resource acquisition for not-for-profit organisations. The findings reported in this thesis highlight the importance of recognising that practices of social entrepreneurship are based on psychological approaches or mindsets that differ from those that characterise conventional theories of management. There is a separation

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between altruistic motivations and the pursuit of profits; profit maximisation provides an underlying principle in conventional management, while the practice of social entrepreneurship creates and upholds social values at every stage of business operations and transactions. Profit merely provides the means to maximise these values. This requires a significant alteration of the frames through which business analysis is carried out; for example, the parameters used in decision-making for optimum levels under traditional managerial economics do not have the same meanings in the practice of social entrepreneurship. The study identified cases in which mark-up prices were set at levels that would be inconceivable in existing managerial economics or marketing theory.

Further study into how altruistic motivations affect various aspects of business management, including human resource management and accounting practice, requires a new way of understanding the use of resources and reaching a fresh equilibrium in business decisions that will provide a firm foundation for further research. This could also result in a paradigm shift, in which the study of social enterprise establishes itself firmly within the tradition of social economy, independent of the analytical approaches set by either conventional business studies or community development research. More serious and holistic approaches to human nature and its relationship to economic activities are essential, but this does not require a totally new perspective. This thinking has become mainstream through the work of economists such as Polanyi, Mauss, Boulding, Perroux and Razeto and has already demonstrated that there is an alternative way of interpreting economic affairs that is more in line with the value system on which social entrepreneurship is based. The recent interest in social entrepreneurship affords an excellent opportunity to strengthen the theoretical stance of social economy, which will provide more fertile ground on which the study of social entrepreneurship can flourish. This approach should be accompanied by empirical research that investigates the everyday realities of social entrepreneurship and what actually goes on in the operation of social enterprises – data that have been largely missing in academia.

In addition, the increased interest in social enterprise in recent years could support further research into how democratic control is achieved in the management of social enterprises. The ideal site for deepening such understanding is to rediscover the potential of cooperatives and to serve as a main driver of social enterprise

movements. Despite the many similarities they share with social enterprises, cooperatives have been neglected in recent research. As social enterprises progress and more empirical data are collected, the issue of democratic management and ownership of social enterprise, which has not yet been fully considered, will inevitably arise. When that happens, the cooperative model could provide a considerable amount of guidance.

Finally, the research identified a gap in knowledge of community economic development in ethnic communities in Australia. Although the findings indicate that social enterprise in CALD migrant and refugee communities constitutes only a small portion of social enterprise in Australia, the various ethnic communities in Australia have long generated community economic development in the form of ethnic clubs, cooperatives, community centres and collective asset management. The invisibility of those initiatives in the social enterprise sphere is largely due to the lack of a clear definition of social enterprise and subsequent self-identification. Nevertheless, the experiences of ethnic communities in engaging in commercial activities for the sake of their communities could provide valuable lessons for the entire field of social enterprise in Australia.

Epilogue

During the course of field research, which lasted more than seven months, it was apparent that social enterprises provide people with a sense of identity and purpose. People like to feel positive about themselves by officially identifying with actions that constitute 'doing good'. This identity was not usually available for people in the business sector, due to the traditional dichotomy of not-for-profit versus profit. It requires only a minor shift in mindset for people who are already engaged in business to realise that there are ways in which they can contribute back to the community, and that this will qualify them as social entrepreneurs. The business sector is by far the largest denominator of communities. It is more than simply a corporate sector; it is representative of the everyday lives of millions of people. The benefits of positive attitudes and a caring spirit generated within the community can be useful beyond any measure. Such a transition or movement will not be possible, however, without the participation of grassroots communities. Attempts to

superficially focus on certain merits of social enterprise through a specific policy drive will jeopardise such an approach and can be counter-productive. Findings regarding the difficulties around sustainability can inform not-for-profit organisations that are representative of communities that they need to reflect their capacity realistically, and ask whether embarking on commercial activities is really a natural extension of their everyday reality. Being entrepreneurial does not necessarily have to involve setting up a new business venture and achieving financial success. There are other ways in which not-for-profit organisations can be entrepreneurial if they believe in the efficiency of the business sector, for example, by improvements to fiscal policy, project revenue, evaluation practices and HR policies. They can also improve networks with the business sector.

In the past, governments and not-for-profit organisations were primary providers of social services. Although, in theory, not-for-profit organisations are better suited to social economy practices, Australian experience shows that there have also been many instances of inefficiency in service delivery on the part of not-for-profit organisations. It would be unwise to rule out the possible contributions that new business approaches can make, based on some of the inherent shortcomings of a market economy. While it is fair to argue that the business sector should take the lead, there should be more balanced and rational approaches to initiating social enterprises. Rather than taking the social enterprise discourse at face value – that is, as a panacea for every social problem - potential social entrepreneurs must be informed about the extremely difficult business environment and conditions. Small businesses find it difficult enough to survive. The addition of a social mission can only make things more difficult for social enterprises in CALD communities, unless they operate in unique industries where they can capitalise on their unique cultural assets.

There are sections of the community in which the social enterprise sector has been largely self-celebratory. Images of migrants and refugees receiving on-the-job training in front of coffee machines please everyone – funding bodies, the funded organisations, local governments and politicians. In the absence of a sound examination of social enterprise as a feasible business model, the promises of social enterprise have been largely achieved by support based on belief. Such a phenomenon is often associated with explaining the 'bubble,' an unsustainable state. Research participants have had mixed results in their performance, but almost everyone was

aware of uncertainty ahead and the contingent nature of the 'boom', despite the supportive environment some of them enjoyed. However, it is time to create a new discussion on whether current practices in some areas accurately reflect the efficient use of promised resources.

The curiosity I had at the start of the research, derived from my personal involvement with social enterprise, was the main motivation for the research. This curiosity has been largely satisfied by sharing the experiences and ideas of the 20 social entrepreneurs and experts in CALD communities who participated. The findings point to the fact that much of the expectations of social enterprise practitioners, including my own, have been largely shaped by uncritical discourses of social enterprise, which emphasised the benefits and ignored the difficulties. Many social entrepreneurs have entered the field with the simple notion that there must be benefits in running enterprises for the good causes they are marketing, without possessing the necessary knowledge and experience of trade. I feel strongly that aspiring social entrepreneurs should be aware of the risks, the high failure rates and the consequences.

I also realised that the social enterprise I had supported was not sustainable. What had previously been a community organisation evolved into a social enterprise. Despite some of the great benefits that the business approach offered, such as income for newly arrived refugees, it became apparent that those benefits can still be achieved under the community organisation structure. When scale is not achieved, and the promises of social enterprise, such as a significant employment outcome, are not delivered, it would be better to remain as a community organisation, in which group members at least feel that they have shared power to manage and a sense of belonging, while still trying to achieve the social mission in the long term.

Additionally, there needs to be more awareness in the not-for-profit sector that the growth social enterprises will have a significant impact on welfare services, as well as on other services in which the government's role has been critical. It is imperative that the government remains committed and continues to provide resources where they are needed.

Although it was not apparent from the research, as social enterprises grow and scale up, there will be more tension stemming from the market economy on which

they are largely based. In this regard, more attention needs to be paid to alternative models such as cooperatives, employment ownership and mutuals, which have the same social purpose principles but are less impacted by the drawbacks of a market economy. Despite the fact that some of the most successful social enterprises in the world are now cooperatives, little is known about this particular form in CALD migrant and refugee communities.

The research has confirmed that there is a great deal of goodwill in the communities and genuine hope for what social enterprise can achieve for the disadvantaged in Australia. This is still possible when social enterprise discourse is based more on empirical evidence and honesty in policies. Hopefully, this study of social enterprise in CALD migrant and refugee communities contributes to that outcome. Since the majority of the participating social enterprises are early stage start-ups, a longitudinal research approach would be useful. Revisiting the status of participating social enterprises in the future, particularly those from business streams and those that are technology-based, will be of great benefit.

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