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The Salience of Social Enterprise: a 'Fictional', Functional Tale of Three Sectors Cooperation

Alexandru URECHE
Bucharest University of Economic Studies, Bucharest, Romania
alexureche@gmail.com

Abstract. *Built on a commercial structure, a social enterprise has its primary goal to achieve certain social objectives, by which attempts to make a strong societal, and environmental impact. In exploring its role in a VUCA (volatile-uncertain-complex-ambiguous) world, we argue that such dynamic, adaptable, structures fostering social innovation, and entrepreneurship, are set to thrive as pillars of socio-economic stability in the current climate of rapid business change. We posit that social entrepreneurship (and intrapreneurship) skills such as creative bricolage[1] represent a much-needed addition to the business toolkit competences. The aim of this paper is to provide a counterpoint to a world marred by overconsumption, where instant gratification and short-term profits, coupled with human impact to global climate add to market volatility and uncertainty. Our research focuses on a sustainable business model that blends entrepreneurship and intrapreneurship, with the full, balanced, use of financial, social, and human capitals, while blending innovative accounting models to create a new paradigm of long-term economic stability. This all-inclusive business model has the ability to leverages a three-sector collaboration between public, private, and voluntary, centered on a different kind of profit-making organizations such as social enterprises, benefit corporations, or cooperatives, towards a more sustainable business and economic future.*

Keywords: Social enterprise, VUCA world, social entrepreneurship, multiple capitals, sustainable business models.

Introduction

There has long been a distinction in society, based on ownership, between public sector, private sector, and voluntary sector, also known as third sector[2]. Seemingly disjointed, these three sectors share common values and goals, and their collaboration – often during challenging times, such as health crises, economic crises, or wars – has been auspicious for our business world, and for the society at large. By all accounts, we *are* experiencing challenging times; hence, our not-so-hypothetical question, for the abovementioned sectors, that most often than not possess commonalities, is related to their potential collaboration, and the measure of such palpable impact on our world. In distinguishing the traits that unite rather than divide, the perceptive researcher could argue that we can build a better enterprise, and a better economy, with a largely superior propensity for withstanding the winds of socio-economic change, when the 'fictional' collaboration becomes a functional reality.

Our search for better building blocks of such economic concreteness starts at enterprise level, and – based on author's decade old experience, hands-on, with social enterprises – we argue that such a business model may be most suitable as an emerging beacon of economic sustainability. In proving our hypothesis, we are showcasing examples from United States, United Kingdom, and

[1] Bricolage is viewed as using of available resources, practices, cultural artefacts or institutions in new combinations to achieve change (Nicholls, 2009)

[2] We are distinguishing between the three-sector model in economics (raw materials, manufacturing, and services) and the three sectors of society: public, private, voluntary, focusing on the latter model (author's note).

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from the Eastern European entrepreneurial domain, namely in Romania. In doing so, we are attempting to determine enterprises' abilities to scale up, and to be viable in performing their functions on a larger scale.

'Third sector organizations' (TSOs) include a range of organizations that – while neither public sector nor private sector – are increasingly contributing to their communities' socio-economic development. They are *value-driven organizations,* such as voluntary and community organizations, social enterprises, cooperatives, associations, and other non-profits (National Audit Office, 2022). For this reason, TSOs are most likened to 'not-for-profit organizations', yet a more fitting name would be 'not-for-personal-profit'. They do need to make profits in order to be financially sustainable, yet they mix social, economic and/or environmental goals and pursue them through entrepreneurial means, i.e. combining resources in new ways (Defourny & Nyssens, 2006).

Nowadays social entrepreneurship is shifting the business paradigm through a socially innovative business model, by fostering grassroots, bottom-up approach to development, for a robust resolve of existing socio-economic problems across the world. Although it shares business entrepreneurship and for-profit management tenets, it infuses the conventional business strategy with socially-conscious principles, for a greater impact (Velez, 2023).

Recent events have placed our world, more than ever, in an era of Schumpeterian 'creative destruction'. Thus, in a pursuit for a more sustainable planet, we are undertaking the task of finding if the recognized limits of each sectors' mission do indeed drastically impact the perceived differences between non-profits and for-profits, and the government's noted interference.

During COVID-19 pandemic there was a massive government intervention to prop up companies that seemingly lost money because of the shutdowns. Many have greatly recovered, with the oil and gas companies posting record profits. Exxon, Chevron, TotalEnergies, Shell, and BP, all revealed that 2022 was the most profitable year in their respective histories. Their combined profits were 20 times larger than the US Environmental Protection Agency budget (figure 1), with most of the profits going towards stock buybacks and dividends (Milman, 2023).

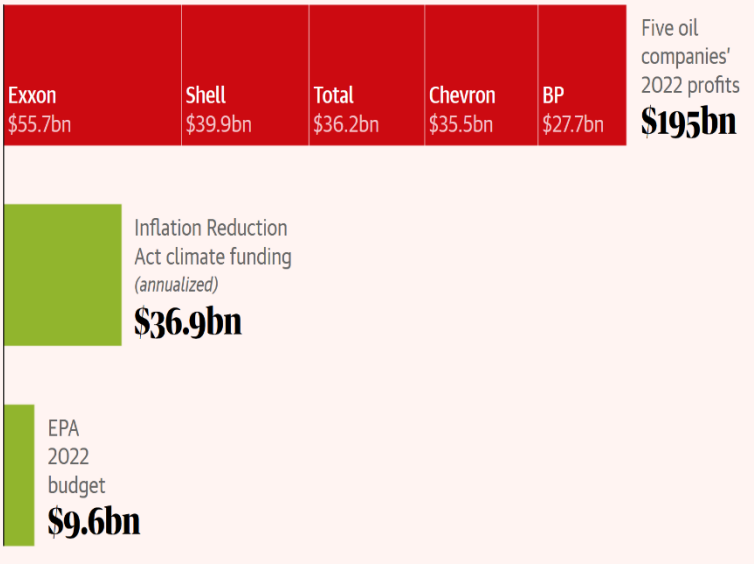


Figure 1. Major oil companies' profits were 20x larger than the US Environmental Protection Agency budget in 2022
Source: The Guardian, 2023

The COVID-19 pandemic has shown once more how fragile our market-driven society has become. The visible toll of the pandemic was having another 70 million people pushed back into extreme poverty, the biggest setback in decades to global poverty-reduction efforts. It also caused a hidden, but colossal collapse in the human capital of the young, in one of the most critical moments of their lives. A new World Bank report, *Collapse and Recovery: How COVID-19 Eroded Human Capital and What to Do about It*, details the immense impact of the pandemic on human capital accumulation for the population under the age of 25, on healthcare, education, cognitive deficits, youth unemployment, and potential earnings.

This is the generation which by 2050 will make up to 90 percent of the prime-age workforce (World Bank Group, 2023).

In her book *Mission Economy: A moonshot guide to changing capitalism*. Mariana Mazzucato emphasizes the government role as a stabilizing economic factor, and its contribution towards a more sustainable socio-economic future (Mazzucato, 2021).

The recent rise of social entrepreneurs, and the social intrapreneurs within corporations, with the business sector borrowing ideas and concepts from the third sector, shows that 'for-profit' corporations are ripe for change, externally and from within, the concept of 'corporate social responsibility' being one of the additions to the corporate playbill. There is, however, a relatively wide perceived notion related to financial reporting, namely that TSOs are not reporting well, or 'well-enough'. In our paper, we will investigate these assumptions, as well.

Nonetheless, under abovementioned circumstances, it only seems natural for the three sectors of the society to work together concurrently, in aspirational harmony. Thus, a 'fictional' tale of three distinct sectors becomes a functional token of cooperation between public sector, private sector, and voluntary sector, sharing business principles and values, towards a more balanced economic future. We strongly believe that such a novel, innovative concept is worth investigating in our research.

Literature review

There has been an increasing demand for NGOs to become more accountable, which is to render their actions measurable, and their performance commensurable, therefore consistent and comparable. (Power, 1994).

The well-known adagio that a non-profit has to be ran 'like a for-profit', adds to age-old dichotomic debate, while unjustly pitting the for-profit and third sector against each other. McCullogh and Ridley-Duff (2019) start with the existing definitions of 'economics', straight from the Office of Economic Development (OED), dipped in Aristotelian philosophy, of two seemingly antithetical accounting systems, for-profit vs. non-profit, in order to expose the fallacy of a dual accounting paradigm, namely 'for' vs. 'non' profit accounting. They are comparing the profit oriented businesses, designed to gauge shareholders' returns, with the mission oriented organizations, not intended to tally return of investments. Their intersection, aptly named 'hybrid', is the space where social enterprises, cooperatives, and various other trading charities live. Current accounting archetypes fail to support the diversified (and diversifying) world of social organizations, meant to fulfill the growing needs of new categories of populace, and their various inherent purposes.

In their research, McCullogh and Ridley-Duff showcase two diverging paradigms, based on different outputs, the pursuit of profit (for-profit) and social objectives (not-for-profit) which are currently feuding in the social sphere (Nicholls, 2010). They are also arguing for adding social and environmental sustainability reports to existing financial reports for a better integrated reporting in which financial is seen on equal footing with social and environmental. This would include 'triple bottom line' and 'multiple capitals' accounting approaches.

Oström (2005) distinguishes between natural capital, social capital and human capital, managed through polycentric governance.

Aristotle did not look at economics solely as a way of increasing financial capital, but a more rational and sensible distribution of resources in pursuit of a good life, in a well-ordered society. A judicious allocation would also lead to an increase various other forms of capital, such as the creation of social capital, and the (re)generation of social wealth, alongside the natural, human, and intellectual wealth (Ridley-Duff, Wren and McCulloch, 2019). Oström observed that social capital is increased rather than decreased through use (Oström, 2005). The same argument can be applied to human capital: the more we use our skills, the better we become.

Resource capitals	Elements used in project
Economic impact	Money to contractors
	Social investment
	Reinvestment
	Dividends
	Taxes
Environmental impact	Emissions to atmosphere and sea ($/tonne)
	Nuisance value (noise, odour, value etc.)
	Footprint ($/unit area)
	Waste (disposal and from production)
Resource impact	Oil and gas
	Water
	Energy
	Raw materials
	Intellectual property
	Physical infrastructure
Social impact	Jobs
	Health and safety—benefit arising from taxation
	Tackling poverty and social exclusion
	Equip people with skills to fulfil their potential
	Reduce the proportion of unfit housing stock
	Reduce both crime and fear of crime
	Social impact of products

Figure 2. Elements of SAM as used in the UK
Source: Bebbington et. al., 2006.

For the reasons above, measuring performance in social enterprises can be quite challenging. Seeing as cost benefit analysis (CBA) has an over-reliance on monetization of non-economic values, and due to its subjectivity of calculation, Bebbington et al. (2007) propose the use of social and environmental accounting technologies such as *sustainability assessment models* (SAM) that follow a four-step, full-cost-accounting approach (FCA) to a discrete project and considers the full lifecycle, taking into consideration (and monetizing) the project's impacts: the economic impact, environmental impact, resource impact, and the social impact of the project (Cavanagh et al., 2006).

In developing a conceptual framework for analyzing and interpreting qualitative accounts of TSO performance, Cuckston (2022) brings into focus the functional / social accountability divide. It is drawing on stakeholders' salience theory which postulates that management attention toward stakeholders is dependent on the extent of stakeholder salience (high to low) and their stakeholder typology (Mitchell, Agle, and Wood, 1997; Freeman, 2010; Conaty & Robbins, 2021).

Nicholls (2009) credits Emerson (2003) with coining the notion of Blended Value as organizations are set to create both financial and social value, which in turn are intrinsically connected rather than being in opposition in a zero sum game. As part of the Blended Value model, Emerson suggested that organizations develop more holistic accounting practices, in order to fully reflect their value creation (and destruction) activities.

Methodology and framework

Framing the impact of a social enterprise has, at a minimum, a financial, a social, and an environmental component. The 'non' or 'not' logical operators associated with 'profit' produce an inverse statement, suggesting that third sector organizations may be unconcerned with making profit, or even profit-averse. This is exceedingly far from the truth, as TSOs need financial capital to thrive, in pursuit of accomplishing their mission, and fulfilling their social and environmental goals. Aside from 'reverse of' or 'absence of', the prefix 'non' has a meaning of 'little importance', or 'worthless', thus diminishing the mission oriented concepts of value creation, or rendering them useless in comparison with the business output of a market society.

The fallacy of the traditional view for profit v. non-profit has been exposed by McCulloch and Ridley-Duff (2019). With two disjoint perspectives being insufficiently accurate, researchers postulate 'hybrid' areas where profit-making operations can graciously coexist.

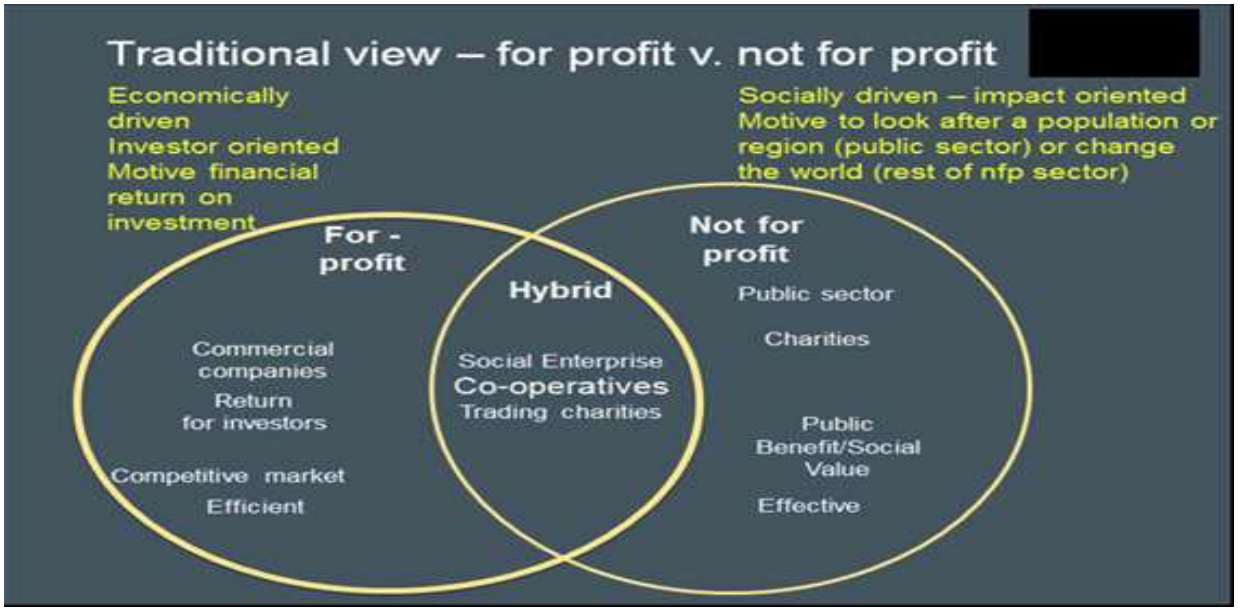


Figure 3. Representations of For-Profit v. Not-for-Profit

Source: McCulloch, Ridley-Duff, 2019.

Considering the impact of all three components, with the added complexity of multiple capitals, framing the performance in third sector space becomes swiftly a daunting task. Based on researchers' involvement in a Romanian social enterprise, the choice of interventionist research (IVR) methodology, with its theoretical and practical perspectives, and its inherent capacity to influence social change (Baard & Dumay, 2021), represented a natural choice. While IVR produces theoretically interesting contributions, whether a new concept, or a more traditional input to existing research (Lukka & Wouters, 2022), we are emphasizing one important characteristic feature of IVR projects, which is to have a pragmatic impact in the community where the research is conducted, which is corroborated by researchers' practical application of their work.

Since 2018 we have immersed ourselves in a small community in Oltenia in southwestern Romania, studying the impact ramifications of a social enterprise in rural areas, and the community response. The farming social enterprise known as 'Floare la Ureche', which researchers are currently building, while still funded through external grants as of this moment, has become an engine for positive change, shaping the lives of people in a small community of 20.000 inhabitants. First, by providing jobs in agriculture, which provides 4.2% of Romanian GDP (Statista, 2023), then by funding vocational programs for the young, and finally by building a community center dubbed as cultural center, with a small library, for the local populace.

Our research hypothesis aims to prove that a socially-innovative organization that devotes its profits towards a balanced investment in other forms of capital other than financial (i.e. intellectual capital, human capital, social and relationship capital, and natural capital), has a better chance to thrive long term, in complex and uncertain economies, rather than an organization focusing solely on growing its financial capital.

Using IVR, in a blend of knowledge and action, the author has performed ethnographic research, have spent several years directly involved in a community powered by a social enterprise, using the etic and emic perspectives, and studying the impact on such organization in an impoverished area of the country. During this time, after many observations and semi-structured interviews, we have performed interventions in management accounting, also those targeting social

enterprise management operations. We have also considered four established companies in the UK and United States, which are embedding social values at the core of their business, to show how their respective business models are creating economic value for their communities, and the world.

Seeing that our methods and processes work well and produce impactful results for the community, and towards advancing sustainable business models in vulnerable economies, we are attempting to emulate certain aspects from already established social enterprises, benefit corporations, and/or cooperatives, seeing how this brings more economic stability, and long-term business clarity. O'Dwyer and Unerman (2008) favor an expanded concept of accountability, a *holistic* accountability towards a wider set of stakeholders, which means anyone who may be impacted by the organization's activities. This stakeholder approach is meant to create value (and implied ancillary accountability) for all the parties involved (Freeman, 2010), favoring the argument that a more holistic accountability 'expands the concept of' performance, such as the sustainability assessment model adds more information towards measuring impact.

This in turn eliminates the limitations of measurement-only variations of financial capital, which, outside the financial value of the organization, fail to consider its actual wealth. We argue for a more balanced perspective on judiciousness of resource allocations, therefore considering the impact on our society of organizations that blend financial, social and environmental goals, such as social enterprises, benefit corporations, and other innovative, yet disruptive, value-creating business models.

Results and discussions

We are presenting four case studies of for-profit organizations, in United States and UK, which devote a large share of their profits (up to 100%) towards social programs. While they embody the business principles (and internal processes) that researchers attempt to emulate in their quest for a more sustainable business model, for a lasting future, they are also in line with the work that researchers have independently performed at a social enterprise in Romania. These socially innovative, financially viable, business models which we call *blended business models*, may gradually replace traditional financially-laden, exclusively profit-driven enterprises, as our global economy can build sturdier business structures for a more sustainable global future.

In the United States, a benefit corporation (or B corporation) is a type of corporate entity, for-profit, that has been authorized since 2010. A benefit corporation includes positive impact on society, community, environment, and not last, its workforce.

In the UK, in 2005 a new legislation established a distinct legal form especially for social enterprise, the Community Interest Company (CIC). Elsewhere in the world, social entrepreneurship is present across a wide range of legal forms, from B corporations and L3Cs in the USA, to social cooperatives in Italy, or Section 25 Company in India (Nicholls, 2009).

Cafédirect

Cafédirect was founded in 1991 by four UK-based charities, with the original goal to get small producers a fairer price for their crops, coupled with greater opportunities for their communities. It grew into UK's largest Fair Trade only company, with a turnover in 2020 at £17.1m, which was a 21.9% increase compared with 2019. The step up in growth was accompanied by a profit of £145k before adjusting for fair gains/losses on foreign exchange (2019: £156k). This is the third year that the Company has delivered a surplus since 2009. Cafédirect continues to be a purpose-led business with genuine partnerships with coffee farmers, improving their communities, and creating better living conditions.

Impact Makers

Michael Pirron founded Impact Makers in 2006 with $50 and a laptop, as a social enterprise with technology consulting solutions. Over the next 12 years, Impact Makers grew to become a 140-person company, valued 2018 at $18.6 million**.**

Impact Makers is Virginia's first benefit corporation. It has delivered more than $3.7 million in community contributions since its 2006 founding, and has performed over 11,000 hours of pro bono work since 2009. In 2015, it achieved its initial goal to donate $1 million to charity. In January 2018, the Board of Directors removed Michael as CEO and began taking the company in a different direction. A lawsuit ensued, with Michael Pirron as plaintiff.

On June 17, 2019, Michael received a settlement that reversed the sale of shares and restored the integrated governance model of Impact Makers (Dunlap, 2022).

Greyston Bakery

A social enterprise, and first benefit corporation in NY state, Greyston Bakery was founded in 1982 in Riverdale, New York, to address the root causes of poverty and to create a vibrant, thriving community (Marquis, 2021).

The company aims to hire the hard-to-employ and is known for its "open hiring" practices, where anyone can sign up regardless of background. At the successful completion of an apprenticeship (reached by about 40% of new hirees), the employee is given a permanent position.

In 2019, Greyston had 6.8 million in assets, and totaled 2.6 million in revenue, with no professional fundraisers, and paid 2.1 million in salaries to its 78 employees (as of 2020).

Patagonia, Inc.

Patagonia, Inc. is an American retailer of outdoor clothing, with 1000 employees, and 1.5 billion in revenue. Currently a private benefit corporation, it was founded by climber Yvon Chouinard in 1973 and is based in Ventura, California. Patagonia has a long history of environmental conservation and activism: "We're in business to save our home planet."

Each year, Patagonia contributes one percent (1%) of its *annual net revenues* to nonprofit charitable organizations that promote environmental conservation and sustainability. In September 2022, instead of 'going public', Patagonia chose, in their own words, to 'go purpose', by transferring 100% of the company's voting stock to the Patagonia Purpose Trust, created to protect the company's values; and 100% of the nonvoting stock had been given to the Holdfast Collective, a nonprofit dedicated to fighting the environmental crisis and defending nature.

Having defined its business goal and mission to save the Earth, the Patagonia Purpose Trust ensures the company's commitment to its purpose forever.

"Floare la Ureche" Farms

IVR has the capability to produce research with theoretical, practical, and societal relevance, which allows for multidimensional aspects of types of capital. "Floare la Ureche" Farms is a Romanian social enterprise focused on a more holistic, stakeholders' impact reporting, considering metrics such as the number of people in vocational programs, the square meters (sqm) of community space built, the number of families impacted by social enterprise work, or the number of beds available in guestrooms, for teachers, doctors, or anyone in need of temporary accommodations. The graphs below show not only the obvious financial capital investment, but the investment in the other types of capital: manufactured, social and relationship, human, intellectual, as well as natural capital, the

organization being part of a larger bio-cluster, with emphasis on preserving biodiversity, and natural resources.

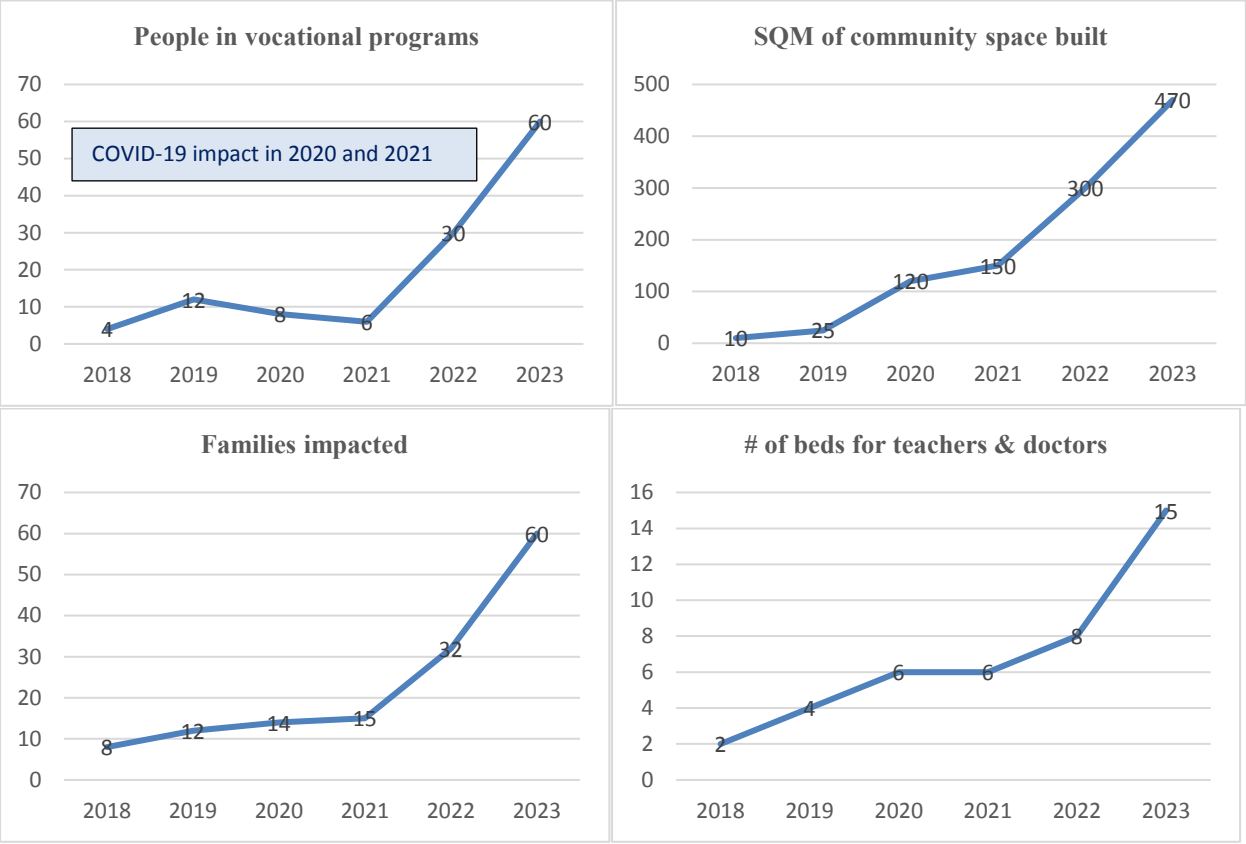


Figure 4. Expanded, holistic reporting in Romania towards the impact of multiple capitals

Source: Author, 2023.

The blended business model

Based on the abovementioned business models, and the current economic 'state of the affairs' researchers have identified the need for a more integrated, durable business model, to withstand market complexities, and increased economic uncertainties. The blended business model is taking inputs from all three sectors (public, private and voluntary), and creating a balanced model of an innovative, entrepreneurial, 'for profit' organization, concerned with long term value creation, in a sustainable way.

As far as reporting goes, and the idea that TSOs are not reporting well, or 'well-enough', seems rather unfounded. The notion that social entrepreneurship goes hand in hand with fuzzy reporting are just another neoliberal fallacy, in a world where corporations are more and more committed to *triple bottom line (TBL) reporting* (of profit, people, and the planet), while non-profits are fully disclosing their finances. Moreover, TBL reporting has been embraced as a sustainability reporting standard by the Global Reporting Initiative (GRI), which has developed and delivered the global best practice for how organizations communicate and demonstrate accountability for their impacts on the environment, economy and people (*GRI - Home*, n.d.). More corporate businesses are including GRI indicators in their performance reports, reporting against a range of social, environmental, and financial indices (Boiral and Henri, 2017). This, in turn, moves

the focus from *how* to *what*, meaning that considering the 'multiple capitals' involved in making a business successful, and measuring how they impact the organization's bottom line, it creates the ability to capture performance, and to create value, which further underlines the salience of third sector in today's volatile and complex business world.

Nowadays, the job of the government, from a mere regulator who establishes the rules of the game and fixes market failures, is becoming more and more a market-shaper, and a value creator. The public sector is recognized for leadership, innovation, value creation (and value redistribution), risk taking, social and environmental programs, care, and for facilitating communication with the other sectors (Mazzucato & Ryan-Collins, 2022). This is showing great potential for a three-sector partnership in quelling worries about our planet's uncertain future.

To further support our 'unifying theory' of three-sector cooperation, the *2022 Edelman Trust Barometer Global Report* has found the private, and the voluntary sectors seen as ethical and competent, and effective drivers for positive change. The gap between these two sectors is seen as shrinking, showing the two sectors sharing more common goals (while the governments still have to catch up, at least in public perception).

Having already addressed the fallacy of discounting the voluntary sector as being not interested in making profit, and considering the other types of capital, we can confidently argue towards a blended value model that borrows many of the three sectors common traits. Staring with leadership, innovation, entrepreneurship, process optimization, value creation, risk taking, capital investment (whether is financial, manufactured, intellectual, human, social and relational, or natural), and considering its social and environmental mission, the blended business model appears as a stabilizing proposition for volatile times. We argue that once complexity and ambiguity are tackled using the abovementioned tools and skills from the blended business model, the volatility and uncertainty will be greatly diminished through concentrated efforts of three sectors, public, private, and voluntary.

Conclusion

We have analyzed the dichotomy 'for' vs. 'not for' slash 'non' profit, and highlighted some perceptions, even negative connotations associated with third sector organizations' ability to make profit, which are unfounded in the light of their need for financial capital. Further, we reject such unidimensional labels that narrow the field of research, while preserving the status quo.

In order to summarize the value and implications of our foray into the three sector collaboration, one has to consider the 'profit predicament', as well as changing the perception on profits, while framing the paradigm with the right questions. C*ui bono?* is a question as old as the Roman Law, meaning *who benefits from it*. An endeavor needs to 'make sense', an enterprise needs to be profitable, this goes without saying. It has always been about making a profit, but *how* is the profit made, *whom* is made for, *what* is done with the profit, and *why*. The realm of social enterprises is a profitable one, where the goal of profit-making is subsumed to social, and environmental causes, and ultimately to the betterment of our world. In order to quell anxieties about our increasingly VUCA world, where private corporations have consistently played an outsized role, our argument is merely about more balance between the three: public, private, and voluntary sectors, in our society. This, in turn, would increase the prominence of the social enterprises and other third sector organizations, as profit-making organizations in their own rights, with a set of business principles to share across the financial world.

In analyzing the various resources available to humankind, and considering the impact of climate change, there is a need to reframe wealth as a judicious allocation of *all* types of capital,

plus access to a form of network (enterprise) between the beneficiaries to all these forms of capital. Moreover, by seeing all the capitals in terms of increase, decrease and maintenance, we may fail to understand that such measuring is better suited for finance, while ignoring the other types of capital, alongside the knowledge and expertise of social enterprises in allocating their resources to maximize their positive impact on society, and the environment. (McCullogh and Ridley-Duff, 2019)

In changing the quality of relationships between people (and *within* people), and between people and their places of work, and between people and nature, wealth in this wider sense came from shifting discussions of quantity to quality. *Our research is calling for a better business model, alongside a better definition of wealth, and a wiser resource allocation.* A social enterprise, with its blend of social, economic and/or environmental goals, is perfectly suited for this kind of balanced resource allocation, and growing – equitably – several forms of capital, instead of solely focusing on the financial one. This allows for sustainable growth as well, yet at which pace, and rate, is still a matter of further scrutiny, to be weighted and analyzed in future studies.

Currently, there is a growing, albeit still limited, desire to maximize social impact alongside profits, which limits our field of study. Yet, with the rise of intrapreneurship within corporations, and the desire of younger generations for socially responsible investing, or ethical investing, the astute researcher cannot help but notice the trend of positive disruption, and business innovation in the 'for-profit' world, which in turn is raising the profile of social enterprise-promoted principles into the business world.

Many businesses, pursuing short-time financial goals, have seen their innovation evaporating, and, amid countless stock buybacks, they have lost track of their longer term goals. Conversely, many third sector organizations, social enterprises, with their capacity for bricolage, use their limited resources and infuse them with innovation and social transformation, with a scrappy mentality, thus building long term economic resilience and sustainability. With the benefit corporations' success of 'turning shareholder capitalism on its head', we advocate for a new economic model, with blurring lines between government, business, and voluntary sectors, to incorporate new, expanded measuring concepts such as social (or blended value) accounting, and sustainability assessment models. Cooperation and cross pollination between the three sectors will create progressively a stronger business paradigm, and what may be perceived as a 'limitation' in short term, can be offset by sustainable, long-term economic growth.

As we are left with the challenge of determining the true scalability of a blended business model, we have eliminated the artificially drawn line in the sand, between 'non' and 'for' profits. Instead, focus needs to be on the business values that allow impactful innovation, entrepreneurship endeavors, and 'creative destruction' within organizations, proven, once again, by large, billion-dollar businesses like Patagonia, with global impact, or a humble social enterprise from Romania which impacts the lives of hundreds. Both are part of a business model that needs to be further explored, grown, and applied with local adjustments, over and over, again, for a better, and more sustainable business future, while thoroughly tested for scalability.

In a constructive criticism of the current state of affairs, we're merely attempting to improve capitalism, albeit slightly. To paraphrase Schumpeter, capitalism is the worst possible system except for all the others. In their quest to turning the shareholder paradigm on its head, or marginally improving certain capitalist constructs, researchers need to ask themselves: what if the real stalwarts of the capitalism are not the overarching, multinational corporations, but smaller, scrappy, innovative social enterprises, benefit corporations, cooperatives, and the like? Non-profits and for profits may seem vastly different at surface; yet they are powered by the same engine.

As always, asking the right question points in the right direction, whether is the interventionist researcher, a volunteer, a government employee, or a decision-maker in a business organization. Given the outsized human capital share of a nimble social enterprise, we are calling for a larger role of of such organizations in the business world. Proper blend of right skills, and the judicious use of capitals create a recipe for social, environmental, financial, and human advancement.

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