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**“TO WHAT EXTENT DO SOCIAL ENTERPRISES CONTRIBUTE TO FOSTERING SOCIAL INNOVATION AND DRIVING POSITIVE SOCIAL CHANGE IN PORTUGAL?” – STUDY ANALYSIS & SURVEY**

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**Abstract:**

The research investigates the degree to which social enterprises facilitate social innovation and propel constructive social transformation in Portugal. Social enterprises operate in an environment where social and economic goals are pursued concurrently, combining market-driven tactics with social aims. However, challenges related to legal recognition, financial sustainability, and ecosystem support persist. The thesis underscores the need for robust frameworks to enhance the effectiveness of social enterprises and suggests further integration of these entities into the social sector. In addition to making recommendations for future research, practitioners, and policymakers, this research advances the theoretical and practical understanding of social enterprises.

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**Keywords:** Social Innovation, Social Enterprises in Portugal, Social Change, Social Economy, Impact of Social Enterprises, Impact Measurement.

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## 1 Introduction

Driven by an aim to tackle urgent societal issues while preserving financial viability, social enterprises (SEs) have become essential actors on the international scene. In Europe, there is a growing consensus on the characteristics of a SE, despite the lack of a universally accepted definition. These characteristics revolve around three key aspects: governance, social impact, and entrepreneurship (OECD, 2016). However, it's important to note that SEs are not formally acknowledged within the social economy of Portugal, prompting a broader reference to the 'social sector' to inclusively encompass SEs. Although many European countries possess clear, legal definitions of SEs, Portugal still lacks such a framework. This absence of a formal legal structure presents certain challenges for SEs operating within Portugal (Fici, 2016). It is crucial to establish a clear definition of SEs beforehand to ensure alignment and understanding among the research team regarding what constitutes a SEs.

When it comes to having a clear definition, it is important to consider Professor Silvia Ferreira, and Professor Liliana, that were able to go deeper in the research trying to find an appropriate definition to SEs due to its lack of having one. The two researchers primarily differ in their approach to governance, although they both consider economic and social aspects in their definitions. Professor Liliana believes that SE taxonomy includes 4 different clusters. SEs in cluster 1 combine a high market identity with a high social identity, and therefore, they were labelled as “Social businesses” (Avila & Amorim, 2020). SEs classified in cluster 2 combine a high market identity with a low social identity. They were labelled as “More-than-profit businesses”, inspired by the typology proposed by Ridley-Duff (2008) (Avila & Amorim, 2020). SEs in cluster 3 have a low market identity and a low social identity. Among the four clusters, this is the cluster in which the organisations attributed less importance to the aspects related to the market (Avila & Amorim, 2020). Finally, the last group of SEs, those classified in cluster 4, combine a high social identity with a low market identity (see [Figure 1](#)). Among

all groups, they were the ones who declared the highest social identity (Avila & Amorim, 2020). Whereas Professor Silvia Ferreira bases her definition on the EU commission belief that according to the SBI, a SEs is an undertaking whose primary objective is to achieve social impact rather than generating profit for owners and shareholders, which uses its surpluses mainly to achieve these social goals, and which is managed in an accountable, transparent and innovative way, in particular by involving workers, customers and stakeholders affected by its business activity. The definition provided by Professor Liliana Avila on the 4th cluster of SEs taxonomy is selected for use in the master's thesis, as it captures the essence of SEs that notably influence social change, distinguishing them from other commercial entities.

a. Background and Context

Operating at the intersection of social innovation (SI) and entrepreneurship, SEs represent a hybrid model that gives equal weight to social impact and financial feasibility (Bonnizi, 2024). SEs place a higher priority on bringing about constructive social change than regular corporations, which are primarily concerned with maximizing profits. They frequently target underprivileged populations or address environmental issues (Vickers, I., 2010). SEs promote SI by bringing fresh perspectives to persistent societal problems through their visionary methods (Phills Jr. et al., 2008). The concept of "social innovation" is intimately connected to the ethos of "social enterprises," emphasizing the development and implementation of unique ideas, products, or services aimed at resolving societal challenges. Distinctive for breaking away from traditional boundaries, SI thrives on collective ingenuity and the synergy of diverse sectors to foster positive societal transformation. Moreover, SI is defined by its pursuit of social impact, underscored by cooperative and systemic methodologies, creative approaches, focus on user needs, and the capacity for expansion and tangible results. It is inclusive, engaging those who benefit from the innovation in its creation, while ensuring that the advantages—both

financial and social—primarily benefit the broader community instead of individual proprietors (Phills Jr. et al., 2008).

Changes in cultural norms, attitudes, and institutions that result in better equality and well-being for all members of society are collectively referred to as social change. Although they support many facets of social change, SEs also serve as catalysts for more extensive systemic changes that go beyond short-term fixes.

#### b. Research Question and Objectives

SE's ability to support social and economic development has been acknowledged more and more in Portugal and many other nations – making SEs an important market player (Vincente, 2022). This thesis' main goal is to investigate the impact of SEs, particularly in Portugal, within the broader framework of social innovation (SI) and social transformation. Thus, the research question "To what extent do social enterprises contribute to fostering social innovation and driving social change in Portugal?" was developed.

The thesis is directed by five primary aims to completely address this research question:

Determining What Social Innovation and Social Enterprises Are: The background of the thesis must first and foremost be made clear. Giving explicit definitions to SI and SEs is crucial. This entails outlining the traits, regulations, and business plans of SEs. The complete scope of SI also needs to be described.

Mapping the landscape: The primary objective of this research is to analyze the role of SEs in fostering SI and driving positive social change in PT. The study will not define the full range of social SEs due to the complexity and diversity within this sector. Instead, it will focus on mapping the landscape of SEs by examining their, scopes, operational models, legal frameworks, and stakeholder ecosystems. This mapping will specifically aim to understand how these entities contribute to societal issues and to what extent they influence SI. By identifying

the main industries in which SEs operate and the scope of their projects, the research seeks to illuminate their impact and effectiveness in addressing specific societal concerns.

Evaluating Contributions to Social Innovation: Evaluating SEs contributions to SI in PT is the third goal. Examining studies and real-world instances of social entrepreneurs who have developed novel concepts, goods, services, or business models that better meet societal requirements than preexisting ones is part of this process. The goal is to comprehend the creative strategies SEs use and the elements that make them successful or unsuccessful.

Assessing Influence on Social Change: The fourth goal is to determine how SEs affect PT's efforts to promote social change. To do this, it is vital to assess the degree to which social entrepreneurs' solutions to societal issues enhance community well-being and advance a more diverse and sustainable economy.

Identifying Challenges and Opportunities: Finding out what obstacles PT's SEs confront is another one of the goals. Additionally, it will pinpoint the chances that maximize one's impact on SI and transformation. This entails assessing how the ecosystem, financing sources, and governmental regulations affect the development and efficacy of SEs.

By fulfilling these goals, this thesis hopes to offer a thorough grasp of how SEs promote SI and propel constructive social change in PT. Practitioners, legislators, and other stakeholders in the social entrepreneurship ecosystem will benefit from the guidance and insights this will offer, in addition to the academic body of knowledge being added.

### c. Significance of the Study

Faced with various socioeconomic challenges, including inequality, unemployment, and poverty, Portugal, akin to numerous other countries, has seen a notable rise in the significance of SEs as agents of creative change (European Social Enterprise Monitor, 2021). Even with their increasing significance, there is still a lack of thorough knowledge on their true influence on encouraging SI and positive social change.

Understanding the role of SEs in PT is crucial for a number of reasons. It first clarifies how the entities navigate the unique socioeconomic landscape of the country, which includes legal frameworks, financial options, and cultural norms. Second, studying Portuguese SEs advances the global discourse on social entrepreneurship and innovation by offering valuable perspectives for other regions dealing with related societal issues (OECD, 2022). Finally, by evaluating the performance of SEs in PT, stakeholders, practitioners, and policymakers may create focused plans to boost and strengthen their influence and advance sustainable and inclusive development.

## 2 Literature Review

This literature study explores the relationship between SI and SEs. SEs are vital players in tackling societal issues because they combine commercial objectives with charitable purposes, but the thesis focus stands on the social dimension. To determine the degree to which SEs have contributed to the Portuguese environment, this review carefully considers terminology, ideas, and empirical data. This assessment aims to shed light on the contribution of SEs, how their work with stakeholders supports it, and what are the obstacles they face through creating a more sustainable and inclusive society in PT.

The study will concentrate on how much SEs aid in promoting SI and bringing about constructive social change in PT. This is predicated on the knowledge that SEs, which draw inspiration from ideals of solidarity and collectivism, have a pivotal role in tackling societal concerns through innovative concepts, services, and models. Social Innovation is said to “offer solutions that cultivate and implement new ideas that have the potential to deliver value and foster sustainability transformations” (Barlagne et al. 2021, p. 4). The study will additionally examine the possible influence of SEs on the social sector, and the intricate relationship between the government, and other stakeholders.

a. Social Innovation: Definitions and Theoretical Frameworks:

SI can be described to tackle social problems that countries face through generating new ideas, services, and concepts, while taking into consideration definitions and theoretical frameworks. Very succinctly, social innovation can be understood as "a new idea that works in meeting social goals." (Manzini, 2014). Social innovation refers to developing new ideas, services, and models to better address social issues. As a concept, social innovation may refer to a product, production process, idea, social movement, or a combination of the above (Borzaga et al., 2020). SI can not only be considered for the non-profit sector, but it can also expand to other issues in the economy including public and private sectors. Thus, a program matching students looking for accommodation with older people living on their own in Oporto, Portugal, is considered just as much a social innovation as a cooperative enterprise set up to revive beekeeping in Copenhagen, Denmark (European commission, 2010). The state is facing turbulent times. Financial and economic turmoil, growing inequalities, disinvestment in public and social services, and political disenchantment are a few problems that contemporary society is facing, while traditional policies are failing to deliver the desired results. Social innovation is a possible approach to deal with emergent social needs (Pinto et al., 2021). According to *Social Innovation and the Role of the State* by Pinto, the reference to the state is related to the government since the study is done using the case of PT, the referred state is the Portuguese government. Social innovation is seen to be concerned with "the development of what are currently viewed as assets for sustainable development: environmental, human and social capital" (Dro et al., 2011). In the research paper, SI will be defined as new ideas, services, and models to tackle the social needs of the Portuguese society, while mainly focusing on the innovative part that creates the difference between SEs and social organisations as SEs play a crucial role in supporting SI. Even though SEs play a significant role, sometimes their visibility may be put into doubt as some lack clear identification, and others work just without it. SEs are

sometimes invisible and not well known. Many of them do not even identify as or call themselves social enterprises (Borzaga et al., 2020). The Portuguese ecosystem is comprised of three sub-ecosystems that show different weights, limited connections and overlapping: social economy, social business, and the social solidarity ecosystem (Pinto et al., 2021). SEs, based on solidarity and collectivism, are influenced by a variety of industries, including labor, healthcare, and agriculture. This combination with the social goal tends to exist in many social enterprises. The origins of SEs are in solidarity and collectivistic values of associative, mutual, and cooperative organisations in the fields of labor, agriculture, healthcare, retailing, credit, educational and recreational activities (Borzaga et al., 2020). However, because of their diverse character and wide range of operating situations, SEs are difficult to value when it comes to their extent and impact. Measuring the size of social enterprises is a challenging task, as multiple factors make it almost impossible to provide a unified, uniform, and exhaustive picture of the dimensions of the social enterprise at European level (Borzaga et al., 2020). Nonetheless, these enterprises are crucial in bridging gaps in welfare systems, more specifically in the areas that lack public contribution, highlighting the interaction between the social, entrepreneurial, and governance dimensions. Different factors display the relevance of the dimensions, more specifically the legal form, stage development, and type of activity. Provided that the pursuit of explicit social aims is prioritized through economic activities, the entrepreneurial, social, and inclusive governance dimensions can be combined dynamically in diverse ways. The relevance of each dimension depends on a number of key factors: the legal form covered, the type of activity run and the stage of development of the social enterprise (Borzaga et al., 2020). The introduction of B corporations underscores this shift, reflecting a broader tendency towards responsibility and external validation in the social sector. As a result, this new identification is continuously increasing in different European countries including Portugal. Referring to bordering dynamics related more widely to social entrepreneurship, noteworthy are the B

Corporations based on external certification, reporting and scrutiny. Originated in the United States and managed in Europe by B Lab Europe, this new mark is gaining ground in an increasing number of EU (European Union) countries, including Portugal (Borzaga et al., 2020). B Lab is a nonprofit network transforming the global economy to benefit all people, communities, and the planet (B Lab, 2024). The start of B Corp in Portugal goes back to 2015 through IES - Social business school. Now, B Corp Portugal includes more than 30 B corps covering 10 industries such as innovation, services, finance, tourism, textile, and food (B Lab Europe, 2024). The B Corp Movement in Portugal has also been collaborating with programs of creation and acceleration of new business, and with the leading business schools through training sessions, workshops, classes, and seminars, to make the movement, its members, and tools known (Carrajola, 2022). B Corps are socially responsible corporations which have voluntarily submitted to a third-party assessment in order to be certified. To obtain the B Corp certification, companies must meet a specific set of requirements demonstrating their positive contribution to the environment and the society (Carrajola, 2022). B Corps aren't considered part of SEs, but it is still important to mention them as they contribute to the social sector of PT. It is also important to refer to the fact that SEs are given different definition in PT.

b. The role of Social Enterprises in Social Innovation:

SEs have always played an important role in SI, since the two are complementary as one of SEs' aligning features is SI. The PSI (Portugal Social Innovation) is also aligned to indisputable social entrepreneurship's features as social innovation and sustainability (Ciccarino et al., 2019). Social entrepreneurship is the process through which specific types of actors – the “social entrepreneurs” – create and develop organisations that may be either social enterprises or other types of organisations (OECD, 2024). Different viewpoints among stakeholders underscore the complexity associated with the interpretation of SEs into the social economy as it doesn't acknowledge the concept of SEs. However, there is a crucial role in promoting social

welfare played by SEs. SE means different things for different stakeholders, depending on different roots and drivers. A relevant part of this debate rests on the possibility that commercial enterprises may receive consideration as SEs or could get included in the social economy. However, stakeholders do agree that social enterprises and social economy will play an increasingly relevant role in social welfare (Ferreira, 2019). It is important to admit the complexity of the social process when studying social innovation. SI should be analyzed acknowledging the complexity of social processes and considering complex constellations of actors and unpredictable dynamics (Christmann, 2020). As mentioned previously, SEs play an important role in SI, when detailing the subject by including PSI. Portugal Social Innovation Initiative is a pioneering initiative in Europe whose mission is to promote social innovation and social entrepreneurship in Portugal by supporting innovative projects using EU funds (Bernardes, 2018). The key principles underlying the creation of Portugal Social Innovation are the promotion of social innovation among public services, the growth of social innovation initiatives in the country, and the contribution towards a social investment ecosystem where public, private, and social organisations work together towards addressing social challenges (Barth et al., 2018). The development of social innovation projects is funded through four instruments to address the specific needs of the social economy, innovative, and social entrepreneurship projects. It has already proven to be a decisive factor in recent boosting of Portuguese's social investment market, by supporting more than one hundred initiatives of social innovation and entrepreneurship and creating the right atmosphere to foster networking among all actors of the Portuguese Social Innovation Ecosystem (Bernardes, 2018). By supporting SI projects with funds, resources, and other resources, encouraging the social investment market, and empowering participants in PT's SI and social entrepreneurship ecosystem, PSI plays a critical role in bridging the gap between SEs and SI. The thesis aligns with Professor Liliana Avila's definition of SEs, particularly within the context of the 4th cluster

of SEs taxonomy. This definition resonates with the emphasis on social impact over commercial interests, as highlighted in the research's introduction.

To maintain their operations, SEs use a diverse range of funding sources. Even though SEs are essential to the well-being of society, they face challenges when it comes to mobilizing resources caused by their non-profit status. To cover up for this lack of financing, SEs tend to count on other public or private funds, that usually can't cover their needs. Social enterprises usually dip into a complex mix of finance sources, combining public subsidies and contracts, user or member fees, property income, donations and grants, sales. All of these vary according to the type of organisation, activity, and audience (Ferreira, 2019). Funding is a very important base for the continuation of SEs and their contribution to SI as it is their resource to overlook social issues and dedication to SI, but the missing legal recognition makes it tougher for them to acquire funds to the point that some SEs tend to take loans to finance their operations. To summarize, SEs play a crucial role in promoting SI by tackling societal issues through various partnerships, funding approaches, and legislative frameworks.

c. The Context of Portugal: Challenges and Opportunities:

The notion of social entrepreneurship is not universally understood, and this lack of understanding is a major barrier to the growth of SEs in PT. The lack of clarification poses a key obstacle for the development of social enterprises in Portugal (Ferreira, 2019). This lack of clarity extends to legal frameworks, as there are no specific legal forms designated for SEs, necessitating reliance on frameworks applicable to related entities such as associations, cooperatives, and foundations. No legal form applies to social enterprises in Portugal, but some legal status and frameworks do apply to the legal forms of associations, mutual associations, mercy houses, foundations and equivalent, cooperatives and others which align closely to the operational definition of social enterprises (Ferreira, 2019). As such, the lack of precise definitions and information about SEs in Portugal make it difficult to estimate and comprehend

them. Alongside the lack of legal definitions of social enterprises and an incipient public debate lies the additional lack of data allowing to estimate their weight (Ferreira, 2019). This lack of clear definitions highlights the need for a more thorough discussion to define the terms and parameters of SEs, as doing so may help to promote their influence and development. Currently, in Portugal, the main constraining factor for the development of SEs comes in the lack of clear definition. A wide debate could further the understanding of the different meanings and standpoints and would help to define the boundaries of social enterprises (Ferreira, 2019). Despite these obstacles, SEs have made advancements, increased their visibility, and multiplied since 2014, proving their importance in tackling societal issues. Based on the transversal reading of the updated country reports, social enterprises have gained stronger visibility and have grown in number since 2014. Their relevance is likely to increase further over the coming decades, given the pressing challenges faced by European countries (Borzaga et al., 2020). Portugal's economic crisis, alongside the cases of Greece and Slovenia, has given a push to movements that support new economic models, encouraging the testing of different social models. The economic crisis has contributed to the emergence of movements advocating new ways of organizing the economy, which have paved the way for the experimentation of alternative forms of social and economic organisation (Borzaga et al., 2020). Nevertheless, in addition to internal capacity constraints, the absence of networking and collaboration between SEs continues to be a major obstacle for their growth. Lack of cooperation and networking between social enterprises are regarded by many stakeholders consulted for this study as important obstacles to social enterprise development (Borzaga et al., 2020). All country analyses, referring to the study's examination of 35 countries including Portugal, report a lack of internal capacities as one of the main barriers to social enterprise development (Borzaga et al., 2020). Regardless of the different challenges they face, there are significant opportunities SEs might be able to provide, especially regarding social mission and organizational

sustainability. The process of identification of opportunities and evaluation is simultaneously influenced by the social mission and by organizational and environmental sustainability (Weerawardena, Sullivan, 2006). One of the major opportunities that SEs have is that they are characterized on focusing on SI to create new responses, new products, and new services to the social needs. This focus on addressing social challenges in a different and innovative way that gives them an opportunity in the social sector. Referring to SI doesn't only mean creating new responses, but also adapting different kinds of responses to social issues. Such as the example of one of the studies of Professor Silvia Ferreira about individuals with mental illness being integrated in the decision-making processes. Thanks to this innovation, individuals with mental health illnesses get the chance to work side by side with professionals to take decisions together. This is a strong example of implementing a SI action to empower these individuals to participate within the enterprises while being free to make their own decisions, which is completely the opposite of the casual activities that these individuals are used to. This model shows that SEs use SI to adapt the organisation to the people with disabilities not the other way around, which highlights the opportunistic effect of SI on SEs. Another opportunity for SEs is the rise of social interest in the young generation of Portugal. The young generation can be referred to as energetic, motivated, and interested in contributing towards a common social objective. Growing ecological awareness and idealistic interest in achieving social goals has particularly increased among youth (in Portugal). Based on several country reports, youth values tend to differ from those of previous generations: the youth is more oriented towards the public benefit, they seek jobs that are meaningful, think more about how to use resources efficiently (including new available technologies), and are often ready to work towards social goals at lower remuneration (Borzaga et al., 2020). New generations thirst for innovative, creative, sustainable, and impactful solutions to the increasing social needs especially in health and social security that the state and the market cannot answer (Ferreira, 2019). This is an opportunity for

SEs as the young generation will bring fresh ideas and new perspectives that will drive and support SEs in their path towards a positive social change and greater contribution to the social sector.

Considering these obstacles, PT's social sector has a lot of opportunity thanks to the focus on SI and rising youth ecological consciousness. However, there are still issues, such as the lack of traditional financial support, lack of clear definition, and the lack of legal framework for SEs. Therefore, despite the challenges they confront, SEs in PT are a noteworthy phenomenon that have the potential to have a considerable impact on welfare, employment, and social concern especially if they are acknowledged and given legal and political backing.

#### d. Contribution of Social Enterprises in Fostering Social Innovation and Driving Positive

##### Social Change:

Scholars, policymakers, and stakeholders of SEs more and more refer to SI as the most valuable outcome of social entrepreneurship and the working of SEs, including both disruptions as well as incremental improvements to communities (Biggieri et al., 2019; Moulaert & MacCallum, 2019). In PT, the relationship between SEs and SI is often described as synergistic, reflecting their complementary nature in driving each other towards achieving the mission and vision of the social sector. A good example of the presence of this synergy is the creation of PSI back in 2014. The PSI initiative was designed as a neutral wholesaler model, equidistant from all players, with three main goals. One of them is to promote SI and social entrepreneurship in Portugal, to generate new solutions, complementary to mainstream social products and services, for the resolution of key societal problems (European Investment Bank & the European Commission, 2019). PSI offers four different innovative instruments to finance the full cycle of SI and social entrepreneurship. One of the innovative instruments is the SIF. The Social Innovation Fund (SIF) is one of the first ESIF financial instruments in Europe using the ESF

for social investment. SIF intends to improve access to finance for Social Economy Organisations (SEO) and social start-ups involved in SI and social entrepreneurship projects (European Investment Bank & the European Commission, 2019). SEs in PT tend to apply for the SIF to get financial support to keep contributing into SI of PT. Due to their lack of legal framework, SEs in PT do not benefit from the financial support of the government other than social organisations such as cooperatives, for instance CASES that gets funds from IEFPP (Institute for Employment and Vocational Training) (Instituto do Emprego e Formação Profissional), and IGFSS (Financial Management Institute of Social Security) (Instituto de Gestão Financeira da Segurança Social), according to CASES website. It is possible to say that PSI offers better conditions and support to SEs to expand and increase their contribution to SI. When it comes to SEs and social change, it is important to apply certain measures to evaluate the contribution of SEs to social change. It is important to mention the impact measurement, which is a scale that allows the SEs to value their social contribution and can also be used as a parameter to value whether they are on the right path towards their social objectives. Social change is the way human interactions and relationships transform cultural and social institutions over time, having a profound impact on society (Dunfey, 2023). This is how sociologists, including the previously mentioned definition, define social change. It is quite challenging to find a specific consensus on the definition of social change in PT, as different entities may offer diverse perspectives. From the viewpoint of social enterprises, social change can be understood as the measure of their impact, indicating the extent to which the enterprise has influenced societal dynamic. Social impact is described as a combination of resources, inputs, processes, or policies that occur as a result of the real, implied, or imagined presence or actions of individuals in achieving their desired outcomes (Emerson et al., 2000). The research's concern focuses on the contribution of SEs towards driving social change in a positive way. Social change will be defined as the impact of SEs or other social entities on the society, through taking

into consideration all the positive transformations they create in order to address social challenges that should normally be measured in order to evaluate them. To evaluate the contribution as said, the different impact measurement techniques that are mostly used by SEs in PT will be analyzed. Assessing social impact is one of the most important challenges for scholars in the field of SEs. The main problem is not the measurement itself, but the conversion of qualitative data related to the achievement of a social mission into quantitative metrics (Grieco et al., 2014). Although the measurement process represents some challenges, it is important to keep in mind that measurements open doors for growth and new value creation. Within the wider process of creating value, organisations need to be aware of the importance of the measurement process in unlocking new value and creating valuable opportunities for innovation and growth that would otherwise be missed (Porter et al., 2012). Within the field of social entrepreneurship, there have been several attempts to define success measures (Ruebottom, 2011). The first impact measurement method we would like to refer to is “Theory of change” that is considered one of the easiest methods for SEs to adapt. The label Theory of change is often referred to by other terms, such as pathway of change and theory of action. Regardless of the label, a “Theory of change” offers a picture of important destinations and guides on what to look for on the journey to ensure you are on the right pathway (Reisman et al., 2004). The “Theory of change” is a practical and essential part of a successful transformation effort (Reisman et al., 2004). This method reflects the short- and long-term results of the SEs, which helps it adjust actions and plans based on their social objectives. Having an overall view and different assumptions about the appropriate changes would make the vision of the SEs clearer and reachable. According to Reisman et al, the Theory of change will generate an outcome map and a list of assumptions about change. The process of building an outcome map starts by setting powerful strategies driving to short-term outcomes to jump into creating a complete chain from short-term outcomes to community goal resulting into the

display of the long-term community goals of SEs. It is also important to clarify the connection between all types of outcomes. Following the process would result in showing SEs, how far they are from reaching their long-term objectives and help in building a list of assumptions about the appropriate changes to make for the sake of their ultimate goal. The second impact measurement method referred to is SROI (Social Return on Investment). SROI attempts to use carefully sourced information on resources input, activities enacted, processes inspired, and outcomes attained to formatively evaluate societal enterprises (Yates & Marra, 2017). The SROI technique can measure all the social value created by the organisation or focus on a specific aspect of the work of the organisation (Nicholls et al., 2009) and it is based on traditional cost-benefit analysis (Rotheroe & Richards, 2007). SROI is a process for understanding, measuring, and reporting the social, economic, and environmental value created by an intervention, programme, policy, or organisation (Scholten et al., 2006). The method helps in translating the social outcomes into financial values that seem to be more appealing to social investors. The value is presented as a ratio called 'Monetized Social Value,' which is seen as the dollar value created per unit. Although it can be translated into monetary values, the SROI ratio does not represent a financial value, but a way of expressing the "currency of social value" (Arvidson et al., 2010). It is important to note that the major difference between the two methods is the feasibility of them regarding the resources that SEs and other entities in the social sector have. The Theory of change remains the easiest approach as it requires decent knowledge and resources, whereas SROI requires individuals with strong knowledge about the method and advanced skills that would eventually require strong finances. When it comes to the outcome, SROI remains the most appropriate approach as it gives a social valuation that is more understandable and numerical data. To summarize, the contribution of SEs in SI and social change requires impact measurement to have data that is more relevant. By this said, impact

measurement remain an important factor to evaluate SEs contribution on positive social change in PT.

### 3 Methodology

The methodology section of this thesis outlines a comprehensive approach structured to dissect the contributions of SEs to SI and social change in PT. It uses a sequential exploratory design that builds on the foundation with a comprehensive literature review, deepens understanding with qualitative inquiry through five interviews with key stakeholders, and uses quantitative methodologies to validate findings using 52 individual surveys. Additionally, four studies have been chosen to gain a deeper understanding of the SE landscape. These studies will be examined and compared in terms of their methodologies and relevance to the topic.

#### a. Phase I: Literature Review

##### i. Data Sources and Selection Criteria

The majority of the academic papers and country-specific studies on SEs and their ecosystems in Europe served as the sources of the literature review. The resources were chosen based on their reliability, applicability to the research question and the methodology that was employed in these sources as it shows how accurate and reliable the provided information was to build the literature review.

The selection criteria of the used sources involved focusing on the key words, country related, and subjects they cover. Google Scholar was used to find resources by using key words that focus on articles and reports that include Portugal, Social Enterprises, Social Innovation, social impact, and social change.

Articles were mainly selected based on the adoption of a mixed-method approach, ensuring alignment with the research paper's methodology. The selection was primarily determined by their effectiveness and reliability concerning the research question.

## ii. Data Analysis and Synthesis Approach

For the literature review methodology, a systematic approach to data analysis and synthesis approach was adopted. Initially, relevant literature from scholarly databases using key words such as “Social innovation”, “Social Enterprises in Portugal”, “Social change”, and “Impact measurement” were collected. Then, the collected literature based on themes like the definition of SI, the role of SEs, challenges and opportunities of SEs, and the contribution of SEs to social change were organized. A thematic analysis as part of the data analysis process to find recurrent themes, ideas, and theoretical frameworks in the literature was done. Additionally, various viewpoints and methodologies within the Portuguese context, emphasizing inconsistencies, gaps, and areas of agreement were examined.

In the synthesis, a convincing story that responds to the research question and highlights the primary forces behind SI in PT, such as the role of SEs, funding programs, and key aspects that support it, were provided. The exploration focuses on how SEs support SI and propel constructive social change, considering aspects such as financing sources, organizational designs, and methods for impact measurement. The analysis also covers the opportunities and challenges faced by social businesses, including financial restrictions, legal frameworks, and networks of collaboration.

Finally, the strengths and weaknesses of the literature, taking into account possible biases and consequences for theory, practice, and policy in the context of SI and SEs in PT, were assessed. The comprehensive study was able to provide insightful information on the extent and quality of SEs' contributions to the advancement of social sector in the Portuguese setting.

## b. Phase II: Qualitative Research

This chapter focuses on the qualitative research. It is essential because it provides rich, nuanced narratives and insights into the motives, difficulties, and effects of SEs. To investigate the influence of SEs on SI in PT, studies were examined, and interviews with important

stakeholders were carried out. The studies that have been chosen and the thorough interviewing process are both provided in this thesis chapter.

i. Selection of Studies

The studies selected for examination offer a complex interplay between SEs and their ecosystems. Marina Novikova's study on ADC Moura in Baixo Alentejo exemplifies how social innovation (SI) can address local difficulties in rural areas. This enterprise showcases the transformative power of SI in rural communities by promoting environmental sustainability, community engagement, and economic diversification, highlighting the substantial challenges faced by PT's rural sectors.

Another pivotal study, "The Multidimensional role of Social Entrepreneurship" by Maria de Fátima Ferreiro et Al., delves into the extensive impacts of social entrepreneurship through three Portuguese studies. This research provides a comparative perspective on how SEs operate across different domains and leverage SI, significantly contributing to societal transformation in PT. The three cases underline the practical implementations of social entrepreneurship, enriching the understanding of how SEs integrate into national frameworks and contribute to sustainable development.

Additionally, "The International Handbook of Social Enterprise Law," edited by Henry Peter et al., offers a global perspective on the legal frameworks supporting SEs. This international outlook is vital as it provides a comparative analysis that reveals both similarities and unique approaches in SE legislation across various countries. This perspective is essential for understanding how PT could further develop its legal and institutional frameworks to support SEs effectively.

Lastly, Sílvia Ferreira's detailed report, "Social enterprises and their ecosystems in Europe: Country report PT," is essential for comprehending the landscape of SEs specifically in PT. It provides a comprehensive overview of the legal and financial contexts, the diversity of their

operations and effects, and the historical roots and current state of SEs. This case study is particularly valuable as it details the interactions between SEs and their environments, crucial for assessing their effectiveness in fostering SI.

Collectively, these studies underscore that SEs are significant agents of sustainable growth in PT, combining social objectives with business operations effectively. This insight underscores the potential for future laws and policies to create a more favorable environment for social entrepreneurs in PT, enabling them to make more substantial contributions to social change.

#### ii. Study Data Analysis

The data analysis chapter is a key component of the research, aimed at dissecting the empirical evidence collected through multiple studies to address the research question. The chapter will systematically analyze the collected reports to identify patterns, insights, and impacts of SEs within PT. The first study, "An Exploratory Study of a Social Innovation Initiative from a Portuguese Rural Region," mostly makes use of thematic analysis, a technique that makes it possible to find and understand themes in qualitative data. This method is especially useful for identifying the initiative's many effects, including its social, institutional, economic, and environmental ones. The study tackles rural development through a multi-sectoral approach. It is relevant to the research question as it demonstrates how SI can lead to substantial improvements in infrastructure, public services, and community engagement in rural areas, thereby making rural living more sustainable and attractive. The success of ADC Moura underscores the transformative impact of SEs on enhancing the quality of life and economic viability of rural communities.

The second study, "The Multidimensional Role of Social Entrepreneurship," compares three distinct SEs: RuralVive, SEMEAR, and the Social Entrepreneurs Agency. RuralVive supports rural areas by fostering entrepreneurship and highlighting how SEs can stabilize rural populations and encourage economic activity. SEMEAR promotes social inclusion by

integrating individuals with disabilities into the workforce, demonstrating the enterprise's commitment to social justice and economic sustainability. The Social Entrepreneurs Agency (SEA) works towards economic integration of marginalized individuals, showcasing the ability to create economic opportunities and enhance local capacities. Each of these cases reveals the potential of SEs to address specific local challenges. (Ferreiro et. Al, 2023).

“The International Handbook of Social Enterprise Law” offers insights into the legal frameworks governing SEs in PT. Understanding these legal contexts is essential for evaluating how SEs navigate regulations and leverage opportunities to maximize their social impact. The relevance of this case study to the research question lies in providing a deeper understanding of the structural and regulatory challenges and supports that shape the operations and effectiveness of SEs (Peter et. Al, 2023).

Finally, the report titled "Social Enterprises and their Ecosystems in Europe; Updated Country Report: Portugal" provides a broad overview of the SEs landscape in PT, including the legislative and funding mechanisms that support these entities. This report is crucial for understanding the systemic factors that enable or constrain the operation and impact of SEs. It underscores the role of SEs in filling gaps left by the public sector, particularly in community development, social inclusion, and environmental sustainability (Borzaga et. Al, 2020).

Together, these studies provide a thorough picture of how SEs play a critical role in tackling difficult societal problems globally, and specifically in PT by providing creative solutions that advance sustainable development and improve community well-being. Their combined influence in the social, cultural, environmental, and economic domains attests to the vital role SEs play in advancing the society's vision for SI and social change. For academic research as well as real-world applications in the field of social entrepreneurship, a deeper understanding of the workings and effects of SEs is made possible by each of these studies. By using the

combination of studies, the research provides complex insights into the ways in which SEs operate in PT.

iii. Interviews:

As part of the qualitative analysis, different stakeholders have been interviewed regarding the function of SEs in PT in promoting SI and bringing positive social change. This decision is grounded in the knowledge that in-depth interviews obtain rich, detailed data regarding the experiences, viewpoints, and opinions of a limited number of participants regarding the subject matter under investigation. Interviews are crucial because they can reveal something about people's subjective experiences and the complexity and details of social realities that surveys and other quantitative tools might lack. In conclusion, in-depth interviews are an invaluable resource for comprehending the specifics of social realities and people's individualized experiences. They are crucial part of the research on SEs in PT since they provide an adaptable, engaging, and comprehensive method of obtaining insights.

Participant Selection: For the participant selection, purposive sampling has been used to seek participants that can provide insight to the research. The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses (Tongco, 2007). This involves elements like the involvement of the individuals in the SEs, their geographical location, their commitment to the social sector, and their involvement in research and studies done in relation to the social sector. To ensure that the conclusion and its effectiveness in the research, a variety of viewpoints and experiences that show a strong contribution to the SEs were incorporated. The stakeholders have been contacted via email. Five interviews with six stakeholders have been successfully conducted (for detailed information about the stakeholders and the interviews check [Appendix 2](#)).

Interview Guide and Procedure: For the interviews, a thorough and complete set of questions that contain 22 questions for an expected length of one hour have been prepared. These

questions cover the understanding of SEs and SI, their contribution, challenges and opportunities, their ecosystem, collaboration and networks, their impact measurement and sustainability, and finally prospects. The questions were developed to obtain a thorough knowledge of experiences, motives, and the stakeholder's role in promoting SI and impact.

Data Analysis and Interpretation: To provide a deep analysis and interpretation of the five interviews that have been conducted, a summary of all the interviews conducted will be included while stating their different and similar points of views:

The interviews conducted with Professor Silvia Ferreira, Professor Miguel Alves Martins, Catia Cohen, Professors Filipa Farelo, Eduardo Pedroso, and Professor Ana Rita Antunes offer a diverse and insightful exploration of the SE landscape and innovation in PT. Each interviewee, with their distinct backgrounds and area of expertise, provides a unique perspective that enriches the understanding of the challenges and opportunities facing SEs in the country.

The understanding of SEs among practitioners varies, reflecting diverse backgrounds and experiences. Professor Miguel Alves Martins emphasizes the legal structures and financial performance combined with societal goals, stating, "You have a company in which you have a clear mission, and you don't have distribution of dividends. Those dividends are reinvested in the mission of the organisation, and either it exists to alleviate the specific societal problem or to serve a specific public that is in need."

Catia Cohen highlights the dual mission of addressing social objectives while ensuring financial sustainability, noting, "A social enterprise is an entity that operates with the primary goal of achieving social goals. They have a dual mission of pursuing both social goals, but also financial goals. Aiming to address specific social or environmental or cultural issues throughout their business activities." She further emphasizes the importance of youth in the growth of social awareness, stating, "I know that, for example, social economy needs the youngest people to refresh the boards of management. The young generation will bring fresh ideas and new

perspectives. I think the youngest people will be more towards the SE model than the social organisation model."

Nonetheless, there is a shared recognition of SEs as entities dedicated to effecting social change through SI. Professor Silvia Ferreira also highlights the challenges of comprehension and recognition faced by SEs in PT. She points out, "SEs get a lot of challenges by the existing rules and laws. They fear doing new things because they fear being outside the law. So, there are very rigid legal frameworks, which sometimes don't create space for people to risk." She further explains, "There is a lack of knowledge regarding legal and financial rules, that they need to take risk. That is why it is one of the big problems of SEs." Additionally, she mentions, "There is a group that is discussing a new status for SEs, and this is a positive development," tying into the broader discussion of legislative changes.

Despite growing receptiveness towards SI, there remains a prevalent lack of understanding and resistance towards the concept of SEs. Nonetheless, positive shifts in perception are noted, driven by these discussions, increasing awareness of SEs' potential impact, and the contributions of the younger generation in embracing the SE model.

Practitioners, including Professors Filipa Farelo and Eduardo Pedroso, emphasize the significant contribution of SEs to addressing pressing social and environmental challenges in PT. From empowering local communities to challenging norms and driving sustainable development, SEs play a pivotal role in fostering inclusive growth and enhancing community well-being. Professor Farelo emphasizes the fundamental principles of social and environmental aims within SEs, stating, "SEs need to have a social or environmental aim, and that should be the principal target." She further highlights the inseparable link between SI and the essence of SEs, stating, "SI is part of SEs' DNA." Professor Pedroso sheds light on the nature of innovation within SEs, noting, "When we think about SEs, we are especially thinking about incremental innovation or even there's this concept that is very used in the SEs sector,

which is frugal innovation. We are not expecting in this sector innovations that are ground-shaking, but by introducing small differences in the way things are done, and being outside the mainstream is by definition innovative." Their innovative approaches to tackling societal issues make them vital agents of change within the country's socioeconomic landscape.

Yet, amidst these contributions lie challenges such as limited resources and a lack of legal recognition, as highlighted by Professor Ana Rita Antunes. These obstacles hinder SEs' ability to scale and fulfill their social objectives effectively, Professor Antunes points out, "I believe that there is a barrier for SI in the energy sector as the sector has many rules and regulations and most of the time the innovation can't be partnered with the rules and regulations of the sector." She further emphasizes the need for active public policies to support SEs in the energy sector, stating, "To have SEs in the energy sector in order to democratize the energy sector, we need active public policies." However, Professor Martins also sees opportunities, such as evolving policy frameworks and shifting societal attitudes towards impactful actions, promising continued growth and integration for SEs in PT. He notes, "I think that there is acceptance to innovators. The size of PT being a small country allows to better test and find interesting entities that are more than open to Foster and work with SEs." The importance of supportive policy frameworks and ecosystems for the success of SEs is underscored, as noted by Professor Cohen. Ongoing discussions on establishing distinct legal statuses and the allocation of public funds for SI demonstrate an evolving recognition of their significance, Professor Cohen emphasizes, "We need a legal structure, this is a huge obstacle and limitation to the work of SEs. Social organisations will have the chance to learn a lot from SEs." She further highlights the importance of collaboration in addressing societal challenges, stating, "It's important to collaborate because the social challenges cannot be answered only by one type of organization." Additionally, she notes the potential impact of legal recognition on SEs' financial support and activities, stating, "With legal recognition comes financial support. Financial programs and

fundings for SEs will promote not only the creation of new SEs in PT, but also the development of new activities and to overlook more social issues in different ways."

Collaboration emerges as a critical factor in amplifying the impact of SEs and addressing complex societal challenges, as emphasized by Professors Farelo and Pedroso, Professor Farelo asserts, "It's very, very important to collaborate because if you have all stakeholders together, well, that would be the biggest achievement because everybody would do their parts." Professor Pedroso emphasizes the need for a common platform for different social organizations to represent them, stating, "A common platform for different social organizations to represent them will allow them to speak with one voice, which is much easier for them to make sure their needs are answered. Some kind of recognition for SEs would be very relevant to gather them together." These collaborative efforts are essential for leveraging resources, sharing expertise, and maximizing SEs' reach and effectiveness in addressing societal challenges.

Practitioners emphasize the imperative of adopting robust impact measurement methodologies to evaluate the efficacy of SEs in effecting meaningful change, Professor Pedroso explains, "Only around 3% of our social economy entities do some kind of social impact measurement. One of the reasons is that they don't have the skills to do it. They don't see the benefits of doing impact management." He further discusses common methods such as the Theory of Change and SROI, stating, "The most common ones are Theory of Change and SROI, which are very dependent on the reason why they're doing it."

Despite the challenges, practitioners maintain an optimistic outlook on the future of SEs in PT," Professor Farelo shares, "I think SEs will grow because we see how the world is and there's a lot of social issues we have to overlook, supported along with the youth engagement." With evolving policy landscapes, shifting societal attitudes, and growing youth engagement, there is potential for continued growth, recognition, and integration of SEs into the social fabric of the

country. Professor Pedroso also expresses his belief in the future prominence of SEs, stating, "In the future, my idea is that SEs will replace traditional enterprises," and emphasizes their increasing relevance in addressing societal issues, saying, "SEs will be more and more relevant in the future to tackle issues." As PT charts its course towards a more equitable and sustainable future, SEs stand poised to play a central role in driving positive social change and fostering inclusive growth along with the implementation of SI.

Each practitioner brings their unique personal experiences and perceptions to the table, enriching our understanding of the challenges and opportunities facing SEs in PT. Through their deep engagement and insights, they offer valuable perspectives on the transformative potential of SEs and the pathways towards realizing their full impact within the country's SI ecosystem.

#### c. Phase III: Quantitative Research

After a thorough qualitative analysis, this study advances into its third phase, Quantitative Research, which is essential to complement and enhance the previously gathered insights. This phase is essential for giving statistical weight to the qualitative findings, thereby enhancing the robustness of the conclusions drawn about the contributions of SEs to SI and positive social change in PT. The capacity of quantitative methodologies to be scaled up or down enables the generalization of results to a larger group, which is essential for evaluating the overall effect in the Portuguese environment. In the subsequent sections, the construction of the survey design and the sampling approach will be outlined in detail.

##### i. Survey Design

The survey seeks a deep understanding of the role of SEs in SI and addressing societal challenges in PT. It starts with demographic queries and moves to stakeholders' experiences and perceptions of SEs, evaluating their impact on economic development, environmental sustainability, and education. It explores views on SE collaboration with government bodies,

NGOs, and traditional businesses, and the challenges social entrepreneurs face, like financing difficulties and regulatory barriers. These questions help pinpoint areas needing more support or recognition to boost SEs' contributions to SI. Additionally, the survey examines the effectiveness of partnerships between government agencies and social entrepreneurs, crucial for understanding SE integration with governmental institutions and pinpointing improvement areas. It also gauges opinions on the emergence of B Corps and their impact on the SE landscape in PT, shedding light on new business models and their relevance. The survey's strategic mix of question types and precise language ensures clear, meaningful data collection, vital for informed policy-making and the comprehensive analysis required for the research on SEs in PT.

#### ii. Sampling Strategy

The sampling strategy for this research is tailored to accurately capture the insights of informed stakeholders within the Portuguese SE sector. The survey will be distributed specifically to selected stakeholders. This conscious but non-random sampling method ensures that the data collected is relevant to the study's objectives. Outreach to these stakeholders is direct and intentional, utilizing established networks and connections within the SE community to invite participation. The selection criteria prioritize the relevance and depth of the stakeholders' rather than the quantity of survey participants.

LinkedIn is crucial for reaching key players in PT's SE sector, utilizing personalized connection requests and follow-up messages to ensure high response rates. Additionally, Facebook groups focused on SI and SEs, hosting approximately 190,000 members collectively, provide avenues for engaging with well-informed potential respondents, diversifying survey participants and enriching data quality while maintaining respondent anonymity and data confidentiality.

## 4 Findings

### a. Insight from the Literature Review

SI, a fundamental concept to addressing contemporary societal challenges, encompasses the development of new ideas, services, and models aimed at meeting social goals. In PT, SEs serve as pivotal agents in driving SI forward, leveraging their unique blend of commercial objectives and social missions. Despite their diverse nature and operational complexities, SEs have emerged as key contributors to fostering SI and effecting positive social change within the PT context.

SI, as understood in this study's framework, relates to the cultivation and implementation of novel ideas that could deliver value and foster sustainable transformations. Moreover, SEs, deeply rooted in principles of solidarity and collectivism, play a central role in advancing SI by introducing innovative concepts, services, and models tailored to address societal needs.

The landscape of SEs in PT comprises three distinct sub-ecosystems: the social economy, social business, and the social solidarity ecosystem. These entities, driven by shared values and diverse operational contexts, operate across sectors such as labor, healthcare, and agriculture. Despite their significance, measuring the size and impact of SEs poses a considerable challenge due to their multifaceted nature and varied operating environments. Nonetheless, these enterprises bridge gaps in welfare systems, particularly in areas lacking sufficient public support, underscoring the interplay between entrepreneurial, social, and governance dimensions.

The emergence of B Corps in PT exemplifies a broader trend towards corporate responsibility and external validation within the social sector. While distinct from traditional SEs, B Corps contribute to the social economy by adhering to rigorous standards of social and environmental performance. Their creation underscores a shifting paradigm towards socially responsible business practices, further enriching the landscape of SI in PT.

However, SEs in PT confront various challenges, including a lack of legal recognition and clear definitions within the regulatory framework. This ambiguity obstructs their ability to access traditional forms of financial support and inhibits their growth potential. Nonetheless, initiatives such as the PSI Initiative have provided vital support to SEs by fostering an environment conducive to innovation and entrepreneurship. Through funding mechanisms like the SIF, these initiatives empower SEs to expand their impact and contribute to positive social change.

Assessing the contribution of SEs to SI and positive social change necessitates robust impact measurement techniques. Methods such as the Theory of Change and Social Return on Investment (SROI) offer valuable insights into the outcomes and societal value generated by these enterprises. While the Theory of Change provides a holistic view of short- and long-term outcomes, SROI translates social outcomes into financial values, facilitating comparisons and decision-making.

In conclusion, SEs in PT serve as catalysts for SI, driving positive social change through their innovative approaches and commitment to social impact. Despite facing challenges related to legal recognition and financial support, these enterprises continue to thrive, lifted by initiatives that promote an enabling environment for SEs. By employing effective impact measurement techniques, stakeholders can better evaluate the contribution of SEs and pave the way for continued growth and innovation in the social sector.

#### b. Key Findings from Studies:

This chapter explores the real-world uses of social businesses in PT to promote SI and systemic social change. This analysis attempts to demonstrate the many roles that SEs play in tackling complex societal concerns through an examination of four studies. In addition to showcasing distinct tactics and results, each case study advances the knowledge of the various contexts in which SI can be successfully sparked and maintained. The studies are giving an all-encompassing view of the adaptable potential of social enterprises. Through these studies, the

chapter aims to provide empirical evidence that reinforces the thesis research question. By weaving together, the findings from these diverse studies, this chapter will underscore the key role of SEs in innovating and reshaping societal norms and economic activities towards more sustainable and inclusive models.

The case study titled "The Multidimensional role of Social Entrepreneurship: A Case Study Approach Within an International Project Context" by Maria de Fátima Ferreiro and colleagues provides valuable insights into the extent to which SEs contribute to fostering SI and driving positive social change in PT. Through the examination of three distinct SEs, this study illustrates how social entrepreneurship actively addresses complex societal issues like rural depopulation, disability inclusion, and economic integration, thereby contributing to multidimensional societal transformation in PT. The three cases – RuralVive, SEMEAR, and Social Entrepreneurs Agency (SEA) – each demonstrate unique approaches to solving specific social problems through innovative and entrepreneurial initiatives. These enterprises exemplify how social entrepreneurship can lead to significant local development and societal improvements by mobilizing resources, engaging with communities, and innovating within various constraints. RuralVive focuses on rural development and battling with the desertification of Portuguese countryside areas. It supports local entrepreneurs, helping to stabilize and grow the population in these specific areas. The significance of social enterprises in revitalizing economically stagnant areas, generating employment, and supporting local companies is emphasized (Ferreiro et. Al, 2023). SEMEAR on the other hand aims to promote the social inclusion of people with disabilities by providing them with chances for employment and hands-on training, mostly in organic agriculture. This SE not only addresses the economic aspect but also enhances social integration and personal dignity for its beneficiaries. It represents a model of how targeted interventions can lead to substantial improvements in communities (Ferreiro et. Al, 2023). Through economic efforts, the Social Entrepreneurs

Agency (SEA) works to strengthen local communities and those who may otherwise be marginalized by society. It promotes the establishment of microbusinesses, revenue-generating ventures, and the growth of entrepreneurial abilities, all of which help to revitalize communities on an economic and social level (Ferreiro et. Al, 2023).

The study shows that SEs in PT are crucial in addressing diverse societal challenges. They illustrate the substantial impact of social entrepreneurship on various dimensions. The enterprises not only respond to immediate community needs but also contribute to broader social and economic policies aimed at sustainable development. Every case highlights the critical role that social entrepreneurs play in identifying chances to generate social value as well as their determination in defeating difficulties. These specific cases present a strong argument for the encouragement and growth of social entrepreneurship in PT. Additionally, they highlight the diverse ways of implementing innovative ideas in the social sector.

With a focus on ADC Moura, the study "An Exploratory Study of a Social Innovation Initiative from a Portuguese Rural Region" delves deeply into the organisation's contributions to SI and change making. ADC Moura is shown to engage in multifaceted initiatives that address several sectors simultaneously. Through its innovative and integrated approaches, the study aims to create sustainable solutions that are not only beneficial in the short term but are structured to support long-term community development. This aspect of sustainability is crucial, emphasizing how SI can lead to enduring change when it strategically targets the comprehensive needs of a community. By focusing on local characteristics such as demographic shifts, economic challenges, and environmental concerns, ADC Moura crafts initiatives that are highly tailored to its setting. Another significant aspect revealed by the study is the empowerment of local actors. ADC Moura's initiatives to help community members become more resilient and self-sufficient are evidence of the innovative power of SEs. In addition to directly promoting local development, the organisation gives locals a sense of

agency by allowing them to actively engage in the creation and implementation of ideas. This strategy is essential for ensuring that the advantages of SI continue to enhance community well-being long after particular programs expire beyond the short term. By delving deeply into the methods used to assess the effects of SI, the study also offers a framework for assessing similar initiatives abroad. Regarding the economic, social, environmental, and institutional areas the framework aims to assess multiple aspects of the influence of SI. Every one of these factors is seen as essential for determining the initiatives' overall effectiveness.

Economic Impact: Through an analysis of the ways in which SI initiatives support local economies, the framework evaluates economic impacts. This involves keeping track of improvements in local entrepreneurship, employment growth, and market stimulation. The framework assists in identifying the direct and indirect advantages of SI on economic revival and diversification by monitoring changes in economic activity, such as the development of new enterprises or jobs.

Social Cohesion: This aspect of the framework looks at how SI affects community dynamics and social structures. It evaluates improvements in social integration, community engagement, and collective empowerment. This includes assessing how projects facilitate greater community participation in decision-making processes, enhance the social fabric, and reduce societal divisions by bringing diverse groups together to collaborate on common challenges.

Environmental Sustainability: Project sustainability and its effects on regional, national, and global ecological systems are the main topics of the environmental component. This entails assessing how initiatives promote resource sustainability, aid in the preservation of natural regions, and integrate eco-friendly procedures into their day-to-day activities. The approach considers both the direct environmental results, such as less pollution or biodiversity preservation, and the indirect effects, like greater community knowledge of environmental issues.

Institutional Effectiveness: Finally, the framework examines changes within local institutions and governance structures triggered by SI projects. It assesses how these initiatives influence policymaking, improve governance practices, and foster more effective public service delivery. This dimension is particularly focused on understanding how SI can lead to more responsive, inclusive, and effective institutions that better serve community needs.

By employing this multi-dimensional assessment framework, researchers and practitioners can obtain a nuanced understanding of how SI projects generate value. This not only aids in the validation and scaling of successful initiatives but also provides critical data that can influence policy decisions and strategic planning in similar contexts, thereby enhancing the overall effectiveness of SI efforts globally.

In conclusion, the study illustrates the potential of SEs to enact significant transformations in community structures and practices, advocating for a model of development that is both inclusive and sustainable. These insights are invaluable for the research, providing a detailed narrative of the mechanisms through which SEs can catalyze comprehensive SI in PT, particularly in less urbanized areas.

Sílvia Ferreira's updated country report on social businesses in PT highlights the diverse landscape of SEs in PT, emphasizing that the notion incorporates a range of organisational structures, such as foundations, mutual organisations, cooperatives, and associations with IPSS (Private Institution of Social Solidarity) status. These entities are active in various sectors such as social services, healthcare, education, and environmental protection, each contributing uniquely to social innovation (Ferreira, 2019). The study highlights that the contribution of SEs to SI and social change can come in various ways:

Economic and Social Impact: SEs have played a major role in improving the standard of living in Portuguese communities and generating jobs. For instance, by offering possibilities for social

participation in addition to jobs, the integration of marginalized populations into the labor market through work integration SEs (WISEs) has shown a major social impact.

Institutional and Legal Frameworks: The report's extensive account of the legislative development of SEs shows how their importance in PT 's social and economic structure is becoming increasingly acknowledged. A more favorable climate for SEs has been created by the Framework Law of the Social Economy and other legislative initiatives, which have guaranteed more efficient governance and transparency and promoted the growth of SEs.

Innovation Through Social Enterprises: When it comes to offering creative answers to pressing social, economic, and environmental issues, many SEs have been at the forefront. The case study demonstrates several examples of how social entrepreneurs have created innovative methods and strategies that have subsequently gained popularity and inspired systemic change.

Challenges and Opportunities: The report does not hold back when discussing the difficulties that social entrepreneurs confront, such as funding problems, administrative barriers, and the requirement for increased government assistance. It also discusses the advantages that come with these difficulties, like the chance to expand on proven models and the growing popularity of impact investment and social finance.

Policy Influence and Future Perspectives: SEs in PT are increasingly recognized as vital players in the social economy. Ferreira suggests that their influence on policy is growing, with potential implications for future regulatory and funding frameworks that could further enable the SE landscape. The key findings from this report contribute to the thesis by detailing the extent to which SEs are embedded in the fabric of Portuguese society and economy. The report offers a nuanced view of how SEs not only contribute to addressing immediate community needs but also how they shape broader social and economic policies aimed at sustainable development. The document "The International Handbook of Social Enterprise Law" elaborates extensively on the role and regulatory frameworks of SEs globally, providing an insightful backdrop to

understanding the nuances of SEs in PT. The report underscores how PT, much like other countries, has progressively recognized the need for a structured legal framework to bolster the operation and effectiveness of SEs. This legal recognition would facilitate a supportive ecosystem that nurtures the growth of these entities through benefits such as tax incentives, operational guidelines, and formal recognition, which are pivotal for their sustainability and impact. SEs alignment with broader SI objectives is crucial, allowing these enterprises to address complex societal challenges through innovative business models that integrate social goals seamlessly with economic activities. Such innovative models often involve community-centric approaches, sustainable practices, and cooperative structures, which are essential for fostering long-term societal changes and environmental sustainability. Furthermore, the document highlights the significant role of SEs in stimulating economic development, particularly in marginalized or economically underdeveloped areas. By providing jobs and essential services, SEs contribute to economic stability and growth, thereby supporting the broader agenda of SI and systemic change. They serve as catalysts in areas where conventional business models and government initiatives are less effective or have limited reach, ensuring that the benefits of the economy are spread more fairly and specifically to meet the needs of local populations. However, the journey is not without its challenges. The analysis does overlook the difficulties faced by SEs, such as constraints in funding, bureaucratic hurdles, and the need for more substantial institutional support. Yet, these challenges also present unique opportunities for growth and development within the sector. There is potential for policy evolution to better accommodate and support SEs, and opportunities for leveraging international partnerships to enhance operational capacities and reach.

In conclusion, SEs in PT are depicted not merely as business entities but as vital components of the social fabric that address real-life problems through innovative, sustainable means. The

ongoing development and adaptation of legal and institutional frameworks are critical to fully harnessing the potential of SEs in driving significant national and community-level changes.

c. Major Themes from Interviews:

The interviews with experts in PT provide a nuanced understanding of SEs and their impact on SI and positive social change. Practitioners hold varied perspectives on SEs, reflecting their diverse backgrounds and experiences. While some emphasize legal structures and financial performance in conjunction with societal goals, others stress the dual mission of addressing social objectives while ensuring financial sustainability. Despite this diversity in understanding, there's a shared recognition of SEs as vehicles for social change through SI. However, challenges persist in comprehending and acknowledging SEs within PT, marked by a prevalent lack of understanding and resistance. Nonetheless, positive shifts are occurring due to discussions on potential legislative changes and increased awareness of SEs' potential impact, particularly among the youth. Practitioners highlight SEs' significant contributions to addressing pressing social and environmental challenges in PT. From empowering local communities to driving sustainable development, SEs play a crucial role in fostering inclusive growth and enhancing community well-being. Nonetheless, financial constraints, limited resources, and a lack of legal recognition pose obstacles to their scalability and effectiveness. Nevertheless, opportunities for SEs in PT abound. Evolving policy frameworks and changing societal attitudes offer promising prospects for growth and integration. Supportive policy environments are essential, with ongoing discussions on legal statuses and public funding allocation signaling an increasing recognition of SEs' importance.

Collaboration emerges as crucial for amplifying SEs' impact and addressing complex societal challenges. By partnering with diverse stakeholders, including government and non-profits, SEs can foster collective action and drive sustainable development agendas. Moreover, practitioners

stress the importance of robust impact measurement methodologies like Social Return on Investment (SROI) and the Theory of Change for evaluating SEs' effectiveness.

Despite the obstacles, practitioners maintain optimism about SEs' future in PT. With evolving policies, changing societal attitudes, and increasing youth engagement, there's potential for continued growth, recognition, and integration into the country's social fabric. As PT strives for SI and positive change, SEs are poised to play a pivotal role in realizing these aspirations.

d. Survey Results and Analysis:

The survey was conducted and administered using the online survey platform Microsoft Forms. The tabulated survey results can be found in [Appendix 5](#).

52 individuals, from a range of ages and genders, provide responses to the survey. Among them, 32 identify as female (62%), 20 as male, and none as non-binary (0%). The age range of 21–30 accounts for the largest percentage of responses (21 participants, or 40,4%), followed by 31–40 (26,9%), 41-50(19,2%), and 51-60 (13,5%) none of the participants were under 20 or over 60. These results indicate a diverse demographic composition (see [Figure 2](#) in the Appendix).

The majority of survey respondents are from Europe, with 23 from PT (44%), making it the most represented country, followed by Germany with nine participants (17%). The other European countries represented include France, Italy, Austria, Spain, and the Netherlands, totaling 28%. Only six respondents are from Africa, with five from Morocco and one from Tunisia (11%). The respondents' occupations span a diverse range of professional fields, categorized for analysis into those related to the social sector (37%), management positions (23%), students and job seekers (22%), and an 'Other' (18%) category for remaining professions ensuring all respondents are appropriately classified for a comprehensive analysis ([Figure 3](#)).

The study aimed to assess expertise in SEs generally and specifically in PT. While overall familiarity with SEs was high (40.4% moderately, 36.5% very, 15.4% extremely familiar, and 7.7% slightly familiar), knowledge of Portuguese SEs was less widespread, with 17.3% having

no familiarity and another 17.3% only slightly familiar. This difference likely stems from the fact that most respondents are not Portuguese and thus less aware of the specifics of the Portuguese SE sector. Consequently, their understanding of the complexities of the Portuguese SE sector is restricted.

Engagement patterns with SEs show similar trends: globally, a small percentage never interacted (7.7%), while 26.9% have interacted minimally, and a larger portion occasionally engaged (46.2%); however, engagement specifically with Portuguese SEs is lower, with 36.5% never having engaged, 23.1% rarely, 21.2% sometimes, 17.3% often, and only 1.9% engage regularly. All of these results can be found in [Figure 4](#), in the Appendix.

With 61.5% agreeing and 30.8% strongly agreeing, the majority of respondents recognized the beneficial effects of SEs on society. Only 7.7% remained neutral, potentially due to unfamiliarity with SEs.

The survey found that most people believe the Portuguese environment lacks a precise definition of SEs. In particular, just 9.6% of respondents agreed to some extent, while 25% strongly opposed and 38.5% disagreed that a clear description exists. To learn more about respondents' perspectives on the reasons why SEs are not clearly defined, they were asked to identify the sources of this ambiguity. To understand why, responses were categorized: the absence of a legal definition from governmental bodies; general societal unfamiliarity with SEs; inadequate marketing efforts; and other unspecified reasons. It's also critical to remember that responses from certain respondents were categorized more than once when they overlapped with responses from other categories. [Figure 5](#) shows that a significant portion of respondents (41%) said that society has not defined SEs explicitly since there is no legal framework in place.

Another question relevant to the research question is the respondent's perception regarding SEs contribution to SI. Participants rated the impact of SEs on SI on a scale from 1 to 5, ranging

from very little to very great contribution. The majority (50.8%) perceived a great contribution, while 30.8% noted a moderate contribution. Additionally, 13.5% saw a very great contribution, and only 1.9% felt it was minor. Notably, none of the participants believed that SEs have no influence on SI at all.

To assess the impact of SEs, survey participants could choose from different key areas: education, environmental sustainability, social justice, economic development, and healthcare. Education was the most influenced area with 39 votes, followed by environmental sustainability (38 votes), social justice (33 votes), economic development (32 votes), and healthcare (30 votes). Additional impacts noted included gender equality, inclusion, human rights, mental health, and well-being, with some respondents suggesting that SEs could affect all social sectors. These findings reflect the diverse contributions of SEs. The contribution of SEs to SI as well as their areas of impact can be found in [Figure 6](#) of the Appendix.

The survey highlighted key challenges for SEs: "Financing and Access to Capital" was the top issue with 44 votes, followed by "Unclear Definition of Social Enterprises" (40 votes), "Legal and Regulatory Barriers" (38 votes), and "Lack of Public Awareness and Understanding" (36 votes). "Difficulties in Measuring Social Impact" received the fewest responses, with 20. Additional challenges noted by respondents in the "others" category included diversity of SEs, cultural and regional differences, and a lack of recognition in the Portuguese social economy. These findings illustrate the diverse obstacles SEs face in their operations. These results are visualized in [Figure 7](#) in the Appendix.

[Figure 8](#) in the Appendix shows that SEs collaborate with a wide range of stakeholders. The most common collaboration noted was "All of the Above," chosen by 29 respondents, indicating broad engagement across sectors. NGOs and Non-Profit Organizations followed with 19 selections. Governmental Institutions and other SEs each received 14 selections, Educational

Institutions 11, and Traditional Businesses the fewest at 10. Most participants chose multiple stakeholders, reflecting the diverse environments in which SEs operate.

The survey explored the financing landscape for SEs, with "Public or Private Funds" being the most commonly identified funding source, selected by 47 respondents. "Donations and Grants" were next with 38 selections, followed by "Governmental Funding" (35), "User and Member Fees" (28), and "Sales" (25). Under "Other," 8 respondents noted the use of mixed funding sources, indicating variations depending on the sector. This data, detailed in [Figure 8](#) of the Appendix, shows the diversity in funding avenues for SEs.

Having identified access to capital as a significant challenge for SEs, exploring the reasons for this issue revealed several underlying factors. Responses highlighted the absence of a legal framework as a major barrier, alongside a lack of societal knowledge and general reluctance to accept SEs within the sector. Additionally, this uncertainty also affects investor confidence. In summary, SEs face financial difficulties due to insufficient support from various sources.

To examine the dynamics of government collaboration with SEs in promoting social change, survey participants shared mixed perceptions. Only 1.9% found the collaboration completely ineffective, while 36.5% described it as slightly effective and 44.2% saw it as neither effective nor ineffective. A smaller fraction, 17.3%, viewed the collaboration positively, with 7.7% considering it very effective and 9.6% highly effective. Furthermore, the majority of respondents (73.1%) believe that the government provides insufficient financial support to SEs (21.2% strongly agree; 51.9% agree), while only 5.5% (1.9% disagree; 3.6% strongly disagree) disagree and 21.2% remain unsure. These findings suggest a prevalent view of inadequate governmental support for social entrepreneurs. Details are illustrated in [Figure 9](#) of the Appendix.

Participants were queried on their methods for measuring the impact of SEs, an area noted for its challenges. Responses were categorized into four groups for clarity. The most favored

method, Financial Metrics, including KPIs and Social Return on Investment, was selected 33 times. Both the Theory of Change and surveys or interviews were mentioned 12 times each. The category labeled "Other" included diverse metrics like monitoring gender quotas, carbon footprints, and customer satisfaction, garnering 11 responses. It was noted that participants often use multiple methods, and the effectiveness of these methods varies by the sector in which the SE operates. These findings are detailed in [Figure 10](#) of the Appendix.

An additional survey question addressed the role of SEs in ensuring a sustainable future. The majority of respondents recognized their crucial importance: 44.2% viewed them as extremely important and 46.2% as very important. Only 7.7% were neutral, and 1.9% saw them as slightly significant. Notably, no participants found SEs irrelevant to fostering a more sustainable future. These results underscore the significant role SEs play in sustainability efforts, as illustrated in [Figure 11](#) of the Appendix.

In addition to the previous question, participants were asked about their expectations for the increased contribution of SEs to a more sustainable future over the next five years. A substantial 64.5% believe it is very likely that the positive impact of SEs will increase, while 30.8% feel it is somewhat likely that their influence on sustainability will grow during this period. Only 3.8% were unsure. These results suggest that participants recognize the positive contributions of SEs toward a more sustainable future, yet they also believe these entities have not yet reached their full potential. The findings imply a strong expectation that the Portuguese SE landscape will significantly improve in the next five years, providing a stronger foundation for SEs ([Figure 11](#) of the Appendix).

To further understand these results, the survey included an open-ended question aimed at identifying strategies for achieving a more sustainable future through SEs. The responses were categorized to facilitate a clearer analysis. Category 1 is centered on "Increasing Awareness," while Category 2 focuses on "Increased Governmental Support," including sub-responses like

"Implementation of a Legal Framework" and "Better Collaboration with the Government." Category 3 is dedicated to "Better Access to Funding." The fourth category, labeled "Others," includes varied suggestions such as "Collaboration with Other Entities", "Enhanced Communication," and the "Inclusion of the Younger Generation". Many responses spanned multiple categories, indicating a preference for a multifaceted approach. Notably, 23 participants prioritized increased governmental support, 18 opted for varied strategies under "Others," 16 emphasized the importance of raising awareness, and 7 highlighted better access to funding as key measures. This analysis underscores the belief that a combination of strategies is essential for enhancing the role of SEs in SI. Details are provided in [Figure 12](#) of the Appendix.

In addition, participants were asked to share their opinions on how SEs may use creative models, services, and ideas to address social issues. The general consensus from the responses was that SEs' innovative and adaptable character makes a big difference. They bridge the gap between established businesses and nonprofit groups by addressing social challenges through innovative business strategies. The possibility of long-term sustainability was emphasized, suggesting that SEs are intended to bring about long-lasting change as opposed to band-aid fixes. This underscores the vital role of SEs as key market players, suggesting a need for greater support to ensure lasting systemic change in the social sector, which in PT has yet to reach its full potential.

The survey's final section addressed participants' knowledge of B Corps. A majority (67.3%) had limited knowledge, with 34.6% slightly familiar and 32.7% not familiar at all. Only 19.2% were moderately familiar, 7.7% very familiar, and 5.8% extremely familiar. Due to the anticipated limited familiarity, the final two questions were optional. Details are presented in [Figure 13](#) of the Appendix.

Regarding the importance of the emergence of B Corps in PT, 43 responses were received. Participants rated the significance on a scale from 1 to 5, where 1 was "not significant at all" and 5 was "extremely significant." 11.6% of respondents said that the rise of B Corps was either barely noticeable or not significant at all. In the meantime, it was considered somewhat significant by 48.8%, very significant by 20.9%, and highly significant by 7% ([Figure 13](#) of the Appendix).

The final survey question, an open-ended query about the impact of B Corps on the SE landscape in PT, received responses from only 23 participants due to limited familiarity with B Corps. Many respondents admitted to lacking knowledge about the role of B Corps in relation to SEs. However, those with prior knowledge consistently highlighted their significant potential. They noted that B Corps could transform the social sector and facilitate the growth of SEs by offering robust business models that could be emulated. Furthermore, the establishment of B Corps was seen as likely to enhance funding opportunities and raise public awareness about SEs.

The survey results corroborate the overall findings of the research, highlighting similar challenges previously identified in interviews, which underscores the consistency of issues within the social enterprise field. Additionally, there is a shared understanding among participants that SEs and SI are closely linked, reinforcing their joint importance in driving societal change. This consensus suggests that further exploration and enhanced support in these areas could significantly benefit the development of a more sustainable and innovative social sector.

## 5 Discussion

### a. Interpretation of Findings

The combined interpretation of findings from interviews, surveys, literature review, and studies offers a comprehensive understanding of the landscape of SEs in PT and their influence on SI and constructive social change. The various viewpoints of practitioners, as reflected in both the interviews and survey data, emphasize the dual goal of fulfilling social objectives while ensuring financial viability. This aligns with respondents' differing degrees of expertise with SEs, suggesting possible knowledge gaps identified in the literature review. SEs have demonstrated effectiveness in empowering local communities, promoting inclusive growth, and advancing sustainable development, supported by both interview findings and survey results. However, findings from the studies offer additional insights into the specific hurdles encountered by SEs in PT, including funding challenges, administrative barriers, and the need for increased government assistance. While there is alignment in identifying challenges such as funding problems and lack of governmental support across all sources, studies offer practical perspectives on these obstacles, providing a nuanced understanding of the difficulties faced by SEs on the ground. Supportive frameworks and initiatives, such as the Framework Law of the Social Economy, are acknowledged in the studies for creating a more favorable climate for SEs in PT, corroborating discussions in interviews and surveys regarding the importance of evolving policy frameworks and supportive environments. However, there may be discrepancies in findings regarding the effectiveness of these frameworks, with studies potentially presenting differing opinions and experiences within the research community. Some opinions suggest that supportive frameworks have positively contributed to SE development by promoting efficient governance and transparency. However, contrasting experiences may indicate limitations and gaps in the implementation of these frameworks, revealing areas for improvement.

Methodologies for assessing impact, as proposed in the studies, offer a structured approach to evaluating SEs' contributions across various dimensions, supplementing discussions in interviews and surveys about impact measurement methodologies. While there is agreement on the importance of comprehensive assessment frameworks, there may be differences in specific approaches proposed. Some studies advocate for a multi-dimensional assessment framework, evaluating economic, social, environmental, and institutional impacts, while others may propose narrower approaches focusing on specific dimensions or indicators such as Theory of change and SROI. These differences highlight the ongoing debate within the research community regarding the most effective methodologies for evaluating SEs' contributions to societal value.

In summary, while there may be slight discrepancies in findings across different sources, the collective insights from interviews, surveys, literature review, and studies provide a holistic understanding of the opportunities and obstacles encountered by SEs in PT. Integrating these findings enriches our understanding of SEs' role in driving SI and positive change, emphasizing the importance of proactive initiatives, cooperative efforts, and encouraging legislative frameworks, as supported by the collective insights from all sources.

#### b. Implications for Social Enterprises in Portugal

The implications of SEs are extensive and varied in PT; they play a major role in promoting SI and constructive change in society. A number of significant implications are revealed by synthesizing qualitative ideas with quantitative data. In order to solve complex societal issues including rural depopulation, disability inclusion, and economic integration, SEs play a critical role. Cases such as RuralVive, SEMEAR, and Social Entrepreneurs Agency (SEA) show how SEs foster SI at the local level by proactively addressing these concerns via creative and entrepreneurial activities. One important aspect that becomes apparent from the case study of ADC Moura is the empowering of local actors. SEs facilitate the development and execution

of ideas by involving community people, therefore enhancing their resilience and self-sufficiency. This bottom-up strategy guarantees long-term community development and emphasizes how SI may improve community well-being.

Through creating jobs, assisting regional businesses, and reviving weak economies, SEs promote local economic growth. The mutually beneficial link between economic development and SI is demonstrated by programs like RuralVive and SEMEAR, which serve as examples of how SEs foster economic growth while tackling social challenges.

In PT, SEs are vital to the advancement of environmental sustainability. Projects like the many initiatives of ADC Moura seek to preserve natural resources while developing long-term community development through sustainable solutions. The focus on sustainability highlights how SI may lead to long-lasting changes in the environment.

PT's institutional and legislative structures are essential for the development of SEs. The expansion of SEs has been aided by legislative measures such as the Framework Law of the Social Economy, which have made governance and transparency more effective. SEs may concentrate on innovation and social impact in this encouraging atmosphere, which encourages beneficial changes in the legal system.

Furthermore, the results of the survey and the interviews provided insight into the complex environment that SEs operate within PT, highlighting the role that SEs play in promoting SI and constructive social change. The interviews show that practitioners have a wide variety of opinions about SEs, which reflects the intricate relationship between social goals and financial sustainability. Despite these differences, SEs are widely acknowledged as agents of social change through SI. However, challenges persist, including a lack of understanding and resistance towards SEs. However, there is hope for the future of SEs due to developing laws and shifting public perceptions, especially among young people.

These results are further supported by the survey, which offers quantitative insights about PT's SE population, familiarity, and attitudes. The majority of respondents feel that SEs have a positive impact on society and that they play a crucial role in encouraging SI. However, obstacles including funding, acceptance by the law, and public awareness limit their efficacy and scalability.

In spite of these obstacles, PT offers several of prospects for SEs. Changing social views and developing governmental frameworks provide encouraging opportunities for development and integration. Partnerships with a variety of stakeholders are critical for maximizing the impact of SEs, and collaboration is seen as essential to this process.

In overall, the implications of SEs in PT highlight how revolutionary they can be in stimulating SI and promoting constructive social change. SEs play a vital role in increasing societal well-being through their capacity to solve complex societal challenges, empower local actors, create economic growth, promote environmental sustainability, and leverage institutional support. Policymakers, practitioners, and scholars looking to harness the potential of SEs for equitable and sustainable development in PT may find great value in these results.

#### c. Limitations of the Study

Several limitations must be acknowledged regarding the study of SEs in the context of PT's social economy. First, there is a notable lack of recognition for SEs within the Portuguese social economy. This absence of formal acknowledgment poses challenges for positioning and promoting these entities as significant contributors to economic and social development. Secondly, there is a scarcity of available data on SEs. This includes data related to their impact, detailed information about their operations, and numerical achievements. It is more difficult to evaluate the extent and efficacy of SEs contributions to the social economy in the absence of detailed data. Additionally, the lack of a precise and widely recognized definition for SEs makes the research even more difficult. It becomes difficult to find and involve stakeholders who have

a common understanding of what defines a SE in the absence of a standardized definition. The absence of a supportive legal framework contributes to this lack of clarity, making it challenging to align opinions and successfully engage with diverse field stakeholders. These limitations underscore the need for enhanced recognition, data availability, and definitional clarity to better support and leverage the potential of SEs in PT.

Furthermore, it is important to note that the survey has limitations. Firstly, only 52 participants were surveyed, which does not constitute a representative sample. However, it is also crucial to consider that the survey required a certain level of prior knowledge, and the focus was not primarily on quantity but rather on obtaining high-quality responses. This emphasis on depth over breadth aimed to garner more insightful and informed perspectives on the issues at hand. Secondly, it should be noted that not all participants possessed the in-depth knowledge that would have been ideal. Nonetheless, the data collected from the survey is crucial in supporting the qualitative data from interviews, literature reviews, and studies. This integration of survey results enhances the overall understanding and validation of findings across different research methods.

#### d. Recommendations for Future Research

When considering how SEs in PT promote SI and drive constructive social change, a number of important study suggestions come to light. First and foremost, it is crucial to investigate the impact measurement methods used by SEs in PT. Through more study and collection of numerical data, researchers may better comprehend these techniques' effectiveness and identify areas for improvement. The main objective of evaluating SEs' contributions to SI and positive change can be directly linked to this investigation's ability to clarify how they measure and convey their social impact.

It is also crucial to look at the many meanings that are assigned to SEs in PT. Interpreting SEs' responsibilities and contributions requires an understanding of the many views of what defines

a SEs in the country. Researchers may learn how different definitions affect the tactics and results of SEs by looking at these concepts from the viewpoints of government, stakeholders, and sector. This investigation adds to our knowledge of the dynamics of this sector and how it might advance society regarding the involvement of SEs.

Furthermore, an examination of PT 's SEs legal framework and its advancement are necessary. An assessment of the legislative framework's advancement, obstacles, and stakeholder viewpoints might yield important information on the support networks accessible to SEs. Through the identification of constraints and barriers that hinder the adaptation of legal frameworks, scholars can provide suggestions for promoting an atmosphere that is favorable to advance the acknowledgement of SEs within the social economy of PT and their longevity. By analyzing the legal framework in which SEs function and the ways in which regulatory frameworks affect their capacity to stimulate SI, this approach directly relates to the research topic.

Finally, the creation of an extensive database of PT 's social sector has great potential to further this field of study. Researchers may create a comprehensive picture of the social sector by gathering data on the quantity, kinds, impacts, and activities of SEs as well as their resource and financial environments. This database can act as a starting point for further research, allowing for a more in-depth comprehension of the SEs ecosystem and how it contributes to constructive social change. In the end, all of these suggestions help to further a more comprehensive investigation of the ways in which SEs in PT support SI and constructive societal change.

## 6 Conclusion

This thesis aimed to investigate the extent to which SEs contribute to fostering SI and driving positive social change in PT. The research employed a sequential exploratory design,

combining a comprehensive literature review, qualitative interviews with key stakeholders, and quantitative surveys to validate the findings.

The study found that SEs in PT play a pivotal role in driving SI forward, leveraging their unique blend of commercial objectives and social missions. Despite the challenges they face, including lack of public awareness, legal and regulatory restrictions, and financial limitations, practitioners in PT are optimistic about the future of SEs. The landscape of SEs in PT comprises three distinct sub-ecosystems: the social economy, social entrepreneurship, and SI.

The study highlights the significance of proactive initiatives, cooperative efforts, and encouraging legislative frameworks in realizing the possibilities of SEs and guaranteeing their continuous expansion and integration into PT 's social economy. SEs have a critical role to play in helping PT achieve its goals of SI and sustainable development.

The findings of this study contribute to a deeper understanding of the contributions of SEs to SI and social change in PT. The study's implications are extensive and varied, emphasizing the importance of SEs in promoting SI and constructive change in society. The study's results can inform policymakers, practitioners, and researchers seeking to enhance the impact of SEs, ultimately contributing to a more sustainable and equitable society.

In conclusion, this thesis provides a comprehensive overview of the landscape of SEs in PT, their contributions to SI, and their role in driving positive social change. The study's findings offer valuable insights for stakeholders seeking to support and scale SEs, ultimately contributing to a more sustainable and equitable society.

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## Appendix

### Appendix 1: List of Abbreviations

SE = Social Enterprise

SI = Social Innovation

PT = Portugal

Corp = Corporations

PSI = Portugal Social Innovation

SROI = Social Return on Investment

SIF = Social Innovation Fund

SEO = Social Economy Organisations

IPSS = Private Institution of Social Solidarity

### Appendix 2: Interview Questions

Introduction to Social Innovation and Enterprise: Insights from a Practitioner:

1. Could you please introduce yourself and tell us about your role and experience in the context of social enterprises or social innovation?
2. What motivated you to get involved in the social enterprise sector, and how long have you been associated with it?
3. Can you describe projects you are currently involved with and their main objectives?

Understanding of Social Enterprises and Innovation:

4. From your perspective, what defines a social enterprise, and what distinguishes it from other types of organisations?
5. In your opinion, what role do social enterprises play in fostering social innovation in Portugal?

#### General Perception and Understanding:

6. How would you define social innovation in the context of Portugal's social and economic landscape?
7. What role do you believe social enterprises play in the Portuguese economy and society?

#### Contribution of Social Enterprises:

8. What do you think are the most significant impacts of social enterprises on local communities in Portugal?
9. What types of social changes have you observed or experienced as a result of the activities of social enterprises in Portugal?
10. Can you share a specific example where a social enterprise has significantly contributed to social innovation or addressed a social issue effectively?

#### Challenges and Opportunities:

11. What are the most significant challenges faced by social enterprises in Portugal when trying to drive social innovation?
12. What opportunities do you see for social enterprises to enhance their contribution to social innovation in Portugal?

#### Policy and Ecosystem:

13. How do you assess the current policy environment in Portugal in terms of supporting social enterprises and social innovation?

14. What changes in policy or in the ecosystem would further enable social enterprises to contribute to social innovation?

#### Collaboration and Networks:

15. How important is collaboration between social enterprises and other stakeholders (e.g., government, traditional businesses, NGOs) for fostering social innovation in Portugal?

16. Can you provide examples of successful collaborations that have led to positive social change?

#### Impact Measurement and Sustainability:

17. How do you measure the impact of your social enterprise on social innovation and social change? Through our research, we found that social enterprises use a kind of certification to value and measure the impact. Could you help us better understand this point if it is the case in the social sector?

18. What practices do you think are essential for the sustainability of social enterprises while maximizing their social impact?

#### Future Prospects:

19. How do you envision the future of social enterprises in Portugal in terms of their potential to drive social innovation and change? Can you also provide us with your own future vision within your social enterprise?

20. What advice would you give to new or aspiring social entrepreneurs looking to make a positive social impact in Portugal?

### Personal Experience and Perception:

21. Have you had any personal experience with a social enterprise that has influenced your views on social innovation and social change in Portugal? Please share your story.
22. In your opinion, what makes a social enterprise successful in contributing to social innovation and change?

### Appendix 2: Interviews Individual Summary

These are the stakeholders that we have interviewed throughout our research: First, Professor Silvia Ferreira, a sociologist, working in the social sector, and part of the European Networks of Social enterprises. Second, Miguel Alves Martins, a professor at Nova SBE and senior advisor to the dean, delved into social entrepreneurship in 2007, co-founding Social Entrepreneurs Portugal in 2008 and championing the introduction of B Corps to Portugal. His commitment to SI has been pivotal in fostering sustainable business practices and addressing social issues in the country. Third, Catia Cohen, who has dedicated over two decades to Portugal's social ecosystem, managing the Social Database Project at Nova SBE's Data Knowledge Center as part of the Social Equity Initiative. Her extensive experience involves collaborating closely with social organisations, driving the development and implementation of innovative strategies to tackle societal challenges and support communities. Fourth, Filipa Farelo and Eduardo Pedroso, both integral members of Cases (Cooperativa António Sérgio para a Economia Social) in Portugal, bring expertise in cooperative and statistical sectors. Filipa, with a decade-long tenure, specializes in institutional and international relations, while Eduardo, previously with Statistics Portugal, focuses on statistics and database management, contributing significantly to projects related to social economy entities and collaborating closely with Filipa on various aspects of social enterprise frameworks. Fifth, Ana Rita Antunes,

a visionary environmental engineer, emerged during a time when climate change education was scarce. Rapidly transitioning from academia to activism, she co-founded Coopérnico, a groundbreaking cooperative dedicated to empowering communities through renewable energy. As executive coordinator since 2016, Ana Rita's leadership has propelled Coopérnico to the forefront of sustainable initiatives, shaping a brighter future for generations to come.

a) Interview with Professor Silvia Ferreira:

The interview with Silvia Ferreira, a sociologist specializing in social sectors, provides valuable insights into the role of social enterprises in fostering social innovation and driving positive social change in Portugal. Silvia Ferreira's expertise sheds light on various aspects, about the understanding of social enterprises and innovation, perceptions of social innovation, their contribution to societal change, as well as challenges, opportunities, policy support, collaboration dynamics, impact measurement, sustainability measures, and future trajectories.

Silvia Ferreira underscores the challenges confronting social enterprises in Portugal, notably the prevalent lack of comprehension and resistance towards the concept. However, she observes a growing receptiveness towards it, maintained by discussions surrounding the potential introduction of a new legal status for social enterprises—a development signaling positive energy. Challenges also stem from the rigid institutional framework for innovation, compounded by absences in critical areas like legal, financial, and accounting expertise, obstructing the sector's advancement. Yet, there's a notable shift in the mindset of social investors towards sustained engagement and broader involvement in the social sector beyond simple financial contributions.

Portugal's policy landscape is shown as supportive, with ongoing deliberations on establishing a distinct legal status for social enterprises, indicating an evolving recognition of their

significance. However, according to Professor Silvia there's a needy call for sensitive public involvement to exert pressure for legislative frameworks favorable to social enterprise development.

In Portugal, social enterprises are actively engaging in collaborations not only within their sector but also with businesses, non-profits, and governmental entities—a collaborative attitude vital for their viability and impact.

The interview underscores the criticality of impact measurement and sustainability for social enterprises. Professor Silvia Ferreira explains the numerous approaches to impact assessment, emphasizing the complexity inherent in measuring social change and the need for qualitative and quantitative methodologies. Effective impact measurement requires dedicated expertise and time, underscoring the challenge facing enterprises in Portugal. To maximize impact, social enterprises must exercise influence across policy, mindset of investors, and ecosystem domains, forging alliances with diverse stakeholders.

Despite challenges, the interview concludes on an optimistic note, highlighting the transformative potential of social enterprises in Portugal. Momentum surrounding the discourse on legal recognition and increasing acceptance of social enterprises for their future, underscoring a promising trajectory.

In summation, the interview with Silvia Ferreira presents a complete perspective on the pivotal role of social enterprises in driving social innovation and fostering positive social change in Portugal. It lights the sector's challenges, the policy background, collaborative dynamics, impact measurement necessities, and future outlook, serving as a valuable resource for our research question.

b) Interview with Professor Miguel Alves Martins:

In an informative interview, Professor Miguel Alves Martins, a valued expert in social entrepreneurship and innovation at Nova SBE, offers profound insights into the transformative role of social enterprises in Portugal. With a distinguished career and as a senior advisor to the Dean, Professor Martins brings a wealth of expertise to the discussion. He defines social enterprises as legal entities that marry financial performance with societal advancement. Emphasizing the efficacy of hybrid models, he advocates for the integration of social and commercial objectives, aligning with the Anglo-Saxon perspective. This viewpoint underscores social enterprises as entities with a clear mission, reinvesting profits into their societal goals.

Highlighting the profound impact of social enterprises on local communities, Professor Martins cites compelling examples, including inclusion companies empowering individuals with disabilities. Noteworthy initiatives like Speak project founded by Hugo Aguiar and the ColorADD project illustrate the potential of social enterprises to challenge norms and drive innovation. Acknowledging hurdles such as accessing patient capital and diversifying funding, Professor Martins identifies promising opportunities within Portugal's landscape. The country's openness to innovators, coupled with its conducive environment for testing and scaling projects, presents fertile ground. Additionally, the allocation of public funds to social innovation through PSI promises the sector's growth.

Professor Martins underscores the pivotal role of collaboration among social enterprises and various stakeholders. He mentions Professor António Miguel for his efforts in advancing social impact through education and advocacy by stating his Social Impact bonds that he teaches at Nova SBE being an essence to foster the collaboration between different entities. Looking into interesting projects will always display multiple stakeholders or multiple sector perspective. Like the example of Teach for Portugal that imply a strong collaboration between a nonprofit, private entity, and public schools in this case, which allows the innovation sparks to flourish.

While not delving deeply into impact measurement specifics, Professor Martins advocates for innovative approaches to evaluating and sustaining social impact through stating cross benefit analysis, randomized control trials used by NOVAFRICA to SROI. He believes that a combination of different tools would allow the engagement of different stakeholders. His emphasis on securing smart capital and deploying interesting instruments suggests a strategic focus on complete measurement strategies.

Professor Martins paints an optimistic picture of the future of social enterprises in Portugal. Leveraging the country's compact size for agile testing and scaling, coupled with robust public funding for social innovation, along with the gap between sectors that in his opinion would be occupied very quickly by either social enterprises or other entities still promises a continued growth. Professor Martins' perspective is enriched by personal experiences and academic insights. His deep engagement underscores a nuanced understanding of the sector's dynamics.

The interview with Professor Miguel Alves Martins offers invaluable perspectives on the catalytic role of social enterprises in Portugal's social innovation landscape. His nuanced understanding of challenges, opportunities, and collaborative imperatives underscores the sector's potential for driving positive societal change. With a visionary outlook and strategic insights, Professor Martins heralds a promising future for social enterprises in Portugal.

c) Interview with Catia Cohen:

The interview with Catia Cohen offers a comprehensive exploration of the landscape of social enterprises in Portugal, shedding light on their pivotal role in catalyzing social innovation and effecting positive societal transformation. Cohen clarifies the essence of social enterprises as entities driven by a dual mission, prioritizing both social objectives and financial sustainability. This description underscores their distinctiveness from conventional businesses and social

organisations, emphasizing their commitment to addressing pressing social and environmental challenges.

Professor Cohen's perspective on social innovation explains its significance as a vehicle for advancing social causes and enhancing community welfare in Portugal. She describes social innovation as a means to effectively tackle societal issues and meet the diverse needs of beneficiaries while ensuring sustainability. Furthermore, Cohen underscores the predominant focus of social innovations within the realm of social enterprises, underscoring their instrumental role in driving sustainable development and fostering inclusive growth.

The interview underscores the substantial contribution of social enterprises to the Portuguese economy, not only in addressing societal concerns but also in generating employment opportunities and fostering economic activity. Despite their formidable impact, social enterprises face fierce challenges, chief among them being the absence of a legal framework tailored to their operational needs. Cohen advocates for legislative advancements to afford social enterprises formal recognition, facilitating access to vital financial resources and support programs.

Public Policy loom large in Cohen's discourse, with a clear call for the need of a legal framework to bolster the efficacy of social enterprises. She posits that policy involvements are imperative to fortify the operational landscape for social enterprises, enabling them to thrive and fulfill their socio-economic mandates effectively. She believes that social enterprises are supported by PSI programs that funds social innovation projects that are the major focus of social enterprises. PSI Program plays a crucial role in bringing together private and public entities. With

Moreover, the interview underscores the indispensable role of collaboration and networking in amplifying the impact of social enterprises. Cohen highlights initiatives such as the social

database project, which serves as an incentive for forging synergies and fostering collective action among social enterprises, social organisations, and other stakeholders. These collaborative actions underscore the strength of collective action in addressing complex societal challenges and driving sustainable development agendas forward.

Professor Cohen's insights into impact measurement underscore the imperative of adopting a data-driven approach to measure the efficacy of social enterprises in effecting meaningful change. She underscores the utility of methodologies such as Social Return on Investment (SROI) and the Theory of change in defining the tangible outcomes of social interventions, thereby ensuring accountability, and fostering organizational sustainability. It is important to note that not even 10% of organisations in the social sector perform impact measurement due to the lack of knowledge in relation to the tools, the complexity of its usage, and lack of financial resources. Stating the major difference between social enterprises and social organisations as social enterprises focus on impact measurement, considering it an important tool to drive their social change.

Looking ahead, Professor Cohen envisions a future where social enterprises exercise better activity, supported by adapting policy frameworks and youth involvement. She underscores the transformative potential of legal recognition in fostering synergistic partnerships between social enterprises and organisations, promising well for societal well-being and economic prosperity. Additionally, Professor Cohen underscores the imperative of encouraging the next generation of youth, harnessing their innovative enthusiasm to push the social enterprise landscape into new limits of impact and inclusivity.

In sum, the interview with Catia Cohen serves as a clarion call to action, spotlighting the catalytic role of social enterprises in effecting positive societal change and fostering sustainable development in Portugal. Professor Cohen's insights underscore the imperative of policy

support, collaboration and network, impact measurement, and intergenerational engagement in nurturing a vibrant ecosystem for social enterprises. As Portugal charts its course towards a more equitable and sustainable future, the resilience and innovation of its social enterprises stand as a key driver towards positive social change and the growth of social innovation in the social sector.

d) Interview with Professor Filipa Farelo and Professor Eduardo Pedroso:

The interview with Professor Filipa Farelo and Professor Eduardo Pedroso, members of CASES Portugal, offers valuable insights into the understanding and perception of social enterprises and innovation in Portugal. Both professors possess extensive experience in the social sector, with Professor Farelo specializing in international cooperation and Professor Pedroso bringing expertise in economics and statistics. This interview aims to delve into their perspectives on the role of social enterprises in fostering social innovation and driving positive social change in Portugal.

Professor Farelo defines social enterprises as entities with a dedicated social mission and a commitment to effecting social change, stressing the importance of collaboration with associations and entities that prioritize equality and solidarity. On the other hand, Professor Pedroso, though initially lacking exposure to the concept during his university studies, encountered it in his professional career, particularly through his work at Statistics Portugal. He acknowledges the fluid nature of social enterprises, making their study challenging, yet underscores their core characteristic of pursuing social missions through innovative means, integral to their identity.

Professor Farelo perceives social innovation as both incremental and disruptive, cautioning that while innovation is not the primary objective, it serves as a means to complement and achieve social missions. Professor Pedroso concurs, noting the necessity of trial and error in social innovation actions, with readiness for contingencies in case of failure to advance social missions.

Both professors underscore the significant presence of social enterprises within local communities, serving as vital supporters and, in some cases, major employers and service providers, particularly in healthcare and social services. They attribute to social enterprises the role of pioneers in social innovation, shaping practices beyond the social economy realm and playing a crucial role in job preservation, especially in precarious employment situations. Additionally, they note the growing support among the youth for social enterprises, driven by a desire for meaningful employment and societal impact.

Professor Farelo and Professor Pedroso highlight the challenges faced by social enterprises, including financial constraints, limited resources, and a lack of legal recognition. They advocate for legal recognition as a means to alleviate these challenges, offering access to financial support and tax benefits to attract investors. However, they also identify opportunities in the shifting mindset of the younger generation towards impactful endeavors and innovative solutions to address social needs.

Policy support emerges as a critical factor in the success of social enterprises, with examples such as the António Sérgio Prize illustrating efforts towards recognition. Further study and acknowledgment of the impact of social enterprises are deemed necessary by Professor Pedroso to enhance their support and integration within the ecosystem.

Both professors stress the importance of collaboration between social enterprises and various stakeholders, including government and traditional businesses. They cite the example of CASES, an entity comprising both government and social economy representatives, as a

testament to the efficacy of collaboration in achieving social missions even if CASES is not a social enterprise, they wouldn't reach their social achievements without collaboration.

Measuring the impact of social enterprises poses a significant challenge, as highlighted by Professor Pedroso, with only a small percentage engaging in impact measurement practices. He identifies reasons such as a lack of skills, understanding, and perceived benefits. However, he sees a shifting landscape, driven by changing mentalities and increased resources, paving the way for more widespread adoption of impact measurement practices. This, coupled with efforts to enhance organizational identity and management training, will bolster sustainability, and maximize social impact.

Both professors envision a future where social enterprises play a pivotal role in driving social innovation and change in Portugal. Recognition and further study of their impact are seen as essential for their continued growth and integration into the socioeconomic landscape. Professor Pedroso foresees a potential shift where social enterprises could replace traditional businesses, emphasizing their increasing relevance in addressing societal issues.

In conclusion, the insights provided by Professor Farelo and Professor Pedroso shed light on the multifaceted nature of social enterprises and their role in fostering social innovation and driving positive change in Portugal. Despite facing challenges, including financial constraints and limited recognition, social enterprises exhibit resilience and potential, particularly in collaboration with diverse stakeholders. As Portugal moves towards a future marked by evolving societal needs and aspirations, the continued support, recognition, and study of social enterprises are imperative for realizing their full potential in effecting meaningful social transformation.

e) Interview with Professor Ana Rita Antunes:

Ana Rita Antunes, a visionary environmental engineer, emerged during a time when climate change education was scarce. Rapidly transitioning from academia to activism, she co-founded Coopérnico, a cooperative dedicated to empowering communities through renewable energy. As executive coordinator since 2016, Ana Rita's leadership has propelled Coopérnico to the forefront of sustainable initiatives. Coopérnico started with the production of renewable energy in a centralized model between 2013 and 2019, then expanded to the supply sector in 2019. Since 2020, it operates as a non-profit cooperative, engaging in European projects to innovate for member services.

Ana Rita distinguishes social enterprises by their non-profit nature and democratic decision-making, where all members' votes are equal, regardless of share ownership. She believes social innovation is integral to social enterprises' DNA, emphasizing innovation in how things are done rather than just what is done. In her view, the energy sector needs social enterprises for democratization, but innovation is hindered by sector regulations.

In society, social enterprises attract younger generations interested in social impact. The Portuguese constitution mandates contributions to economic growth from public, private, and social enterprises. Ana Rita highlights Minga as an example of an integral cooperative operating in multiple sectors based on community needs.

Coopérnico faces challenges in adapting to rules designed for private companies and lacks government support despite citizen demand. Collaboration is crucial for Coopérnico to learn from other energy sector companies and social enterprises for social innovation, as well as private companies for energy sector knowledge. Coopérnico collaborates with the University of Birmingham to implement the Theory of Change for impact measurement.

Ana Rita envisions growth for social enterprises due to citizen demand but emphasizes the need for tools to engage citizens and overcome barriers.

#### Appendix 3: Survey Link

<https://forms.office.com/e/Mvkvv27uPq>

#### Appendix 4: Survey Questions

Dear participant,

Thank you for taking the time to participate in our study. We are two students of the Masters in Management at Nova School of Business and Economics.

The survey is for our Master's thesis and will take approximately 7 minutes to complete. We are examining the role of social enterprises in fostering social innovation and driving positive social change in Portugal. It is about your personal perception, and there are no right or wrong answers.

Your participation is anonymous. All your information will be treated with confidentiality and will not be shared with third parties. We kindly request that you complete the questionnaire seriously, as this is essential for its later evaluation and contribution to answering the research question.

This questionnaire will be held in English. In case of any doubts, you can contact us by email [45568@novasbe.pt](mailto:45568@novasbe.pt) or [54287@novasbe.pt](mailto:54287@novasbe.pt).

We sincerely thank you in advance for your support,

Yahia and Liese.

## General Information:

1. Please indicate your gender.

- Male
- Female
- Prefer not to say.

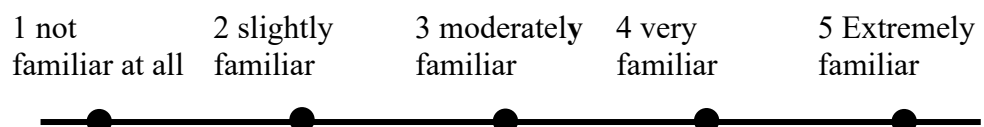
2. Please specify your age group.

- Under 20
- 21 – 30
- 31 – 40
- 41 – 50
- 51 – 60
- Over 60

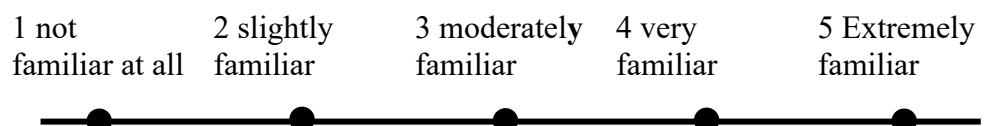
3. What is your country of residence?

4. What is your occupation?

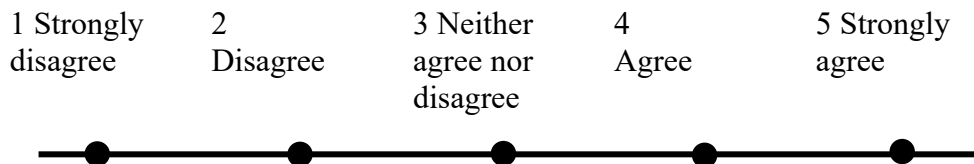
5. On a scale from 1 to 5, indicate your familiarity with Social Enterprises.



6. On a scale from 1 to 5, how aware are you of Social Enterprises in Portugal?



7. On a scale from 1 to 5, how much do you agree that Social Enterprises in Portugal make a positive difference in Society?



8. On a scale from 1 to 5, rate your personal interaction with or use of services from Social Enterprises.



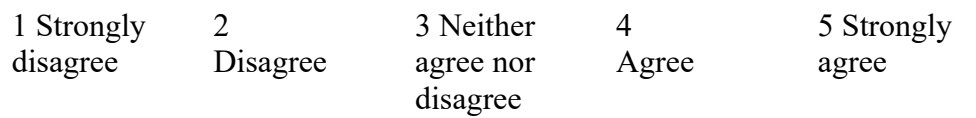
9. On a scale from 1 to 5, rate your personal interaction with or use of services from Social Enterprises in Portugal.



10. How would you rate your knowledge about Social Enterprises in general?

- Very knowledgeable
- Somewhat knowledgeable
- Neutral
- Somewhat unknowledgeable
- Very unknowledgeable

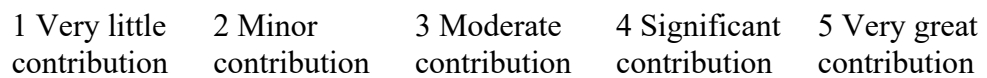
11. On a scale from 1 to 5, how strongly do you agree that there is a well-established and clear definition of Social Enterprises within the context of Portugal?



12. If you believe that there is an absence of a clear definition for Social Enterprises, what do you perceive as the cause for this ambiguity?

(Open question)

13. On a scale from 1 to 5, rate to what extent you believe that Social Enterprises contribute to Social Innovation in Portugal?



14. Which areas do you feel are most impacted by the work of Social Enterprises? (Select all that apply).

- Education
- Environmental Sustainability
- Social Justice
- Economic Development
- Healthcare
- Other:

15. Which of the following challenges do you believe are most significant for Social Enterprises in Portugal?

- Unclear definition of SE's
- Financing and Access to Capital
- Legal and Regulatory Barriers
- Lack of Public Awareness and Understanding
- Difficulties in Measuring Social Impact
- Other:

16. Which of the following stakeholders do you think social enterprises in Portugal collaborate with?

- Government and Public institutions
- Traditional Businesses
- NGOs and Non-profit Organisations
- Educational Institutions
- Other Social Enterprises
- All of the above

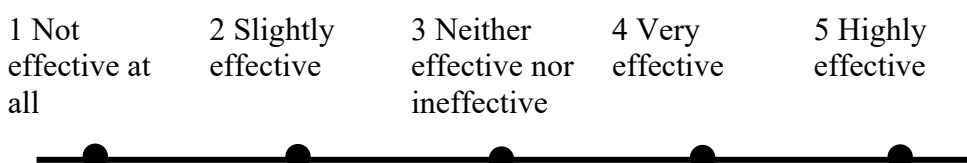
17. What kind of financing is typical for Social Enterprises?

- Governmental Funding
- Public or Private funds
- User or member fees
- Donations and Grants
- Sales
- Other:

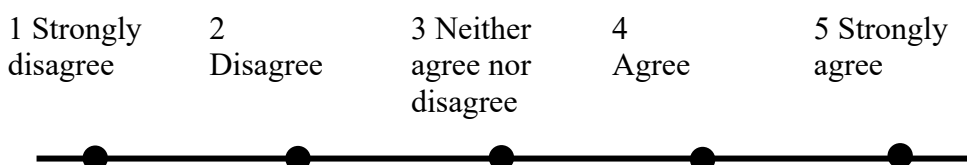
18. What might be underlying factors contribution to the difficulties faced by Social Enterprises in securing funding?

(Open question)

19. On a scale from 1 to 5, how effective is the collaboration between Social Enterprises and government bodies in Portugal in promoting Social Innovation?

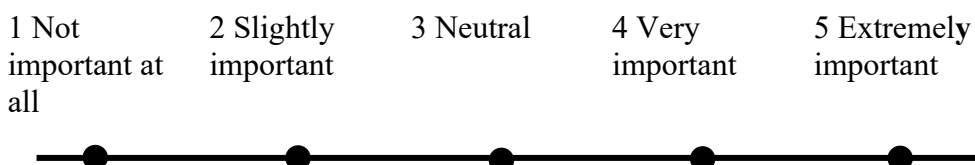


20. On a scale from 1 to 5, how strongly do you agree that governmental institutions in Portugal provide insufficient financial support for social enterprises?

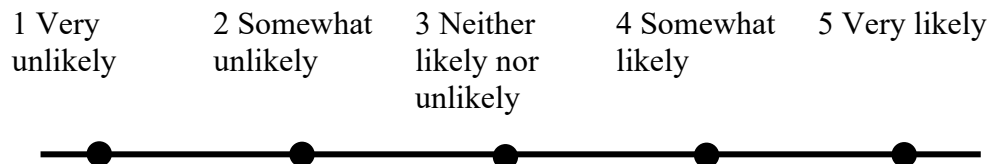


21. What are the ways used to measure social impact?

22. On a scale from 1 to 5, how important are social enterprises for creating a sustainable future?



23. On a scale from 1 to 5, how likely do you believe that the contribution of social enterprises to social innovation and positive social change will increase within the next 5 years?



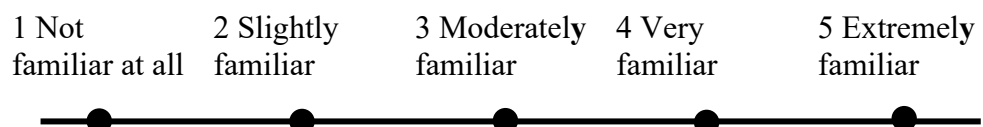
24. How do you think that the increase of contribution to social innovation and positive social change will be achieved?

(Open Question)

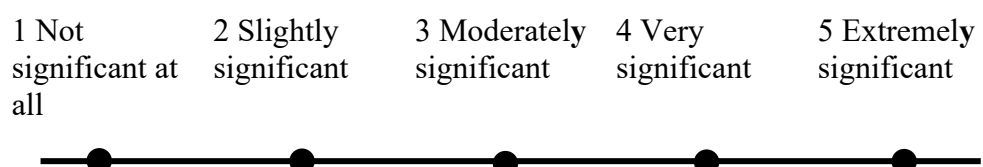
25. What is your opinion on the role of social enterprises in addressing societal challenges through novel ideas, services, and models?

(Open Question)

26. On a scale from 1 to 5, how familiar are you with B corporations as trend towards external validation and accountability within the social enterprise landscape?



27. On a scale from 1 to 5, how significant the emergence of B corporations for social enterprises in Portugal?



28. How do you think the emergence of B corporations impact the landscape of social enterprises in Portugal?

#### Appendix 5: Survey Results

[https://docs.google.com/spreadsheets/d/1IFkHoFoHa46TqobGt5Y307WwiAcuYSnW/edit?usp=drive\\_link&ouid=111866540650031470849&rtpof=true&sd=true](https://docs.google.com/spreadsheets/d/1IFkHoFoHa46TqobGt5Y307WwiAcuYSnW/edit?usp=drive_link&ouid=111866540650031470849&rtpof=true&sd=true)

#### Appendix 6: Survey Results in Figures

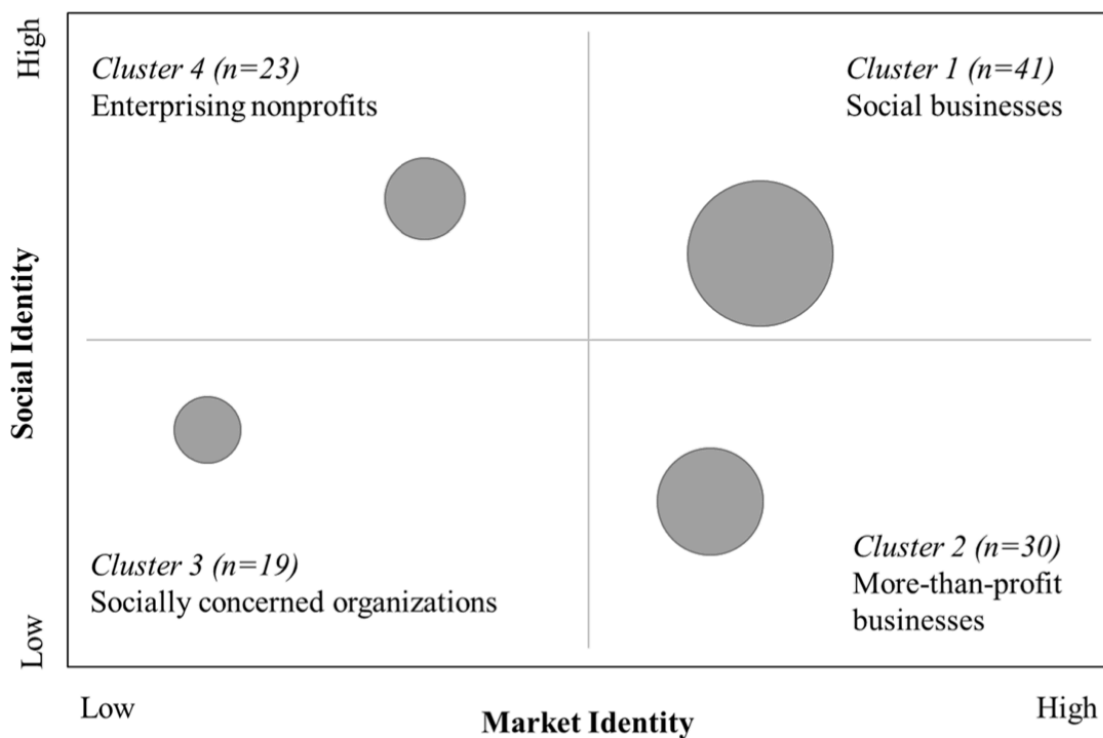


Figure 1: Social enterprise taxonomy

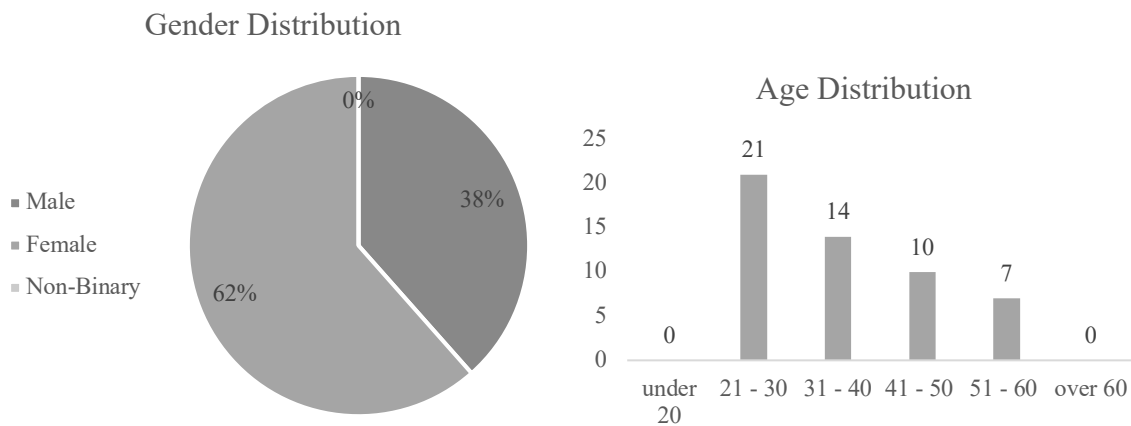


Figure 2: Gender and age distribution of survey results (Personal collection)

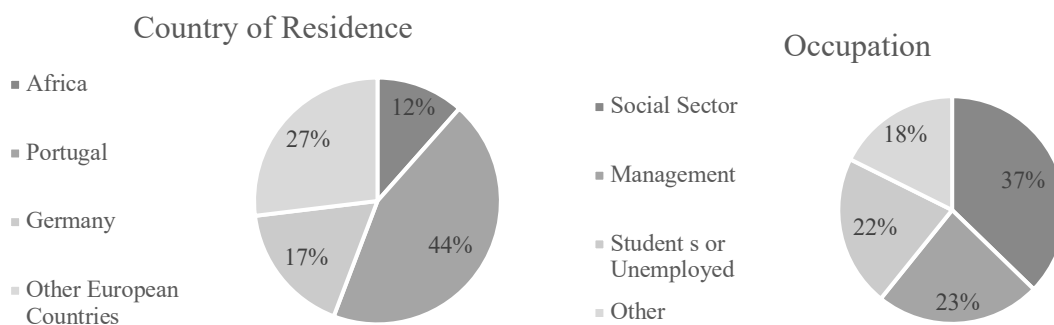


Figure 3: Regional and Occupational Distribution (Personal collection)

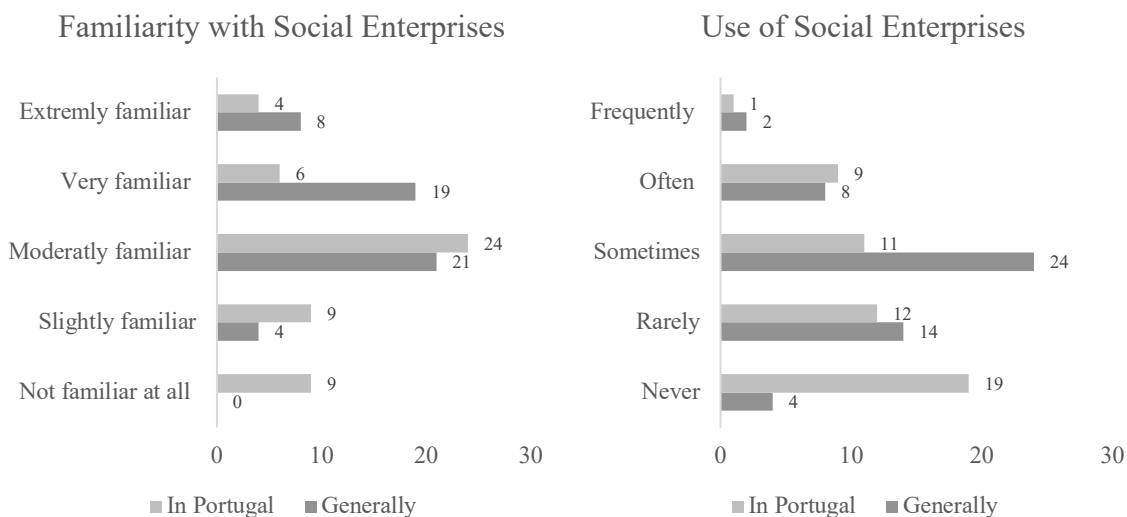


Figure 4: Familiarity and Use of SEs in general & Portugal specifically (Personal collection)

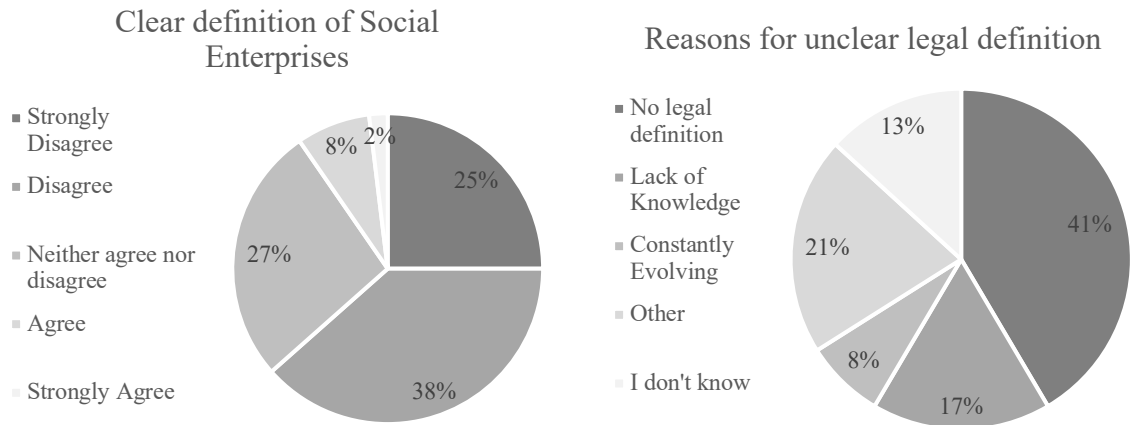


Figure 5: Perception and Reasons for a Lack of a Clear Definition of Social Enterprises in Portugal (Personal collection)

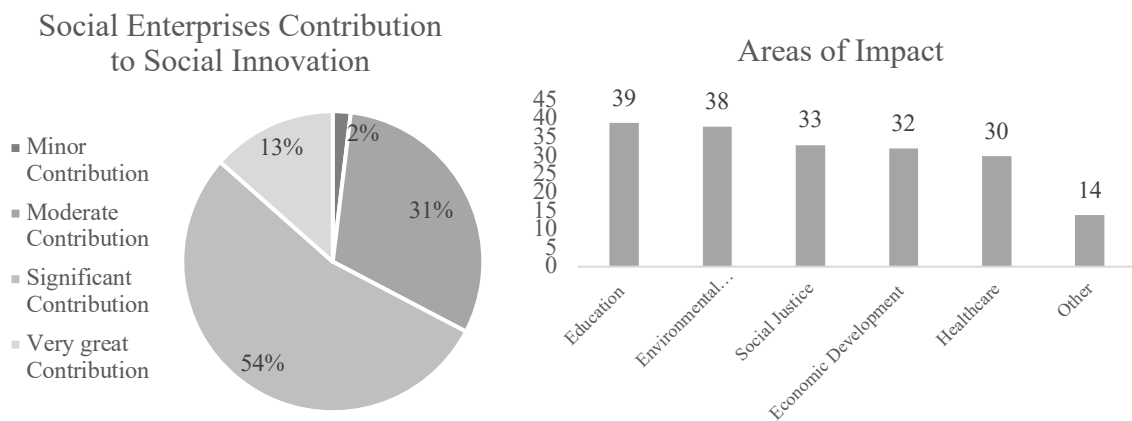


Figure 6: Contribution to Social Innovation and Areas of Impact (Personal collection)

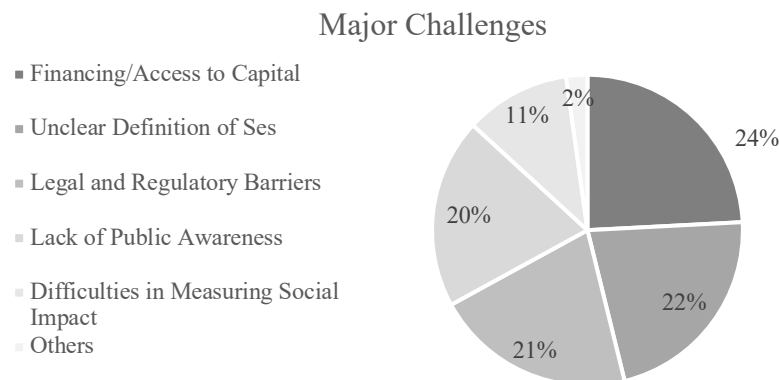


Figure 7: Major Challenges Social Enterprises face (Personal collection)

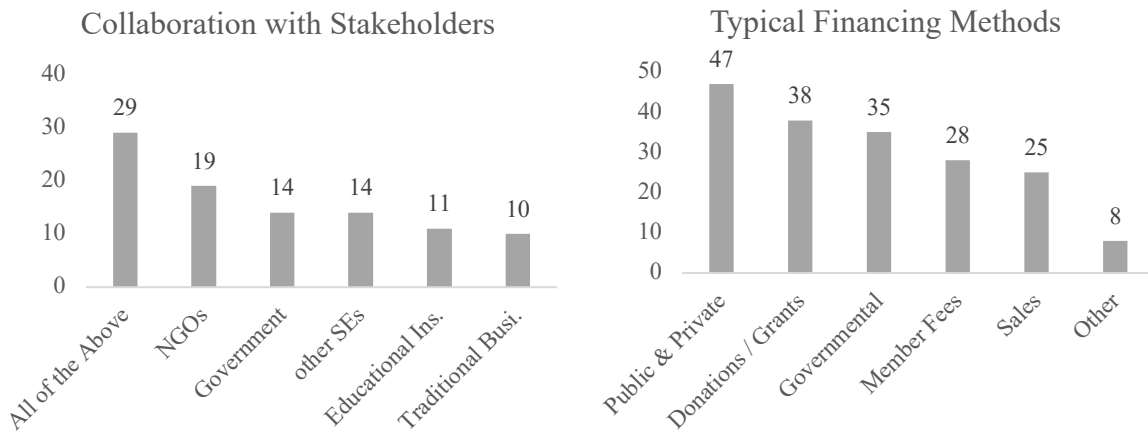


Figure 8: Collaboration with Stakeholders & Typical Financing Methods (Personal collection)

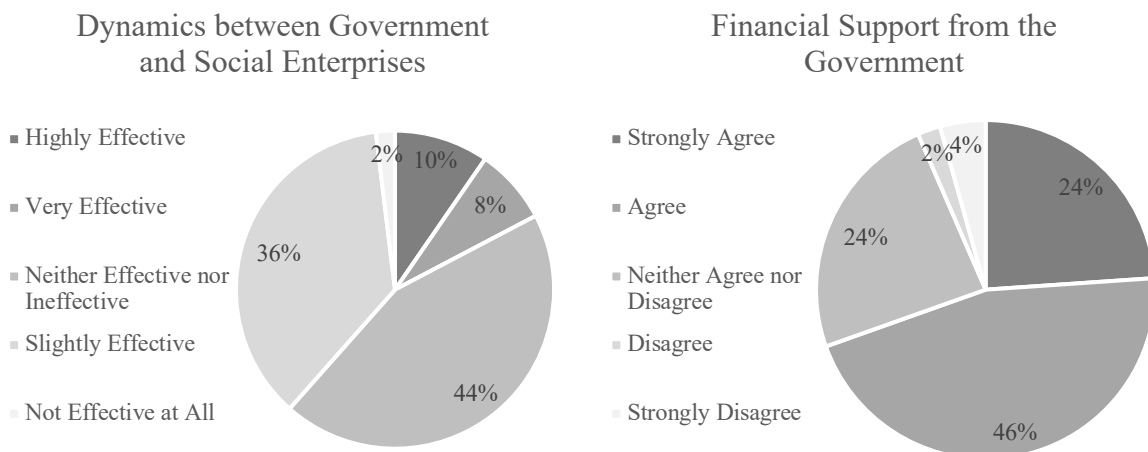


Figure 9: Collaboration and Financial Support from the Portuguese Government (Personal collection)

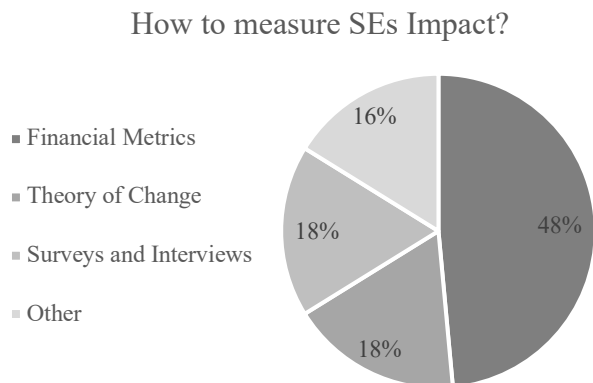
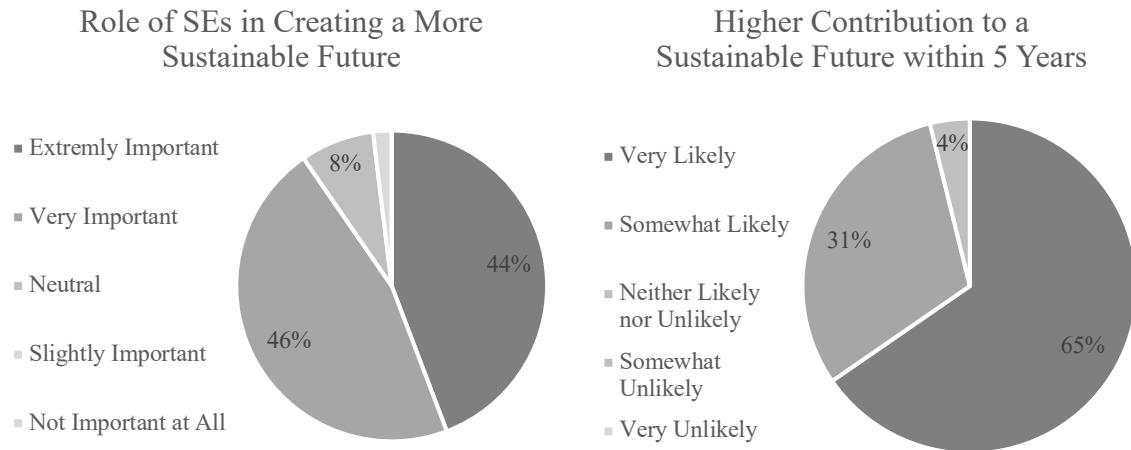
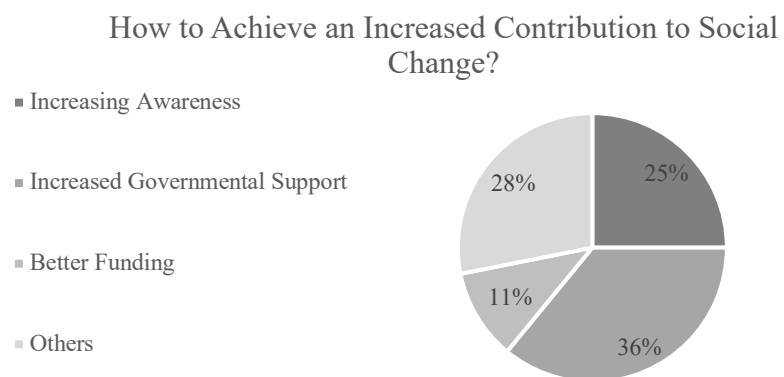


Figure 10: How to measure SEs Impact on Social Change (Personal collection)



*Figure 11: SEs Role in Creating a Sustainable Future and Outlook for the next 5 Years (Personal collection)*



*Figure 12: How to Achieve an Increased Contribution to Social Change (Personal collection)*

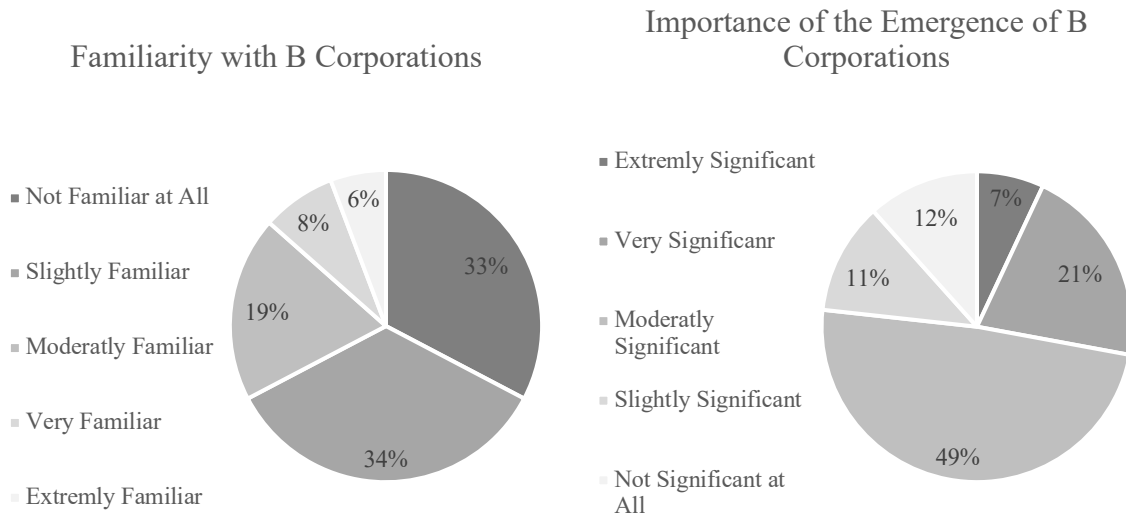


Figure 13: Familiarity and Importance of Emergence of B Corporations (Personal collection)