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## SOCIAL INNOVATION ECOSYSTEM AND THE INTENSITY LEVELS OF SOCIAL ENTREPRENEUR CROSS-SECTOR PARTNERSHIPS

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### Abstract

**Purpose:** to analyze the intensity levels of cross-sector partnerships and how they can help in building a more effective social innovation ecosystem for the social entrepreneur.

**Design/Methodology:** three cases of social organizations and their partnerships, in the Brazilian context, were investigated. The data were collected through 25 interviews with the partners of these projects, and in 78 documents. Data analysis was developed using the technique of qualitative content analysis.

**Originality/Relevance:** this study contributes to clarify the research gap in the area of social innovation ecosystem, especially regarding the relationship dynamics between the actors that compose it. In addition, this study provides some insights into the practical field, since the development of social innovation ecosystems can foster social entrepreneur action.

**Findings:** the main results refer to the study of social innovation ecosystem dynamics and the main actors involved in collaborative actions, such as companies and social entrepreneurs, NGOs, private companies, impact investment funds, universities. The results of this study indicate that the joint work of these actors is one of the most important elements for the effectiveness of the social innovation ecosystem. There were also levels of collaboration between the investigated cases: first level partnerships, second level partnerships, third level partnerships and institutional level partnerships (intermediaries).

**Theoretical/Methodological contributions:** first of all, this study leads to the suggestion of a concept for social innovation ecosystem, since the literature is still initial in this topic. In addition, the current research contributes to the theory, by addressing the dynamics at which social innovation ecosystem actors interact through intersectoral partnerships.

**Keywords:** Social innovation ecosystem. Social entrepreneurship. Cross-sector partnerships.

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## 1 INTRODUCTION

Social entrepreneurship has been gaining prominence in the management literature, concurrently it has gained prominence in the empirical field discussions, mainly due to its complex mission. Among its responsibilities is the search for solutions to high complexity problems, such as those related to poverty, health, education or any other social problem (Austin, Stevenson, & Wei -Skillern, 2006; Neck, Brush, & Allen, 2009).

This social mission meets the growing needs of society, especially in developing countries. It is in these environments that poverty, as well as its various related problems, exhibits itself with more prominence. Recent World Bank data shows that in 2015 more than 20% of the world's population lived on less than US\$ 5.5 a day (World Bank, 2019). This scenario demands actors such as the social entrepreneur due to their ability to detect underutilized resources and unmet social and/or environmental needs, given the insufficient State actions in maintaining social well-being (Mendez-Picazo, Ribeiro-Soriano, & Galindo-Martin, 2015).

The social role played by this type of entrepreneurship becomes complex as there is a need to meet demands for economic sustainability, in addition to social demand. The pursuit of two approaches (the economic and the social) brings difficulty for the social entrepreneur when compared to the traditional entrepreneur. Thus, different configurations of a partnership are outlined to assist entrepreneurial action (Corrêa & Teixeira, 2015). For this relevance, the literature on cross-sector partnerships adheres to discussions of social entrepreneurship.

Cross-sector partnerships can be defined as developed “explicitly to address social issues and causes that actively engage the partners on an ongoing basis” (Selsky & Parker, 2005, p. 850), usually involving actors from the three sectors of the economy: government, private companies and third sector organizations. The focus of these partnerships is to address complex social problems that affect society and the environment from the combination of different competencies of different sectors actors, hence the emphasis on the term ‘cross-sector’ (Austin, 2000; Austin, 2001; Fischer, 2005; Selsky & Parker, 2005; Trujillo, 2018).

The environment in which social entrepreneurship projects are developed, usually with different partnerships, can be called an ecosystem of social innovation. Although the evident relevance of the social innovation ecosystem, understanding its



internal dynamics and its main relationships with a focus on social entrepreneurship projects is still a theme that needs further advancement.

Because of this problem, the objective of this study is **to analyze the intensity levels of cross-sector partnerships and how they can support the building of a more effective social innovation ecosystem for the social entrepreneur**. Therefore, three cases of cross-sector partnerships with social entrepreneurs in the city of São Paulo, one of the most developed social innovation ecosystems in Brazil, were analyzed. The analyzed cases are dedicated to (a) the implementation and improvement of proposals in the area of land tenure regularization of irregularly occupied areas; (b) the sale of carbon credits from forest areas inhabited by riverside communities; and (c) microfinance of entrepreneurs at the base of the pyramid.

The main theoretical contributions are related to the investigation of partnerships with a focus on social entrepreneur projects and the social innovation ecosystems in which they occur. The very proposition of the term 'social innovation ecosystem' can be considered a theoretical contribution. Besides, presenting data from a developing country, such as Brazil, is also a contribution, since most studies on social entrepreneurship come from developed economies (Gaiotto, 2016; Rosolen, Tiscoski, & Comini, 2014).

As for the expected practical contributions, it is intended to provide relevant information to social entrepreneurs and other actors about the contributory potential of cross-sector partnerships and the emphasis on the ecosystems in which these relationships occur.

## **2 SOCIAL ENTREPRENEURSHIP**

Social entrepreneurship can be considered as a subgroup within the field of entrepreneurship. However, the main characteristic that sets it apart from other entrepreneurial configurations is its main motivation. The social entrepreneur starts his activities to solve some question related to poverty, health, education or any other social problem (Austin et al., 2006; Neck et al., 2009). Environmental problems, since they are considered serious adversities today, are also part of the domain of the social entrepreneur (Neck et al., 2009).

Thus, social entrepreneurship can be considered a novel way to improve quality of life and human development indices (Zahra, Gedajlovic, Neubaum, &



Shulman, 2009), usually through innovation (Hervieux & Voltan, 2018; Nicholls, 2006) and combining its social mission with entrepreneurial activities (Saebi, Foss, & Linder, 2018).

As for the concept of the social entrepreneur, Austin, Stevenson and Weisbäck (2006, p. 2), in a broad view, define it as “innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors”. For Dess (1998), on the other hand, social entrepreneurs adopt a mission to create and maintain social value; seek new opportunities to create this value; engage in a process of innovation and continuous learning; seek new sources of funds; and have a high sense of responsibility towards society.

Therefore, social entrepreneurship can overcome the barriers of the non-profit sector to include other areas, such as 'traditional' companies (Dacin, Dacin, & Tracey, 2011; Thompson, 2008). In this sense, the work that the social entrepreneur performs is considered relevant to society due to its ability to detect underutilized resources and unmet social and/or environmental needs, in opposition to the insufficient actions of the State in maintaining social well-being (Mendez-Picazo et al., 2015).

In the Brazilian context, the literature has shown social entrepreneurship as an action aimed especially at the development of communities through the strengthening of their activities and local skills (Campos, Martens, Resende, Carmona, & Lima, 2013). However, these activities are generally not carried out in isolation, mainly due to the complexity of the problems addressed. The study by Corrêa and Teixeira (2015), carried out with three cases of social entrepreneurs in Brazil, identified that relationship networks are important for obtaining resources (financial, physical, human, organizational, social and technological) and for legitimizing in the design phase. Therefore, the relationship between the theme of social entrepreneurship and cross-sector partnerships is identified.

### **3 CROSS-SECTOR PARTNERSHIPS AND SOCIAL INNOVATION ECOSYSTEMS**

Between the 1990s and 2000s, concomitant with the studies of strategic alliances, a new trend began to gain prominence in the literature. This perspective broadened the traditional focus of alliances between companies within the same sector for collaborative actions developed between agents from different sectors of the



economy, which became known for cross-sector partnerships (Gutiérrez, Márquez, & Reficco, 2016; Schuster & Holtbrügge, 2014; Zani & Tenório, 2014).

Cross-sector partnerships can be understood as “the deliberate and ongoing collaboration of partners from two or more societal sectors working to tackle mutually important social and economic issues.” (Reast, Lindgreen, Vanhamme, & Maon, 2010, p. 198). Thus, when actors from different economic sectors join forces to solve the same problem, different solutions are presented according to the characteristics, motivations and unique approaches of each one of the actors (Selsky & Parker, 2005, 2010).

The main motivation for the increasing number of cross-sector partnerships is the demand for solutions, in the social and environmental sphere, which require efforts that go beyond the responsibilities and capacities of a single organization, as they are generally characterized by their great dimension and complexity (Waddell, 2005). Therefore, with the cooperative work between agents, social and environmental problems can be more effectively solved than if they are carried out by a single actor (Clarke & Fuller, 2010; Reay & Hinings, 2009; Turner & Martin, 2005).

The partnership relationships between these actors occur in an environment, which can be conceptualized as an ecosystem of social innovation. The ecosystem concept, originally derived from biology, has been used frequently in management studies to designate “individual elements working as an entire system and interactions between internal actors” (Pilinkienė & Mačiulis, 2014, p. 369). Consequently, in many cases, the term ecosystem has been used to replace the use of terms such as ‘networks’ or ‘cluster’ since it can be considered more complex, dynamic and comprehensive (Gobble, 2014). In general, an ecosystem in the management area can be defined as a “community of organizations, institutions, and individuals that impact the enterprise and the enterprise’s customers and supplies” (Teece, 2009, p. 16).

Within the ecosystem literature in the area of management, the innovation ecosystem is one of the most comprehensive. Innovation ecosystems are generally considered to have a strong emphasis on creating innovative solutions to meet the needs of the consumer market. Hence, they can be considered as “the collaborative arrangements through which firms combine their individual offerings into a coherent, customer-facing solution” (Adner, 2006, p. 2), seeking the demand satisfaction and the creation of economic value for the organization.



By acting primarily for the creation of economic value (Adner & Kapoor, 2010), value creation and capture takes place for the benefit of companies and their shareholders, not in the interests of society or other actors. Taking a broader perspective and aiming the value creation for society as a whole, not just for companies and their shareholders, a new term has been proposed, albeit initially, in the management literature: the social innovation ecosystem.

Slimane and Lamine (2017) and Maya-Carrillo et al. (2015) have already addressed the term social innovation ecosystem but without a precise conceptual delimitation. Based on this, we propose in this study a concept for a social innovation ecosystem that designates the environment, local or regional, in which different actors (such as companies and social entrepreneurs, for-profit companies, investment funds, incubators, universities, NGOs, governments, communities, among others) relate and share capacities and resources, financial or not, to treat social problems innovatively, reducing the negative impact and/or generating a positive impact on society.

Despite the relevance of the social innovation ecosystem, it is still recent in the literature, since only two studies were found that addressed it (Maya-Carrillo et al., 2015; Slimane & Lamine, 2017). Therefore, many questions involving the way this ecosystem is structured, its main relationships and types of the partnership still remain unanswered. Studies that address partnerships for the development of entrepreneurship and social innovation actions reveal the roles of different actors but do not address the specificity of the ecosystem as a whole.

Even so, it is worth emphasizing how the literature has been approaching, with greater attention, the partnerships between innovation and social entrepreneurship organizations with investors, business organizations, NGOs, universities and governments.

Investing agents, represented mainly by impact investment funds and angel investors, appear to supply a demand for financial resources, generally scarce in nascent businesses and with hybrid institutional logic (social and/or environmental and economic) (Brest & Born, 2013). Business organizations, in turn, can act as strategic partners for organizations focused on social entrepreneurship (Le Ber & Branzei, 2010). The study by Austin and Saitanidi (2012) shows that traditional companies can provide everything from institutional support, knowledge, technology and even financial resources to companies with an emphasis on creating social value. In return, these



companies would have the prestige and the social responsibility action taken towards their stakeholders.

NGOs, classified as formally structured, independent, non-profit organizations whose primary objectives are related to the common good (Martens, 2002), can be active partners in the social entrepreneurship business. Since they work with a similar focus on the common good and the construction of social value, both approaches can work together in the practical field. On the other hand, universities can act in two approaches. The first one is related to the teaching of issues related to entrepreneurship and social innovation, which can help spread the concept and make society aware of the relevance of the entrepreneurship and social innovation (Kickul, Trejeson, Baco, & Griffiths, 2012). The second form of contribution to the innovation and social entrepreneurship field would be based on an effective partnership, either through the transfer of knowledge or technology.

Government, whether local, regional or national, can also play a relevant role in the social innovation ecosystem. Since there are complex and broader social problems, the government and other actors in the ecosystem would have a greater chance of success from uniting their efforts (Ojo & Mellouli, 2018; Phills, Deiglmeier, & Miller, 2008). According to Kolk and Lenfant (2015), government support in institutionally fragile environments, when nonexistent, hinders the process of developing and implementing social innovations and social entrepreneurship actions.

Even with the identification of roles that could be assumed by different partners highlighted above, there is a lack of studies about social innovation ecosystem in a more comprehensive way, also involving the different forms of partnership. Seeking to fill this theoretical gap, this study seeks, as a general objective, to analyze the intensity levels of cross-sector partnerships and how they can support the building of a more effective social innovation ecosystem for the social entrepreneur.

#### **4 METHODOLOGICAL PROCEDURES**

To develop this study, three cases of social entrepreneurship organizations in the city of São Paulo were investigated. The location was chosen because it presents one of the most dynamic environments for the development of this form of innovation in Brazil, mainly due to the countless cases of companies and social entrepreneurs, in



addition to specific support organizations in this field, such as incubators, accelerators and impact investment funds (PIPE, 2019).

Through a qualitative research approach, three cases of social organizations were selected. The criteria for choosing cases followed the indications of Domenico, Hugh and Trace (2010) who consider the following characteristics to be essential: a) generation of revenue mainly from negotiations with the market and not only through donations; b) demand for social and/or environmental objectives and not only economic; c) provision of services or supply of products to communities to improve the quality of life of these populations; d) although related to different contexts, most social enterprises are linked to communities with little availability of resources and with unmet needs for products and services. Also, it was decided to choose cases in which inter-sector partnerships were more frequent.

Regarding the data collection, 25 interviews were conducted involving the entrepreneurs and teams of these three cases, as well as their partners. They are part of the group of interviewed partners: two impact investment funds, a university, an accelerator, an NGO, a for-profit company and a federal government agency related to the promotion of the social entrepreneurship area. The number of interview participants was 7 for Case A, 6 for Case B, and 8 for Case C, as well as 4 interviews with actors at the institutional level. The semi-structured scripts used in the interviews were intended, in general, to understand how the partnerships contributed to the development and implementation of social innovations and the relevance of the ecosystem in which these partnerships were established.

Furthermore, the analysis of 78 documents available digitally or provided by the investigated cases, was used to obtain additional information or information with a greater level of detail than those collected in the interviews. Both data collections (interviews and documentary research) were carried out from May to October 2018.

For the analysis of the interviews, the three phases of content analysis proposed by Bardin (1993) were used. In the first, the collected materials (documents and transcribed interviews) were read by the authors. In the second, the first codes were outlined based on the patterns identified regarding the cross-sector partnerships of the three cases investigated. In the third, the codes were revised and improved. As a result, content analysis enabled the identification of three levels of cooperation and their particularities.





## 5 THE INVESTIGATED CASES

**Case A** is a social entrepreneurship organization active in the housing market for the lowest-income population in Brazil. Its proposal is related to the offer of conciliation services between irregular occupants and legal owners of large territorial extensions. These extensions were, in the past, irregularly occupied by people who had no other form of housing. Currently, even after repossession actions not carried out, the situation on both sides is delicate. To resolve this conflict and satisfy the social housing needs of poor people, Case A enables reconciliation and negotiation of indemnity values. These amounts are paid, in instalments and at prices below those practiced in the market, to the owners and intermediated by Case A. In the end, both sides have their needs addressed and, further, they contribute to the social development of the regularized areas.

Since 2001, its foundation year, Case A has undergone a series of changes, mainly regarding the service and how it seeks its business financial sustainability. Currently, with a mature business model and about 20 employees, Case A endeavors to expand its areas of operation within the national market.

**Case B** is a social entrepreneurship organization working in the microcredit area for Brazilian low-income entrepreneurs. Their proposal is based on the fact that a significant part of the country's population does not have access to the banking system and, even less, to credit. Due to the relevance of financial resources, mainly for the initial phases of entrepreneurial action, Case B realized that entrepreneurs from poor communities presented this need in an even more outstanding way. To assist the credit provision to these specific customers, it was necessary to develop a special credit assessment methodology that did not take into account only traditional credit history indicators. This more comprehensive method involves projects visiting, payment potential and the need for credit to operate the business, in addition to payment methods more aligned to the target customers, such as long-term instalments. Thereby, the case has been helping low-income microentrepreneurs in Brazil to develop their businesses and change the social reality, and occasionally, their regions.

Since its foundation in 2012, Case B has grown rapidly and now has a team of more than 200 employees. Presently, with microcredit market dominance in the regions where it operates, Case B seeks to expand its work to other areas of the



national territory, basing its business model on mobile applications. Additionally, entrepreneurs seek to expand the range of financial products offered.

**Case C** is a social entrepreneurship organization functioning in carbon credit trading in the Brazilian Amazon rainforest. The demand for this methodology comes from two perspectives. The first one is related to the Amazon ecosystem preservation, with the carbon credit trading or offsetting methodology being a potential income. The second perspective is related to the income generation and quality of life of the region's residents, such as indigenous and riverine. The way of working in Case C allows both demands to be satisfied through the implementation and operationalization of the REDD (Reducing Emissions from Deforestation and Forest Degradation) methodology. By funds receipt from the carbon credit trading in the domestic and international markets, the amounts are returned, mostly, for the benefit of the region's population.

Since 2008, when Case C was founded, the business model has undergone some changes mainly in pursuit of financial sustainability and compliance with international carbon credit trading standards. Currently, with 15 employees approximately, Case C seeks to expand its areas of operation within the Amazon Forest and expand its trading to the national market and, mainly, to the international market.

## 6 RESULTS

The results of this paper were organized into four subsections, the first three being related to the levels of cooperation between partners and the fourth that highlights the main dynamics of the institutional level of the ecosystem as a whole. However, before specifically addressing each of them, it should be noted that the classifications related to the levels of cooperation between the partners were developed in this study to represent the different degrees of interaction between the agents which participate in the investigated social innovation ecosystem.

Organizational actors who actively participate in social innovation proposals over time, working together daily or weekly, are classified as first-level partners. Second-level partners are those who directly work overtime, but less intensely, with monthly or bimonthly joint action. Third-level partners are those who relate more punctually over time, with no established periodicity. Finally, the actors at the



institutional (intermediate) level of a social innovation ecosystem are those who have no specific partnership with the cases in the field but have relevance in the dynamics of the ecosystem as a whole.

## 6.1 FIRST-LEVEL CROSS-SECTOR PARTNERSHIPS IN THE SOCIAL INNOVATION ECOSYSTEM

First-level cross-sector partnerships are those that occur actively and constantly over time, usually on a daily or weekly basis. For Case A, the angel investor and the impact investment fund were the actors who participated in the most active, constant and lasting way throughout its development and implementation process. Both partners acted from the financial capital injection (necessary to balance the payment demands; to help the ISBR1 implementation; to structure a financially sustainable management model, indispensable for the continuity of the proposal); participation in the board of directors (assistance in decision making at the strategic level), information monitoring (necessary to the improvement of new decision making), the scalability phase of the proposal (effective market growth); and the connection with new contacts networks (important to maintain the growth strategy through partnerships). The following excerpts illustrate the partnership between Case A with the impact investment funds and angel investors.

“They [angel investors and impact investment funds] collaborate in the sense that they make us rethink the strategies that we intended to follow to implement this methodology.” (*Entrepreneur - Case A*)

“Afterwards, a new business model formatting was built there, focusing on financial sustainability. We helped in the process of building healthy governance, passing the responsibility of the goals and accounts with audited balances to the board, and that also helped a lot”. (*Partner of the impact investment fund - partner fund of Case A*)

For Case B, impact investment funds, angel investors and private companies acted as first-level partners. The first two partners (funds and angel investors) supported Case B by offering financial resources so that the proposal could be initiated, developed and expanded over time; by participation in the board of directors; by suggesting ideas and opinions in strategic decisions for operation expansion, for new



prototyping and different products and services testing; assistance in measuring the social impact generated from financial and non-financial indicators; and by connecting with other market partners. As for private companies' partnership, three traditional private organizations have acted as partners over time in Case B. The main supports were providing specific knowledge about low-income entrepreneurs; joint working arrangements for the microcredit financial services provision; and agreements for the technology development to innovative services implementation. The partnerships with these three actors can be illustrated through the following excerpts:

“So, in any startup, the risk is breathtaking, right?! Because you always have a lot of trial and error. So, without a doubt, having investors with us helped a lot to have the necessary breath to be able to make mistakes, even try to get it right. So, like this, many times the entrepreneur is almost there around the corner, he is already there to hit his target and the money runs out”. (*Entrepreneur - Case B*)

“Slums are difficult to penetrate. Today, for example, there are a thousand slums and only ten bank branches. To enter, you need a partner who understands the appropriate language and the intelligence channel, and this retail company has that”. (*Entrepreneur - Case B*)

“So, I think one thing led to another [...] The other company helped us, with their experience in this market. So, we are very well advised today by stakeholders who understand the base of the pyramid very well, they have a lot of operational experience in this market”. (*Analyst - Case B*).

For Case C, impact investment funds and NGOs were the main partners over time, being classified as first level. The funds participated as follow: contribution of financial resources; support in the management of Case C; support in prospecting negotiations for new areas to receive the REDD methodology; participation in the board of directors; assistance in the financial management, given the entrepreneur's difficulties in this area. The NGOs, in turn, actively participated in two roles: first, from working together, the NGOs provided initial studies about the areas for the carbon credit potential, the specificities of local fauna and flora, as well as resident communities; the second role is that of co-administration of resources from projects involving areas occupied by the community in order to assist them in making local



investments. The following excerpts illustrate the participation of impact investment funds and NGOs in Case C.

“So, if we consider the fund as a whole, then participation is much more than just an allocation of financial capital [...] it also always had a great personal involvement of them”. (*Entrepreneur and director - Case C*)

“What is our job? In fact, our work, I will say, is more a job for rubber tappers than for the company. Our job is to mediate the relationship between the company and the rubber tappers because first, that rubber tappers don't understand, they don't comprehend all the dynamics behind the carbon market process and all that”. (*NGO Director - Case C*)

## 6.2 SECOND-LEVEL CROSS-SECTOR PARTNERSHIPS IN THE SOCIAL INNOVATION ECOSYSTEM

Second-level cross-sector partnerships are those in which actors interact actively over time, but less frequently than first-level partnerships, working together monthly, for example. In Case A, no partnership was considered to be of a second level. In Case B, there was a partnership with universities on two occasions: the first occurred in the initial phase of implementing the social innovation proposal by Case B. The technology used to collect field information for credit assessment was developed by programmer engineers from a university in the state of São Paulo, in partnership with Case B's engineers. The second partnership came from a joint study in which the focus was on creating a methodology for assessing the social impact on Case B's beneficiaries/clients. The following excerpt can illustrate the partnership with the university:

“They did some studies like this with our customers [...] and we found that when our customer was a little more evolved, we had more impact. That was very interesting”. (*Entrepreneur - Case B*).

As for Case C, second-level partnerships have been established with local governments. Since these are implementations of carbon credit certification and commercialization projects in forest areas belonging to the Union, local governments need to be open to negotiations. Thus, the government's participation is restricted to the concession of the area for the implementation of the project and in the maintenance of its function as a deliberative agent in the last instance. In addition, the government



assisted in the choice of potential areas for project implementation and in the use of funds received. The following excerpt illustrates the partnership:

“As in this case this region has many extractive reserves, they have a single deliberative council and this council represents all the extractive reserves. This council has the power to approve everything that will be done in the project. It is like an arm, an autarchy of the State's environment secretariat”. (*Technical manager of the company - Case C*)

### 6.3 THIRD-LEVEL CROSS-SECTOR PARTNERSHIPS IN THE SOCIAL INNOVATION ECOSYSTEM

Third level cross-sector partnerships are those in which the actors relate less intensely over time, usually with specific actions, with no established periodicity. In Case A, NGOs and universities were considered to be third-level partners. Regarding NGOs, only one connection was found when an area in the State of São Paulo was in conflict for land ownership and the responsible NGO decided to request assistance for Case A. However, this connection was only a market relationship, not constitute, in itself, an active partnership. In relation to universities, there was participation in Case A through two fronts: service provision (which, in itself, does not constitute a partnership, but rather a market negotiation) and the signing of a technical cooperation intention term, between Case A and a university in the State of Minas Gerais, for the regularization of a local urban area and technical cooperation, which has not yet had practical effects. The excerpt below illustrates the role of universities as a partner with low interaction with Case A:

“No, universities here are not yet at that level of interaction with us”  
(*Management Analyst - Case A*)

Regarding Case B, no third-level partnerships were found. In relation to Case C, universities were considered as third-level partners. The focus of the partnership was for local universities to assist in feasibility study activities and in monitoring territorial extension, while data would be collected for research carried out by universities. This partnership was punctual for a project and was made through negotiation, with amounts paid by Case C for the services provided by local universities.



“In the academic field, University [X], with professors from the Department of Geography, conducted research in the socio-economic area in initial and follow-up studies. It was a paid service, but we were happy with that contact. (*Entrepreneur - Case C*)

#### 6.4 INSTITUTIONAL LEVEL ACTORS - INTERMEDIARIES

In the three cases analyzed, small references were made to actors at the institutional level (intermediaries), such as incubators, accelerators and other organizations that support the field. In common, none of the cases analyzed described a specific partnership with these agents, but it was possible to perceive, from informal reports and participation of entrepreneurs in events of these institutional support organizations in the field, that these organizations maintain activities relevant to the ecosystem.

Thus, since little evidence was identified about the actors at the institutional level in the analyzed social innovation ecosystem, we suggested naming them as intermediate actors. This term may be more appropriate due to the fact that these actors did not develop partnership actions with the investigated cases but developed actions for the ecosystem as a whole.

It is worth mentioning that one of the ways in which the intermediate actors act in the ecosystem could be the connection with other ecosystems. Thus, incubators, accelerators and other support agencies could act beyond the social innovation ecosystem, involving institutions, actors and other external ecosystems. Future research on the social innovation ecosystem may seek to analyze this specific point about the intermediary actors.

### 7 CROSS ANALYSIS AND DISCUSSIONS

In the three cases analyzed, the partnerships were constant and used as a means to develop and implement the respective proposals of social entrepreneurs, as well as to create joint projects. In summary, **investor agents** were considered as first-level partners in the cases analyzed when offering financial capital and managerial support. The literature has already demonstrated the importance of this type of partnership mainly since social organizations have a strong tendency to prioritize social issues, paying little attention to the financial sustainability of the business (Brest &



Born, 2013; Glanzel & Scheuerle, 2016). Financial agents, whether angel investors or impact investment funds, work by offering financial capital and other management skills to these organizations (Bhatt & Altinay, 2013).

**Private companies** were considered as first-level partners in Case B for their competence and experience in meeting the needs of the market at the base of the pyramid. According to Le Ber and Brazei (2010), partnerships between private companies and social organizations are relevant for the exchange of technology and knowledge, in addition to the dissemination of risks among the actors when participating in complex projects jointly.

The **NGOs** were considered as first-level partners for Case C, when they assumed the role of a connecting agent between the case and the communities living in the forest areas. For Case A, NGOs were considered third-level agents, with low partnership intensity, when they became agents engaged in resolving conflicts over land ownership in a locality. The consulted literature did not identify theoretical proposals or empirical evidence on the partnership between social organizations engaged in social innovation projects and NGOs.

**Universities** were considered as second-level partners for Case B, by assisting in the co-creation of technology and impact assessment methodologies. For Cases A and C, universities were considered to be third-level agents due to specific partnerships developed for specific works or for the intention of effective future collaboration agreements. The role of universities has barely been studied in the literature. The research by Kickul, Trejeson, Baco and Griffiths (2012), in turn, highlights the role of the university as an enabling environment for the presentation and teaching of themes related to social organizations. By addressing other forms of collaboration, the present study advances the understanding of the role of universities in ecosystems of social innovation.

The **government** was considered a second-level partner for Case C by acting as a mediator, legislator and collaborative agent in the choice of locations that a project is likely to be implemented and in the choice of areas that would receive investments from the commercialization of carbon credit. The government has already been explored in the social innovation literature, mainly regarding its necessary participation as a collaborating agent and promoter of the social innovation ecosystem (Phills et al., 2008), once recognized that complex social





problems of society must be solved starting from joint actions between the government and other actors. (Ojo & Mellouli, 2018).

When addressing all the actors identified in the field of cases analyzed, it can be seen that the argument that the social entrepreneur develops his social innovations together with partners (Phillips, Lee, Ghobadian, O'Regan, & James, 2015; Saji & Ellingstad, 2016; Westley & Antadze, 2010; Wijk, Zietsma, Dorado, de Bakker, & Martí, 2018) is valid for this study as well.

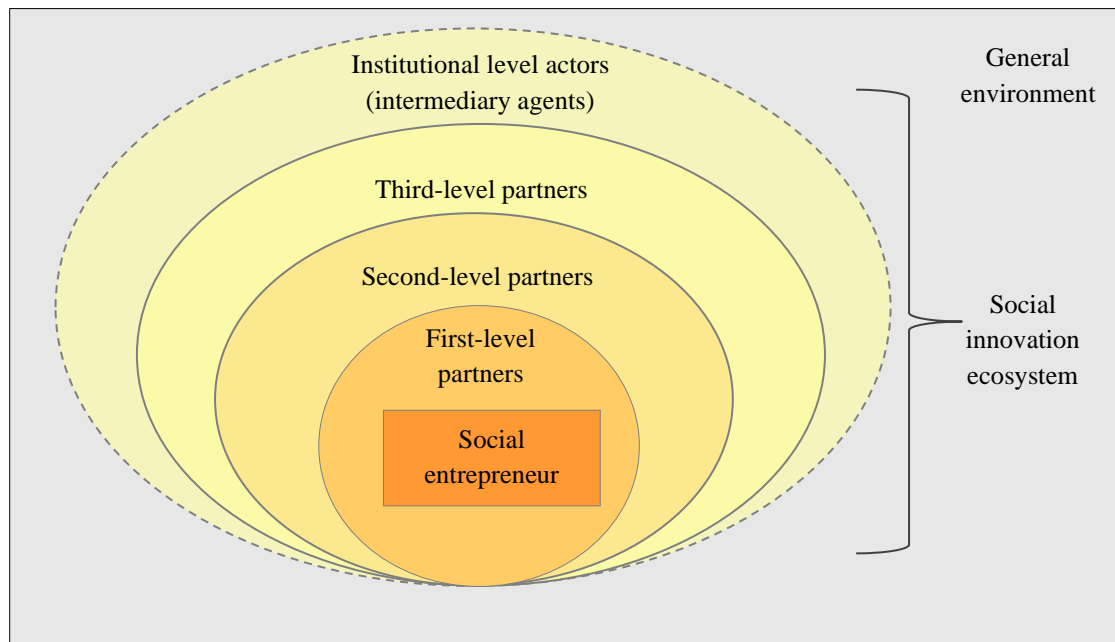
When analyzing the partnerships format, it can be perceived that the collaborative actions developed with financing agents (angel investor and impact investment funds) are more frequent than the others, mainly due to the offer of financial resources and management support. Partnerships with NGOs and private companies were the forms of partnerships that were most constructive in terms of developing joint projects. On the other hand, partnerships with universities and governments were less frequent and with a greater distance from the projects of the three cases analyzed.

However, it is worth noting that the relevance of each of the partnerships can be independent of the level of proximity between the actors. Less frequent partnerships and characterized by a greater distance between agents, such as the second and third level, can be as relevant as the first level. This will depend on the focus of the partnership and the type of resource exchanged. Austin (2000) addresses this focus by classifying the forms of partnership by the type of resource exchanged, being (from the least intense to the most intense): transfers of generic resources, exchange of core competencies and joint creation of value. Future studies may focus on this point on the type of resource exchanged to assess the interaction between actors in the ecosystem.

In addition to these issues concerning the role of the actors and the format of the partnerships, this study discusses, in particular, the levels of collaboration of the different actors in the social innovation ecosystem. Since no pattern of collaboration was found, given that each case presented a different order for the position of its different partners, this study proposes a general framework regarding the intensity levels of partnerships in a social innovation ecosystem. Thus, it is expected that its use will be extended to other environments in order to analyze the different partners, their main roles and their disposition in the ecosystem. The framework is shown in Figure 1:



**Figure 1** - Framework of intensity levels of partnerships in a social innovation ecosystem



Source: The authors (2020)

The framework of intensity levels of partnerships in a social innovation ecosystem, presented in Figure 1, has the social entrepreneur, its organization and innovation at its center. Right after, in the first level of collaboration are partnerships that occur actively and constantly over time. Second-level partnerships are those in which the actors also interact actively over time, but less frequently than first-level partnerships. Third-level partnerships are those in which the actors relate infrequently and less intensely over time, usually with specific actions. In summary, this study suggests the following as the first theoretical proposition:

**Proposition 1:** *the social innovation ecosystem is formed by first-level partners, who have active and constant participation in the proposals; and the intensity of this participation is gradually reduced for partners from second to third level.*

The actors at the institutional level (intermediaries), in turn, are important agents for the dynamics of the social innovation ecosystem and can assist in connecting with external actors and ecosystems, but they do not have direct partnerships and interactions with social innovation cases.



**Proposition 2:** *the social innovation ecosystem is formed by a more external network from the institutional environment (intermediate agents), who have little participation in specific partnerships with social entrepreneurs, but who directly assist in the construction of a more effective ecosystem for the entrepreneur and his social innovation also from external connections.*

Both propositions summarize the findings of this study and can be used for future research that is dedicated to corroborating, improving or refuting them.

## CONCLUSION

This article seeks to analyze the intensity levels of cross-sector partnerships and how they can assist in building a more effective social innovation ecosystem for social entrepreneur activities. Through an empirical study, it was possible to identify the existence of levels of collaboration: first, second and third-level partners, in addition to actors from the institutional environment. It was also noted that there is no standard of disposition for the actors within these levels since each of them (investment agents, private companies, NGOs, universities, governments, etc.) collaborate differently with entrepreneurs and their social innovations, and at different levels of intensity depending on the case.

In view of these particularities, this article presents a framework of the levels of intensity of partnerships in the social innovation ecosystem developed from the study of partnerships in projects of social entrepreneurs. This framework, as well as its resulting propositions, may advance the literature related to the topic by presenting empirical data on how the social innovation ecosystem is structured. It also contributes to the elaboration of a concept for the term 'ecosystem of social innovation', still scantily explored in the academic field. Our expectation, as practical contributions, is that public policies are designed to increase and improve the dynamics of the social innovation ecosystem due to their relevance for solving complex social problems. Social entrepreneurs can also benefit from the results of this study mainly because of the potential that partnerships can represent for the implementation or scalability of their proposals. As suggestions for future research, new studies may be devoted to exploring the general framework of social innovation ecosystem partnerships developed in other contexts, which could improve it. In addition, more dynamic environments, with a greater amount of interactions between the actors, could be



studied in order to reveal new information that the analyzed ecosystem did not present. Likewise, a greater number of cases and research, as well as a deeper study on the type of resources offered and the number of interactions over a period of time, could help to clarify the main interactions in the social innovation ecosystem.

The participation of institutional-level actors (intermediary agents) could also be addressed in future research since in this study no satisfactory evidence was found about their performance in the ecosystem. Another relevant point that could be better studied is the type of resource to be exchanged or negotiated between the partners of the social innovation ecosystem. These are just some research suggestions for a new and promising field in the area of social entrepreneurship and social innovation.

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