

BETWEEN CIVIL SOCIETY AND MARKET: RISE OF SOCIAL ENTERPRISES
IN TÜRKİYE

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ABSTRACT

BETWEEN CIVIL SOCIETY AND MARKET: RISE OF SOCIAL ENTERPRISES IN TÜRKİYE

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This dissertation examines the rise and institutional positioning of social enterprises in Türkiye under conditions of limited formal recognition and uneven public support. Drawing on qualitative fieldwork with twenty-six organizations, it explains how actors assemble viable arrangements through capacity building as market access, self-imposed mission safeguards, and cross-sector brokering. The study develops a contextual typology—Civic–Mission Enterprises, Entrepreneurial–Commercial Hybrids, Empowerment Cooperatives, and Ecosystem-Oriented Social Enterprises—and proposes a comparative heuristic linking welfare configuration and regulatory clarity to expected organizational formulas. The analysis shows that uncertainty can be generative of adaptive designs rather than merely constraining. The thesis concludes with policy recommendations on flexible recognition, social procurement, fit-for-purpose finance, capacity development, and coordination mechanisms to strengthen the enabling environment for social enterprise growth.

Keywords: Social entrepreneurship, institutional uncertainty, hybrid organizations, contextual typology

ÖZ

SİVİL TOPLUM İLE PİYASA ARASINDA: TÜRKİYE’DE SOSYAL GİRİŞİMLERİN YÜKSELİŞİ

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Bu tez, resmî tanınmanın sınırlı, kamu desteğinin ise düzensiz seyrettiği bir bağlamda Türkiye’de sosyal girişimlerin ortaya çıkışını ve kurumsal alandaki konumlanışını incelemektedir. On sekiz sosyal girişimle gerçekleştirilen nitel saha araştırmasına dayanarak, aktörlerin kapasite geliştirmeyi pazara erişimin temel zemini olarak gördüklerini, sosyal amaçlarını korumak için kendi içlerinde denetim ve güvence mekanizmaları oluşturduklarını ve farklı sektörler arasında aracılık yaparak işleyişlerini sürdürmeye çalıştıklarını ortaya koymaktadır. Çalışma, Sivil–Misyon Odaklı Girişimler, Girişimci–Ticari Melez Girişimler, Güçlendirme Kooperatifleri ve Ekosistem Odaklı Sosyal Girişimlerden oluşan bağlamsal bir tipoloji geliştirmektedir. Bulgular, belirsizliğin salt bir kısıt değil, uyarlanabilir kurumsal tasarımları tetikleyebilen üretken bir dinamik olabildiğini göstermektedir. Tez, esnek tanıma rejimleri, sosyal amaçlı kamu alımları, amaca uygun finansman araçları, kapasite inşası ve ekosistem eşgüdümü için politika önerileriyle sonuçlanmaktadır.

Anahtar kelimeler: Sosyal girişimcilik, kurumsal belirsizlik, hibrit örgütlenmeler;
bağlamsal tipoloji

To Atlas and Ada

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CHAPTER 1

INTRODUCTION

Across the world, social entrepreneurship has moved from the margins of civil society to the mainstream of public debate. It is now invoked by policymakers seeking new instruments for inclusion, by funders searching for measurable impact, and by communities experimenting with alternative ways to organize welfare. Yet, despite this visibility, the field remains conceptually unsettled and empirically uneven. Much of the global literature is anchored in contexts where institutional infrastructures are well-defined and regulatory systems explicit—settings that are not representative of many countries in which social enterprises actually operate. Building on this backdrop this thesis investigates the rise and institutional positioning of social enterprises in Türkiye, focusing on how these hybrid organizations emerge and operate in a landscape where legal clarity and policy frameworks remain underdeveloped.

The central aim of this study is to understand how the lack of legal codification and institutional clarity in Türkiye has shaped the emergence of diverse organizational forms of social enterprises. In doing so, the thesis provides an empirically grounded and theoretically informed typology that highlights Türkiye’s specific path of social enterprise development. These emergent forms are not only shaped by the absence of legal frameworks but also deeply influenced by Türkiye's broader welfare regime characteristics, the composition and interplay of state, civil society, and market relationships, socio-cultural dynamics, and civil society traditions. Türkiye’s welfare composition, characterized by limited state provision, strong reliance on informal networks, and family-based social support, significantly shapes the environment in which social enterprises operate. This study thus underscores the need to consider welfare composition and state–civil society–market interactions as crucial

explanatory variables in understanding the unique organizational adaptations and hybrid forms of social enterprises in Türkiye. Accordingly, following Polanyi, the analysis treats social entrepreneurship as relationally constituted within an institutional order governed by three co-present principles—redistribution (state), exchange (market), and reciprocity (civil society)— In this perspective of embeddedness and double movement, shifts in welfare configuration (the scope, selectivity, and instruments of public provision) and in the balance among these principles generate the opportunity structures to which organizations adapt. In Türkiye, where welfare provision is fragmented and selective and legal codification remains thin, social enterprises occupy and mediate the interfaces of these spheres: they translate reciprocity into exchangeable practices (e.g., capacity building and market-making), and at times co-produce public value under conditions of institutional ambiguity. The hybrid forms observed are thus not accidental; they are organizational responses to an evolving state–market–civil society equilibrium—responses that help explain why particular configurations (legal forms, revenue strategies, governance arrangements) proliferate in Türkiye’s context.

1.1. Conceptual Framework

Social entrepreneurship has become a prominent concept and a growing area of scholarly interest over the past two decades. Like many emerging interdisciplinary fields, it lacks clear theoretical boundaries and has developed across multiple academic domains including business administration, social movement theory, non-profit studies, and sustainable development (Mair & Marti, 2006). This diversity has led to fruitful debates but has also generated conceptual ambiguity, particularly around how social entrepreneurship is defined, institutionalized, and practiced across different sociopolitical settings. Initially emerging as a pragmatic response to persistent social problems and limitations of both state and market mechanisms, social entrepreneurship has increasingly been framed as a vehicle for innovation in public service delivery, civic participation, and inclusive economic development. Its hybrid nature—straddling social mission and economic activity—has positioned it as a flexible tool for navigating complex governance and welfare environments. However, this very hybridity also makes it difficult to delineate where social

entrepreneurship begins and ends, especially as it overlaps with related concepts such as the social economy, solidarity economy, and public innovation.

Although the academic literature has expanded considerably over the past two decades, much of it remains Eurocentric, focusing on contexts where social entrepreneurship is shaped by well-developed welfare states, established legal frameworks, and comprehensive support ecosystems. These studies often analyze how social enterprises function as hybrid organizations that pursue a social mission while engaging in market-based activities. However, the concept of social entrepreneurship is far from being uniformly defined or experienced across different national and regional settings. What is considered a “social entrepreneurial activity” in one country may not be recognized as such in another; in some cases, it encompasses service delivery and welfare provision, while in others it highlights employment creation, community empowerment, or innovative solutions to market failures.

Similarly, the fields in which social enterprises operate vary considerably, ranging from health, education, and care services to technology, creative industries, and environmental sustainability. The degree and form of state involvement also differ: in certain contexts, governments actively promote social entrepreneurship through targeted funding schemes, dedicated legal statuses, or ecosystem-building policies, while in others state support remains fragmented, indirect, or even absent.

Beyond institutional frameworks, public visibility and recognition of social enterprises also diverge across societies, with some countries establishing a well-known and legitimate social enterprise sector, while in others the phenomenon remains little understood or narrowly associated with charity or traditional civil society initiatives. These differences suggest that social entrepreneurship is deeply embedded in national institutional arrangements and cultural repertoires. The legal traditions, welfare regime, market structure, and civic culture of a country not only shape the boundaries of what is perceived as legitimate social enterprise activity, but also condition the organizational forms and survival strategies available to social entrepreneurs.

Türkiye offers a particularly compelling case in this regard. Since the early 2000s, the term “social entrepreneurship” has gradually entered public and academic discourse, largely driven by the efforts of civil society organizations seeking new strategies to tackle enduring social challenges, alongside the influence of international donors, EU-led initiatives, and transnational policy transfer mechanisms. These actors played a central role in promoting social entrepreneurship as both a policy innovation and a civil society strategy. Nonetheless, the field has evolved without a corresponding institutional infrastructure. Türkiye still lacks a legal definition or formal recognition of social enterprises. This absence does not only concern the notion of ‘social enterprise’ itself, but also extends to related organizational forms such as social cooperatives, and to the broader social economy field, where no umbrella legislation or dedicated framework has yet been established. No special tax regime, regulatory status, or public funding scheme exists that directly targets this organizational form. This regulatory vacuum has created a highly dynamic but fragmented landscape, where organizations operate through diverse legal forms—including associations, cooperatives, foundations, and limited liability companies—and navigate blurred boundaries between civil society, market, and state. Instead of deterring organizational development, this institutional ambiguity has in fact opened up a space for experimentation and hybridity. Many organizations in Türkiye adopt informal or adaptive strategies to pursue their social missions, engaging simultaneously with donors, public authorities, and markets to sustain themselves.

This thesis, on this ground, argues that the absence of institutional clarity in Türkiye has not hindered the development of social enterprises; rather, it has fostered the emergence of original and hybrid organizational forms that do not easily fit into dominant global typologies. These organizations do not simply replicate global models—they reinterpret them in light of Türkiye’s welfare regime structure, civil society legacy, political constraints, and cultural norms. In doing so, they generate new meanings, practices, and institutional arrangements that reflect their embeddedness in local contexts. This context-driven approach allows us to see social entrepreneurship in Türkiye not merely as a local variant of a global phenomenon, but as a distinctive institutional formation shaped by its position “in between civil

society and market”—where regulatory gaps, welfare state limitations, and socio-economic pressures coalesce to produce novel organizational responses to social needs. By analyzing how these hybrid forms emerge and how actors navigate institutional ambiguity, this study contributes to a broader understanding of how social entrepreneurship evolves in non-codified environments. It also highlights the productive potential of institutional in-betweenness—not as a deficit, but as a generative condition for innovation, bricolage, and social value creation.

1.2. Research Question and Methods

Despite growing interest, scholarly work on social entrepreneurship in Türkiye remains limited, fragmented, and predominantly descriptive. Existing outputs—largely authored by international organizations and civil society actors—offer landscape mappings and statistical snapshots, but rarely develop analytical constructs, comparative inference, or mechanism-based explanations. This gap is consequential given Türkiye’s distinct socio-cultural dynamics and institutional configuration, which diverge sharply from the more formalized ecosystems of Western Europe. Social enterprises in Türkiye often operate at the intersection of multiple regulatory regimes, balancing between civil society logics, entrepreneurial imperatives, and state expectations—all without being formally recognized as a distinct category.

In this setting, where organizations are not shaped by an overarching institutional identity but by a constant negotiation between civic purpose and operational viability, the need for a context-sensitive investigation becomes evident. Against this backdrop, this thesis asks: *How do institutional and socio-cultural contexts in Türkiye shape the emergence, organizational form, and development trajectories of social enterprises in the absence of specific legal codification and formal policy support?*

To operationalize this main question, the following sub-questions are addressed:

- What legal and organizational forms are adopted by social enterprises in Türkiye, and how do these relate to existing institutional constraints or opportunities?

- How do social enterprises position themselves vis-à-vis the state, the market, and civil society in the absence of official recognition?
- What strategies do social enterprises use to access resources, build legitimacy, and maintain sustainability under conditions of institutional ambiguity?
- How does the Turkish welfare regime and civil society structure influence the types of social issues addressed and the governance arrangements adopted by social enterprises?

This thesis employs a qualitative methodology to examine how institutional and socio-cultural contexts shape the formation, operation, and evolution of social enterprises in Türkiye. The study is grounded in an interpretive epistemology and draws on fieldwork conducted with a purposive sample of social enterprises and ecosystem stakeholders. The goal is to capture not only the strategic choices and operational realities of organizations but also their embeddedness in the broader institutional and cultural environment. Rather than focusing on individual entrepreneurs, the study treats the organization as a complex site of negotiation—where legal, financial, mission-driven, and relational dimensions converge.

Fieldwork and Case Selection: To reflect the diversity of organizational models present in the field, the study employed a purposive, maximum-variation sampling design. Eighteen social enterprises were selected across a range of sectors (education, care, environment, digital inclusion, community development), legal forms (associations, foundations, cooperatives, companies), and geographies (urban and semi-rural settings). The selection strategy prioritized variation in legal form, operational scale, market engagement, and mission orientation. In addition to ensuring diversity, organizational accessibility and openness to participate also shaped the final sample. Most organizations were identified through the researcher’s prior experience, ecosystem mapping, and desk-based field scoping, while a few additional participants were accessed through snowballing techniques.

All initial contacts were made via email. The researcher intentionally sought diversity across mission types (e.g., youth empowerment, gender equality,

sustainability, education) and organizational maturity, including both well-established and emerging initiatives. The purpose of the fieldwork was not to generate a statistically representative sample but to capture a wide spectrum of cases that could shed light on the institutional and organizational dynamics of social enterprises in Türkiye. Consistent with qualitative methodology, the strategy was exploratory and concept-driven rather than generalizable.

Case selection was shaped by both practical opportunities and inherent constraints of access. Organizations were identified through prior knowledge, existing ecosystem mapping exercises, and snowball referrals, which inevitably biased the pool toward relatively visible and networked initiatives. This constitutes a limitation, as less formalized or short-lived actors could not be systematically included. To mitigate this, cases were diversified across legal forms (associations, cooperatives, companies), revenue models, and mission orientations, ensuring variation in organizational logics and trajectories.

Eighteen enterprises were ultimately included, at which point recurring themes and overlapping perspectives suggested that saturation had been reached and that additional interviews would be unlikely to produce substantially new insights. The sample was complemented by intermediary stakeholders—such as support organizations, funders, and public actors—whose perspectives helped situate the cases within broader ecosystem dynamics. Taken together, this purposive and pragmatic selection strategy enabled the construction of a contextual typology of social enterprises in Türkiye’s ambiguous regulatory environment. The approach foregrounds variation, acknowledges limitations of access and potential bias, and situates the analysis as an exploration of institutional dynamics rather than a claim of representativeness.

Data Collection and Analysis: Primary data were collected through in-depth, semi-structured interviews with 18 social enterprise founders and senior staff. Interview guides were designed to elicit narratives about founding motivations, legal and operational structure, income generation strategies, governance, external partnerships, and perceived ecosystem and policy gaps. Interviews with intermediary

actors—such as incubators, policy designers, and funders—were more targeted, focusing on ecosystem-level insights, policy interventions, and field-building dynamics. All interviews were conducted online, and each lasted between 45 and 60 minutes. All interviews were audio-recorded with informed consent, transcribed by the researcher, and anonymized to ensure confidentiality. Public-facing organizational names were preserved only when already accessible in open sources, to maintain transparency and analytical traceability. The research also incorporated desk research, including the review of websites, project reports, strategic documents, and other published materials produced by the participating organizations. Although case-specific participant observation was not conducted, the researcher took part in a number of ecosystem events, webinars, and knowledge-sharing workshops on social entrepreneurship in Türkiye. These broader engagements provided valuable context on sectoral discourse, actor networks, and public narratives about the field.

The data were analyzed using a thematic coding strategy, combining deductive codes derived from the conceptual framework (e.g., hybridity, legal form, governance, resource models) with inductive themes that emerged from the data. The iterative process of coding enabled both within-case analysis and cross-case comparison, allowing patterns to surface while also respecting the unique conditions shaping each case. Throughout the research process, particular care was taken to reflect on researcher positionality, access dynamics, and the ethics of knowledge production. As a scholar with prior involvement in civil society research and ecosystem engagement, the researcher occupied an “insider-outsider” role, which both facilitated access and required active reflexivity. The study does not claim to provide an exhaustive mapping of the field but rather offers a deep, theory-informed, empirically grounded exploration of how institutional and socio-cultural factors shape social enterprise formation in Türkiye.

These types reflect Türkiye’s unique institutional terrain and the creative ways in which social enterprises carve out legitimacy and functionality in a policy vacuum. Rather than conforming to existing typologies imported from other contexts, they reveal how hybrid forms of organizing emerge under conditions of legal ambiguity, socio-economic constraint, and institutional in-betweenness.

1.3. Structure of the Thesis

The thesis is organized into six chapters, each building upon the preceding one to develop a comprehensive understanding of the institutional and contextual dynamics shaping social entrepreneurship in Türkiye. The second chapter develops the theoretical foundations of the study by exploring the conceptual and definitional tensions within the field of social entrepreneurship and its connection to the social economy. It asks how social entrepreneurship has been understood across different academic and policy traditions, and how the field has evolved historically under neoliberal welfare restructuring. Bringing in the social economy as an umbrella for solidarity-based, mission-oriented organizing, the chapter develops the triadic institutional lens (redistribution–exchange–reciprocity) used throughout the thesis and clarifies how this lens interacts with debates on hybridity, innovation, and public value. This foundation enables the thesis to read Turkish cases both within and against dominant global typologies.

Moving to a comparative register, Chapter 3 examines how different jurisdictions institutionalize social entrepreneurship through legal recognition, policy instruments, and ecosystem-building strategies. With a focus on Europe—especially the EU’s Social Business Initiative—and selected examples from the Global South, it analyzes how states deploy legal forms, social procurement, and innovation finance, and how these instruments configure organizational possibilities. The chapter also considers policy transfer and diffusion, asking how transnational scripts travel and what is lost or adapted in the process. The guiding question is: *how do institutional arrangements shape what social enterprises can become?* The discussion provides the comparative canvas against which Türkiye is later positioned.

Chapter 4 sets the country-level foundation for the analysis by reconstructing how social entrepreneurship has taken shape in Türkiye without formal recognition. It proceeds from the premise that organizational patterns cannot be understood apart from the institutional environment that makes them possible—or difficult. To that end, the chapter offers a historical–institutional reading of Türkiye’s welfare trajectory (the shift toward targeted assistance, the persistence of informality in

labour markets, the changing roles of municipalities), maps the operative rule set governing organizations, and examines civil-society repertoires (associational traditions, imece, philanthropy, and the constraints of polarization and trust). It then surveys the ecosystem architecture—intermediaries, funders, public agencies, and emerging instruments such as social purchasing pilots or impact-oriented finance—distinguishing between discursive diffusion and regulative consolidation. Finally, the chapter translates structures into organizational consequences, showing how actors stabilize purpose, design revenue mixes, and build cross-sector coalitions under a thin rule environment. In short, Chapter 4 delineates the possibility space in which social enterprises operate in Türkiye and provides the structural baseline for the fieldwork typology and mechanism tracing developed in Chapter 5.

The fifth chapter presents the findings of the field study, examining how social enterprises in Türkiye operate and assemble organizational arrangements that can endure. Drawing on in-depth, semi-structured interviews, it analyzes motivations, governance repertoires, legal choices, revenue models, and cross-sector relations, with attention to the mechanisms that translate mission into practice (e.g., capacity building as access to markets, self-imposed mission-lock devices, network brokering with public and private partners). Methodologically, the chapter combines within-case reconstruction (how each organization sequences choices around purpose, structure, and financing) with cross-case comparison based on a common coding scheme, allowing both variation and recurrent patterns to be made explicit. A central contribution is a contextual typology—Civic–Mission Enterprises, Entrepreneurial–Commercial Hybrids, Empowerment Cooperatives, and Ecosystem-Oriented Social Enterprises—that captures how organizations balance civic commitments, market participation, and public expectations in distinct yet patterned ways. For each type, the chapter details typical legal configurations (e.g., single vs. dual entities), organizational routines (board practices, participation, accountability), dominant income mixes (grants, sales, service contracts), and characteristic partnership profiles. Beyond type-specific features, the analysis also identifies cross-cutting regularities: efforts to stabilize legitimacy in the absence of formal recognition, the use of capability development as a route to economic participation, and reliance on collaborative platforms to reduce coordination costs. The guiding question is: *which*

organizational forms take shape in the absence of a dedicated legal category, and by what strategies do they sustain themselves? To answer it, the chapter proceeds from case vignettes to type definitions, and from there to a synthesis that links observed routines to the national rule environment outlined in Chapter 4. The result is an empirically grounded map of how social enterprises in this setting select legal and financial instruments, organize decision making, and cultivate alliances—thereby revealing both the diversity of forms and the common structural imperatives that shape their trajectories.

Finally, the concluding chapter integrates the thesis’s theoretical argument, empirical evidence, and policy design. It revisits the research questions and distills the core findings, positioning Türkiye’s experience within global debates on institutional hybridity, legal codification, and welfare–market–civil society embeddedness. Building on these insights, it translates the analysis into actionable recommendations—on legal recognition, mission safeguards, fit-for-purpose finance, socially responsible procurement, capacity development, and cross-sector coordination—aimed at strengthening the enabling environment for social enterprises. The chapter also reflects on broader implications for social policy and legal innovation in settings where organizational forms are not formally codified, and it outlines future research priorities, including longitudinal tracking of organizational trajectories, comparative tests of the welfare-capacity, legal-clarity heuristic, and rigorous evaluation of ecosystem instruments and co-governance models.

CHAPTER 2

UNDERSTANDING SOCIAL ENTREPRENEURSHIP: CONTEXT AND MAIN PREMISES

Eradicating poverty, giving children better quality education, or integrating disadvantaged populations into the labour market, like many other long-desired goals of societies, are still beyond reach today. While states and civil society have been working to solve social problems, now there is a new landscape of social actors who pursue advancing solutions to these long-lasting challenges. These people are called social entrepreneurs who are claimed to have the potential to create systemic change. Social entrepreneurs and social entrepreneurship are closely related to the retrenchment of the state and the discourse on active citizenship. Under neo-liberal hegemony, as the relationship between citizen and state changes, the traditional social protection paradigm has been losing significance. In this framework, individuals had to take full responsibility for their welfare, equip themselves with the skills needed in the market, and take risks to be self-sufficient market actors (Saint-Martin, 2007).

Flourished on this ground, social entrepreneurship, as a growing phenomenon, has been attracting the attention of people from various fields in the last decades: Books and articles have been written about it; national governments design legislation to give social enterprises legal status; states, as well as business funds, are investing in social ventures, and global foundations have been founded to support social entrepreneurs. However, despite this growing interest, the phenomenon remains fuzzy and contentious. Like other emerging fields, social entrepreneurship studies lack clear theoretical boundaries and are built on different research streams such as business administration, social movements theory, and sustainable development (Mair & Marti, 2006).

2.1. From Welfare State to Neoliberalism

Following the recovery from the two world wars, the western world witnessed unprecedented economic prosperity, a higher degree of well-being, and a guarantee of social rights under the welfare states. Keynesian policies that started to be implemented across countries supported investments in health and education and many countries in the western world started to implement comprehensive social policy tools in the post-war period (Gough, 2008). With extensive social reforms in the Western European countries, universal social security was developed to fight against poverty, provide quality healthcare and education, and provide housing. Income transfer programmes through unemployment insurance, disability benefits, old age pensions, survivor's benefits and other kinds of social assistance packages were implemented widely and primarily financed by progressive taxation and social contributions from workers and employers. The state had a wide range of both regulatory and redistributive roles. Instead of relying on charity, social citizenship notion was put forward (Hemerijck, 2012). The provision of social protection and basic services as a social right for all citizens led to expansion in size of state.

However, with the changing economic and political picture of the last decades of the 20th century, new debates on the efficiency of welfare states emerged. After the oil shocks of the 1970s and the emergent stagflation, neo-liberal policies have risen with increased trade liberalization, increasing deregulation, and internationalization of capital markets. Under the neoliberal paradigm social expenditures no longer played an important role and were portrayed as a cost rather than necessary for economic growth. Neoliberal scholars and practitioners rejected the view that there was no trade-off between social security and economic growth (Morel et al., 2012). As a result of these developments welfare state started to be retrenched.

The rise of the New Right beginning in 1980s and the neoliberal transformation of society challenged core principles of the welfare state and prepared a ground for the redefinition of values such as social equity, social equality, social justice, and public interest. Administrative reforms started to be carried out worldwide within the general framework of restructuring the state that came with the rise of neo-liberal

policies. In the 1980s, market principles began to be adopted by the public sector in the developed countries of the West. Osborne and Gaebler's (1992) work 'Reinventing Government' influenced governments, and the view that governments should be run as a business became widely accepted. 'Steering rather than rowing' became a mantra for governments. Direct provision of goods and services by the government was criticized, which was an integral part of the welfare state. Formal bureaucracies were blamed for rigid hierarchies and excessive rules that prevented meeting citizens' needs efficiently and innovation in service delivery. In this new system, private institutions deliver public services alongside public agencies. Policymakers are expected to set long-term goals, develop networks, and to pool resources as defined 'steering' in the reinventing government approach of Osborne and Gaebler. Moreover, in this environment of the dominance of neoliberal market policies, welfare states were retrenched in many parts of the world. The marketization of social goods and services, emphasis on developing human capital rather than human welfare, and the transition from welfare to workfare became the dominant policies. Neo-liberal marketization pushed for labour market flexibility and low wages to stimulate economic growth (Nash, 2010). The citizen is transformed into a customer who is also responsible for her well-being; and public official to a public entrepreneur who should be innovative and enable an environment suitable for competition allowing market forces to act. In the industrialized Western countries, adaptation of management and resource allocation techniques from business, contracting out public services to private sector organizations, and downgrading the government's role as the major policy actor in society were common tools of this alternate public policy framework (Frederickson et al., 2012).

Privatization of public utilities and marketization of public services like health, education, and social insurance became widely implemented, and new contractual relations emerged between state, market, and civil society as a result of the global shift to neoliberal paradigm in politics and economics. There emerged a consensus on the view that specific problems of local and regional economies can only be solved by themselves via specifically tailored and targeted policies implemented from below (Jessop, 2002). States started using tools like decentralization, deregulation, or liberalization strategies to reduce their political burden (Park, 2005).

Beginning in the 1970s, governments started to become less hierarchical, more decentralized, and willing to share their responsibilities with actors in the private sphere. Decentralized service delivery was accompanied by centralized financial control and extension of regulation (Rhodes, 2000).

With these developments, adopting private management methods and decentralization gave a more significant role to the community and voluntary sectors. Beginning from 1980s the duties and responsibilities of communities started to be emphasized (Atkinson, 2000). State was to only step in to facilitate efficient operation of the market. Jonas and Ward (2002) note with state rescaling blame of economic failings were transferred from the political sphere on the civil society, to vulnerable groups such as unemployed and homeless people and to vulnerable regions. Early 1980s western European states were no longer capable of preserving large-scale social protection programmes. Soft-infrastructure policies in the areas of public education, active labour market and research in these contexts were considered to be fiscally and politically feasible. Under neo-liberal hegemony, as the relationship between citizen and state has been changing, traditional social protection paradigm lost significance (Saint-Martin, 2007). The neo-liberal view assumes that free markets create opportunities for every individual to get out of poverty if they pursue their interests. The benefits systems were accused of creating a dependency culture. Some famous names like Charles Murray (1984) blamed welfare states for aggravating the problem of poverty. He argued that welfare policies in the United States were indeed part of the social problems rather than being a solution in his book titled *Losing Ground* (1984). He developed the theory of dependency culture, which advocated that poor people remain poor by choosing a life dependent on welfare benefits rather than entering to the labor market. Murray blamed the growth of the welfare state for creating a sub-culture that restrains personal ambition to be successful.

As Brodie (2018) points out the world witnessed a move from post-war social literacies, which was based on social justice discourse, to a neo-liberal context, where social issues were suppressed and those groups who seek for social justice were excluded from policy-making processes. State is now supposed to follow a strategy

of facilitating and creating markets that would redistribute rewards to those most deserving. In this framework, individuals had to take full responsibility for their welfare, equip themselves with the skills needed in the market and take risks for being self-sufficient market actors. Instead of emphasis on citizenship, which was based mainly on social structure and linked to the nation state, now social cohesion was emphasized. Social inclusion implies that redistributive policies are implemented at different levels of the multilevel governance (Saint-Martin, 2007). Not only local governments but also business, civil society institutions, community organizations and individuals are involved in the maintenance of social cohesion. With the rescaling of welfare policies, we see that central, regional, and urban authorities perform different welfare functions simultaneously (Eizaguirre et al., 2012). As the boundaries between the market and society are blurred, active participation in the economy is required for integration into society. Civil society organizations (CSOs) and community-based organizations were put at the forefront to revive social support mechanisms and develop social capital in a context where state intervention became more indirect (Minogue, 2005). Thus, CSOs became increasingly involved in the delivery of social investment services (Saint-Martin, 2007). Subsequently, citizens acquired multiple identities in the policy processes as consumers, customers, partners, or co-producers (Prior & Barnes, 2011).

In this environment of the dominance of neoliberal market policies, social ventures had the chance to rise, and they have been considered new opportunities to address social problems caused by shortcomings in existing markets and welfare systems (Mair et al., 2006). Proponents of social entrepreneurship promoted social entrepreneurship initiatives as an alternative to insufficient governments, and they acknowledged these initiatives as agents of change providing solutions to pervasive social problems of today.

2.2. History and Development of Social Entrepreneurship

Looking briefly to the history of social entrepreneurship, it is seen that social entrepreneurship has existed throughout history under different names and in diverse manifestations. A notable illustration is Florence Nightingale, the precursor of

modern nursing, as one of the prominent social entrepreneurs who led to substantial public health improvements worldwide. Other mostly credited historical figures are William Lloyd Garrison, who founded the Anti-Slavery Society in 1833 and started to publish the first anti-slavery newspaper, and Jane Adams, who founded the social settlement Hull House in 1889 for the neighbourhood poor in Chicago. Across nations, numerous other historical figures are linked to social entrepreneurship. What is different in the 21st century is that today social entrepreneurship has started to be seen as a vocation and an area of study (Bornstein, 2004) and what differentiates social entrepreneurs today, from their historical counterparts is the scale and reach of the social impact created (Nicholls, 2006).

Social entrepreneurship as a term started to be used during the 1980s and 1990s within the arenas of civil society and international development (Grenier, 2006). Under the neo-liberal political narrative social enterprises came to be presented as a new organizational form that has the potential to address social change (Dey & Steyaert, 2010).

The term social enterprise has achieved recognition from political authorities since the late 1990s in many countries. For example, in England, a Social Enterprise Unit was founded which later became a part of the Office of the Third Sector. Its promise to blend economic and social value was in harmony with the politics of the Third Way and state policies started to be executed in England to foster an enabling environment for social enterprises. In the United States, there was also increasing attention given to social entrepreneurship. During the term of Obama, an Office of Social Innovation and Civic Participation has been set up within the White House and influential foundations were set up to support social entrepreneurs. As the examples proliferate, scholarly investigations on development of social entrepreneurship started too.

Some theories like market failure hypothesis, state failure hypothesis, resource dependency theory and institutional theory have been used to explain the emergence of social enterprises in the late 20th century. State and market failure hypotheses were initially developed to explain the existence of non-profit organizations and are

labelled as demand-side theories. Authors like Spear (2001), and Defourny and Nyssens (2006) postulate that the origins of social enterprises lie on the one hand, on market failure, as the market failed to provide affordable and good quality goods; and state failure on the other hand. The explanation has been developed in relation to the emergence of the cooperative movement in Britain where the market failed in the provision of basic goods at affordable rates and the failure of the state to regulate the retail sector led to the establishment of Rochdale Pioneers, which is considered as the first example of co-operatives. The theory postulates that newer co-operatives and mutual organizations operate similarly in response to failures in housing provision, labour-market failures leading to exclusion, failures in macro-economic policies leading to high unemployment, and local government failures to manage community development. Accordingly, new social enterprises parallel to their counterparts in the nineteenth-century combat market failure in retail and address welfare failures in the provision of public services.

Resource dependence theory is another theory used to explain the emergence of social enterprises. According to this theory, organizations depend on their external environment for resources but also attempt to shape their environment to suit their own purposes. Some scholars explain the use of commercial methods by non-profit organizations based on this approach. By adopting earned-income strategies, non-profits respond to reduced government funding and increased competition for philanthropic donations (Teasdale, 2012). This is also related to the differences in understanding social entrepreneurship in the US and European contexts.

In the U.S. social entrepreneurship has tended to be associated with earned income strategies of non-profits, whereas in Europe social entrepreneurship practices were strongly associated with co-operatives (Defourny & Nyssens, 2010). Dart (2004), on the other hand, uses institutional theory and argues that rather than explaining the emergence of social enterprises by rational assessments, one should consider that legitimacy of social enterprises comes from society's wider fixation with the business ideology. Accordingly, not because of shortages of income but since the adaptation of business methods is the accepted way of doing things, non-profits adopt these commercial practices. Spear (2004) too draws our attention to the late 20th century

trend away from co-operatives and mutualism towards isomorphism with conventional business.

A related body of literature emphasizes the limits not only of state and market, but also of non-profit organizations themselves. Salamon's Voluntary Failure Theory, introduced in the late 1980s, identifies four inherent weaknesses of the non-profit sector: philanthropic insufficiency (chronic underfunding), particularism (fragmentation and narrow focus), paternalism (donor-driven agendas), and amateurism (reliance on untrained staff and short-termism) (Salamon, 1987, as cited in Bassi, 2023; Anheier, 2014; Jeong & Kim, 2025). These failures suggest that civil society is not automatically a corrective to state and market, but introduces its own vulnerabilities.

For example, philanthropic insufficiency and amateurism leave organizations heavily dependent on donor cycles, while particularism generates service gaps across communities. Empirical studies confirm that non-profits often turn to collaboration or hybridization to mitigate these failures—whether through partnerships with governments or other non-profits, or by adopting more formalized and business-like practices (Guo & Acar, 2005; Bae & Sohn, 2017). This perspective complements the government and market failure hypotheses, highlighting that the emergence of social enterprises also responds to the structural weaknesses of non-profits, seeking to combine social mission with sustainability and professionalization.

In a similar vein, Guo and Acar (2005) argue that the adoption of more formal and business-like practices by non-profits cannot be explained solely by financial shortages. Drawing on resource dependency, institutional, and network theories, they show that organizations turn to formalized and commercialized forms of collaboration also to secure critical resources, conform to societal and governmental expectations, and make use of board linkages and inter-organizational networks. Thus, beyond financial necessity, the spread of business-oriented practices among non-profits reflects wider institutional pressures and embedded social relations.

Below table by Teasdale (2012) summarizes the theories on the emergence of social enterprises.

Table 1. Social Enterprise Discourses and Theoretical Assumptions

Discourse	Theoretical Assumptions
Earned income: Social enterprise as an activity that has always been carried out by voluntary organizations like selling goods and services	Resource dependence -earned income as a response to declining state and philanthropic funding
Delivering public services where state retreated	Voluntary failure -the third sector does not have the capacity to deliver welfare services and requires infrastructural investment to meet the challenges
Social business: Business which apply market-based strategies to achieve a social or environmental purpose without any limits to the distribution of surpluses to investors	State failure- the inability of the public sector to deliver effective welfare services has led social enterprises to fill the gap
Community enterprise: Working to create wealth in communities reinvesting the profit back into their communities	Market failure-the failure of the private sector to allocate resources equitably
Cooperatives: Jointly owned and democratically controlled organizations, members are the beneficiaries of the business activities	Social economy-a more radical tradition that sees capitalism itself as the problem

Source: Adapted from Teasdale, 2012; Gordon, 2013

Looking at the historical origins and paths of development, Spear et. al (2009) propose a typology of social enterprises comprising co-operatives, trading charities, public sector spin-offs, and new start social enterprises. Similarly, another explanation for the emergence of social enterprise has been developed by Gordon (2013) considering the range of historical origins and purposes which have led to today's multifaceted concept of social enterprise in the United Kingdom. Here, he emphasizes that different historical traditions have given rise to different types of

organizations recently combined under the umbrella of 'social enterprise'. In his typology, there are six distinct purposes social enterprises have which are mutual, community, altruistic, ethical, private market, and public statist. The below table summarizes types of the enterprises according to their origins based on the work of Spear et. al and Gordon.

Table 2. Origins and Types of Social Enterprises

Type	Origins	Key Aspects
Cooperatives and Mutuals	Formed to meet the needs of a particular group of members through trading activities	<ul style="list-style-type: none"> • Traces back to the co-operative movement • Values self-help and self-responsibility • Focuses on the mutual benefit of members
Non-profits	Commercial activities established to meet non-profits primary mission, or as a secondary activity to raise funds	<ul style="list-style-type: none"> • Continuation of philanthropic tradition like charities and foundations • Acts for benefits in areas like health, community development, poverty alleviation, culture, etc. • They can either charge for their services or establish trading subsidiaries e.g. charity shops
Community enterprises	Enterprises founded to foster specific communities combining commercial and social activities	<ul style="list-style-type: none"> • Community ownership rooted in the ideas of communitarianism, associationism and the Third Way • Surpluses are reinvested for community benefit

Table 2. (continued)

Public sector spin-offs	Social enterprises that have taken over the running of services previously provided by the public authorities	<ul style="list-style-type: none"> • Transfer of public services to social enterprises • Contract with the public agency can be the sole or primary source of income
New-start social enterprises	Enterprise set up as new businesses by social entrepreneurs	<ul style="list-style-type: none"> • Social businesses founded in the last decades to address social problems
For-profit enterprises	Traditional enterprises that started to adopt socially responsible business practices	<ul style="list-style-type: none"> • Focus on profitability and being financially self-sufficient • Either has a secondary social mission or implements corporate social responsibility activities

Source: Adapted from Spear et al., 2009 and Gordon, 2013

Cooperatives are considered one of the oldest forms of social enterprises and vary according to the specific needs they aim to address. These are jointly owned and democratically controlled organizations and traditionally members are the beneficiaries of the business activities. Some examples of these mutual purpose organizations are consumer cooperatives, worker cooperatives, or housing cooperatives. The comparative analysis of cooperative social enterprises shows that their forms and characteristics are strongly conditioned by historical, legal, and policy contexts rather than by abstract definitions. In some countries, such as Italy, France, Spain, or Poland, specific cooperative legislation and social-economy policies have created tailored legal forms—like social cooperatives or collective-interest cooperatives—that have fostered the development of multi-stakeholder governance structures and activities serving wider communities. By contrast, in places where such policies and legal frameworks are absent, cooperatives often remain closer to traditional member-serving models, and social enterprises take

alternative legal forms such as associations or foundations (Göler von Ravensburg et al., 2021).

Cooperatives constitute an important part of the social economy. Especially in Italy where cooperative tradition has been very strong, the evolution of cooperatives sets an example for other countries. New cooperative initiatives were emerging in the late 1980s in Italy working in the field of work integration of disadvantaged populations. These new cooperatives started to be defined as social cooperatives. Unlike traditional cooperatives which primarily act on the interests of their members, these new types of cooperatives were working for the general interest of the broader communities. In 1991, in Italy social cooperatives has been adopted as a specific legal form, marking an important point in the progress of social enterprises in Europe. In the second part of the 1990s, other European countries started to adopt new legal forms of not-for-profit organizations. In countries like France, Portugal, Spain, and Greece new cooperative types were introduced. State acts as an enabler of social cooperatives in many European countries through specific legislations and funding sources (Defourny & Nyssens, 2010)

Alongside co-operatives, the third sector may be considered as comprising mutuals and voluntary organizations that include charities and foundations (Spear, 2001). Non-profits, like charities, associations, and foundations are established with altruistic purposes based on philanthropic tradition. Poverty alleviation, community development, health, etc. have been traditionally operational areas of these organizations. These organizations establish commercial activities to meet their primary mission or as a secondary activity to raise funds. Community enterprises refer to community and voluntary associations in a particular geographic location. Organizations based on this tradition include examples of community enterprises, community co-operative, development trust and community economic development. The ideas of the Third Way and the concept of 'social capital' contributed to increases in collective action which raised concerns both on the efficacy of state and market solutions. These community enterprises combine economic and social activities and are owned and led by local stakeholders. Surpluses of these enterprises are not distributed but reinvested for community benefit. Public sector spin-offs as referred

by Spear et. al (2009) imply social enterprises that have been spun out public sector to run a particular service. They are an outcome of the reconfiguration or externalization of public services with the aim of innovation in the provision and delivery of services. Transfer of the delivery of public services to newly formed social enterprises became common in European countries beginning from the 1990s in line with the 'contracting out' model. Many third-sector organizations and social enterprises started to be contracted by public authorities and the contract became social enterprise's primary or sole source of income (Gordon, 2013). *New-start social enterprises* are set up as new businesses by social entrepreneurs to address social issues. Some of these enterprises became part of global ecological or social movements like fair-trade and green enterprises (Spear et al., 2009). An example of new social enterprises is work integration social enterprises (WISEs). Throughout the 1990s in the Europe WISEs became the dominant form of social enterprise and were founded to integrate low-qualified unemployed people into the labour market. On the other hand, for-profit organizations started to run either corporate social responsibility activities or adopted social missions. Gordon notes that considering the diversity of organizational forms and growing adoption of business practices, it is sometimes difficult to distinguish social enterprises from traditional businesses as these businesses may have social objectives as well and sometimes adhere to corporate social responsibility. Similarly, Spear at. al note that this kind of typologies can be used as useful starting points, but also it should be acknowledged that these forms are ambiguous and often overlap in many situations.

Mulgan (2006) asserts that during the 19th century Europe has succeeded in creating a widespread social economy composed of mutual societies, cooperatives and associations. According to him there are three trends that led to the growth of social entrepreneurship. The first trend is concerned with changing perception of state. The traditional idea of state monopolizing authority has been challenged strongly by the fall of communism at the end of 1980s and many countries started to reform public services allowing more space and autonomy to individuals and with the new organizational forms of state in accordance with the reinventing the government, new markets have been created for social entrepreneurs. Second trend is related with the business world. Both consumers and employees have become more aware and

demanding about ethical standards of business which affected corporate social responsibility activities of business. Similarly, Porter and Kramer (2011) argue that the legitimacy of business has fallen steeply. This dynamic can also be connected to supply side theories, which emphasize the role of individual actors' values, motivations, and ideologies in driving new organizational forms. As societal demand for ethical and socially responsible practices increases, entrepreneurs and civil society actors supply new initiatives that embody these expectations, thereby contributing to the proliferation of socially oriented organizations. They underline that this value creating process is different than social responsibility, philanthropy or sustainability and is going to be the key for unleashing the next wave of global growth. In this framework, social entrepreneurs who do not think narrow as traditional businessman, have more chance to create shared value. Shared value, different than social benefit, points out practices that enhance competitiveness of a company while simultaneously enhancing economic and social conditions of the locality they are functioning in. As a response to employees who want to contribute to the social causes and consumers and stakeholders who pushes for more socially responsible business, more business started to adapt social goals. Third trend is related with the changes in the charitable sector. Traditions of paternalistic charity that create dependency relations with its beneficiary groups have been criticized and social movements have campaigned for more democratic forms of charities that take into account its beneficiaries' needs and demands. In this view, social entrepreneurship is not about charity or compensating for market failures, but about applying entrepreneurial logic and value-creation principles to pressing social challenges. Porter emphasizes, however, that not all societal needs can be met through market-based solutions, which underscores the need for a portfolio of actors—businesses, governments, and civil society organizations—working in complementary ways (Driver, 2012).

On the other hand, in the US the debate on social entrepreneurship started with the use of commercial methods by non-profit organizations. Beginning in the late 1970s non-profits started to engage increasingly in commercial activities not related to their social mission to support themselves (Defourny & Nyssens, 2010). According to Dees (1996), non-profit leaders were searching for financial stability as income-

generating activities were considered more reliable funding resources than donations and grants. In their new income-generating activities, they also have some advantages like tax incentives, the ability to mobilize volunteer labour and attract in-kind resources and supplier discounts. From the writings of Dees and Economy (2002), it is seen that social entrepreneurship has been conceived as a necessity for non-profit leaders due to the decreased financial resources and demand for being more innovative in the face of rising social problems.

Today, the term owes its popularity to names like Bill Drayton and Muhammad Yunus, who have been influential in the creation of a joint social entrepreneurship vision across countries. The Grameen Bank founded by Muhammed Yunus became one of the most cited examples of social entrepreneurship, and he was awarded the Nobel Peace Prize for his venture. His model of lending micro-credits to poor women in Bangladesh came to be applied worldwide to enable low-income families to overcome poverty. Bill Drayton, on the other hand founded the Ashoka Foundation, whose mission is defined as finding and supporting individuals with ideas that have the potential for social change. Ashoka became the largest platform to connect social entrepreneurs in more than 95 countries. With the increasing interest in social entrepreneurship, technology firms and their founders also became active in the last decades in funding social enterprises. For example, Google.org, the charitable arm of Google has funded social enterprises and innovative initiatives. Jeff Skoll, the first president of eBay, founded Skoll Foundation in 1999 which has provided funds to social enterprises and innovators that work to achieve 'transformative social change'. Until 2022, it has invested more than one billion dollars worldwide, including the Skoll Awards for Social Entrepreneurship.

2.3. The Notion of Social Economy

Social economy and social entrepreneurs are two terms which are often used very similarly. Though we can assume social economy as the wider umbrella under which social enterprises and socially entrepreneurial activities are conducted, both terms refer to producing goods and services via entrepreneurial activities with the aim of creating positive social impact through associative and collective

organizations. Social economy intrinsically is related with social justice. Thompson (2020) defines its social purpose as reasserting social justice principles in the economy and challenging social exclusion through developing systems of inclusion. Theorists often conceptualize the social economy as occupying a central position within a triangle of three competing domains: the state, the market, and the community or civil society. Each domain is characterized by a specific combination of three axes: formal versus informal, for-profit versus non-profit, and public versus private. The state is formal, non-profit, and public; the market is formal, for-profit, and private; and civil society is informal, non-profit, and private. This framework is depicted in a well-known conceptual diagram in social economy literature, the Pestoff Triangle. The social economy sector engages in both trading and non-trading activities, both through formal and informal acts. It is distinguished by community-based or social ownership and a strong commitment to principles such as self-help, mutual responsibility, and social significance (Amin, 2009).

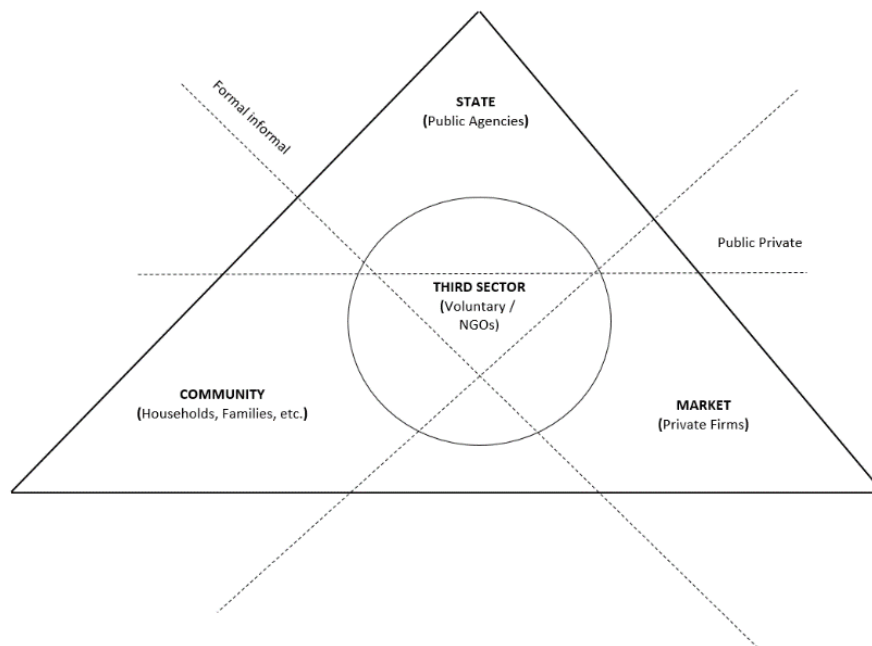


Figure 1: Pestoff Triangle

Source: Pestoff, 1992

The Pestoff Triangle can be enhanced by incorporating Karl Polanyi's framework. In Polanyian terms, each sector operates according to distinct economic principles: the state is guided by the principle of "redistribution," the market follows the logic of

"exchange," and the social economy and civil society are driven by "reciprocity." This conceptual approach highlights the different motivations and functions that define each domain, emphasizing how the social economy is uniquely positioned to foster reciprocal relationships beyond the market and state dynamics. In classical liberalism, civil society is envisioned as an independent space mediating between the public and private sectors. However, as capitalism grew, the social dimension of this space was increasingly diminished by market dominance and state interventions. According to Polanyi, these developments can be viewed as manifestations of a "double movement," reflecting the tension between the disembedding pressures of market capitalism and the societal countermeasures aimed at re-embedding economic relationships within social institutions. Polanyi identifies reciprocity, redistribution, and exchange as key mechanisms through which economies become embedded or disembedded. In this context, the social economy consistently strives to reassert reciprocity and redistribution as foundational organizing principles, responding directly to the disruptions caused by the expanding logic of market capitalism and state intervention (Isaac, 2022).

Throughout the 20th century, the principle of reciprocity, central to the social economy, was overshadowed by laissez-faire capitalism and the welfare state. The first post-war wave of social economy activities in Europe, linked to the 1968 radical movements, sought to challenge both the welfare state and capitalist mass production. In the 1980s and 1990s, another wave emerged in reaction to neoliberal economic policies and urban development crises. This period saw the rise of social enterprises, which were institutionalized by governments as part of policies promoting social inclusion and market-based public service delivery (Thompson, 2020).

Drawing further on Polanyi's analysis, these waves of social economy activity can be viewed as manifestations of a "double movement," where the expansion of market logic and state intervention triggers counter-movements aimed at re-embedding economic relations within social and communal frameworks. Polanyi's concept highlights how civil society and the social economy consistently seek to reclaim reciprocity and social embeddedness as vital organizing principles, responding

directly to disruptions and inadequacies created by dominant market and state forces (Isaac, 2022).

In the 21st century, following the global financial crisis, the social economy has gained again popularity framed as Social and Solidarity Economy (SSE). We see the growing discussion about making the economy more focused on human and social development and while aligning economic progress with social and environmental sustainability. Drawing on Polanyi's substantive understanding of economic activity, the SSE emphasizes embedding economic relations within community and social structures rather than purely market-driven logic. The social economy is recognized as involving commercial and non-commercial activities led mainly by third-sector or community organizations. These entities prioritize addressing social and environmental needs over maximizing profits (Amin, 2009). The growth of the SSE is partly driven by national and subnational governments adopting legal frameworks that enhance the visibility, recognition, and understanding of SSE organizations, as well as clarifying the types of support available to them (OECD, 2022).

Since the early 2020s, the SSE has received formal recognition from international actors as a key model for advancing sustainable development and promoting decent work. The International Labour Organization (ILO) adopted a resolution in June 2022¹ recognizing the social and solidarity economy as a sector that includes enterprises, organizations, and other entities engaged in economic, social, and environmental activities aimed at serving the collective or general interest. These entities operate on principles such as voluntary cooperation, mutual aid, democratic or participatory governance, autonomy, independence, and prioritizing people and social purpose over capital when distributing and using surpluses, profits, and assets.

The resolution highlights that SSE entities strive for long-term viability, sustainability, and transitioning from the informal to the formal economy. SSE encompasses various sectors and practices values like care for people and the planet, equality, fairness, interdependence, self-governance, transparency, accountability,

¹ <https://www.ilo.org/resource/ilc/110/resolution-concerning-decent-work-and-social-and-solidarity-economy>

and the achievement of decent work and livelihoods. Depending on national circumstances, SSE includes cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups, and other entities aligned with SSE values and principles. The United Nations General Assembly, at its 66th plenary meeting on April 18, 2023, adopted a resolution to promote the social and solidarity economy as a model for sustainable development. The resolution encourages member states to develop and implement strategies, policies, and programs at national, local, and regional levels to support and enhance the SSE. It also urges multilateral, international, and regional financial institutions, as well as development banks, to support SSE through financial instruments and mechanisms tailored to all stages of development. Social entrepreneurship, including cooperatives and social enterprises, is recognized as a means to alleviate poverty and drive social transformation by strengthening the productive capacities of vulnerable populations and providing them with accessible goods and services.

2.4. Conceptualization of Social Entrepreneurship

While examples of social entrepreneurial activity have been increasing, the 2000s mark the time when scholarly attention began to rise in the field of social entrepreneurship. There have been many conceptual attempts to define the notion of social entrepreneurship, however, it is widely accepted that social entrepreneurship is too wide and too diversified to be captured by a single universally accepted definition.

Though social entrepreneurship has been defined and conceptualized in different ways, in its simplest sense, the term includes the meaning of two words, social and entrepreneurship, and denotes activities realized to create social value by using entrepreneurial methods. As the below graph shows, social entrepreneurial activity includes varying combinations of social mission orientation, innovation, and market orientation. Though innovation and market orientation are not always considered necessary components of social entrepreneurship by different schools of thought, social mission is considered a cornerstone of social entrepreneurship by all classifications.

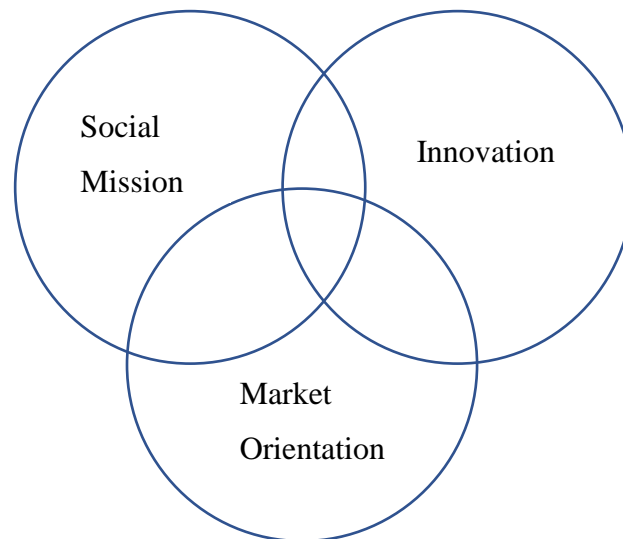


Figure 2. Components of Social Entrepreneurship

The first building block of social entrepreneurship is *social mission*. For many, like Dees (2001), social mission is central for social entrepreneurs, and instead of the wealth creation objective of the traditional entrepreneurs, they pursue maximization of their mission-related impact. Dees (1998:2) argues that 'for social entrepreneurs, social mission is explicit and central.' Income generation is only a means for them to realize their social mission, and for that reason, some social ventures charge fees for some of their services and compete for donations and other kinds of support. For Alex Nicholls (2006) too, social entrepreneurship has two constituent elements: a prime strategic focus on social impact and an innovative approach to achieving its mission. The primacy of social mission over all other objectives is a key determinant of whether a venture is a social enterprise. Social mission stems from an unmet social need or is related to a new social value creation opportunity. Both the operational context of the enterprise and its outcomes and impact reflect its social mission. Mair and Marti (2006) also emphasize the centrality of social mission for social entrepreneurship. According to them, successful cases of social entrepreneurship show how social entrepreneurship catalyzes social transformation by meeting social needs. They oppose the idea that social entrepreneurship differs from traditional entrepreneurship in that the latter is associated with the profit motive, whereas social entrepreneurship is a reflection of altruism. They note that while, on the one hand, social entrepreneurs can act for reasons such as personal fulfillment rather than altruistic motives, on the other hand, business entrepreneurs can also have social

goals. According to them, social entrepreneurship is distinctive because they combine resources creatively to address a social problem and alter existing social structures. Similarly, Güçlü, Dees, and Anderson (2002) note that though personal experience often motivates the idea-generation process, primarily social entrepreneurs respond to unmet social needs. They define social needs as gaps between socially desirable conditions and existing reality. However, they rest on some vision of a better world and are grounded in personal values, which also bring disagreements on social needs. Seelos & Mair (2005) argue that the main difference between social and business entrepreneurship is the priority given to social wealth creation versus economic wealth creation rather than the profit versus not-for-profit distinction. Whereas the former considers social wealth as a by-product of their main activities, for social entrepreneurs it is the aim of the business. Moreover, it is more difficult for social enterprises to capture economic value due to their customer base, who are either unable or unwilling to pay for the goods and services generated to meet their basic needs.

The justification of the social mission chosen is an issue discussed by many scholars. Nicholls and Cho (2006) defend that social organizations are social since they pursue specific social objectives which constitute their social mission. However, they point out that it is not easy to understand and interpret the social dimension as it's mainly a normative self-construction, and the issue of social objectives brings more questions like what those social objectives include, what the nature and boundaries of society are and how the answers to these questions are determined. There are fundamentally divergent social interests which means that there is a need for critical analysis to uncover potential conflicts between social ends. Cho (2006) asserts that defining social requires exclusionary and political choices about society's interests, making social entrepreneurship a political phenomenon. Social enterprises work for social objectives that cannot be obtained from the aggregation of private interests and objectives. Social entrepreneurs commit themselves to the vision of social welfare optimum. However, it is still seen that the line between social entrepreneurship and other forms of social engagement like philanthropy or civic action is challenging to draw. As Marx's (1978), Berlin's (1997) and Fraser's (1992) work defend, there are competing visions at play in the 'social' domain, according to Cho. Tensions between

public interest are more salient with regard to subjects like abortion, the right to bear arms, aid conditioned to converting people, etc. Considering these points, he defines social entrepreneurship in a quite general way as ‘a set of institutional practices combining the pursuit of financial objectives with the pursuit and promotion of substantive and terminal values’ (2006: 36). He argues that this open-ended definition has the advantages of including a wide range of practices to be considered within the realm of social entrepreneurship and minimizing the risk of selectivity bias. The social value created while working towards the social mission is also subjective and closely associated with the real-life experiences of the target groups. Especially, the value of equality or environmental sustainability is not easy to be aggregated within metrics (Young, 2006). From another perspective, Seelos and Mair (2005) cite social mission as the common denominator of social entrepreneurship and argue that the greatest challenge of understanding social entrepreneurship is defining the boundaries of 'social'. For example, job creation is an essential social function of traditional enterprises; in that sense, traditional enterprises are social, too. To prevent this confusion, they define social entrepreneurship as the creation of 'new models for the provision of products and services that cater directly to basic human needs that remain unsatisfied by current economic and social institutions' (2005: 244) and argue that sustainable development goals commonly adopted by nations such as Sustainable Development Goals of the United Nations should be decisive in prioritizing social needs.

The second building block of social entrepreneurship is innovation. Innovation is another concept that has a varying range of definitions. It is a term that is closely related to the conceptualization of entrepreneurship. Joseph Schumpeter (1950), who was one of the most influential economists of the 20th century, popularized the term entrepreneurship and associated it with 'creative destruction'. He defines entrepreneurs as ‘individuals who exploit market opportunity through technical and/or organizational innovation’. Accordingly, dimensions of innovation are the introduction of a new product or an improved version of an existing product, introduction of an improved method of production, the development of a new market, a new source of supply or supply chain, and more efficient or effective organization of any industry or sector (Nicholls and Murdock, 2011). For

Schumpeter, innovation is at the heart of entrepreneurial activity. He emphasizes the role of the entrepreneur as an innovator who drives the creative destruction process of capitalism. This means that the entrepreneur reforms or revolutionizes the pattern of production by exploiting an invention or an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing and industry and so on. This means that entrepreneurs are the change agents in the economy and not every business owner is an entrepreneur. Another influential name in this area is French economist Jean Baptist Say. In the 19th century, he coined the term entrepreneur in meaning of 'value creators who shifted economic resources from areas of lower and into the areas of higher productivity and yield' (as cited in Dees & Anderson, 2002, p. 44). Peter Drucker drawing on Say's definition, focuses on the aspect of opportunity. Instead of defining entrepreneurs as drivers of change, he sees entrepreneurs as exploiting the opportunities that change and value. He says that though entrepreneurs do not bring changes themselves, 'the entrepreneur always searches for change, responds to it, and exploits it as an opportunity (p.33).

Social entrepreneurs innovate in varying degrees ranging from macro-level disruptive examples like the introduction of micro-credit schemes or fair-trade movement to more modest and minor actions on sector-specific issues like low-cost solar energy or employment generation for low-skilled people. In the second case, innovation is more related with the use combination of logics, discourses and practices from the non-profit and commercial sectors. This hybridity is used to address social problems (Nicholls, 2017). Social innovation encompasses both the internal process of organizational change and novelty in outputs and outcomes like new goods and services (Nicholls & Murdock, 2011.) Nicholls and Murdock define three levels of social innovation. These are incremental, institutional, and disruptive. The below table summarizes key aspects of these three levels of social innovation. Accordingly, incremental innovation in goods and services address market failures is the objective of many non-profit organizations. Institutional innovation aims to reconfigure existing market structures and patterns and is often driven by new technology or intellectual capital repositioned to social ends. Disruptive innovation

focuses on politics and aims to create systems change as in the realm of social movements.

Table 3. Types of Social Innovation

Level	Objective	Focus
Incremental	To address market failures more effectively	Products /services
Institutional	To reconfigure existing market structures and patterns to create new social value	Markets
Disruptive	To change cognitive frames of reference around markets and issues to alter social systems and structures	Politics

Source: Nicholls and Murdock, 2011

For Dees and Anderson (2002), the element of innovation should be taken as an integral part of social entrepreneurship and without innovation aspect, there is no need for a new field of social entrepreneurship and then it should be a sub-topic of the broader theory of non-profit finance. Saying that they note that at the same time social innovation without enterprise may also raise some distinctive problems and it is important to adapt some business methods to be more sustainable. They note that social problems have important economic dimensions and implementing solely charitable responses while ignoring economic context, will only be like band-aids covering the problems. For achieving sustainable solutions, it is important to combine different methods and be creative. Dees and Anderson note that social entrepreneurs do not want to be limited to a particular legal form of organizations such as non-profit or charitable as social and economic issues are closely intertwined most of the time. They assert that academic attention should be focused on *'enterprising social innovation'* which is carried out by social entrepreneurs who carry out innovations that blend methods from the worlds of philanthropy and business to create long-lasting social value. An entrepreneur, according to them should be able to put new ideas into practice. In parallel, Kramer (2005) claims that social entrepreneurs should look across sector boundaries to find solutions that involve actions in both social and economic sectors. Accordingly, a social entrepreneur is someone *"who founded and leads an organization, whether for-profit*

or not, that is dedicated primarily to creating large scale, lasting and systemic social change through the promulgation of new ideas, attitudes, and methodologies” (p.1). Seelos & Mair (2005) argue that social entrepreneurs challenge the status quo and our thinking about what is feasible. They show new paths and solutions to today's complex social problems and design their initiatives based on local needs rather than on dated assumptions of larger institutions about what needs to be done. However, as Young and Lecy (2014) put forward conceptualizations of innovation vary and what constitutes an innovation -something truly new or application of an existing idea in a new context etc. is a difficult question to answer. For example, whereas Muhammes Yunus' launch of micro-credit programmes for poor women is considered one of the most important social innovations of the last decades, implementation of similar programmes in different contexts can be considered as social entrepreneurial activity.

According to Drucker (1994), systematic innovation includes monitoring of sources for innovative opportunity including changes in industry or market structure, demographic changes, changes in perception, mood, and meaning as well as scientific and non-scientific knowledge changes. Upon this need identified, they vision a solution, recruit and motivate others to join this cause, secure the resources needed, handle challenges and risks and introduce proper systems for controlling the venture. Opportunity is an important concept for entrepreneurship conceptualizations. Thompson (2002) argues that opportunity is at the heart of entrepreneurship, and in an environment where the welfare state is unable or unwilling to help people or services that could be provided more efficiently and effectively by a non-state actor, a social entrepreneur acts on the opportunity she sees to do good. Social mission and social wealth creation of social entrepreneurs are seen as closely interrelated by the concept of opportunity by many scholars. Johanna Mair and Ignasi Marti (2006) are other scholars who defend that the notion of opportunities should be accepted as a defining element of entrepreneurship. They define social entrepreneurship as a process of creating value by combining resources in new ways. Resources are combined with the aim of exploring and exploiting opportunities to create social value, and then new services, products, or organizations are offered to stimulate social change or meet social needs. They defend that social entrepreneurship is not exclusive to not-for-profit activities but can be actualized on

for-profit basis as well as what determines a social enterprise is its focus on social wealth creation. Güçlü, Dees, and Anderson (2002) point out that entrepreneurial activities start with the vision of an attractive opportunity, and for social entrepreneurs, this opportunity means creating a positive social impact that would justify the investment of time, energy, and money. Seelos and Mair (2005) note that like business entrepreneurs, social entrepreneurs act upon what other misses. These are opportunities to improve systems, create solutions and invent new approaches. The Say-Schumpeter tradition of entrepreneurship means for social entrepreneurship that social entrepreneurs are not simply people who undertake a new business, but they are social innovators. For many scholars in the area, as Nicholls and Cho (2006) point out, “*originality, diversity, and the ability to disrupt stable systems are some of the most important tools of the social entrepreneur*” (p.111).

The third building block, market orientation of social enterprises, is highly debated too, and the importance given to the market orientation differs according to different schools of thought. Two dominant schools are influential in the conceptualization of the concept, as noted by Dees and Anderson (2006). These two schools, called "the Social Enterprise School" and "the Social Innovation School" have their own adherents. The Social Enterprise School focuses on generating income while serving a social mission, whereas the Social Innovation School focuses on establishing new ways to address social problems.

For Social Innovation School, social entrepreneurship is identified with the actions of individual social entrepreneurs (Grenier, 2006). Social entrepreneurs are individual change-makers and are engaged mainly with not-for-profit activities. Schumpeter's definition of entrepreneurship provided the conceptual foundation of the Social Innovation School. Accordingly, social entrepreneurs are people “*who reform or revolutionize the patterns of producing social value, shifting resources into areas of higher yield for society*” (Dees & Anderson, 2006, p. 44). Bill Drayton and Ashoka have been the primary driving force of this school of thought. In the early days, Drayton used the term public entrepreneur to point people “with pattern-setting ideas for social change” (Drayton & MacDonald, 1993, p.i) and in the mid-1990s, Ashoka officially adopted the term social entrepreneur. Drayton's conception of

entrepreneurs as innovators was also related to Peter Drucker's emphasis on the relationship between entrepreneurship and innovation.

An influential name of the Social Innovation School is Gregory Dees. Drawing on Say's definition of entrepreneur, Dees (2001) argues that social entrepreneurs create new value by pulling together resources in more effective ways to address social issues, and as Schumpeter emphasizes, they search for new and better ways of delivering social value. Drucker's conceptualization of the entrepreneur as a catalyst for change who search for new paradigms and exploit opportunities is also reflected in Dees' conceptualization.

Dees defines social entrepreneurs as those who;

- Adopt a mission to create and sustain social value,
- Recognize and relentlessly pursue new opportunities to serve that mission,
- Engage in a process of continuous innovation, adaptation, and learning,
- Act boldly without being limited by resources currently in hand,
- Exhibit heightened accountability to the constituencies served and for the outcomes created.

This definition constitutes an ideal type of social entrepreneur. For Dees, social entrepreneurs not only remedy surfaced social problems but attack the underlying causes of problems; they not only meet needs but reduce them as they seek to create systemic change and sustainable improvements. They combine persistence and willingness to achieve a social cause and to do this, they do not follow traditional ways of doing business, but they develop new models and methods. This willingness to innovate is part of the modus operandi of entrepreneurs (p.5). They use scarce resources efficiently as they collaborate with others and develop new strategies by taking risks. To be successful in creating social value, they must make sound needs analyses of the people and communities they serve.

Another leading text within the Social Innovation School is Charles Leadbeater's *The Rise of the Social Entrepreneur* (1997), where Leadbeater defines social entrepreneur as “Social entrepreneurs are driven, ambitious leaders with great skills in

communicating a mission and inspiring staff and partners. In all these cases, they have been capable of creating impressive schemes with virtually no resources” (Leadbeater, 1997:9) Alex Nicholls (2006) is another prominent figure within the Social Innovation School. He defines social entrepreneurs as “practical dreamers who have the talent and the skill and the vision to solve the problems, to change the world for the better.” (p.V). He asserts that social entrepreneurs carry out evolutionary and revolutionary activities that improve the quality of people’s lives. Bill Drayton (2002) also highlights the personal traits of social entrepreneurs as determinants of social entrepreneurial activity. Drayton defines entrepreneurs as leading and pattern-changing individuals who focus their talents on solving social problems and envisage systemic change. A leading social entrepreneur has a new, powerful system change idea and is dedicated to this idea. Other necessary foundations of entrepreneurs are creativity, widespread impact, entrepreneurial quality, and strong ethical fiber. He states that every entrepreneur should have a powerful and new system change idea, and to realize this idea, they must have goal-setting and problem-solving creativity. Skoll Foundation's (2005) definition is another example of the conceptualization of social entrepreneurship around the personal qualities of the entrepreneur: “Change agents of society, seizing opportunities others miss and improving systems, inventing new approaches, and creating sustainable solutions to change society for the better”. Though not attributing special traits to social entrepreneurs, Thompson, Alvy and Lee (2000) are other names who conceptualize social entrepreneurship based on the abilities of entrepreneurs. Accordingly, social entrepreneurs are “people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet and who gather together the necessary resources (generally people, often volunteers, money, and premises) and use these to ‘make a difference’”. Alvord, Letts, and Brown (2003) inspired by Drayton's work conceptualized social entrepreneurship as a way to catalyze social transformation which involves changing the pattern of production not only around a narrowly defined social problem but also at a broader societal level. Bornstein’s book *How to Change the World: Social Entrepreneurs and the Power of New Ideas* has been very influential within the field boosting the thoughts of the Social Innovation School. He portrayed social entrepreneurs there as transformative forces.

In this understanding of social entrepreneurship, some examples of prominent social entrepreneurs are Maria Montessori and Florence Nightingale, as they led to significant changes in social service provision but did not have market orientation. Maria Montessori introduced a new approach to early childhood education, and Nightingale initiated the first school of nurses and worked to improve hospital conditions. These names are believed to have realized or contributed to systematic societal changes. With this aim of leading to systematic change and being creatively destructive, social entrepreneurs pioneer in their realms. The examples of social entrepreneurship definitions show us that individuals are believed to change the world and solve the problems we face, having the role of active citizens and responsible communities. These social entrepreneurs have even been defined as revolutionaries carrying out major social change (Nicholls, 2006; Skoll, 2006). However, as stated by Cho (2006), focusing on how to mobilize resources to solve social problems may lead to omitting more critical questions about why this problem exists or why the welfare system is unable to meet this need. Failure to address these questions also makes social entrepreneurship's capacity to create systemic change and address the root causes of problems questionable. He asserts that the definition of social entrepreneurship based on traits of social entrepreneurs are tautological and monological as they include components of entrepreneurship but leave out the 'social' part. Actions to realize social change rest on the visions of social entrepreneurs in a monological way, while neglecting competing visions and political processes of dialogue, negotiation, and social integration. From another perspective, Dacin et al. (2010) note downsides of that defining social entrepreneurship based on individual characteristics as this limits researchers' ability to learn from entrepreneurial failure, leads to ignoring social entrepreneurial activities of organizations like NGOs and corporations and the diverse nature of social entrepreneurship among stakeholders. Focusing too much on individuals with the "ability to change the world" as Bornstein (2004) suggests, bear the danger of misleading ability with motivation and interest (Dacin et al., 2011).

On the other hand, the roots of Social Enterprise School can be traced back to the efforts of some non-profit organizations to find alternative funding sources to donations and government funding. While Reinventing Government (Osborne &

Gaebler, 1992) and New Public Management (Kettle, 1997) have been expanding as mainstream public administration approaches, an emphasis was being put on being entrepreneurial including the state. Non-profit organizations have been perceived as a response to government and market failures but also as insufficient for achieving self-sustainability. Their primary funding resources have been traditionally funds, member fees, grants, donations, and some small-scale income coming from user fees, etc. However, they lack a sustainable income model, which became an important problem during the late 1970s in the US due to depleted reserves, reduced donations, and diminished support from the public sector. At the same time, there was more competition for grants and contributions, while the number of people in need of the services of these organizations had been increasing (Boschee, 2006). In need of finding new income resources and enhancing their economic efficiency, non-profits in the United States started to explore business ventures.

Skloot (1983) in this context, published a prominent article *Should not-for-profits, go into business?* defined non-profit entrepreneurship that was used to frame this new trend of non-profits starting trading activities, and later he argued that non-profit enterprises could have both fee-for-service charges and full-scale commercial activities (as cited in Dees & Andersen, 2006). Bill Shore (1995) was another influential name in the non-profit entrepreneurship discussions in the US who supported the view that “to meet the challenges of the future, non-profits must be thoroughly reinvented to create new wealth-that is, non-profits for-profit” (p.83) and called for the creation of ‘community wealth enterprises’. The community wealth enterprises would generate resources through profitable enterprises to promote social change. Homeless Economic Development Fund was one of the examples of a business founded under a foundation to test the idea and played an important role to promote the idea of the application of business methods by non-profits. Jed Emerson and Fay Twersky (1996) based on their experience in running the fund, published an article called *The New Social Entrepreneurs* reinforcing the use of 'social entrepreneurship' instead of non-profits as cited in Dees & Anderson (2006). At the same time, more for-profits were entering the social sector in areas like eco-tourism, charter school management and welfare-to-work job trainings, community development, etc.

Alpha Center for Public/Private Initiatives in the US is a good example in this sense. A group of business executives founded this corporation to meet the needs of society while profiting by doing so. In 1993 they announced that their mission was 'to encourage entrepreneurship among non-profits and to help them to create and expand social purpose businesses' (cited in Dees & Anderson, 2006). Afterward, various initiatives were developed like "Social Enterprise Alliance", "Non-profit Enterprise and Self-sustainability Team (NeSsT)", "Social Enterprise London" and the Global Social Venture Competition" to disseminate the new social entrepreneurship model (ibid). Salamon (1997) calls this trend marketization of non-profits as they started to adopt approaches and methods of the private market. In the context of the US, beginning from the 1960s for-profit organizations were increasingly involved in the provision of welfare services, and non-profit sector became relying on service fees and other commercial income.

The Institute for Social Entrepreneurs (2005) definition of social entrepreneurship reflects the view of "The Social Enterprise School": *the art of simultaneously pursuing both a financial and social return on investment*. Similarly, Alter (2000) defines social entrepreneurship as:

A generic term for a non-profit enterprise, social-purpose business or revenue-generating venture founded to support or create economic opportunities for poor or disadvantaged populations while simultaneously operating with reference to the financial bottom line. (2000:1)

For some, like Boshee (2006) earned income is a prerequisite for being entrepreneurial as it allows organizations to be sustainable or fully self-sufficient. According to him, not-for-profit organizations may use earned income strategies or business ventures to initiate social entrepreneurial activities. However, being entrepreneurial necessitates generating earned revenue from activities, while doing good and creating new and successful programmes is not entrepreneurial, but innovative. Social enterprises may also accept philanthropic donations, get subsidies and volunteered people but they do not depend on these. Boshee and McClurg (2003) note at this point the distinction between sustainability and self-sufficiency. Non-profits can achieve sustainability through a combination of philanthropy, government

subsidy and earned income. But self-sufficiency can only be achieved by relying completely on earned income according to them.

Market orientation advocates validate this approach arguing that this model gives them sustainability and makes them different from traditional social service provisions. This model is considered a functional alternative to public sector funding and philanthropic resources (Dees, Emerson & Economy, 2011). At this point, social enterprises provide an income-generating model to subsidize social activities. Furthermore, this market orientation is supported by encouraging accountability and innovation (Bartlett & Legrand, 1993). Market orientation does not mean social enterprises seek profit maximization, but their financial objective is to provide revenues to cover their costs. Anderson and Dees (2006) oppose this idea on the grounds that every organization is dependent on outsiders for resources and support and depending on philanthropic donations is no different than depending on customers to buy goods or services from the venture. They note that the use of the word 'dependency' carries a value judgement and interpreted like a sign of weakness, same for the word 'earned income' implying donations or subsidies are not earned. Their argument is similar for sustainability as they question of reliability of earned income for sustainable financial returns. Furthermore, they question the positive correlation between earned income and scalability stating that there are no systematic evidence supporting this relation. They give the example of the Grameen Bank, one of the most successful social enterprises worldwide, in the first decades of their operation, made use important amounts of outside funding which allowed it to grow. In mid-1990s the bank stopped receiving philanthropic support and as an earned income venture achieved scale (Anderson & Dees, 2006).

Another angle to look at social entrepreneurship is framing it in terms of a process versus emphasizing acts of individual entrepreneurs. Where Social Enterprise or Earned Income, Schools pay attention to the process of entrepreneurship and lifecycle of social enterprises, Social Innovation School puts more emphasis on achievements of social entrepreneurs. Award programs of organizations like Ashoka, Skoll Foundation reflect this understanding. Jeffrey A. Robinson (2006) is another name who sees social entrepreneurship as a process composed of planned activities

to address a specific social problem rather than the actions of individual entrepreneurs. He criticizes that focusing on individual social entrepreneurs' achievements will lead to the idea that social entrepreneurship is exclusive to some people. He defines social entrepreneurship as:

A process that includes: the identification of a specific social problem and a specific solution (or set of solutions) to address it; the evaluation of the social impact, the business model, and the sustainability of the venture; and the creation of a social mission-oriented for-profit or a business-oriented non-profit entity that pursue the double (or triple) bottom line. (2006:95)

These discussions are important also in terms of their repercussion on evaluating success of social entrepreneurship practices. If we accept that social entrepreneurship should include incorporation of commercial practices to attain self-sustainability, then their success should be also measured by financial returns as well as social returns. This is called double bottom line, a virtual blend of financial and social returns. Financial returns, in the form of profits are expected to be reinvested in the mission rather than being distributed to shareholders (Boshee & McClurg, 2003).

Though discussions on how to define social entrepreneurship continue, it is seen in practice that social entrepreneurial activities are being done on both a continuum of different enterprise structures and sometimes without use of any legal structures. To look at the social entrepreneurial activities, Dees' construct of an enterprise spectrum is useful. This continuum begins with purely philanthropic organizations and ends with purely commercial enterprises. He takes income from market and adaptation of market principles in terms of motives, methods and goals as differentiating elements and argues that most social enterprises combine methods of civil society and market. This social enterprise spectrum paves the way for an infinite number of operational social enterprise models (Defourny & Nyssens, 2017).

Table 4. Enterprise Spectrum

	Pure Charitable		Purely
Commercial			
Motive	Goodwill	Mixed motives	Self-interest
Goal	Social value creation	Social and economic value creation	Economic value creation

Table 4. (continued)

Type	Mission-driven	Mission and market driven	Market driven
Target groups (Beneficiary or customers)	Don't pay	Subsidized rates Mix of full payers and those who pay nothing	Pay full market rates
Source of financial capital	Donations Grants	Philanthropic and investors	Financial institutions Investors
Resources	Donations Grants Membership fees	Philanthropic and market	Market income
Human Capital	Mostly volunteers	Employees with below market wages and/or mix of volunteers and fully paid staff	Market rate compensation to employees
Suppliers	Make in-kind donations Special discounts	Special discounts Mix of in-kind and fixed price	Charge full-market prices

Note. Adapted from Gregory Dees, 2002

According to the Spectrum School many combinations of profit making and social mission orientation exist between pure profit making and pure non-profit ends of the spectrum. Young and Lecy (2014) argue that though the spectrum approach is useful as it dispenses the necessity of attributing certain design features like limited profit distribution or democratic governance, the boundaries between social enterprise and non-profits and businesses are not clear. As an alternative to these approaches, they propose a zoo metaphor. Accordingly, rather than conceptualizing social enterprise as a singular construct, they suggest that there are many different organizational logics, legal forms and objectives to balance social and economic goals. As the field is complex and multifaceted, it is not confined to one kind of species, but it should be understood as a zoo containing multiple species and subspecies of 'animals', each

representing a different organizational entity such as corporations, cooperatives, associations etc. Like a zoo, which contains different types of animals, social enterprise as a zoo contains various types of organizations which share and interact in some ways and compete in other ways and has certain boundaries separating from the economy of public and private organizations at large.

In this zoo there are six types of organizations each containing substantial internal variation:

- *For profit business corporations* engage in corporate social responsibility or corporate philanthropy. Social goals are only strategic to improve their public relations, build markets or enhance motivation of their workers.
- *Social businesses* are enterprises which seek to balance profit-seeking with the achievement of a social mission. These can be traditional for-profit businesses or new legal forms set up as a response to needs of the social economy or B corporations.
- *Social cooperatives* include dimensions of general public benefit in their missions, in addition to benefits to their members. However, rightfully they note that given the collective character of cooperatives in general, the differences between cooperatives in general and social cooperatives may only be subtle.
- *Commercial non-profit organizations* address explicit social issues, and their commercial goals are instrumental to their success. They identify three sub-types of these organizations as non-profits which charge fees to partially recover costs, those which engage in commercial activities to address mission-related objectives, and those which engage in commercially profitable ventures to subsidize their loss-making and mission-related programming.
- *Public-private partnerships* consists of contractual arrangements among for-profit, non-profit and governmental entities to address a designated public purpose or needs of particular groups.
- *Hybrids* combine the features of other forms of social enterprise. An example is the Community Interest Companies in the United Kingdom.

They assert that in doing such a conceptualization, classification of different organizational entities and specification of each organization within the bigger social enterprise field is possible defining overall components with regards to management, governance and financing strategies and also it will also be possible to study relationship among different kind of organizations, how they are situated relative to one another, synergies created and where competition exists. They underline the importance of examining the sustainability of individual forms of social enterprises and the role of public policies like tax policy, governance requirements, profit distribution rules in shaping the acts of each species. Alter (2004) makes a typology of social enterprises including four types of hybrid organizations. This spectrum also shows a continuum of enterprises beginning from traditional non-profit and ending with traditional for-profit organizations. For all organizations on the spectrum, achieving impact in the area of the value orientation of the organization, either economic or social, determines the success of the organization. On the right side of the spectrum, there are for-profit organizations which include traditional for-profit organizations and corporations that practice corporate social responsibility. On the left side of the spectrum, there are non-profit organizations that include traditional non-profits and non-profits performing income-generating activities.

Table 5. Alter’s Typology of Enterprises

	Hybrid Spectrum				
Traditional Non-Profit	Non-Profit with Income Generation Activities	Social Enterprise	Socially Responsible Business	Corporations Practicing Social Responsibility	Traditional For-Profit
	Mission motive Stakeholder accountability Income reinvested in social mission		Profit-making motive Shareholder accountability Profit redistributed to shareholders		

Source: Alter, 2004

For-profit firms have the ultimate aim of profitability, and they redistribute profit among shareholders. Some of these organizations are within the group of socially responsible business. These are for-profit companies that aim to contribute to a social mission. These enterprises also vary in degrees of impact of profit motive in decision-making and the amount of profit designated to social mission. However, in general, they are willing to forsake profit and make financial contributions to their social goals declared in their mission statements. Corporations practicing social responsibility according to Alter, are for-profit businesses that have profit-maximization goals and in the meanwhile engage in socially beneficial activities such as grant-making, community involvement, volunteering company personnel, and sponsorship. Engaging in these activities is a strategic decision taking into account the company's public image, employee satisfaction, sales, and customer loyalty. Its philanthropic activities may support social enterprises, make a positive social impact or contribute to a public good. On the other end of the spectrum, non-profits primary aim is to accomplish their social mission. In the middle, we see social enterprises. Alter takes social enterprises as ventures created for a social purpose to generate social value while operating using business principles and methods. Enterprise approach used by social enterprises includes the adaptation of market approaches, use of innovation, and adherence to financial discipline.

Alter (2004, 2006) uses three categories to classify social enterprises according to the level of integration between social mission and business activities: mission centric/embedded, mission related/integrated and unrelated to mission/external.

In the embedded social enterprise model, business activities and social programmes executed to realize their social mission are synonymous. The not -for- profit target population is the recipient of the enterprise either as the target market, a direct beneficiary, owner, or employee. This model is also called mission-centric in the meaning that social enterprises run business activities that are central to the parent organization's social mission. For example, an organization founded to strengthen sustainable farming may operate stores to sell agricultural products, raise livestock, and grow produce. This way, this enterprise both serves its social mission and earns profits. The accumulated surplus of the enterprise can be used for several activities

that contribute to its social mission, like organizing agricultural educational programmes or giving micro-credits to farmers. In Europe, Defourny and Nyssens (2010) state that most social enterprises perform economic activities related to their social mission. Alignment of economic activity and social mission is in line with the philosophy of the social innovation school of thought.

Table 6. Categorization of Social Enterprises by Alter

Mission Centric	Mission Related	Unrelated to Mission
Embedded	Integrated	External
<ul style="list-style-type: none"> • The enterprise is central to the organization's social mission • Social programs and business activities are one and the same • Target population (clients) is integral to the model as direct recipients of social services (beneficiaries) and either the market, employees or owners of the enterprise 	<ul style="list-style-type: none"> • The enterprise expands or enhances organization's mission, it creates integrated social enterprise as a funding mechanism • Social programs overlap with business activities • The target population is a direct beneficiary of income earned from the social enterprise, they may not be involved in operations as employees or customers 	<ul style="list-style-type: none"> • Non-profits create external social enterprise to fund their social service and/or cover operating costs • Business activities support social programmes • The target population is a direct beneficiary of income earned from the social enterprise but infrequently involved in enterprise operations

Note. Adapted from Alter (2004, 2006).

In integrated social enterprises, social programmes overlap with business activities. Social services are commercialized to new fee-paying markets or by providing new services to existing clients. Not-for-profit client benefits from investments but may or may not be involved in the enterprise's operations. The relationship between business activities and the social programmes is synergistic, adding financial and

social value to one another. In other words, the mission-related social enterprise performs business activities that are related to the organization's mission. They create social value through their programmes and generate income to subsidize programme costs and operating expenses. Commercializing social services is a frequent activity of mission-related social enterprises. For example, a family services organization may generate income by providing catering services to schools and day-care centers, on the one hand, on the other hand, it may offer free meals to the children of low-income families through the income it generates.

Mission expansion is another type of mission-related social enterprise, according to Kim Alter. In this type of social enterprise, an organization expands its services to serve its central mission. An organization founded to strengthen women economically, for example, may open up a childcare center to give its clients more time to focus on their business. In external social enterprises, business activities are separate from social programmes. Mission relevance and the pursuit of social value are not required for the business activities. The relationship between the business activities and social programmes is supportive providing funding for the not-for-profit parent organization. For example, Save the Children is a not-for-profit organization dedicated to improving the living conditions of children and has established a corporate licensing social enterprise developing licensing agreements with companies allowing them to use Save the Children's name and logo to attract socially conscious consumers.

As seen from the above review to many scholars, social entrepreneurship is not exclusive to one realm or to one type of organization. Social entrepreneurship activities can be found in profit-seeking businesses, in the voluntary sector, or in government (Thomson 2002, Mair and Marti 2006). Looking at the main conceptualizations of the social entrepreneurship in the literature and the two schools of thought, we see that there are mainly four different understandings of social entrepreneurship. One is the earned income approach that focus on the realm of non-profit sector and their profit-making activities. Innovation school, on the other hand, looks beyond sectors and prioritizes innovative aspects of entrepreneurial activities and their impact rather than the methods of income generation. Social business

approach focuses on the business relying on market but has an explicit social mission. Lastly, some scholars accept the variety of social entrepreneurship and defines it in a spectrum operating among profit-making and pure social mission orientated organizations. Here, social enterprise is not a new organizational form, but it encompasses a large range of organizations (Simmons, 2008) on a wide spectrum from non-profits to commercial enterprises.

While the social entrepreneurship literature has largely concentrated on the interplay of civil society and market logics, public entrepreneurship debates draw attention to the state as an additional site where entrepreneurial practices emerge. Public entrepreneurship debates have traced how entrepreneurial practices emerge within the state alongside markets and civil society. Roberts and King (1991) conceptualized public entrepreneurs as actors who introduce innovations into public organizations and decision-making processes, thereby enhancing public value. Roberts (1992) further emphasized that entrepreneurship is not confined to markets but also manifests in government, where creative individuals and groups initiate and sustain innovative practices. Bernier and Hafsi (2007) expand this perspective by arguing that the nature of public entrepreneurship has shifted from “heroic” individual entrepreneurs toward more “systemic” and collective forms. In their cyclical view, individuals often play a decisive role in the founding phase or when new initiatives are needed, but as organizations mature, entrepreneurship becomes embedded in structures, routines, and networks. More recent reviews reinforce this multidimensionality: Vivona, Clausen, Gullmark, Cinar, and Demircioglu (2024) identify innovation, risk-taking, proactiveness, and collaboration as the recurring dimensions of public sector entrepreneurship. In a similar vein, Moric Milovanovic, Petreski, Milenkovska, and Dokovski (2025) highlight the fragmented state of definitions in the literature, while also pointing to future research agendas that explore the institutional contexts of public entrepreneurship and its role in creating public value. Taken together, these debates show that entrepreneurial logics traverse sectoral boundaries: just as social enterprises bridge civil society and market spheres, public entrepreneurship demonstrates how entrepreneurial activity reshapes state institutions and governance processes in pursuit of innovation and collective welfare.

Table 7. Main Approaches in the Conceptualization of Social Enterprises

Approach	Coverage	Characteristics
Earned income	Non-profits in search of alternative funding strategies	Mix of market income and other sources Mix of non-profit organization and business methods
Innovation	Goods and services based on innovations done to alleviate social problems	Organizational form and income model are secondary to innovation in solving social problems
Social business	Limited profit enterprises that have social mission orientation	Reliance on market income Adoption of business methods
Spectrum	Recognizes a continuum of organizational forms with multiple hybrid combinations in between.	Characteristics change according to the place on the spectrum

Note. Evaluation conducted by the author.

In this thesis, social entrepreneurship will be conceptualized as occurring along a spectrum. This approach is preferred because, as emphasized in the “schools of thought” literature, there is no consensus on a single, rigid definition of social enterprise. In the Turkish context as well, there is no official legal framework or widely accepted definition, which makes it difficult to clearly demarcate what counts as a social enterprise. In such an environment, the spectrum perspective provides the most suitable analytical lens, as it allows for the inclusion of diverse organizational forms with different combinations of social goals and profit-making. In addition, innovation is recognized as an important dimension across organizational forms, but rather than serving as a universal criterion, it will be considered on a case-by-case basis. Accordingly, the field study will include a heterogeneous sample ranging from associations without commercial activities to companies that restrict profit distribution. By adopting this spectrum-based and flexible perspective, the thesis aims to capture the heterogeneity of social enterprises in Türkiye and to analyze their organizational logics, characteristics, objectives, and the motivations driving them. .

2.5. A Closer Look at Social Enterprises and their Ecosystems

Rather than engaging in rigid definitional debates, much of the literature has sought to capture the organizational dynamics of social enterprises through key analytical dimensions. Comparative studies (Defourny & Nyssens, 2010; Kerlin, 2013) often highlight how governance choices, income strategies, resource configurations, and motivational orientations explain variation across different contexts. These dimensions not only shed light on hybridity, but also provide a systematic way of examining how social enterprises balance social and economic logics in practice.

Building on this, the thesis employs four interrelated lenses. Governance is central for understanding legitimacy and autonomy, particularly in the Turkish context where no legal framework or settled definition exists. Income generation has been emphasized as a major determinant of sustainability, with hybrids relying on varying mixes of trading, grants, and donations (Alter, 2004). Resources—whether financial, human, or social—shape the scope and durability of impact, with social capital often compensating for financial constraints (Austin et al., 2006). Finally, the motivations and goals of entrepreneurs and members explain how social enterprises prioritize between social value creation and economic viability (Dees, 1998; Dacin et al., 2011).

- *Governance*, including legal organization forms chosen, decision-making structures and processes, stakeholder management, cohesion, and autonomy,
- *Income generation* that will identify sources of income (trading activities, government/NGO grants, donations, social procurement, etc.) and sustainability efforts,
- *Resources* including social capital, skill sets, and financial endowments and,
- *Motivations and goals* of social entrepreneurs.

2.5.1. Governance

Governance includes the structures, processes, and relationships that mediate organizations' directing, monitoring, and accountabilities (Battilana, 2018) and entails a long array of roles ranging from ensuring legal and ethical responsibilities

are met, overseeing financial and resource management, setting goals and making strategic plans for an organization. In social enterprises, governance can be defined as “strategic and operational board-level leadership, enabling service users, managers, trustees and other defined stakeholders to create and maximize social benefit” (Mason, 2009, p. 216). Leadership also has a crucial role in shaping the governance structures of organizations. The process through which social entrepreneurs set up their enterprises, their motivations, background, and profiles are essential elements to investigate further, as they may impact choices of organization and approach to deal with opportunities and challenges social enterprises face.

Who takes strategic decisions in an organization and who has the power to oversee these decisions and their implementation is closely related to the legal structures of social enterprises, and vice versa, as governance preferences and power relations often shape the choice of legal form. To that end, a summary of different legal bodies which are seen commonly in the social entrepreneurship ecosystems is presented below:

- **Cooperatives** are one of the well-established forms of social economy enterprises as historically rooted organizations. They are generally defined as "people-centered enterprises jointly owned and democratically controlled by and for their members to realize their common economic, social and cultural needs and aspirations" (ICA, no date). Cooperatives can be established by different groups like consumers, producers, workers or residents. Their management rests on the principle of "one member, one vote" which means members have equal voting rights regardless of the amount of their capital put into the cooperative. Cooperatives are enterprises, but they are not driven just by business values but share internationally agreed principles ensuring they serve their community's needs and prioritize social justice and fairness. Many cooperatives today aim to be sustainable enterprises that generate jobs and prosperity for their members. Social cooperatives, on the other hand, have gained attention in the last decades as a new form of cooperatives. Social cooperatives originated in Italy under the transformation of traditional welfare systems. In the 1970s, it emerged as an entrepreneurial response to the social assistance needs of the local communities within a fragmented local

public service. Furthermore, the local contexts were characterized by the high social capital level as proposed by Robert Putnam (Picciotti et al., 2014). In the example of social cooperatives, cooperatives are set up to attain a social mission like delivering social and public services or creating employment opportunities.

Cooperatives have the bodies of the board of directors, general assembly, and supervisory boards. Members of the cooperative choose members of the two boards, and decisions that the board of directors can take are discussed in general assemblies to ensure democratic participation rights.

- ***Voluntary Organizations*** are another stream of the social entrepreneurship ecosystem. Associations and foundations are part of these organizations with hundreds of different types with different aims covering activities like service delivery or provision, advocacy, self-help or mutual aid, resource, and coordination.

Associations are voluntary organizations with open membership. Their members have equal voting rights, and resolutions are carried by majority (European Union, no date). Foundations, on the other hand, spend their accumulated funds on projects and activities that benefit the public. Unlike associations, they are run by appointed trustees. Their capital is often supplied by donations. They may provide grants to meet the needs of individuals or groups. Voluntary organizations, whether associations or foundations vary significantly in their financial strength and magnitude. Whereas some are big organizations with professional staff, thousands of volunteers, and manage important funds, others are smaller organizations managed by the members. Their common characteristics can be identified as a formal/institutional existence of a group of people, non-profit distributing, independence from government and other state authorities, and being active in the public arena contributing to public good. Voluntary organizations can be economically active by selling goods, and products and providing services as they set up trading arms. Many voluntary organizations work closely with state institutions. By doing so, they contribute to social and economic development (Communication on Promoting the Role of Voluntary

Organizations and Foundations in Europe, 1997). Associations have administrative boards responsible for executing decisions, and foundations have board of directors and board of trustees. Board of directors establishes policies and is accountable to members and stakeholders. The board of trustees presides over the foundations and is responsible to beneficiaries. Generally, this board is responsible for fundraising, donor relations, and representing stakeholders.

- **Companies** in different legal forms are part of the social economy as well. Limited liability companies, corporations, one person companies are some company types. Unlike the forms presented above, companies are founded to generate profits for their founders and shareholders rather than having an explicit social mission. Usually, it has capital divisible into transferable shares, though the types and characteristics of companies vary widely depending on the local contexts. Companies have legal organs like boards of directors, boards of commissioners, professional managing directors and general managers, which are responsible to shareholders.

As can be seen from the summary above, cooperatives are inherently collectively owned and democratically governed institutions accountable to their members. In contrast, companies depend on shared ownership of investors of capital, and management is accountable to shareholders. This means that employees or other stakeholders are usually outside the governance structure. However, inclusive governance is considered as one of the main elements in social enterprises. It refers to multi-stakeholder participation and direct representation in decision-making (Colenbrander et al., 2017). A stakeholder can be defined as anyone affected by the enterprise's actions or its activities (Freeman & Reed, 1993). Among the stakeholder groups of social enterprises, there can be various groups like members, beneficiaries, users, investors, or funders with different interests, unlike companies whose main stakeholders are their shareholders. In the presence of diverse stakeholder groups, management should balance these different interests. Holding consultations with stakeholders regularly and social accounting and impact assessments are tools to engage stakeholders in the governance mechanisms and ensure their views are reflected in the social enterprise's operations (Spear et al., 2009). To look closely at

the issues related to the governance dimension, staff and board recruitment, decision-making structures, relations with stakeholders, balancing social and business goals, training, member relations, and accountability will be investigated. Furthermore, differences among different types of social enterprises will be identified in this thesis.

2.5.2. Resource Generation

Like every organization, social enterprises need resources and capital, including human, social, and financial resources, to survive. Social entrepreneurs start their journeys with resource strategies, which include planning more than financial resources. Whereas traditionally, physical and human capital have been taken as crucial resources for firms to be established and be productive, the importance of knowledge started to be recognized as another valuable source. An entrepreneur's success, whether social or commercial, depends on, among others, their ability to know the sector they are operating in, like key customers, suppliers, competitors, and talent they need bring into their organization and their recognition by others for their reputations and capabilities to gain the trust of others who will be willing to work with them and invest in them (Austin et al., 2012).

Social entrepreneurs effectively leverage relational, cultural, and institutional resources to circumvent financial and institutional barriers. Relational resources include social capital and skills that enhance one's social network (Dacin et al., 2010). Though there are different conceptualizations, in general social capital refers to the networks, relationships, and resources that people have access to as a result of their social connections and social structures. According to Bourdieu (1986), social capital is closely tied to "cultural capital," which refers to the knowledge, skills, and cultural assets people have. Putnam (1993) is another name who increased the attention given to social capital. He referred to "features of social organization, such as networks, norms, and trust that facilitated coordination and cooperation for mutual benefit" (1993:2). Social capital in this form improves the ability to acquire human or financial capital, which is both necessary resources for entrepreneurs.

Scholars have elaborated several dimensions of social capital, two of which are essential for our discussion: structural capital- the overall pattern of connections (Nahapiet & Ghoshal, 1998) and relational capital- the kind and quality of an actor's personal relations (Granovetter, 1992). Structural dimension implies the potential of a social entrepreneur to access information, resources, and support. Social relations constitute information channels, and this information received contributes to benefits in access, timing, and referrals (Burt 1992, cited in Nahapiet & Ghoshal, 1998). Relational social capital accumulates in networks with solid and multidimensional links. Social capital as a relational source includes trust, respect, and friendliness of relationships between parties. The relationship between trust and cooperation is a commonly accepted view. In that regard, it is essential to understand how trust is formed between social enterprises and their beneficiaries, as well as other stakeholders willing to contribute to the work of the social enterprise. Attention should be given to understanding dimensions of social capital a social entrepreneur possesses and how they are built, maintained, and increased (Mair & Marti, 2006). On the other hand, cultural resources include norms, values, roles, language, attitudes, beliefs and are typically investigated as internal resources. In operational terms, knowing what is considered legitimate or acceptable by social and cultural standards constitutes cultural resources. Institutional resources point to political, legal, and institutional infrastructure in which social enterprises operate. Relative lack of institutions may impose barriers to the growth of social enterprises, whereas legal, political, and financial institutional frameworks in favour of entrepreneurship can enable organizational development (Dacin et al., 2010).

Resource allocation can be complex and involve trade-offs between social and economic goals, as social enterprises are hybrid organizations combining the logics of market and social welfare. This hybrid nature presents different challenges and risks for the organizations, such as the problematic nature of acquiring human and financial capital (Battilana, 2018). Human capital needed in social enterprises encompasses managers, employers, volunteers, and funders who play vital roles in the operations of social enterprises. Human resource management greatly impacts organizational performance. Human resource management includes attracting and retaining qualified paid and volunteer staff, supervising staff and performance

management, compensation policy, and professional development opportunities. Social enterprises, set up as mission-driven organizations and disadvantaged in access to finance, can face difficulties in hiring professional employees. On the other hand, employees talented in operational issues like finance, commerce, and legal issues and in areas related to the social mission are needed. However, employees skilled in both social and financial goals may be hard to be found, and hiring individuals talented in both groups separately may require different mechanisms to identify with a hybrid organization (Battilana, 2018). People constitute a significant part of resources as they bring a wide array of intangible resources, including knowledge, social capital, passions and reputations (Güçlü et al., 2002).

The majority of new firms start with limited resources. However, as implicated in the definition of entrepreneurs, they act in the presence of challenges despite their ability to attract new resources (Baker&Nelson, 2005). At this point, an important concept to consider is "bricolage," developed by Levi-Strauss (1997). Bricolage is defined as making do with whatever is at hand (1967:17). The concept of bricolage has been applied to a variety of disciplines with the general meaning of using what is at hand for new purposes. It denotes resourcefulness and adaptability within an existing context, and a bricoleur deploys whatever strategies are required under various circumstances in response to unpredicted activity (Ciborra, 1996 as cited in Baker&Nelson, 2005). As emphasized in the entrepreneurship literature, entrepreneurs pursue their aims even if their resources are limited and are skilled in attracting resources. Di Domenico, Haugh, and Tracey (2010) refer to the three categories of social bricolage as making do, a refusal to be constrained by limitations, and improvisation. Making do denotes creating something from nothing, like a new market or service, using disused or unwanted resources, or using hidden or untapped local resources. Refusing to be constrained by limitations includes trying solutions to limitations imposed by institutional/political settings. Improvisation includes creative thinking to counteract limitations, initiating projects, constantly responding to opportunities, and embedded agency and community engagement. They propose a conceptual framework of social bricolage in the context of social entrepreneurship. Accordingly, they add social value creation, stakeholder

participation, and persuasion as social action capabilities in addition to three elements of traditional bricolage.

Access to financial resources may be complex for social enterprises as well. Sources of capital for commercial enterprises can be funding from investors, bank credits, government grants, and credits. Philanthropic organizations, on the other hand, may receive donations, and government funding. New funding models also emerged in recent years, like impact investing and crowdfunding. Organizations that acquired non-profit legal forms with social missions are typically allowed to receive tax-free donations, whereas organizations incorporated as companies may raise financial capital through the sale of equity, which is not an option for non-profits. Some legal forms, like benefit corporations in the US and community interest companies in the United Kingdom, have emerged to fit better the needs of social enterprises combining advantages given to for-profit and non-profit organizations. However, though they are entitled to certain advantages, they can be in a disadvantaged position due to their dual mission. For example, potential investors may see social enterprises as riskier since they prioritize social mission over financial goals. This makes them less successful in securing external financing. Another related issue with regard to the resource generation and hybridity is the embeddedness of social mission and economic goals. Profit-making activities that share costs with activities toward social mission are considered strategically beneficial because they create revenue without creating competing resource demands (Nielsen, 1986). In this regard, mission-centric social enterprises, as framed by Alter, are more advantageous. These integrated activities of mission-centric social enterprises allow them also to gain legitimacy easier. On the other hand, enterprises performing commercial activities unrelated to their mission may experience a "service paradox" where serving their customers may lead to inadequacies in serving their beneficiaries (Jay, 2013).

On the other hand, reducing the costs of operational expenses is a significant consideration for social entrepreneurs. Unlike traditional entrepreneurs, they have the advantage of promoting their social impact and so offer below-market rate compensations or ask for discounts. Regarding paid human capital, wages can be

lower than the market average as employees would choose to work at the social enterprises because of the personal satisfaction they get working to realize a social mission.

Identifying resource requirements and determining ways of mobilizing resources are the first steps in developing resource strategies. Güçlü et al. (2002) note that social entrepreneurs can mobilize their resources by building partnerships or alliances, attracting donations and paying for their resources. Building resource-based partnerships can be a viable option for social enterprises when resources are scarce. Attracting resources includes acquiring volunteers or in-kind donations to sustain operations. However, depending on donated resources may impose some risks such as not getting the resources in a timely manner or not acquiring precisely what the enterprise needs. Alternatively, in some instances the use of volunteered human capital may not yield as effective results as the use of paid staff. Considering all the different dimensions of resources and capital, how resources are gained and maintained will be explored in the cases that will be presented.

2.5.3. Income Generation

Income generation through the market or traditional philanthropic tools is necessary for sustainable social enterprises. How a social enterprise generates income depends on their position in the social entrepreneurship spectrum and the context in which they operate. Social entrepreneurs can set up financially sustainable enterprises through commercial activities, or they may prefer to depend on donations, grants, or a combination of both.

For the earned income school, unlike traditional entrepreneurship, which's success is measured by financial results, social entrepreneurship success or failure should be determined looking at both financial and social returns. This is called double bottom line, a virtual blend of financial and social returns. In this line of understanding, earned income should be pursued, and profitability is a goal for enterprises (Boshee & McClurg, 2003) Boshee and McClurg note at this point the distinction between sustainability and self-sufficiency. Accordingly, non-profits can achieve

sustainability through a combination of philanthropy, government subsidy, and earned income. Nevertheless, self-sufficiency can only be achieved by relying entirely on earned income. For social innovation school, on the other hand, taking economic risks may include efforts to secure income from the enterprise's economic activities, philanthropic resources, or government subsidies (Defourny & Nyssens, 2010).

Organizations closer to the non-profit end of the spectrum may receive donations, grants, and collect fees from their members. However, as these organizations adopt behaviours from business organizations, their income generation methods have been diversified, and they started to set up ventures with commercial activities. However, as they aim to offer solutions to social problems, their primary beneficiaries are disadvantaged people. Dees (2002) argues that in most cases earning income from intended beneficiaries is not a viable option for social enterprises as their beneficiaries are rarely well-informed or are appropriate payers, and in some cases, it is not possible to identify the intended beneficiaries, like in the case of environmental NGOs. An alternative is to differentiate between customers who will pay for services and products and target groups who will benefit from the activities of social enterprise financed with the income from commercial activities. In some situations, governments, corporations, or big third-sector organizations finance social entrepreneurial activities through grants, donations, or establish contract relations with social enterprises for the fulfillment of social services. Organizations closer to the business end of the spectrum perform commercial activities in corporations or cooperatives and earn income. As widely agreed, social enterprises, like other enterprises, can make profits, but their main aim is to maximize their social mission, not profit maximization. In this regard, a distinguishing characteristic of social enterprises is what they make off with their profits indeed. Reinvesting profits into their social mission is seen as necessary for an enterprise to be considered a social enterprise in the earned income school. Profits can be used to extend the current business operations, extend the number of beneficiaries or start new social investments.

Based on this ground, in this study, sources of income generation and what constitutes financial success in the context of Türkiye -whether being profitable with

earned income from commercial activities or sustainability in the broader sense -will also be investigated.

2.5.4. Motivations, Goals, and Impact

Social entrepreneurs pursue attractive opportunities that can bring positive social impact and invest their resources, including time, energy and money, to these opportunities. Serving basic and long-standing needs of people through more innovative and/or business-like approaches is a common goal for social entrepreneurs. A recognized social need or market failure constitutes starting point for social entrepreneurs rather than the consideration of market size and profitability (Austin et al., 2012). Social needs are defined as “gaps between socially desirable conditions and the existing reality” (Güçlü et al., 2002:3) Choice of social need depends on social entrepreneur’s personal values as well as general acceptance of the view that meeting the need would create social value. While there are some needs, like ending poverty and hunger, that are widely embraced, some others are widely disputed. Social entrepreneurs need support and stakeholders who share the commitment to their social cause to achieve viability. In this process, changes in social, demographic, political or economic areas can open up new possibilities for social entrepreneurs.

Social entrepreneurs, in Dees’ (2017: 22) words, "combine the passion of a social mission with an image of business-like discipline, innovation, and determination..." At the core of their business lies their social mission rather than creating personal benefits. Personal experience may provide an important source of their motivation. Dissatisfaction with the status quo prompts social entrepreneurs to look for new approaches to social problems. Negative experiences of themselves, their family or friends as well as positive experiences may serve to entrepreneurial creativity (Güçlü et al., 2002). On the other hand, social entrepreneurs’ focus on meeting social needs, can lead to an understanding that their motive is purely altruistic. Mair and Marti (2006) at this point argue that though social entrepreneurship is often based on moral responsibility and ethical values, social entrepreneurs may have less altruistic motives like personal fulfilment. Dacin et al. (2011) remind that the assumption that

social entrepreneurs are essentially altruistic in their motives for running social enterprises can lead to overlooking their search for profitability. Based on these discussions, motivations of social entrepreneurs to start their initiatives will be explored, and how they perceive their social missions, as well as their role within the broader policy framework and diverse stakeholder groups.

Social entrepreneurs do not only have social goals as social enterprises are hybrid organizations combining logics of market and social welfare. This hybrid nature presents different challenges and risks for organizations. Pursuing dual goals may be particularly difficult in contexts where the ecosystem is not set up for hybrid organizations but rather organized only around for-profit and non-profit organizations. Battilana (2018), based on his field research, asserts that many social enterprises face internal and external tensions due to the incompatibility of their social and financial goals. Internal tensions may stem from divergent opinions on the importance of dual objective among members and identity tensions may arise. For social enterprises, which depend on commercial income generation, some scholars draw our attention to mission drift, which can be defined as losing sight of their social mission in their efforts to generate revenue (Ebrahim et al., 2014). Though mission drift is not specific to social enterprises, it is especially acute for them since its consequence threatens their *raison d'être*. The trade-off between social mission and commercial activities constitutes a governance challenge for them (Battilana,2018). In terms of organizational governance, social enterprises have these conflicting goals and, in some instances, divergent stakeholder interests. When analysing social enterprises in this thesis, how they balance alternative social and financial goals will also be examined.

The last point included in this section is the social impact dimension. Measuring performance for social enterprises is different from measurements of commercial enterprises. Impact brings the question of finding appropriate measures and metrics to evaluate social entrepreneurial success. On the one hand, achievement of social mission, on the other hand, financial returns can be considered when evaluating the impact of social enterprises. Commercial entrepreneurs have more standard and tangible performance measures such as market share, turnover, customer satisfaction,

export numbers, etc. However, for social enterprises, what matters is social impact which is often nonquantifiable and has multicausality and temporal dimensions (Austin et al., 2012). Depending on cultural and institutional constraints, there can be unintended consequences of acts of social enterprises. For example, the implementation of micro-credit programmes by Grameen Bank in Bangladesh led to increased violence against married women rather than empowering them due to the lack of more profound understanding of cultural norms (Dacin et al., 2010).

The goals and impact of social enterprises have repercussions on their legitimacy. Suchman (1995) defines legitimacy as "a generalized perception or assumption that the actions of an entity are socially desirable, proper or appropriate within some socially constructed system of norms, value, beliefs, and definitions" (p. 574.) Based on Suchman's definition, Dart (2004) points out that social enterprises potentially seek for pragmatic, moral and cognitive legitimacy. Pragmatic legitimacy can be defined as legitimacy as a result of value given to an organization by stakeholder groups based on their expected gains. It denotes an attribution of social acceptability. To investigate pragmatic legitimacy, perceptions of stakeholders like beneficiaries of a social enterprise should be identified on the outcomes produced. On this ground, pragmatic legitimacy necessitates social accounting and auditing. Social accounting can be defined as "the voluntary process concerned with assessing and communicating organizational activities and impacts on social, ethical, and environmental issues relevant to stakeholders" (Crane & Matten, 2007, p. 195). Social impact assessment methods, such as social return on investment method (SROI), can be applied as part of social auditing. Moral legitimacy refers to a normative evaluation of whether the organization's activities are aligned with the broader norms in the socio-political environment. The understanding of social enterprise as a more appropriate form of organization than conventional non-profit organizations due to political changes and higher praise given to business-based approaches exemplifies moral legitimacy of social enterprises. Moral legitimacy is different from pragmatic legitimacy since this form of legitimacy is independent of outputs produced within social enterprises as it is related to political and ideological ideas. Moral legitimacy implies that there may be isomorphic pressures from key stakeholders and social environment (Di Maggio & Powell, 1983) that force managers and stakeholders to

conform to social trends and expectations. In these situations, rather than passively confirming, organizations produce multiple forms of strategic responses, including resistance, avoidance, compromise, and passive acquiescence. The discussions on legitimacy tell us to look at social enterprises as legitimacy-seeking organizations and investigate how they obtain their legitimacy and how this affects their resources.

2.5.5. The Ecosystem of Social Enterprises

Social enterprises' growth and characteristics depend partly on the external environment they are operating in. Macro-economy, legal and regulatory structure, and supporting institutions all impact available resources to social enterprises. Whereas legal, political, or financial institutions are considered favourable for enterprises to flourish, in case of social entrepreneurship, significant problems in social, economic, and political realms can support the establishment of social enterprises. Even if institutions exist to address those problems, their incompetence or unwillingness as a result of embedded norms or institutional constraints may lead social entrepreneurs to step in (Dacin et al., 2010). In resource-scarce contexts entrepreneurs gather resources through networks, social resourcing, financial bootstrapping, strategies of effectuation and bricolage (Di Domenico et al., 2010). Second, elements of the political environment such as specific regulatory requirements and sources of public support or resistance, affect the operations of social enterprises. Another dimension of the ecosystem is culture which is defined by the dominant values of society, norms, and sub-group cultures. Social enterprises make assumptions about the conditions of their environment and the accuracy of these assumptions affects their chances of success. However, they also must be aware that environment is dynamic, and conditions will change eventually. There is a window of opportunity for entrepreneurs in which conditions are favorable concerning the importance given to the social needs to be addressed, the number of people affected, the visibility of the need, technological developments as well as the public policy environment (Güçlü et al., 2002).

On the other hand, in the last years, intermediary organizations such as networks of entrepreneurs, platforms, and acceleration and incubation programmes are on the rise

providing technical tools and financial sources in some instances. Membership in global or regional networks allows social entrepreneurs to share their ideas and build community across geographies. However, the power of these networks and platform can also shape the agendas of social entrepreneurs (Dacin et al., 2011).

Ecosystem of social enterprises will be looked at more closely in the State Policies and Support Instruments chapter and the Turkish context will be explored in the chapter of Evolution and Overview of Social Entrepreneurship Practices in Türkiye.

CHAPTER 3

SOCIAL ENTREPRENEURSHIP POLICIES AND ECOSYSTEMS: EXAMINING STATE POLICIES AND SUPPORT FRAMEWORKS FOR SOCIAL ENTERPRISES

Social entrepreneurship, a rapidly evolving field, has garnered significant attention in the global economic landscape, especially as a catalyst for addressing societal challenges through innovative and sustainable solutions. It has flourished in various forms across different regions, each influenced by its unique socio-cultural, institutional and political contexts. Europe has seen a robust growth in social entrepreneurship, supported by a mix of European Union (EU) policies and individual government initiatives, whereas in North America, particularly the United States and Canada, social entrepreneurship has been driven by a combination of philanthropy, innovation, and a strong entrepreneurial culture. While much of the academic and policy literature continues to focus on institutionalized ecosystems in the Global North—where social enterprises benefit from legal codification, public procurement mechanisms, and integrated welfare regimes—emerging evidence suggests that equally significant innovations are taking place in the Global South, under very different conditions. The Global South, broadly referring to countries in Africa, Asia, Latin America, and the Caribbean, represents a highly diverse geopolitical and socio-economic landscape, characterized by lower levels of industrial development, legacies of colonization, and ongoing struggles with poverty, inequality, and environmental degradation (Dados & Connell, 2012; Fiddian-Qasmiyeh & Daley, 2019). Yet it is precisely within these complex and often adverse settings that social entrepreneurship has taken on new and urgent meanings. In many Global South countries, the rise of social entrepreneurship has been shaped by the withdrawal of the state under structural adjustment programs, persistent governance gaps, and growing pressure on local communities to find alternative means of

survival and well-being (Bewayo & Portes, 2016; Kerlin, 2010). At the same time, global attention to the “base of the pyramid” as a potential site for market-based inclusion (Hart & Prahalad, 2013), and the imperative to close the Sustainable Development Goals (SDGs) financing gap, have brought increased donor and investor interest to the field. In this context, social enterprises are often seen not only as service providers or innovators, but also as institutional substitutes—filling the void left by weakened public sectors and fragmented markets.

However, developing and sustaining social enterprises in the Global South often entails navigating what Katzer and Sendlhofer (2023) describe as a “double burden”: on the one hand, responding to local socio-cultural dynamics and entrenched inequalities; on the other, managing expectations of hybrid organizational performance shaped by donor agendas and imported models. These tensions highlight both the transformative potential and structural fragility of social entrepreneurship in non-institutionalized environments. Like many Global South countries, Türkiye faces challenges related to informal labor markets, patchy welfare provision, limited state support for social enterprise, and a civil society that often operates under legal and financial uncertainty. At the same time, it shares with countries like Brazil and India a history of dynamic associational life, entrepreneurial experimentation, and strategic hybridization between state, market, and community sectors.

In this context, Türkiye presents a unique hybrid model that diverges from the dominant welfare paradigms of both liberal and social-democratic regimes. The country’s evolving welfare landscape—characterized by the co-existence of fragmented social security, discretionary local assistance, and charity-driven aid—has created structural spaces where civil society, municipalities, and non-state actors are increasingly central to the provision of welfare. This chapter aims to place Türkiye’s experience within a broader comparative framework. While drawing on international models and policy approaches to social entrepreneurship, it also critically reflects on the specific institutional and socio-political environment that shapes the Turkish case. Türkiye’s particular path—one that blends state-led social assistance, voluntarism, and emerging market logics—offers fertile ground to explore

how social entrepreneurship develops in spaces where neither the state nor the market singularly dominates.

The following sections will delve into global trends before analyzing how Türkiye's distinctive welfare configuration has facilitated the rise of social entrepreneurship as a complementary mechanism for delivering social goods.

3.1. Global Outlook of the Social Enterprises

Given social entrepreneurship's ambiguous boundaries and varying interpretations by scholars, it poses as a challenge to create a consistent overview of the global social enterprise landscape. However, several studies have been conducted that offer insights into the prevalence and characteristics of social enterprises worldwide. These studies help to illuminate the sector's diversity and scope.

The most recent comprehensive study on social enterprises, conducted by the World Economic Forum (WEF) in 2024 "The State of Social Enterprise: A Review of Global Data 2013- 2023", provides a valuable overview of the prevalence and characteristics of social enterprises worldwide. By compiling estimates of the number of social enterprises in each country with available data, which is 80 countries- between 2013 and 2023, the World Economic Forum estimates there are over 8.16 million social enterprises worldwide constituting more than 3 % of all business as well as 2 % of global GDP. If this trend is extended to include countries without available data, the estimated total rises to 9.79 million social enterprises globally. Social enterprises are often small and medium-sized businesses with fewer than 250 employees, and many are classified as micro-enterprises with fewer than 50 employees. It is estimated that they generate \$2 trillion in annual revenue and also play a crucial role in employment, creating nearly 200 million jobs globally. The report also highlights that social enterprises are instrumental in addressing gender inequality, with women leading one in two social enterprises globally, compared to just one in five traditional businesses. The report reveals that, according to available data, most social entrepreneurs rely on external funding sources to finance their organizations.

On the other hand, similar research conducted by the British Council on a global scale has also involved attempts to estimate the number of social enterprises. The data indicates that there may be approximately 11 million businesses worldwide that could qualify as social enterprises (More in Common: the global state of social enterprise, 2022). According to the study, most countries commonly shared three primary inclusion criteria, which revolved around:

- Generating a significant or the majority of their income through commercial activities such as trading and selling goods and services in markets.
- Prioritizing a social or environmental mission over the pursuit of profit as their primary objective.
- Primarily channeling any surpluses or profits earned towards furthering their mission of social or environmental impact.

The report asserts that social enterprises are frequently new ventures, on average, across various countries, the year of establishment for these enterprises is 2010. Globally, social enterprises pursue a range of goals, with the most prevalent being community improvement, job and enterprise creation, enhancement of health and well-being, environmental protection, and the promotion of education and literacy. The legal structures available for social enterprises to register their businesses differ from country to country, as do the regulations pertaining to each structure, compliance requirements, and the level of informality present in the economy.

A survey by the Schwab Foundation's Global Alliance for Social Entrepreneurship, spanning 35 countries, highlights the systemic barriers social enterprises face at every stage of their development, from inception to scaling operations. The findings aim to inform discussions around the impact of social entrepreneurship, highlighting its potential to address issues such as inequality, sustainability, and systemic change. Accordingly, key challenges include:

- **Limited Access to Finance:** Social enterprises struggle to secure traditional funding due to their dual focus on social and financial goals, which often falls outside conventional funding criteria.
- **Lack of Public Awareness and Recognition:** Many stakeholders, including consumers, investors, and policymakers, have limited understanding of the

social enterprise model and its dual commitment to societal impact and financial sustainability.

- **Insufficient Government Support:** Policymakers often overlook the distinct needs of social enterprises, resulting in inadequate regulatory frameworks and a lack of financial incentives tailored to their operations.
- **Inadequate Legal and Fiscal Frameworks:** Ambiguous and complex regulations, combined with a lack of legal structures designed for social enterprises, create bureaucratic hurdles that limit operational efficiency and access to resources.
- **Restricted Access to Procurement Opportunities:** Social enterprises face difficulties in participating in public and private procurement processes, reducing their ability to secure contracts and partnerships. Inclusive procurement policies emphasizing social and environmental impacts could help address this gap.

These barriers underline the need for targeted policies and support mechanisms to enable social enterprises to thrive and amplify their societal contributions. The 2023 adoption of the UN resolution on *Promoting the Social and Solidarity Economy for Sustainable Development* marks a significant milestone in recognizing the contributions of social enterprises and other organizations within this sector and overcoming the barriers faced by social economy organizations. This resolution emphasizes their role in fostering inclusive growth and advancing the SDGs. A record number of nations, including Germany, Malaysia, and Senegal, have established supportive legal frameworks to enhance the operations of social enterprises, focusing on areas such as procurement, taxation, and financial regulation.

Similarly, the 2022 OECD Council Recommendation on the Social and Solidarity Economy and Social Innovation calls on member states to set up supportive frameworks with clear government roles, and stresses that access to finance should be a priority through funding strategies, innovative tools, and capacity-building. The document also emphasizes building skills and providing business development support through dedicated education, mentoring, and tailored capacity-building

programs. The OECD also developed an online tool, “The Better Entrepreneurship Policy Tool”, in collaboration with the European Commission, for the purpose of guiding the interested parties at local, regional and national levels to discover how public policy can thrive the social enterprises, and guides the policymakers to design legal frameworks for social enterprises.

In addition to these initiatives, several organizations have implemented policy interventions at the international level. Notably, the European Commission adopted the Social Economy Action Plan, setting a precedent for other regional organizations to follow. The Association of Southeast Asian Nations (ASEAN) introduced the “Guidelines for the Promotion of Inclusive Business in ASEAN,” while the African Union adopted a 10-Year Social and Solidarity Economy Strategy for Africa (2023–2032).

3.2. Global Initiatives to Support Social Enterprises

Global initiatives to support social enterprises are diverse, encompassing organizations funded by philanthropic foundations and international donors with the aim of fostering innovation, addressing societal challenges, and scaling impactful solutions. Examples include the Skoll Foundation, which invests in transformative social entrepreneurs, and Ashoka, which builds a global network of changemakers to drive systemic change. On the other hand, corporate-driven initiatives, such as IKEA Social Entrepreneurship, represent efforts by businesses to integrate social responsibility into their operations. These programs collaborate with social enterprises to promote inclusive practices and sustainable supply chains.

Policy Advocacy: Global platforms such as the Social Enterprise World Forum (SEWF), the World Economic Forum’s Global Alliance for Social Entrepreneurship, the Global Social Economy Forum (GSEF), and the Global Impact Investing Network (GIIN) illustrate how social enterprise and the social economy are increasingly situated within transnational agendas that shape norms, resources, and institutional frameworks. These initiatives mobilize a wide range of actors—including corporations, investors, philanthropists, governments, local authorities, and

civil society—while providing mechanisms such as policy advocacy, social procurement schemes, cross-border forums, verification systems, and impact measurement standards. By linking local initiatives to global discourses on sustainability, innovation, and impact investing, they facilitate the diffusion of practices, the alignment of financing models, and the integration of social entrepreneurship into national and international policy environments. In this way, they demonstrate how social enterprises are embedded within broader processes of global governance and how the field develops through multi-level interactions across policy, finance, and practice.

Funding Organizations and Programmes: Institutions such as the European Investment Fund (EIF), Grameen Bank, and the Nonprofit Enterprise and Self-sustainability Team (NESsT) demonstrate how financial and organizational infrastructures at different scales shape the growth and sustainability of social enterprises. The EIF, operating within the European Investment Bank Group, expands access to finance through instruments such as social impact bonds, venture capital, and loan guarantees, addressing gaps in traditional markets and embedding social entrepreneurship within European financial systems (European Commission, 2021). Grameen Bank, as a pioneer of microfinance, established a model of group-based lending that broadened financial inclusion for marginalized populations, particularly women, and generated a template replicated across diverse national contexts. Grameen Bank’s unique model is based on group lending and mutual accountability. Borrowers, organized into small groups, collectively guarantee each other's loans, reducing the need for collateral. The bank's model has inspired similar microfinance initiatives in over 100 countries worldwide (Grameen Bank, n.d.). NESsT complements these approaches by supporting early-stage and growth-oriented social enterprises in emerging markets through blended finance, training, and long-term capacity development, linking investment with market access and entrepreneurial strengthening (NESsT, n.d.). Together, these initiatives illustrate how different forms of financial tools and capacity-building mechanisms contribute to constructing the institutional environment in which social enterprises operate, from global investment frameworks to localized models of financial inclusion.

Networking and Capacity Building Organizations: Organizations such as the Ashoka Foundation, the Skoll Foundation, and the Schwab Foundation illustrate how philanthropic and network-building actors contribute to the institutionalization of social entrepreneurship at a global level. Through fellowship programs, awards, and funding mechanisms, they identify, support, and connect leading social entrepreneurs while channeling resources toward scaling innovative solutions. These foundations also operate as knowledge platforms, producing narratives, convenings, and collaborative initiatives that frame social entrepreneurship within broader debates on inequality, sustainability, and global development. By combining financial investment, recognition, and thought leadership, they create transnational infrastructures that expand the visibility of social entrepreneurship and embed it within global policy and development agendas.

Initiatives for Inclusive Supply Chains and Access to Markets: While global forums and philanthropic foundations shape agendas and financing structures, another set of actors operates through value chains and market mechanisms to embed social entrepreneurship in everyday economic practices. IKEA Social Entrepreneurship collaborates with social enterprises to co-create products and provide marginalized groups with employment, design support, and access to international retail platforms. The World Fair Trade Organization (WFTO) builds a transnational infrastructure of certification and advocacy, ensuring compliance with principles such as fair wages, gender equity, and sustainability across hundreds of member organizations. The Nest Artisan Guild focuses on strengthening artisan communities by preserving traditional skills, expanding market access, and promoting ethical production standards. Accenture's Inclusive Value Chains Initiative, in turn, leverages corporate expertise in digitalization and strategy to integrate underserved producers into competitive markets. Taken together, these initiatives show how corporations, networks, and intermediaries institutionalize social enterprise within global supply chains, aligning commercial activity with social impact and advancing ethical models of production and consumption.

Global Accelerators: In addition to financial institutions and foundations, a range of incubators, accelerators, and fellowship programs provide the infrastructure through

which social entrepreneurship is cultivated and scaled. Impact Hub offers a global network of collaborative spaces and support mechanisms for early-stage entrepreneurs, while Yunus Social Business Global Initiatives combines mentoring and access to finance to advance business models with explicit social missions. Within the development system, UNDP's Accelerator Labs operate across more than one hundred countries to identify, test, and diffuse locally driven solutions to structural challenges, embedding social innovation in national development agendas. Echoing Green contributes by channeling seed capital and leadership training to emerging changemakers through its fellowship program. Collectively, these organizations represent institutional arrangements that link social entrepreneurs to resources, networks, and policy frameworks, situating entrepreneurial activity within broader ecosystems of support at both local and global levels.

3.3. The European Union and Development of Social Entrepreneurship's Institutional Framework

In European countries, the concept of 'social investment' has gained increasing acceptance as a rationale for social policy reforms. There is a growing understanding that interdependent policy areas—including social security, wage bargaining, labor market policy and regulation, family benefits and services, public health, education and training, and macroeconomic policy—jointly impact citizens' life chances, affecting employment, equality, poverty, gender balance, and social mobility (Hemerijck, 2018).

Redistributive transfers, the insurance mechanism at the core of the traditional welfare state, are diminishing in relative importance as guarantors of decent social inclusion. Instead, there is a growing emphasis on lifelong learning and skill development within 'active' labor market policies aimed at diverse groups at risk of exclusion. This shift reflects a dual recognition: to safeguard social solidarity, a modern welfare state must provide enabling or capacitating services that equip individuals and families to mitigate risks that cannot be reliably insured against. Additionally, for these services to be effective, they must be tailored to the specific needs of individuals or groups (Sable, 2012).

The historical development of social entrepreneurship in the European Union is closely intertwined with the evolution of neoliberal policies. Traditionally, the EU's approach to social inclusion relied heavily on integrating disadvantaged populations into employment. This emphasis on employment was considered a fundamental aspect of EU social policy, reflecting the belief that work is central to social integration and individual agency. However, this model began to face challenges, primarily due to two factors: Limited capacity for job creation-as the job market became increasingly strained, with fewer opportunities for sustainable employment, particularly for marginalized groups, it became evident that conventional employment-based solutions could not fully address social exclusion. Second, the neoliberal outlook prioritized deregulation, reduced government intervention, and an increased reliance on market-driven solutions.

In line with this framework, in the Luxemburg Summit in 1997, states have agreed that entrepreneurship and job creation should be one of the core pillars in the fight against unemployment. The economic crisis of 2008 reinforced the importance given to entrepreneurship (Greblikaite et al., 2015). In 2009, European Parliament approved *Resolution on Social Economy* recognizing the concept of the social economy. Resolutions hold a significant place within the EU policy framework, serving as influential instruments that signal policy direction, encourage member states to take specific actions, and set the stage for future legislation. While resolutions are non-binding, they communicate the EU's stance on critical issues and catalyze social and economic change by raising awareness, guiding investment, and influencing public and private sector priorities across member states. In the Resolution, combining profitability with solidarity and creating long-term jobs and so strengthening social and economic cohesion were attributed roles to social economy. It laid the ground for securing a legal framework for social economy organizations separating them from the usual regime of competition.

The EU's policy framework, particularly the "Social Business Initiative" launched in 2011, aimed to create an enabling environment for social enterprises. The initiative established an EU level action plan with concrete measures to establish a favourable environment for social enterprises. The visibility of social enterprises and the social

economy as a whole has significantly increased since the launch of the Initiative (EU Impact of the European Commission’s Social Business Initiative, 2021).

The Social Business Initiative (SBI) through Communication 682, introduced an action plan comprising 11 key actions, categorized into three strategic areas: improving access to funding, enhancing visibility for social enterprises, and strengthening the legal framework for social entrepreneurship. The overarching goal was to foster a highly competitive social market economy and generate innovative solutions to societal challenges through the social economy. Notably, the term “social business” appeared for the first time in an EU document, reflecting a shift in European institutions' approach to addressing social issues through market-driven mechanisms (Bassi & Fabbri, 2020). Following the SBI’s introduction, the European Commission collaborated with several institutions to build and reinforce the social entrepreneurship ecosystem. Key players in this effort included the European Research Institute on Cooperative and Social Enterprises (Euricse) and the EMES International Research Network, which undertook significant research, educational initiatives, and consulting projects aimed at enhancing knowledge and innovation in the field. Together, these organizations conducted preliminary mapping studies on social enterprises, culminating in a comprehensive analysis of social enterprise ecosystems in Europe between 2018 and 2020.

In addition to these knowledge-based initiatives, the EU employed its structural funds—specifically, the European Social Fund (ESF) and the European Regional Development Fund (ERDF)—to financially support social enterprises, recognizing them as key investment priorities. The ESF alone directed €300 million into partnerships aimed at optimizing regulatory frameworks for social enterprises, with substantial impact observed in newer member states such as Bulgaria, Poland, Romania, and Hungary, as well as in Italy and the United Kingdom (Defourny & Nyssens, 2008). An additional source of the EU offering financial support to social enterprise is through such European Community Programs as InvestEU programme and the EU Programme for Employment and Social Innovation (EaSI). During 2021–2027, the InvestEU Fund aims to generate over EUR 372 billion in investments, backed by an EU budget guarantee of EUR 26.2 billion, implemented via partners

like the European Investment Bank (EIB). Previously, the 2014–2020 Employment and Social Innovation (EaSI) Programme supported employment, social protection, and poverty reduction. In the current period, EaSI has merged into the European Social Fund Plus (ESF+), while microfinance and social enterprise financing have transitioned to the InvestEU Programme. A key initiative, Social Inclusive Finance Technical Assistance (SIFTA), offers tailored support to providers in these sectors.

These funds not only elevated the visibility of social enterprises but also facilitated the creation of new ventures through targeted financing mechanisms. Furthermore, the EU has consistently monitored and evaluated fund allocation to social enterprises and intermediary organizations, publishing reports to promote mutual learning among member states and guide future applicants. In 2021, the European Commission deepened its commitment to social entrepreneurship with the Social Economy Action Plan, which introduced long-term measures (spanning to 2030) designed to empower social economy actors. The plan outlined ten key actions, including proposing a Council Recommendation to develop an EU-wide framework for the social economy, organizing capacity-building events, and launching new initiatives to support local partnerships and enhance financial accessibility for social entrepreneurs, especially in the Western Balkans, Eastern Partnership, and Southern Neighborhood regions. Europe’s social entrepreneurship landscape, under this robust policy framework, is marked by a diversity of models reflecting the continent’s socio-cultural, institutional, and political variety. The following section will summarize the institutional frameworks supporting this diversity across Europe.

3.3.1. Characteristics of Social Enterprises in Europe

Social enterprises across Europe are shaped by diverse institutional frameworks that reflect each region's socio-economic history, welfare structures, and policy priorities. Western, Northern, Southern, and Eastern Europe, along with the United Kingdom, exhibit distinct models for supporting social enterprises, influenced by each area’s approach to social welfare, public investment, and community engagement. Across Europe, research shows that the trajectories of social enterprises are not random but closely tied to the welfare regimes and policy instruments in which they are embedded.

Table 8. Main Characteristics of Social Enterprises in European Regions

Regions	Countries	Main Characteristics
Western Europe: Established Welfare States with Civil Society-Driven Social Enterprises	Germany, France, Belgium, Austria, Luxembourg, Netherlands	Emphasis on strong welfare policies and well-developed ecosystems for social enterprises, often focusing on work integration due to robust public sector collaboration.
Northern Europe: High Public Expenditure with Niche-Focused Social Enterprises	Sweden, Denmark, Finland	High public spending, with social enterprises filling niche roles in social services where public provision has reduced
Southern Europe: Emerging SE Models in Response to Welfare Gaps	Italy, Spain, Portugal, Greece	Social enterprises primarily address gaps in public service, with less comprehensive welfare systems, emerging in response to economic challenges
Eastern Europe: Transition Economies with Developing Social Enterprise Ecosystems	Poland, Hungary, Romania	Transition economies with developing social enterprise sectors, focusing on employment and social inclusion supported by EU and international funding.
United Kingdom: Unique Legal and Institutional Frameworks for Social Enterprises	United Kingdom	Distinct frameworks for social enterprises with legal forms like CICs, extensive government and private sector support, and strong social finance options.

Source: Borzaga & Defourny, 2001, Kerlin, 2010

In some regions, such as Western and Northern Europe, well-developed welfare states and supportive government policies provide fertile ground for social enterprises that focus on work integration and social service provision. These countries have high public expenditure relative to GDP and high employment rates in social and community care services, with a mix of public service provision and cash benefits. Western European countries, including Germany, France, Belgium, Austria, Luxembourg, and the Netherlands, are characterized by robust welfare policies and a long-standing tradition of social service provision through the third sector. These countries have developed ecosystems with supportive policies, financial tools, and extensive networks for social enterprises, emerging largely from civil society initiatives to address unemployment (Kerlin, 2010; Borzaga & Defourny, 2001). The strong presence of the traditional third sector in social service provision has reduced the pressure to shift towards a more entrepreneurial approach. In Western Europe, economic challenges contributed significantly to the rise of modern social enterprises. With shrinking resources, many governments in the region adopted welfare state reforms focused on decentralization, privatization, and a reduction in public services. In response, the social enterprise movement emerged as part of civil society's efforts to address rising unemployment, particularly through work integration initiatives aimed at helping the unemployed, often via social cooperatives. Additionally, social enterprises began to provide essential human services that the welfare state could no longer directly support. Over time, Western European governments started to fund these social enterprise initiatives, recognizing their role in filling critical service gaps (Kerlin, 2010). In some countries like Germany, traditional third-sector organizations have resisted the emergence of social enterprises, which led them to be engaged in more niches or new activities, like work integration. These social enterprises have exploited resources not specifically dedicated to social service production, like employment benefits in France and Belgium. (Defourny & Nyssens, 2021).

Northern European countries, such as Sweden, Denmark, and Finland, have high public spending on social services, and social enterprises often operate in niches where government provision has decreased. In these countries, social enterprises focus on areas where the government or local authorities have reduced their presence

as providers but still act as financiers, such as kindergartens in Sweden or labor cooperatives in Finland. Traditional third-sector organizations, mainly engaged in advocacy, have not resisted the growth of newer social enterprises (Borzaga & Defourny, 2001). Social enterprises in Northern Europe fill specific gaps, supplementing state services in community care and other local needs through a decentralized, government-supported model.

Conversely, in Southern and Eastern Europe, where welfare systems are less comprehensive, social enterprises have emerged to fill critical gaps in public service delivery, often operating in challenging environments with limited institutional support. In Southern Europe, strong traditions of cooperatives and mutuals within a social economy framework have created path-dependent evolutions, reinforced by corporatist welfare regimes and legal recognition. The strong traditions of the social economy have produced a path-dependent model in which social cooperatives and associations enjoy legal recognition and close collaboration with the state. (Defourny, Nyssens & Adam, 2021). Southern European countries, including Italy, Spain, Portugal, and Greece constitute examples of this model. With limited public provision of social services, social enterprises emerged to address gaps in welfare, particularly during fiscal crises that hindered public service development (Borzaga & Defourny, 2001). Social enterprises in these countries focus on community needs, often facing limited competition from traditional providers, as they respond to specific social demands left unmet by the government.

Eastern European countries, including Poland, Hungary, and Romania, have undergone significant economic transitions from centrally planned to market economies. This shift has impacted welfare structures, which lack a strong tradition of cooperatives and associations. In Central and Eastern Europe, the state's withdrawal was far more pronounced, compounded by a historically weak civil society weakened further by years of communist rule. The transition to a market economy led to a sharp rise in unemployment, prompting the international community to step in with substantial foreign aid and policy guidance. A small but growing group of social reformers in the region embraced social enterprise—drawing primarily on the Western European model—as a promising solution. International

support facilitated the growth and development of these social enterprises as they sought to address pressing social issues (Kerlin, 2010). Social enterprises in these regions are emerging within evolving welfare frameworks, often supported by international organizations and EU funding (Defourny & Nyssens, 2010). They focus on employment creation, skill development, and social inclusion. . In many countries, new legal forms such as social cooperatives were introduced during the 2000s—for example in Poland, Hungary, and the Czech Republic—often with the aim of supporting work integration for disadvantaged groups. While these laws provided recognition, they also tended to narrow the field by equating social enterprise primarily with work-integration social enterprises, a tendency reinforced by reliance on EU structural funds (Defourny & Nyssens, 2021). The historical baggage of cooperatives from the socialist period further complicated the legitimacy of new cooperative forms, pushing many initiatives to adopt alternative legal identities (Defourny & Nyssens, 2021).

Meanwhile, the United Kingdom stands out with its unique legal structures. The United Kingdom has a distinct social enterprise ecosystem, supported by legal forms like Community Interest Companies (CICs) and Charitable Incorporated Organizations (CIOs), established to prioritize community benefit over private gain. The UK government provides significant support through dedicated funding streams and public procurement opportunities (Mulgan, 2006; Defourny & Nyssens, 2021). As Mulgan (2006) indicates the UK has adopted an evolutionary approach to bolster social enterprises. This strategy is centered on promoting the drivers of social entrepreneurship and removing growth barriers. Key measures include making financial commitment easier through better tax treatment for donations to charities, fostering larger and more adaptable sources of independent finance, and providing small-scale funding to individual social entrepreneurs.

3.3.2. Social Economy Legal Frameworks in Europe

Legal frameworks play a crucial role in supporting social enterprises by providing official recognition and visibility, which, in turn, encourages further support from policymakers. This support can manifest through a variety of mechanisms, including

establishing dedicated units, structures, or departments for SEs at the central level in some countries (e.g., Luxembourg, Slovakia, and the United Kingdom) or at regional or municipal levels in others (e.g., Denmark and the Netherlands). Additionally, some countries incorporate social enterprises within a broader social economy framework (e.g., France and Spain), creating a more integrated policy environment (EU Impact of the European Commission's Social Business Initiative, 2021).

The regulation of social enterprises varies widely across countries, reflecting diverse approaches to recognizing and supporting these organizations. Broadly, countries fall into four regulatory models:

Countries Without Specific Legal Frameworks: In many nations, social enterprises operate without dedicated legal frameworks. Instead, they rely on existing structures designed for non-profits or cooperatives. For instance, in countries like Germany, Austria, the Netherlands, and Sweden, social enterprises are indirectly supported through broader social economy policies rather than specific regulations.

Countries with Dedicated Legal Structures: This model includes both dedicated legal structures to represent social enterprises and/or specific legislation defining and regulating social enterprises, providing formal recognition and tailored benefits. Some nations have developed specific legal forms or classifications for social enterprises, granting them unique recognition and operational advantages. The UK pioneered Community Interest Companies, while Italy followed with *società benefit* in 2015. Denmark's Act on Registered Social Enterprises (711/2014), which establishes formal criteria for registration, offering legal recognition and benefits to social enterprises. Similarly, Eastern European countries like Latvia and Lithuania have introduced dedicated laws—such as Latvia's Law on Social Enterprises (2017) and Lithuania's Law on Social Enterprises (IX-2251/2004)—to define and support the development of social enterprises within their legal frameworks.

Countries Integrating Social Enterprises into Broader Social Economy Laws: In this model, social enterprises are treated as part of a broader social

economy framework. These general laws encompass various entities, including cooperatives, non-profits, and mutual organizations, alongside social enterprises. By integrating social enterprises within these frameworks, the law ensures cohesion and alignment across all socially-oriented economic activities. The Social and Solidarity Economy (SSE) Law in France, enacted in 2014 stands as a pioneering legislative measure, establishing the first comprehensive framework that integrates various organizational forms within a single, inclusive legal structure (European Commission, n.d.). Similarly, Greece's 2016 law created a broad framework for SSE activities, emphasizing sector inclusivity and support mechanisms without specific legal forms. Recently, many Eastern European countries (e.g., Slovakia, Romania) embed social enterprises within broader social economy laws, ensuring alignment with economic inclusion goals.

Table 9. Social Economy Legislations in Europe

Denmark	Act on Registered SEs (711/2014)
Germany	Social and cultural cooperatives under Cooperative Act (2006)
Belgium	Code on Companies and Associations
Luxembourg	Law on Social Impact Companies (ISIS) (2016)
UK	Community Interest Companies (CIC) under Companies Act (2004)
France	Law on Collective Interest Cooperative Societies (SCIC)(2001) Framework
Italy	Law on Social Cooperatives (381/1991), Legislative Decree on SEs (155/2006), Reform of the Third Sector and SE (106/2016)
Spain	Law on Social Initiative Cooperatives (CIS) (27/1999) Law on Social Integration Enterprises (44/2007) Legislative Royal Decree on PWDs (1/2013 revised 9/2017)

Table 9. (continued)

Portugal	Social solidarity cooperatives under Cooperatives Code (51/1996) Law on Private Institutions of Social Solidarity (IPSS)(172-A/2014)
Albania	Law on SEs (65/2016)
Czech Republic	Social Cooperatives under Business Corporations Act (90/2012)
Latvia	Law on SEs (2017)
Lithuania	Law on SEs (IX-2251/2004)
Poland	Act on Vocational and Social Rehabilitation and Employment of PWDs (776/1997) Act on Social Cooperatives (2006)
Slovakia	Act on Employment Services (5/2004, revised in 2008) Act on Social Economy and SEs (112/2018)
Hungary	Government Decree on Social Cooperatives (141/2006)
Slovenia	Act on Vocational and Social Rehabilitation and Employment of PWDs (776/1997) Act on Social Entrepreneurship (20/2011, revised in 2018)
Romania	Law on Protection of PWDs (448/2006) Law on Social Economy (219/2015)
Serbia	Act on Professional Rehabilitation and Employment of PWDs (36/2009)
Croatia	Act on Rehabilitation and Employment of PWDs (157/2013)
Bulgaria	Act on Integration of PWDs (81/2004) Act on Enterprises and Social Solidarity Economy (240/2018)

Source: European Commission, 2020

A Legal Framework Example: Social Cooperatives in Italy: Italy's framework for social cooperatives represents a particularly notable example, serving as a pioneering

model in the arena of social entrepreneurship. The emergence and development of social cooperatives are associated with the problems in the Italian welfare system. As part of conservative welfare model of Esping-Andersen (1990), social and personal care was seen traditionally as the responsibility of families rather than a matter of public policy in the country. But with the rise of unemployment and other social problems, existing public or semi-public welfare and charity institutions, which did offer some social services, found themselves facing demands they could not meet due to the scale and nature of these new social needs. In response to the rise of "new poverties" and the corresponding increase in demand for social services during the late 20th century, Italy saw the growth of new voluntary organizations. These organizations emerged primarily to address the deficiencies of Italian public welfare institutions, which were unprepared for such social challenges. Many of these new organizations adopted the legal form of cooperatives, particularly social solidarity cooperatives, driven by grassroots initiatives rather than government-led policies or funding. This growth was bolstered by an increasing trend towards public authorities contracting out services to these emerging social enterprises.

In 1991, Italy introduced Law 381/1991 on Social Cooperatives, establishing a legal framework that explicitly recognized cooperatives aiming to serve the general interest of the community by promoting human development and social integration. The law defines two types of social cooperatives:

- **A-type cooperatives:** Focused on providing social welfare or educational services.
- **B-type cooperatives:** Dedicated to integrating vulnerable or disadvantaged individuals into employment through activities such as agriculture, manufacturing, or commerce. These cooperatives must employ at least 30% disadvantaged workers, who are exempted from social security contributions.

As the first legislation to specifically recognize and regulate social enterprises in Italy, Law 381/1991 has been a pioneering model, inspiring similar legal frameworks in countries like Portugal, France, Spain, South Korea, and the United States. Over time, this law has undergone several revisions, paving the way for the development

of legal frameworks in other areas of the social economy, further solidifying its global influence.

According to the Italian National Institute of Statistics (ISTAT), the introduction of the social cooperatives law had a transformative impact on their growth. Before the law's inception, there were approximately 2,000 social cooperatives in Italy. This number increased to 3,500 by the mid-1990s, over 6,000 by 2003, and more than 11,000 by 2011. By 2015, the number of social cooperatives had surged to 59,027, constituting 1.3% of all companies operating in Italy. These cooperatives employed over 1.1 million people, representing 7.1% of the private sector workforce, underscoring their significant contribution to the Italian economy and employment landscape. The 1991 Law on Social Cooperatives not only enhanced the recognition of social cooperatives as providers of social services but also significantly increased their visibility, thereby fostering new markets for social services. By clarifying the modalities of collaboration with social cooperatives, the law facilitated public-private partnerships in delivering welfare services, creating a robust framework for cooperation with public authorities. This legislative milestone has supported the steady growth of the third sector in Italy and has paved the way for the development of legal frameworks accommodating diverse forms of social enterprises, including associations, foundations, and shareholder companies, among others.

Community Interest Company (CIC) Model of the United Kingdom: In the UK social enterprises constitute 1 out of every 42 businesses, totaling 131,000 across the nation. This is also related with the robust legal framework for social enterprises, including the pioneering Community Interest Company (CIC) model introduced in 2005. The Community Interest Company (CIC) model was introduced in the UK in 2005. It is a unique kind of limited company in the UK, designed primarily to benefit the community rather than private shareholders. A key feature of a CIC is the 'asset lock,' a legal commitment ensuring that the company's assets are dedicated solely to its social objectives. This asset lock also imposes restrictions on the distribution of profits to shareholders, aligning the company's operations with its community-focused mission. Since its launch, over 15,700 CICs have been registered in the UK, surpassing traditional structures like cooperatives and mutuals.

To qualify as a CIC, a company must outline that company's benefits serve the community, allowing it to support specific social groups, as in the case of establishing hospitals, creating museums, or supporting clinical trials. In practice, companies limited by guarantee are required to either reinvest their profits back into the business or allocate them toward social initiatives. A CIC is prohibited from converting into a standard for-profit company. This restriction prevents CICs from abandoning their social mission, thus averting potential misuse by companies that might exploit the CIC structure temporarily for personal gain. Consequently, when a CIC is dissolved, its assets cannot be distributed to shareholders. Instead, shareholders are reimbursed only their initial capital investment, while remaining assets are directed to other CICs. The only permissible transformations are into a charitable trust or an Industrial and Provident Society, ensuring assets remain dedicated to social objectives (Andreadakis, 2022).

The CIC model in the UK has had a significant impact on social entrepreneurship by providing a legal framework tailored specifically to social enterprises. Both the asset lock mechanism and annual reports to prove how the CIC activities serve communities enabled building of trust and accountability among public. The model secured credibility of the organisations ensuring their enhanced accessibility to financial resources from the government, other investors, and partnerships. In this way, the model facilitated the flourishing and visibility of the social enterprises, and shaped the general landscape of the social entrepreneurship in the UK.

Public Policy Strategies for Strengthening Social Entrepreneurship Ecosystems: Examples from Around the World: Besides the laws and regulations, national strategies to support social entrepreneurship ecosystems rely on a variety of policy tools designed to address the specific needs of social enterprises and foster an environment conducive to their growth. These tools include formal strategies, tax incentives, legal frameworks, support for intermediaries, and initiatives to raise awareness and enhance credibility through certification systems.

Public Strategy Documents: Public strategy documents commonly incorporate financial support, policy development, and promotional tools. The responsibility for

the coordination and implementation of these strategies typically falls on public ministries or agencies, which often establish working groups to monitor and guide implementation. Ireland launched its National Social Policy Enterprise Policy for the 2019-2022 period, spearheaded by the Department of Rural and Community Development. The strategy focuses on coordinating policies, engaging stakeholders, raising awareness, and strengthening the social enterprise sector for better policy alignment. Croatia's National Strategy for the Development of Social Entrepreneurship, covering 2015-2020, was initiated by civil society organizations and is managed by the Ministry of Labour and Pension System. With a goal to boost the creation and growth of social enterprises, it includes legislative and institutional improvements, a supportive financial framework, and promotion of social entrepreneurship through education. Sweden's Social Entrepreneurship and Social Innovation Strategy, spanning 2018-2021, was developed by the Ministry of Enterprise and Innovation.

In Korea, Social enterprises in South Korea that meet eligibility requirements can access subsidies and grants for labor costs, business development, and operational expenses of community businesses. The government actively supports social impact measurement initiatives, including tools such as the Social Value Index Manual developed by the KoSEA and the Social Venture Valuation Model, a collaboration between the Ministry of SMEs and Start-ups and the Korea Fair Trade Commission.

Incentive and Tax Advantages: Although some countries have created specific legal forms for social enterprises, these forms rarely come with distinct tax statuses. In the EU, reluctance to grant special tax benefits often stems from concerns over state aid regulations, while in non-EU jurisdictions, competition-related issues contribute to similar caution. For example, in the United States, legal structures such as the low-profit limited liability corporation (LLLC) and the benefit corporation combine social missions with profit-making but do not qualify for tax exemption as they are for-profit entities. An LLLC can opt to be treated as a tax-transparent partnership, meaning the entity itself is not taxed, but its partners are taxed individually based on their tax status (Hemels, 2023). Similarly, the UK's community interest company (CIC), a structure designed to prioritize using profits

and assets for public benefit, remains subject to UK corporation tax and does not qualify for corporation tax exemptions granted to charities. While CICs cannot achieve charitable status, they can be owned by charities and transfer assets to them.

In contrast, some jurisdictions have implemented targeted tax exemptions for social enterprises using specific legal statuses. The European Commission (2020; 2021,) observed that only a few countries implement tax measures specifically for social enterprises or design tax policies aligned with their entrepreneurial nature. According to the European Commission (2020), such exemptions often focus on new social enterprises employing disadvantaged individuals. For instance, in Belgium, work integration social enterprises benefit from tax reductions if a portion of their profits is allocated to an asset lock scheme. In Italy, entities with social enterprise legal status are exempt from corporate income tax on retained profits, while social cooperatives are taxed on only 3% of their mandatory retained profits. Additionally, social enterprises may access general tax benefits not explicitly designed for them, such as small company exemptions. However, these exemptions may be unavailable to social enterprises that prefer shareholder structures, as seen in the Netherlands, where benefits are often restricted to non-shareholder entities like foundations or associations (Hemels, 2023).

In many jurisdictions, engaging in business activities does not automatically disqualify an organization from charitable status, and some countries exempt charities entirely from corporate income tax. However, the scope of these exemptions varies significantly depending on how "charities" are legally defined. For example, while some social enterprises may qualify, others may not meet the criteria. In the United States, the Unrelated Business Income Tax (UBIT) applies to charities' business income, limiting the extent of exemptions. In Germany, the *gemeinnützige GmbH* (gGmbH)—a nonprofit limited liability company—is exempt from corporate income tax if it serves charitable purposes and promotes the public benefit. However, this structure comes with significant restrictions, making it suitable for organizations like museums and hospitals but less ideal for social enterprises with strong commercial goals. Jurisdictions such as Ireland highlight challenges where tax benefits are tied to specific legal forms. Social enterprises often prefer legal

structures associated with for-profit businesses, such as limited corporations, which typically do not qualify for the same tax advantages (Hemels, 2023). As Killian and O'Regan (2019) emphasized, this disconnect between preferred legal structures and tax benefit eligibility remains a persistent concern for social enterprises globally.

Social enterprises in South Korea that meet eligibility requirements can access subsidies and grants for labor costs, business development, and operational expenses of community businesses. The government actively supports social impact measurement initiatives, including tools such as the Social Value Index Manual developed by the KoSEA and the Social Venture Valuation Model, a collaboration between the Ministry of SMEs and Start-ups and the Korea Fair Trade Commission.

Social Finance Instruments: Social finance refers to the range of financial instruments and mechanisms designed to support social enterprises and initiatives aimed at achieving social and environmental objectives alongside financial returns (Nicholls, 2010; OECD, 2019; European Commission, 2020). Key social finance instruments are diverse financial tools designed to support social enterprises and initiatives aiming to achieve both social and financial returns:

- **Impact investing** provides capital for projects aimed at delivering measurable social and environmental impact while also generating financial returns, bridging the gap between traditional finance and socially conscious initiatives.
- **Social impact bonds (SIBs)** operate as performance-based contracts where private investors fund social interventions, with repayments tied to the achievement of predetermined outcomes, fostering innovation in addressing societal challenges.
- **Socially responsible public procurement (SRPP)** incorporates social value into public and institutional purchasing decisions, encouraging the inclusion of social enterprises in supply chains and stimulating demand for their goods and services.
- **Social venture capital** involves equity investments in early-stage social enterprises, supporting their growth while fostering the scalability of impactful business models.

- **Community Development Finance Institutions (CDFIs)** specialize in providing credit and financial services to marginalized areas, fostering economic opportunities and reducing financial disparities.
- **Blended finance** combines concessional funding, such as grants, with private investments to reduce risks, attract larger-scale capital, and enable the implementation of transformative social and environmental projects.
- **Green bonds and social bonds** are financial instruments dedicated to funding initiatives with specific environmental or social goals, promoting sustainable development across sectors.
- **Crowdfunding** leverages online platforms to pool financial contributions from individuals or groups, enabling a wide range of social enterprises to access necessary funds through donation-based, reward-based, or equity-based models.

In 2014, the European Commission issued directives for public procurement that introduced significant new provisions aimed at promoting Socially Responsible Public Procurement. These directives urge public authorities in EU member states to shift away from prioritizing price as the primary criterion. Instead, they advocate for the use of the best price-quality ratio, which considers not only the cost but also the quality of the product or service, along with social and environmental factors. Contracts can now incorporate social clauses that may entail accessibility requirements, such as training and integrating young people into the labor market or promoting gender equality (Varga, 2021).

The United Kingdom stands out as one of the nations with a particularly broad array of social finance instruments, despite the fact that nearly half of the social enterprises report a deficiency in accessible adequate finance. The early 2000s in the UK marked an essential period for the development of the social impact investment ecosystem, with several key initiatives laying the groundwork for what would become a significant sector in the social economy. The creation of Big Society Capital in 2012, as the world's first social investment bank, has been instrumental in developing financial products that cater to the needs of social enterprises. This has paved the

way for a range of social investment funds and bonds that provide financial instruments to social enterprises.

Social Impact Bonds (SIBs) are innovative financial mechanisms that aim to address social challenges through outcome-based funding models. In a SIB structure, private investors provide upfront capital to fund social programs implemented by service providers, such as non-profits or social enterprises. The repayment to investors, often with a return, is contingent on the achievement of predefined outcomes, which are independently measured and verified (OECD, 2016). The Peterborough Prison SIB, launched in 2010, was the world's first SIB. It aimed to reduce reoffending rates among short-term male prisoners released from Peterborough Prison in Cambridgeshire, England. The Peterborough Prison SIB program aimed to support approximately 3,000 short-term prisoners in reintegrating into society through a comprehensive wrap-around service model funded by private investors. The investors' principal and a return would be paid if the reoffending rate decreased by more than 7.5% across the cohort during the project's duration, with milestone payments along the way. The outcomes-based contract (OBC) capped total costs at £8 million. By 2017, despite policy changes in the criminal justice system altering the project's specifications, the 7.5% reduction target was achieved, and investors successfully recouped their capital with a return (FitzGerald et al., 2023). Since the launch of HMP Peterborough, over 250 impact bond projects have been implemented globally, raising over \$725 million (USD) in capital and reaching more than 1.7 million people (INDIGO, 2022, as cited in FitzGerald et al., 2023). Scholars highlight, however, that while SIBs were initially promoted as tools to "unlock" private finance for social innovation, in practice they often rely heavily on philanthropic guarantees and public backing to mitigate risks (Warner, 2013). Moreover, SIBs are embedded in broader trends of public sector reform and third sector marketization, linking them to New Public Management discourses and austerity-driven restructuring of welfare provision (Joy & Shields, 2013). This dual character—innovation on one side, financialization of social policy on the other—has led to diverging interpretations, with some seeing SIBs as a pathway for prevention-oriented investment, and others cautioning that they risk narrowing social policy goals to measurable, monetizable outcomes (Fraser, Tan, Lagarde, & Mays, 2018).

The Social Finance Fund (SFF) of Canada is a long-term, \$755 million initiative designed to accelerate the growth of Canada's social finance market. It serves as one of the central components of the Social Innovation and Social Finance Strategy, alongside the Social Innovation Advisory Council. Launched in Spring 2023, the SFF aims to enhance access to affordable capital for a diverse range of social purpose organizations (SPOs), including charities, non-profits, social enterprises, and co-operatives. By addressing the financial barriers faced by these organizations, the SFF empowers them to expand their capacity for creating social and environmental impact. It is a repayable program. Final repayment of funds to the Government of Canada are expected within 16 years following the program launch. Fund managers are receiving both conditionally repayable contributions and non-repayable contributions. Unlike many social finance instruments that focus on specific sectors or organizational types, the SFF is designed to support a broad spectrum of social purpose organizations. The SFF prioritizes providing affordable capital, addressing a common barrier for SPOs, which often struggle to secure financing on favorable terms (Government of Canada, 2023).

Intermediary Organizations (Social Entrepreneurship Support Organizations- SESOs): Intermediary organizations, often referred to as Social Entrepreneurship Support Organizations (SESOs), play a crucial role in fostering the growth and sustainability of social enterprises by providing essential resources, capacity-building, mentorship, and access to networks and funding opportunities. They aim to enhance the capacity of social enterprises to scale their operations and achieve sustainable impact in addressing social and environmental challenges. Intermediary organizations for social enterprises can originate from both public and private sectors. While some are established directly by public bodies, others are privately initiated but receive substantial support from public institutions, ensuring their sustainability and alignment with broader social objectives. In general, these organizations involve multi-faceted support structures:

- *Financial Support:* Grants and funding opportunities to help social entrepreneurs initiate or scale their ventures.
- *Skill Development:* Expert coaching, business workshops, and skill-building programs tailored to the needs of social enterprises.

- *Mentorship Network:* Access to a robust network of mentors and professionals providing specialized advice.

An example is UnLtd, founded in 2002 with UK government support, as highlighted by Nicholls (2010). UnLtd operates as a foundation with a core mission to empower social entrepreneurs as agents of positive social change. It provides them with financial support, expert coaching, business skill development through workshops, and access to a network of mentors and professionals for specialized advice. Additionally, UnLtd is involved in an impact fund focusing on investments for individuals from underrepresented groups and maintains governance through a Board of Trustees overseeing its operations. This multi-faceted support structure is designed to help social entrepreneurs either initiate or scale their ventures, contributing significantly to the strengthening of the social entrepreneurship field.

Another notable Social Entrepreneurship Support Organization (SESO) supported by a government institution is the Korea Social Enterprise Promotion Agency (KoSEA), established by the South Korean government. KoSEA provides capacity-building, funding, and social impact measurement tools to support social enterprises across the country. It is a public institution under the Ministry of Employment and Labor, established in 2010 pursuant to Article 20 of the Social Enterprise Promotion Act. KoSEA also evaluates and monitors the performance of social enterprises, ensuring transparency and accountability, and works to enhance global collaboration through forums, training programs, and benchmarking initiatives. KoSEA conducts surveys on the activities of social enterprises every five years, providing critical baseline data for the government (https://www.socialenterprise.or.kr/_engsocial/?m_cd=0204).

From the EU, the European Social Fund acts as a broader intermediary mechanism supporting numerous SESOs and social enterprises by funding projects that promote social inclusion, employment, and skills development across member states. Additionally, the European Investment Fund (EIF), under the EU framework, collaborates with intermediary organizations to channel funding and resources to social enterprises through initiatives like the Employment and Social Innovation (EaSI) Guarantee.

Public Awareness-Raising Campaigns and Support to Social Procurement:

Public awareness-raising campaigns and support for social procurement are essential tools in fostering the growth and impact of social enterprises. These initiatives aim to educate the public about the value of social entrepreneurship, promote socially responsible purchasing practices, and integrate social objectives into economic activities. Public campaigns are another tool frequently used particularly in the UK. The "Buy Social Movement leveraging public engagement to expand the market for social enterprises and fostering a culture of conscious purchasing decisions. Launched in 2013, this campaign strives to expand social enterprises' presence in various markets, encompassing the general public, private sector, and public sector. Presently, numerous initiatives have emerged in this domain. For instance, "Buy Social Canada" is a social enterprise dedicated to advancing social procurement practices within the public sector. Through advocacy, education, and consulting, they have established a "Social Value Marketplace," implement a "Social Enterprise Certification" program, foster social purchasing partnerships, and provide training and consultancy services to social enterprises. Additionally, some initiatives, like "BuySocial.ie," have more specific objectives, connecting individuals with trading social enterprises.

Social and Solidarity Economy (SSE) Awareness Week France is Coordinated by the French Ministry of the Economy, this campaign includes events, workshops, and communication initiatives to highlight the role of SSE actors in achieving sustainable development. Social Enterprise Day in Australia is Organized in partnership with Australian public authorities and advocacy groups, this annual event highlights the impact of social enterprises through campaigns and public events. Social Business Day in Bangladesh supported by government collaboration with the Yunus Centre, this campaign celebrates social businesses and raises awareness of their role in addressing poverty and inequality.

Label and Certification Systems for Social Enterprises: Labels and certifications act as markers to identify social enterprises globally. They are employed not only in Europe, such as the UK's Social Enterprise Mark, but also in other regions, with examples like the B Corp Certification in the United States and the Social Traders

certification in Australia. These marks serve to acknowledge businesses that meet certain social and environmental standards and help consumers make informed choices. The Finnish Social Enterprise Mark introduced in 2011, is awarded to companies primarily focused on addressing social and environmental challenges, with the majority of their profits dedicated to these causes. A key requirement for receiving this mark is transparency and openness in operations. The company must clearly define its social objectives and profit utilization methods in its articles of association or rules, emphasizing its commitment to social or environmental goals. When social enterprises in Finland apply for one of the Association of Finnish Work's marks (Key Flag, Design from Finland, or Finnish Social Enterprise), they become members of the association. This membership provides them with various benefits, including access to training and seminars for all staff, opportunities for communication cooperation, participation in joint campaigns with free materials, and the use of membership logos. These marks also play a significant role in guiding consumer choices towards more responsible options and help enterprises communicate their values to customers and stakeholders.

There is also a social enterprise certification in South Korea. To qualify, organizations must adhere to specific legal structures, employ paid workers, and focus on social objectives such as creating jobs for vulnerable groups or improving local communities. They must also maintain stakeholder-inclusive decision-making, generate at least 50% of labor costs through business revenue, and allocate at least two-thirds of profits to social purposes.

Table 10. Public Policy Instruments to Support Social Entrepreneurship Ecosystem and Examples

Policy Tool	Policy Implementation Examples
Formal National Strategies on Social Entrepreneurship Ecosystem Development	Croatia's National Strategy for the Development of Social Entrepreneurship (2015-2020) Ireland's National Social Policy Enterprise Policy (2019-2022) Sweden's Social Entrepreneurship and Social Innovation Strategy (2018-2021)

Table 10. (continued)

Incentives and Tax Advantages to Social Enterprises	Belgium Work Integration Social Enterprises
Legal Structures for Social Finance Instruments	Socially Responsible Public Procurement (SRPP) - European Commission Big Society Capital - UK
Support to Intermediary Organizations	Korea Social Enterprise Promotion Agency (KoSEA) UNLtd UK
Awareness-Raising for Social Procurement	Buy Social Movement -UK Buy Social -Canada
Label and Certification Systems for Social Enterprises	Social Enterprise Mark in the UK B Corp Certification in the United States Social Traders Certification in Australia South Korean Social Enterprise Certification

Note. Author's elaboration based on European Commission (2020), OECD (2016), and national policy documents on social entrepreneurship.

3.4. Social Entrepreneurship in the Global South

The concept of generating revenue to support charitable activities is a long-standing idea recognized across many regions globally including the Global South. It is closely tied to concepts of global inequality and highlights the disparity in wealth and power between the Global South and the Global North. The term Global South refers to countries primarily located in Africa, Latin America, the Caribbean, and much of Asia that are characterized by lower economic development, historical experiences of colonization, and socio-economic challenges. It serves as a geopolitical and socio-economic concept often contrasted with the Global North, which encompasses wealthier, industrialized nations in Europe, North America, and parts of East Asia (Dados & Connell, 2012). In contemporary contexts, the Global South is also associated with political solidarity and movements like the Non-Aligned Movement and platforms such as the BRICS (Brazil, Russia, India, China, South Africa), which

challenge hegemonic global power structures (Prashad, 2013). However, scholars emphasize that the Global South is not a homogenous entity; it includes diverse regions with varying economic, cultural, and political realities (Fiddian-Qasmiyeh & Daley, 2019).

The prevalence of the common problems in the Global South also implied a fertile ground to find solutions to such problems, which brought the base of the pyramid discussion to the forefront of the agenda. As defined by Hart and Prahalad (2013), the base of the pyramid refers to the large but poor socio-economic group of world population, which is estimated to be approximately 4 billion people who live on less than \$2.50 a day. In the model, the authors suggest these poor people around the world represented a vibrant consumer market, that this market could best be tapped with for-profit models, and that the poor themselves had to be partners in the process. Thanks to this model, there have been increased attention on social entrepreneurship in the Global South countries, particularly in Africa, Asia and Latin America.

The other factor that contributed to the rise of social entrepreneurship in the Global South can be accounted for the implementation of structural adjustment programs, which prompted a retreat of state involvement in many regions (Bewayo & Portes, 2016; Cieslik, 2018; Kerlin, 2010). Additionally, private-sector strategies for addressing societal and environmental challenges in the Global South have grown increasingly popular, driven by the Sustainable Development Goals (SDGs) financing gap and reductions in development funding (Katzner & Sendlhofer, 2023).

Unlike the Global North, the Global South often faces weaker market mechanisms and reduced state capacity, creating a distinct environment for the development of social entrepreneurship (Kerlin, 2010). This context highlights the unique role of social enterprises in addressing social challenges that traditional entrepreneurs and governments often fail to resolve (Bewayo & Portes, 2016). However, significant barriers persist, particularly in Sub-Saharan Africa, including limited access to finance, a legacy of colonialism, lack of enabling ecosystem and proper infrastructure, political instability, weak regulatory frameworks, corruption, and a shortage of skilled labor (Mirvis & Googins, 2018). These challenges underline the

complexity and importance of constructing legitimacy for social entrepreneurship in such contexts.

Katzer and Sendlhofer's (2023) study on Sub-Saharan Africa and Asia state that in social entrepreneurship initiatives within the Global South that are supported by facilitators from the Global North, actors face a "double burden": navigating divergent sociocultural contexts while upholding a hybrid mission that combines social and financial objectives (Borzaga & Defourny, 2004). Authors emphasize the transformative potential of social entrepreneurship in addressing pressing societal and environmental challenges in the Global South while highlighting the need for innovative partnerships, local solutions, and sustainable financing models (Harts, 2013).

The following section will present examples of social entrepreneurship from the Global South. While these examples provide only a partial picture, they aim to offer valuable insights that will inform our discussion on Türkiye. By examining these cases, we can draw parallels and contrasts that highlight opportunities and challenges relevant to Türkiye's social entrepreneurship landscape.

Bangladesh is widely regarded as a pioneering country in the development of social enterprises, driven by its unique socio-economic context and the need to address pervasive challenges like poverty, inequality, and environmental sustainability. The country has witnessed the emergence of innovative organizations that combine market-based solutions with social missions to uplift marginalized populations. The country relies heavily on civil society and private sector initiatives to address social challenges, making it a leading example of social entrepreneurship in developing nations (Fazal et al., 2023). The social enterprise movement in Bangladesh gained international recognition with the establishment of Grameen Bank by Muhammad Yunus. Grameen Bank's microfinance model provides collateral-free loans to impoverished individuals, particularly women, enabling them to engage in income-generating activities. The model's success lies in its focus on financial inclusion and community-based trust systems (Yunus, 2007). Bangladesh is also home to BRAC, one of the world's largest and oldest social enterprises, which focuses on

empowering women, alleviating poverty, providing education to underserved populations, and promoting social equality (Fazal et al., 2023). Similarly, BRAC has emerged as a multi-faceted social enterprise, integrating microfinance with other interventions, such as education, health care, and agriculture. BRAC's model highlights the importance of cross-sectoral approaches, where profits from social ventures are reinvested into programs that serve marginalized communities.

India faces significant challenges in addressing poverty and human development, with nearly 370 million people experiencing some form of deprivation. Addressing these challenges requires a holistic approach encompassing education, healthcare, access to clean drinking water, housing, and infrastructure development. Since the 1980s, gaps in state provisions and limitations of market-led growth have contributed to the rise of non-governmental organizations (NGOs) as key actors in social development (Singh, 2016). India currently lacks a unified national framework for the social and solidarity economy (SSE). Instead, SSE-related competencies are distributed among various ministries and agencies. The Ministry of Skill Development and Entrepreneurship, the Ministry of Micro, Small and Medium Enterprises (MSME), and the Ministry of Finance oversee policies that indirectly influence the SSE. NITI Aayog, India's public policy think tank, plays a pivotal role in promoting sustainable development goals by collaborating with state governments to design and implement economic policies. NITI Aayog has also addressed SSE-related topics, including the publication of recommendations for minimum standards for social impact reporting (2020). Additionally, the establishment of Social Stock Exchanges, proposed by the Securities and Exchange Board of India (SEBI) in 2019, aims to create a platform for funding social enterprises while increasing transparency and accountability in the sector. Despite the absence of a dedicated SSE framework, these initiatives illustrate India's evolving approach to integrating social and economic objectives, with a growing emphasis on institutional support and innovative mechanisms like social impact reporting and stock exchanges (OECD, 2022).

Brazil, The National Solidarity Economy Department (SENAES), under the Ministry of Labour and Employment, coordinates policies and initiatives to support the

solidarity economy. Several other ministries, such as the Ministry of Agrarian Development and Family Agriculture, the Ministry of Cities, and the Ministry of Environment and Climate Change, also contribute to promoting SSE. Although Brazil does not have a dedicated law for the SSE, legislative efforts are underway to formalize and strengthen its foundations. Notably, Bill No. 6606 (2019) proposes the establishment of the National Solidarity Economy System and outlines principles for a National Policy on Solidarity Economy. The Brazilian Forum of Solidarity Economy (FBES) serves as the primary national authority responsible for organizing, facilitating discussions, preparing strategies, and mobilizing efforts within Brazil's solidarity economy movement. This institution plays a central role in coordinating activities and shaping the strategic direction of the sector. In terms of fiscal policy, various tax exemptions support organizations operating within the solidarity economy framework. These exemptions are defined by federal, state, or municipal law. For instance, Law No. 9532/1997 exempts philanthropic, recreational, cultural, or scientific non-profit organizations and civil associations from income tax and social contributions on net profits, provided they meet specific criteria. Additionally, Value Added Tax (VAT) is not levied on products sold by non-profit social assistance entities when the resulting economic surplus is allocated towards advancing the organization's social objectives (OECD Country Factsheet, 2022). These fiscal measures aim to enhance the sustainability and impact of organizations contributing to Brazil's social and solidarity economy. In 2017, the Brazilian federal government introduced the Strategy for Impact Investment and Social Business (ENIMPACTO), a ten-year initiative aimed at promoting the growth of impact-driven enterprises. It seeks to engage government agencies, the private sector, and civil society in fostering a supportive environment for impact businesses and social finance. The overarching goal is to create market-driven solutions to address social and environmental challenges effectively. In 2020, ENIMPACTO's advisory committee introduced guidelines for companies aspiring to qualify as impact businesses. These guidelines emphasize three key pillars: Defining a Social Purpose, integrating impact considerations into the decision-making processes through structured governance frameworks and Demonstrating accountability through mandatory impact reporting. To further strengthen the ecosystem, the National Industry Confederation launched a blended training program on Positive Impact

tailored to micro and small enterprises. This program equips businesses with the skills and knowledge needed to integrate impact-oriented practices into their operations. Additionally, the "Scoring de Impacto" study developed a set of tangible indicators for measuring impact. These indicators were identified through an extensive process involving secondary data analysis, qualitative interviews with impact investors and entrepreneurs, specialist workshops, and a quantitative questionnaire (OECD, 2023)

In contrast to Northern welfare states, where social entrepreneurship commonly emerges as a complementary actor embedded within established welfare and regulatory frameworks, in the Global South it often surfaces in response to institutional voids shaped by limited state capacity and weaker market mechanisms. Unlike the regulated and supportive institutional environments of Northern Europe, characterized mostly by legal definitions, structured public policies, and targeted financial mechanisms, social enterprises in contexts such as Bangladesh, India, and Brazil frequently navigate fragmented regulatory landscapes and underdeveloped support infrastructures. Consequently, they lean more heavily towards civil society-driven initiatives, blending market-based approaches with grassroots mobilization and community-based trust structures, as exemplified by entities like Grameen Bank or BRAC in Bangladesh. Therefore, the emergence and evolution of social enterprises in the Global South highlights a distinct institutional trajectory, wherein the interplay between state withdrawal, limited market capacities, and active civil society engagement generates unique hybrid forms that differ markedly from their Northern counterparts. This comparative institutional lens underscores the critical role of local socio-economic and political contexts in shaping both the forms and functions of social entrepreneurship globally, thereby enriching our understanding of how social enterprises adapt within varying state-market-civil society configurations.

3.5. Social Enterprise Cases Around the World

This section explores social enterprise cases from different regions of the world, with a focus on how organizational structures, strategies, and partnerships shape their impact. By examining these examples, the section aims to provide insights into how

institutional frameworks, cultural contexts, and economic conditions influence the development and success of social enterprises. The cases highlight diverse approaches to addressing societal challenges such as poverty, inequality, and environmental sustainability, while also reflecting on the role of governance, leadership, and collaboration in driving meaningful change. This analysis offers a nuanced understanding of the interplay between organizational dimensions and the outcomes achieved by social enterprises globally.

3.5.1. Teach for America (TFA), United States of America

Overview: Teach for America (TFA) is a non-profit organization established to address educational inequity in the United States. Founded in 1990, TFA has placed over 65,000 corps members in under-resourced public schools, impacting nearly 250,000 students annually across more than 3,000 schools. The organization defines educational inequity as a consequence of systemic racism and poverty and seeks to combat these barriers by providing equitable educational opportunities for children in low-income communities. It aims to increase the supply of effective teachers while fostering leadership to drive systemic change.

Model and Approach: TFA's model involves recruiting high-achieving individuals, referred to as corps members, to commit to teaching for two years in under-resourced schools. These corps members are provided with initial training through a summer institute and receive ongoing professional development and support during their tenure. By partnering with schools, local universities, and businesses, TFA ensures corps members have the tools to deliver meaningful educational outcomes. This immersive experience allows corps members to form connections with students and communities, deepening their understanding of systemic inequities and inspiring many to pursue leadership roles in education, policy, and advocacy.

Impact and Achievements: TFA has made significant contributions to addressing educational inequities. Research indicates that TFA teachers are as effective as, and sometimes more effective than, traditionally certified teachers in improving student outcomes. Beyond the classroom, 60% of TFA alumni remain in education,

including over 1,300 school leaders, nearly 1,000 school system leaders, and 224 social entrepreneurs. These alumni play pivotal roles in shaping educational policies and practices, showcasing TFA's broader influence on systemic change. Conn, Lovison, and Mo (2022) highlighted how teaching in underserved schools through TFA profoundly shapes participants' views on educational inequality and reform (Conn, Lovison, & Mo, 2022)

Challenges and Criticisms: Despite its achievements, TFA has faced challenges, including a decline in corps member recruitment and reductions in community placements, with the number of new teachers reaching its lowest point in 15 years post-pandemic. Critics argue that the two-year teaching commitment may exacerbate teacher turnover and does not fully address the complexities of educational inequity. Moreover, TFA's ability to adapt to systemic changes, such as declining teacher pipelines, remains an ongoing challenge (Will, 2023) .

Institutional Context: Operating within the decentralized governance system of the United States, TFA functions as a non-profit entity under U.S. law, which enables it to collaborate flexibly with public schools, local governments, and private sector partners. The U.S. context, characterized by significant disparities in educational access and outcomes across socioeconomic and racial lines, has further influenced TFA's mission and model. The country's culture of volunteerism, philanthropy, and civic engagement supports initiatives like TFA, which rely on widespread societal buy-in and the willingness of individuals to commit to public service. However, this same context has also shaped TFA's challenges, such as the reliance on short-term teaching commitments in a system that struggles with teacher retention and systemic inequities. On the other hand, TFA operate in a context where it is possible to serve as public teachers without holding a bachelor's degree in education. Though requirements for teaching licenses differ from state to state, certain qualifications are generally mandatory for pursuing a teaching career. These include earning a bachelor's degree, completing a state-approved teacher education program, passing a background check, and successfully clearing a general teacher certification or licensure exam. Additionally, aspiring teachers must achieve a strong score on a subject-specific test related to their intended focus area. TFA teachers are regular

full-time employees of their school districts. They apply for open teaching positions and receive the same starting salary and benefits as other similarly qualified teachers in the district. Additionally, where applicable, they are included in collective bargaining agreements, ensuring parity in compensation and working conditions with their peers.

3.5.2. Aravind Eye Care System (India)

Overview: The Aravind Eye Care System, founded in 1976 in Madurai, India, has become the world's largest provider of eye care services. Its mission is to eliminate needless blindness by providing affordable, high-quality eye care to all, regardless of socio-economic status. By 2023, Aravind had performed over 3.6 million cataract surgeries, accounting for a substantial share of India's cataract surgical volume (Gupta et al., 2025). The organization is widely recognized as a global exemplar of a social enterprise that combines medical excellence, financial sustainability, and large-scale social impact.

Model and Approach: Aravind operates on a cross-subsidization model: wealthier patients pay market rates for services, which in turn subsidize free or heavily discounted care for poorer patients. Patients can choose between different service tiers—outreach (free), subsidized, and paying—with all receiving the same high standards of surgical quality (Gupta et al., 2025). This model ensures financial sustainability while expanding access for disadvantaged populations.

Beyond clinical delivery, Aravind created Aurolab, a manufacturing unit producing intraocular lenses (IOLs) and ophthalmic consumables at a fraction of global market prices, thus reducing dependency on imports and improving affordability worldwide. Furthermore, the Lions Aravind Institute of Community Ophthalmology (LAICO), established in 1992, institutionalized Aravind's global training and consultancy arm. LAICO supports other hospitals through a two-year capacity-building program, including strategic planning, management training, and performance monitoring (Bretos, Errasti, & Soetens, 2021). Aravind's scaling strategy reflects what Sezgi and Mair (2010) call altruism-based international diffusion, emphasizing replication of its

model in more than 30 countries through training, staff rotation, knowledge-sharing, and dissemination of best practices without exerting heavy centralized control. This approach allowed Aravind to preserve its values while enabling adaptation to diverse local contexts.

Impact and Achievements: Aravind’s impact is both clinical and systemic. From 2012 to 2023, average postoperative outcomes improved steadily: nearly 70% of surgeries achieved uncorrected visual acuity better than 6/12, while 93% surpassed this threshold with best corrected visual acuity (Gupta et al., 2025). Importantly, outcomes for Manual Small Incision Cataract Surgery (MSICS)—the dominant and more cost-effective technique in low-resource settings—improved markedly, narrowing the quality gap with phacoemulsification.

Financially, Aravind’s model has proven sustainable: while average prices for paying patients increased, they did so in line with healthcare inflation, reflecting patients’ growing willingness to pay for quality care (Gupta et al., 2025). At the same time, millions of patients continued to receive free or subsidized services, illustrating how the model achieves scale without compromising accessibility. Globally, LAICO has supported over 350 eye hospitals across Asia, Africa, and Latin America to adopt Aravind-inspired systems, amplifying the organization’s impact far beyond India (Bretos et al., 2021).

Challenges and Criticisms: Despite its achievements, challenges persist. Gender inequities remain visible: female patients consistently present with poorer preoperative vision, undergo surgery later than men, and receive lower average expenditures per surgery, despite paying equal or lower prices (Gupta et al., 2025). These disparities reflect broader socio-cultural barriers limiting women’s healthcare access in India.

Another challenge lies in balancing replication and adaptation. While Aravind’s altruism-based diffusion strategy allows global adaptation, it also risks mission drift or dilution of standards if partner institutions fail to maintain the rigor of Aravind’s model. Sezgi & Mair (2010) emphasize that scaling without tight control requires

robust coordination mechanisms—such as continuous training, monitoring, and value dissemination—to prevent such risks.

Institutional Context: Aravind’s success must be understood within India’s broader institutional context. Cataract is the leading cause of avoidable blindness in the region, and public provision alone has been insufficient to meet demand. Aravind filled this institutional void by creating a hybrid model that combines non-profit values with business discipline and cross-subsidization. Its partnerships with state schemes and insurance providers have further expanded reach, with government- or insurance-supported surgeries rising from 4.4% in 2012 to 28.7% in 2023 (Gupta et al., 2025).

Internationally, Aravind exemplifies how a social enterprise from the Global South can develop scalable, transferable models of healthcare delivery. Through LAICO, it provides training and consultancy rather than centralized control, ensuring local adaptation while preserving the essence of its approach (Bretos et al., 2021). This demonstrates how civil society actors can reconfigure healthcare markets in contexts of state and market inadequacy, offering lessons for both emerging economies and developed welfare systems.

3.5.3. The Big Issue (United Kingdom)

Overview: The Big Issue was founded in London in 1991 by John Bird and Gordon Roddick as a response to the visible homelessness crisis in the UK. Conceived as a “hand up, not a handout,” it provides legitimate income opportunities for homeless and vulnerably housed individuals by enabling them to sell a weekly magazine on the street. Rather than providing one-off charitable assistance that may reinforce dependency (handout), the model seeks to create opportunities for individuals to generate their own income and regain autonomy (hand up). In this sense, the organization positions itself not merely as a charity but as a market-oriented mechanism for social inclusion, offering a structured pathway for self-reliance, dignity, and empowerment. Vendors purchase copies at half the cover price and retain the margin as income. Over three decades, The Big Issue has become one of

the most recognized social enterprises globally, spawning a network of over 100 similar “street papers” across 30 countries and positioning itself as a pioneer in the UK’s wider social enterprise movement (Swithinbank, 2001; Gupta, 2021).

Model and Approach: The Big Issue’s model combines trading and social mission in a distinctive way. It is structured as a social business with a charitable arm, whereby revenue from magazine sales sustains operations while providing income for vendors. To diversify, The Big Issue Group developed Big Issue Invest, a social investment intermediary that channels capital into other social enterprises and charities, generating both social and financial returns (Third Sector, 2009). This dual structure highlights the organization’s hybrid logic: immediate support for marginalized individuals through income generation, coupled with systemic interventions through financial investment in the broader social economy (Nicholls & Teasdale, 2017; Gupta, 2021).

Impact and Achievements: Since its inception, The Big Issue has supported more than 100,000 vendors. For many, selling the magazine is the first step towards financial stability, rebuilding self-esteem, and re-engaging with mainstream society (Duff, 2011). Beyond direct sales, Big Issue Invest has mobilized hundreds of millions of pounds in social investment, positioning the group as both a frontline service provider and an institutional player in the UK’s social finance sector. Ethnographic research shows that vendors themselves view participation as a means of self-improvement and dignity, distinguishing themselves from “begging” and cultivating entrepreneurial and interpersonal skills (Gerrard, 2019).

Challenges and Criticisms: Despite its prominence, The Big Issue faces persistent challenges. Its reliance on street sales makes it vulnerable to changes in consumer behavior, digital media, weather conditions, and public perceptions of homelessness. The rise of online platforms and the COVID-19 pandemic further reduced magazine sales, leading to the launch of subscription and digital editions. Critics also argue that while the model offers immediate income, it does not fully address structural causes of homelessness, such as shortages in affordable housing, mental health services, or long-term employment opportunities (Gupta, 2021). These critiques reflect broader

tensions within social enterprise models: balancing short-term relief with systemic transformation.

Institutional Context: The Big Issue’s trajectory is deeply tied to UK welfare and policy debates. During the late 1990s and 2000s, under New Labour, social enterprise was promoted as part of the “Third Way”—a strategy blending social justice and market dynamism. The Big Issue became emblematic of this vision, serving as a market-oriented yet socially driven response to exclusion (Gupta, 2021). Later, under the Conservative-led coalition’s “Big Society” agenda, the organization’s ethos was reframed within a narrative that emphasized civil society’s role in filling gaps left by welfare retrenchment (Duff, 2011). Scholars note that while these shifts offered normative recognition, they also reflected a neoliberal policy environment in which markets were positioned as the most efficient mechanism for addressing social problems (Gupta, 2021).

3.5.4. Social Cooperative Humana Nova (Croatia)

Overview: Humana Nova is a social cooperative founded in 2011 in Čakovec, Croatia. Its mission is to create jobs for socially marginalized people—including individuals with disabilities, long-term unemployed, and women over 50—while contributing to environmental protection through textile reuse and recycling (European Commission, 2019). The cooperative exemplifies a hybrid model that integrates social inclusion with the circular economy, positioning itself as one of the most recognized social enterprises in the country (Humana Nova, n.d.).

Model and Approach: Humana Nova operates on a work-integration social enterprise model. It collects used textiles from households, companies, and municipalities, which are then sorted, reused, or upcycled into new products such as bags, promotional materials, and household textiles. Remaining material is recycled industrially. All activities are carried out by employees drawn from vulnerable groups, who are provided with stable jobs, training, and social inclusion (SozialMarie, 2022). The cooperative sustains itself by selling these upcycled products, offering textile waste management services to municipalities, and participating in EU-funded projects (European Social Fund, n.d.).

Impact and Achievements: Since its establishment, Humana Nova has diverted hundreds of tons of textiles annually from landfills, contributing to Croatia's fulfillment of EU circular economy goals (European Commission, 2020). At the same time, it has provided employment to dozens of people excluded from the labor market. Its model has been recognized at the European level: Humana Nova received the SozialMarie Award for Social Innovation in 2022, highlighting it as a best practice in combining ecological and social. The cooperative is also listed by the European Social Fund as a case study of social innovation for its pioneering role in circular economy and inclusive employment (European Social Fund, n.d.).

Challenges and Criticisms: Humana Nova faces financial pressures common to social enterprises in Central and Eastern Europe. While it generates revenues from market activities, it remains partially dependent on project-based EU funding and donations. The textile recycling sector is highly competitive and low-margin, and the cooperative must continuously innovate to remain competitive. Additionally, the absence of a dedicated national legal form for social enterprises in Croatia constrains its long-term stability (European Commission, 2019).

Institutional Context: Humana Nova developed in a national setting where the social enterprise ecosystem is relatively young and fragmented. Croatia's policy support relies heavily on EU structural funds rather than dedicated domestic frameworks. In this environment, Humana Nova illustrates how social cooperatives can bridge social inclusion and environmental sustainability, even in the absence of comprehensive national support. It also shows how alignment with EU-level priorities such as the European Green Deal and the EU Action Plan for the Social Economy can provide legitimacy and resources for local initiatives (European Commission, 2019; European Social Fund, n.d.).

3.6. Comparative Insight: Navigating Market-State-Civil Society Dynamics in International Contexts and Positioning Türkiye

The comparative cases illustrate the varied institutional pathways through which social enterprises develop, sharpening the analysis of Türkiye's own positioning. In

the European context, WISEs have become the most widespread form of social enterprise, formally recognized in EU policy frameworks as key vehicles for inclusive labor markets. From Italy's cooperative sociale to Spain's and Croatia's social cooperatives, WISEs employ hundreds of thousands across Europe. Humana Nova embodies this trajectory: by combining circular economy practices with work integration, it demonstrates how supportive legal and funding ecosystems enable social enterprises to link sustainability and inclusion. The Big Issue shows a different European variant, situated in the UK's liberal welfare regime. Emerging in the 1990s alongside New Labour's "Third Way" and later reframed in the Conservative "Big Society," it became both a practical response to homelessness and a symbolic anchor in the institutionalization of the UK's social enterprise paradigm. Its diversification into finance (Big Issue Invest) underscores how UK social enterprises are not only service providers but also key actors in broader welfare pluralism. Outside Europe, Aravind Eye Care System and Teach for America (TFA) highlight how social enterprises scale and gain legitimacy where public provision is partial or fragmented. Aravind's cross-subsidization model and global training institute demonstrate how mission-driven organizations can restructure healthcare delivery, while TFA illustrates how philanthropic ecosystems and volunteer pipelines can influence educational outcomes and policy debates in a decentralized system.

Placed together, these cases show why Türkiye does not fit neatly into either the European model of ecosystem-embedded WISEs or the Global South model of compensatory responses to state and market failure. Türkiye's trajectory is hybrid: it shares with Europe a cooperative tradition but lacks a legal form and fiscal incentives tailored to WISEs; it also faces challenges familiar to Global South contexts, such as regulatory ambiguity. What emerges instead is a dual logic of state reconfiguration and civic reactivation, where social enterprises negotiate, complement, and at times contest both state and market roles. Türkiye's context, marked by partial state provision, fragmented markets, and a partially mobilized civil society, demands an analytic model that recognizes the "social" as a distinct sphere of action—one that simultaneously negotiates, complements, and challenges the other two. This lens enables a more accurate theorization of institutional hybridities not only in Türkiye, but also in similarly situated contexts across the global periphery.

CHAPTER 4

EVOLUTION AND OVERVIEW OF SOCIAL ENTREPRENEURSHIP PRACTICES IN TÜRKİYE

Türkiye has followed a distinct path in social entrepreneurship, shaped by three main contexts: its political history and the development of capitalism, the unique socio-cultural factors of the region, and its institutional framework, including the legal system. Central to understanding this landscape is an exploration of Türkiye's welfare state, which diverges from European models in significant ways. This chapter will offer a brief overview of Türkiye's welfare state, highlighting key differences and providing an analytical framework for understanding its impact on social entrepreneurship development.

In the last decades, the notion of social entrepreneurship has increasingly gained visibility in the landscape of Türkiye, though as in other parts of the world, the notion is still debated and remains fuzzy. Some use the term as synonym for new social initiatives established in various forms to solve social problems, others refer to enterprises with social mission and income generation capacity. However, compared to countries in Europe, social-economy organizations are not well-rooted in the country and there are no legal institutional framework and complementary support instruments put in place by government authorities to ease the operation of social enterprises and consolidate various tools that can be used by the social economy organizations. On the other hand, the form and extent of social entrepreneurship practices are rooted in welfare state past of a country. Building on this foundation, the next section will offer a concise overview of the evolution of the welfare state in Türkiye, followed by an examination of the current social policy landscape and key statistics. Within this framework, the chapter will delve into the origins of social entrepreneurship, tracing its historical roots and development over time. Finally, the

chapter will provide an in-depth analysis of the current social entrepreneurship landscape, highlighting its key features and dynamics. This section will include an analysis of how the institutional and legal structure outlined at the beginning shapes and influences the current social entrepreneurship landscape and its development.

4.1. Welfare State in Türkiye

The concept of the welfare state is centered around ensuring that all citizens meet basic standards in key areas of welfare such as health, housing, education, and income (Elveren, 2008). In his seminal 1990 work, "The Three Worlds of Welfare Capitalism," Esping-Andersen introduces a framework for categorizing states based on the extent of decommodification and stratification. This classification has not only become a staple among scholars but also sparked further debates on the nature of welfare states. Each country exhibits a unique blend of these mechanisms, reflecting its distinct approach to welfare provision. Türkiye, however, does not fit neatly into Esping-Andersen's typology as widely accepted. Türkiye's welfare system shares characteristics with the Southern European model, characterized by a large informal sector, high unemployment rates, and a social safety net deeply rooted in family and kinship-based solidarity, as identified by Buğra (2012). It can be also seen as belonging to a new category of welfare regimes, aligning with other emerging market economies (Yörük, 2022). To better understand the current outlook of welfare policies and their implications for social inclusion and the development of social entrepreneurship, the following section will provide a brief overview of the development and outlook of welfare institutions and policies in Türkiye.

4.1.1. Development and Outlook of the Welfare Institutions and Policies in the Country

Welfare policies in Türkiye are deeply embedded across policy domains, with social security standing out as a core pillar. The modern system began post-WWII, structured around three key institutions: the Social Insurance Institution (SSK, 1946), the Retirement Fund for civil servants (ES, 1950), and Bag-Kur for the self-employed (1971). Between the 1950s and 1990s, these schemes primarily benefited

formal workers and their dependents through employment-linked benefits like pensions and healthcare (Yörük, 2022). This model reflected a fragmented and corporatist system that tied benefits to employment status, similar to Southern Europe. However, it excluded large population segments, particularly those in agriculture and informal urban jobs, who relied on family networks (Buğra, 2015). The 2008 reform unified these three systems under the Social Security Institution (SGK), aiming to reduce inequalities. The General Health Insurance system, introduced around the same time, made health coverage mandatory and universal through premium contributions.

Another significant aspect of Türkiye's welfare regime is social assistance and poverty alleviation. From the 1980s, as urbanization intensified and agriculture's role declined, welfare policies began to evolve. By the early 2000s, agricultural employment had dropped to 30%, and by 2024 it stood at 15% (TÜİK). With urban migration, informal safety nets weakened, and the need for formal support systems grew (Buğra & Candaş, 2011). The decline in stable public employment and weakening rural ties made older poverty-buffering mechanisms insufficient. While the conservative-liberal policy context resisted heavy state intervention, the growing poverty pushed for structured assistance programs. In 1986, the Fund for Encouragement of Social Cooperation and Solidarity was established to stimulate charitable giving, yet public resources ultimately made up the bulk of its funding (Buğra & Keyder, 2006).

Since the 1990s, Türkiye's welfare structure has shifted from an employment-based system to one increasingly focused on income-based assistance. Pension eligibility tightened, job security declined, and real wages stagnated. In contrast, income-based programs—like means-tested social aid and free healthcare for the poor—expanded significantly, especially during the 2000s, contributing to a modest reduction in poverty (Yörük, 2022). Scholars argue that Türkiye, along with other emerging economies, diverges from developed countries, which have experienced welfare retrenchment. Instead, Türkiye has seen an expansion in welfare, driven by social assistance programs. However, Buğra (2017) suggests this expansion is guided more by a logic of charity than by citizenship rights, as many programs depend on state discretion rather than entitlements.

4.1.2. Welfare Institutions

Currently, Türkiye’s social policy framework is governed primarily by the Ministry of Labour and Social Security and the Ministry of Family and Social Services. The latter oversees the bulk of social assistance delivery through the General Directorate of Social Assistance and Solidarity, operating via over 1,000 local foundations. The system has evolved toward means-tested social aid, with significant expansion since the 2000s. This model, which targets the “deserving poor,” particularly women, is reflected in a wide range of programs including conditional cash transfers, in-home care allowances, and disability support. The ministry’s growing budget—from 955 million USD in 2002 to 10.9 billion USD in 2024—demonstrates a deepening institutional focus on centralized welfare. However, social assistance at the local level remains largely discretionary and fragmented, with over 50 different programs, many of which are irregular or short-term. This duality between centrally administered, regular support and patchy local aid creates a structural gap in long-term social protection.

Alongside formal mechanisms, voluntary and faith-based welfare initiatives—strongly encouraged since the 2002 AKP government—have become a parallel layer in Türkiye’s social protection landscape. Islamic charity, municipal in-kind aid, and NGO programs now form a key part of poverty alleviation efforts, especially where state mechanisms fall short. Yet the absence of consistency and predictability in these services has pushed civil society—including social entrepreneurs—to respond to structural inequalities. Issues such as regionally uneven poverty, exclusion of persons with disabilities, limited access to education, and persistent gender inequality have driven the expansion of this space. In this context, social entrepreneurship emerges less as a complementary partner to a robust welfare state and more as a compensatory actor in a fragmented and demand-driven welfare regime.

In light of the institutional context, Türkiye's welfare model stands apart from both the universalist traditions of Northern Europe and the residual, market-reliant systems of liberal regimes. Rather, it reflects a fragmented and employment-centered approach typical of Southern European countries, combined with an increasing

reliance on targeted social assistance in the post-2000 period. This hybrid model—marked by weak labor protections, informal employment, and discretionary social aid—creates both the demand for and constraints on social entrepreneurship. Unlike countries where social enterprises operate within a strong rights-based welfare framework, in Türkiye, they often emerge to fill institutional gaps left by the state. Understanding this positioning is essential to assess both the opportunities and structural limitations that define the development of social entrepreneurship in the country.

4.2. Roots of Social Entrepreneurship in Türkiye

The historical evolution of social entrepreneurship in Türkiye has been shaped by a combination of cultural, economic, and political factors that have influenced the way social enterprises have developed within the country. In the Ottoman Empire, the roots of social entrepreneurship can be traced back to traditional forms of philanthropy and community welfare, such as the "waqf" system, which involved the establishment of charitable trusts to support social services like schools, hospitals, and public baths. These organizations financed numerous public infrastructures and were instrumental in providing essential public services (Seyrek, 2010). The waqf tradition historically functioned as one of the most significant institutions of social and economic life, providing essential services such as health, education, and housing while also contributing to state finances and curbing practices like usury. Especially during the Ottoman Empire, waqfs not only supported communal solidarity but also played a critical role in financing budget deficits and sustaining public welfare in the absence of a developed state structure (Kaya&Koca, 2020). In practice, waqfs assumed responsibilities comparable to today's municipal social services—funding water supply, roads, bridges, and other infrastructure, as well as managing hospitals, asylums, and schools such as *sibyan mektepleri*, madrasas, and medical colleges (Ertem, 2011). This extensive system of philanthropy and social provision without taxation reflected a distinctive welfare logic in Ottoman society. However, in the Republican period, the gradual incorporation of these functions into the state's social policy framework under the notion of the "social state" diminished the central role of waqfs. Taken together, the vakıf tradition demonstrates that

Türkiye has long-standing institutional mechanisms through which civil society has complemented or substituted state provision in key areas of welfare and public goods. This trajectory not only illustrates the deep cultural roots of civic economic organization but also provides a historical precedent for contemporary hybrid organizations such as social enterprises, which similarly combine social missions with financial mechanisms.

Unlike waqf's, associations possess a relatively recent history in the Ottoman Empire. The expansion of associations in Türkiye has been hindered by a deeply entrenched state tradition and a highly centralized government structure (Özbudun, 2000). The onset of the Second Constitutional Era, following the 1908 Young Turk revolution, saw the enactment of the 1909 Ottoman Law of Associations. This law was responsible for regulating civic communities, political factions, and labor collectives (Toprak 1983). Despite an initial flourishing during the Second Constitutional Era, voluntary associations were subject to stringent state oversight throughout the era of single-party rule (Özbudun, 2000). During the early years of the Republic of Türkiye, the state played a predominant role in economic development, with limited space for civil society. Associations like the Red Crescent and the Society for the Protection of Children, originally established to support military personnel and their families, began to extend their role to social assistance. These associations functioned in a grey area between the public and private sectors. While they were expected to raise most of their funds through public donations by encouraging a spirit of cooperation and solidarity, their financial resources were limited (Buğra, 2007).

From a modest beginning with only 205 organizations in 1938, the total number of associations in Türkiye increased gradually to 820 by 1946. This period was marked by a clear prohibition on associations formed around social class, leading to a predominance of local sports clubs mainly situated in the urban hubs of Istanbul, Ankara, and Izmir. In the latter part of the single-party era, specifically from the liberal amendments to the Law of Associations in 1946 to the elections of 1950, the number of associations surged to over 2,000. The lifting of the ban on class-based organizations led to a significant rise in occupational associations. The most dramatic

surge in the formation of associations occurred during the 1950s under the Democratic Party's governance, with the number of associations multiplying by approximately eightfold, surpassing 17,000 by 1960. The progress of organized community groups received additional momentum from the enactment of the liberal 1961 constitution, which acknowledged the right to form associations. This era witnessed not only an increase in the number of associations but also their extensive geographic spread and diversification. By 1970, the aggregate number of such groups had climbed to an estimated 42,000 (Bianchi, 1984 cited in Özbudun, 2000)

The liberalization of the Turkish economy in the 1980s and Türkiye's bid to join the European Union led to significant legal and institutional reforms that facilitated the growth of civil society organizations. Throughout the 1990s, Turkish society experienced swift transformations in its social, cultural, economic, and political landscapes, with the drivers of these changes rooted in a global-national-local nexus. This growth has also led to considerable diversification, with activities spanning from advocating for women's rights to environmental protection and minority rights advocacy (Keyman & İçduygu, 2003). During this period, there was an explosion of NGOs and other civil organizations, many of which started to adopt more entrepreneurial approaches to sustain their activities and expand their social impact. European Union has been also an important actor in development of certain kinds of civil society organizations after Türkiye's candidacy to the union in 1999. Türkiye has been nudged to align its laws and practices with EU standards, impacting civil liberties and human rights; the EU has provided financial and technical support, enhancing the role and effectiveness of civil society organizations in advocating for social, environmental, and political reforms. Furthermore, the EU has promoted dialogue and partnership, strengthening Turkish civil society's capacity to influence policies and public opinion. The EU's integration into the domestic realm of civil society has been enabled by enhanced engagement between local and European organizations, a range of networking initiatives, numerous specific projects, and broad financial support for activities related to civil society (Ergun, 2010). On the other hand, Ayşe Buğra (2020) argues that the growth of the voluntary sector in Türkiye in recent decades is partly due to a broad sense of disillusionment with government action, which many people perceive as neither just nor efficient. This

sentiment has likely contributed to an increased reliance on and support for voluntary organizations to address social needs and provide services that are not adequately covered by government efforts. The growth of the voluntary sector has occurred alongside global trends. As neoliberal policies have blurred the lines between market and society, the active economic involvement of citizens has become increasingly viewed as essential. Consequently, civil society organizations and community-based groups have been highlighted as key players in rejuvenating social support systems and fostering social capital within a framework where state intervention is more hands-off (Minogue, 2005). Currently, there is a notable expansion of the 'third sector' in nearly every industrialized nation. This sector encompasses socio-economic initiatives that don't fit within the conventional boundaries of the private for-profit or public sectors (Borzaga & Defourny, 2001).

In examining the current emergence of social entrepreneurship, it is observed that, unlike in some Western countries where the state's retreat from public service delivery has been a driving factor, in this context, the proliferation of social economy actors is due to the inability of both public and civil society actors to meet the persistent needs of certain groups. Additionally, the development of innovative social initiatives and the rise of cooperatives integrating disadvantaged groups should be considered differently. The former emerges organically and closely identify with social entrepreneurship, while the latter are partly the result of efforts by local governments and international organizations aiming to promote cooperatives as an important development model.

In response to recent trends, civil society organizations in the country are increasingly adopting entrepreneurial methods, while entities such as cooperatives are gaining prominence for their hybrid nature, integrating aspects of both civil society and the marketplace. The increase in the number of associations is paralleled by an expansion in their commercial engagements, and the growing number of cooperatives includes a surge in social cooperatives which affects a broader engagement of these entities in addressing social needs through market-based strategies, fostering both economic vitality and social well-being. Today, there are 100.762 active associations in the country (Ministry of Interior, DG of Civil Society

Relations, 2024). The most common types of associations are professional and solidarity and religious services associations followed by humanitarian aid, educational research and sports associations.

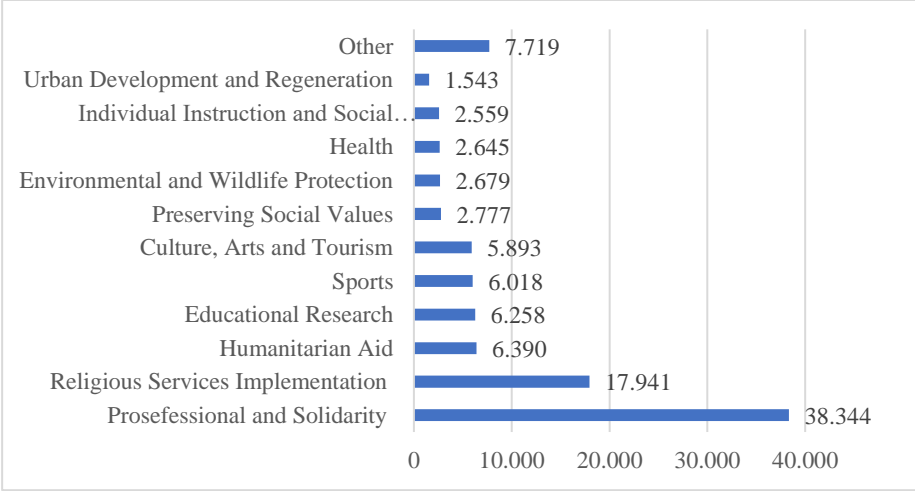


Figure 3. Distribution of Associations by Type

Source: Directorate General of Relations with Civil Society, 2024

Generally, it can be deduced that a significant number of associations function primarily within the realm of solidarity, serving as hometown associations that offer support to migrants in larger cities while also providing a venue to sustain their local cultural heritage.

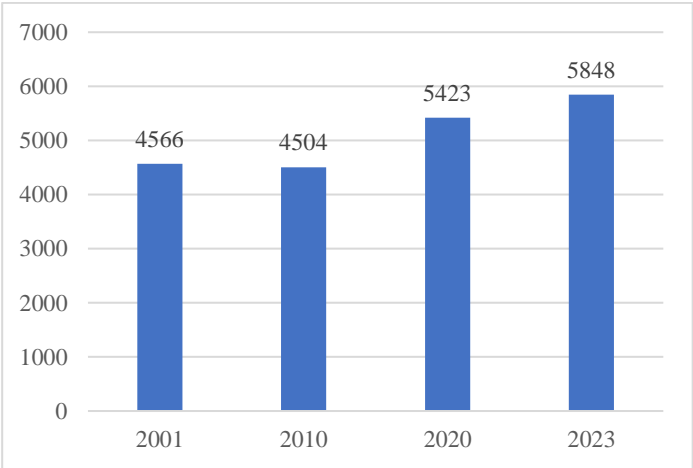


Figure 4. Number of New Foundations

Source: Directorate General of Foundations, 2024

However, the current classification system, with its insufficient subcategorization, and the superficial distinctions among categories, complicates the process of thoroughly evaluating the work scope of organizations (STGM, 2023). On the other hand, foundations play a pivotal role within Turkish civil society, with some serving as historical continuations from the Ottoman era, while others, known as "new foundations," were established post the founding of the Turkish Republic. These institutions, offer both continuity and innovation in their support of various cultural, educational, and philanthropic initiatives. As of end of 2023, there are 5848 new foundations in the country (Directorate General of Foundations, 2024).

As it can be seen from the graph above, foundations primarily have children and youth as their target groups followed by poor, women, elderly and people with disabilities.

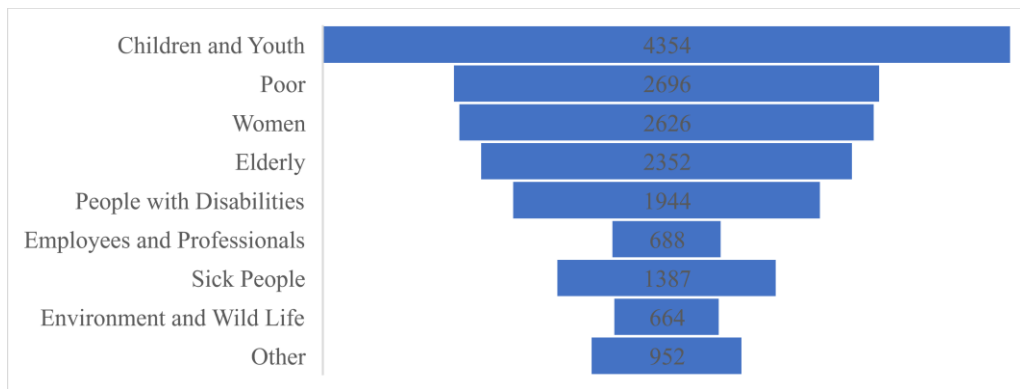


Figure 5. Target Groups of Foundations

Source: Directorate General of Foundations, 2024

4.3. Social Entrepreneurship Today: Current Landscape and Future Prospects

The landscape of social entrepreneurship in Türkiye has grown increasingly dynamic, especially since the 2000s. This change coincides with a rise in the number of associations and foundations and an expansion in their operational areas, alongside the emergence of new actors and support institutions. During this period, individuals began to identify themselves as social entrepreneurs, expressing a commitment to driving systemic changes to address the country's enduring social

issues. Social entrepreneurs and their enterprises though small in number, are active across various domains, tackling issues such as social inclusion, education, children's rights, and sustainability.

Within this ecosystem, traditional entities like associations and foundations coexist with newer organizational forms that designate themselves as social enterprises or social cooperatives. Social entrepreneurship has recently gained some official recognition in public documents, and governmental bodies have begun to initiate projects aimed at bolstering the ecosystem. Furthermore, support organizations have been established to provide guidance to social enterprises and to facilitate research in this burgeoning field. In this evolving ecosystem, various actors are proliferating. The graph below presents the diverse range of actors in the ecosystem, with further elaboration on each to be provided in the subsequent sections.

From a theoretical perspective, the expansion of social entrepreneurship in Türkiye should not be understood as a linear shift from civil society to the market. As Polanyi reminds us, these spheres are mutually embedded and continuously reconfigured, rather than discrete domains. The notion of the “double movement” captures how the extension of market logics generates counter-reactions from civic and associational initiatives, which seek to re-embed economic relations within social norms and solidaristic practices. In this sense, the rise of social enterprises represents not a departure from civil society but a re-articulation of the entanglement between civic action and market activity. Seen from this perspective, the social entrepreneurship ecosystem in Türkiye reflects precisely this entanglement. As Figure 6 illustrates, social enterprises coexist with public institutions, intermediary organizations, international donors, and private sector actors, all of which shape the boundaries of their action. Rather than operating in isolation, social enterprises are embedded within overlapping institutional logics: they depend on public support instruments, engage with networks and accelerators, interact with international funding frameworks, and align with market-oriented private initiatives. This constellation of actors highlights how social entrepreneurship in Türkiye emerges through the constant negotiation of civic, state, and market dynamics.

Social Enterprises	Public Institutions	Intermediary Bodies	International Organizations	Private Institutions
<ul style="list-style-type: none"> • Cooperatives • Social Cooperatives • Social Entreprises • Non-Governmental Organizations (NGOs) that merge economic and social goals • Companies with explicit social goals 	<ul style="list-style-type: none"> • MoT • MoIT • MoAF • MoFSS • MoLSS • Public bodies with financial and technical support instruments (KOSGEB, İŞKUR, Development Agencies) • Chambers of Commerce/ Industry 	<ul style="list-style-type: none"> • Networks and collaboration platforms • Incubation centers and acceleration programs • Crowdfunding platforms • Non-Governmental Organizations (NGOs) • Academia 	<ul style="list-style-type: none"> • UN Agencies • European Union • World Bank • International Non-Governmental Organizations (INGOs) 	<ul style="list-style-type: none"> • Social impact oriented companies • Corporate social responsibility departments/ platforms • Business Associations/ Unions

Figure 6. Main Actors in the Social Entrepreneurship Ecosystem in Türkiye

With the emergence of this relatively new topic, foundations and international organizations embarked on research initiatives in the field, commencing around 2010. Their aim was to identify the key characteristics of this nascent ecosystem and generate policy recommendations that would foster its growth and development. To date, three comprehensive studies have been conducted to examine the landscape of social entrepreneurship in Türkiye as presented in Table 11.

Table 11. Scope of Social Entrepreneurship Studies in Türkiye

Report	Publishing Date	Aim	Methods
TÜSEV: Social Enterprises and Türkiye: Needs Analysis	2010	Identify basic weaknesses and strengths of the context in terms of enabling development of the sector Provide policy recommendations	Desk review 1 focus group meeting (FGM) 3 seminars SWOT analysis

Table 11. (continued)

British Council: The State of Social Enterprise in Türkiye	2019	<p>Increase visibility and public understanding of the sector</p> <p>Identify size, scale and scope of sector</p> <p>Produce policy recommendations</p>	<p>Desk review</p> <p>4 consultation and roundtable meetings</p> <p>12 FGM</p> <p>129 online survey responses</p> <p>One-to-one interviews with 37 social enterprises</p>
World Bank: Time to Act: Social Entrepreneurship in Türkiye	2024, Draft	<p>Produce evidence showing the relevance of SE for socio-economic development and social inclusion</p> <p>Analyse in depth of the state of SE (Draw a map of SEs and supporting actors, showcase good practices)</p> <p>Produce policy recommendations</p>	<p>Desk review</p> <p>8 Thematic FGM, 7 regional FGM</p> <p>11 Mapping workshops in 11 provinces</p> <p>186 online valid survey responses</p> <p>4 case studies</p>

The first study done in the framework of Türkiye on social entrepreneurship has been carried out by TÜSEV (Türkiye Third Sector Foundation) under the Social Entrepreneurship Project financed by the British Council. Within the scope of the project, a study titled Social Enterprises and Türkiye: Needs Analysis has been published in 2010. In the report, social entrepreneurship has been conceptualized as *adoption of market-based approaches to solve social problems which also involves use of innovative methods*. Social entrepreneurship is accepted to happen on a continuum beginning from conventional enterprises to traditional civil society organizations. The report serves as an initial exploration into the realm of social

entrepreneurship within the country, marking the beginning of a broader recognition of its significance. Instead of delving into a detailed analysis, the report provides a brief overview of the current landscape. Its primary aim is to elevate the awareness and understanding of social entrepreneurship as a concept.

Following this study, in 2019 British Council has sponsored another study titled *The State of Social Enterprise in Türkiye* (2019). This study distinguishes itself from previous one by its depth and, for the first time, provides an estimate of the number of social enterprises. This study is the first comprehensive study done in the country defining the current size, scale and scope of sector including a quantitative field study representing key characteristics of the sector. Within the scope of the study, for an entity to be considered as a social enterprise it has to fulfill three conditions:

- Core mission of the organization should be social and/or environmental
- Revenues through trading should be equal or more than 50% of their total revenue
- Profits/ surpluses should not be used only for redistributing it to partners/shareholders

The third study done in the country on social entrepreneurship is titled *Time to Act: Social Entrepreneurship in Türkiye*. The study was carried out under the World Bank's *Strengthening Economic Opportunities for Syrian under Temporary Protection and Turkish Citizens Project*. Under the same project, a Social Community of Practice has been formed which has convened 18 times during 2020-2023 with the aim of creating a structure of dialogue and knowledge exchange among social enterprises, public bodies and intermediary organizations. The study was based on the European Social Entrepreneurship Monitor (ESEM). ESEM is a European-level study organized by Euclid Network with the aim of producing data on social enterprise to inform decision-makers in governments, civil society and social economy. For the ESEM survey in Türkiye, following criteria, in line with the British Council's study, were adopted by the research team to identify social enterprises:

- Core Mission -Impact Focus: Prioritising social and/or environmental impact
- Revenue Model-Having revenues through trading

- Use of Surplus- reinvesting the surplus to the mission
- Governance-Participatory, having ethical management principles and independent

4.3.1. The Outlook of Social Entrepreneurship Ecosystem

Based on the findings of these studies and desk research the following section will provide an overview of the ecosystem in Türkiye.

Legal Structures and Forms: In Türkiye, the landscape of social entrepreneurship is characterized by a diverse array of legal structures, with nearly 9,000 such entities contributing to the country’s socio-economic fabric. However, this figure is a rough estimate, as there is no official or universally accepted definition of social enterprises, nor is there comprehensive data collection on the subject. The ecosystem includes various legal forms that enable these organizations to operate within the existing framework. 28,7% of social enterprises are in the form of cooperatives; 18,6 % are limited liability companies; 18,6 % are real person traders; 14% are associations and 3,10% are foundations (British Council, 2019). Though foundations and associations are traditionally non-profit organizations, they can set up economic enterprises to contribute to their social causes.

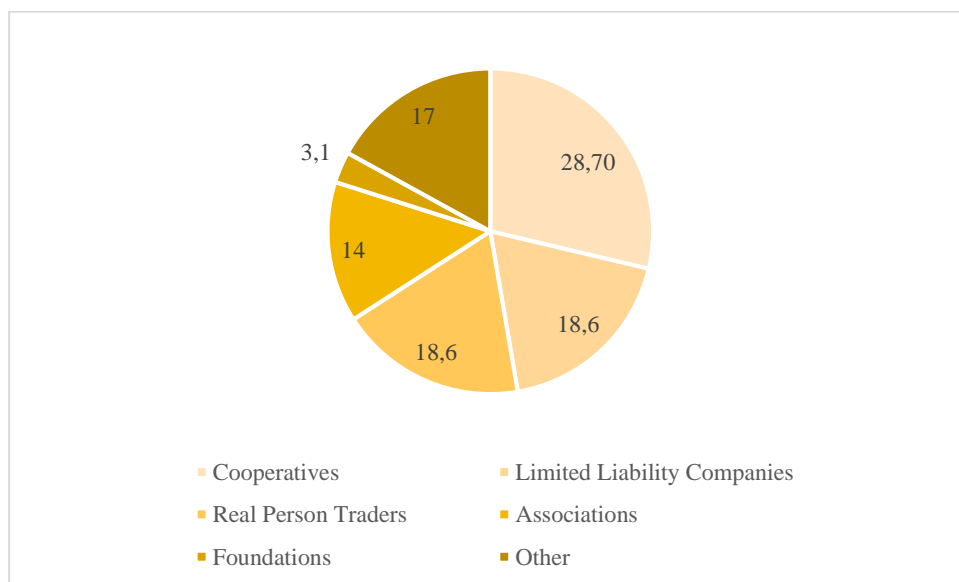


Figure 7. Social Enterprise Forms in Türkiye

Source: British Council, 2019

The high share of the **cooperatives** within the ecosystem is related with, a significant surge in the cooperative movement over the last two decades in the country. While cooperatives have traditionally existed in areas such as housing, irrigation, and agricultural production—often organized around collective resource management—the recent rise of social cooperatives marks a new momentum. In particular, cooperatives formed around women’s empowerment, local solidarity, and socially oriented missions have gained visibility and importance, signaling a shift from purely collective economic arrangements toward broader social objectives and community-based forms of organization. This growth can be attributed to various factors, including increased awareness of the social and economic benefits of cooperative enterprises, public and state financial and technical support given to cooperatives, and international donors’ growing interest in setting up and supporting cooperatives. Cooperatives have flourished in diverse sectors such as agriculture, food processing and consumer goods, providing a platform for local communities to pool their resources, share risks, and collectively address common challenges. Within this array of cooperatives, a distinct category known as "*women's enterprise and production cooperatives*" has experienced substantial growth. With the legal amendments done in 2021, some advantages were offered to women’s cooperatives as well as cooperatives whose members are mostly disabled, were exempted from charges for transactions subject to registration and announcement and those will be published in the Turkish Trade Registry Gazette free of charge. Moreover, chamber registration fee, annual dues and additional dues are not collected from these cooperatives. Furthermore, Ministry of Trade began providing grants to women's cooperatives in 2020 as part of the Cooperative Support Programme. Today, there are nearly 1,100 women's cooperatives operating in the country, the majority of which were established with the aim of promoting social inclusion and increasing the income of women who have not previously participated in the labor market. Support for the establishment of cooperatives is also evident in statements by government officials. For instance, in 2022, the Minister of Family and Social Services, Derya Yanık, highlighted that cooperatives play a crucial role in enhancing women's access to resources and economic opportunities. She also noted ongoing efforts to develop a unique ecosystem model tailored to women's cooperatives. Furthermore, women's cooperatives benefit from a robust collaboration protocol between the Ministry of

Family and Social Services, the Ministry of Agriculture and Forestry, and the Ministry of Trade.

Limited liability companies and **real person traders** each account for 18.6%, indicating a substantial portion that aligns with traditional business frameworks. Unlike cooperatives or civil society organizations, companies benefit from simplified decision-making processes due to a hierarchical structure, allowing for quicker strategic actions compared to the democratic decision-making in cooperatives and associations. Companies have better access to capital through the issuance of shares and attracting investors, whereas cooperatives and associations rely on member contributions and face challenges in securing external investment. Profit distribution in companies, aimed at shareholders, incentivizes investment and growth, while cooperatives and associations typically reinvest profits or distribute them among members, which might not appeal to external investors. Regulatory requirements for companies are also less restrictive, supporting operational flexibility whereas cooperatives and associations often encounter additional regulations to protect member interests, potentially leading to administrative burdens.

However, unlike countries with a legal social enterprise structure where social enterprises are required to adhere to a partial or full asset lock to ensure the preservation of their social purpose over the long term and to prioritize social impact in their decision-making processes, in Türkiye, profit distribution restrictions are determined by the social enterprises themselves. The asset lock typically includes two mechanisms: a restriction on the distribution or limited distribution of profits to the owners, and a requirement to transfer any surplus upon liquidation to a similar initiative in case of dissolution. For instance, Belgium, France, Italy, Luxembourg, and the United Kingdom have implemented such limitations on the amount of profits that can be redistributed to owners or shareholders, thereby safeguarding the social mission of these enterprises. In Türkiye, a company is generally recognized as a social enterprise if it explicitly declares its mission to create social value and adopts the principle of limiting profit distribution. For some public grants, there have been some attempts to define social enterprises in Türkiye, generally framing them as businesses that address social problems through market-oriented methods and

reinvest profits into social purposes rather than distributing them to shareholders. These definitions often emphasize both economic sustainability and social value creation, but remain fragmented and limited in scope, reflecting the absence of a comprehensive legal or policy framework.

Foundations, at 3.10%, are less commonly chosen due to the high initial costs required for establishment. In this context, foundations are fewer in number compared to cooperatives and associations and primarily operate in the area of philanthropy. However, many foundations run facilities like dormitories, nurseries, youth and children centers, soup kitchens, and libraries. According to 2022 figures, income from the trading arms of foundations constitutes nearly 15% of their total income. ²Additionally, some foundations are involved in more innovative areas of social service delivery, expanding their traditional philanthropic roles to address contemporary social needs.

On the other hand, **associations** are the simplest to set up and offer greater flexibility. However, when it comes to engaging in commercial activities, associations must establish separate trading arms which can generate profits. The entirety of the profit can either be transferred to the association or retained in the enterprise's account as an investment share. Associations can also hold shares in companies. In some cases, it is necessary for an association to establish an economic enterprise. One such scenario is when an association or foundation engages in ongoing, revenue-generating activities.³ Aktaş, Giderler, and Akdeve (2023) examine the rise of social entrepreneurship among Turkish NGOs. The study finds that 54.72% of NGOs identify as socially entrepreneurial, focusing on profit-oriented activities with revenues reinvested into future projects, marking a shift from traditional non-profit models. These organizations are most active in the education, culture and arts, environment, and sports sectors. The table below summarizes the key public institutions and legal regulations that oversee and support different types

² https://cdn.vgm.gov.tr/genelicerik/genelicerik_945_290519/vakif-istatistikleri/yeni-vakiflar2023-sorasi/13-yeni-vakiflarla-ilgili-secilmis-veriler-2015-20.pdf

³ https://www.stgm.org.tr/sites/default/files/2020-09/iktisadi_isletme_infonote.pdf

of social economy actors in Türkiye, including cooperatives, associations, foundations, social enterprises, and companies.

Table 12. Public Institutions and Legal Frameworks Governing Social Economy Actors in Türkiye

Type of Actor	Key Public Institutions	Primary Laws and Regulations
Cooperatives	Ministry of Trade Ministry of Agriculture and Forestry Ministry of Environment, Urbanization and Climate Change	Cooperatives Law No. 1163 (1969) Law No. 1581 on Agricultural Credit Cooperatives and Unions (1972) Law No. 4572 on Agricultural Sales Cooperatives and Unions (2000) Law No. 5330 on Agricultural Cooperatives (2005)
Associations	Directorate General of Civil Society Relations under Ministry of Interior Provincial Directorates of Civil Society Relations	Civil Code No. 4721 (2001) Law No. 5253 on Associations (2004) Regulation on Associations (2005)
Foundations	Directorate General of Foundations under the Ministry of Culture and Tourism Regional Directorates of Foundations	Civil Code No. 4721 (2001) Law No. 5737 on Foundations (2008) Regulation on Foundations (2008)
Companies	Ministry of Trade Revenue Administration under the Ministry of Treasury and Finance	Turkish Commercial Code No. 6102 (2011) Law No. 5520 on Corporate Income Tax (2006) Law No. 6728 on Improving the Investment Environment (2016) Regulation on Trade Registry (2014)

Source: Official Gazette of the Republic of Türkiye (various years); Ministry of Trade, Ministry of Agriculture and Forestry, Ministry of Environment, Urbanization and Climate Change; Directorate General of Civil Society Relations; Directorate General of Foundations.

Fields of Activity and Sources of Income: The social entrepreneurship landscape thrives predominantly in urban centres and spans across a diverse array of sectors, including manufacturing, education, agriculture, fishery, forestry, arts, entertainment, and leisure (World Bank, 2024, draft). The social mission at the heart of their activities forms the core of social entrepreneurial endeavours. And social enterprises demonstrate a commitment to engaging with diverse target groups like women and girls, individuals facing financial challenges, children and youth, the long-term unemployed, as well as migrant populations. This particular trait is highlighted as showcasing the inclusivity and social impact goals of these enterprises within the Turkish context.

Operating within these sectors, social enterprises strive to contribute to their social and/or environmental goals. Approximately 30% of social enterprises report valuing their social mission and profit-making equally (British Council, 2019). However, as these assessments are made by the representatives themselves, they are inherently subjective. The social mission dimension is more structured for enterprises closer to charitable organizations. However, as we move along the spectrum towards commercial organizations, the motives begin to mix, as illustrated in Dees' enterprise spectrum (2022). For example, women's cooperatives, which are prevalent in the country, are typically established to provide an income source for disadvantaged women. This model is also in line with Alter's mission-centric embedded organizations where social programmes and business activities are one and the target population is owners of the enterprise. However, if successful, these cooperatives often evolve into commercial enterprises where the core group of women earn a stable income. This shift can sometimes lead to a focus on commercial success rather than the original mission of providing income for more women and promoting social inclusion. On the other hand, commercial enterprises with a social impact focus primarily operate to earn profits but also generate significant positive social and environmental impacts through their commercial activities. For associations and foundations, creating external social enterprises to fund their social services is a more common way of engaging in commercial activity.

Sources of income is another important aspect of social enterprises, as seen in the literature market orientation is a widely accepted characteristics of the social

enterprises separating them from philanthropic organizations or the civil society in general. Accordingly, 62% of the social enterprises generate income by trading with consumers and 36% by trading with profit-oriented companies whereas 9% does not have any sources of regular income. Social enterprises often rely on a diverse range of income sources, including grants, donations, sales of goods and services, and social impact investments. Each of these sources presents unique challenges and opportunities that can significantly impact the enterprise's sustainability and growth. Social capital, which encompasses the networks, relationships, and trust that social enterprises build within their communities, is a vital asset. It helps in mobilizing support, attracting funding, and fostering a loyal customer base. Investigating how social enterprises cultivate and utilize their social capital can reveal effective strategies for maintaining strong community ties and achieving long-term impact. In addition to these sources, government support also represents a significant source of income for many social enterprises. As shown in the table below, there are various institutions in Türkiye that provide grants and loans, particularly to SMEs and cooperatives.

Table 13. Financial Support Framework for Social Economy Organizations

Institution & Programme	Types of Support	Target Groups
Small and Medium Enterprises Development Organization Grant and Credit Programmes (KOSGEB)	Entrepreneurship Support Program Capacity Development Support YÖNDE - Leadership and Evaluation Support Program 1507 - TÜBİTAK SME R&D Start-up Support Program	SMEs Cooperatives for some programmes
Ministry of Trade Cooperative Support Programme	Cooperative Support Programme (KOOP-DES)	Women cooperatives. Other commercially active cooperatives

Table 13. (continued)

Agricultural and Rural Development Support Institution	Rural Development Support Program (IPARD)	SMEs Cooperatives
Directorate General of Civil Society Relations (Ministry of Interior)	Project Support System (PRODES)	Associations
TÜBİTAK (Scientific and Technological Research Council of Türkiye)	Entrepreneurship Support Programs R&D grant programs	SMEs
Development Agencies	Grant programs for regional development and capacity building. Technical assistance and project preparation training.	Cooperatives Associations and foundations SMEs

Human Capital: Human capital is an area where social enterprises experience challenges. They often struggle with attracting and retaining skilled employees due to limited financial resources compared to traditional businesses. This can result in a reliance on volunteers or underpaid staff, which can impact the sustainability and growth of the enterprise. Furthermore, the dual focus on social impact and financial sustainability requires employees to possess a unique blend of skills and values, which can be difficult to find.

In terms of the composition of the workforce in social enterprises, it is seen that 25% of the organizations lack a full-time staff member. Meanwhile, 51% indicated that they employ 1-9 full-time workers, with enterprises having more than 9 full-time employees making up 20% of the total sample (World Bank, 2024, draft). These results align with the data from 2019, which reported an average of 3.44 full-time employees per social enterprise, highlighting that most of these businesses operate on a micro-scale. However, this data can be misleading as women's cooperatives

members are considered as employees though nor they are not registered employees or does not receive wages for the jobs they perform. In examining gender roles, a significant trend emerges as it is seen that women hold substantial positions in the sample. Specifically, 59% have women constituting 76-100% of their organization's founders, while 58% see a similar ratio in managerial roles. This strong representation of women can be attributed to the presence of women's cooperatives among survey participants. However, even without cooperatives, 44% of respondents' overall workforce is composed of 76-100% women as stated in the report.

Within the governance and human capital dimension, leadership and the traits of entrepreneurs emerge as critical areas for further exploration. The Social Innovation School aligns social entrepreneurship with the actions of individual social entrepreneurs, building on Schumpeter's foundational concept of entrepreneurship. Schumpeter highlighted innovation, risk-taking, and market disruption as essential characteristics of entrepreneurs. Similarly, social entrepreneurs are viewed as change-makers who leverage creativity and sustainable approaches to tackle societal challenges and drive meaningful change. An integral component of this discussion is innovation. While research frequently examines whether social enterprises engage in innovative practices, the lack of standardized criteria complicates the assessment and measurement of innovation in these organizations. To address this gap, this study will evaluate the innovative capacity of social enterprises on a case-by-case basis. This will involve insights drawn from interviews, focusing not only on the innovative activities of these enterprises but also on the motivations and entrepreneurial traits of the individuals driving them.

4.3.2. Weaknesses and Strengths in the Social Entrepreneurship Ecosystem

The reports from TÜSEV, the British Council, the World Bank and the desk research findings offered varied insights into Türkiye's social entrepreneurship ecosystem, each highlighting different aspects of its strengths and weaknesses. Drawing upon the insights from these studies, along with feedback from interviews, meetings, and workshops, the following section enumerates the primary weaknesses identified within the ecosystem.

Conceptual Confusion: There is a lack of clarity or confusion surrounding the definition and conceptual understanding of social entrepreneurship. This confusion often extends to its differentiation from non-profit organizations and civil society entities. While the term "social entrepreneurship" began gaining traction in the 2010s, leading to a surge in related projects and programs towards the late 2010s, its increasing popularity led to its usage often without a deep understanding of its implications. Many adopted the concept more for its trendiness than for its foundational principles or practices. Apart from this trend, the differing views on what constitutes social entrepreneurship stem from the absence of a universally accepted definition or criteria in legal texts. Some social entrepreneurs argue that earning income through trading activities is essential, while others believe that the source of income—whether from trade, donations, or grants—is secondary to achieving sustainability. This diversity in understanding reflects the broad spectrum of practices and philosophies within the field of social entrepreneurship.

Inadequacy of Legal Structures Specifically Tailored for Social Enterprises: As outlined in the previous chapter, many countries have introduced comprehensive social and solidarity economy laws or enacted legislation tailored to specific types of social enterprises. These legal frameworks aim to regulate the sector, foster its growth, and, in some cases, provide fiscal privileges to support social enterprises in achieving their objectives. Such frameworks not only formalize the sector but also create an enabling environment that recognizes and rewards the unique contributions of these enterprises to society.

In the context of Türkiye, however, the legal landscape for social enterprises remains fragmented. Social enterprises may operate under a variety of legal forms, including associations, foundations, cooperatives, or companies, each governed by distinct laws and regulations.

This diversity reflects flexibility but also presents significant challenges. Unlike countries with dedicated legal frameworks, social enterprises in Türkiye are generally treated the same as for-profit entities in many financial matters. They do not benefit from specific legal or fiscal advantages, such as tax exemptions or

subsidies, which are often crucial for the sustainability and scalability of such organizations. Without specific legal recognition, these enterprises may struggle to access resources, attract investment, or gain public trust as organizations that prioritize social impact alongside financial sustainability.

One of the most recent efforts by the Ministry of Trade's Directorate General of Tradesmen, Artisans, and Cooperatives involves attempts to legally define social cooperatives and develop a legal framework to provide related supports; however, no concrete progress has been achieved so far.

Inadequacy of Fiscal Regulations and Financial Support: Access to finance remains a critical challenge for social enterprises, involving a diverse array of actors including public institutions, philanthropic foundations, mainstream financial institutions, and private sector investors. Each of these stakeholders plays a role in facilitating funding, but the financial ecosystem for social enterprises often lacks coherence and sufficient resources. In Türkiye, public institutions dominate as the primary financiers of social enterprises. Leading organizations such as TÜBİTAK, KOSGEB, and regional development agencies provide a range of grant and credit programs aimed at supporting innovation and development across both non-profit and for-profit sectors. These programs are sometimes supplemented by funding from EU sources, offering additional opportunities for social enterprises to secure financial support. However, the overall financial allocation for such initiatives remains modest, limiting their ability to meet the growing needs of the sector.

One key characteristic of these funding mechanisms is their reliance on competitive grant systems. Organizations must prepare detailed project proposals that align with predefined criteria set by the funding body. Only those applicants who successfully meet these criteria and outperform their competitors can secure funding. While this system ensures transparency and prioritizes impactful projects, it also creates significant barriers for smaller or less-resourced social enterprises, which may lack the expertise or capacity to develop competitive proposals. The inadequacy of tailored fiscal regulations further compounds these challenges. Social enterprises are often treated similarly to traditional businesses or non-profits under existing financial

regulations, which fails to acknowledge their unique hybrid nature. Without dedicated fiscal incentives—such as tax breaks, subsidized loans, or risk-sharing mechanisms—social enterprises may struggle to access the resources necessary for long-term sustainability and growth. Strengthening financial support systems and introducing targeted fiscal policies could help create a more enabling environment for social enterprises, fostering their potential to address pressing social and economic challenges.

Access to Markets and Strategic Resource Allocation: For financial resources to yield meaningful outcomes, social enterprises must possess the capacity or receive guidance to strategically allocate these funds in the market. This includes understanding how to access markets, identifying appropriate strategies, and developing the right products or services to balance social impact with financial sustainability. The ability to make these decisions effectively varies significantly across different types of social enterprises.

Social enterprises operating as social impact-oriented companies or technological start-ups often possess this strategic capacity. These organizations tend to engage in high-value-added activities, leveraging innovation and market-oriented approaches to create competitive advantages. By aligning with market demands, they are better positioned to generate both social and financial returns. In contrast, social enterprises in the form of traditional cooperatives often lack this strategic capacity. These organizations frequently engage in low-value-added activities, which result in lower returns and increased competition within saturated markets. Without sufficient guidance or support from intermediary organizations, cooperatives may struggle to differentiate themselves or scale their operations effectively, limiting their overall impact. Intermediary organizations are therefore critical in addressing this disparity. By providing targeted support in areas such as market analysis, business strategy, and innovation, these entities can help traditional cooperatives and other less-resourced social enterprises overcome structural limitations. This guidance ensures that financial resources are allocated effectively, enabling all types of social enterprises to enhance their competitiveness and maximize their contributions to social and economic development.

4.3.3. Institutional Strategies for Strengthening the Ecosystem

Since 2010, in response to increasing interest in the field and with the goal of addressing weaknesses in the ecosystem, various actors have initiated new programs and projects. Concurrently, there has been a rise in the establishment of support organizations. Within the diverse range of actors, public institutions stand out with their policy development and execution responsibilities. A guiding document for all public institutions is development plans prepared in five-year periods aiming to articulate the country's development vision with a long-term perspective. Although social entrepreneurship is not explicitly defined in the 12th Development Plan, which covers the period of 2024-2028 and was officially published in the gazette at the end of 2023, various measures have been included to foster the development of entrepreneurship and cooperatives in the country. Some of these measures focus on increasing financial resources, while others concentrate on capacity development. Within the scope of increasing financing opportunities, bolstering and expanding the utilization of alternative and innovative financing avenues such as investment banking, corporate and individual venture capital, crowdfunding, impact investing, and angel investing has been included in the plan. Additionally, the plan aims to develop financial support mechanisms for cooperatives, aiding in machinery and equipment purchases, hiring skilled personnel, and acquiring fixed assets. It is noted that cooperatives like agricultural sales cooperatives, women's cooperatives, and socially oriented cooperatives will receive particular attention and support.

On the other hand, the plan focuses on enhancing the competitiveness and capacities of tradespeople, artisans, and cooperatives to adapt to evolving economic and social landscapes. The plan prioritizes improving transparency, reliability, and oversight systems, fostering a collaborative culture among these entities. The plan also encourages initiatives that facilitate shared machinery usage spaces for these groups, aiming to streamline production costs. Furthermore, it emphasizes the importance of raising awareness about cooperatives in the public sphere and universities to ensure more effective implementation of cooperative practices. It is stated that legislative improvements will be made to strengthen producer organizations and activate

cooperatives in rural areas. Enhancing collaboration and fostering social dialogue among the public sector, private sector, and NGOs will be prioritized.

Public Bodies in the Social Entrepreneurship Ecosystem: Among the ministries which are closely related to the social entrepreneurship ecosystem there are Ministry of Trade, Ministry of Industry and Technology, Ministry of Family and Social Services. Ministry of Trade has the Directorate General of Tradesmen, Artisans, and Cooperatives, and the Directorate General of Domestic Trade which oversees the majority of cooperatives categorized as social cooperatives. While not explicitly defined by law in the country, the term "social cooperatives" generally refers to cooperatives focused on improving the welfare of disadvantaged individuals and communities, prioritizing missions beyond profit maximization. On one hand, this directorate manages all regulatory matters concerning cooperatives and administers grant programs through the Cooperative Support Programme. On the other hand, it aims to contribute to the development of the framework for social cooperatives. Since 2017, the Ministry has been involved in various initiatives within the field of social cooperatives. Initially, an International Social Cooperatives Panel was organized, followed by the Social Cooperatives Search Conference, Social Cooperative Education and Promotion train, working visits, and stakeholder consultations within the scope of the Social Cooperative Development Project. The Ministry enables social cooperatives to establish their articles of association specifically tailored to social cooperative regulations, allowing them to delineate their purpose and activities accordingly. Simultaneously, assistance is provided to social entrepreneurs in preparing cooperative articles of association specific to their area of work, facilitating the establishment procedures.

The Ministry of Industry and Technology, through its General Directorate of Development Agencies, is implementing multiple capacity development projects that include social entrepreneurship components and is also providing grants to entities within the ecosystem. Social Entrepreneurship, Empowerment and Cohesion Project (SEECO), implemented by the Ministry of Industry and Technology (MoIT), the Directorate General of Development Agencies under the supervision of the World Bank and financed under the EU's Facility for Refugees in Türkiye (FRIT) is an

important example in this regard. With the aim of enhancing social unity, the project supports social entrepreneurial activities led by women and youth. It provides specialized training programs for aspiring social entrepreneurs and works on establishing essential livelihood facilities. Furthermore, it offers grants to encourage the creation of new social enterprises and to expedite the growth of existing ones in 11 cities across Türkiye. On the other hand, there are 26 development agencies across the country which implement various entrepreneurship programmes and provide technical assistance in forms of consultancy, mentorships and trainings with the aims of aiding establishment of new enterprises and accelerating those of already existing ones. Some of these agencies also focus exclusively on social entrepreneurship like Ankara Development Agency, Silkroad Development Agency, Eastern Anatolia Development Agency and İstanbul Development Agency. In 2023 İstanbul Development Agency launched the first Social Impact Bond Programme of the country. Social impact bonds represent an innovative financing mechanism for social programs, operating as outcome-based contracts where governments or commissioners collaborate with social service providers, such as social enterprises or non-profit organizations, along with investors, to fund and ensure the achievement of predetermined social outcomes (OECD, 2016). Ankara Development Agency in 2019 implemented Social Entrepreneurship for Youth Programme and first grant programme of the country focusing exclusively on social entrepreneurship. Additionally, in collaboration with TED University Social Innovation Center and Ankara Social Sciences University, the Ankara Social Enterprise Platform was established. It organized several public dialogue meetings aimed at raising awareness within public institutions and initiating policy initiatives (Ankara Development Agency, 2023). The Eastern Anatolia Development Agency's Social Entrepreneurship Program, which was executed between 2019 and 2021, had the objective of enhancing awareness of social entrepreneurship and fortifying the social entrepreneurship ecosystem in Bitlis, Hakkâri, Muş, and Van, all part of the TRB2 Region. Furthermore, another significant public organization that provides financial support to entrepreneurs is the Small and Medium Enterprises Development Organization (KOSGEB). KOSGEB operates under the Ministry of Industry and administers various credit and grant programs tailored to enterprises of different scales.

The Ministry of Interior Directorate General of Civil Society Relations on the other hand is another important public body under the Ministry of Interior, as it oversees the development and implementation of policies for civil society organizations, namely associations. The DG works for ensuring compliance with legal regulations governing associations and ensures adherence to legal requirements for their establishment, activities, financial reporting, and transparency. Associations can engage in commercial activities through economic entities when they require additional income beyond revenues obtained from donations or rental income to achieve their objectives or when they conduct income-generating activities consistently (Dernekler ve Vakıflar için İktisadi İşletme Yönetimi, STGM). Furthermore, in recent years Directorate General of Civil Society Relations acknowledged social entrepreneurship as a policy area. Civil Society Strategy Document and Action Plan prepared by Directorate General of Civil Society Relations identifies development of social entrepreneurship as one of its strategic targets. In the action plan, development of legal infrastructure on social entrepreneurship and raising awareness on the issue are listed targets.

The Ministry of Family and Social Services, while not exclusively focused on social entrepreneurship, oversees support for vulnerable groups such as children, youth, people with disabilities, and the elderly, who often benefit from the services of social enterprises. Additionally, in 2022, the Ministry initiated a project aimed at enhancing the capabilities of women's cooperatives, aligning with efforts to empower and support various segments of society.

The Ministry of Foreign Affairs General Directorate of EU Affairs is backing several networks and platforms related to social entrepreneurship with EU funding. Their latest project, the *Support for Civil Society through Social Entrepreneurship Project in Türkiye* is expected to be launched in 2025 as part of the IPA program's 3rd Period. The project aims to create a more favorable and sustainable environment for civil society and social economy actors, with a focus on enhancing the sustainability, financial capacity, and social impact of NGOs and social economy actors. Components of the project include capacity development through training and workshops, awareness-raising activities, social entrepreneurship training for public

institutions, the design of impact measurement tools, and legislative work, all aimed at achieving these objectives.

Social Entrepreneurship Support Organizations: In the recent years, within the ecosystem, local government bodies, including metropolitan and district municipalities, have exhibited a growing interest in social economy actors. They are employing a range of strategies, including conventional approaches such as providing support to entities like cooperatives, as well as innovative approaches like assisting in the establishment of social innovation centers. Initiatives like the cooperative markets organized by the Ankara Metropolitan Municipality highlight creative and sustainable methods for supporting social economy actors. Simultaneously, certain municipalities are actively engaged in efforts to enhance responsible procurement practices at the local level. This multifaceted approach underscores municipalities' dedication to both strengthening social ventures and improving procurement practices with a strong emphasis on social responsibility. Notable examples include the Tepebaşı Social Innovation Center, supported by Eskişehir Municipality, and the Nilüfer Social Innovation Center in Bursa supported by Nilüfer Municipality.

At the same time within the ecosystem, there are prominent intermediary organizations performing a wide range of functions with the goal of supporting and fostering social enterprises. The table below provides a list of these institutions.

Table 14. Intermediary Organizations and Programmes in the Social Entrepreneurship Ecosystem

Organization	Functions
Impact Hub İstanbul	<ul style="list-style-type: none"> • A membership based co-working space offering strategic resources and partnership opportunities • Projects to enhance the capacity for impact-driven initiatives and implementing Sustainable Development Goals (SDGs) • Events to bring together stakeholders and facilitate exchange of knowledge

Table 14. (continued)

Impact Hub Ankara	<ul style="list-style-type: none"> • A membership based co-working space offering strategic resources and partnership opportunities. • Social entrepreneurship and social innovation support programmes • Research and capacity building projects • Events to bring together stakeholders and facilitate exchange of knowledge
İmece, İstanbul	<ul style="list-style-type: none"> • Acceleration programmes for social enterprises • Translates important resources to Turkish and disseminates knowledge products • Innovation lab for youth to contribute to the collective problem solving in light of SDGs • Events to bring together stakeholders and facilitate exchange of knowledge
Türkiye Social Entrepreneurship Network	<ul style="list-style-type: none"> • A platform for social enterprises and intermediary organizations • Producing knowledge and disseminating knowledge products
Ashoka Türkiye, İstanbul	<ul style="list-style-type: none"> • Network&Fellowship programme for local social entrepreneurs • Bringing social entrepreneurs with investors • Programmes for children and youth to increase their social skills • Producing knowledge and disseminating knowledge products
Yekpare Social Enterprise Union	<ul style="list-style-type: none"> • Producing knowledge and disseminating knowledge products • Databases for resources and support programmes • Advocating for social procurement-social buy movements

Table 14. (continued)

TEDU Social Innovation Center, Ankara	<ul style="list-style-type: none"> • A co-producing space bringing together social actors • Trainings and consultancy for social enterprises • Producing knowledge and disseminating knowledge products
Fark Yaratınlar Programme of Sabancı Foundation	<ul style="list-style-type: none"> • Trainings, mentoring and networking for social entrepreneurs and activists • Increase visibility of social entrepreneurs
İbrahim Bodur Social Entrepreneurship Programme	<ul style="list-style-type: none"> • An award programme for young social entrepreneurs

4.4. Concluding Assessment: Institutional Evolution and the Shaping of Social Entrepreneurship in Türkiye

Tracing the evolution of social entrepreneurship in Türkiye from its historical roots to contemporary forms reveals a unique institutional and socio-cultural landscape. Historically, philanthropic traditions such as the Ottoman "waqf" system laid an early foundation for community welfare initiatives, significantly shaping the collective understanding of social service provision. However, in contemporary Türkiye, the institutional context has undergone considerable transformation, leading to a complex and multifaceted social entrepreneurship ecosystem. Today, rather than being centrally managed or systematically supported through clearly defined legal and regulatory frameworks, social entrepreneurship has emerged primarily through fragmented initiatives driven by civil society actors, local governments, and individual entrepreneurs responding to visible social needs.

The recent growth of voluntary organizations, as Ayşe Buğra (2020) highlights, reflects broader public disillusionment with government effectiveness and equity. This disillusionment, coupled with the neoliberal reshaping of the boundaries between market, state, and civil society, has opened an important space for voluntary

and community-based organizations. This space has particularly expanded in fields such as poverty alleviation, local economic development, and community empowerment, where public sector involvement has remained insufficient and private-sector interest limited. However, this newly emerging space has not equally expanded into the field of social and personal care. In Türkiye, consistent with Esping-Andersen's (1990) conservative welfare model, responsibilities for care have traditionally been assigned primarily to families, limiting the extent to which these services have been institutionalized as part of formal public policy and thus constraining the potential growth and involvement of third-sector actors in these domains. This limited expansion into social and personal care can be further explained by the way these services are positioned within Türkiye's welfare and market structures. As İlkkaracan et al. (2021) demonstrate, childcare and other care services function as semi-public goods that generate wide societal benefits but are not systematically financed or provided as universal entitlements. Instead, public provision remains scarce, while private for-profit providers dominate the sector, accessible only to higher-income households—43% of mothers in the top income quintile use childcare compared to just 1% in the poorest quintile. Consequently, care responsibilities continue to be absorbed within the family, primarily by women, consistent with the conservative welfare model. This dual reliance on market and family financing leaves little institutional space for voluntary or community-based organizations to operate, in sharp contrast to many European countries where municipalities contract with social cooperatives to deliver care services. The result is that, although social enterprises in Türkiye have gained visibility in fields such as poverty social inclusion and community empowerment, the domain of social and personal care remains shaped by market dominance and familialism, rather than by collective or third-sector provision.

Despite these institutional constraints, Türkiye has witnessed a notable increase in cooperative formations, particularly in the form of women's cooperatives, agricultural sales cooperatives, and socially oriented cooperatives. The rising number of cooperatives indicates a growing societal interest in cooperative models as means for collective empowerment and economic solidarity, although many of these cooperatives struggle to achieve sustainable success. This underscores a latent

societal demand for alternative forms of economic and social organization, highlighting the necessity of policy interventions to foster more resilient cooperative frameworks. International models, particularly those observed in Italy, suggest that supportive public-private partnerships and enabling legal frameworks significantly facilitate the integration and success of social economy actors in welfare services delivery. Following this observation, it becomes clear that the diverse yet fragmented nature of social entrepreneurship in Türkiye calls for a coherent, integrated policy and institutional framework that reflects the specific local context and dynamics. As the historical review and current analysis throughout Chapter 4 indicate, Türkiye's institutional landscape has evolved differently from established welfare and social economy traditions in Europe and elsewhere. A fundamental difference emerges particularly in relation to the European Union, where social enterprises and social businesses have been formally recognized as essential actors in addressing social issues through market-driven mechanisms. This recognition in Europe has been reinforced by targeted funding, diverse market-access channels, and robust public-sector collaboration traditions that actively support intermediary organizations. However, while international experiences provide valuable lessons, any policy adaptation needs careful contextualization to address Türkiye's unique socio-cultural fabric, regulatory environment, and market structures.

Therefore, Türkiye's current institutional landscape presents both distinct challenges and significant opportunities for social entrepreneurship. The absence of clearly defined legal structures, coupled with fragmented regulatory oversight and inconsistent public support mechanisms, creates an environment of uncertainty, which, however, also fosters innovation out of necessity. The next chapter of this thesis will explore, through detailed analysis of empirical field data, how this institutional ambiguity shapes the emergence and evolution of diverse and adaptive organizational forms in Türkiye. Specifically, it will investigate the extent to which the lack of clear institutional frameworks affects these organizations' sustainability, capacity for social impact, and ability to navigate regulatory and market uncertainties. The analysis will also examine whether these adaptive structures represent enduring institutional innovations or merely temporary responses, thereby

providing insights into the type of comprehensive institutional reforms necessary to effectively support and sustain social enterprises in Türkiye.

CHAPTER 5

SOCIAL ENTERPRISE LANDSCAPES IN TÜRKİYE – EMPIRICAL FINDINGS FROM THE FIELD

This chapter presents the findings of the field study conducted to explore the institutional, organizational, and socio-cultural dynamics shaping the development and operational models of social enterprises in Türkiye. While interest in social entrepreneurship has grown in Türkiye, the existing literature remains fragmented. Much of the scholarship has centered on conceptual debates, definitional issues, and isolated case examples, while offering little empirical evidence of organizational practices (Gül & Paksoy, 2019; Tuna, 2024). Studies that address the legal and policy environment point to the absence of a clear definition and the inconsistency of national strategies, noting that recognition in development plans has not been followed by concrete regulation (Aktaş & Akdeve, 2024; Efeoğlu, 2023). Other contributions underline that the role of municipalities, intermediary organizations, and sustainability challenges are still largely neglected (Akdoğan, 2023). These gaps highlight the need for field-based research that situates social enterprises within their institutional and socio-cultural context, which this chapter seeks to provide. Built upon the conceptual discussions and gaps identified in the literature review, the field study aims to provide empirical grounding to understand how public policies, legal frameworks, and social norms interact with the motivations and operational realities of social entrepreneurs across diverse sectors.

5.1. Linking Theory and Practice in the Turkish Context

This chapter presents a layered empirical analysis of the social enterprise landscape in Türkiye, drawing on fieldwork conducted with seventeen mission-driven organizations across diverse sectors. It serves as a critical hinge in the overall

structure of the dissertation, linking the conceptual and policy discussions of previous chapters with grounded accounts of entrepreneurial practice. Rather than producing a linear narrative, this chapter constructs a composite portrait of how social enterprises emerge, adapt, and survive within Türkiye's fragmented institutional terrain.

A key theoretical inflection point in this chapter concerns the role of the state—and how its presence, absence, or selective engagement shapes the space for social enterprise. While the literature often relies on binary constructs such as state failure or market failure to explain the emergence of social entrepreneurship, such framings prove inadequate in the Turkish context. The term state failure in particular assumes a clear and measurable absence of public intervention, often inviting a compensatory response from the market. However, this binary logic overlooks the presence of a third actor—civil society—and fails to capture the complexity of institutional arrangements where neither the state nor the market provides consistent or adequate support. What we observe in Türkiye is not the collapse or retreat of the state, but zones of insufficient public involvement—fields where the state is partially present but underperforms in terms of welfare provision or regulatory coherence. These are not always institutional voids per se, but institutional grey zones, where civil society actors—often through hybrid, entrepreneurial forms—take on roles that lie between service delivery, advocacy, and local development. Türkiye's institutional ambiguity is uniquely characterized by fragmented state involvement, selective regulation, and highly informal governance arrangements that differ significantly from conventional Western models of welfare provision. This reframing moves beyond the state–market binary and proposes a triangular institutional dynamic, in which social enterprises navigate shifting alignments between public structures, market constraints, and civic solidarities. In this configuration, civil society does not simply substitute for failed markets or absentee states; rather, it operates as a distinct institutional actor engaged in capacity building, value creation, and local problem-solving. This analytical lens foregrounds one of the dissertation's core contributions: the recognition of social enterprises as civic agents that occupy and actively reconfigure the space between institutional insufficiency and entrepreneurial initiative, thus offering a new

understanding of institutional embeddedness and hybrid organizational forms within the literature on social entrepreneurship.

Within this broader context, the empirical data reveals several recurring patterns. First, many social enterprises emerge in areas where state welfare provision is limited or inconsistent—such as inclusive education, employment access, and women’s empowerment. However, their formation is rarely driven by explicit market opportunity. Instead, founders are often motivated by civic or personal commitments rooted in experiences of exclusion, injustice, or public inaction. While this confirms the relevance of “situated agency” (Battilana et al., 2009), the findings also raise questions about the representational dynamics of the field: most founders do not come from the marginalized groups they aim to serve, but rather from more privileged social positions, suggesting that entrepreneurial agency may be unequally distributed along lines of cultural and social capital. This indicates a deeper structural dimension, where social entrepreneurship may inadvertently reproduce certain socio-economic hierarchies and power imbalances.

Second, social entrepreneurs exhibit notable proficiency in mobilizing relational resources—including trust-based local networks, informal alliances, and cross-sectoral ties—which Dacin et al. (2010) describe as central to navigating uncertainty and accessing opportunities. In contexts where legal frameworks are ambiguous and financial capital scarce, these intangible assets function as both operational tools and legitimacy mechanisms. As emphasized by Güçlü et al. (2002), “people themselves are the resource,” bringing know-how, credibility, and reach. Many founders demonstrate characteristics of social bricoleurs (Di Domenico et al., 2010), creatively recombining limited material and symbolic assets to produce contextually grounded solutions. These relational dynamics underline the critical importance of informal institutions and local social capital in sustaining entrepreneurial initiatives, particularly within contexts characterized by institutional ambiguity. Third, a recurring tension emerges around the sustainability of mission-driven service provision. While many organizations deliver essential services to disadvantaged populations, few possess stable, long-term financial mechanisms. This financial precarity is closely linked to the absence of dedicated regulatory frameworks or

state-backed financial instruments, which in turn pressures social enterprises into continuous cycles of short-term funding and project-based support.

Finally, the definitional boundaries of social entrepreneurship in Türkiye remain fluid. Across the field, actors construct varied interpretations of what social enterprise entails—ranging from rights-based activism and solidarity economies to impact-oriented commercial ventures. This definitional multiplicity reflects what Nicholls (2010) calls discursive struggles, in which actors vie to shape the field's meaning, legitimacy, and institutional alignment. In the absence of a supportive legal category, many organizations resort to dual or hybrid structures—combining associations with limited companies or cooperatives—operating within what Mair et al. (2012) describe as institutional voids. These adaptations, while creative, also expose organizations to governance challenges, resource fragmentation, and policy invisibility. Thus, a key contribution of this chapter is to identify and analyze a distinct set of organizational forms—Civic–Mission Enterprises, Entrepreneurial–Commercial Hybrids, Empowerment Cooperatives, and Ecosystem-Oriented Social Enterprises—that emerge uniquely within Türkiye's institutional ambiguity. This original typology reveals how Türkiye's fragmented regulatory and policy environment creates specific incentives, pressures, and adaptive strategies that shape organizational trajectories in ways distinct from those documented in mainstream literature.

In sum, by exploring how social enterprises navigate institutional ambiguity, leverage informal networks, and construct hybrid organizational forms, this chapter not only provides a comprehensive empirical mapping of Türkiye's social entrepreneurship landscape but also offers new theoretical insights into the relationship between state capacity, civil society action, and hybrid organizing.

5.2. Scope and Methodology of the Field Study

The cases selected for this chapter represent a spectrum of organizational forms and mission orientations—from associations and foundations to cooperatives and trading companies—operating within various thematic domains including education, digital

inclusion, and community development, and social inclusion. Drawing on in-depth interviews with founders and key staff, the chapter examines legal form and organizational structure, institutional positioning vis-à-vis the state, market, and civil society, governance arrangements, partnerships within the ecosystem, and resource mobilization strategies. Rather than centering individual biographies, the analysis foregrounds the organizational logics and structural configurations that shape social enterprise operations in Türkiye, including the social needs they address and the impacts they report. Specifically, it highlights how these enterprises strategically respond to legal ambiguity, welfare-regime dynamics, and resource constraints while pursuing their missions.

In examining how these enterprises navigate formal and informal institutional terrains, particular attention was given to their interactions with various levels of the public sector—from ministries such as Trade, Industry and Technology, and EU Affairs, to regional development agencies and local governments—as well as their alliances with civil society actors and private sector entities. This approach was crucial to capturing the multifaceted institutional landscape in Türkiye, characterized by partial state engagement, selective regulatory practices, and fragmented policy environments. The interview protocol was organized around five guiding themes designed to capture the legal foundations, institutional positioning, resource strategies, partnerships, and social impact of social enterprises. Rather than pursuing a checklist of detailed items, the interviews were structured through broad, open-ended questions that allowed participants to reflect on their experiences, strategies, and challenges in depth. These overarching questions provided a framework for consistency across cases, while still leaving space for context-specific elaboration and narrative accounts.

Below are the main guiding questions:

1. Legal and Organizational Form
 - How and why was the legal form and organizational structure of the enterprise chosen, and what does this imply for its capacity to institutionalize and sustain activities?
2. Positioning vis-à-vis State, Market, and Civil Society

- How does the enterprise define its position and situate itself in relation to public institutions, the market, and civil society under conditions of legal ambiguity and lack of formal recognition?
3. Resource Mobilization and Sustainability
 - What strategies are used to mobilize financial, human, and knowledge resources, and how is the balance maintained between commercial income, grants, donations, and volunteer engagement to ensure sustainability?
 4. Partnerships and Ecosystem Relations
 - How does the enterprise develop partnerships with public authorities, municipalities, NGOs, and other social initiatives, and what role do these collaborations play in advancing its mission and sustaining operations?
 5. Social Needs, Impact, and Mission
 - How are social needs identified and addressed, and in what ways have the enterprise’s activities produced change for beneficiaries, stakeholders, and the entrepreneur personally?

Table 15. Profiles of Social Enterprises from the Field Study

Social Enterprise	Legal Form	Field of Operation	Social Mission
Puduhepa	Company	Educational and empowerment-focused creative production — development and sale of story-based cloth dolls, children’s books, and activity kits that promote gender equality and life skills.	Gender Equality for Youth and Women’s Livelihood
Sector 7	Company	Handmade organic toys production and soft furnishing employing low-income women	Women's Employment and Economic Empowerment
İhtiyaç Haritası	Cooperative	Digital platform for resource mapping and donation-based support	Solidarity, Social Justice, and Crisis Relief

Table 15. (continued)

Genç İşi Kooperatifi	Cooperative	Youth employment, civic participation, and project-based learning	Youth Empowerment and Democratic Participation
Beri Kadın Girişimi Kooperatifi	Cooperative	Garment production (baby and adult clothing) and contract manufacturing in a textile atelier employing low-income and refugee women	Women's Livelihood
Yemenia Kadın Girişimi Kooperatifi	Cooperative	Production of traditional yemeni footwear and handmade leather goods such as bags and wallets	Women's Empowerment through Heritage Craft
Beypazarı Kınalı Eller Tarımsal Kooperatifi	Cooperative	Local food production, agriculture and women-led rural enterprise	Women's Livelihood
Talkido	Company	Assistive educational technology for children with autism and speech delays	Inclusive Education and Early Intervention Support
Otsimo	Company	Mobile apps and digital tools for special education and speech therapy	Accessible and Inclusive Education for Children with Special Needs
Usturlab	Company	Science and nature-based experiential learning programs	Democratizing Science Education and Cultivating Scientific Curiosity
KODA	Association	Teacher training, rural education programs, and community development	Transforming Rural Education through Teacher Empowerment
Bilim Virüsü	Company	Youth science education through innovative, interactive programs	Scientific Literacy and Youth Empowerment
Hayal Gücü Merkezi	Association	Creative and participatory learning models in underserved schools	Education Equity and Empowerment through Creativity
Kodluyoruz	Association	Free coding and technology training programs for youth	Tech Education for Employment and Opportunity

Table 15. (continued)

EkoDoku Kadın Girişimi Kooperatifi	Cooperative	Sustainable textile production and training	Women's Empowerment through Ethical Production
Rumii	Company	Contemporary reinterpretation of traditional kilim weaving in collaboration with low-income women	Empowering Women and Preserving Cultural Heritage through Modernized Craftsmanship
Mikado	Company	Consultancy and project development for sustainable impact	Systemic Change through Social Innovation
Good4Trust	Company	Participatory digital marketplace for ethical and ecological products	Regenerative Economy through Trust-Based Community Governance

In total, 18 in-depth interviews were conducted with founders and organizational staff, complemented by 8 additional conversations with ecosystem stakeholders—including support organizations, funders, intermediary platforms, and public sector representatives—who influence the broader operating environment of social enterprises. These actors play a crucial role in shaping access to resources, defining legitimacy, and enabling policy advocacy. Their perspectives provide insight into the institutional gaps, coordination challenges, and emerging support mechanisms that characterize Türkiye's evolving social entrepreneurship ecosystem.

Table 16. Stakeholders Interviewed

Type of Relationship	Institution
Policy Maker/ Funder	Ministry of Trade
Policy Maker/Funder	Ministry of Industry and Technology
Policy Maker	Ministry of Foreign Affairs EU Directorate
Funding/Interlocutor	Ankara Development Agency
Intermediary	Koç University Social Impact Forum (KUSİF)
Intermediary	Impact Hub Ankara

Table 16. (continued)

Intermediary	TEDU İstasyon Social Innovation Center
Funding	Alethina Social Impact Fund

The interviews systematically explored a set of key analytical dimensions drawn from the theoretical framework of this dissertation:

- How do existing legal frameworks and policy instruments (or the lack thereof) shape the formation, organizational choices, and sustainability strategies of social enterprises?
- In what ways do public institutions and support organizations perceive social enterprises, and how does this perception influence institutional interactions and support mechanisms?
- What specific forms of financial, technical, and capacity-building support currently exist, and how do these align or conflict with the needs identified by social enterprises themselves?
- How do cultural norms, societal attitudes, and perceptions regarding social entrepreneurship impact the legitimacy, operational practices, and long-term viability of these organizations?
- What institutional and policy innovations could facilitate more effective collaboration among social enterprises, public institutions, and support organizations, ultimately contributing to a more robust and coherent ecosystem?

To address these questions, semi-structured interview guides were employed, allowing for both thematic consistency and flexibility to capture emergent, context-specific insights. Interview data were analyzed iteratively, combining inductive thematic coding with the theoretically grounded framework presented earlier in the dissertation. Importantly, the methodological design was informed by the recognition of Türkiye’s unique institutional dynamics. Unlike contexts characterized by either strong state support (Northern Europe) or established market-based mechanisms (United Kingdom), Türkiye represents a distinctive setting of institutional ambiguity and partial state involvement. This necessitated an analytical sensitivity toward

hybrid organizational strategies, informal institutional arrangements, and adaptive practices that might be less visible or relevant in other contexts.

By integrating these dual perspectives—from both enterprise-level actors and ecosystem enablers—the chapter provides a multi-layered view of the structural conditions under which social enterprises emerge, persist, and scale. This comprehensive analytical approach allows for a nuanced examination of the intricate ways in which legal ambiguity, financial precarity, informal solidarities, and cultural narratives interact and co-evolve. The thematic structure of this chapter thus aims to reveal the complex interplay between individual and collective motivations, legal form choices, sustainability strategies, approaches to social impact, relational dynamics, and the broader institutional and cultural frameworks that simultaneously enable and constrain social enterprise activity in Türkiye.

5.3. Key Findings: Dynamics Shaping Social Enterprises in Türkiye

This section presents the main findings derived from interviews with social entrepreneurs and explores the motivations driving founders, the legal and organizational forms adopted, income and sustainability strategies, and the ways social enterprises define and evaluate impact. It also examines how these enterprises engage with beneficiaries, navigate institutional constraints, and build collaborative relationships. The analysis explicitly highlights how institutional ambiguity, relational networks, and socio-cultural dynamics interact to produce uniquely Turkish forms of social entrepreneurship.

5.3.1. Founders' Motivation and Entrepreneurial Trajectories

The emergence of social enterprises in Türkiye is deeply rooted in the intertwined personal, professional, and socio-political trajectories of their founders. Although founders' entry points into social entrepreneurship vary, a common thread is their drive to respond to perceived institutional voids, systemic injustices, and inadequacies of state provision. The narratives gathered through fieldwork suggest motivations that go beyond market logic, indicating a strong interplay between situated agency (Battilana et al., 2009) and institutional critique (Nicholls, 2006).

Encounters with Inequality, Marginalization, and Institutional Neglect: One of the most frequently observed motivational drivers is direct exposure to inequality, marginalization, or systemic neglect. Founders repeatedly referred to formative experiences—whether growing up in diverse or underserved neighborhoods, encountering vulnerable groups in professional settings, or witnessing exclusion firsthand—as critical in shaping their mission orientation. These motivations underline the critical role of personal experience in identifying institutional deficiencies and shaping entrepreneurial responses. For example, one founder articulated:

I grew up in a neighborhood where there were teachers, Roma citizens, and even people dealing drugs. I started by observing everything. I began as an apprentice. I couldn't remain indifferent to the needs of the child next to me (*Interviewee 12, Male*).

A common motivation among many founders was direct exposure to structural inequality—particularly in the fields of education, disability rights, and child development. Personal experiences with social injustice often triggered a sense of responsibility to address these gaps through entrepreneurial means. Founders repeatedly referred to formative experiences—whether growing up in diverse or underserved neighborhoods, encountering vulnerable groups in professional settings, or witnessing exclusion firsthand—as critical in shaping their mission orientation. This personal confrontation with inequality generates a sense of obligation to intervene, not merely through charity but via structured, long-term solutions rooted in community agency and ownership. These motivations underline the critical role of personal experience in identifying institutional deficiencies and shaping entrepreneurial responses.

For instance, one social enterprise working in the field of special education and assistive technologies emerged from the founder's experience of having a close family member diagnosed with autism. Witnessing firsthand the inadequacies and systemic gaps in support and resources provided by existing public and private institutions, the founder developed a digital platform to provide accessible and affordable educational resources to families facing similar challenges. Similarly,

another enterprise, also in special education, was founded due to the founder's direct experience with a relative who had speech and developmental delays. Realizing the limited availability and accessibility of educational tools and services tailored to children with special needs, the founder established a technology-driven initiative offering innovative educational solutions that democratize access to essential developmental support.

Another social enterprise offers yet another dimension of institutional critique. Formed by a group of young people, the initiative responded to their shared experiences of precarious, low-quality, and exploitative employment. Rather than accepting these conditions as normal, they organized around the idea of collective resilience and labor empowerment. One founder explained: "*We came together in İzmir in 2015 as young people affected by the labor market—some of us were unhappy with our current jobs, others were experiencing various forms of exploitation.*" (Interviewee 13, Male)

Social Entrepreneurship as a Civic and Ethical Responsibility: Several founders described their work in terms of civic duty, framing social entrepreneurship as an ethical response to structural deficiencies in state and market systems. Rather than focusing on profit redistribution or charity, they emphasized systemic engagement, aligning with what Nicholls (2006) terms institutional entrepreneurship—actors who seek to reconfigure broken or unjust systems. Their motivation was shaped by a civic or intellectual response to systemic gaps.

For example, one social enterprise was rooted in the observation of systemic gaps in education. The founder, dissatisfied with how scientific thinking was neglected in mainstream schooling, launched an initiative to promote critical thinking and curiosity among children: "*I realized that children's and youth's needs for developing scientific thinking were not being met.*" (Interviewee 4, Male) In the case of another initiative working in sustainability and ethical consumption, the founder drew from a career spanning academia, civil service, and civil society. This initiative was grounded in the belief that the current economic system was structurally unjust and environmentally unsustainable: "*I realized the economy needed to be*

transformed. After formulating how that transformation should happen, I decided to become a social entrepreneur.” (Interviewee 4, Male)

Rather than reacting solely to personal hardship, these founders were compelled by an acute awareness of collective needs and the limitations of existing systems in addressing them. Their ventures emerged as organized responses to these failures, combining critique with innovation. Such views reinforce theories that place moral legitimacy and values-driven logic at the center of social enterprise activity (Peredo & McLean, 2006). These ventures are not simply market corrections; they are deliberate ethical interventions.

Activating Professional and Personal Experience: In other cases, motivation emerged from a realization of unmet societal needs in the founder’s professional domain, coupled with a desire to utilize existing expertise for broader public good. One founder in the field of creative and educational products described how their initiative was shaped by both a desire to give back and a conscious decision to reject the pressures of conventional professional life: “[*This enterprise*] actually started out as my personal give back project. And I deliberately keep it small in scale because I don’t want to return to the pressures and confinement of corporate life.” (Interviewee 10, Female)

Some founders described a conscious break from private sector or international development careers, expressing dissatisfaction with the disconnect between their personal ethics and institutional constraints. Social entrepreneurship becomes a mechanism for reconciling technical skills with purpose. In several cases, the entrepreneurial journey began with deeply personal experiences that gradually evolved into platforms for collective empowerment. The founder of another social enterprise working on handmade products and women's employment shared how a period of medical immobility during pregnancy led to producing handicrafts at home

During my second pregnancy, I was bedridden for seven months... My husband encouraged me to open an Etsy shop... Then I posted an ad saying, ‘If you’re a mom like me and want to earn some extra income from your handicrafts, here’s my number.’ And something incredible happened—maybe

a thousand women reached out that week.. What began as a coping mechanism for a personal challenge transformed into a scalable women's employment initiative, rooted in solidarity and shared production. (*Interviewee 11, Female*)

Some founders were motivated by a desire to reconnect with creativity or purpose after dissatisfaction with conventional work. One founder of an enterprise working to revive traditional crafts and provide women's employment explained:

Actually, I hadn't set out to establish [this enterprise]. My goal wasn't just to create employment for women—I also wanted to engage with art. For years, the work I had done gave me little pleasure in terms of producing something tangible. When I went to Gaziantep, I came across yemeni-making. It was a disappearing craft, yet something that could still be produced. I met with NGOs. (*Interviewee 15, Female*)

Catalyzation via Project-Based or Donor-Supported Frameworks: In several cases, particularly among women's cooperatives, social enterprises emerged within the framework of donor-funded or municipality-supported projects. These externally anchored initiatives provided seed funding, technical assistance, and organizational legitimacy—especially for women or communities with limited prior economic agency. A clear illustration of this dynamic can be found in donor-funded women's cooperatives, where participation often begins with externally organized programs but gradually evolves into personally meaningful entrepreneurial journeys:

They told us there was a project focused on women, specifically in the textile field, so I decided to apply. As we progressed, we were like fish out of water. How would we sell? Where would we sell, to whom, what would we do? We knew nothing. When we joined the cooperative, we were told that we would be both the owners and the workers of our own business. That's how the idea of the cooperative was instilled in us. It sounded appealing—transitioning from being a housewife to being our own boss, contributing to our family and children with our own earnings. But to be honest, I joined the project for myself—to be able to accomplish something in my own life. (*Interviewee 14, Female*)

Nonetheless, not all project-based cooperatives evolve into fully functioning enterprises. This study focuses on those that developed sustainable structures beyond initial project cycles. A key distinguishing factor in these cases is the presence of

leaders with Schumpeterian entrepreneurial traits—risk-taking, resource recombination, and innovation under uncertainty. In contrast, others remain largely dormant or dependent on cyclical project grants, lacking the internal drive or institutional knowledge necessary to transition into market-based operations.

Commitment to Collective Empowerment, Especially for Women: A distinct motivational pattern observed in several cases is the founders' commitment to collective empowerment rooted in solidarity among women who share similar life experiences and structural disadvantages. These initiatives are not merely about expanding individual opportunity but about walking a shared path of transformation with other women. The driving force is not self-advancement, but the intention to build inclusive structures with and for a peer group facing common challenges—often in response to gender-based labor exclusion, economic precarity, or social invisibility. Many women's cooperatives or social enterprises emerged as spaces where members could produce together, share risks and responsibilities, and foster mutual learning. These were not enterprises that “included others,” but ones that were intentionally co-constituted by women with shared realities. In one cooperative, this collective vision was rooted in the gendered barriers women faced in public and professional spaces:

The founding of our cooperative was based on the challenges women face in working life—feeling unsafe in markets, being uncomfortable in male-dominated environments. Things men do easily are sources of pressure and hesitation for women. So we said, ‘Let’s become stronger together,’ and decided to start a cooperative. At first, we just wanted to help women sell their products. But over time, as we got to know each other’s lives more deeply, we saw how much solidarity deepened. It wasn’t just about being employers or workers anymore—we started to feel responsible for each other’s lives.” (*Interviewee 16, Female*)

In this sense, social entrepreneurship is not about an individual helping others—it is about co-creating spaces of agency where women, through shared effort and mutual recognition, transform their social and economic realities together.

This vision of collective empowerment also extends to cooperatives where leadership and operational structures are deliberately inclusive of women, even when formal

membership criteria are open. For example, another cooperative working in the field of ethical textile production operates with a strong emphasis on women-led production and inclusive participation: *“Our producers, suppliers, and potential partners are women. There is no requirement for female-only membership or citizenship, but the cooperative is women-led and has a female-majority structure.”* (Interviewee 7, Female)

Across the narratives, social entrepreneurs in Türkiye describe their motivations not only in terms of ideals but also as pragmatic responses to unmet needs, institutional voids, and everyday contradictions. Their paths often emerge from personal struggles, exposure to donor agendas, search for solidarity, or even frustration with existing structures. These accounts suggest that social entrepreneurship is less a heroic act of market innovation and more a fragile attempt to piece together alternative practices and institutions in contexts where both the state and the market fall short.

5.3.2. Defining Social Entrepreneurship in Practice: Founders’ Perspectives

While academic discourse offers diverse and evolving definitions of social entrepreneurship (Dees, 1998; Mair & Martí, 2006), field research in Türkiye reveals how practitioners operationalize the concept through lived realities, contextual constraints, and pragmatic adaptations. Founders interviewed for this study consistently expressed five interlinked principles that shaped their understanding of social entrepreneurship. These principles both align with and expand upon existing theoretical frameworks, demonstrating how global models are reinterpreted within the local institutional and socio-cultural terrain.

Dual Mission Focus: Social Impact and Financial Sustainability: Founders consistently emphasized that social enterprises must pursue both social value creation and financial self-sufficiency. This aligns with the dual mission model articulated in literature, where social enterprises seek to blend social purpose with market-based operations (Boschee, 2006; Alter, 2007; Dees, Emerson & Economy, 2011). For many practitioners, this balance was not just aspirational but operationally

necessary—particularly in the absence of systemic public funding or enabling legal infrastructure in Türkiye. As one founder from an educational initiative noted: *“If you’re working with disadvantaged groups, you need income, but also long-term impact. So, you can’t depend only on donors. That model collapses the moment the project ends.”* (Interviewee 5, Female)

Supporting this perspective, an intermediary organization representative emphasized that dependence on project-based funds and grants alone can actually weaken the entrepreneurial aspect of social ventures by creating unsustainable reliance patterns: *“Constantly relying on grants and donations can actually harm social enterprises in the long run, because it pushes them away from entrepreneurial thinking and makes them project-dependent.”* (Interviewee 20, Female)

This understanding resonates with market orientation theories, which assert that earned income models help distinguish social enterprises from traditional non-profits, making them more sustainable and resilient (Dees, 1998; Ebrahim et al., 2014). However, founders also expressed that the pursuit of financial sustainability must not compromise social mission—echoing the “mission lock” principle in hybrid organizational theory (Battilana & Lee, 2014).

Innovation and Problem-Solving Beyond Market Gaps: Another recurring element was a focus on solving problems neglected by both the public and private sectors. Unlike traditional entrepreneurship, which often responds to demand, social entrepreneurs in this study often created solutions for constituencies with little purchasing power or institutional visibility. As expressed by one founder working in youth education and empowerment, their motivation stemmed from clear systemic inadequacies: *“We saw that the education system failed to nurture scientific thinking... We had to act ourselves.”* (Interviewee 5, Female)

Moreover, a public-sector stakeholder emphasized that social enterprises in Türkiye are uniquely positioned to create innovative services that neither public nor private sectors could feasibly or profitably undertake: *“The greatest value of social enterprises is social innovation. They approach problems differently from both the*

public and private sectors, developing creative and innovative solutions that go beyond conventional ways of addressing social issues.” (Interviewee 25, Female)

This logic mirrors the Social Innovation School (Mulgan et al., 2007; Phillips et al., 2008), which frames social entrepreneurship as the development of novel solutions to social problems, particularly where public infrastructure falls short. In many cases, founders described themselves not as disruptors of markets but as bridging actors filling governance voids—especially in areas like education, health, and disability services. Furthermore, as Interviewee 21 (Male) stressed, some problems “will never be attractive to investors” because they cannot generate sufficient profit, but “this does not mean we can ignore them.”

Participatory and Empowerment-Oriented Logic: In contrast to hierarchical or charity-based models, many social entrepreneurs—particularly those leading cooperatives—emphasized collective decision-making, shared ownership, and community empowerment. This reflects the logic of mutualism and solidarity economy frameworks (Laville, 2010; Defourny & Nyssens, 2017), where economic activities are embedded within social relationships and participatory governance structures. Such models align with the embedded mission-centric organizations described by Alter (2007), where beneficiaries are also owners and decision-makers, challenging conventional distinctions between service providers and recipients. This element was particularly strong among women-led cooperatives, where social entrepreneurship is not only a strategy for livelihood but also for social recognition and autonomy. Beyond individual enterprises, a recurring assessment in the ecosystem is that effective social entrepreneurship is not only about running a viable business model, but about building inclusive, participatory structures where all actors involved have a sense of ownership.

Context-Sensitive Adaptation and Legal Flexibility: Finally, social entrepreneurship in Türkiye is heavily shaped by the lack of a formal legal status or supportive institutional environment. Founders reported choosing among available legal forms (e.g., associations, cooperatives, limited companies) based on what best accommodated both mission and operational needs—often making strategic compromises. This reflects the notion of institutional bricolage (DiMaggio & Powell,

1991), where social entrepreneurs construct hybrid models from existing tools and forms, often bending institutional boundaries. Ecosystem interviews repeatedly underlined that the absence of a clear legal definition or supportive framework creates confusion and forces social entrepreneurs into strategic compromises. Many adapt pragmatically, shifting between association, cooperative, or company status depending on resources and operational needs.

5.3.3. Organizational Form and Operating Structure

The organizational choices of social enterprises in Türkiye are shaped by a dynamic interplay between mission priorities, legal constraints, and resource needs. Founders navigate between association, cooperative, and company models—each presenting distinct advantages and limitations with respect to governance, funding eligibility, and operational flexibility. Given the absence of a clearly defined legal framework or dedicated institutional structure for social enterprises in Türkiye, these choices are characterized by pragmatic adaptation and strategic compromise. Organizational decisions rarely remain static; instead, they continually evolve in response to regulatory ambiguities, shifting partnership opportunities, funding dynamics, and the ongoing negotiation between social purpose and economic viability. This section examines in detail how legal ambiguity, internal governance structures, and labor organization shape everyday operations and influence the long-term institutional sustainability of social enterprises in Türkiye.

Legal Forms Adopted: The organizational forms adopted by social enterprises in Türkiye reflect a complex negotiation between mission-driven imperatives and the structural constraints of the legal and institutional environment. Given the absence of a distinct legal status for social enterprises, actors select among existing forms—such as associations, foundations, cooperatives, or commercial companies—not because these forms fully reflect their operational logic, but because they offer the most pragmatically feasible option under prevailing regulatory conditions.

A notable pattern observed is the *strategic duality* adopted by many social enterprises: establishing a non-profit legal entity to access public and donor funding,

while simultaneously operating a commercial arm to ensure financial autonomy. Many participants noted that, had there been a legal form such as a non-profit corporation—allowing both commercial activity and mission protection—they would have preferred this option over existing alternatives. As Interviewee 17 (Male) stated clearly: *“We really wish there were a special status in Türkiye like B Corp in the U.S., or other examples in the U.K. Even though we are a limited liability company, we don’t distribute profits. Of course, we set this up on our own; there’s no legal basis for it.”* Ecosystem interviews repeatedly underscored that the absence of clear legal definitions and guidelines creates persistent uncertainty. Each available form—association, foundation, cooperative, or company—comes with its own limitations, forcing social enterprises to navigate a fragmented and often confusing landscape.

For the associations in the sample group, it is seen that some social entrepreneurs in Türkiye choose the association structure primarily because it aligns with their non-profit mission and enables access to certain types of funding. In some cases, the association form is chosen despite its bureaucratic challenges, because it is one of the few legally recognized non-profit models available. Moreover, the association status offers a level of social credibility and public benefit perception that is often lacking in commercial forms.

In some cases, associations are able to establish structured collaborations with large foundations or corporations by positioning themselves as vehicles for the implementation of corporate social responsibility (CSR) programs. Since many companies prefer to channel their CSR activities through recognized non-profit partners, associations are often selected as institutional intermediaries for project execution, capacity-building, or direct service provision. These relationships are frequently formalized through grant agreements or sponsorships, enabling associations to access private sector resources while supporting corporate actors in fulfilling their social responsibility mandates. In some instances, the hesitation to adopt a non-profit legal form was tied to broader concerns about the political and institutional climate surrounding civil society in Türkiye. As one founder critically reflected:

As a society, we're somewhat behind Europe in the field of philanthropy. Once politics enters the equation, everything changes. Yes, neutrality is essential here, but because we can't manage that, civil society ends up being discouraged rather than supported. That's why I never considered forming an association or foundation. (*Interviewee 10, Female*)

This perspective highlights a structural trust deficit and a politicized civic environment, which can make founders wary of formalizing their work within the civil society domain. Instead, some choose commercial structures not only for financial reasons, but also to maintain operational autonomy and public neutrality.

Another founder reflected critically on the limitations of the non-profit sector in Türkiye, pointing to both procedural inefficiencies and donor-dependent organizational dynamics. While acknowledging the potential access to a wider pool of philanthropic and institutional resources—ranging from EU programs to local and international foundations and wealthy individual donors—the founder deliberately opted for a commercial structure to maintain autonomy and agility:

If I had become an association or foundation, I could have accessed a wide resource pool—from the EU to domestic and international foundations, wealthy philanthropists, institutions. But that would have meant entering a process of asking for money for every project. I also find the structure of foundations in Türkiye too procedural and bureaucratic—boards of trustees, rigid governance, slow decision-making. What we're doing is developing social business, not navigating red tape. (*Interviewee 5, Female*)

This perspective underscores the trade-off faced by social entrepreneurs between accessing external resources and preserving strategic flexibility. The decision to pursue a company-based model is thus not solely a legal or financial one but also a response to perceived inefficiencies and political constraints within the civil society infrastructure.

Cooperatives emerge as a preferred form among community-based initiatives, particularly those oriented toward women's employment and rural development. A closer analysis of the cooperative form reveals two distinct patterns of selection. In the first group, social entrepreneurs actively choose the cooperative model based on a sense of collective identity and operational pragmatism. These founders typically

operate within pre-existing community networks or collaborative teams and perceive the cooperative structure as an organizational form that simultaneously supports *teamwork and provides the legal status of a commercial entity*. As one founder explained: *"When establishing this enterprise, we deliberately chose the cooperative form. We did not want to be merely an association nor a fully commercial company. We needed both partnership and operational flexibility."* (Interviewee 12, Male) The cooperative form, for them, embodies a synergy between democratic governance and market participation, aligning with their vision of socially embedded entrepreneurship. A similar rationale was expressed by another founder, who rejected the company model in favor of a structure that supported shared decision-making and collective visibility: *"If we had founded a company, it would have been the same. We would be the bosses, they would be employees... But I don't see myself as a boss here."* (Interviewee 16, Female)

In contrast, the second group consists of cooperatives whose legal form was not necessarily selected by the founders themselves, but was rather shaped by external donors or development programs. In these cases, the cooperative model is often promoted due to its ability to encompass a broader group of women, offer a democratic governance framework, and function independently of concentrated capital ownership. While the cooperative structure offers a formal platform for inclusivity, the motivations and expectations of members in these externally driven initiatives often differ significantly from those of entrepreneur-led cooperatives, resulting in varying degrees of dynamism, ownership, and market engagement.

Conversely, for *companies* embedded in technology and research-driven sectors, cooperative or association models often prove inadequate to meet their operational and financial needs. Social enterprises engaged in product development—particularly those that begin with small, technically skilled teams—tend to opt for company structures that provide easier access to start-up grants, R&D incentives, and investment networks. In Türkiye, limited companies can benefit from public programs such as KOSGEB entrepreneurship grants and R&D incentives—support mechanisms that are largely inaccessible to associations, foundations, or cooperatives. Thus, for social enterprises operating in technology-intensive or

innovation-oriented sectors, the commercial company model is often the only viable option for scaling and sustainability. As stated by one founder operating in educational technology: *"We were two founding partners. Both engineers, and our aim was to sell a product. The equivalent of our model in the U.S. would be a B Corp, but in Türkiye, we are a limited liability company."* (Interviewee 17, Male) Despite adopting a commercial legal form, the enterprise established internal policies to reflect its social mission, including restrictions on profit distribution and wage inequality: *"We do not distribute profits and have some internal rules—for instance, the wage gap between the highest- and lowest-paid employees cannot exceed a 2:1 ratio. There is no such requirement in Türkiye; we simply wanted to set an example."*

While deciding on their legal structure, some social entrepreneurs considered a range of institutional options but ultimately selected the limited liability company model due to its relative procedural simplicity, lower administrative burden, and compatibility with commercial operations. Some evaluated alternatives such as cooperatives and joint stock companies but found these models too complex given their intended scope of operations—which included manufacturing, export, and sales. Cooperative structures were dismissed due to the legal requirement for a large number of founding members and intricate compliance obligations, while joint stock companies were viewed as administratively heavy and less suitable for small teams. The limited liability company, in contrast, was perceived as the most feasible and flexible vehicle for engaging in international trade and product-based value creation. For some the cooperative model was deemed administratively complex and difficult to govern, particularly in the early phases of institutional development when member structures were not clearly defined. Associations, on the other hand, were seen as incompatible with the enterprise's long-term vision and already existed in parallel through an affiliated civil association. The founder emphasized that the commercial code offered a more suitable legal framework for their goals and took deliberate steps to embed social mission provisions—such as profit distribution limits and ethical governance—in the company's articles of incorporation. This reflects a form of institutional bricolage wherein legal forms are adapted to accommodate hybrid missions in the absence of a formal social enterprise status. Conversely, some founders who registered their ventures as companies also established parallel

associations or cooperatives to advance the social mission more explicitly—often leveraging these entities for community engagement, fundraising, or advocacy. For instance, Good4Trust operates with a supporting civil association to uphold its values-based ecosystem, while Otsimo and Sector 7 complemented their company structures with non-profit entities to address public benefit goals that fall beyond the commercial scope.

A further variation on hybrid structuring is exemplified by a social enterprise that began as a company to enable faster and more autonomous decision-making. The founder explained that the non-profit legal form—while potentially advantageous for accessing philanthropic funding—was initially avoided due to its procedural rigidity and slower governance structures. However, as the organization expanded and encountered barriers in grant applications, it became necessary to establish a parallel NGO entity. This dual setup allowed the enterprise to balance the benefits of both forms: operational agility on the company side and access to donor funds through the association. As the founder noted: *“We did not choose a civil society form because we needed faster decision-making. But applying for grants required an NGO structure. Now we have a 28-person team, with employment also on the association side. Volunteering remains a fundamental element.”* (Interviewee 9, Female)

Despite the creative adaptations observed among social enterprises, the absence of a distinct legal framework specifically tailored to their hybrid nature imposes significant structural constraints. This hybrid approach allows for greater financial resilience and operational flexibility but also creates ***administrative and regulatory complexities***, as different reporting and governance standards must be reconciled.

In the absence of a formal legal framework for social enterprises in Türkiye, many founders have voluntarily adopted ***internal rules to safeguard their social missions***. Particularly among company-structured social enterprises, where legal protections such as asset locks or mission-preserving regulations are missing, mission-driven founders often implement governance norms inspired by international best practices. A case in point is Good4Trust, which operates as a limited liability company yet has embedded strong ethical principles and restrictions on profit distribution into its

operational model. The founder noted that the enterprise “does not distribute profits” and has institutionalized a rule of 100% reinvestment into the organization. As emphasized, “*whatever we earn, we reinvest*”—a principle framed as a core institutional value rather than a legal obligation.

None of the social enterprises in the study operating under company or cooperative status reported generating regular profits. Among these, a common feature is the use of voluntarily adopted internal principles that are not legally required but function as self-imposed ethical frameworks around reinvestment, wage equity, and conditional profit-sharing. e social enterprise operating in the handmade design and production sector has implemented clear internal guidelines such as equal pay for equal work and limiting wage disparities. In years where a profit is generated, they follow a pre-defined allocation model: “*If we become profitable, we divide the surplus. 60% goes toward mission-oriented reinvestment, and 40% is distributed equally among all employees, calculated on the basis of hours worked or products produced.*” (Interviewee 11, Female) In addition to internal rules, his enterprise also engages with external validation mechanisms to reinforce its ethical standards. The organization holds memberships with several global certification and audit networks, subjecting itself voluntarily to external audits assessing fair wages, workplace safety, and social impact commitments.

Cooperatives in the study demonstrate similar ethical imperatives. Another cooperative working in youth employment and empowerment, for instance, has institutionalized a flat wage structure where new interns and long-standing members receive comparable compensation—with a maximum deviation of 10%. As the founders noted, “*For 10 years, we've avoided age-, gender-, or tenure-based stratification. A new intern earns nearly the same as a 10-year expert.*” (Interviewee 13, Male) These practices illustrate a broader pattern of mission-locked (Battilana & Lee, 2014) in which Turkish social enterprises—despite lacking statutory guarantees—develop and implement voluntary ethical frameworks to preserve their dual missions. Through such mechanisms, they embody the ethos of social enterprise governance, even in the absence of formal institutional scaffolding.

Despite the creativity and hybridity observed across cases, all social enterprises operate in a context where no dedicated legal status exists to accommodate their dual economic and social missions. Ideally, the selection of legal form would be guided by the enterprise's operational model, mission type, and sustainability strategy. In such an environment, entities prioritizing public benefit could adopt a tailored "social enterprise" legal status; cooperatives could be formally recognized for their social impact contributions; and mission-driven companies could benefit from legal safeguards that incentivize limited profit distribution and impact measurement. The lack of such enabling frameworks in Türkiye forces social entrepreneurs to compromise—adapting their ambitions to rigid legal forms while striving to preserve mission integrity.

Revenue Models and Financial Sustainability: As widely accepted social enterprises are fundamentally expected to pursue both financial and social returns on investment, distinguishing themselves from traditional charities and public services. As discussed in the literature (Boschee, 2006; Dees, Emerson & Economy, 2011), while social enterprises may accept philanthropic donations, volunteer contributions, and public subsidies, they are characterized by a commitment to financial autonomy and market engagement. Market-oriented theorists argue that such a model ensures long-term sustainability and institutional resilience, differentiating social enterprises from conventional non-profit organizations reliant on external funding (Boschee, 2006). Meanwhile, the Social Innovation School emphasizes the importance of entrepreneurial achievement and systemic innovation, regardless of revenue model structure.

In the absence of a legally recognized "social enterprise" category, founders in Türkiye are often forced to choose between non-profit forms—such as associations and foundations, which enable access to grants—and commercial forms—such as cooperatives and companies, which allow for market-based income generation. All respondents agreed that social enterprises should ideally develop at least a partial commercial revenue model, both to increase autonomy and to avoid excessive donor dependency. Nonetheless, they also stressed that market logic alone cannot sustain initiatives that work with highly marginalized populations or in low-demand markets.

All respondents agreed that social enterprises should ideally develop at least a partial commercial revenue model, both to increase autonomy and to avoid excessive donor dependency. Nonetheless, they also stressed that market logic alone cannot sustain initiatives that work with highly marginalized populations or in low-demand markets.

On this ground, most of the social enterprises included in this study have secured a commercial income model, reflecting a broader trend towards hybridization in the sector. While legal forms such as companies are inherently required to generate income to sustain their operations, for associations and foundations, dependency on donations and grants remains structurally embedded. Nevertheless, a noteworthy finding is that most associations in the sample have managed to secure regular streams of earned income beyond purely philanthropic donations, adopting hybrid models that combine social impact objectives with financial sustainability strategies. For example, one association working in technology and youth employment has developed a multi-stream revenue strategy, including corporate partnerships, training services for private sector actors, and project-based funding from international organizations.

The philanthropic relations between these associations and corporations go beyond classic donor–recipient frameworks. Instead, they are often structured as strategic partnerships involving co-designed programs, capacity building initiatives, and reputational alignment. This model provides not only financial support but also long-term institutional legitimacy, visibility, and opportunities for network expansion. Such diversification allows the organization to maintain operational flexibility while continuing to pursue its social mission of improving digital skills among disadvantaged youth. Similarly, organizations (while formally structured as non-profit associations)—have incorporated service-oriented activities and consulting engagements to complement their grant-based income. As one founder of an educational association noted: *“We use donations, but we are increasingly asked to do training, content development, or process support. Some partners now approach us like consultants.”* (Interviewee 3, Female) However, for associations and foundations, due to legal restrictions they have to establish economic enterprises to conduct sales or provide services and this setup introduces complex administrative

burdens and additional responsibilities in accounting and reporting. In response to these constraints, some social entrepreneurs opt to establish commercial companies instead of navigating the cumbersome structure of association-owned economic enterprises. These founders emphasize the procedural complexity, dual accounting systems, and governance inefficiencies associated with maintaining a non-profit and its affiliated business entity. By choosing the company model, they aim to streamline operations while still embedding social mission principles into their business practices.

Companies with a clear market orientation, on the one hand, are structurally advantaged in terms of defining their business strategy, value proposition, and revenue model from the outset. As described in Dees' (2022) enterprise spectrum, these entities often operate with financial models that closely resemble commercial enterprises, relying primarily on market-based income and, in some cases, external investors. To preserve their social enterprise identity, however, many such companies introduce internal rules that limit profit distribution or define impact goals in their governing documents. In some instances, these enterprises also establish secondary non-profit entities—such as associations or cooperatives—not only to access public or donor-based funding but also to include a broader set of stakeholders in governance or service delivery. This structural layering reflects a pragmatic response to the limitations of existing legal forms in accommodating hybrid missions.

Despite their operational advantages, company-based social enterprises often face recognition barriers in the broader ecosystem. A recurring concern expressed by interviewees is that investors frequently fail to reconcile the company form with a strong social mission, perceiving it as either incompatible with impact goals or insufficiently profitable. As a result, such enterprises may be overlooked in investment decisions, particularly when compared to purely commercial ventures. One founder operating in educational technology noted this dilemma clearly “*Some investors don’t see us as an ‘impact-driven organization’ because we are a company. They expect either higher profits or no mission*” (Interviewee 2, Male). Similarly, another founder working in educational solutions for special needs commented: “*We*

couldn't secure investment in Türkiye because local investors didn't see us as a viable social enterprise. They told us we wouldn't generate returns. We simply couldn't get them to understand our mission." (Interviewee 17, Male)—exemplify this dilemma, illustrating how rigid investor expectations continue to disadvantage impact-oriented ventures operating under commercial legal forms. Simultaneously, public institutions and international donors tend to exclude company-based social enterprises from grant opportunities, often due to their legal status falling outside the scope of non-profit eligibility frameworks.

For cooperatives, revenue streams include a combination of commercial income and national or international funding. Particularly in the case of women's cooperatives, commercial income often derives from the sale of goods or services produced collectively, while grants and project-based support—usually secured through development agencies, municipalities, or international donors—play a crucial role in sustaining operations and outreach activities. This dual model reflects what Alter (2007) terms an embedded mission-centric organization, where beneficiaries are simultaneously members, producers, and owners of the enterprise.

In Türkiye, many women's cooperatives have emerged in the context of donor-driven projects or public support programs, which initially helped provide infrastructure, capacity-building, or seed funding. However, as these organizations mature, they are expected to transition into market-facing enterprises, expanding their product lines, brand identity, and retail channels. While this commercial success enhances organizational resilience, it can sometimes narrow the scope of social inclusion—transforming what was once a community-based platform for marginalized women into a stable, but less inclusive, small business.

Some ecosystem stakeholders highlighted that municipalities often create their own cooperatives instead of strengthening existing ones, which reinforces dependency relations and prevents social enterprises from developing independent revenue streams: *"Municipalities preferred to establish their own cooperatives rather than supporting existing initiatives. This is not supporting the field; it is appropriating it."* (Interviewee 19, Female)

Alongside this trajectory, a second type of cooperative has also gained visibility—those initiated directly by social entrepreneurs themselves. These cooperatives are typically driven by a clearer entrepreneurial vision and are often structured around service-oriented activities such as training or consulting, or value-added product sales. Unlike donor-initiated cooperatives, these entities usually start with a commercial mindset, and grants or philanthropic support function more as supplementary income streams rather than core funding mechanisms. These models demonstrate a higher degree of strategic planning, with clearer links between mission, market positioning, and long-term income sustainability. Examples from the field clearly illustrate this entrepreneurial cooperative model. One cooperative working in youth empowerment and employment, for instance, operates on a non-hierarchical cooperative model, where profits are not distributed among members. Instead, any surplus generated is either fully reinvested into community-benefiting activities or partially shared equally among all partners. This cooperative’s revenue is earned through project-based service contracts with prominent international institutions, complemented by diversified income from national and international grants.

Similarly, another cooperative in the field of resource sharing and social solidarity, while legally registered as a cooperative, combines mission-driven impact with service-based revenue strategies. In addition to operating as a community resource platform, it secures income through consulting activities, implementation of social projects in partnership with municipalities and development agencies, and strategic collaborations with philanthropic foundations and CSR programs. Notably, like the previously mentioned cooperative, this entity does not distribute profits; instead, financial gains are reinvested to strengthen its operational model and expand its social reach.

In addition to traditional sales and grant-based funding, some social enterprises in Türkiye have started to engage in social procurement—strategic collaborations with corporations, public institutions, and local governments to market their goods and services. This trend reflects the evolving understanding of social enterprises not only as charitable actors but also as mission-driven service providers embedded in wider

institutional and economic networks. The literature identifies social procurement as a critical mechanism for embedding social value into market exchanges, particularly where the purchasing power of large institutions is mobilized toward social outcomes (Nicholls & Teasdale, 2016; Salamon, 2014). These partnerships go beyond simple funding relationships; they constitute long-term market engagements that both validate the enterprise's impact and enable scale.

The fieldwork shows that enterprises with strong positioning in training, consulting, or digital services often secure fee-for-service contracts with private sector actors or public agencies. Several interviewees suggested that corporations view such partnerships as opportunities to enhance their brand reputation among youth. For instance, one social enterprise working in STEM education delivers specialized programs for disadvantaged youth, funded by corporate clients aiming to align with social causes and build reputational capital. As the founder (*Interviewee 5, Female*) emphasized, their corporate clients are not merely donors but strategic partners interested in long-term visibility and relational value. Similarly, another organization active in youth training and digital skills development has developed a robust multi-stream revenue model based on strategic partnerships. In addition to securing project-based grants, this enterprise collaborates closely with regional development agencies, global corporations, and public-sector institutions to deliver replicable training initiatives in underserved regions. These engagements exemplify a hybrid logic where the organization balances philanthropy, service delivery, and institutional alignment.

These examples reflect how revenue generation is increasingly tied to relational capital. Rather than operating on open markets alone, social enterprises often embed themselves in ecosystems of trust, collaboration, and shared value, making procurement an extension of both their financial model and their social mission. As scholars have emphasized, such institutionalized forms of exchange blur the line between market and civil society, enabling sustainability without compromising social objectives (Pestoff, 2012; Defourny & Nyssens, 2017).

In this context, social procurement emerges not only as a revenue stream but as a validation mechanism, anchoring social enterprises within broader governance

frameworks. It enables financial continuity while reinforcing legitimacy, especially in environments where grant-based funding is volatile and public policies on social entrepreneurship remain underdeveloped. However, ecosystem interviews stressed that this area needs to be significantly enhanced. As one stakeholder emphasized, “*Public procurement could become a real opportunity if designed to prioritize social value, but in Türkiye it is still rarely recognized or strategically applied*” (Interviewee 24, Female). Another policy actor similarly argued that while awareness exists, ministries and agencies lack coordination and commitment, leaving social procurement underdeveloped (Interviewee 22, Female).

The decision to adopt a specific legal form thus carries long-term financial implications. It influences not only the enterprise’s ability to access funds, but also its growth trajectory, institutional credibility, and operational flexibility. Several interviewees called for the creation of a dedicated legal status for social enterprises—one that would allow for both mission-driven operation and commercial sustainability under a unified regulatory framework. While commercial viability enhances autonomy, an overemphasis on financial sustainability risks mission drift, particularly among originally mission-centric organizations such as women's cooperatives.

Conversely, grant-dependent models face vulnerabilities associated with short-term funding cycles, donor dependency, and lack of strategic control. A dominant theme in the ecosystem interviews was the critique of grant dependency. Stakeholders agreed that while grants remain important, excessive reliance undermines entrepreneurial thinking and prevents social enterprises from developing market-based strategies. As one intermediary emphasized: “Because when we continuously support organisations we expect to trade with grants, we risk pushing them away from entrepreneurship. Instead, we should facilitate their commercial activities—for example, through tax exemptions or match trading models.” (Interviewee 20, Female). At the same time, ecosystem actors stressed that not all social issues can be financed by investors. “*Some problems will never be attractive to investors, because they won’t generate enough profit. But that doesn’t mean we can ignore them. Grants will still be necessary in such cases.*” (Interviewee 21, Male)

5.3.4. Social Value Creation, Community Building, and Impact Perception in Practice

One of the central elements distinguishing social enterprises from purely commercial entities is their explicit commitment to social value creation. Across the cases analyzed, founders expressed a consistent intention to go beyond individual benefit or profit and to generate positive societal outcomes, whether through education, employment, health, or environmental sustainability. This aligns with the conceptualizations of social entrepreneurship found in international literature (Defourny & Nyssens, 2012; Nicholls & Teasdale, 2016), where dual or triple bottom lines are emphasized as foundational.

Main Activities of Social Enterprises: Social enterprises in Türkiye exhibit a wide array of activities aimed at generating social value. These can be grouped into four major clusters: (1) educational transformation and capacity building, (2) empowerment through employment and production, (3) systemic visibility and cultural change, and (4) bridging access and infrastructure gaps. Across these domains, community engagement emerges not just as a by-product but as a deliberate strategy, and the perception of “impact” is closely tied to lived experiences and relational outcomes rather than quantified indicators.

Educational Transformation and Capacity Building: Several social enterprises position educational innovation as both method and mission. Bilim Virüsü articulates its mission as “*transforming children’s relationship with science, imagination and community,*” aiming to “activate potential” by reaching young people who otherwise “wouldn’t encounter these opportunities.” The enterprise offers structured online and in-person programs designed to develop scientific curiosity, emotional intelligence, and civic engagement in children and youth. These include competency trainings, mentoring circles, and guided discovery workshops focused on self-exploration, future skills, and community participation. Usturlab focuses on experiential science education and creative learning: “*We want children to feel valuable, to feel they matter.*” They describe their work as reintroducing “wonder and inquiry” into learning spaces, particularly for children with limited exposure to creative learning environments.

KODA working in teacher training and rural educational transformation operates programs in rural regions, focusing on professional development, emotional resilience, and peer learning. Beyond one-off trainings, they build sustained educator networks and support structures through in-service mentoring, school-based coaching, and online learning communities. Their stated outcome is to generate not only skilled educators, but “confident, connected, and caring teachers” who contribute to rural system change. As the founder quotes: “*We don’t just train teachers—we build a professional and emotional community*” emphasizing solidarity and peer learning as mechanisms for impact. The intended outcome, in their terms, is not simply knowledge transmission but “wellbeing, confidence, and collective power among rural educators.

Kodluyouz works in digital skills and youth employment focuses on young adults, especially university students and NEET youth, offering comprehensive bootcamps in software development, artificial intelligence, cybersecurity, and freelance work readiness. Their activities span from self-paced online modules on their learning platform to live cohort-based training camps where participants engage in instructor-led sessions, peer coding, and project-based assessments. Additionally, the organization localizes and distributes global curricula—such as introductory computer science courses from prestigious international institutions or cybersecurity content from global technology corporations—making them accessible for Turkish learners.

Hayal Gücü Merkezi employs storytelling, arts, and role-play to enhance emotional expression and creative literacy in children. Their flagship activity is the creation of “story universes,” where children collaboratively build characters, write stories, and share them publicly. The organization also trains local educators and community members to replicate these activities in schools, youth centers, and neighborhood programs. Their work has evolved into advocacy, treating imagination itself as a civic right, as clearly expressed by the founder: “*We treat imagination itself as a civic right,*” the founder explained.

These initiatives share an emphasis on education not just as knowledge transfer but as transformation—of self-image, aspirations, and social belonging. Across cases,

learning is designed to be participatory, locally relevant, and emotionally affirming. What unites them is a belief that meaningful education must equip individuals not only to function in the labor market, but also to participate in shaping society.

Empowerment through Employment and Production: Significant cluster of social enterprises in Türkiye focuses on women’s economic empowerment through culturally embedded, production-based activities. These enterprises combine skill-building, dignified income generation, and community belonging, while reviving traditional crafts and expanding the social imaginaries of labor and femininity.

These social enterprises illustrate how economic empowerment, cultural preservation, and ecological responsibility can intersect in localized production models grounded in feminist and solidarity economy principles (De Angelis, 2017; Laville, 2010). Yemena, for example, engages women in the traditional craft of leatherworking—producing bags, wallets, and accessories—within a secure, mixed-gender workshop space that welcomes participants from across Türkiye. Through structured training programs, over 300 women have been equipped with artisanal skills, and several have been formally recognized as artists by a national cultural authority. As clearly expressed by the founder, the practice is not merely income-generating but transformative: *“This is not just income—it’s transformation. Husbands and children proudly say, ‘Our woman became an artist.’”* Similarly, another social cooperative supports refugee and low-income women through a textile atelier equipped with sewing, embroidery, and printing machines. The cooperative produces muslin clothing for babies and adults, engages in subcontracted manufacturing, and creates gift items such as tote bags and fabric pouches.

EkoDoku centers its work on an ecologically sensitive process that allows silkworms to complete their life cycle—blending this sustainable practice with traditional knowledge and modern design. Operating as a women-led entity, it provides a fair and ethical working environment while preserving Türkiye’s textile heritage through techniques such as natural dyeing, embroidery, and lacework. As Defourny and Nyssens (2012) suggest, such initiatives embody the “embedded social enterprise” model, where producers are simultaneously rights holders, creators, and custodians of cultural capital.

Rumii follows a similar logic of reintegrating cultural heritage with modern market access. Emerging from the founder's direct engagement with women artisans specializing in traditional textile crafts, the initiative addresses both the invisibility of traditional crafts and the precarious conditions under which these are often practiced. The enterprise evolved from mere resale of products toward structured co-production, providing training, stable compensation, and a shared atelier space. As of 2023, their workshop also functions as a social space of solidarity and co-learning. This reflects Westoby's (2014) argument that "social enterprise can serve as a communal infrastructure of care," particularly in geographies marked by exclusion and economic fragility.

Women-led rural cooperatives represent another common organizational form, typically oriented toward local production and distribution activities. Often including about 10-20 active participants, these cooperatives emerge to generate income, enhance public recognition, and foster social inclusion for women traditionally excluded from formal labor markets. Beyond economic empowerment, these cooperatives also play an essential role in shifting societal perceptions regarding women's contributions to rural economies, highlighting their productive agency and collective capacities. Kınalı Eller, a women-led rural cooperative, focuses on food production and distribution. With over 50 active participants, it was formed to provide income and public recognition to women excluded from formal labor markets.

Other social enterprises combine symbolic and material forms of impact by integrating fair labor principles, gender empowerment, and cultural transformation. Some enterprises focus on handmade products and textile items, collaborating with women from diverse and often marginalized backgrounds. Sector 7 manufactures handmade toys and soft furnishings in collaboration with women from diverse and often underserved backgrounds, embedding fair labor principles such as wage equity and profit-sharing within their operations. Puduhepa engages nearly 100 women in producing dolls and books that promote positive female role models to girls. These initiatives illustrate the concept of cultural entrepreneurship (Lounsbury & Glynn, 2001), where economic empowerment is deliberately intertwined with storytelling, symbolic artifacts, and broader narrative changes around gender and social inclusion.

Collectively, these enterprises reflect a form of socially embedded entrepreneurship in Türkiye—where material production is inseparable from cultural reproduction, empowerment, and systemic reimagining. Their models offer rich sites for theorizing how gender, labor, tradition, and sustainability intersect in practice.

Social Innovation and Technology-Oriented Production: This cluster encompasses social enterprises that design innovative products, services, or processes—often driven by technological tools, participatory design, and experimentation—to tackle complex social problems. Several enterprises in this cluster like Otsimo and Talkido develop assistive technologies designed to address entrenched access barriers in special education. Their founders, motivated by direct personal experiences with developmental differences and communication challenges, have created digital tools aimed at making learning more inclusive, accessible, and affordable. For instance, one social enterprise offers gamified educational content specifically tailored for children with developmental differences, while another focuses on speech generation tools to support children experiencing verbal communication challenges. Both initiatives emphasize principles of inclusive design and affordability, deliberately positioning themselves as alternatives to expensive, imported educational technologies typically inaccessible to most families in Türkiye. As clearly expressed by the founder of Talkido: “It’s not just about the tool—it’s about making children feel part of the world.”

Collaborative Infrastructure and Community Empowerment: This category encompasses social enterprises that go beyond individual-level support to create collaborative infrastructures for systemic transformation. Rather than focusing exclusively on delivering goods or services, these enterprises act as enablers—facilitating partnerships, participatory governance, and relational models of change. Their strategies often center on building collective agency, reshaping institutional norms, and fostering ecosystems of trust and cooperation.

Mikado, for instance, describes itself as producing "intellectual capital" rather than physical products. It operates across multiple sectors—public, private, and civil society—to co-design strategies focused on social impact, capacity building, and

impact measurement. A notable example is its large-scale initiative, which reached over 100,000 women, demonstrating how institutional collaborations can scale collective learning and empowerment.

KODA similarly combines grassroots and institutional strategies. It fosters a peer-learning and support network for rural teachers, with regular in-person gatherings facilitated by volunteer trainers. These gatherings not only enhance professional capacity but also serve as “emotional and motivational” spaces, reinforcing community among educators. As the founder clearly noted, “*We aim for system-level transformation—not just localized improvement.*” By strengthening interpersonal relations between teachers, families, and local administrators, this enterprise shifts cultural expectations about public education and reimagines the system from within.

İhtiyaç Haritası reconfigures the logic of giving and support. Rather than viewing aid as a one-way transaction, it uses digital mapping technologies to connect surplus resources to verified needs. This approach democratizes access to support while reframing aid in relational and civic terms. As expressed by the founder, “*We were trying to rework the philosophy of aid itself—expanding the meaning of both support and supported.*” The platform shifts the dominant narrative from charity to solidarity and participation.

Good4Trust takes this systemic ambition further by constructing what it terms a regenerative and socially just economy. It operates a participatory digital marketplace where producers and consumers adhere to shared ecological and ethical principles. The initiative explicitly aims to foster systemic transformation toward greater fairness and sustainability. As the founder clearly described, “*We are trying to transform the global economy into one that is fair and sustainable.*” The platform’s participatory governance model ensures that influence and visibility are earned through contribution and trust, rather than hierarchy or capital.

Together, these enterprises exemplify what Nicholls and Murdock (2012) term “social innovation as institutional entrepreneurship”—efforts that do not simply address gaps, but work to rewire the systems and relationships that produce those

gaps. Their impact is not only measurable in services delivered or individuals reached, but in the creation of durable infrastructures for solidarity, learning, and systemic change.

Social Value Creation and Cultural Change: In addition to addressing concrete needs, many social enterprises in Türkiye contribute to broader cultural change. Their work often involves challenging dominant narratives, creating spaces for alternative voices, and promoting new ways of thinking about identity, inclusion, and community. Rather than solely focusing on service delivery, these initiatives help shape how social issues are understood and acted upon in everyday life.

Shaping Social Imaginaries and Cultural Narratives: Some social enterprises in Türkiye frame their value not through immediate service delivery but by reshaping dominant cultural narratives and collective aspirations. One enterprise, for example, positions itself as a “narrative disruptor,” aiming to challenge gender norms by producing symbolic materials— “*We reach them before resistance sets in,*” (Interviewee 10, Female) explains the founder, highlighting their strategic focus on influencing pre-adolescent imagination. With significant numbers of women involved in production and many girls receiving educational support, their work simultaneously redefines role models and economic participation.

Another initiative in creative learning and emotional development places visibility and emotional resonance at the heart of its work. “*We create atmospheres where children feel seen and heard. That, in itself, is impact,*” (Interviewee 4, Male) states the founder. Their practice of “designing experiences,” such as curiosity-driven workshops and creative storytelling, results in long-term empowerment. One participant, who joined at 12 years old with a passion for maritime studies, eventually founded a shipping start-up and now leads outreach projects for underprivileged youth. As the founder notes, these stories embody “hope, courage, and the capacity to dream.” Another enterprise operating in culturally rooted production and women’s empowerment emphasizes impact through emotional registers: “*If someone says, ‘I didn’t know I could feel this free,’ we’ve succeeded.*” (Interviewee 8, Female) Through collaborative production, creation of safe social

spaces, and co-learning practices, women involved in these initiatives transform both how they are perceived socially and how they perceive themselves. A fourth social enterprise working with youth and science education reshapes how young people imagine science and their own potential. Their programs actively combat alienating images of science by fostering “curiosity, confidence, and critical thought.” According to internal assessments, the vast majority of students report a significant shift in their perception of science after participating, and a notable proportion choose science-related professions following their engagement with the program.

Reconfiguring Access through Social Innovation and Infrastructure: Some social enterprises generate value by restructuring how individuals access services and participate in institutional systems. Several social enterprises in this field, for example, design assistive technologies to support inclusive education for children with autism and other special learning needs. “It’s not just about tools,” notes one founder. “It’s about making children feel included in the world.” (*Interviewee 17, Male*) Their innovative devices increase interactivity and reduce inequality in both school and home environments. Another similar social enterprise integrates speech and communication technologies into special education, using scientifically validated methods. Their operations—while tech-driven—are firmly grounded in rights-based pedagogy and address significant gaps in the Turkish education system.

Another initiative addresses infrastructural fragmentation in aid delivery by offering a logistics and mapping system that connects donors with real-time needs. “*We changed how people view giving,*” (*Interviewee 12, Male*) notes the team, highlighting how their platform reveals and responds to inefficiencies in traditional bureaucratic systems. Similarly, a different social enterprise focused on ethical consumption works to create a regenerative economy built around mutual trust and sustainable practices. The founder describes this approach as establishing “*a new vocabulary*”, embedding concepts of regenerative consumption and sustainability into everyday practice and discourse. These ventures resonate with Nicholls & Murdock’s (2012) concept of institutional entrepreneurship: creating new rules and spaces for civic and economic interaction.

Another social enterprise operates at the ecosystem level, designing large-scale initiatives to achieve social transformation. One flagship youth-oriented initiative, for instance, exemplifies this systems-oriented approach by providing structured guidance and resources to help young people make informed life and career decisions. It combines mentoring, career readiness modules, online training, and strategic corporate partnerships. Through this initiative, thousands of youth have gained structured support, while complementary programs focusing on women's empowerment have reached significant numbers of participants. The platform's impact extends beyond individual growth, actively fostering strategic linkages between private sector actors, civil society organizations, and educational institutions to build a more inclusive and supportive ecosystem for youth and women.

Embedding Empowerment in Production and Community Structures: A third set of social enterprises focus on production as a transformative practice for social inclusion. One social enterprise, for instance, engages women in traditional leathercraft, fostering not only artisanal skills but also personal pride and social recognition. “We’ve trained hundreds of women. Now their husbands proudly say, ‘Our woman became an artist,’” notes the founder:

Our workshop is a safe space for them. It’s a regular environment where both women and master craftspeople can work together. That’s why it’s preferred. This doesn’t only offer economic gain—it has a healing aspect as well. Many women who receive the training go on to receive small orders from their surroundings—making bags, wallets, belts. This contributes to their empowerment both economically and socially. The impact we create doesn’t just touch the woman herself; it transforms her surroundings too. (*Interviewee 15, Female*)

Another social enterprise supports women in ethical silk production, employing ecologically responsible practices such as peace silk production. The cooperative integrates sustainability, heritage preservation, and women's empowerment, providing training workshops in traditional techniques like natural dyeing and lacemaking. Similarly, another social enterprise provides dignified income opportunities for refugee and low-income women through textile production activities. As explained clearly by one founder:

We were women who had never worked before. Now we're trying to reach out to the world with our own brand. We're trying to continue our work so that we can touch the lives of others, of other families as well. Like I said before, whenever I had to go somewhere, my husband would always take me. Even for intercity or local travel, I'd always go with him or someone else. He wouldn't allow me to go alone. (*Interviewee 14, Female*)

Another social enterprise working in rural food production engages dozens of women in collective economic activities, creating visibility and recognition for informal labor. Another enterprise with a similar ethos, active in handmade product manufacturing, illustrates its transformative impact clearly through the experience of its participants. As the founder explained, "*One of our women, who didn't know how to read and write, now sent two children to university. We try to bring everyone together once a year—to keep the bonds strong.*" (*Interviewee 16, Female*)

Educational Empowerment and Systemic Participation: In the final cluster, enterprises highlight value creation through collective agency and institutional transformation. One social enterprise working in rural teacher empowerment has generated multifaceted and measurable impacts by empowering rural educators as agents of educational transformation. At the individual level, teachers participating in this enterprise's programs report enhanced pedagogical capacity, improved emotional resilience, and reduced feelings of professional isolation. One teacher shared during a feedback session, "*When I walk into the classroom now, I no longer feel alone,*" (*Interviewee 3, Female*) illustrating the solidarity and mutual support cultivated through enterprise's peer learning environments. These affective gains contribute to higher motivation, stronger professional identity, and increased retention among educators in under-resourced rural contexts. Backed by structured monitoring and evaluation methods—including surveys conducted with hundreds of teachers and qualitative interviews facilitated in partnership with evaluation specialists—these programs have demonstrated improvements in both instructional practice and teacher well-being. Participants reported significant development in designing localized educational materials, managing multi-grade classrooms, and facilitating student-centered learning environments.

Another social enterprise demonstrates multi-layered impact across individual, sectoral, and systemic levels by enhancing digital skills among young people

frequently excluded from such opportunities, particularly NEETs and vocational high school graduates. As emphasized by Interviewee 6 (Male) hundreds of thousands of youth have participated in the programs, with thousands subsequently finding employment. However, the most meaningful outcome is described clearly by the organization's representative as the increase in participants' self-confidence and sense of agency. This shift can reshape how young people perceive their potential and their place within the technology sector. At the sectoral level, this initiative contributes to diversifying the talent pipeline and addressing skill shortages in Türkiye's technology ecosystem by equipping a wide range of learners with industry-relevant competencies. Its inclusive approach challenges dominant narratives about who can access and succeed in digital careers. At the systemic level, the initiative offers a scalable, demand-driven model of digital education that integrates globally sourced content with localized implementation. In doing so, it informs broader discussions on the transformation of Türkiye's education-to-employment infrastructure, especially for groups historically marginalized in the digital economy.

5.3.5. Multilevel Challenges: Micro, Meso, and Macro Constraints in the Social Enterprise Landscape

While social enterprises in Türkiye operate with strong purpose and creativity, they are frequently confronted by constraints that cut across personal, organizational, and systemic domains. This section maps out these challenges across three interrelated levels:

- **Micro-level:** Personal challenges faced by founders, including emotional exhaustion, burnout, over-responsibility, and the difficulty of maintaining personal well-being while upholding social missions.
- **Meso-level:** Organizational limitations such as insecure funding streams, insufficient staffing capacity, dependency on volunteers, underdeveloped internal systems, and challenges in impact measurement and governance.
- **Macro-level:** Structural and institutional constraints including the absence of a legal framework for social enterprises, fragmented or inconsistent policy environments, bureaucratic barriers to public collaboration, and short-termism in available support mechanisms.

At the micro level, social entrepreneurship in Türkiye is shaped by intense personal commitments, emotional labor, and role strain—factors often overlooked in structural analyses. Founders frequently described their work not just as a professional pursuit but as a personal mission rooted in lived experience. While this deep engagement fuels perseverance and creativity, it also generates vulnerability, especially in the face of sustained precarity and limited institutional support. A common pattern across cases is the high dependency on the founder, particularly in the early stages of organizational development. This centralization of leadership, driven by deep personal commitment and limited resources, creates sustainability risks if decision-making, vision, and operational continuity are not eventually distributed. Until mechanisms for delegation, team development, or institutionalization are established, the burden on founders can become overwhelming. In this context, the risk of burnout remains acute. One founder clearly articulated the personal cost of leading a social enterprise “*You never switch off. Even when you're with your children or trying to rest, your mind is still on the project. It's not just a job—it's your whole identity*”. (Interviewee 5, Female) This fusion of personal and professional identity can heighten motivation but also blur boundaries, making it difficult to delegate responsibilities or take breaks. Another founder, who established their enterprise at a young age, recounted how sustaining a social venture in Türkiye’s uncertain institutional environment led to significant health impacts: “*I had nosebleeds, migraines, and extreme exhaustion. I was caught between being a for-profit or a non-profit, and neither side fully accepted us. It was a very intense period.*” (Interviewee 6, Male) This experience highlights the psychological toll and personal vulnerability involved in pioneering social enterprises, especially in environments lacking adequate legal recognition or support structures. Based on stakeholder interviews, it was emphasized that founders frequently work beyond sustainable limits due to high emotional investment and limited human resources. This situation is exacerbated by the absence of sufficient institutional support structures or stable funding mechanisms.

Relational tensions within founding teams present some challenges, particularly in cooperative structures that emphasize collective governance. In women-led cooperatives, especially those operating in conservative or rural settings,

interpersonal dynamics are shaped by both shared solidarity and socio-economic pressures. Several founders highlighted sometimes increasing financial responsibilities, administrative burdens, and unequal participation over time strained the emotional fabric of the group. To navigate such tensions, some cooperatives have developed intentional mechanisms of internal facilitation and conflict de-escalation. As one cooperative founder reflected, “*We managed by not personalizing issues and freezing conflicts to explore their root causes.*” (Interviewee 15, Female) In some cases, tensions intensified after externally funded projects ended. During the funded period, cooperative members generally receive regular incomes, but after project funding ends, limited commercial activity often leads to irregular and reduced income, triggering disappointment and frustration among members.

At the organizational level, social enterprises in Türkiye face significant constraints related to capacity, structure, and sustainability. One of the most pressing issues is the difficulty of balancing operational demands with mission fidelity in the absence of specialized human resources. Many social enterprises operate with small, overstretched teams that must simultaneously manage program delivery, financial administration, partnership development, and external communications. One social enterprise working in digital skills training has similarly underlined the need for a more stable and permanent management structure. Despite their extensive outreach and international recognition, much of their team operates under project-based employment or volunteer arrangements. As the informant explained, they often struggle to secure funding for key governance roles such as a CEO, program leads, or business development staff—positions that are rarely covered by project grants but critical for long-term institutional sustainability. Without core staff funding, strategic continuity and organizational memory are difficult to maintain, especially in fast-growing or complex environments.

This multitasking burden is particularly acute for organizations lacking core funding. Most rely on short-term project grants or earned income with limited overhead allowances, making it difficult to invest in long-term planning, staff retention, or internal systems. As a result, strategic growth often takes a backseat to survival. This is exacerbated by legal requirements—especially for associations and cooperatives—

that impose heavy administrative obligations without offering corresponding support. Several founders pointed to the challenge of managing dual legal entities (e.g., a company and an association) to access different funding streams, requiring separate accounting, governance, and reporting procedures.

Human capital constraints are a recurring theme, particularly among women-led cooperatives. Most operate with very limited numbers of salaried professional staff and must rely on a narrow set of skills concentrated in a few individuals. This leads to an uneven distribution of responsibilities across administration, production, marketing, and sales—straining already limited operational capacity. As an informant emphasized, *“We really need young people. I value their design sense—because they wear and use the products. But in many cooperatives, the main problem is the lack of qualified personnel.”* (Interviewee 15, Female) A similar insight was shared by another informant *“When we first founded the cooperative, we didn’t know much. We received the most support from young people. The knowledge they brought from school really guided us”* (Interviewee 16, Female)

Early-stage financial literacy gaps also contribute to structural weaknesses. At a social enterprise, accounting errors led to serious SGK penalties, prompting the cooperative to strengthen its internal financial management. These challenges are compounded by limited financial capacity, making it difficult to access professional support or invest in organizational development. Moreover, the difficulty of generating stable market income forces many cooperatives to turn to local municipalities or public institutions—particularly for physical infrastructure such as workspaces and production facilities. International market access poses an additional challenge. A cooperative, for instance, produces high-quality, labor-intensive products but faces limited domestic demand. Although exporting represents a promising path, small cooperatives often lack the institutional support to make it viable. As the founder explained, *“We face obstacles at international trade fairs. We pay everything upfront and wait for months to receive export union reimbursements—just like the big firms. This weakens the hand of small actors. Women’s cooperatives need positive discrimination in such processes.”* Interviewee 15, Female) This highlights how standardized support systems in trade promotion can reinforce structural inequalities rather than alleviate them.

Beyond operational multitasking and resource limitations, some social enterprises also face critical bottlenecks in areas like mentorship, branding, and digital capacity. These gaps become especially apparent during periods of organizational transition or stagnation. As an informant described:

During the valley of death phase, our need for mentorship was very clear—we operate in a tough field with a tough target group, dominated by established players. At this stage, our most pressing needs are further digitalization, visibility, and support in areas like promotion and design. *(Interviewee 8, Female)*

This example illustrates how the lack of sector-specific guidance and branding support can hinder organizational growth, especially for enterprises navigating competitive or niche markets. Another meso-level consideration relates to how impact is understood and measured within social enterprises. While social value is deeply embedded in narratives, lived relationships, and process-based outcomes, many organizations lack the tools or frameworks to translate these into standardized indicators. Rather than adopting rigid metrics, some have opted for ethical certification schemes or informal feedback mechanisms that better reflect their relational and context-specific work. As a founder put it: *“We know we’re creating change—but it’s hard to put that into numbers”* *(Interviewee 7, Female)* This suggests a broader tension between the desire to document impact and the risk of reducing it to overly technical or decontextualized metrics.

Governance and participatory decision-making also pose ongoing challenges. In cooperative structures or community-based models, ensuring inclusive governance can be difficult in practice—particularly as enterprises grow or professionalize. Tensions sometimes arise between founding members and newer staff or among members with differing levels of engagement and expertise. These dynamics can lead to role ambiguity, decision-making gridlock, or internal burnout, particularly in enterprises where formal structures lag behind actual organizational complexity. To cope with or prevent such tensions, some initiatives have begun integrating governance tools like non-violent communication practices or sociocracy-inspired decision-making models, aiming to balance inclusivity with operational clarity.

Finally, many social enterprises in the sample express concern about visibility and legitimacy in the eyes of potential partners, clients, or public authorities. Operating in a policy vacuum, and often without formal accreditation or recognition, they must constantly explain and justify their identity and value proposition. As an informant commented: *“They are seen neither fully as NGOs nor fully as commercial ventures, and this leaves them disadvantaged from both sides.”* (Interviewee 20, Female)

Despite the growing visibility of social enterprises in Türkiye, the institutional environment remains poorly equipped to support their hybrid missions. One of the most frequently cited macro-level challenges is the absence of a dedicated legal status that formally recognizes and regulates social enterprises. Founders repeatedly emphasized the limitations of existing legal forms—associations, cooperatives, and companies—as inadequate for capturing their dual commitments to social impact and financial sustainability. The current legal landscape forces social entrepreneurs to compromise either their access to funding or their operational autonomy. Another significant barrier is the fragmented and underdeveloped nature of the support ecosystem. Unlike in many European countries, where social enterprises benefit from ecosystem-wide incentives such as social procurement, tax exemptions, or public contracting, Türkiye lacks coordinated public policies that recognize social value creation as a legitimate economic function. For example, most government grant schemes are not accessible to enterprises operating under commercial legal forms, while associations and cooperatives are often excluded from entrepreneurship and innovation support programs like those of KOSGEB or TÜBİTAK. This exclusion not only limits financial access but also sends a broader signal of institutional neglect. Another informant stressed how the existing commercial code favors large private actors, while small-scale social enterprises remain structurally disadvantaged:

Our most fundamental need is access to social impact-based financial instruments to scale our current activities. In particular, we require unsecured, low-interest public loans or support mechanisms such as social impact bonds to strengthen our technological infrastructure and offer market-level salaries for qualified personnel. The absence of a special legal status for social enterprises in Türkiye makes it difficult to receive public support, while the commercial code—designed to protect large actors—threatens the viability of small social enterprises. (Interviewee 18, Male)

Another social entrepreneur added that while qualified human capital exists in Türkiye, recruiting such talent requires market-rate compensation—something social enterprises can only achieve with stronger investment tools. Similarly, an informant emphasized the need for international partnerships to overcome local funding constraints. In some enterprises, the nature of the business model posed further structural misalignments. For example, a social entrepreneur noted that their tangible product-based model did not align with the expectations of Türkiye’s nascent impact investment landscape, which still favors tech-based, high-growth ventures. They also highlighted that while impact investment is growing in Türkiye, it tends to prioritize high-return, scalable tech solutions, leaving product-oriented, traditional ventures like theirs outside the preferred spectrum. Furthermore, they reported that zero-interest credit mechanisms are absent, and conventional bank loans are neither affordable nor well-suited to the needs of small enterprises—yet they had to rely on such loans regardless.

The macroeconomic environment also creates systemic barriers to financial sustainability. Persistent inflation, currency depreciation, and the overall decline in purchasing power limit domestic market demand, especially for products and services priced above average consumer thresholds. As the founder of one social enterprise specializing in assistive educational technologies explained, although their product offers strong educational value, it is often perceived as unaffordable by families and schools in Türkiye. In contrast, the same product finds greater market traction in international contexts such as the United States. Even when families could afford the product domestically, the lack of mandatory standards for evidence-based practices in special education meant that schools and educational centers did not prioritize its adoption. This highlights clearly how societal perceptions and regulatory gaps can compound market barriers faced by social enterprises.

More broadly, small-scale producers and cooperatives struggle to compete with mass-produced goods due to the absence of economies of scale. Their limited production capacity makes it difficult to match the price points and distribution power of larger firms, thus constraining market access and growth potential. Another social enterprise working in handmade educational and cultural products emphasized

how price inflation in raw materials significantly hindered maintaining product quality and consistent pricing, highlighting structural weaknesses in inventory planning and supplier continuity.

Several founders also voiced concerns about the broader political environment's impact on civil society and philanthropy. In a climate where civic action is often politicized or perceived as oppositional, forming associations or foundations can invite scrutiny. This leads some founders to deliberately avoid non-profit forms, despite the potential for accessing grants or building reputational legitimacy. One founder remarked: *“As a society, we’re somewhat behind Europe in the field of philanthropy. Once politics enters the equation, everything changes. Yes, neutrality is essential here, but because we can’t manage that, civil society ends up being discouraged rather than supported. That’s why I never considered forming an association or foundation.”* (Interviewee 10, Female)

Public–private collaboration mechanisms for social enterprises in Türkiye remain fragmented and inconsistent, particularly at the local level. Interviewees frequently emphasized significant bureaucratic variability: while certain public institutions show openness to collaboration, others remain unresponsive, resulting in confusion, delays, and uneven opportunities for partnership. Similarly, securing permissions from universities or local institutions to implement programs is often difficult, draining organizational energy and limiting scalability.

Ecosystem interviews confirm this fragmented environment. As one intermediary observed, *“Despite our historical tradition of collective work, today’s mentality is dominated by competition—in the private sector, in NGOs, and in public institutions. This weakens the culture of cooperation that social enterprises need.”* (Interviewee 23, Female). These challenges are further compounded by broader institutional ambiguities. The absence of a clearly defined legal status or regulatory framework for social enterprises makes engagement with public authorities ad hoc and unreliable. As one ministry representative emphasized, *“There is no legal framework that fully captures social enterprises. They fall between different ministries and structures—sometimes owned, sometimes not. This ambiguity prevents progress in developing a proper legal status.”* (Interviewee 25, Female)

Internal Foundations of Resilience and Sustainability: While social enterprises in Türkiye face persistent structural and organizational constraints, their ability to endure often rests less on external support and more on internal strength. Field insights suggest that long-term resilience emerges from a combination of ethical commitment, strategic clarity, adaptive capacity, and a cohesive core team. Many founders emphasized that identifying a social problem is only the starting point; what enables ventures to remain sustainable is the ability to build robust models that can operate independently of volatile political or economic conditions.

Critical to this endurance are not only passion and social concern, but also financial literacy, legal awareness, and a capacity to navigate ambiguity. As an informant, observes: “*Social entrepreneurs often easily envision how to solve a problem—but struggle to imagine how to sustain the solution. We need training that combines impact orientation with start-up thinking.*” (Interviewee 17, Male) This perspective is echoed across several cases. One social enterprise attributed its stability to the ethical orientation and collaborative culture of its team, structured around principles of open innovation. Another social enterprise emphasized perseverance and internal coherence as decisive factors. A third initiative highlighted the role of strategic partnerships and global positioning, while yet another enterprise stressed how obtaining external certification and credibility facilitated access to values-driven international markets. Together, these examples suggest that enduring success relies not only on visionary leadership but also on the practical capacity to operationalize core values through adaptive strategy and collective discipline. Importantly, many of these internal strengths are reinforced and sustained through external collaborations. The critical role of strategic partnerships and cross-sector alliances in shaping the growth and resilience of social enterprises is further explored in the next section.

5.3.6. Collaborations and Strategic Partnerships in Social Entrepreneurship Ecosystem

In the landscape of social entrepreneurship in Türkiye, collaborations play a vital role in enabling innovation, enhancing reach, and sustaining long-term impact. However, the nature, scope, and effectiveness of these collaborations vary considerably

depending on the level at which they operate—whether at the micro (individual), meso (organizational), or macro (ecosystem) level. This section examines how social enterprises navigate, leverage, and are limited by partnerships across these levels.

At the micro level, many social enterprises rely on informal and trust-based networks to initiate collaborations. These often begin through personal relationships, professional acquaintances, or shared values rather than formal institutional frameworks. For example, one social enterprise working in traditional crafts built its initial network of collaborators—including educators, psychologists, and designers—through personal outreach and existing community ties. This relational capital was essential for co-developing early-stage programs and accessing niche expertise that was otherwise out of financial reach.

A similar case is found in another enterprise active in handmade products and women's empowerment, where the founder described key mentoring relationships—particularly those developed through international networks—as vital in building and sustaining the enterprise. As clearly noted by one founder, “*Many of the good things we achieved were thanks to my mentors*”. (Interviewee 8, Female) In addition, the broader fieldwork indicated that social enterprises frequently depend on informal mentoring and relational support networks. According to interviews conducted with intermediary organizations and ecosystem stakeholders, these informal relationships are indispensable, compensating for the lack of structured institutional support mechanisms. Founders often describe mentorship as an organic, non-transactional form of partnership that emerges through solidarity within the ecosystem. These collaborations, while powerful in their responsiveness, can lack continuity in the absence of formal structures. While their organization later developed more structured operations, the interviewees emphasized that support from like-minded individuals, informal networks, and personal credibility was essential in building the foundations for later institutional growth. These micro-level collaborations laid the groundwork for its gradual entry into broader ecosystems.

At the meso level, collaborations become more structured and are often essential for scaling operations, accessing funding, and building legitimacy. Most social

enterprises in Türkiye have engaged in partnerships with municipalities, development agencies, private companies, or NGOs. One social enterprise specializing in capacity building and strategic impact design attributed its long-term success to cross-sector collaborations with major private-sector actors. Another initiative focusing on digital education and youth employment similarly leveraged partnerships with local governments, development agencies, and educational institutions to scale its programming geographically. Another organization specializing in creative learning noted how collaborations with local governments significantly increased its operational reach and visibility. However, these collaborations tend to be time-bound, project-based, and rarely result in systemic integration or shared infrastructure. While funding may be secured for specific initiatives, there is limited support for long-term organizational development. Many interviewees also noted that administrative burdens, communication gaps, and differences in working culture—especially with public institutions—slow down implementation and reduce effectiveness. The bureaucratic pace of government actors often clashes with the adaptive needs of social enterprises. Even when partnerships are well-intentioned, delayed approvals or inconsistent commitment from public partners can erode momentum. As one ecosystem representative further reflected, private-sector collaborations also bring their own limitations:

Large companies must deliver services at a certain standard, scale, and reliability. Social enterprises usually cannot meet these thresholds, which makes it difficult for them to become part of core business operations—and this is unlikely to change. Instead, we should consider alternative avenues, such as developing strong mentorship pools in collaboration with corporate professionals. White-collar employees in major firms hold remarkable expertise in areas like product marketing and branding, and engaging them as mentors could both strengthen social enterprises and build more meaningful bridges with the private sector. (Interviewee 21, Male)

At the macro level, systemic collaboration within and across sectors—especially involving state institutions—remains weak and under-institutionalized. Türkiye lacks a coordinated policy framework or ecosystem platform that formally recognizes social enterprises as key stakeholders in public value creation. This limits the ability of social entrepreneurs to contribute meaningfully to policy dialogue, social innovation agendas, or public service delivery. Several founders highlighted the

absence of umbrella networks or federated structures capable of facilitating joint action, knowledge sharing, and collective bargaining. For example, despite shared values and missions, many cooperatives operate in isolation, often competing for the same limited funding opportunities. This weakens sector-wide solidarity and leads to duplication rather than collaboration. As noted by actors from specific social enterprises, there is a lack of trust and structured communication among peer organizations, which undermines the possibility of collective impact. For systematic collaboration, social entrepreneurship support organizations play a crucial role. The largest initiative in this regard has been the Türkiye Social Entrepreneurship Network. Yet, as stakeholders underlined, such networks currently remain limited in scope: they involve only a small group of representatives rather than being broadly inclusive. Respondents emphasized the need for these platforms to expand their reach, both geographically and culturally, by establishing local support structures that reflect Türkiye's diverse contexts. A second point raised was the fragility of these networks' organizational capacity. Many lack stable income sources and do not employ full-time staff dedicated to coordination, instead relying on voluntary contributions. According to interviewees, this dependence on volunteerism undermines the regularity, consistency, and overall effectiveness of their activities. Furthermore, stakeholders suggested that visibility-oriented activities such as conferences, workshops, and public forums should be organized more frequently—not only bringing together experts and policymakers, but also providing platforms where social enterprises themselves can meet, exchange experiences, and build peer-to-peer collaboration.

Moreover, political sensitivities further complicate macro-level engagement. Indeed, some organizations explicitly expressed reluctance to form formal partnerships with government entities due to concerns around co-optation or reputational risks. This strategic distancing, though understandable, also limits their access to potential resources and decision-making platforms. Others advocate explicitly for more institutionalized mechanisms for public–civil society partnerships, particularly emphasizing the need for co-design of social policy and funding instruments. As another public-sector representative underscored clearly:

In fact, the biggest legislative shortcoming we all discuss is the lack of clear definitions. What exactly is a social enterprise? Or when we speak about the social economy or circular economy, what precisely do we mean? Does everyone understand the same thing? They are defined clearly elsewhere, but in our case, they are not clearly defined. Therefore, I think there is a significant ambiguity. (Interviewee 23, Female)

Ultimately, while isolated examples of successful collaborations exist, the broader challenge remains that partnerships often risk being fragmented and short-lived in the absence of supportive infrastructure and consistent cross-sector coordination. Unlocking the full potential of collaboration therefore requires not only stronger internal capacities within social enterprises, but also intermediary mechanisms and platforms that can institutionalize cooperation as a strategic pathway to systemic impact.

Evaluation of Relations with Public Bodies and Local Governments: The relationship between social enterprises and public institutions in Türkiye is shaped by both structural necessity and institutional ambivalence. While many social enterprises recognize the state—particularly local governments and education authorities—as essential partners for legitimacy, scaling, and long-term sustainability, their engagement is often informal, fragmented, and personality-driven. This reflects a broader tension within hybrid governance settings where civil society actors operate in domains traditionally monopolized by the public sector (Pestoff, 2012; Brandsen et al., 2016).

In the absence of dedicated institutional frameworks for collaboration, social enterprises often depend on discretionary relationships with mid-level bureaucrats or local authorities. Collaborations typically begin when an individual official—such as a district director of education or a municipal coordinator—personally identifies with the enterprise’s mission. However, these relationships remain precarious: changes in personnel, political shifts, or administrative ambiguity can abruptly halt cooperation or delay project implementation. This dependency on “soft channels” undermines predictability and makes strategic planning difficult.

Several enterprises have reported that while certain municipal departments or district offices show initial enthusiasm, they often lack the capacity, authority, or inter-

agency coordination to support long-term partnerships. Others have encountered a rigid and centralized decision-making culture, where even low-risk, high-benefit interventions are delayed by cumbersome protocols or unclear jurisdictional boundaries. These experiences resonate with Nicholls and Teasdale's (2017) notion of institutional voids—environments where legal ambiguity and policy inertia inhibit the development of stable cross-sectoral collaboration. Moreover, attempts to work with national-level ministries are frequently met with procedural opacity. Despite ongoing pilot programs, co-developed educational tools, or technology-enabled social services, formal recognition or systemic integration remains rare. Public actors may adopt certain outputs, but the lack of a structured mechanism for onboarding social innovation often leaves these efforts isolated rather than institutionalized. In this sense, the state appears not as a co-producer but as an intermittent adopter of social innovation.

Notably, while development agencies have provided project-based financial support or convening platforms, these engagements rarely translate into durable partnerships or policy change. The broader regulatory and policy environment still lacks instruments such as public–social procurement, social innovation protocols, or regional liaison mechanisms that are common in countries with mature social enterprise ecosystems (Mair et al., 2012). In sum, although social enterprises in Türkiye often demonstrate a strong willingness to contribute to public goals—especially in education, inclusion, and care—they remain marginal to formal governance processes. Bridging this gap requires more than project funding; it demands institutional reform to create transparent, consistent, and participatory mechanisms for public–social sector collaboration.

5.4. A Contextual Typology of Social Enterprises in Türkiye: Comparative Reflections and Empirical Foundations

In the absence of a legally defined "social enterprise" category in Türkiye, social enterprises have emerged through diverse legal, institutional, and entrepreneurial channels. This empirical diversity calls for a grounded typology that reflects not only the legal status of these organizations but also their motivational origins, revenue

strategies, and governance logic. Building on fieldwork findings and comparative scholarship (e.g., Kerlin, 2006; Defourny & Nyssens, 2010), this section presents a contextual typology that captures the main patterns observed in Türkiye and situates them within broader international debates on the hybrid nature of social enterprises.

5.4.1. Civic–Mission Enterprises (CMEs)

CMEs are typically formed as associations or foundations by individuals with a strong civic ethos or rights-based orientation. These enterprises often emerge from dissatisfaction with existing public services or from a desire to fill institutional voids in areas such as education, youth development, and environmental sustainability. While they rely heavily on project-based grants from national and international donors, they increasingly diversify income through service contracts, corporate social responsibility (CSR) partnerships, and fee-based training activities. Kodluyoruz and Bilim Virüsü exemplify this type, balancing impact orientation with a quasi-professionalized structure. While most CMEs adopt association or foundation structures, there are exceptions—such as Bilim Virüsü—that are formally registered as companies yet exhibit all other defining features of CME-type social enterprises.

In comparative perspective, CMEs resemble what Salamon (2014) refers to as "philanthropic hybrids," yet their survival in Türkiye often depends on the strategic cultivation of legitimacy among both public actors and corporate partners, due to the politically constrained civic space. Their operational logic blends advocacy with service provision, but their legal form—usually an association—constrains their capacity for growth and innovation. In this respect, Turkish CMEs are simultaneously adaptive and constrained, innovating within a narrow space marked by legal ambiguity, limited philanthropic culture, and politicized civil society relations.

CMEs tend to prioritize normative and discursive innovation. Their primary contributions lie not in material outputs but in reshaping dominant narratives, creating alternative imaginaries, and advancing cultural shifts around issues such as gender, environmental ethics, or social justice. Rather than introducing new products,

they challenge established frames and expand the public space for collective meaning-making.

5.4.2. Entrepreneurial–Commercial Hybrids (ECHs)

This category includes social enterprises founded by entrepreneurial individuals or small teams with a strong emphasis on commercial sustainability and product innovation. Often organized as limited liability companies, ECHs operate primarily in technology, education, or design sectors, where market orientation is crucial. The ECHs operate under private company forms and prioritize financial sustainability through earned income. However, the Turkish context differs significantly in that no formal legal structure recognizes or incentivizes mission-driven companies. As a result, ECHs in Türkiye often introduce internal governance mechanisms—such as wage caps, reinvestment rules, or impact certifications—to signal their social mission. Unlike their Western counterparts, they face dual exclusion: from mainstream investment due to perceived low profitability, and from philanthropic and public funding due to their legal status. This institutional gap limits their scaling potential and positions them as structurally disadvantaged actors in the social economy ecosystem.

Within the proposed typology, Entrepreneurial–Commercial Hybrids appear most closely aligned with classical and contemporary definitions of innovation. Drawing on Say’s early conceptualization of the entrepreneur as one who reallocates resources to more productive uses, and subsequent elaborations by Schumpeter and others, innovation is understood as a process of recombining means to generate novel solutions. Among the four types, ECHs most explicitly integrate market-based tools, product or service innovation, and scalable business models in addressing social problems. While other types—such as Civic–Mission Enterprises or Empowerment Cooperatives—engage with change through advocacy or participatory governance, ECHs center innovation as both method and value proposition. This makes them particularly illustrative of what the literature identifies as innovation-driven social entrepreneurship. Examples include Otsimo and Talkido. These actors align with the Anglo-American tradition of market-driven social enterprises (Nicholls & Teasdale,

2016), yet in Türkiye, their legitimacy is often questioned due to limited awareness about mission-driven companies among investors and public institutions. The lack of a "benefit corporation"⁴-style legal framework exacerbates these tensions.

5.4.3 Empowerment Cooperatives (ECs)

ECs are structured as cooperatives and often formed to enhance income-generation and socio-economic empowerment among marginalized groups, particularly women and rural producers. This category includes both founder-led cooperatives with entrepreneurial intent and donor-initiated cooperatives born out of development programs. The former group demonstrates clearer links between product innovation, market engagement, and cooperative governance, while the latter often remains dependent on project cycles and external facilitation. Examples such as Kınalı Eller and EkoDoku highlight the entrepreneurial variant, whereas others function more as platforms for inclusion.

ECs are often assumed to embody innovation in governance and participatory structures, particularly through their legal basis in democratic ownership and collective decision-making. However, the empirical findings in this study suggest that, in the Turkish context—especially among women’s cooperatives—these potentials are only partially realized. While the cooperative form enables access to certain public supports and may symbolically affirm solidarity, most initiatives remain functionally hierarchical or founder-driven, with limited horizontal participation. Rather than representing innovation in governance, many cooperatives adapt to external administrative expectations or funding logics, often prioritizing economic survival over structural transformation. This indicates a gap between the normative promise of cooperatives and their actual organizational practice—highlighting the need to distinguish between formal status and enacted innovation.

Internationally, ECs mirror the Southern European and Latin American models of social economy enterprises, where mutualism and community development are

⁴ The “benefit corporation” is a legal form, first enacted in Maryland in 2010, that requires firms to pursue social and environmental purposes alongside profit, and to report regularly on their overall impact (Clark & Vranka, 2013).

primary goals (Defourny & Nyssens, 2012). Like the Italian social cooperatives or Spanish worker co-ops, Turkish ECs aim to generate livelihoods for marginalized groups—especially women and rural producers—through collective ownership. However, unlike countries where cooperatives are integrated into national employment and welfare strategies, Turkish ECs operate in a fragmented and under-supported ecosystem. Founder-led ECs tend to demonstrate greater entrepreneurial dynamism and strategic planning. Still, the lack of a dedicated support infrastructure in Türkiye limits their scalability and integration into the broader economy.

5.4.4. Ecosystem-Oriented Social Enterprises (EOSE)

In the evolving landscape of social entrepreneurship in Türkiye, some initiatives do not conform neatly to classical service-delivery or beneficiary-led models. Instead, they function as ecosystem builders—platforms, communities, or institutional innovations that seek to reconfigure the social and economic relations within a particular field. The EOSE model finds its conceptual roots in the literature on systemic social innovation and institutional entrepreneurship (Westley et al., 2014; Nicholls & Murdock, 2012). These enterprises go beyond providing direct services or products; they aim to transform the ecosystem in which they operate. By doing so, they act as meta-actors, enabling and connecting other actors, creating new norms, or building infrastructure for collective change.

EOSEs distinguish themselves through:

- Platform creation that allows for collaborative production or consumption.
- Normative innovation, such as new standards of ethical conduct or sustainable business.
- Institutional coordination, through which diverse stakeholders (producers, consumers, CSOs, public bodies) interact under a shared governance structure.

A clear case of an EOSE is Good4Trust. Founded by a former academic and civil servant, it operates not merely as a marketplace but as a moral economy platform. Producers are vetted for ethical standards, and consumers join a governance structure

that rewards engagement and values. The platform is designed to replace extractive, anonymous markets with community-based, trust-driven exchanges. As such, Good4Trust does not focus on maximizing its own product or service delivery but rather on enabling a broader transformation of how goods are produced, distributed, and consumed in the Turkish economy. Similarly, Ihtiyac Haritasi ("Needs Map") blends digital mapping, community organizing, and donor mobilization to match under-resourced communities with surplus goods. Though it operates under a cooperative form, its real innovation lies in infrastructure creation: enabling visibility and logistical solutions for actors who otherwise would not interact. These examples illustrate that some Turkish social enterprises function more as platforms for distributed impact than as self-contained service providers. Their primary "product" is not goods or services, but institutional coordination and normative alignment.

Internationally, parallels to EOSEs can be found in the "platform cooperativism" movement (Scholz, 2016) and in ventures like Fairmondo (Germany) or the Social Capital Markets (SOCAP) network (USA). However, the Turkish cases reflect specific adaptations to local constraints: weak philanthropic ecosystems, lack of legal recognition, and political sensitivity around civil society. These limitations make the EOSE model both a necessity and an innovation, enabling social entrepreneurs to sidestep structural barriers by creating their own operational and normative environments. In existing typologies (Alter, 2007; Defourny & Nyssens, 2012), EOSEs may overlap with embedded or integrative models, yet they deserve separate classification due to their focus on enabling functions. They do not simply integrate beneficiaries or combine income models—they seek to rebuild the field in which they are embedded. This warrants recognition in both academic and policy frameworks as a distinct and strategic form of social enterprise.

EOSEs engage in innovation not by introducing new goods or services directly to end users, but by restructuring the enabling environment in which social value is produced and distributed. This may include developing digital platforms, designing mechanisms for collaborative governance, or fostering symbolic infrastructures that connect actors across different sectors and issue areas. Empirical cases in this study suggest that such innovation often takes the form of network orchestration, visibility

creation, or solidarity-based coordination rather than infrastructural transformation in the narrow sense. Their value lies in amplifying underrepresented voices, aggregating fragmented actors, or facilitating new modes of collective action. Rather than delivering services, they build connective tissue within the broader ecosystem.

Table 17. Typology of Social Enterprises in Türkiye

Typology	Legal Form	Revenue Model	Mission Orientation	Social Impact Logic	Challenges	Key Examples
Civic–Mission Enterprises (CMEs)	Associations, Foundations (Some exceptions as companies)	Grants, donations, service contracts, CSR partnerships	Rights-based, public interest, equity-focused	Inclusion, service delivery, rights advocacy	Funding dependency; limited scalability	Kodluyoruz, KODA, Bilim Virüsü, Puduhepa, Hayal Gücü Merkezi
Entrepreneurial–Commercial Hybrids (ECHs)	Limited Liability Companies	Product/service sales, R&D grants	Market-based, innovation-oriented, tech-driven	Market penetration with social safeguard	Recognition and funding exclusion; mission-drift risk	Otsimo, Talkido, Rumii
Empowerment Cooperatives (ECs)	Cooperatives	Commercial transactions, project grants, social procurement & cooperation	Collective empowerment, especially women/rural groups	Socio-economic participation and solidarity	Capacity gaps; long-term sustainability	Kımalı Eller, Yemenia, Beri, EkoDoku
Ecosystem-Oriented Enterprises (EOEs)	Hybrid (LLC + Coop/Association)	Commercial transactions	Field-building, systemic change, infrastructure	Norm-setting, institutional coordination, indirect large-scale impact	Institutional legitimacy; lack of legal scaffolding	Good4Trust, İhtiyaç Haritası, Gen İş, Mikado

5.5. General Assessment of Empirical Insights into the Social Enterprise

Landscape in Türkiye

Chapter 5 of this dissertation offers a layered empirical portrait of social enterprises in Türkiye, based on the fieldwork that combines in-depth interviews with practitioners and systematic thematic analysis. As a pivotal chapter in the overall structure of the thesis, it serves to bridge the conceptual and policy frameworks elaborated in earlier chapters with the grounded realities of social entrepreneurial practice. This general assessment seeks to synthesize key insights from the chapter, identify its main contributions, and critically reflect on the implications of the findings.

When examining the emergence of social enterprises in Türkiye, the field findings highlight that their development is strongly influenced by the particular institutional ambiguity and the nuanced interactions among state, market, and civil society. Rather than aligning closely with dominant global explanations such as market or state failure theories, the Turkish context illustrates that state roles in welfare provision and regulation significantly shape social entrepreneurial responses. However, the notion of state failure alone remains inadequate, as it implies a clear absence or withdrawal, whereas Türkiye's situation is characterized by fragmented, inconsistent, and selective state involvement rather than outright absence. Resource dependence theory also provides limited explanatory power, as most civil society actors in Türkiye continue relying heavily on short-term, project-based funding rather than transitioning toward sustainable market-based revenue streams. This suggests that while resource constraints are indeed significant, they alone do not adequately capture the complexity of the institutional dynamics that shape social enterprise strategies and organizational forms. In contrast to Western-centric frameworks where market failure is often the dominant explanatory lens, social enterprises in Türkiye rarely interpret the absence of markets as their primary challenge. Instead, deeply rooted societal expectations position the state as the legitimate provider of essential social services. As a result, when state provision proves absent or insufficient, this gap does not automatically open a space for market solutions. Rather, it tends to reinforce a civic mission and advocacy-oriented logic,

pushing social enterprises to operate in the ambiguous space between community engagement and public service delivery.

In Türkiye, organizational hybridity appears more as a pragmatic necessity rather than a result of established institutional norms or regulatory frameworks. Due to persistent regulatory ambiguity, social enterprises strategically combine multiple organizational forms—associations, cooperatives, and limited companies—to navigate institutional uncertainty, rather than adopting hybridity as a response to clearly defined institutional expectations. Ultimately, the Turkish case demonstrates the importance of contextualizing social entrepreneurship within national institutional frameworks, highlighting the critical interplay between regulatory ambiguity, civil society engagement, and selective state involvement. These dynamics underscore the necessity of moving beyond generic global theories toward a more nuanced, context-sensitive understanding of how social entrepreneurship emerges and evolves in different institutional landscapes.

As discussed in the chapter, social entrepreneurship in Türkiye encompasses a wide spectrum of meanings, ranging from rights-based activism to market-driven innovation. This definitional multiplicity reflects the field's pre-paradigmatic nature, where actors engage in what Nicholls (2010) terms discursive struggles to shape the meaning and legitimacy of social entrepreneurship. One of the most consistent issues across the field is the absence of a supportive legal form tailored to the hybrid nature of social enterprises. The use of dual structures—such as combining non-profit and for-profit entities—reflects the adaptive strategies of actors working within institutional voids (Mair et al., 2012). This finding reinforces the need for policy innovation, particularly in contexts like Türkiye where public regulation has yet to catch up with the operational realities of mission-driven ventures. At the same time, the very ambiguity surrounding the definition and institutional boundaries of social entrepreneurship can also be a source of richness. It allows diverse actors—from grassroots activists to technology start-ups—to claim the space, experiment with hybrid models, and bring different repertoires of practice into dialogue. In this sense, ambiguity provides not only a constraint but also a form of openness, enabling the field to remain flexible, plural, and responsive to emerging societal needs.

While this institutional gap lies outside the control of individual enterprises, it nonetheless shapes their growth trajectories, governance choices, and accountability structures. Recognizing both the risks and the generative potential of such ambiguity is essential for understanding how social entrepreneurship evolves in Türkiye's contested institutional environment. The typology proposed in Section 5.3 identifies four distinct forms—Civic–Mission Enterprises (CMEs), Entrepreneurial–Commercial Hybrids (ECHs), Empowerment Cooperatives (ECs), and Ecosystem-Oriented Social Enterprises (EOSEs)—based on variations in organizational logic, operational models, and relational positioning.

This categorization highlights the heterogeneity of social enterprises in Türkiye and illustrates how they navigate diverse institutional and resource environments. It underscores how legal constraints, funding landscapes, and the relative immaturity of the ecosystem shape organizational strategies and trajectories. For instance, the absence of a dedicated legal form often pushes enterprises to adopt hybrid models, while donor-driven funding cycles encourage projectization rather than long-term capacity building. At the same time, this typology should be read as a snapshot rather than a fixed map. As with most classificatory frameworks, it captures organizations at a given moment but cannot fully reflect their ongoing evolution. Social enterprises are dynamic entities; they may shift between categories as internal capacities develop, external conditions change, or new opportunities emerge. A cooperative initially reliant on municipal support, for example, may evolve into a more autonomous market-facing enterprise, while a company rooted in commercial activity may gradually take on advocacy or ecosystem-building functions. Future research could therefore explore the transitional dynamics between types, examining how shifts in leadership, changes in public policy, or broader socio-economic volatility (e.g. inflation, crises, political instability) influence trajectories. Such longitudinal analysis would enrich understanding of how context-specific constraints interact with organizational agency, and how social enterprises recalibrate their models over time. In doing so, it would move beyond static classification towards a process-oriented understanding of hybridity and institutional adaptation.

When comparing Türkiye to the typologies in Europe it is seen that current institutional conditions align more closely with the Southern European model,

characterized primarily by less comprehensive welfare systems, significant gaps in public service provision, and the emergence of social enterprises primarily in response to these welfare gaps. Moreover, Türkiye's welfare state exhibits a notably informal, fragmented structure with discretionary and often inconsistent public service provisions, thus amplifying the necessity for social enterprises to actively address critical social needs. However, unlike typical Southern European contexts, Türkiye also shares important features with the Eastern European model, particularly in its characteristics as a transition economy with an underdeveloped institutional ecosystem. Similar to Eastern Europe, social enterprises in Türkiye may rely on international support, to sustain their activities and growth. Additionally, the ambiguity of legal and regulatory frameworks in Türkiye significantly shapes the organizational structures and adaptive strategies of social enterprises. The unique characteristics of Türkiye's civil society also contribute significantly to this dynamic. Unlike contexts with clearly defined institutional norms or stronger traditions of cooperation between civil society and state actors, Türkiye's civil society exhibits distinctive characteristics. While it is notably strong in community solidarity, voluntarism, and charitable initiatives, it remains relatively underdeveloped in terms of rights-based advocacy and civil-rights mobilization compared to Western contexts. Interviewees repeatedly emphasized that Türkiye's long-standing "imece" culture and traditions of mutual aid create fertile ground for solidarity-based initiatives. Yet, at the same time, this relational fabric is fragile: trust is difficult to build and easily broken, particularly in a polarized political environment

Additionally, in Western countries, partnerships between the public sector and third-sector organizations—such as through social procurement—are often well-established and formalized legally. In contrast, Turkish civil society organizations have not extensively advanced in generating economic revenue through innovative, market-driven methods, nor have they benefitted from similarly institutionalized public-sector collaborations. Nevertheless, associations examined in this study illustrate an ongoing transformation. Some are experimenting with hybrid income models (training services, consultancy, product sales) and building ties with corporate foundations or socially responsible businesses. These initiatives suggest

that while formalized state–civil society cooperation remains limited, new forms of cross-sector collaboration are gradually emerging from the bottom up.

Consequently, the strategies adopted by Turkish social enterprises often reflect a pragmatic adaptation to institutional voids rather than mere compliance with regulatory frameworks. An essential empirical finding in this research is that social enterprises in Türkiye strategically position themselves within the intersection of civil society, market, and public domains. They do not simply respond to regulatory voids or state inadequacies but actively contribute to the creation and expansion of local economic and social spaces. Thus, Türkiye’s context clearly diverges from Western and Northern European models, benefiting from robust institutional support and strong public-sector collaboration. It also significantly differs from the United Kingdom’s distinctive model characterized by unique legal and institutional frameworks specifically designed for social enterprises. Türkiye’s intermediary position provides a valuable comparative basis for understanding the unique strategies and hybrid organizational forms developed by social enterprises to navigate institutional ambiguity and regulatory uncertainty.

In considering social enterprises as actors within Türkiye’s institutional framework, it becomes crucial to clarify their specific role and identity. Unlike purely economic entities, social enterprises in Türkiye do not primarily function as conventional market-driven actors. Instead, they occupy an intermediary space closer to civil society, with a stronger emphasis on social objectives rather than profit maximization. Although their direct capacity to generate substantial profits remains limited, they have the potential to strategically create economic opportunities and entrepreneurial spaces for their beneficiaries and surrounding communities. Particularly, Empowerment Cooperatives and Ecosystem-Oriented Social Enterprises exemplify this function by fostering local economic capacities and facilitating entrepreneurial initiatives for marginalized groups. From a governance perspective, the role of social enterprises can also be viewed through the concept of co-production. While it remains debatable to what extent Turkish social enterprises genuinely co-produce public services alongside state institutions, it is clear that they step in to fill critical gaps left by the public sector.

When the state withdraws from direct market intervention or fails to provide adequate public services, civil society—particularly through social enterprises—actively assumes the role of fostering local market conditions and providing essential community services. Thus, Turkish social enterprises frequently find themselves positioned between civil society activism and market engagement, navigating and negotiating this intermediary role due to the institutional ambiguities and service provision gaps characteristic of the Turkish context.

In sum, this chapter offers an empirically grounded mapping of the social enterprise landscape in Türkiye. Rather than aiming for exhaustive generalization, it opens conceptual and analytical entry points for further exploration—particularly regarding inclusivity, sustainability, and the interplay between institutional constraint and entrepreneurial agency. The study does not claim finality but provides a strong foundation for building comparative, longitudinal, and policy-oriented research in the field of social entrepreneurship.

5.6. Policy Development Needs and Strategic Recommendations

5.6.1. Addressing Institutional Ambiguity Through Legal and Regulatory Innovation

Despite the growing visibility of social entrepreneurship in Türkiye, the institutional and legal framework remains fragmented and, in some aspects, underdeveloped. One of the most frequently cited challenges by social entrepreneurs is the absence of a dedicated legal status that acknowledges the hybrid nature of social enterprises—organizations that pursue both social impact and financial sustainability. Current legal options (associations, cooperatives, companies) each impose structural trade-offs, limiting access to funding, autonomy, or recognition depending on the chosen form.

In the Turkish context, the association (*dernek*) legal form—while historically common among socially motivated initiatives—is increasingly seen as unsuitable for the operational needs of social enterprises. Associations are bound by extensive

bureaucratic requirements, including the need for large governance bodies such as management and supervisory boards, formal general assemblies, and comprehensive record-keeping obligations. These requirements impose a significant administrative burden on small or emerging teams, often diverting limited resources and personnel from core mission-driven work. Moreover, the legal structure of associations exposes board members to personal liability for activities carried out under their affiliated economic enterprises (iktisadi işletme), which adds further risk and complexity. In contrast to company structures that offer streamlined financial oversight and greater managerial autonomy, associations must regularly comply with stringent regulatory audits—not only regarding finances but also procedural formalities. As a result, some social entrepreneurs report that the dernek structure, while helpful in early legitimacy building or grant access, becomes a constraint as their operations grow and diversify.

On the other hand, in Türkiye, cooperatives—especially women’s cooperatives—have gained visibility as an inclusive legal form aligned with principles of solidarity and democratic governance. However, despite their alignment with the social mission of many enterprises, cooperatives also pose structural and operational challenges that can hinder long-term sustainability and growth. A key structural limitation is the requirement for collective and multi-layered decision-making, which, while democratically valuable, often slows down operations and can hinder agility. For many social enterprises operating in dynamic environments or competitive markets, the need for rapid response and streamlined leadership can conflict with the procedural formalism of cooperative governance. These structural characteristics become particularly problematic when combined with capacity gaps, such as the lack of professional management and skilled personnel. Many cooperatives rely on the voluntary engagement of a small number of individuals, which concentrates responsibility in a few hands and limits strategic planning. Moreover, cooperatives in Türkiye do not enjoy distinctive financial advantages despite their social mission. Unlike some European countries where social or solidarity cooperatives receive tax incentives, procurement preferences, or tailored funding, Turkish cooperatives operate under the same financial obligations and tax regime as commercial entities. Cooperatives in this study underscored the disproportionate financial obligations—especially regarding taxes, SGK

contributions, and operational costs—that undermine the viability of women-led or small-scale cooperatives. Without ecosystem-wide reforms—such as simplified procedures, targeted funding, and capacity-building programs—cooperatives may struggle to bridge the gap between community-based solidarity and entrepreneurial sustainability.

In contrast, operating as a company offers social enterprises a relatively more flexible and agile legal structure. The company form allows for streamlined governance, direct managerial control, and simplified financial reporting—advantages that appeal to social entrepreneurs working in competitive sectors or with innovation-oriented models. Particularly for technology-based or service-oriented ventures, the ability to make fast decisions and attract private capital through equity investment is a significant benefit. However, the company model also presents limitations. It lacks built-in mechanisms to protect the social mission of the enterprise, and unless additional governance tools or legal arrangements are established (such as mission-lock clauses or social shareholder agreements), there is a risk of mission drift. Moreover, social enterprises operating as companies do not benefit from public recognition or access to philanthropic funding typically reserved for non-profits, nor are they eligible for many public grants or impact-linked subsidies. This hybrid status—commercial in form, social in purpose—can result in institutional invisibility, forcing social enterprises to constantly explain and justify their identity. Overall, while the company model facilitates operational efficiency and market engagement, it does not provide sufficient safeguards or institutional incentives to support the dual mission of social entrepreneurship. To be truly enabling, the company form needs to be complemented by legal recognition mechanisms and ecosystem-level supports that affirm and protect the social purpose of these enterprises.

Given these dynamics, it becomes clear that no single legal form in Türkiye fully addresses the diverse needs of all social enterprises. While associations may offer legitimacy and access to grants, they impose rigid bureaucratic demands. Cooperatives encourage collective ownership but often lack agility and tailored financial incentives. Companies enable market integration and managerial autonomy

but do not protect or prioritize social impact. This landscape highlights the need for two complementary policy interventions. First, a new legal category—such as a "social business" status—should be introduced to specifically accommodate enterprises with a declared social mission and income-generating activities. This structure could follow models such as the United Kingdom's Community Interest Company (CIC), offering mission-lock protections, asset locks, and mixed revenue allowances. Such a form would allow social enterprises to scale and attract investment while safeguarding their public benefit goals.

Second, regardless of legal form, there should be a statutory definition of social enterprise that recognizes organizations based on their purpose and operational principles. Once identified as fulfilling this definition, these entities—whether registered as companies, cooperatives, or associations—should become eligible for targeted public support, such as grant access, tax relief, procurement advantages, or tailored financial instruments. This dual-track system would offer both a bespoke legal option and a broader functional recognition mechanism, ensuring that the diversity of the social enterprise ecosystem is reflected in the policy and regulatory environment.

Nonetheless, some stakeholders voiced caution regarding these proposed systems. Particularly in the context of Türkiye's politicized governance environment, concerns were raised about the risks of centralized regulatory control. There is uncertainty as to whether a legally defined social enterprise status or a new "social business" structure would be equitably implemented and insulated from political patronage. In an environment where local authorities have occasionally exerted pressure to form cooperatives under top-down mandates—especially in the case of women's cooperatives—there is apprehension that preferential treatment tied to public certification or fiscal incentives might reinforce dependency or lead to instrumentalization. As one practitioner warned:

In a country where governors and district officials are instructing women to establish cooperatives, and if these cooperatives start benefiting from tax incentives under a social business status, it could become counterproductive. We might end up regretting entering such a system if it becomes politically co-opted. (Interviewee 13, Male)

These reservations highlight the importance of building transparent, participatory governance frameworks and safeguarding any new regulatory mechanisms from political interference. In sum, Empirical findings indicate that the introduction of a dedicated legal framework for social enterprises could significantly alleviate institutional ambiguity, enabling clearer organizational strategies and enhancing legitimacy. Informants frequently highlighted that establishing a specific legal status, would formally recognize and protect the hybrid missions of social enterprises. Such a legal structure would facilitate more coherent access to funding, procurement opportunities, and reduce bureaucratic complexity.

5.6.2. Enhancing Financial Sustainability: Tailored Instruments for Hybrid Organizations

In Türkiye, access to financial instruments for social enterprises is heavily influenced by their legal form, which determines not only eligibility for public or private funding but also their visibility and perceived credibility in the ecosystem. Each legal form—association, cooperative, and company—presents distinct patterns of financial inclusion and exclusion. Associations typically enjoy greater access to grant-based funding, especially from public agencies, international donors, and philanthropic foundations. However, they face stringent bureaucratic requirements and are largely ineligible for loans or investment-based capital, due to their non-commercial status and lack of revenue-generating capacity. Their affiliated economic enterprises can theoretically engage in commercial activity, but any profit must be reinvested, and board members bear personal financial responsibility, deterring scale and risk-taking. Furthermore, associations are excluded from many entrepreneurship support mechanisms, including those provided by KOSGEB and TÜBİTAK, due to their non-profit status.

Cooperatives operate as commercial entities and are legally entitled to generate income and apply for commercial loans. Nevertheless, they often struggle to access capital due to low creditworthiness, weak financial literacy, and lack of collateral. Unlike in countries where social cooperatives benefit from tax exemptions or guaranteed procurement quotas, Turkish cooperatives enjoy no specific financial

privileges. They are rarely targeted by tailored public funding schemes and are often too small or informal to meet the requirements of commercial lenders. This financing gap forces many cooperatives to rely on member contributions or local government support for infrastructure, workspace, or equipment. Furthermore, cooperatives are often excluded from innovation and enterprise development programs such as those run by KOSGEB, creating additional barriers to financial diversification. Companies have the most flexible access to financial instruments, including equity investment, bank loans, and innovation grants. Social enterprises that operate as companies—particularly those in technology or service sectors—can scale through private capital and enjoy autonomy in strategic spending. However, they are excluded from most public grant programs aimed at civil society or social welfare. Moreover, their social mission is not formally recognized in the financial ecosystem, which limits their eligibility for impact investment or blended finance tools. In the absence of a social enterprise accreditation, these companies are treated like any other SME, despite their public benefit orientation.

Across all legal forms, a common limitation is the lack of institutionalized financial instruments specifically designed to support hybrid-value organizations. To address this gap, several policy innovations are needed. First, there is a strong demand for the development of social impact-oriented financial tools, such as outcome-based financing, social impact bonds, and publicly guaranteed low-interest loans tailored to social enterprises. These instruments would better align financial support with social value creation and could be modeled on successful European initiatives. Second, the introduction of non-collateralized and low-interest public loans could provide more equitable access to working capital—particularly for early-stage social enterprises that lack assets or financial history. Eligibility criteria should be revised to consider social impact metrics rather than solely traditional credit scoring. Third, targeted investment in human capital is essential for scaling operations and attracting qualified personnel. Public or philanthropic funds could be designed to cover capacity-building and professional development needs, allowing social enterprises to recruit skilled professionals with competitive salaries. Several actors highlighted the necessity of such support for retaining qualified staff, especially in enterprises with limited or fluctuating revenues. Fourth, intermediary institutions—such as

incubators, certification platforms, or financial coaches—should be strengthened and clearly mandated to facilitate better financial preparedness, including translating social impact into financial terms. Informants underscored these institutions' critical role in assisting social enterprises in navigating complex funding application processes and connecting them with relevant investors.

Finally, tax incentives were frequently mentioned by stakeholders as an essential area for reform. Conditional tax reductions for proven social impact, expanded VAT exemptions, and streamlined administrative processes were proposed to support hybrid organizations financially. However, informants also raised critical concerns regarding potential misuse of tax incentives, emphasizing the need for rigorous oversight and clear differentiation between genuinely productive cooperatives and those engaging only in superficial or non-productive activities.

To create a more inclusive and supportive financial ecosystem, stakeholders recommended piloting blended finance models that integrate public, private, and philanthropic resources. Such models could significantly reduce risks for individual actors while optimizing social returns, addressing the nuanced financial needs of Türkiye's diverse social enterprise typologies.

5.6.3 Creating Market Opportunities and Strengthening Demand-side Support

Empirical evidence highlights significant market access challenges faced by social enterprises in Türkiye, particularly those operating in marginalized sectors or geographically remote areas. Social enterprises consistently struggle to establish sufficient market demand to sustain operations, scale their impact, or ensure long-term viability.

Cooperatives and grassroots initiatives, especially women-led Empowerment Cooperatives, encounter substantial barriers including limited logistical infrastructure, inadequate marketing capacity, and an absence of effective intermediary institutions connecting them to broader markets. Many such enterprises rely heavily on local fairs, municipal support, and personal networks for sales,

severely restricting their market reach and revenue streams. Informants consistently reported that although cooperative members often produce high-quality, labor-intensive products, competition from mass-produced alternatives renders them uncompetitive in conventional markets. International markets were identified as promising avenues, yet complex export procedures, high upfront costs, and extensive bureaucratic requirements place smaller enterprises at a distinct disadvantage. The lack of tailored export support and simplified internationalization processes significantly limits these enterprises' ability to penetrate global markets effectively.

At a systemic level, the limited recognition of the added social value inherent in products and services provided by social enterprises further constrains market development. Informants noted that without formal certifications, social impact labels, or ethical purchasing incentives, products from social enterprises are evaluated primarily on price rather than their social contributions. To address this structural constraint, informants strongly recommended integrating explicit social impact criteria into public procurement policies. By assigning additional scoring points or establishing reserved quotas for certified social enterprises in public tenders, government procurement practices could actively stabilize demand, particularly benefiting cooperatives and civic-driven enterprises producing socially impactful goods.

Parallel to public-sector initiatives, informants emphasized the importance of engaging corporate supply chains through targeted incentive structures and awareness campaigns. Even incremental shifts in procurement preferences toward mission-driven producers could yield substantial market opportunities. Establishing robust impact verification and certification mechanisms was identified as critical for facilitating corporate engagement and consumer trust.

Visibility and promotion emerged as critical areas requiring focused policy interventions. Informants from intermediary organizations consistently stressed the need for active public-sector involvement, recommending dedicated public awareness campaigns, storytelling platforms, and increased participation in sector-specific fairs to enhance brand visibility, credibility, and consumer trust.

To bolster global market participation, informants recommended targeted export incentives, streamlined administrative procedures for international market entry, and positive discrimination mechanisms specifically supporting smaller cooperatives. Reducing bureaucratic complexities associated with international trade fairs and export procedures could significantly improve the competitiveness of social enterprises in global markets.

Digital market integration emerged as another key area for policy action. Informants reported significant barriers stemming from low digital literacy, fragmented digital infrastructure, and inadequate logistics capabilities. Investment in comprehensive capacity-building programs focused on e-commerce, digital branding, and logistics management is essential. Strengthening partnerships between social enterprises and digital intermediaries could facilitate smoother entry into national and international online markets.

Finally, informants advocated for expanded professional infrastructure, including increased access to branding expertise, intellectual property advisory services, and sales coaching. Collaboration with universities, research institutions, and design institutes could amplify these efforts through applied research and innovative product development initiatives.

Overall, these strategic recommendations highlight the necessity of systemic, demand-side policy interventions designed to recognize and support the dual economic and social value generated by social enterprises. Without targeted, systemic investments in market development and demand-side support mechanisms, Türkiye's social enterprises will continue to face fragmented, volatile market environments that significantly limit their growth potential and social impact.

CHAPTER 6

CONCLUSIONS: UNDERSTANDING SOCIAL ENTERPRISES IN TÜRKİYE

While governments and civil society organizations continue to seek remedies for persistent social problems, a new generation of actors has emerged who attempt to generate systemic solutions through entrepreneurial means. These social entrepreneurs embody a hybrid logic: they respond to gaps left by fragmented welfare systems, they experiment with market tools without pursuing pure profit, and they mobilize civic resources to construct new forms of solidarity. Their rise is not only linked to the retrenchment of welfare states and the diffusion of market rationalities, but also to the global discourse on active citizenship. Within this shifting landscape, scholars have increasingly turned their attention to social entrepreneurship as both a policy practice and an analytical category, and social entrepreneurship has emerged as a significant area of scholarly inquiry in recent decades, yet it continues to be marked by conceptual ambiguity and definitional complexities. Yet, the ways in which social entrepreneurship takes shape are deeply mediated by the institutional context and surrounding socio-cultural structures, leading to different pathways of emergence across countries. Against this backdrop, this thesis examined how social entrepreneurship emerges and evolves within Türkiye's unique institutional and socio-political landscape.

European social enterprises have evolved in line with the varied development paths of welfare states. In Western and Northern Europe, robust welfare infrastructures and strong public investment produced models focused on work integration and social service provision, largely as a response to welfare retrenchment. In Southern and Eastern Europe, by contrast, weaker welfare systems fostered necessity-driven initiatives supported by communities and international actors. The United Kingdom

developed a distinct model, shaped by specific legal frameworks. More broadly, Europe demonstrates the importance of legal recognition: while some countries lack dedicated legislation, others have introduced specific legal forms or integrated social enterprises within wider social economy laws, often complemented by policy tools and national strategies. The Global South, however, follows a different trajectory, where social enterprises emerge in response to urgent socio-economic challenges and face a “double burden” of navigating complex socio-cultural contexts while balancing social and financial objectives. Taken together, these international experiences illustrate how welfare configurations, legal recognition, and policy frameworks critically shape the emergence of social enterprises. Within this comparative landscape, Türkiye represents a distinctive case: neither embedded in robust welfare regimes nor supported by dedicated legal frameworks, but instead situated in an environment where institutional ambiguity prevails. This context has yielded distinctive hybrid forms that differ from Western patterns where social enterprises more commonly enter fields vacated by the state.

Relating these insights to the core research question—how Türkiye's institutional ambiguity and lack of formal regulatory frameworks shape social enterprises—it becomes clear that Türkiye offers an illuminating case study. Since the early 2000s, social entrepreneurship has gradually gained visibility within Turkish public and academic discourse, primarily driven by civil society actors seeking innovative and sustainable responses to persistent social problems. Türkiye’s distinctive institutional landscape is marked by significant ambiguity, characterized by the absence of formal legal definitions, coherent regulatory frameworks, and structured policy support for social entrepreneurship. This ambiguity creates both challenges and opportunities, compelling Turkish social enterprises to navigate uncertainty, leverage informal networks, and develop innovative hybrid models. In response to these dynamics, this thesis posed a central analytical question: *How have Türkiye’s institutional and socio-cultural contexts influenced the emergence, organizational forms, and development trajectories of social enterprises, particularly given the absence of formal legal recognition and supportive public policies?* To address this, the thesis included an in-depth empirical investigation through extensive fieldwork involving interviews with social entrepreneurs, institutional stakeholders, and ecosystem actors.

The empirical findings demonstrated how Turkish social enterprises respond creatively and strategically to institutional ambiguities, shaping distinctive hybrid organizational forms that reflect their complex socio-political and cultural environments. Building on this framing, the conclusions proceed in four parts: theoretical contributions, empirical findings and typologies, policy implications, and limitations/future research.

6.1. Key Theoretical Conclusions

This thesis builds upon a theoretical foundation by situating social entrepreneurship explicitly within a nuanced institutional and socio-political context. The primary theoretical premise guiding this research is that social entrepreneurship cannot be fully understood as a universal or generalizable organizational phenomenon; rather, it must be examined within specific national institutional contexts shaped by regulatory ambiguity, institutional uncertainty, and distinct socio-political dynamics. In each context, the relationship between market, state, and civil society takes different forms, producing varying degrees of legal recognition, policy support, and organizational diversity. Some countries have introduced dedicated laws or specific legal types for social enterprises or the broader social economy, while others—such as Türkiye—continue to operate under conditions of legal ambiguity. Moreover, the broader level of socio-economic development and the degree of commodification of welfare services critically influence the trajectories of social enterprise models. In this sense, WISEs in Europe or solidarity economy enterprises in Latin America demonstrate how social enterprises are both embedded in local contexts and simultaneously shaped by meso- and macro-level institutional environments. These comparative insights highlight the need to analyze social entrepreneurship not as a generic phenomenon but as one deeply conditioned by institutional contexts.

Building on these comparative insights, this thesis approaches social entrepreneurship not simply as a functional response to unmet needs, but as a phenomenon that is institutionally embedded and continuously reshaped by the evolving configurations of state, market, and civil society. This analytical lens enables a more nuanced understanding of how global discourses of neoliberal

governance and welfare transformation are refracted through Türkiye's specific institutional and socio-cultural context. Several prior studies have examined social enterprises in the Turkish context, but these works have largely remained descriptive—mapping the overall landscape, profiling organizational characteristics, and identifying common needs, challenges, and support mechanisms. In contrast, this thesis moves beyond descriptive accounts by critically engaging with theoretical debates on neoliberal governance, welfare state transformation, and socio-economic restructuring. By situating diverse conceptualizations of social entrepreneurship within these broader frameworks, it provides a more analytical and context-sensitive understanding of how social enterprises emerge and evolve in Türkiye.

To understand social entrepreneurship comprehensively, it is essential to move beyond functionalist accounts of state or market “failure” and instead examine how these domains interact with civil society in specific institutional contexts. From a theoretical perspective, the expansion of social entrepreneurship in Türkiye should not be understood as a linear shift from civil society to the market. As Polanyi reminds us, these spheres are mutually embedded and continuously reconfigured, rather than discrete domains. The notion of the “double movement” captures how the extension of market logics generates counter-reactions from civic and associational initiatives, which seek to re-embed economic relations within social norms and solidaristic practices. In this sense, the rise of social enterprises represents not a departure from civil society but a re-articulation of the entanglement between civic action and market activity. Yet this entanglement is not uniform across sectors: Turkish social enterprises tend to emerge in domains that are relatively “safe,” where state institutions show limited involvement and market actors display little interest—such as education, youth empowerment, or women's production cooperatives. By entering spaces that neither provoke strong state resistance nor threaten existing market incumbents, these initiatives carve out niches of action that are tolerated, and sometimes even encouraged, precisely because they address unmet needs without destabilizing dominant institutional arrangements. Their apparent “avoidance of politics” is itself a political act, a strategy to sustain legitimacy and survival by positioning themselves as neutral actors while, in practice, shaping new forms of reciprocity and solidarity. Seen through this lens, social entrepreneurship in Türkiye

exemplifies not only the negotiation of embeddedness but also the strategic choice of domains where civic initiatives can operate with the least resistance, thereby sustaining their hybridity in a contested institutional environment. Thus, Türkiye's context clearly diverges from Western and Northern European models, benefiting from robust institutional support and strong public-sector collaboration.

From a theoretical standpoint, this thesis conceptualizes institutional ambiguity not merely as a barrier or deficiency but as a dynamic condition actively shaping the strategies, structures, and innovative capacities of social enterprises. Existing literature commonly emphasizes clear regulatory frameworks and institutional supports as essential preconditions for social enterprise growth. However, this thesis illustrates—particularly through the case of Türkiye—that fragmented regulatory environments, characterized by ambiguous legal definitions and inconsistent state involvement, can actively stimulate organizational innovation, adaptability, and hybridity. In Türkiye, organizational hybridity appears more as a pragmatic necessity rather than a result of established institutional norms or regulatory frameworks. Due to persistent regulatory ambiguity, social enterprises strategically combine multiple organizational forms—associations, cooperatives, and limited companies—to navigate institutional uncertainty, rather than adopting hybridity as a response to clearly defined institutional expectations. Ultimately, the Turkish case demonstrates the importance of contextualizing social entrepreneurship within national institutional frameworks, highlighting the critical interplay between regulatory ambiguity, civil society engagement, and selective state involvement. These dynamics underscore the necessity of moving beyond generic global theories toward a more nuanced, context-sensitive understanding of how social entrepreneurship emerges and evolves in different institutional landscapes. Furthermore, rather than seeing this ambiguity solely as a constraint, the cases examined in this study also reveal its productive potential: by operating in-between, social enterprises foster innovative alliances, mobilize untapped resources, and pioneer new repertoires of civic–market–state interaction.

Recognizing these dynamics, this thesis proposes that social entrepreneurship should be conceptualized through a continuum perspective, capturing the varying degrees to

which organizations prioritize social mission versus financial self-sustainability, and reflecting their adaptive strategies shaped by Türkiye's distinctive institutional and socio-economic context. This perspective also helps to reconcile the two dominant schools of thought in the literature. Conceptually, the social innovation school emphasizes novel, systemic solutions to social challenges, while the social enterprise school prioritizes commercial activities to achieve social missions. By framing social entrepreneurship along a continuum, these approaches can be seen not as mutually exclusive but as points on a spectrum of hybrid organizational strategies, allowing for greater analytical flexibility and context sensitivity. Within this continuum, numerous hybrid forms emerge, shaped significantly by their specific institutional contexts, as clearly illustrated in the typologies presented in this study. This conceptualization provides a deeper understanding of how social enterprises strategically negotiate their organizational identities, missions, and economic models under conditions of institutional ambiguity and diverse socio-economic environments. To fully grasp how social enterprises navigate this continuum, the thesis emphasizes that capacity building must be considered a fundamental theoretical lens. Within institutional contexts characterized by ambiguity and incomplete regulatory frameworks, social enterprises assume an active role in capacity building—not merely providing social services, but also stimulating economic activities, fostering entrepreneurial opportunities, and generating local economic development, a process described as "market-making." Rather than directly pursuing profit-making activities, these enterprises create conditions conducive to economic activities and entrepreneurial initiatives by developing necessary capacities within communities and institutional settings. Through this perspective, social enterprises are repositioned not as passive entities filling institutional voids, but as proactive and dynamic agents that build foundational structures for sustained economic and social value creation.

6.2. Empirical Findings and New Typologies

The empirical research conducted for this thesis provides important insights into the emergence, development trajectories, and organizational dynamics of social enterprises within the distinctive institutional and socio-economic context of

Türkiye. In particular, fieldwork data highlights how institutional ambiguity, characterized by unclear legal frameworks, fragmented regulatory policies, and inconsistent state involvement, significantly shapes the strategic responses and organizational forms of social enterprises. As discussed, social entrepreneurship in Türkiye encompasses a wide spectrum of meanings, ranging from rights-based activism to market-driven innovation. This definitional multiplicity reflects the field's pre-paradigmatic nature, where actors engage in discursive struggles to shape the meaning and legitimacy of social entrepreneurship. Ambiguity, therefore, is not only a constraint but also a site of contestation and creativity, allowing diverse actors to claim the field and experiment with hybrid models.

From these empirical insights, four distinct typologies of social enterprises have emerged:

- **Civic–Mission Enterprises** These organizations primarily operate with a civic-driven mission, focusing heavily on rights-based advocacy, public-interest initiatives, and community empowerment. Typically structured as associations or foundations, they leverage civic engagement and mobilize societal networks to address gaps in state provision of welfare services. Due to limited state provision, CMEs often depend heavily on grants, philanthropic funding, and voluntary efforts.
- **Entrepreneurial–Commercial Hybrids:** Positioned distinctly along the continuum with greater financial self-sustainability, ECHs balance strong social missions with commercial strategies. These entities frequently adopt corporate structures, aiming to achieve financial viability and independence from unreliable external funding streams. Their innovative practices often involve market-oriented solutions to social problems, reflecting an adaptive response to limited institutional support and fragmented state regulation. Thus, they strategically navigate between market-driven sustainability and impactful social missions, illustrating an entrepreneurial response to institutional ambiguity.
- **Empowerment Cooperatives:** Primarily focused on collective economic and social empowerment, these cooperatives commonly address socio-economic

exclusion, unemployment, and poverty. Often initiated by marginalized groups—especially women, rural communities, or disadvantaged urban populations—they emphasize collective decision-making, solidarity, and local economic development. Institutional uncertainty and minimal state support compel these cooperatives to rely heavily on community networks, local solidarity, and grassroots participation, embedding social enterprises deeply within local socio-cultural contexts.

- **Ecosystem-Oriented Social Enterprises:** Operating primarily as platform organizations or networks, these enterprises actively foster supportive ecosystems for social innovation, entrepreneurship, and capacity building. They facilitate collaboration across diverse stakeholders—civil society, private sector, and occasionally public institutions—thus enabling broader systemic changes. EOSEs respond explicitly to fragmented and ambiguous regulatory environments by strategically building networks and shared resources, thereby mitigating institutional uncertainty and creating collective capacities for sustainable social impact.

Organizational structures—including income sources, governance arrangements, collaboration capacities, and human resources—show variation across the typologies, and these differences shape distinct patterns of financial vulnerability. Civic–Mission Enterprises are more dependent on donor funding, making them especially fragile when such support diminishes. Empowerment Cooperatives—with their project-based orientation and reliance on local government support, are more directly exposed to political fluctuations. Entrepreneurial–Commercial Hybrids, by contrast, benefit from more established market-based revenue models that provide relative stability. Ecosystem-Oriented Social Enterprises ensure continuity through longer-term strategic collaborations, which allow them to secure resources and maintain visibility even in the absence of institutionalized recognition. Despite these differences, common structural challenges persist. With the partial exception of ECs, most social enterprises attempt to extend their impact beyond their immediate membership, yet their efforts are constrained by small scale, lack of public recognition, and the absence of formalized support mechanisms. These limitations hinder growth across

all types and reinforce the broader pattern of financial fragility and institutional ambiguity that defines the social enterprise landscape in Türkiye.

Taken together, these shared features suggest that Turkish social enterprises, despite their diversity, are shaped by a common set of structural imperatives: leveraging ambiguity as a resource, building capacity as a form of indirect economic development, and embedding themselves within collaborative networks to mitigate isolation and enhance resilience. This synthesis underscores that social enterprises in Türkiye should be understood not only in terms of their organizational diversity but also through these unifying dynamics, which reflect broader features of the national institutional environment. At the same time, the typologies developed in this study highlight the close relationship between Türkiye's fragmented welfare system and the diverse organizational responses of social enterprises. Characterized by discretionary and often inconsistent social service provision, limited formal regulation, and a significant informal economic sector, this institutional backdrop compels social enterprises to experiment with hybrid organizational strategies, capacity-building initiatives, and innovative forms of service provision. Institutional ambiguity thus emerges not merely as a barrier but as a generative condition, fostering diverse and context-specific forms of social entrepreneurship that distinguish Türkiye from established Western models.

The empirical findings also demonstrate that the positioning of social enterprises within Türkiye's broader institutional landscape remains fragmented. Relationships with public institutions are often ad hoc, contingent on individual officials rather than embedded in formalized structures, while collaborations with private sector actors are highly selective and typically confined to short-term partnerships. Although institutionalized mechanisms such as incubators, accelerators, and grant programs do exist, their reach and effectiveness remain limited. As a result, many social enterprises continue to compensate by relying heavily on informal networks and personal ties. These informal mechanisms provide short-term access to resources and visibility but ultimately constrain organizational learning, scaling potential, and long-term stability. Local embeddedness partially offsets these weaknesses: women's cooperatives in particular draw on traditions of solidarity, reciprocity, and *imece*,

embedding cultural repertoires into their organizational models. This trust-based embeddedness generates legitimacy and resilience but also restricts scalability, as community-level support does not automatically translate into broader institutional recognition.

6.3. Policy Implications and Recommendations

The theoretical insights and empirical findings presented in this thesis provide several critical implications for policy-making and institutional development related to social entrepreneurship in Türkiye. By demonstrating that institutional ambiguity can foster organizational creativity and hybridity, the analysis suggests that policy frameworks should not seek merely to eliminate ambiguity but rather strategically manage and channel it towards productive ends. Policies must thus recognize the dynamic, adaptive, and innovative capacities inherent within social enterprises, shaped significantly by the nuanced institutional contexts they operate within.

Firstly, the establishment of a clearly defined yet flexible legal framework for social enterprises is essential. This framework should recognize and accommodate the diversity and hybridity of organizational forms observed empirically, such as Civic–Mission Enterprises, Entrepreneurial–Commercial Hybrids, Empowerment Cooperatives, and Ecosystem-Oriented Social Enterprises. Instead of imposing rigid categories, legal definitions should reflect the continuum-based approach highlighted in this thesis, thereby supporting varied combinations of social missions and financial sustainability.

Second, policy interventions should emphasize capacity building as a core strategy. Given that social enterprises significantly contribute to local economic development, entrepreneurship promotion, and social innovation, capacity-building policies should go beyond mere financial support. In particular, the primary focus should be on strengthening the organizational capacities of social enterprises themselves—including managerial skills, governance structures, financial literacy, and impact measurement—while also enhancing the enabling capacities of intermediary organizations, local governments, and relevant public agencies to support them

effectively. They should include comprehensive training programs, knowledge sharing platforms, and mentorship schemes aimed at enhancing organizational resilience, strategic adaptability, and entrepreneurial competencies. In this way, capacity building can serve as a key mechanism for enabling social enterprises to sustain their hybrid models and expand their social and economic contributions.

Third, the empirical findings underscore the necessity for more structured public-private-social collaborations. At present, cooperation often remains ad hoc, dependent on individual initiatives rather than embedded in formal frameworks, which limits continuity and scalability. Recognizing the proactive role of social enterprises in filling institutional gaps, policymakers should facilitate durable platforms for multi-stakeholder dialogue, collaboration, and resource pooling. Such platforms would not only improve coordination but also help overcome the fragmented recognition of social enterprises within public institutions. Concrete measures could include the introduction of public procurement frameworks that integrate social impact criteria and prioritize socially driven enterprises; incentive mechanisms to encourage partnerships between corporations and social enterprises in supply chains, product development, or community programs; and co-governance models that formally involve social enterprises in policy design, implementation, and monitoring. In contexts such as Türkiye, where ecosystem intermediaries and local governments already provide partial entry points, these collaborations should be scaled up and institutionalized to ensure long-term sustainability and to embed social enterprises as legitimate partners in national development strategies.

Fourth, the fragmented and often inconsistent regulatory landscape observed in Türkiye necessitates improved coherence and clarity in public policies related to social entrepreneurship. At present, social enterprises are variably defined across different programs and initiatives, which creates uncertainty for organizations seeking legitimacy, funding, or collaboration. Instead of introducing rigid, overly prescriptive rules that could stifle experimentation, policy frameworks should provide flexible guiding principles alongside clearly articulated criteria for social impact evaluation, transparency, and accountability. Improved regulatory coherence would not only reduce transaction costs for social enterprises but also help

consolidate their recognition within the broader policy environment. At the same time, the state should acknowledge its role as an enabler and facilitator of social enterprise ecosystems rather than a direct controller. This requires a shift toward policies that strengthen supportive infrastructure, expand access to diverse financing channels (including impact investment, blended finance, and social finance instruments), and encourage the development of collaborative networks that connect social enterprises with public institutions, private sector actors, and intermediary organizations. By doing so, public policy can reduce the volatility created by institutional ambiguity while preserving the innovative and adaptive capacities that make social enterprises valuable actors in Türkiye's socio-economic landscape.

In summary, these policy recommendations directly reflect the theoretical and empirical contributions of this thesis, positioning social enterprises as critical agents of economic and social development within ambiguous institutional contexts. By strategically managing institutional ambiguity, enhancing capacity building, and fostering robust collaboration frameworks, policy-makers can effectively leverage the full potential of social entrepreneurship to address pressing societal challenges in Türkiye.

6.4. Limitations and Directions for Future Research

Despite the valuable theoretical insights and empirical findings presented, this thesis acknowledges several limitations that suggest fruitful avenues for future research. Firstly, the empirical analysis predominantly relied on qualitative methods and case studies situated within specific urban contexts, primarily Istanbul and Ankara. This urban concentration may not fully capture the diverse dynamics and operational challenges experienced by social enterprises in rural or smaller urban areas. Future research could thus employ comparative case studies or larger-scale quantitative analyses to examine variations between urban and rural social enterprises, providing a more comprehensive understanding of Türkiye's social entrepreneurship landscape. Secondly, while this study highlights the innovative responses of social enterprises to institutional ambiguity, longitudinal studies would be beneficial to understand the sustainability and long-term impact of these adaptive strategies. Examining how

these enterprises evolve over extended periods could reveal the lasting effects of institutional ambiguity and clarify the conditions under which social enterprises either flourish or struggle.

Thirdly, the typologies developed in this thesis, though robust within the Turkish context, remain context-specific and thus may not be directly generalizable to other national contexts. Comparative international research, particularly contrasting Türkiye with other Global South and Southern European contexts characterized by similar institutional ambiguities, would enrich the theoretical contributions by testing and refining these typologies more broadly. Lastly, given the dynamic and evolving nature of social entrepreneurship ecosystems, continuous policy evaluations and impact assessments remain essential. Future research should critically evaluate specific policy interventions and their impacts on social enterprises, contributing to an iterative policy-making process that responds effectively to emerging challenges and opportunities within the social enterprise ecosystem.

In conclusion, addressing these limitations through further research will significantly enhance our theoretical understanding and practical support mechanisms for social entrepreneurship, thereby reinforcing its potential to generate sustained social and economic value.

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APPENDICES

A. SOCIAL ECONOMY LEGAL FRAMEWORKS IN EUROPE

Country	Name	Year of Issue	Institution	Main Elements
France	Social and Solidarity Economy Law in France	2014	Higher Council on the Social Economy	<p>Regulates the principles and scope of the social and solidary economy, its organisation and promotion</p> <p>Recognises SSE as a specific entrepreneurship model by proposing a clear definition of the structures included in the SSE, defines criteria for social innovation</p> <p>Strengthens local sustainable development policies and networks by establishing regional SSE conferences and participation of regional SSE chambers in the design of the regional plans</p> <p>Enables employees to acquire a company and transform it into a cooperative and participative enterprise (SCOP), aimed at job retention or creation, by implementing a provisional status for emerging SCOPs and establishing procedures to notify employees about impending business transfers</p> <p>Facilitates access to financing and public procurement by creation of tailored financing tools</p> <p>Social clauses in public procurement;</p>

				<p>public procurement, contractors whose purchases exceed a certain volume must adopt a plan to promote socially responsible public purchasing that aims for social and occupational integration of workers with handicaps or who are disadvantage</p> <p>The regional Chambers promote SSE enterprises by supporting their creation and continuance, and training for their managers and workers; and contributing to the collection and treatment of economic and social data on the SSE and to establishing relations with other enterprises in this sector⁵</p>
Italy	Code of the Third Sector	2017	Ministry of Labor and Social Policies	<p>Expands the areas of engagement and the categories of intervention in which social enterprises can operate including the protection of cultural heritage, microcredit interventions and sustainable tourism</p> <p>Introduces third sector single registry</p> <p>Social enterprises are defined as private organizations that run entrepreneurial activities for civic, solidarity and social utility purposes and allocate profits principally to achieve its corporate purpose and they can be in various legal forms</p> <p>Social enterprises benefit from tax deductible measures, from the launch of the Guarantee fund</p> <p>Social enterprises, if incorporated in for-profit companies, are now entitled</p>

⁵ OECD/EU (2017). *Boosting Social Enterprise Development: Good Practice Compendium*. Paris: OECD Publishing. <https://doi.org/10.1787/9789264268500-en>

				<p>to share profits and distribute dividends within certain limits for non-distributed benefits there are tax exemptions</p> <p>Every third sector entity with revenues above one million Euro is obliged to adopt social reporting guidelines</p> <p>Introduces benefit corporations that jointly pursue a profit aim and common benefits</p> <p>No mark, labelling or certification systems</p>
UK	Community Interest Companies Regulations and Act	2005	Business, Energy & Industrial Strategy	<p>Introduces a legal form for social enterprises as Community Interest Company</p> <p>Social purpose of the organisation to be clearly stated in the articles of association.</p> <p>Receive no fiscal benefit in terms of exemptions from any areas of government taxation policy</p> <p>Individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability</p>
Greece	Law on Social and Solidarity Economy	2016	Ministry of Labour, Social Security and Social Solidarity	<p>A wide sector coverage, in addition to traditional social services, participatory waste management, recycling, renewable energy, sustainable tourism</p> <p>Launched the Special Secretary of Social and Solidarity Economy, a distinct administrative body fostering the SSE</p> <p>No legal form but operational criteria</p>

				<p>are employed to be considered as a social enterprise (maximum wage, restricted profit distribution)</p> <p>No specific benefits in general, but some for social cooperative enterprises</p> <p>National Commission for the Social and Solidary Economy set up, comprising representatives of government, the universities and organisations representing people with handicaps, workers, cooperatives and other SSE entities to promote civil dialogue for developing social and solidary activities</p> <p>SSE Coordination Committee made up of representatives from different ministries SSE enterprises have access to the SE Fund and to the National Entrepreneurship and Development Fund; they qualify for programmes to support entrepreneurship and can be assigned assets (immovable and otherwise) by local public bodies to support their public and social interest activities.</p>
Spain	Law no.5 on the social economy	2011	Ministry of Labour	<p>The Council for Fostering the Social Economy was set up, made up of representatives of the government, the SE organisations and the unions, as an advisory and consultative body</p> <p>No formal definition of a social enterprise</p> <p>Facilitating access to technological and organisational innovation processes by SE entrepreneurs.</p> <p>Creating an environment that encourages the development of social</p>

				<p>and economic initiatives within the SE framework</p> <p>No mark, labelling or certification systems</p>
Romania	Law no.219 on the social economy	2015	Ministry of Work, Family, Social Protection and the Elderly	<p>The central and local government promote SE activities by recognising the role of SE enterprises, awarding them an SE Certificate; recognising the role of social integration enterprises by awarding them the Social Label; developing support mechanisms for social inclusion enterprises; promoting and supporting the development of human resources in the SE sphere; taking part in SE activities</p> <p>Funding and support for social inclusion enterprises: social inclusion enterprises enjoy tax exemptions</p> <p>Integration enterprises may benefit from free advice from the SE departments of the Employment Agencies</p> <p>Declaration of the month of May as social economy promotion month, dedicated to organising events to publicise the SE and ensure local development, active citizenship, cooperation and social solidarity.</p>
Latvia	Law on Social Enterprises	2017	Ministry of Welfare	<p>Stipulates that a social enterprise is a limited liability company that fulfill certain criteria (social aim, staff's consent, restriction on profit distribution, representative of the target group in the executive or supervisory body)</p> <p>Foresees a grant programme for social enterprises and some tax reliefs -100%</p>

				<p>exempt from income tax if reinvests its profits in the enterprise or the social goal</p> <p>A single register for SEs</p>
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Note. Compiled by the author from official national legislation and policy documents on the social economy in Europe (e.g., Official Gazettes, national ministries' websites).

B. QUESTIONS FOR INTERVIEW

Questions for Social Entrepreneurs

a) Story of Social Enterprises and Their Founders

1. What do you understand by social entrepreneurship? Do you define yourself as a social entrepreneur? In your opinion, who qualifies as a social entrepreneur?
2. How did you decide to become a social entrepreneur/start your initiative? What is your personal motivation for being a social entrepreneur? Do you have other team members or partners involved in your initiative?
3. What is the mission of your organization? What are the main activities carried out to achieve this mission?
4. How long have you been running your enterprise? / What is the founding year? Was there a specific event or experience that motivated you to establish your initiative? What challenges or opportunities at that time led you to start it?
5. Who is your target group? What profile do your beneficiaries and customers have (age, gender, socio-economic status, geographic background, etc.)? What specific problems do your beneficiaries face, and how does your initiative address them?
6. Why do you think your organization was needed in this field? Why is it necessary for civil society or individuals to be active in this area, either as a complement to or substitute for state institutions?
7. What are the key turning points in your organization? Which milestones or events significantly shaped your development?

b) Institutional Structure

8. What is the legal status of your organization? Why did you choose this status? If your organization does not have a legal status, why did you choose this path?
9. During the idea stage and establishment process, were there any teams, individuals, or institutions that supported you?
10. How did you determine the principles of your organization? Did you model national or international examples?
11. What resources are most needed to carry out your activities (human resources, technology, finance, etc.)?
12. Do you have paid employees (full-time or part-time)? How do you determine their salary ranges?
13. Do you have volunteers? How do you reach them and what types of activities do they carry out?
14. When establishing your organization, did you receive any financial or in-kind support from local governments, NGOs, or philanthropists?

15. What are your sources of income? Do you have a commercial revenue model? Do you think a social enterprise should have a commercial revenue model?

c) Impact and Sustainability

16. Is there any institution (e.g., funder) that evaluates your impact or performance? If yes, what evaluation criteria do they use? How do you measure the effectiveness and impact of your initiative? Which key indicators or methods do you use? How would you define the impact your organization has created so far?
17. As an entrepreneur, have you been able to create meaningful change? Have you connected or organized with other entrepreneurs who share similar goals? If so, how did this collective effort contribute to your impact?
18. What conditions are necessary for a social enterprise to be successful and sustainable?
19. Have you ensured sustainability in your operations? If yes, how?

d) Relations with Beneficiaries and Customers

20. How do you manage your relationships with end-users and the wider public? Do you think you are building a community or are part of an existing one?
21. Do you have strategies in place to increase your visibility?
22. Have you been able to establish sustainable relationships with your customers and suppliers?

e) Relations with Public, Private Sector, and Actors in the Social Entrepreneurship Ecosystem

23. Do you collaborate with other social enterprises, NGOs, or private sector organizations? If yes, can you provide details about these collaborations? Who initiated the cooperation—you or them?
24. What are the potential areas of collaboration between social enterprises and these institutions?
25. Do you collaborate with any public institutions? If yes, can you provide details about these collaborations? Who initiated the cooperation—you or them?
26. Have you engaged in consultations with any public institutions related to your organization and field of activity? Have public institutions consulted you or invited you to relevant meetings?
27. What are the potential areas of collaboration between social enterprises and public institutions? If such collaboration occurs, in which areas could greater social impact be achieved?
28. What role do public institutions play in the sustainability of social enterprises? What can public institutions do to support social enterprises?

f) Institutional Factors Shaping Social Enterprises in Türkiye

29. How does the institutional framework in Türkiye (e.g., laws, policies, regulations) affect the establishment, operation, and sustainability of social enterprises? Are there specific institutional barriers or enablers that shape their development?
30. How does the cultural context (social attitudes, values, perceptions) affect the growth and acceptance of social enterprises in Türkiye? How do these cultural factors shape their ability to create and sustain social impact?
31. What are the key policy gaps in supporting social enterprises in Türkiye? What specific policies or regulations could be implemented to better meet their needs?

Questions for Public Institutions

a) Institutional Framework and Legislation

1. How does the institutional framework (laws, policies, regulations) in Türkiye affect the establishment, operations, and sustainability of social enterprises?
2. Are there specific institutional barriers or enablers that shape the development of social enterprises?

b) Public Sector Perceptions and Policy Interventions

3. How do public institutions perceive social entrepreneurs?
4. How do you evaluate the (potential) value created by social entrepreneurs?

c) Interaction Between Public Institutions and Social Enterprises

5. Is there active interaction or collaboration between public institutions and social enterprises?
6. What are the mechanisms of interaction and how are these relationships structured?

d) Policy Gaps and Areas for Development

7. What are the key policy gaps in supporting social enterprises in Türkiye?
8. What specific policies or regulations could be implemented to better meet the needs of social enterprises?
9. What are the possible areas of collaboration between public institutions and social enterprises?
10. How can public institutions improve financial and technical support mechanisms for social enterprises?
11. Are there good practice examples in Türkiye or internationally that could be applied to strengthen the social entrepreneurship ecosystem?

e) Financial and Technical Support for Social Enterprises

12. Do public institutions provide financial, technical, or capacity-building support for social enterprises?
13. What are the existing financing sources for social enterprises?
14. Are state-funded grant or credit programs specifically designed for social enterprises?
15. How do public institutions evaluate the impact and sustainability of the social enterprises they support?

f) Legal and Regulatory Challenges

16. Are there specific legal restrictions that hinder the growth and scaling of social enterprises?
17. Do you think existing tax policies provide sufficient incentives for social enterprises?
18. How does state recognition of social enterprises affect their access to resources and opportunities?

Questions for Social Enterprise Support Organizations

a) Types of Support Provided

1. What types of support mechanisms (financial, technical, capacity-building) do social enterprise support organizations provide?
2. Are there mentorship or incubation programs specifically designed for social enterprises?
3. Do these organizations offer financing opportunities, grant programs, or impact investment mechanisms for social enterprises?

b) Growth and Enhancing Social Impact

4. Are there special programs or initiatives aimed at helping social enterprises scale their operations or increase their social impact?
5. How effective are these programs in ensuring the long-term sustainability of social enterprises?

c) Collaboration with Public and Private Sector

6. How do support organizations collaborate with public institutions and private sector actors to strengthen the social entrepreneurship ecosystem?
7. What are the most common challenges faced in developing these collaborations?

8. Are there good practice examples of partnerships between support organizations and key stakeholders?

d) Institutional Framework and Legislation

9. How does the institutional framework (laws, policies, regulations) in Türkiye affect the establishment, operations, and sustainability of social enterprises?
10. Are there specific institutional barriers or enablers that shape the development of social enterprises?
11. How does the existing regulatory framework affect the access of social enterprises to finance and market opportunities?

e) Socio-Cultural Factors and Public Perception

12. How does the cultural context (social attitudes, values, perceptions) in Türkiye affect the growth and acceptance of social enterprises?
13. Do cultural factors create opportunities or barriers for the development of social enterprises?
14. How do these factors shape the ability of social enterprises to create and sustain social impact?

f) Policy Gaps and Recommendations

15. What are the key policy gaps in supporting social enterprises in Türkiye?
16. What specific policies or regulations could be implemented to better meet the needs of social enterprises?
17. Are there international policy frameworks that could be adopted to strengthen the social entrepreneurship ecosystem in Türkiye?

C. CURRICULUM VITAE

ZEYNEP TUĞBA ŞAVLI AKBULUT

EXPERIENCE

10.2021- World Bank Group

- Offer expert guidance in the monitoring and implementation of women's cooperatives established under the project, ensuring their sustainable growth and socioeconomic empowerment

01.2020- Ankara Development Agency

- Designed and implemented advanced Monitoring and Evaluation (M&E) tools and methodologies, including Social Return on Investment (SROI) analyses, to measure and enhance project impact and efficiency
- Provided hands-on leadership in the supervision of data collection processes for evaluation purposes, ensuring the acquisition of high-quality, reliable data to inform decision-making
- Executed tailored training sessions and guidance to social cooperatives and social enterprises. Topics covered include cooperative fundamentals, business development strategies, social impact management, access to financial resources, and governance practices.
- Contributed to the advancement of knowledge in the field of social development through the initiation and execution of in-depth research projects. Synthesize research findings into comprehensive reports that provide valuable insights for stakeholders and policymakers.
- Successfully managed and led the Social Entrepreneurship for Youth Programme, nurturing youth-driven social innovation and entrepreneurship to foster sustainable development
- Formulated sectoral and thematic current situation analyses and action plans through meticulous data collection by use of participatory methods and analysis,
- Offered support and consultancy services to non-governmental organizations (NGOs), cooperatives, and social entrepreneurs, guiding them toward effective strategies for growth and impact

- Played a key role in the design of call for proposals and the comprehensive monitoring and evaluation of social programs, ensuring their alignment with project goals and delivering measurable results.

10.2009-12.2015 Middle Black Sea Development Agency

Planning, Programming and Coordination Unit

- Conducted in-depth economic and social research to support evidence-based decision-making, produced comprehensive reports, highlighting key findings, trends, and policy recommendations
- Designed and delivered training sessions on Strategic Planning and Project Cycle Management (PCM) for diverse audience
- Executed rigorous monitoring and evaluation processes for social development programs, optimizing impact and accountability

09.2006-04.2008 University of Guelph- Graduate Teaching Assistantship

Political Science Department

- Diligently graded exam papers and assignments, providing constructive feedback to students to enhance their learning

EDUCATION

2012- 2017 MA
 Middle East Technical University/ Ankara- TURKIYE
 Graduate School of Social Sciences, **Social Policy Programme**
 Graduation: January 2017
 Thesis: Poverty and Capabilities: The case of Samsun
 GPA: 3.93/4.00

2006-2008 MA
 University Of Guelph / Guelph-CANADA
 Department of Political Science- **International Development Studies**
 Date of Graduation: October 20, 2008
 Thesis: Gender Relations, Empowerment and Micro-Credit in Turkey
 CGPA: 3.01/4.00

2001 - 2006 BS- Major
 Middle East Technical University/ Ankara- TURKIYE
 Department of **Political Science and Public Administration**
 Date of Graduation: June 11, 2006
 CGPA: 3.43/ 4.00

PUBLICATIONS

- *Education Toolkit for Co-operatives* as co-author (sections on strategic planning and monitoring and evaluation), Ankara Development Agency

- (2018) <http://www.guclukooperatifler.com/share/kooperatifcilik-egitim-kitabi.pdf>
- ***Needs Analysis of Co-operatives***, Ankara Development Agency (2017) <http://www.guclukooperatifler.com/file/GEGKP-Rapor-Egitim-Ihtiyaclari.pdf>
 - ***Poverty and capabilities: The case of Samsun- Yoksulluk ve yapabilirlikler (2017): Samsun örneği***, MS Thesis, Middle East Technical University
 - ***Analysis of Civil Society Organizations and Civil Society Development Action Plan***, Middle Black Sea Development Agency (2014) (<https://oka.ka.gov.tr/yayinlar-ve-belgeler/yayinlar-ve-raporlar/sivil-toplum-analizi-ve-tr83-bolgesi-sivil-toplumu-gelistirme-stratejisi-2014>)
 - ***Gender Equality Action Plans of Amasya, Çorum and Tokat Provinces***, Middle Black Sea Development Agency (2014) (<https://www.kalkinmakutuphanesi.gov.tr/dokuman/turkiye-ve-tr83-bolgesi-nde-toplumsal-cinsiyet-esitligi-ve-kalkinma/832>)
 - ***Evaluation of microcredit programs as a tool for social and financial inclusion*** co-authors with Hulya Özenen Akgül (2013) 3rd ENSACT. Joint European Conference Social Action in Europe
 - ***Social Policy in the Development Agencies*** as co-author (2012), Social Policy Group, <http://www.oka.org.tr/haber-detay.asp?NewsId=435>
 - ***Gender Equality and Development in Turkey and TR83 Region Report***, Middle Black Sea Development Agency (2012) (<http://www.oka.org.tr/tumdokumanlar.asp>)
 - ***TR83 Region Social Structure Analysis*** in Current Situation Analysis Report, 2011/2012, Middle Black Sea Development Agency, (2012) (<http://www.oka.org.tr/tr83mevcutdurumanalizi.asp>)
 - ***Entrepreneurship*** (co-writer),(2011) Middle Black Sea Development Agency <http://www.oka.org.tr/arastirmaraporlari.asp>
 - ***TR83 Region Human Resources Analysis***,(2011) Middle Black Sea Development Agency (<http://www.oka.org.tr/tr83mevcutdurumanalizi.asp>)
 - ***Gender Relations, Empowerment and Micro-Credit in Turkey***,(2008) MA Thesis, University of Guelph/Canada

D. TURKISH SUMMARY / TÜRKÇE ÖZET

Bu çalışma, Türkiye’de sosyal girişimciliğin sivil toplum ile piyasa arasında nasıl şekillendiğini incelemektedir. Ayrıca farklı hukuki düzenlemeler ve kurumsal belirsizlik ortamında hangi stratejilerle sürdürülebilirlik ve meşruiyet sağlandığını, toplumsal değer yaratımının ekonomik göstergelerin ötesindeki boyutlarını araştırmaktadır. Temel sav, sosyal girişimciliğin Türkiye’de tek bir yasal statüye veya organizasyonel şablona indirgenemeyeceği; aksine tarihsel hayırseverlik ve vakıf geleneğinin, kooperatifçilik mirasının ve 1980’ler sonrasında refah rejiminde yaşanan yeniden ölçeklenmenin kesişiminde ortaya çıkan çok-merkezli ve dinamik bir alan olduğu yönündedir. Bu alanın aktörleri —dernekler, vakıflar, kooperatifler ve şirketler— farklı kurumsal mantıkları aynı anda taşır; meşruiyeti, finansmanı ve etkiyi yeniden kurmak için biçimler arasında esnek geçişler ve hibrit yapılanmalar geliştirir. Araştırmanın ana katkısı, söz konusu melez alanın Türkiye’ye özgü mantıklarını 18 derinlemesine vaka ve ekosistem görüşmeleri üzerinden katmanlı biçimde açığa çıkarmak ve kuramsal tartışmaları bağlama duyarlı bir tipoloji ile örtüştürerek politika ve uygulamaya dönük bir çerçeve önermektir.

Dünya genelinde sosyal girişimcilik, sivil toplumun kıyısından kamusal tartışmanın ana akımına taşınmıştır. Bugün, kapsayıcılık için yeni araçlar arayan politika yapıcılar, ölçülebilir etki arayışındaki fon sağlayıcılar ve sosyal örgütlemenin alternatif yollarını deneyen topluluklar tarafından bu kavram sıklıkla başvuru bir çerçeve haline gelmiştir. Ne var ki bu görünürlüğe karşın, alan kavramsal olarak hâlâ yerleşik değildir ve ampirik açıdan da yeknesak olmayan bir tablo sergiler. Küresel literatürün önemli bir bölümü, kurumsal altyapıların net tanımlandığı ve düzenleyici sistemlerin açık olduğu bağlamlara dayanır—oysa bu bağlamlar, sosyal girişimlerin fiilen faaliyet gösterdiği pek çok ülkeyi temsil etmemektedir. Bu arka plan üzerine inşa edilen bu tez, Türkiye’de sosyal girişimlerin yükselişini ve kurumsal konumlanışını inceler; özellikle de hukuki açıklığın ve politika çerçevelerinin hâlâ gelişmediği bir ortamda bu hibrit örgütlerin nasıl ortaya çıktığı ve nasıl işlediği

üzerinde durur. Son yirmi yılda akademik literatür dikkate değer biçimde genişlemiş olsa da bunun önemli bir kısmı Avrupamerkezci kalmış; iyi gelişmiş refah devletlerinin, yerleşik hukuki çerçevelerin ve kapsamlı destek ekosistemlerinin bulunduğu bağlamlara odaklanmıştır. Bu çalışmalar çoğunlukla sosyal girişimleri, genellikle sosyal kooperatifler veya “benefit corporation” gibi hukuken kodlanmış biçimler altında sosyal bir misyonu piyasa temelli faaliyetlerle birlikte sürdüren hibrit örgütler olarak analiz eder. Ancak sosyal girişimcilik kavramı, farklı ulusal ve bölgesel ortamlarda ne tanımsal ne de deneyimsel olarak yeknesak değildir. Bir ülkede “sosyal girişimsel faaliyet” sayılan bir pratik, bir başka ülkede bu şekilde tanınmayabilir; kimi bağlamlarda hizmet sunumu ve refah temini öne çıkarken, kimilerinde istihdam yaratma, topluluk güçlendirme ya da piyasa başarısızlıklarına yenilikçi çözümler getirme vurgulanır.

Benzer biçimde, sosyal girişimlerin faaliyette bulunduğu alanlar da büyük çeşitlilik gösterir; sağlık, eğitim ve bakım hizmetlerinden teknolojiye, yaratıcı endüstrilere ve çevresel sürdürülebilirliğe kadar uzanan geniş bir yelpaze söz konusudur. Devletin müdahalesinin düzeyi ve biçimi de bağlamdan bağlama değişir: Bazı ortamlarda hükümetler hedefli fonlama programları, özel hukuki statüler veya ekosistem kurucu politikalarla sosyal girişimciliği aktif biçimde teşvik ederken; diğerlerinde kamu desteği parçalı olmaktadır ya da tamamen yoktur. Kurumsal çerçevelerin ötesinde, sosyal girişimlerin kamusal görünürlüğü ve tanınırlığı da toplumlar arasında farklılık gösterir; bazı ülkelerde iyi bilinen ve meşru bir sosyal girişim sektörü söz konusuysen, başka yerlerde olgu ya yeterince anlaşılmamıştır ya da dar biçimde hayırseverlik ve geleneksel sivil toplum inisiyatifleriyle özdeşleştirilmektedir. Bu farklılıklar, sosyal girişimciliğin ulusal kurumsal düzen ve kültürel repertuarlara derinden gömülü olduğunu gösterir. Bir ülkenin hukuki gelenekleri, refah rejimi, piyasa yapısı ve sivil kültürü yalnızca neyin meşru sosyal girişim faaliyeti olarak algılandığının sınırlarını biçimlendirmekle kalmaz; aynı zamanda sosyal girişimcilerin erişebileceği örgütsel biçimleri ve hayatta kalma stratejilerini de koşullandırır.

Sosyal girişimciliğin ilk yapıtaşı sosyal misyondur. Dees (2001) gibi pek çok yazar için sosyal misyon, sosyal girişimciler açısından merkezîdir ve geleneksel

girişimcilerin gelir yaratma amacının aksine, onlar misyonla ilişkili etkiyi azami düzeye çıkarmayı hedefler. İkinci yapıtaşını yenilikçilik oluşturur. Yenilikçilik de çok çeşitli tanımlara konu olan bir kavramdır ve girişimciliğin kavramsallaştırılmasıyla yakından ilişkilidir. Sosyal girişimciler, mikro kredi programlarının başlatılması ya da adil ticaret hareketi gibi makro düzeyde yıkıcı örneklerden, düşük maliyetli güneş enerjisi ya da düşük vasıflı kişiler için istihdam yaratma gibi belirli sektörlerle ilişkin daha mütevazı ve küçük ölçekli girişimlere kadar farklı derecelerde yenilik yaparlar. İkinci durumda yenilikçilik, kâr amacı gütmeyen ve ticari sektörlerden gelen mantıkların, söylemlerin ve pratiklerin bir arada kullanımıyla daha yakından ilişkilidir. Bu melezlik, toplumsal sorunları ele almak için kullanılmaktadır.

Üçüncü yapıtaşı olan sosyal girişimlerin piyasa yönelimi de yoğun biçimde tartışılmaktadır ve bu yönetime verilen önem, farklı düşünce okullarına göre değişir. Dees ve Anderson'ın (2006) belirttiği üzere, kavramın şekillenmesinde iki baskın okul etkilidir. “Sosyal İşletme Okulu” (*Social Enterprise School*) ile “Sosyal İnovasyon Okulu”nun (*Social Innovation School*) kendilerine özgü taraftarları vardır. Sosyal İşletme Okulu, sosyal bir misyona hizmet ederken gelir yaratmaya odaklanır; Sosyal İnovasyon Okulu ise toplumsal sorunları ele almak için yeni yolların kurulmasına odaklanır. Sosyal İnovasyon Okulu açısından sosyal girişimcilik, bireysel sosyal girişimcilerin eylemleriyle özdeşleştirilir (Grenier, 2006). Sosyal girişimciler bireysel değişim yapımcılar olarak görülür ve ağırlıklı kâr amacı gütmeyen faaliyetlerle meşguldür. Sosyal İşletme Okulu'nun kökenleri ise bazı kâr amacı gütmeyen kuruluşların, bağışlar ve kamu finansmanı dışında alternatif gelir kaynakları bulma çabalarına kadar uzanır. “*Reinventing Government*” (Osborne & Gaebler, 1992) ve “*New Public Management*” (Kettle, 1997) ana akım kamu yönetimi yaklaşımları olarak yaygınlaşırken, devlet dâhil tüm aktörler için “girişimci olma” vurgusu öne çıkmıştır. Kâr amacı gütmeyen kuruluşlar uzun süre devlet ve piyasa başarısızlıklarına bir yanıt olarak görülmüş, ancak kendi kendine sürdürülebilirliği sağlama bakımından yetersiz addedilmiştir. Geleneksel birincil finansman kaynakları fonlar, üye aidatları, hibeler, bağışlar ve kullanıcı ücretlerinden gelen sınırlı ölçekte gelirler olmuştur. Bununla birlikte sürdürülebilir bir gelir modeli eksikliği, 1970'lerin sonlarında ABD'de rezervlerin erimesi, bağışların azalması ve

kamu sektöründen gelen desteğin zayıflaması nedeniyle önemli bir sorun haline gelmiştir.

Avrupa’da sosyal girişimler, refah devletlerinin farklılaşmış gelişim yollarıyla uyumlu biçimde evrilmiştir. Batı ve Kuzey Avrupa’da güçlü refah altyapıları ve kuvvetli kamusal yatırım, refahın geri çekilmesine yanıt olarak ağırlıklı işgücüne katılım (*work integration*) ve sosyal hizmet sunumu odaklı modeller üretmiştir. Buna karşılık Güney ve Doğu Avrupa’da daha zayıf refah sistemleri, topluluklar ve uluslararası aktörlerce desteklenen gereksinim temelli girişimleri teşvik etmiştir. Birleşik Krallık ise belirli hukuki çerçeveler tarafından şekillenen kendine özgü bir model geliştirmiştir. Daha geniş düzeyde, Avrupa, hukuki tanımının önemini gösterir: Bazı ülkelerde adanmış bir mevzuat yokken, diğerleri sosyal girişimler için özel hukuki formlar getirmiş veya onları daha geniş sosyal ekonomi yasaları içine entegre etmiş; bu düzenlemeleri çoğu zaman politika araçları ve ulusal stratejilerle tamamlamıştır. Küresel Güney ise farklı bir doğrultuda ilerlemekte; sosyal girişimler acil sosyo-ekonomik sorunlara yanıt olarak ortaya çıkmakta ve sosyal–finansal hedefleri dengelerken karmaşık sosyo-kültürel bağlamlarda yön bulmak gibi “çifte bir yük”le karşı karşıya kalmaktadır.

Türkiye bu bakımdan özellikle dikkat çekici bir örnek sunar. 2000’lerin başından bu yana “sosyal girişimcilik” terimi, kalıcı toplumsal sorunlarla mücadele için yeni stratejiler arayan sivil toplum örgütlerinin çabalarıyla ve uluslararası bağışçıların, Avrupa Birliği (AB) öncülüğündeki girişimlerin ve ulus ötesi politika transfer mekanizmalarının etkisiyle, giderek kamuoyu ve akademik söyleme dahil olmuştur. Bu aktörler, sosyal girişimciliği hem bir politika yeniliği hem de bir sivil toplum stratejisi olarak teşvik etmede merkezi rol oynamıştır. Bununla birlikte alan, buna karşılık gelen bir kurumsal altyapı oluşmaksızın evrilmiştir; Türkiye hâlâ sosyal girişimlerin hukuki bir tanıma sahip değildir. Bu sınırlama yalnızca “sosyal girişim” kavramının kendisiyle ilişkili değildir; sosyal kooperatifler gibi ilgili örgütsel biçimlere ve henüz çatı bir mevzuatın ya da adanmış bir çerçevenin oluşturulmadığı daha geniş sosyal ekonomi alanına da uzanır. Bu örgütsel biçimi doğrudan hedefleyen özel bir vergi rejimi, düzenleyici statü veya kamu fonlama programı bulunmamaktadır. Sosyal girişimler, mevcut mevzuatta tanımlanmış örgütsel

formlardan birini seçmek durumundadır. Dernekler ve vakıflar, sosyal amaçlı faaliyetlerin geleneksel taşıyıcısı olarak öne çıkarken, ekonomik faaliyet yürütebilmeleri için iktisadi işletme kurmaları gerekir. Kooperatifler, özellikle kadın kooperatifleri ve üretim odaklı sosyal ekonomilerde, ortakların ihtiyaçlarını karşılamaya yönelik demokratik yapılarıyla sosyal girişimcilik mantığına en yakın kurumsal biçimlerden biridir. Buna karşılık şirketler, esasen kâr amacı güden yapılar olmakla birlikte, kimi girişimler bu form altında sosyal faydayı birincil hedef olarak benimseyerek sosyal girişim kimliği kazanabilmektedir. Ancak tüm bu hukuki biçimler, sosyal girişimlerin ikili doğasını—toplumsal değer yaratma ile ekonomik sürdürülebilirliği birlikte gözetme amacını—tam anlamıyla yansıtamamaktadır.

Diğer taraftan, artan ilgiye karşın, Türkiye’de sosyal girişimcilik üzerine akademik çalışma sınırlı, parçalı ve çoğunlukla betimleyici niteliktedir. Mevcut çıktılardan önemli bir bölümü—çoğunlukla uluslararası kuruluşlar ve sivil toplum aktörleri tarafından kaleme alınmış—mevcut durumu haritalayan ve istatistiksel anlık görüntüler sunan çalışmalardır; ancak nadiren analitik yapılar geliştirir, karşılaştırmalı çıkarımlar üretir ya da mekanizma temelli açıklamalar sunarlar. Türkiye’nin Batı Avrupa’nın daha biçimselleşmiş ekosistemlerinden keskin biçimde ayrılan özgül sosyo-kültürel dinamikleri ve kurumsal konfigürasyonu dikkate alındığında, bu boşluk önemlidir.

Türkiye, hukuki bir tanımın yokluğu ve resmî politika çerçevelerinin eksikliği nedeniyle sosyal girişimlerin ortaya çıkışı açısından hem fırsatlar hem de kısıtlar üreten, özellikle dinamik ve hibrit bir manzaraya sahiptir. Mevzuattaki bu muğlaklık, kimi zaman sosyal girişimlerin kamu kaynaklarına ya da yasal güvencelere erişimini engellese de aynı zamanda deneyselliğe imkân tanır ve daha akışkan örgütsel modellerin ortaya çıkmasına zemin hazırlar. Bu koşullar, yalnızca sosyal girişimciliğin nasıl icra edildiğine değil, bizzat kurumsal belirsizliğin nasıl biçimlendirici bir kuvvet haline geldiğine ilişkin de önemli sorular doğurur. Türkiye’de sosyal girişimler çoğu zaman birden fazla mevzuat alanının kesişiminde faaliyet göstermektedir. Bu parçalı mevzuat ortamı, sosyal girişimleri sivil toplumun gönüllülük temelli mantığı, girişimciliğin piyasa odaklı zorunlulukları ve devletin yasal düzenlemelerden kaynaklanan beklentileri arasında denge kurmaya

zorlamaktadır. Bu nedenle sosyal girişimler, aynı anda birden çok kurumsal mantığın gereklerini karşılamaya çalışan hibrit yapılar olarak ortaya çıkmakta ve bu durum onların hem esnekliğini hem de kırılabilirliğini belirleyen temel unsurlardan biri haline gelmektedir.

Sosyal girişimlerin yapısını ve işleyişini anlamak için bağlama duyarlı, kurumsal ve kültürel koşulları dikkate alan bir inceleme gereklidir. Bu çerçevede bu tez şu soruyu sormaktadır: *Belirli bir hukuki altyapının ve resmî politika desteğinin bulunmadığı koşullarda, Türkiye'deki kurumsal ve sosyo-kültürel bağlamlar sosyal girişimlerin ortaya çıkışını, örgütsel biçimlerini ve gelişim süreçlerini nasıl şekillendirmektedir?*

Bu ana soruyu operasyonelleştirmek üzere şu alt sorular sorulmaktadır:

- Türkiye'de sosyal girişimler hangi hukuki ve örgütsel biçimleri benimsemekte ve bunlar mevcut kurumsal kısıtlar veya olanaklarla nasıl ilişkilendirilmektedir?
- Resmî tanınmanın olmadığı bir ortamda sosyal girişimler devlete, piyasaya ve sivil topluma karşı konumlarını nasıl belirlemektedir?
- Kurumsal belirsizlik koşullarında sosyal girişimler kaynaklara erişmek, meşruiyet inşa etmek ve sürdürülebilirliği korumak için hangi stratejileri kullanmaktadır?
- Türkiye'nin refah rejimi ve sivil toplum yapısı, sosyal girişimlerin ele aldığı sosyal sorun türlerini ve benimsedikleri yönetim düzenlemelerini nasıl etkilemektedir?
- Türkiye deneyimi, kodifiye edilmemiş bağlamlardaki hibrit örgütler üzerine daha geniş kuramsal ve politika tartışmalarını hangi açılardan besleyebilir?

Bu tez, Türkiye'de kurumsal ve sosyo-kültürel bağlamların sosyal girişimlerin oluşumunu, işleyişini ve evrimini nasıl şekillendirdiğini incelemek için nitel bir metodoloji benimsemektedir. Birincil veriler, 18 sosyal girişimin kurucuları ve üst düzey çalışanlarıyla yapılan derinlemesine, yarı yapılandırılmış görüşmeler yoluyla toplanmıştır. Görüşme kılavuzları; kuruluş motivasyonları, hukuki ve operasyonel yapı, gelir yaratma stratejileri, yönetim, dış ortaklıklar ve algılanan ekosistem/politika boşluklarına ilişkin anlatıları açığa çıkarmak üzere tasarlanmıştır. Kuluçka merkezleri, politika tasarımcıları ve fonlayıcılar gibi aracı aktörlerle yapılan

görüşmeler ise ekosistem düzeyindeki iç görümlere, politika müdahalelerine ve alan inşa dinamiklerine odaklanacak şekilde hedefli yürütülmüştür.

Bunun üzerine tez, birbiriyle ilişkili dört analitik mercekle kullanılır. Türkiye bağlamında ne yerleşik bir tanımın ne de yasal bir çerçevenin bulunmadığı düşünüldüğünde, meşruiyet ve özerkliği anlamada yönetim merkezi bir öneme sahiptir. Gelir yaratma, sürdürülebilirliğin başlıca belirleyicisi olarak vurgulanır; hibrit yapılar ticari faaliyetler, hibeler ve bağışların değişen karışımlarına dayanır (Alter, 2004). Kaynaklar—mali, insani ya da sosyal—etkinin kapsamını ve kalıcılığını biçimlendirir; finansal kısıtların sosyal sermayeyle telafi edilebildiği sıklıkla görülür (Austin et al., 2006). Son olarak, girişimcilerin ve üyelerin motivasyonları ile hedefleri, sosyal girişimlerin sosyal değer yaratımı ile ekonomik yaşamsallık arasında nasıl önceliklendirme yaptığını açıklar (Dees, 1998; Dacin et al., 2011).

- Yönetişim: Seçilen hukuki/örgütsel biçimler, karar alma yapıları ve süreçleri, paydaş yönetimi, iç uyum ve özerklik
- Gelir yaratma: Gelir kaynaklarının (ticari faaliyetler, kamu/STK hibeleri, bağışlar, sosyal amaçlı kamu alımları vb.) belirlenmesi ve sürdürülebilirlik çabaları
- Kaynaklar: Sosyal sermaye, beceri setleri ve finansal öz kaynaklar
- Motivasyonlar ve hedefler: Sosyal girişimcilerin gerçekleştirmek istedikleri ana amaçları

Çalışmayı yönlendiren temel varsayım, sosyal girişimciliğin evrensel veya genellenebilir bir örgütsel olgu olarak tam anlamıyla kavranamayacağıdır. Aksine, sosyal girişimcilik; düzenleyici muğlaklık, kurumsal belirsizlik ve özgül sosyo-politik dinamikler tarafından şekillenen ulusal bağlamlar içinde incelendiğinde anlam kazanmaktadır. Her bağlamda piyasa–devlet–sivil toplum ilişkisi farklı formlar alır; bu da hukuki tanınma, politika desteği ve örgütsel çeşitlilik düzeylerinde değişim üretir. Ayrıca sosyo-ekonomik gelişmişlik düzeyi ve refah hizmetlerinin metalaşma derecesi, sosyal girişim modellerinin büyümelerini ve ölçeklenmelerini kritik biçimde etkiler. Bu anlamda Avrupa’daki istihdam amaçlı sosyal girişimler veya Latin Amerika’daki dayanışma ekonomisi işletmeleri, sosyal girişimlerin yerel

bağlamlara gömülü olduklarını ve aynı zamanda mezo- ve makro-düzey kurumsal çevreler tarafından şekillendirildiklerini gösterir. Bu karşılaştırmalı iç görüler, sosyal girişimciliğin genel bir olgu olarak değil, kurumsal bağlamlar tarafından koşullandırılmış bir olgu olarak analiz edilmesi gerektiğini vurgular.

Sosyal girişimciliği kapsamlı biçimde anlamak için, devlet ya da piyasa “başarısızlığı”nın işlevselci anlatılarının ötesine geçmek ve bu alanların belirli kurumsal bağlamlarda sivil toplumla nasıl etkileştiğini incelemek gerekir. Kuramsal açıdan Türkiye’de sosyal girişimciliğin genişlemesi, sivil toplumdan piyasaya doğrusal bir kayış olarak anlaşılmalıdır. Polanyi’nin hatırlattığı gibi, bu alanlar ayırık değil, karşılıklı olarak gömülü ve sürekli yeniden yapılandırılmaktadır. “Çifte hareket” kavramı, piyasa mantıklarının genişlemesinin, ekonomik ilişkileri toplumsal normlar ve dayanışmacı pratikler içine yeniden gömmeyi amaçlayan sivil inisiyatiflerden karşı tepkiler doğurduğunu yakalar. Bu bakımdan sosyal girişimlerin yükselişi, sivil toplumdan kopuşu değil; sivil eylem ile piyasa faaliyetinin iç içe geçişinin yeniden eklemlenmesini ifade eder. Yine de bu iç içe geçiş sektörler arasında yeknesak değildir: Türkiye’de sosyal girişimler genellikle devlet kurumlarının sınırlı müdahale gösterdiği ve piyasa aktörlerinin düşük ilgi duyduğu görece “güvenli” alanlarda ortaya çıkma eğilimindedir—eğitim, genç güçlendirme veya kadın üretim kooperatifleri gibi. Devletin güçlü bir direnç göstermediği ve mevcut piyasa aktörlerini tehdit etmeyen bu alanlara girerek, bu inisiyatifler, tam da karşılanmamış ihtiyaçları ele alırken hâkim kurumsal düzenekleri istikrarsızlaştırmadan hareket edebildikleri için, hoşgörülen ve kimi zaman teşvik edilen eylem nişleri açarlar. Görünürde “siyasetten kaçınma”, aslında bir meşruiyet ve hayatta kalma stratejisidir; kendilerini tarafsız aktörler olarak konumlandırırken pratikte yeni karşılıklılık ve dayanışma biçimleri inşa ederler. Dolayısıyla Türkiye’nin bağlamı, güçlü kurumsal destek ve sağlam kamu iş birliği altyapısından yararlanan Batı ve Kuzey Avrupa modellerinden açıkça ayrışır. Aynı şekilde, sosyal girişimler için özel olarak tasarlanmış özgün hukuki ve kurumsal çerçevelerle karakterize olan Birleşik Krallık modelinden de belirgin biçimde farklıdır.

Kuramsal bakımdan bu tez, kurumsal belirsizliği yalnızca bir engel ya da eksiklik olarak değil, sosyal girişimlerin stratejilerini, yapısal düzeneklerini ve yenilik

kapasitesini etkin biçimde şekillendiren dinamik bir koşul olarak kavramsallaştırır. Mevcut literatür, sosyal girişimlerin büyümesi için açık düzenleyici çerçeveler ve kurumsal destekleri çoğunlukla zorunlu önkoşullar olarak vurgular. Oysa bu tez— özellikle Türkiye örneği üzerinden—muğlak hukuki tanımlar ve tutarsız devlet katılımıyla nitelenen parçalı düzenleyici ortamların, örgütsel yenilikçiliği, uyarlanabilirliği ve hibritliği fiilen teşvik edebileceğini gösterir. Türkiye’de örgütsel hibritlik, yerleşik kurumsal normlara ya da düzenleyici çerçevelere bir yanıt olmaktan ziyade, daha çok pratik bir zorunluluk olarak belirir. Süregiden hukuki muğlaklık nedeniyle sosyal girişimler, kurumsal belirsizlikte yol alabilmek için dernek, kooperatif ve limited şirket gibi birden çok örgütsel biçimi stratejik olarak birleştirir; hibritliği, açıkça tanımlı kurumsal beklentilere bir karşılık olarak değil, belirsizliğin yönetimi için benimser. Son tahlilde Türkiye örneği, sosyal girişimciliğin ulusal kurumsal çerçeveler içinde bağlamsallaştırılmasının önemini; kurumsal muğlaklık, sivil toplum katılımı ve seçici devlet müdahalesi arasındaki kritik etkileşimi vurgular. Bu dinamikler, sosyal girişimciliğin farklı kurumsal bağlamlarda nasıl ortaya çıktığını ve evrildiğini anlamak için, genelde küresel teorilerin ötesine geçen daha incelikli ve bağlama duyarlı bir kavrayışa duyulan ihtiyacı ortaya koymaktadır. Dahası, bu belirsizliği yalnızca bir kısıt olarak görmek yerine, bu çalışmada incelenen örneklerin gösterdiği gibi, belirsizliğin üretken bir potansiyeli de vardır: Arada faaliyet göstererek sosyal girişimler yenilikçi ittifaklar kurar, atıl kaynakları harekete geçirir ve sivil–piyasa–devlet etkileşimine dair yeni repertuvarların öncülüğünü yapar.

Bu dinamikleri dikkate alan tez, sosyal girişimciliğin tek tip bir örgütsel model yerine bir süreklilik (*continuum*) perspektifiyle kavramsallaştırılması gerektiğini öne sürmektedir. Bu yaklaşım, sosyal girişimlerin kimi zaman sosyal misyona, kimi zaman ise finansal öz-sürdürülebilirliğe daha fazla ağırlık verdiğini; çoğu durumda ise bu iki öncelik arasında farklı dengeler kurarak konumlandığını göstermektedir. Böyle bir perspektif aynı zamanda, Türkiye’nin özgün kurumsal ve sosyo-ekonomik bağlamının bu örgütleri belirli uyarlanma stratejilerine yönelttiğini de yakalar. Bu nedenle sosyal girişimcilik, tek bir form veya kalıpla açıklanamayacak, farklı ağırlıkların ve stratejilerin şekillendirdiği dinamik bir alan olarak anlaşılmalıdır. Bu yaklaşım, literatürdeki iki baskın düşünce okulunu uzlaştırmaya da yardımcı olur.

Kavramsal olarak sosyal inovasyon okulu, toplumsal sorunlara yenilikçi ve sistemik çözümler üretmeyi vurgularken; sosyal işletme okulu, sosyal misyonu gerçekleştirmek için ticari faaliyetleri öncelemektedir. Sosyal girişimciliği bir süreklilik üzerinde konumlandırmak, bu iki yaklaşımı birbirini dışlayan değil, hibrit örgütsel stratejiler yelpazesindeki farklı noktalar olarak görmeyi sağlar; böylece daha esnek ve bağlama duyarlı bir analitik çerçeve elde edilir.

Bu süreklilik içinde, bu çalışmada sunulan tipolojilerde açıkça görüldüğü üzere, spesifik kurumsal bağlamlar tarafından önemli ölçüde şekillenen çok sayıda hibrit form ortaya çıkar. Bu kavramsallaştırma, sosyal girişimlerin kurumsal kimliklerini, misyonlarını ve ekonomik modellerini kurumsal belirsizlik ve çeşitlenmiş sosyo-ekonomik ortamlar altında nasıl stratejik biçimde müzakere ettiklerine dair daha derin bir anlayış sağlar. Sosyal girişimlerin bu süreklilikte nasıl hareket ettiğini tümüyle kavrayabilmek için tez, kapasite inşasını kuramsal bir mercekle ele almanın gerekli olduğunu vurgular. Düzenleyici çerçevelerin eksik ve muğlak olduğu kurumsal bağlamlarda sosyal girişimler yalnızca sosyal hizmet sunmakla kalmaz; ekonomik faaliyetleri uyarır, girişimcilik fırsatları yaratır ve yerel ekonomik kalkınmayı tetikler—bu süreç “pazar kuruculuğu” (market-making) olarak adlandırılabilir. Kâr elde etmeyi doğrudan amaçlamak yerine, bu girişimler topluluklar ve kurumsal zeminlerde gerekli kapasiteyi geliştirerek ekonomik faaliyetler ve girişimcilik için elverişli koşullar yaratırlar. Böylelikle kapasite inşası, sosyal girişimlerin ekonomik alanları etkin biçimde şekillendirmesini, dayanıklılık ve uyarlanabilirliği güçlendirmesini ve kurumsal belirsizlikleri yönetmesini mümkün kılan temel bir mekanizma olarak ortaya çıkar. Bu perspektif aracılığıyla sosyal girişimler, kurumsal boşlukları pasif biçimde dolduran aktörler değil; kalıcı ekonomik ve sosyal değer yaratımı için kurucu altyapılar inşa eden proaktif ve dinamik ajanlar olarak yeniden konumlanır.

Bu tez kapsamında yürütülen ampirik araştırma, Türkiye'nin özgül kurumsal ve sosyo-ekonomik bağlamında sosyal girişimlerin ortaya çıkışına, gelişim süreçlerine ve örgütsel dinamiklerine ilişkin önemli iç görüler sunar. Tartışıldığı üzere, Türkiye'de sosyal girişimcilik hak temelli savunuculuktan piyasa güdümlü yeniliğe kadar geniş bir anlam yelpazesini kapsar. Bu tanımsal çoğulluk, aktörlerin sosyal

girişimciliğin anlamını ve meşruiyetini belirlemek üzere söylemsel mücadelelere girdiği, alanın ön-paradigmatik niteliğini yansıtır. Dolayısıyla muğlaklık, yalnızca bir kısıt değil; aynı zamanda farklı aktörlerin alanı sahiplenmesine ve hibrit modellerle denemeler yapmasına imkân veren bir çekişme ve yaratıcılık alanıdır.

Bu ampirik iç görülerden dört ayrı sosyal girişim tipolojisi ortaya çıkmıştır:

- **Sivil–Misyon Odaklı Girişimler (SMG):** Bu örgütler başlıca sivil güdümlü bir misyonla faaliyet gösterir; hak temelli savunuculuk, kamusal yarar girişimleri ve topluluk güçlendirme üzerinde yoğunlaşırlar. Genellikle dernek ya da vakıf biçiminde örgütlenir; sivil katılımı kullanır ve toplumsal ağları seferber ederek devletin refah sunumunda bıraktığı boşlukları adreslerler. Kamusal desteğin sınırlılığı nedeniyle Sivil–Misyon Odaklı Girişimler çoğu zaman hibelere, hayırsever fonlamaya ve gönüllü emeğe yoğun biçimde bağımlıdır; bu durum, geri çekilen bir devletin bıraktığı kurumsal boşlukları dolduran sivil toplum aktörleri olarak rollerini pekiştirir.
- **Girişimci–Ticari Melez Girişimler (GTMG):** Bu girişimler, finansal öz-sürdürülebilirliğe daha fazla önem verirken güçlü sosyal misyonlarını da korumaya çalışır. Çoğunlukla şirket formunu benimseyerek, kısa vadeli ve belirsiz dış fonlara bağımlılığı azaltmayı, bunun yerine kalıcı ve dayanıklı bir mali yapı kurmayı hedeflerler. Yenilikçi yaklaşımları, sosyal sorunlara piyasa odaklı çözümler geliştirmeyi içerir; bu da sınırlı kurumsal destek ve parçalı devlet düzenlemelerine verdikleri girişimci bir yanıttır. Dolayısıyla GTMG’ler, piyasa temelli sürdürülebilirlik ile etkili sosyal misyon arasında stratejik bir denge arayışı içindedir ve mevcut kurumsal belirsizliklere yaratıcı bir çözüm sunarlar.
- **Güçlendirme Kooperatifleri (GK):** Başlıca kolektif ekonomik ve sosyal güçlenmeye odaklanan bu kooperatifler, çoğu zaman sosyo-ekonomik dışlanma, işsizlik ve yoksullukla mücadele eder. Çoğunlukla kadınlar, kırsal topluluklar veya dezavantajlı kentsel gruplar gibi marjinalleşmiş kesimler tarafından başlatılır; kolektif karar alma, dayanışma ve yerel ekonomik kalkınmayı vurgularlar. Kurumsal belirsizlik ve sınırlı devlet desteği, bu kooperatifleri topluluk ağlarına, yerel dayanışmaya ve taban katılımına güçlü

biçimde yaslanmaya iter; bu da sosyal girişimleri yerel sosyo-kültürel dokulara derinden gömer.

- Ekosistem Odaklı Sosyal Girişimler (EOSG): Ağırlıklı platform örgütleri veya ağlar olarak işleyen bu girişimler, sosyal inovasyon, girişimcilik ve kapasite inşası için destekleyici ekosistemler kurar. Sivil toplum, özel sektör ve kimi zaman kamu kurumları gibi farklı paydaşlar arasında iş birliğini kolaylaştırarak daha geniş ölçekli sistemik değişimleri mümkün kılma amacı taşırlar. Bu girişimler, stratejik olarak ağlar kurma ve paylaşılan kaynaklar yaratma amacını taşırlar. Bu sayede tek tek örgütlerin aşmakta zorlandığı kurumsal belirsizlikleri hafifletme ve daha geniş bir dayanışma zemini oluşturma rolünü üstlenirler. Ortak platformlar geliştirmek, kapasite paylaşımı sağlamak ve savunuculuk faaliyetleri yürütmek, bu yapıların başlıca araçlarıdır. Böylelikle ekosistem odaklı girişimler, yalnızca kendi varlıklarını sürdürmeye değil, aynı zamanda sosyal girişimcilik alanının bütününde kolektif kapasiteler yaratmaya yönelirler. Türkiye bağlamında, bu tür girişimler sivil toplum ağları, sosyal ekonomi platformları ve kooperatif birlikleri aracılığıyla ortaya çıkarak parçalı politika ortamında hem görünürlük hem de kurumsal meşruiyet kazanımına katkı sunma amacı taşır.

Kâr amacı gütmeyen ve kâr amacı güden tüzel yapıların birlikte kullanılması gibi ikili yapılanmalar, kurumsal boşluklarda (Mair et al., 2012) çalışan aktörlerin stratejilerini yansıtır. Bu bulgu, özellikle Türkiye gibi kamu düzenlemesinin misyon güdümlü işletmelerin pratik ihtiyaçlarının gerisinde kaldığı bağlamlarda, yenilikçi politika yaklaşımlarının gerekliliğini ortaya koymaktadır. Bu durum, sosyal girişimcilik için özel bir yasal statü ya da düzenleyici çerçevenin eksikliğinin yalnızca bir engel değil; aynı zamanda yeni örgütsel biçimlerin doğmasına zemin hazırlayan bir koşul olduğunu göstermektedir. Böylece sosyal girişimciliğin tanımı ve kurumsal sınırları etrafındaki belirsizlik, yalnızca bir sorun alanı değil, aynı zamanda farklı stratejik uyum pratiklerini ve yaratıcılığı besleyen potansiyel bir kaynak olarak da okunabilir. Bu muğlaklık; taban aktivistlerinden teknoloji girişimlerine kadar farklı aktörlerin alanı sahiplenmesini, hibrit modellerle deney yapmasını ve farklı uygulama repertuarlarını diyaloga sokmasını mümkün kılmaktadır. Bu anlamda muğlaklık yalnızca bir kısıt değil, aynı zamanda alanın

esnek, çoğul ve ortaya çıkan toplumsal ihtiyaçlara duyarlı kalmasını sağlayan bir açıklık biçimidir.

Örgütsel yapılar—gelir kaynakları, yönetim düzenekleri, iş birliği kapasitesi ve insan kaynakları dahil—tipolojiler arasında farklılık göstermektedir. Bu farklılıklar, her bir örgütsel formun karşı karşıya kaldığı bağlama özgü finansal kırılganlık örüntülerini de şekillendirmektedir. Örneğin bazı girişimler dış hibeler ve projelere bağımlı oldukları için kaynak süreksizliğiyle mücadele ederken, diğerleri piyasa gelirlerini öncelikle rağmen ölçeklenebilirlik ve rekabet baskıları nedeniyle kırılganlaşmaktadır. Benzer biçimde, kooperatifler ortakların sınırlı sermaye katkılarından dolayı finansal dar boğazlarla karşılaşırken, şirket formunu benimseyen girişimler yatırım çekme kapasitesinde zorlanmaktadır. Dolayısıyla, örgütsel yapıların çeşitliliği yalnızca biçimsel farklılıklara işaret etmemekte; aynı zamanda Türkiye’deki kurumsal muğlaklık ortamında her tipin kendine özgü finansal dayanıklılık ve kırılganlık alanlarını da ortaya koymaktadır. Sivil–Misyon Odaklı Girişimler bazı durumlarda bağışçı fonlarına bağımlı olduklarından, bu destek zayıfladığında özellikle kırılgan hâle gelebilirler. Güçlendirme Kooperatifleri, projeci yönelimleri ve özellikle yerel yönetim desteğine duydukları yüksek bağımlılık nedeniyle politik dalgalanmalara daha doğrudan maruz kalmaktadır. Kamu kaynaklarının dağıtımını ve yerel idarelerin öncelikleri değiştiğinde, bu kooperatiflerin faaliyetleri ve finansman akışları hızla etkilenebilmektedir. Bu durum, onların örgütsel sürdürülebilirliklerini kırılgan kılmakta; kısa vadeli projelere odaklanmaları, uzun vadeli kapasite geliştirme yatırımlarını sınırlamaktadır. Bununla birlikte, yerel siyasal konjoktüre duyarlı olmaları, kimi zaman yeni fırsatlara erişimlerini kolaylaştırırsa da bu bağımlılık yapısal bir belirsizlik ve süreklilik riski yaratmaktadır. Buna karşılık Girişimci–Ticari Melez Girişimler, görece yerleşik piyasa temelli gelir modelleri sayesinde görece istikrar elde eder.

Ekosistem Odaklı Sosyal Girişimler ise kurumsallaşmış tanınma yokluğunda dahi, daha uzun vadeli stratejik iş birlikleri üzerinden süreklilik sağlar; bu sayede kaynaklara erişimi ve görünürlüğü korur. Bu farklılıklara rağmen ortak yapısal sorunlar sürer. Güçlendirme Kooperatifleri kısmi bir istisna oluşturmakla birlikte, çoğu sosyal girişim etki alanını doğrudan üyeliğinin ötesine genişletmeye çalışır;

ancak küçük ölçek, kamusal tanınırlık eksikliği ve resmîleşmiş destek mekanizmalarının yokluğu bu çabaları sınırlar. Bu sınırlılıklar, tüm tipler boyunca büyümeyi engeller ve Türkiye'deki sosyal girişim manzarasını tanımlayan finansal kırılganlık ile kurumsal muğlaklık örüntüsünü pekiştirir.

Bu sınıflandırma, Türkiye'deki sosyal girişimlerin heterojenliğini görünür kılmakta ve onların farklı yasal düzenlemeler, finansman imkanları ve kurumsal çevrelerde nasıl konumlandığını göstermektedir. Hukuki kısıtların, fonlama manzaralarının ve ekosistemin görece olgunlaşmamışlığının örgütsel stratejileri ve patikaları nasıl biçimlendirdiğini vurgular. Örneğin, sosyal girişimler için özel bir hukuki statünün bulunmaması çoğu kez örgütleri hibrit modellere yöneltilmektedir. Benzer şekilde, dış donörlerin önceliklerine bağlı olarak sağlanan proje bazlı fonlama döngüleri, uzun vadeli kapasite inşası yerine kısa vadeli projeciliği teşvik etmektedir.

Bununla birlikte sunulan tipoloji sabit ve değişmez bir harita olarak değil, Türkiye'de sosyal girişimlerin mevcut koşullar altında aldığı biçimlerin bir anlık görüntüsü olarak okunmalıdır. Bu nedenle tipoloji, hem kurumsal boşlukların örgütsel davranışları nasıl şekillendirdiğini göstermekte hem de gelecekteki dönüşümlere açık dinamik bir çerçeve önermektedir. Çoğu sınıflandırma şeması gibi, örgütleri belli bir anda yakalar; ancak onların süregiden evrimini tümüyle yansıtamaz. Sosyal girişimler dinamiktir; içsel kapasiteler geliştikçe, dış koşullar değiştikçe veya yeni fırsatlar belirdikçe kategoriler arasında yer değiştirebilirler. Örneğin başlangıçta belediye desteğine bağımlı bir kooperatif, zamanla pazara daha dönük ve daha özerk bir işletmeye dönüşebilir; ticari faaliyetlere dayanan bir şirket ise giderek savunuculuk veya ekosistem kuruculuğu işlevleri üstlenebilir. Gelecek araştırmalar, liderlikteki dönüşümler, kamu politikalarındaki değişimler ya da daha geniş sosyo-ekonomik dalgalanmalar (ör. enflasyon, krizler, politik istikrarsızlık) gibi etmenlerin patikaları nasıl etkilediğini inceleyerek tipler arası geçiş dinamiklerini keşfedebilir. Böyle bir analiz, bağlama özgü kısıtların örgütsel dinamiklerle nasıl etkileştiğini ve sosyal girişimlerin zaman içinde modellerini nasıl yeniden kurguladıklarını açıklığa kavuşturacaktır.

Türkiye, Avrupa'daki sosyal girişim tipolojileriyle karşılaştırıldığında mevcut kurumsal koşullar bakımından daha çok Güney Avrupa modeline yakınlık

göstermektedir. Bu model, sınırlı kapsamlı refah sistemleri, kamusal hizmet sunumunda belirgin boşluklar ve sosyal girişimlerin öncelikle bu refah boşluklarına yanıt olarak ortaya çıkmasıyla karakterize edilmektedir. Türkiye’de de benzer biçimde, devletin kapsayıcı refah hizmetleri sunmadığı alanlarda sosyal girişimler devreye girmekte; özellikle sivil toplum kökenli yapılar, hem temel hizmetlere erişimdeki eksikleri kapatmak için çaba göstermekte hem de toplumsal dayanışma geleneklerinden beslenerek alternatif modeller üretmektedir. Bununla birlikte Türkiye, Doğu Avrupa modeliyle de önemli ortaklıklar taşır; özellikle geçiş ekonomisi niteliği ve yetersiz gelişmiş kurumsal ekosistem bakımından. Doğu Avrupa’da olduğu gibi Türkiye’de de sosyal girişimler faaliyetleri ve büyümelerini sürdürmek için uluslararası desteğe dayanabilmektedir. Türkiye’nin sivil toplumunun özgül karakteri de bu dinamiğe önemli katkılarda bulunur. Sivil toplum–devlet iş birliği geleneklerinin daha güçlü olduğu veya kurumsal normların daha net tanımlandığı bağlamlardan farklı olarak, Türkiye’nin sivil toplumu kendine has özellikler sergiler. Topluluk dayanışması, gönüllülük ve hayırseverlik inisiyatiflerinde belirgin bir güç görülürken; Batı bağlamlarıyla karşılaştırıldığında hak temelli savunuculuk ve sivil haklar etrafında mobilizasyon görece daha az gelişmiştir. Görüşmeciler, Türkiye’nin köklü “imece” kültürünün ve karşılıklı yardımlaşma geleneklerinin dayanışma temelli girişimler için elverişli bir zemin sunduğunu vurgulamıştır. Ancak aynı zamanda bu ilişkiyel dokunun kırılan olduğu da belirtilmiştir: Güven kazandırmak zordur ve özellikle kutuplaşmış bir politik ortamda güven kolayca yitirilebilir.

Buna ek olarak, Batı ülkelerinde kamu sektörü ile üçüncü sektör kuruluşları arasındaki ortaklıklar—örneğin sosyal amaçlı kamu alımları yoluyla—çoğu zaman iyi kurulmuş ve hukuken biçimselleştirilmiştir. Oysa Türkiye’de sivil toplum kuruluşları, yenilikçi ve piyasa güdümlü yöntemlerle ekonomik gelir üretme konusunda yeterince ilerleyememiş; benzer biçimde kurumsallaşmış kamu sektörü ortaklıklarından da aynı ölçüde yararlanamamıştır. Bununla birlikte bu çalışmada incelenen dernekler dönüşüm halinde bir tablo sergilemektedir. Bazıları hibrit gelir modelleri (eğitim hizmetleri, danışmanlık, ürün satışı) denemekte ve kurumsal vakıflar veya sosyal sorumluluk sahibi işletmelerle bağlar kurmaktadır. Bu girişimler, resmîleşmiş devlet–sivil toplum iş birliği hâlâ sınırlı kalsa da sektörel iş

birliđinin tabandan yukarı doğru yeni biçimlerinin yavaş yavaş ortaya çıktığını göstermektedir.

Birlikte değerlendirildiğinde bu ortak özellikler, Türkiye’de sosyal girişimlerin tüm çeşitliliklerine rağmen belirli yapısal zorunluluklar altında şekillendiğini göstermektedir. Bu zorunluluklar üç temel boyutta öne çıkmaktadır: belirsizliđi bir kaynak olarak kullanmak, kapasite inşasını dolaylı bir ekonomik kalkınma aracı olarak görmek ve yalıtılmışlıđı azaltıp dayanıklılıđı artırmak için iş birliđi ağlarına yönelmek. Bu sentez, Türkiye’de sosyal girişimlerin yalnızca örgütsel çeşitlilikleri üzerinden deđil; aynı zamanda ulusal kurumsal çevrenin daha geniş özelliklerini yansıtan bu birleştirici dinamikler aracılıđıyla kavranması gerektiğini ortaya koymaktadır.

Ampirik bulgular aynı zamanda sosyal girişimlerin Türkiye’nin daha geniş kurumsal manzarasındaki konumlanışının parçalı kaldığını göstermektedir. Kamu kurumlarıyla ilişkiler çođu zaman geçici; formel yapılar yerine bireysel görevlilerin çabalarına bađlıdır. Özel sektör aktörleriyle iş birlikleri ise oldukça seçicidir ve genellikle kısa vadeli ortaklıklarla sınırlı kalır. Kuluçka merkezleri, hızlandırıcılar ve hibe programları gibi kurumsallaşmış mekanizmalar bulunsa da bunların kapsamı ve etkinliđi sınırlıdır. Sonuç olarak pek çok sosyal girişim, kaynaklara erişim ve görünürlük için gayri resmî ağlara ve kişisel ilişkilere güçlü biçimde bel bağlamaya devam eder. Bu gayri resmî mekanizmalar kısa vadede erişim sağlar; ancak uzun vadede örgütsel öğrenmeyi, ölçeklenme potansiyelini ve kurumsal istikrarı sınırlar. Yerel bađlara dayanmak, sosyal girişimlerin karşılaştığı kurumsal ve finansal zayıflıkları kısmen telafi etmektedir. Özellikle kadın kooperatifleri, dayanışma, karşılıklılık ve imece gibi kültürel geleneklerden beslenerek bu değerleri kendi örgütsel modellerine yansıtmaktadır. Topluluk içinde güvene dayalı ilişkiler kurmaları onlara meşruiyet ve dayanıklılık kazandırmaktadır. Ancak bu türden yerel destek, kendiliğinden ulusal düzeyde kurumsal tanınmaya dönüşmediđi için girişimlerin ölçeklerini büyütme imkânlarını sınırlayabilmektedir.

Bu tezde sunulan kuramsal iç görüler ve ampirik bulgular, Türkiye’de sosyal girişimcilikle ilgili politika yapımı ve kurumsal gelişim açısından kritik çıkarımlar

doğurur. Kurumsal muğlaklığın örgütsel yaratıcılığı ve hibritliği teşvik edebileceğini göstermesi, politika çerçevelerinin muğlaklığı bütünüyle ortadan kaldırmayı değil, onu üretken sonuçlara doğru stratejik biçimde yönetmeyi hedeflemesi gerektiğini işaret etmektedir. Politikaların, sosyal girişimlerin buldukları ortamın koşullarına göre geliştirdikleri esnek ve yenilikçi kapasiteleri dikkate alması gerekmektedir. Bunun için atılması gereken ilk adım, sosyal girişimleri açıkça tanımlayan ama aynı zamanda onların farklı ihtiyaçlarına uyum sağlayacak esnek bir hukuki çerçevenin oluşturulmasıdır. Bu çerçeve, ampirik olarak gözlenen çeşitliliği ve hibritliği—Sivil–Misyon Odaklı Girişimler, Girişimci–Ticari Melez Girişimler, Güçlendirme Kooperatifleri ve Ekosistem Odaklı Sosyal Girişimler gibi—kabul etmeli ve kapsamlıdır. Sert kategoriler dayatmak yerine, hukuki tanımlar bu tezde vurgulanan süreklilik yaklaşımını yansıtmalı; sosyal misyon ile finansal sürdürülebilirliğin değişken bileşimlerini desteklemelidir.

İkinci olarak, politika müdahaleleri kapasite inşasını temel bir strateji olarak vurgulamalıdır. Sosyal girişimlerin yerel ekonomik kalkınmaya, girişimciliğin teşvikine ve sosyal inovasyona önemli katkılar sunduğu düşünüldüğünde, kapasite inşası politikaları salt finansal desteğin ötesine geçmelidir. Özellikle sosyal girişimlerin kendi örgütsel kapasitelerinin—yönetimsel beceriler, yönetim yapıları, finansal okuryazarlık ve etki ölçümü dahil—güçlendirilmesine; aracı kuruluşların, yerel yönetimlerin ve ilgili kamu kurumlarının etkin destek sunabilmesi için yetkinliklerinin artırılmasına odaklanılmalıdır. Kapsamlı eğitim programları, bilgi paylaşım platformları ve mentorluk sistemleri, örgütsel dayanıklılığı, stratejik uyarlanabilirliği ve girişimcilik yetkinliklerini geliştirmeyi hedeflemelidir. Bu şekilde kapasite inşası, sosyal girişimlerin hibrit modellerini sürdürmelerini ve sosyal-ekonomik katkılarını genişletmelerini mümkün kılan kilit bir mekanizma olarak işlev görür. Bu, sosyal girişimleri piyasa ya da devlet “boşluklarına” pasif tepkiler olarak değil, ekonomik ve sosyal alanları proaktif biçimde kuran aktörler olarak gören bu tezin kuramsal katkısıyla uyumludur.

Üçüncü olarak, ampirik bulgular daha yapısal kamu–özel–sosyal iş birliklerine duyulan ihtiyacı vurgular. Hâlihazırda iş birliği çoğu zaman bireysel inisiyatlara dayalı ve geçici kaldığından, sürekliliği ve ölçeklenebilirliği sınırlıdır. Sosyal

girişimlerin kurumsal boşlukları doldurmadaki proaktif rollerini tanıyan politika yapıcılar, çok paydaşlı diyalog, iş birliği ve kaynak havuzlaması için kalıcı platformları kolaylaştırmalıdır. Bu tür platformlar yalnızca koordinasyonu iyileştirmekle kalmayacak; aynı zamanda sosyal girişimlerin kamu kurumları nezdindeki parçalı tanınmasını aşmaya yardımcı olacaktır. Somut adımlar arasında sosyal etki kriterlerini entegre eden ve sosyal amaç güden işletmelere öncelik veren kamu satın alım çerçeveleri; tedarik zincirleri, ürün geliştirme veya topluluk programlarında şirketler ile sosyal girişimler arasındaki ortaklıkları teşvik eden teşvik mekanizmaları ve sosyal girişimlerin politika tasarımı, uygulama ve izlemeye resmî biçimde dahil edildiği eş-yönetişim modelleri sayılabilir. Aracı ekosistem aktörlerinin ve yerel yönetimlerin hâlihazırda kısmi giriş noktaları sunduğu Türkiye gibi bağlamlarda, bu iş birlikleri uzun vadeli sürdürülebilirlik sağlamak ve sosyal girişimleri ulusal kalkınma stratejilerinde meşru ortaklar olarak yerleştirmek üzere ölçeklendirilmeli ve kurumsallaştırılmalıdır.

Dördüncü olarak, Türkiye’de gözlenen parçalı ve sıklıkla tutarsız düzenleyici manzara, sosyal girişimciliğe ilişkin kamu politikalarında daha iyi bir tutarlılık ve açıklık gerektirir. Bugün sosyal girişimler, farklı program ve inisiyatiflerde değişken biçimde tanımlanmakta; bu da meşruiyet, fonlama veya iş birliği arayan örgütler için belirsizlik yaratmaktadır. Deneyselliği engelleyecek katı ve aşırı kuralcı düzenlemeler getirmek yerine, politika çerçeveleri esnek yol gösterici ilkelerle birlikte sosyal etki değerlendirmesi, şeffaflık ve hesap verebilirlik için açıkça ifade edilmiş ölçütler sağlamalıdır. Mevzuatın uyumlu ve sade bir çerçeveye kavuşturulması, sosyal girişimlerin işlem maliyetlerini azaltırken, politika ortamındaki kurumsal tanınırlıklarını da güçlendirecektir. Bu, sosyal girişimleri destekleyen altyapının güçlendirilmesini, etki yatırımı, harmanlanmış finans ve sosyal finans araçları dahil olmak üzere çeşitli finansman kanallarına erişimin artırılmasını ve kamu kurumları, özel sektör ile aracı kuruluşlarla işbirliği ağlarının geliştirilmesini gerektirmektedir. Böylece kamu politikası, kurumsal muğlaklığın yarattığı dalgalanmayı azaltabilirken; sosyal girişimlerin Türkiye’nin sosyo-ekonomik yapısında değerli aktörler olmalarını sağlayan yenilikçi kapasitelerin korunmasını da sağlar.

Özetle bu politika önerileri, tezin kuramsal ve ampirik katkılarını doğrudan yansıtarak, sosyal girişimleri muğlak kurumsal bağlamlarda ekonomik ve sosyal kalkınmanın kritik ajanları olarak konumlandırır. Kurumsal muğlaklığın stratejik biçimde yönetilmesi, kapasite inşasının güçlendirilmesi ve sağlam iş birliği çerçevelerinin tesis edilmesi, politika yapıcılarının elinde önemli kaldıraçlardır. Bu adımlar sayesinde Türkiye’de sosyal girişimciliğin toplumsal sorunlara yenilikçi ve sürdürülebilir çözümler üretme potansiyeli daha etkin biçimde harekete geçirilebilecektir.

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