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CHAPTER 6

6 OVERALL DISCUSSIONS AND CONCLUSIONS

Empirical evidence in the five preceding chapters has shown that NGOs in Cambodia have experienced profound impacts brought about by the process of commercialisation. I start this concluding chapter by briefly reviewing the research findings on the processes and impacts. Subsequently, I provide an integrated discussion, proposition development and an outline of the dissertation's contributions to nonprofit and social entrepreneurship research. This is followed by development and policy implications. Before concluding the chapter, I will discuss the dissertation limitations, reflect on its methodology and draw some suggestions for future research.

6.1. Review of Key Findings

The overarching aim of this research was to study the emerging process of commercialisation in the nonprofit sector in Cambodia. Specifically, the dissertation addressed the following research questions:

- 1- What role does social entrepreneurship play in NGOs' resource diversification?
- 2- What are the different resource diversification strategies mobilised by NGOs in Cambodia?
- 3- In what ways do different funding strategies affect NGOs and their programmes?
- 4- In what ways do commercial activities impact on different organisational indicators, as perceived by the NGOs managers/entrepreneurs and to what extent does this form a model of social entrepreneurship?

The findings were presented in four separate but interconnected articles. The dissertation emerges from and responds to the underlying challenges NGOs face in mobilising their resources. To address the first research question, I reviewed the theoretical debate on the benefits and disadvantages of NGOs' funding diversification strategies. There are various effects that derive from the social entrepreneurial approach some NGOs adopt to generate income to sustain their activities. Among the beneficial effects are increased organisational autonomy and reduced donor-induced goal displacement. Social entrepreneurial NGOs also have more incentives to be more accountable to their beneficiaries

because they have now become ‘clients’. Nevertheless, NGOs’ social missions may be compromised as results of prioritising commercial ventures.

At the empirical level, the dissertation has mapped key facts and figures on the three strategies that NGOs use to mobilise resources, which corresponds to research question 2. The data shows that NGOs in Cambodia have diversified their sources of income to become less dependent on international grants and donations, which has been substituted mostly by an increase in self-generated income and to a degree by government funding. This diversification process brings both benefits and adverse effects to NGOs (research question 3). Grants and donations are more unpredictable, and depending on these sources contribute to goal displacement and top-down accountability; it is also negatively associated with organisational autonomy. Alternatively, receiving revenues from commercial activities, especially those closely related to the NGOs’ mission, increases autonomy and promotes a bottom-up approach. However, many NGO managers find it very challenging to balance social and economic values. Through (social) entrepreneurship, they may risk losing their focus on fulfilling their mission and risk excluding some beneficiaries. Government funding to NGOs in the form of a government contract poses negative consequences, such as losing sight of an NGO’s mission. Overall, it is imperative for NGOs to have a diverse range of funding sources. Because each funding strategy has its own drawbacks, it is important that NGO leaders are able to manage risks and related effects, increasing the effectiveness and efficiency of their work.

Among the diversification strategies used, NGOs’ engagements in commercial ventures and (social) entrepreneurships and the associated effects specific to this approach (research question 4) is very revealing. NGOs’ marketing and commercialising of social services has led to many important changes within the nonprofit sector. The NGOs’ main aim is to use the income generated from their (social) businesses to cross-subsidise and generate multiple sources of income for their organisations. In this process, it is evident that the goals have now shifted from a single value to a mixture of social and economic values. For example, the market forces also drive how these traditionally mission-driven NPOs operate. Their modes of operation resemble that of a business corporation, indicating a new hybrid form of not-for-profit and for-profit organisations. A positive outcome is that commercialised NGOs tend to be more transparent and accountable to their beneficiaries as well as more responsive to their needs when compared to NGOs that are dominantly dependent on grants.

Yet, NGOs risk excluding intended beneficiaries who cannot pay and deprioritising their social mission.

6.2. Overall Discussions, Propositions and Contributions

6.2.1. Overall Discussion and Propositions

An integrated analysis of the findings from the various studies presented in this dissertation provides important insights into the process of commercialisation among the nonprofit sector in Cambodia. While some of these insights concur with existing literature on the topic, there are a few significant divergences. To put the discussion into perspective, these insights can be viewed at two different levels: micro (organisation), and meso (sector). To contribute to theory building and conceptual literature on the topic, a proposition is put forward at the end of each key discussion.

At the organisation level, NGOs struggle to sustain their operation in times of reduced funding from institutional donors and increased pressures to deliver their mission. While a few have turned to government funding and contracts for support, many have responded by moving into the less-familiar path of commercialisation and social entrepreneurship, which has had many implications. The research revealed that such methods of diversifying income sources has assisted NGOs in reducing their dependence on a particular source, which is in line with Pfeffer and Salancik's (2003, 1978) findings.

Proposition 1: Due to reduced funding from overseas, NGOs diversify their sources of funding particularly into commercial ventures and social entrepreneurship to gain financial sustainability and organisational autonomy.

Interestingly, social entrepreneurial activities also help to draw more donor support, an effect that validates existing literature by Defourny et al. (2010, p. 41). However, it refutes an earlier claim made by Young (1998), who suggested the opposite—in what he characterised as a “crowd-out effect” (p.216).

Proposition 2: Through self-generated income and social entrepreneurship, NGOs are able to attract more donor funding and support rather than relying on donations and grants alone.

In addition, the improved accountability and transparency associated with entrepreneurial NGOs is an added value that many of their peer organisations lack. These

effects may be the result of pressure from NGOs' staff and beneficiaries to show how earned income is spent. Findings on these effects were not widely debated in existing social entrepreneurship literature. Among the few studies, one suggested that accountability be included as a key characteristic of social enterprise (Wolk, 2008). Accountability can be hard to characterise in social entrepreneurial organisations due to their dual bottom-line and the multi-stakeholders involved (W.-J. Wang, 2009). However, accountability towards intended beneficiaries and the public is critical precisely where charity-dependent NGOs are only liable largely to their patrons (Weerawardena et al., 2010).

Proposition 3: Beyond securing financial sustainability, the social entrepreneurial strategy adopted by NGOs has improved the accountability and transparency of NGOs toward their beneficiaries.

The findings at the nonprofit sector level have revealed some contrasting insights. This sector, which was initially established, supported and promoted by foreign initiatives and actors, has begun to change. It can be concluded that there is a paradigm shift from Western dominated resources to locally embedded resources. Particularly, NGOs are increasingly relying on earned income and partnership with the private sector and are becoming more self-sufficient and responsive to local needs. This development marks an important shift for a developing country like Cambodia because it also implies that donor dependence, whether economically, politically, or ideologically, may become less relevant.

Similarly, the process transforms the donor–NGO–beneficiary relationship. Beneficiaries are now empowered to participate; to ask and voice their opinions regarding the services they receive and the development projects in their community. NGOs are pressured to be accountable to the beneficiaries who have now become 'clients'. Donors may not have as much influence on NGOs since the NGOs have their own source of revenue. Importantly, this finding has not featured in mainstream discourse on the effects of NGOs embracing social entrepreneurship in the context of developing countries. The process has enabled NGOs to build more sustainable organisations and continue their roles in delivering public goods and services, which disproves the idea that social entrepreneurship may tamper with such roles (Haugh, 2007). Hence, this study substantiates an earlier proclamation that such method of service delivery “promotes local ownership and networks of trust” (Lyne, 2008:178).

Proposition 4: NGOs embracing social entrepreneurship have the potential to avoid the negative consequences of depending on external aid, including the lack of local ownership and responsiveness to local needs.

The emergence and prevalence of (social) entrepreneurial organisations is associated with the government's, the market's, and, in some ways, the NGOs' failures to address social and environmental problems (Lepoutre et al., 2013). Put it differently, the "institutional voids" (Mair & Marti, 2009) in Cambodia provide the foundation for the growth of social enterprise. These 'new' organisations provide services to clients with disabilities or those who live in remote and impoverished areas. The subnational government agencies do not benefit these people; the private sector fails to cover them because it is not profitable for them; and finally, traditional NGOs are running out of funds and scaling down their operations or closing altogether.

The funding diversification process among Cambodian NGOs has resulted in various forms of entrepreneurship, some of which aim to create social value. Commercialization among some other NGOs, however, is aimed mainly to create economic values and therefore not social as such. The organisational forms that have emerged are unique to the locational context of Cambodia. Specifically, entrepreneurial activities are embedded into the larger programmes of NGOs to ease their heavy dependence on foreign aid. Similarly, the local legal framework on registration and taxation also dictate the choice of organisational forms. In Cambodia, social enterprises are not currently covered by any legislation, which could explain the embeddedness and integration of social entrepreneurial activities under the current legal framework of NGOs and associations. A few social enterprises are forced to register as businesses and thus face competition with the private sectors while receiving no preferential tax treatment despite having strong focus on social missions. This is in line with earlier suggestions that the structures and organisational forms of social entrepreneurship are associated with "the nature of the social needs addressed, the amount of resources needed, the scope for raising capital, and the ability to capture economic value" (Mair & Martí, 2006, p. 39). Therefore, the organisational forms and strategies of social enterprises are very much embedded in and shaped by local context (Kerlin, 2010; Mair, 2010).

Proposition 5: The emergence of social entrepreneurial organisations in Cambodia is the result of weak government, social and economic institutions and the characteristics and forms of these organizations are embedded in the country-specific contexts.

Despite many of the positive features discussed above, the emergence of social entrepreneurship among NGOs in Cambodia does cause some identity and legitimacy issues. The diverse hybrid-organisation forms of many entrepreneurial NGOs in this study put their organisation at risk of losing the “name and reputation” (Weisbrod, 2004) of the related NPO. More alarming is the finding on the small group of organisations who operate like consultancy firms to bid for development projects from local government with the purpose of profit-making. This organisational behaviour confirms Weisbrod’s (1988b) research that found for-profit organisations using NGO status to disguise their moneymaking activities in the nonprofit sector. They are neither social enterprise nor a commercial enterprise but bogus NGOs that could be part of the reason some researchers conclude that NGOs present an illusion of Cambodian civil society (Ou & Kim, 2013b).

Proposition 6: The market approach, however, has led to some negative consequences, including the risk of excluding the poorest from fee-paying services, and losing NGOs’ traditional characteristics as a constituent of the civil society sector.

The discussions and propositions raised so far have contributed significantly to the current academic debate on the field of and social enterprise research. Other specific contributions from the overall research findings are discussed below.

6.2.2. Contributions to Academic Debates

The conceptual contribution of the study results from applying multiple theoretical lenses to understand the process of commercialisation in the nonprofit sector in Cambodia. The analytical process is built on funding diversification strategies (Froelich, 1999) and three-failure theories, which provides insight on the effects of diversification and the roles of social entrepreneurial organisations. I also use resource dependence and social entrepreneurship theories to understand the association between external pressures on NGOs

and their strategic responses (e.g. the adoption of entrepreneurial strategy) and the effects of such strategies. In this regard, the dissertation contributes to resource dependence theory.

To begin with, the study contributes to the understanding of the terms and practice *social enterprise* and *social entrepreneurship* in the developing context of Cambodia. This is significant since this novel concept is currently not well understood there (Lyne, 2008:183-184). Since most of the NGOs surveyed turn to commercialisation for reasons relating to sustainability, social entrepreneurship in this country-specific case falls into the earned-income school of thought (Defourny & Nyssens, 2010). For some organisations with explicit social motivations embedded into their enterprise, the conceptualisation can be classified in the social enterprise school of thought (Dees & Anderson, 2006). This term has the Khmer equivalence of *Sahak Kreas Sangkum* (សហគ្រាសសង្គម). Another term to describe the latter type of organisation is “social entrepreneurial organisation” (Swanson & Di Zhang, 2010; Weerawardena et al., 2010; Weerawardena & Mort, 2006). The findings signify that these organisations have a strong nonprofit status, which is largely due to the facts that they have roots in the NGO sector.

The findings present a rather mixed relationship between NGOs’ commercial activities and their missions. On the one hand, NGOs embracing this approach tend to be more capable of strengthening their mission than organisations that largely depend on foreign assistance. This striking effect contradicts many theories (Dees et al., 2002; Defourny et al., 2010; Fischer et al., 2011; Haugh, 2007; Weisbrod, 2000, 2004; Young & Salamon, 2002). Two exceptions in the literature are Frumkin (2005), who suggested that such entrepreneurial organisations can “stay more focused on the bottom-line” (p. 152), and Froelich (1999) who stated that the goal displacement effect of earned income is weak, which are in line with this dissertation’s findings.

Nevertheless, NGOs risk compromising their social goals because of their business ventures. The fact that much of the self-generated revenue fails to be reinvested in the social programme may imply that the social mission is being overlooked. Another major issue is that this strategy may exclude intended beneficiaries who cannot afford to pay service fees, a finding consistent with earlier warnings by scholars such as Weisbrod (2000) and Young (1998). This raises the question of whether the mixed outcomes could be associated with: 1) whether or not the business venture is central to the mission of an organisation; and 2)

concentration of commercial ventures in certain areas or sectors (Frumkin, 2005). These unresolved issues are beyond the scope of this dissertation and deserve further research.

In addition, this study's findings on the activities and sectoral concentration of commercial ventures, organisational and legal structure, and emergence of social entrepreneurial organisations contribute significantly to the body of knowledge on social entrepreneurship. These contributions are particularly relevant to theoretical debates, which have been dominated by conceptual articles and case studies but not based on empirical surveys (Dacin et al., 2010; Short, Moss, & Lumpkin, 2009). The dissertation extends Froelich's (1999) study on NPOs' funding diversification by revealing how NGOs adopting social entrepreneurship can build a sustainable organisation. This is another contribution to the limited scientific literature on the issues (Di Zhang & Swanson, 2013; Weerawardena et al., 2010). Significantly, the dissertation contributes to bridging the gaps between two important fields of study: NGOs and social enterprises.

Moreover, this country-specific case provides important perspectives from a developing and transitioning country context, which is an added value to the discourse that has been primarily covered by American and European scholarship representing the context of developed nations (Dacanay, 2012; Dees & Anderson, 2006; Defourny & Nyssens, 2008, 2010). The dissertation's propositions contribute to building social entrepreneurship theory, which "has not taken off in Asia" (Dacanay, 2012, p. 46). Specifically, the discussion on the potential of social entrepreneurship approach to address issues of aid-dependence (proposition 4) is almost absent in current nonprofit scholarship. Likewise, proposition 5 extends the literature on the factors that promote and characterise social entrepreneurial activities among NGOs in developing countries. In this regard, the dissertation has contributed to bridging the North–South academic gap on social entrepreneurship research.

6.3. Development and Policy Implications

6.3.1. Development Implications

The research has important practical, development and policy implications, both in Cambodia, the greater region and other countries with a similar background. At the managerial level, the research shows the effects of various funding mobilisation strategies for NGOs, particularly the advantages and disadvantages of embracing the marketization of social services. There are enough benefits to give NGO leaders cause to explore social

entrepreneurship, but these leaders will have to approach this avenue with serious considerations of its potential drawbacks and risks and balance the social value creations and market forces.

Other considerations include but are not limited to the NGO's expertise, the products or services they provide, the sector they engage in, the type of community they serve and the legal framework. For instance, it is important for NGO managers to ensure that they have skilled human resource and expertise in their planned business venture. While some products and services are easier to commercialise (e.g. handicrafts, solar products, or vocational training courses), others, such as health or legal services, may be harder to charge a fee for. Generally, organisations engaged in providing community development projects may be better suited to social entrepreneurship. By contrast, organisations working at the national level to advocate legislative changes or to protect the rights of the indigenous people may face more (ethical and technical) challenges in a business engagement because it is almost impossible to set a price on such services. Another important issue is the legal organisation status (i.e. nonprofit or for-profit), which determines the government tax and subsidy benefits associated with the chosen status. In this regard, it is recommended that:

Recommendation 1: NGOs must conduct thorough cost-benefit analyses and take into account the risk and ethical factors when considering if a business venture is appropriate for them.

Broader implications fall into the development arena. The research suggests that in the Cambodian context, where there is competing hegemony among various actors, a development paradigm shift is at work. This process involves the shift from NGOs relying less on external institutional grants and charitable donations to commercialisation and social entrepreneurship with further implications on changing the donor–NGO–client relationship. As NGOs diversify their funding sources, they may gain more sustainability, independence, ownership of their programme, transparency and responsiveness to their clients. This implies a reversal of the typical upward accountability (NGOs to donors) and the beginning of a downward accountability (NGOs to their clients). Development programmes that were traditionally and dominantly a foreign-funded initiative and design are now in the hands of rising local social entrepreneurs and innovative local NGO leaders. In other words, this emergence of social entrepreneurship among the nonprofit sector has the potential to reduce

donor-dependency of the economy and society [c.f. Cambodia Research Group, 2010; Ear, 2012; C. Hughes, 2009]. Furthermore, donors can contribute to correcting some of the negative implications of commercialisation. For instance, donors could play a complementary role by ensuring that goods and services remain accessible by the poorest. It is recommended that:

Recommendation 2: Donor communities and development partners provide specific supports to social entrepreneurial activities to promote more self-sufficiency, local ownership and sustainability of development programmes. They should provide complementary role to ensure that commercialisation does not exclude those who cannot pay.

Furthermore, NGOs are no longer the sole agents of development and the dominant members of Cambodian civil society. Instead, a variety of organisational forms, including social enterprises, community enterprises, farmers and artisan associations, cooperatives, self-help groups, and, to a lesser extent, businesses taking social and environmental responsibilities, have emerged with increasing development roles. Consequently, these various organisations contribute to the increasing plurality of the civil society sector and at the same time form a bigger part of the neoliberal economy. This process is also supported by the statement that Cambodian civil society sector is transforming quite rapidly (Malena et al., 2009; Öjendal & Kim, 2006). A recent edited volume by a prominent scholar on Cambodia stated that (Öjendal, 2013, p. 30):

... there is a “normalisation”... of sorts, where historical civil society reconstitute itself (in new forms), functional organisational entities are slowly emerging, and the development oriented, externally funded, civil society is shrinking and searching for new ways forward.

6.3.2. Implications for Government Policy

In this subsection, several policy implications for the Cambodian government are synthesised from the individual chapters of the dissertation. The implications are discussed around the issues of government funding and supports for NPOs, regulation on the organisations' businesses and legal framework to support the emergence of social entrepreneurial organisations.

Firstly, the findings suggest that there is currently very limited local funding available for NGOs, particularly government grants and charitable donations, and there is clearly a strong need of such funding sources among member organisations in the nonprofit sector. Along with earned income, such local resources are important to address the issues of lack of local ownership and dependence on external assistance. Along this line, the lack of charitable donations by for-profit corporations may be associated with the current law on tax deductibility, which restricts such donations to only 5% of taxable profit. One issue that has further constrained fruitful government–NGO collaboration is the lack of government roles in sharing programme costs with NGOs. In this regard, it is recommended that the government consider providing grants and allocating ministry budgets to support and collaborate with relevant local CSOs. The government should also consider measures to encourage charitable donations by progressively increasing tax deductibility to 10% for corporations and 20% for individuals.

Another important policy implication relates to the regulation of NGO commercial activities. The scale and scope of commercialisation and social entrepreneurship embraced by NGOs and the potential of further growth as outlined in this research are critical and deserve serious government attention to both facilitate and regulate the process. In the current draft law on NGOs/Associations soon to be enacted and enforced, there is no clear definition on “commercial activities”, while the clause on prohibiting the distribution of generated income is imprecise and vague. The law, if it is to be realised, should include detailed clauses on NGO commercial activities, particularly those that are not directly relevant to the NGO core programme. The law should ensure transparency and accountability to help address mission drift, misappropriate use of funds, corruption and misuse of NGO status for private advantages. More importantly, such measures will help NPOs gain public trust and support.

Beyond commercial ventures to generate income, there is another emerging trend of NGOs embracing social entrepreneurship as a new and more sustainable approach to development. Despite some drawbacks and risks, this study’s findings on the many benefits of social entrepreneurial strategy are mostly encouraging. To reap the full potentials of social entrepreneurship, the government’s roles in ensuring enabling policy environment, appropriate information dissemination and financial supports are vital (Kerlin & Pollak, 2011). Such an improved legal framework has positive effects on NGOs’ operations (Simon, 2006). In this regard, it is recommended that:

Recommendation 3: The Cambodian government should propose a new regulatory framework to cover social entrepreneurial activities practised among various forms of organisations by defining what it is, and outlining the type of support social entrepreneurial organisations may receive from the government.

6.4. Limitations and Future Research

As with most research projects, this PhD project has a few limitations. These imperfections have left some rooms that future research can investigate further. In addition, the research findings have also raised some questions that future study can help resolve.

The first issue has to do with the adopted methodology. Overall, the mixed method approach integrating quantitative survey and key informant interviews is proven as one of the most appropriate methods for the specific research objective. It yields rich, rigorous data in which analysis and interpretations can be made using different methodological lenses. However, such data collection of multi stages involves significant financial, labour and time requirements. Despite the additional funding support of the umbrella NGO Cooperation Committee for Cambodia (CCC) for the survey, the data collection was still restricted to only the five biggest regions of Cambodia. This has limited the study's representativeness to the regions. Future research on social entrepreneurial organisations will likely be very valuable if conducted in alternative geographical areas, or the whole country.

Second, further research is most helpful if designed to study trends, emerging issues and lesson learnt of social entrepreneurial programmes at regular intervals. The findings from this study indicate that more NGOs are beginning to mobilise resources from social entrepreneurial activities and those who have already engaged in this approach will further deepen their engagement. Social entrepreneurship has many positive and negative implications for development communities. How can engagement in income-generation activities solve NGOs' financial dependence on foreign aid without compromising their mission, legitimacy, and public trust? What are the implications of NGO-business partnership through social entrepreneurship? Tracking the emergence and development (for example, every three to five years) and documenting issues and lessons learnt (i.e. failure and success experiences) from emerging business-minded approaches is useful to evaluate the long-term prospects and analyse development and policy implications more accurately. On a related note, analysing the typology of various organisational forms of social entrepreneurial

organisations will be very insightful. Such studies will be useful for comparative purposes across countries and regions.

Third, studying the practice of social entrepreneurship among the business communities will bring additional value to the scientific and development community. This research has presented the perceptions and implications of the approach from the nonprofit sector. A missing element in the research is how businesses can play their part in solving development problems. For example, what are the potentials of businesses practising Corporate Social Responsibility (CSR), fair trade, or taking the lead in bringing innovative and technological solutions to social and environmental problems in the context of Cambodia? Would it make a difference to the sustainable and inclusive development of the country if a business's bottom line was more than the maximisation of shareholder's profit? How will NGOs benefit or risk from forming partnership with businesses? More investigation is needed to provide answers to these critical questions faced by organisation scientists, development practitioners, and policymakers. Case study research in these areas will be valuable.

6.5. Conclusion

This PhD research project has revealed the challenges that NGOs in Cambodia face in mobilising local resources and continuing to stay relevant while external funding has declined. Currently, charitable donations and government grants are scarce, and as a result, social entrepreneurship is one of the alternative diversification strategies NGOs are using to derive income. In a trend following the commercialisation of the NGOs engaged in micro finance programmes, the research found that a significant percentage of NGOs (20%) in many other sectors have adopted the market approach. This emerging approach has brought about mixed consequences. On the one hand, the social entrepreneurial strategy is proven to ensure financial sustainability for many organisations. For some others, the adoption brings new economic values, innovation, and improved governance while at the same time promotes local ownership of development programmes. Social entrepreneurship has the potential to transform NGOs to become more oriented to customers and more responsive to their needs. On the other hand, NGOs risk sidelining their social mission, by making services inaccessible to poor beneficiaries. The blurring boundary between nonprofit and for-profit organisations

also puts NGOs at risks of losing their reputation and legitimacy and raises the question of unfair competition through government grants and tax privileges.

The problem-solving nature of the project has highlighted several key development and policy implications. The direction is pointing toward a shift in development paradigm, which potentially changes the relation between local NGOs and international donors and development partners. In other words, this implies “undoing the patronage view of what international and local development is about” (Fowler, 2000a, p. 651). During this process, social enterprises with local orientation and a variety of similar forms of organisation tend to bring the new version of Cambodian NPOs that were traditionally plagued by issue of representing external interest as a result of depending on foreign support.

It is reasonable to assume that this process denotes the ‘Cambodianization’ and hybridisation of the civil society sector (Öjendal, 2013). In this aspect, the dissertation contributes to the larger Cambodia Research Programme “Competing Hegemonies: Foreign-dominated processes of development in post-conflict Cambodia” by providing findings that indicate Cambodia may be starting to shed the fetters of foreign domination. This struggle to get out of foreign domination may be possible because now there is an alternative (and innovative) way that Cambodian development actors (including NGOs) can mobilise financial resources locally.

In other words, foreign-driven and dependent NPOs in Cambodia have lost their legitimacy and so has the so-called Washington Consensus. Instead, the diverse forms of emerging community-driven organizations that depend on local resources and represent local interest are becoming more prevailing. Controversially, some may associate this development with the shifting international order as well as the Beijing Consensus’s doctrine where developing countries are encouraged to actively preserve their independence from external agendas and conditional development assistance that completely disregards the local context and values. Instead of polarizing Western and Eastern development values, however, Cambodia’s political reform (including minimum human rights protection and an accountable governance) is critical to ensure a long-term development path that is “people-focused”, inclusive and in harmony with the environment. Social entrepreneurship could play a major role in this development process.

Analysing the impacts of commercialisation in the nonprofit sector and the emergence of social entrepreneurship as an alternative development approach is complex. I hope the research findings, propositions, and suggested future research directions will invite other researchers to help untangle this complexity further. It is also expected that the development and policy implications raised in this dissertation will raise the level of awareness and attention among the development community and policymakers around the issues and potential of NGOs' diversification strategies, and social entrepreneurship in particular.