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Implementation of Social Innovations in Subsistence Marketplaces: A Facilitated Institutional Change Process Model*

Srinivas Venugopal , and Madhubalan Viswanathan 

Implementation of social innovations in subsistence marketplaces often fails as a result of not bringing about institutional change. In this article, we study the process through which social enterprises facilitate local communities in effecting the process of institutional change as they introduce social innovations. Analyzing rich ethnographic data from 19 social enterprises, we develop the process of “facilitated institutional work” for implementing social innovation. We present a process model for implementing social innovation with four distinct stages involving social enterprises—(1) legitimating themselves within local communities, (2) disrupting aspects of the local institutional environment, (3) helping re-envision institutional norms or practices, and (4) resourcing the institutional change process. The four stages relate to important concerns that local communities have in working with social enterprises implementing social innovations. These community-level concerns revolve around the following questions: (1) Why should we allow an external social enterprise to be involved in our affairs? (2) Why do we need to change? (3) What should we change and what should we sustain? and (4) What role should we play in implementing change (such as in mobilizing resources)? This article demonstrates that bringing about institutional change is often necessary for implementing social innovations in subsistence marketplaces. The findings depict a participatory approach in which social enterprises work with local communities to bring about the institutional conditions necessary for implementing social innovation.

Practitioner Points

- Bringing about institutional change is necessary for implementing social innovations in subsistence marketplaces.
- Institutional change for social innovation is brought about through the interaction between local communities and social enterprises.
- Paternalistic approaches aiming to impose change in a top-down fashion should be avoided. Romantic approaches that exaggerate the capacity of local communities to effect change should be avoided.
- Local communities in subsistence marketplaces are proactive gatekeepers who can terminate relationships with social enterprises seeking to implement social innovations.

- Social enterprises implementing social innovations must proactively address important concerns that local communities have in working with social enterprises.

Introduction

Millions of toilets are built in villages across India. Many of these are used as store rooms and not as toilets. People don't use these toilets but rather go out for their necessities in the open. But still private agencies and govt. [social enterprises] are constructing millions of toilets. The perceived need [for toilets] is not of the community but some other agents outside the community.”—Hussain (social entrepreneur)

One person's toilet could certainly be another person's storeroom. In the quote above, Hussain is referring to a situation where social innovations are designed for subsistence marketplaces in a top-down fashion without understanding local institutional realities that shape product consumption (Nakata and Weidner, 2012; Viswanathan, Sridharan, Ritchie, Venugopal, and Jung, 2012). Social innovations often fail in subsistence marketplaces because they underestimate the implementation challenges associated with shaping local institutions (Prabhu, Tracey, and

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Hassan, 2017; Purtik and Arenas, 2017; Viswanathan and Sridharan, 2012). As an example, in many rural communities of South India, local institutional norms restrict pregnant women from consuming iron-rich foods that are essential for the physical development of the fetus (Nichter, 2008). These norms stem from a collective preference for smaller babies and were evolved in the past, when access to scientific health-care innovations was largely absent in rural communities. Over the years, social innovators have solved the technical problem of making low-cost iron-fortified foods as well as the distribution problem of low-cost delivery through microentrepreneurs (Bothwell, 2000). However, unless changes are brought about in aspects of local institutional norms that prevent consumption of such products, the social innovation potential will remain under-realized.

Our research focuses on social enterprises that originate in the formal economy but implement social innovations in informal subsistence marketplaces (Ramachandran, Pant, and Pani, 2012). We

investigate how such social enterprises can implement social innovations by facilitating changes in the local institutional environment. To address our research question, we gathered multiformat ethnographic data from 19 social enterprises from India (8), Tanzania (5), and Argentina (6). Based on our analyses, we propose the process of “facilitated institutional work” for implementing social innovation—defined as the process in which an external social enterprise, originating in a different institutional context, enables embedded agency on the part of local communities. Embedded agency refers to the ability of local communities in enacting changes to the very institutions within which they are embedded (Scott, 1995). We present a process model for implementing social innovation with four distinct stages that correspond to important concerns of local communities in working with social enterprises (Khan, Westwood, and Boje, 2010). These community-level concerns are captured in the following questions: (1) Why should we allow an external social enterprise to be involved in our affairs? (2) Why do we need to change? (3) What should we change and what should we sustain? and (4) What role should we play in implementing change (such as in mobilizing resources)?

Our article makes several unique contributions to the literature on social innovations. First, though there are both strategic and implementation considerations for bringing about social innovation (Nakata and Weidner, 2012), extant research has predominantly focused on strategic considerations (Purtik and Arenas, 2017). We focus on the implementation challenges of social innovation by elaborating on the situated actions of social enterprises that address contextual realities within local communities (Peng, Sun, Pinkham, and Chen, 2009). In doing so, social enterprises bring about the institutional conditions necessary for implementing social innovations. Second, prior research on social innovation has noted that subsistence contexts are characterized by institutional voids that hinder social innovation (Mair and Marti, 2009). Consequently, much of past research has focused on top-down mechanisms involving social enterprises “pulling down” certain macro-institutional orders (e.g., property rights or venture formalization) into subsistence communities to enable social innovation (De Soto, 2000; Sutter, Webb, Kistruck, Ketchen, and Ireland, 2017). Complementing such top-down approaches (Gray, Purdy, and Ansari, 2015), our findings depict a participatory approach in which social enterprises

BIOGRAPHICAL SKETCHES

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Dr. Madhubalan Viswanathan is a professor in the Department of Marketing, College of Business Administration, Loyola Marymount University, Los Angeles, and was until recently, the Diane and Steven N. Miller Centennial Chair in Business, at the Department of Business Administration, Gies College of Business, University of Illinois, Urbana-Champaign. His research programs are on research methods, and on subsistence marketplaces, a stream he pioneered with a bottom-up approach to the intersection of poverty and marketplaces (www.business.illinois.edu/subsistence). He teaches courses on research methods, subsistence, and sustainability, annually reaching about a thousand students on campus and thousands online. He founded and directs the Marketplace Literacy Project (www.marketplaceliteracy.org), pioneering the design and delivery of marketplace literacy education to approximately 100,000 women in subsistence marketplaces. He has received numerous awards.

work with local communities to endogenously determine aspects of local institutions that must be altered or preserved. These bottom-up changes are co-created by local communities and social enterprises in a fashion that is shaped by the history and specificities of the local context (Viswanathan et al., 2012). Finally, the literature on social innovation often depicts social enterprises as heroic organizations (Dacin, Dacin, and Tracey, 2011). Consequently, little attention has been paid toward understanding how local communities hold social enterprises accountable for their actions and how social enterprises might fail in their social innovation efforts. Local communities are theoretically depicted as passive and static contexts, waiting for social innovations from social enterprises. Our model challenges this conceptualization by depicting local communities as dynamic contexts constituted by agentic actors who mediate the relationship with social enterprises implementing social innovations (Gusfield, 1967).

The article is organized as follows. In the next section, we discuss the phenomenon of implementing social innovation in subsistence marketplaces, summarizing key insights from prior research. Next, we discuss the core features of the institutional work perspective that is employed to theoretically frame the phenomenon of interest. We then describe in detail the methodology as well as the rationale for using certain methodological tools, followed by a discussion of the findings. We conclude by discussing the implications of our research.

Literature Review

Social Innovation in Subsistence Marketplaces

Social innovation is defined as “a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions, and for which the value created accrues primarily to society as a whole rather than private individuals” (Phills, Deiglmeier, and Miller, 2008, p. 36). Social innovation involves *direct actions* that entail the transformation of a suboptimal system as opposed to incremental improvements within existing systems (Martin and Osberg, 2015). The focus on *direct action* distinguishes social innovation from social activism, wherein social goals are achieved by influencing powerful actors such as the government. Similarly, the focus on transformative change separates social innovation from social services

such as food banks, which aim to enhance well-being within prevailing systems (Martin and Osberg, 2015). Extant research suggests multiple vehicles that can be employed to enact social innovation—(1) social entrepreneurship, (2) social intrapreneurship, and (3) social extrapreneurship (Tracey and Stott, 2017). The predominant focus of social innovation has been on strategic issues such as products, processes, and business model design to bring about positive societal outcomes (Varadarajan, 2017). The literature has provided some focused inputs into how to bring about social innovation for addressing various types of social issues such as environmental degradation, social and economic inequality, and poverty (Kolk, Rivera-Santos, and Rufin, 2014; Mair, Wolf, and Seelos, 2016; Varadarajan, 2017).

Research focused on social innovation in subsistence contexts has examined efforts that treat subsistence communities either as consumers or as producers (Ramachandran et al., 2012). Extant research has emphasized the importance of mechanisms such as bricolage, customization, and local embedding in implementing social innovation in subsistence contexts (Ernst, Kahle, Dubiel, Prabhu, and Subramaniam, 2015). Bricolage captures the ability of the organization to improvise in the face of resource scarcity, which is a characterizing feature of subsistence contexts (Halme, Lindeman, and Linna, 2012). Customization captures the ability of the organization to respond to the institutional diversity across subsistence context. Local embedding entails that the organization become a legitimate part of the local social milieu where social innovation is to be brought about (Hart and London, 2005). Local embedding requires that organizations take a participative approach of working with local communities in implementing social innovation (Kolk et al., 2014).

Recent scholarship has begun to emphasize the “social” aspects of social innovation. Here, organizations work in partnership with local communities by changing, disrupting, and sustaining institutional norms and practices that are required to implement social innovation (Ansari, Munir, and Gregg, 2012; Purtik and Arenas, 2017). The eventual goal of such change efforts is stated to be “transforming patterns of thought, behavior, social relationships, institutions, and social structure to generate beneficial outcomes for individuals, communities, organizations, society, and/or the environment beyond the benefits for the instigators of such transformations” (Stephan,

Patterson, Kelly, and Mair, 2016, p. 1252). However, if such institutional changes are implemented in a top-down fashion, negative consequences could ensue for local communities (Viswanathan et al., 2012). Whereas most of the research in this arena has focused on organizational activities, little attention has been paid to the social processes in local contexts when social enterprises enter subsistence communities to implement social innovation. To illustrate, Khan, Munir, and Willmott (2007) takes a critical view of a social innovation implementation effort to disrupt the institution of child labor in Pakistan's soccer ball industry. They find that, even though the top-down institutional change efforts led by powerful external actors succeeded in reducing child labor, women and children in low-income communities were left worse off both financially and in terms of self-esteem and dignity (Khan et al., 2007). Such unintended consequences could arise if local communities are not active participants in implementing social innovation (Ansari et al., 2012). The interplay between organizations and local communities foregrounds how communities actively participate in shaping the goals and the process of implementing social innovation. Understanding this interplay is important as social problems are socially constructed through the interaction between the social enterprise and local communities (Lawrence, Dover, and Gallagher, 2014). Social enterprises that fail to understand this reality could engage in activities that are counterproductive to enhancing well-being in local communities. Table 1 provides a summary of key ideas from the literature focused on social innovation in subsistence contexts.

Theoretical Orientation: Institutional Work

In this section, we broadly outline the essential features of institutional theory and then review the institutional work perspective on institutional change. Institutions could be construed as "rules of the game" that are evolved by humans in order to guide collective behavior and reduce uncertainty in human exchange (North, 1991). Institutions could be formal, such as laws and property rights, or informal, such as social norms and codes of conduct (Mazzucato and Niemeijer, 2002, p. 172). Institutions are made up of values, beliefs, norms, and enforcement mechanisms (Scott, 1995), wherein success and survival of embedded actors depend more on their socially derived legitimacy than their economic efficiency (Tolbert and Zucker, 1983).

The principal problem in institutional theory is the tension between structure and agency (Battilana, Leca, and Boxenbaum, 2009). Institutional theory was evolved to explain stability and continuity in the social world. However, theoretical fault lines begin to appear in institutional theory when it is invoked to explain processes of institutional change (Scott, 1995), paving the way for two interrelated streams of research, namely institutional entrepreneurship and institutional work (Battilana, 2006; Lawrence and Suddaby, 2006), both aiming to explain the process of institutional change. Institutional entrepreneurship research emphasizes the agentic role of specific actors called institutional entrepreneurs in creating new institutional structures. The institutional work perspective, on the other hand, involves the study of not just creation of new institutions but also the ongoing maintenance and disruption of institutions (Lawrence and Suddaby, 2006). The institutional change process is viewed as being effortful, protracted, and discursive in nature, involving multiple stakeholders. It deliberately avoids grand and heroic narratives of individual actors and maintains a multiparty focus (Lawrence, Suddaby, and Leca, 2011). The actors are conceptually situated as the protagonists, collectively shaping the process of change (Lawrence et al., 2011). Agency is viewed as being distributed across actors and is an emergent property of collective institutional work. Institutional work has been classified on the basis of the aspect of institutions that are transformed, disrupted, or created (Zietsma and Lawrence, 2010). For example, actors could engage in boundary work that deals with grouping of actors within an institutional field and practice work that deals with shared routines (Zietsma and Lawrence, 2010). At the microfoundations of institutional work is the cognitive work that actors have to engage in so as to generate new cognitive schemas that support and sustain the new macroinstitutional order (Lawrence and Suddaby, 2006). The institutional work perspective provides a suitable theoretical lens to study the phenomenon of social innovation because it allows for multiple actors working together purposively to create, disrupt, and transform prevailing institutions. In our research, we particularly focus on relational work and cognitive work carried out by social enterprises in subsistence communities. Relational work refers to the formation of a web of relationships and interactions that enable and support institutional work.

Table 1. Literature Review

Focal Actor	Goal of Social Innovation (SI)	Key Insights	Open Questions	Sample Articles
Social enterprise	Overcoming institutional voids that create market exclusion	Social enterprises are heroic actors who can work/alter institutional voids to create market inclusion	What is the role of local communities in the social innovation process? Are they just passive recipients? Are there instances of failures and how do they arise?	Mair and Marti (2009), Mair et al. (2016)
BOP firm/intermediary	Driving positive social change through the market	Firms can play the role of intermediaries to improve the outcomes of market actors in BoP communities	Who defines what positive social change is? Can local communities reject the definitions of social change?	Stephan et al. (2016), Sutter et al. (2017)
Local community	Improving quality of life within community	Local communities as heroic agents of change in improving their own lives	What is the role of external actors in aiding social innovation? How do institutionally embedded communities become aware of problems? How do resource-constrained communities gather resources for social innovation?	Gau, Ramirez, Barua, and Gonzalez (2014), Peredo and Chrisman (2006)
Systemic power asymmetries in society	To move the entire system toward a more egalitarian state by reducing power disparities	Ideas of powerful actors, including social enterprises and academics, need to be viewed critically to detect exploitative tendencies or unintended consequences	What are the productive avenues and models for fostering social innovation?	Khan et al. (2007), (2010)
Formal institutional voids	Create laws and institutions to foster social innovation	Institutions such as property rights can unleash the productive capabilities of communities and enhance well-being	What is the role of various actors within prevailing institutional voids in fostering social innovation?	De Soto (2000)
Dyadic focus on community and social enterprise	Institutional change for implementing SI	Implementing social innovation requires institutional changes that are co-created by local communities and social enterprises. The co-creation efforts can also fail under certain circumstances		This research

Cognitive work captures the changes in knowledge and cognitive structures that support institutional work. Our focus on cognitive and relational work carried out by social enterprises in local communities helps us uncover microlevel mechanisms related to the implementation of social innovation that have been neglected so far in the literature.

Method

Qualitative research was employed as the research methodology because it lends itself to the study of processes—a key goal of this research (Lofland and Lofland, 1995). Data were gathered from 19 social

enterprises and not-for-profits that were involved in implementing social innovations in subsistence marketplaces. Eight of these social enterprises were from India, five from Tanzania, and six from Argentina. The second author had trusted key informants from the social enterprise sector in these three countries. We sought the help of these key informants in selecting our sample. We asked each key informant to choose at least five social enterprises that satisfy the following conditions—(1) have been implementing social innovations for at least five years, (2) work across multiple subsistence communities, and (3) will allow us to collect data from the communities they are working in. We also asked key informants

to select social enterprises working across diverse sectors. Key informants knew the local landscape and were able to provide access to field sites, field workers, and community members. Key informants had been working in the communities for many years and, therefore, possessed much goodwill in the community. This goodwill was a crucial factor that helped us gain access to community members and field workers. Approaching other informants through key informants assisted in establishing trust, enabling more transparent accounts of both successes and failures.

We reviewed and approved the sample selected by key informants before starting field work. Thirty-three individuals, spread across these 19 organizations, were interviewed. Websites and other publications generated by these social enterprises were also gathered when available. The selected enterprises were successful in implementing social innovation in local communities. However, these social enterprises experienced differing degrees of success across various projects and communities they operated in, allowing us to understand how some strategies helped these enterprises in implementing social innovations in subsistence contexts. Field observations and interactions were conducted with beneficiary communities of eight of these organizations, enabling bottom-up insight. Open-ended interviews were conducted and, given the focus on process, informants were asked to reconstruct their field experiences in a chronological order. Formal interviews lasted anywhere between 30 minutes and 60 minutes. Informants were compensated for their time in cash when culturally appropriate in the local context. Interviews were mostly conducted in the local language unless the informants spoke fluent English. Translators were used wherever necessary and were instructed to translate verbatim without adding their own interpretations. The interviews were then transcribed to create textual data. Transcribers were instructed not to add their interpretations during the transcription process. The quotes are verbatim to preserve the “voices from the field” to the extent possible. Detailed field notes were maintained, including researcher’s observations, feelings, methodological notes, and theoretical notes (Taylor and Bogdan, 1984). Participants for interviews were members of the social enterprise who worked at the field level. This theoretical sampling strategy was adopted because the focus of the research was to understand field-level issues.

Given the focus of research on institutions, observational data from the context and dyadic data covering both organizational and community perspectives were collected. We used a multipronged approach to obtaining background information across multiple research sites (DeBerry-Spence and Elliot, 2012). For example, in one community we used community maps drawn by a community member to obtain an understanding of the perceived local environment. The map in Figure 1 allowed us to identify key local institutions (church) that also shape the process of social innovation (women’s rights). In other contexts, we spoke to key informants in order to gather more contextual information. Secondary sources of data, such as history text books and reports by NGOs, were also gathered to supplement contextual knowledge. We also read news articles from major newspapers on social innovation in subsistence contexts to interpret our findings within the backdrop of the macrodiscourse on the subject (Steinfeld, Coleman, Tuncay Zayer, Ourahmoune, and Hein, 2019). Table 2 furnishes details regarding sample characteristics.

Three features of the data are noteworthy. The first feature is that of privileging the voices of community members in informing theory development. Most researchers studying social innovation in subsistence marketplaces take the perspective of the social enterprise, and consequently, emphasize the organization’s construction of reality. In this research, we explicitly allow informants from subsistence contexts to inform the theoretical models by collecting data from them through interviews and observations. Most prior studies have focused exclusively on accounts provided by organizational actors, who have an incentive to provide a heroic narrative of their social innovation efforts. Second, we rely on multiple sources of data (participant observations, village maps, secondary data, and interviews) in arriving at interpretations. This enables ecologically valid representations of informants’ reality that allow appropriate interpretation of their interview quotes. Third, we sample from diverse geographies, contexts, and business domains in evolving the theoretical model. For example, we cover diverse contexts such as urban low-income communities, agrarian villages, and tribal communities. We cover diverse national contexts and diverse domains of business, such as education, health care, and finance.

We employed contextualized explanation as a methodological theory to guide theory development

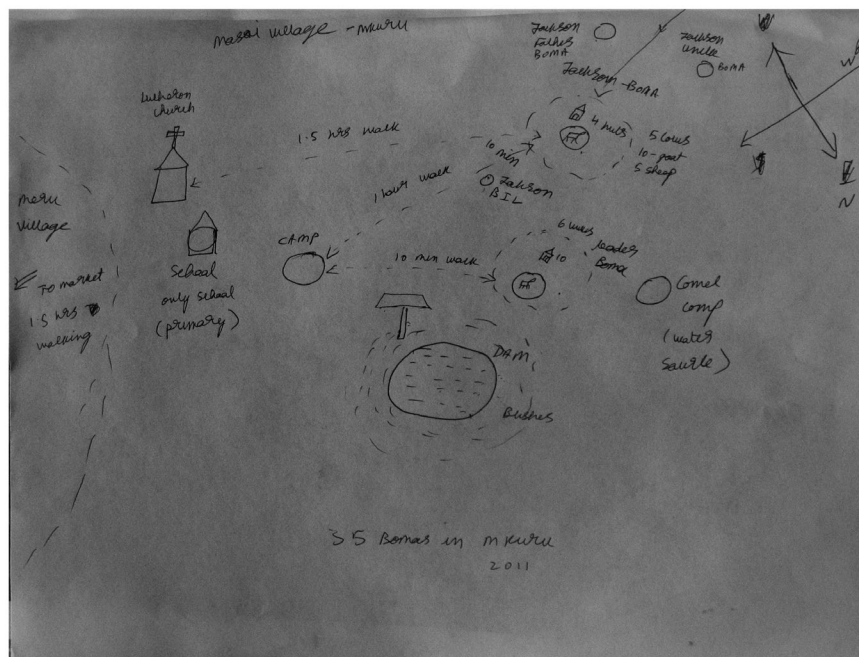


Figure 1. Maasai Community Map

Table 2. Sample Description

S.No	Organization	Geography	Domain	No. of Interviews
1	A	TN, India	Primary education	1
2	B	TN, India	Rural handicraft	1
3	C	TN & Bhopal	Environmental activism	1
4	D*	TN, India	Livelihoods	4
5	E*	TN, India	Marketplace literacy	2
6	F*	TN, India	Community development	1
7	G	TN, India	Health	2
8	H	TN, India	Community development	1
9	I*	Arusha, TZ	Environment	2
10	J	Arusha, TZ	Wildlife conservation	1
11	K*	Arusha, TZ	Livelihoods	1
12	L	Arusha, TZ	Tribal community development	3
13	M	Arusha, TZ	Community organization	1
14	N	Argentina	Health	1
15	O*	Argentina	Community development	3
16	P*	Argentina	Community development	2
17	Q	Argentina	Microfinance	3
18	R*	Argentina	Rural development	2
19	S	Argentina	Environment conservation	1

*Context observations or interaction with beneficiaries.

(Welch, Piekkari, Plakoyiannaki, and Paavilainen-Mäntymäki, 2011). Contextualized explanation follows a critical realist ontology and allows for the development of theory, while preserving context (Tsang, 2013). Theory development began with analyzing the data and coding for analytic themes that emerged. This process of analyzing data and

identifying themes was iterative. Although data were accorded primacy in the theory development efforts, we treated prior awareness of extant literature as if it were another informant (Goulding, 1998). Care was taken to ensure that the analytic themes that were evolved reflected the nuances of the data (Pratt, 2000). Both authors analyzed the data independently

and discussed individual cases to arrive at common interpretations. Divergences in interpretations were resolved through discussion during weekly meetings in the analysis phase. The most common divergence involved determining if a piece of data should be given a new code or mapped to existing codes. The analysis is focused on process tracing that helps preserving contextual richness during the process of theorizing (Tsang, 2013).

Findings

In this section, we first delineate the broad contours of the process model for the implementation of social innovation that emerged from the data analysis, and subsequently, discuss each subcomponent of the model in greater depth. In doing so, the emergent findings are linked to both the theoretical and empirical literature on the implementation of social innovation in subsistence markets. A majority of the constructs outlined are process constructs that shape the overall process of facilitated institutional work in implementing social innovations. These constituent factors play out within the local contexts and the contextual factors have a bearing on the outcomes of these subprocesses. Thus, the proposed model is process-centric, capturing the sequence of transformations involved in the process of facilitated institutional work in implementing social innovations. This epistemic orientation must be distinguished from a

“state-centric” approach that explains under what circumstances a certain empirical “state” is likely to be attained. Further, the process model conceptualizes the stages traversed by social enterprises when they enter subsistence contexts.

The institutional entrepreneurship literature has focused on generating grand accounts of how certain institutional actors successfully usher in new institutional orders (Lawrence et al., 2011). The institutional work view on the other hand helps us uncover the messy and protracted activities on the part of institutional actors that could even result in failures (Hwang and Colyvas, 2011). This balanced view of focusing both on the successes and failures was necessary to unpack the richness in our data. Furthermore, our findings capture the institutional work involved even in maintaining aspects of prevailing institutional arrangements.

Model Summary

The model that we inducted from our data has four distinct stages that are pictorially depicted in Figure 2. Figure 3 depicts the data processing that yielded insights for the study. The first stage involves an external social enterprise gaining legitimacy within local communities in subsistence marketplaces. This is crucial because outside entities, such as social enterprises, need to be accepted within local communities before they can play a role in the

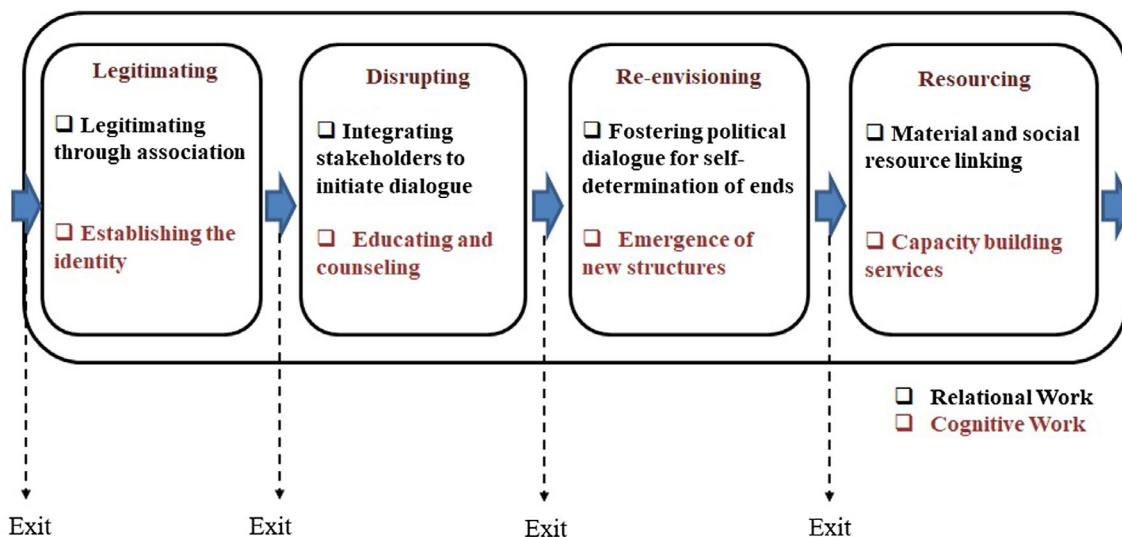


Figure 2. Facilitated Institutional Work for Implementing Social Innovation in Subsistence Marketplaces [Color figure can be viewed at wileyonlinelibrary.com]

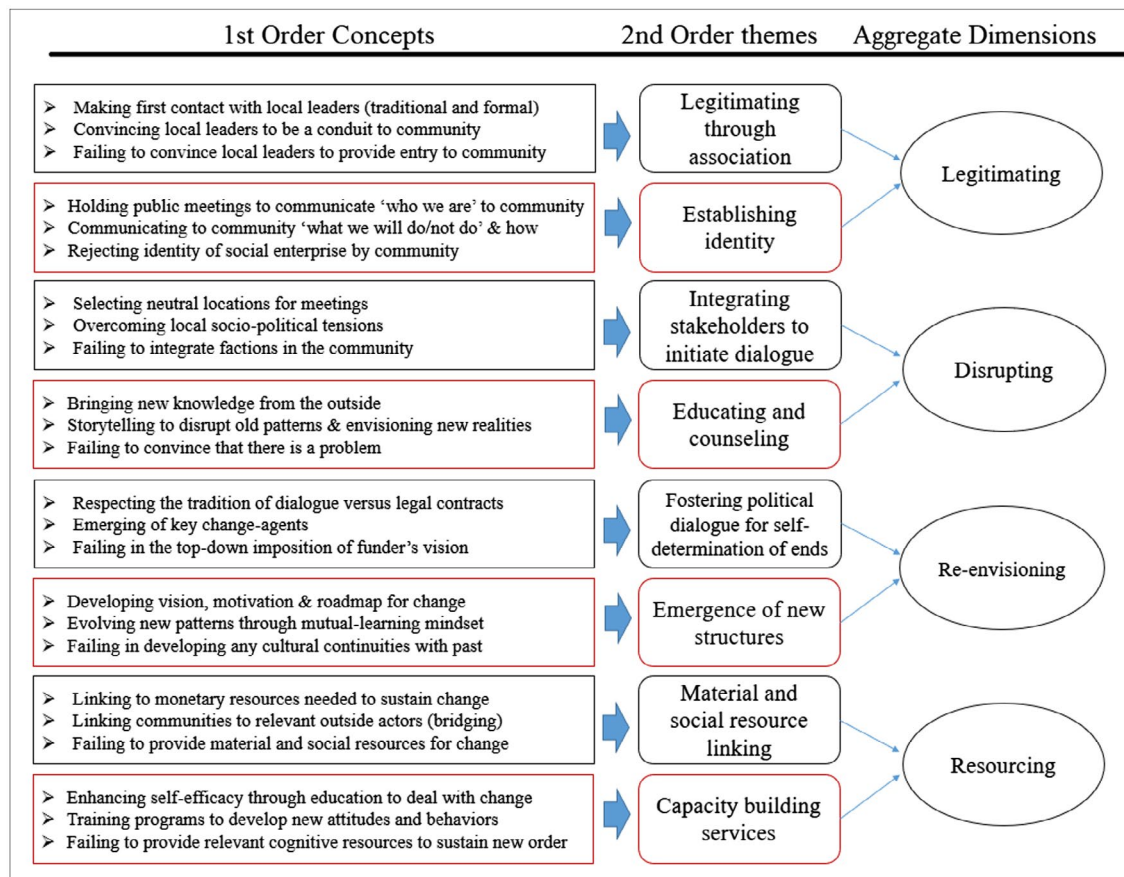


Figure 3. Data Processing, Categorization, and Themes [Color figure can be viewed at wileyonlinelibrary.com]

social processes of institutional change for the implementation of social innovation (Maguire, Hardy, and Lawrence, 2004). Subsequently, being embedded in two different institutional environments (formal economy and local subsistence contexts), social enterprises perceive institutional contradictions that provoke them to bring certain institutional practices (e.g., child marriage) into contestation. They do so by initiating a process of institutional disruption through education and dialogue that create the motivation for bringing about institutional change for the implementation of social innovation. When the motivation for engendering institutional change is fostered, communities with the aid of social enterprises, engage in a political process of re-envisioning institutions. This process involves determining what aspects of the local institutions must be changed and what aspects must be preserved. In this process, social enterprises make communities aware of alternative institutional structures and practices (Greenwood and Suddaby, 2006). Once the direction

and pace of change are determined, local communities need to mobilize and apply material or social resources in order to effectuate the changes. As boundary spanners, social enterprises play a central role in providing access to important resource bases, which subsistence communities otherwise might not have access to. Through all stages of the process, social enterprises address relational elements, involving building and sustaining relational networks with diverse members, and cognitive elements, involving the disruption of old cognitive frames and the emergence of new cognitive frames. We sequentially elaborate upon each stage in the process of facilitated institutional work for implementing social innovation.

Legitimizing

We found that social enterprises enter subsistence communities with the purpose of enhancing well-being within local communities through social innovations

(Stephan et al., 2016). However, our informants noted that collaborating with local communities to implement social innovation requires social legitimacy (Lister, 2003). Legitimizing is defined as the process through which a collection of actors act purposively to socially construct the legitimacy of an organization in an institutional environment (Suchman, 1995; Suddaby, Bitektine, and Haack, 2017). An employee of an education enterprise describes how his organization gained legitimacy through association with local leaders while entering a village. Legitimate, high-status actors within communities act as gatekeepers for an organization to enter and operate within local environments.

I have to meet the village leader and I have [to] tell them in detail about my motto and about how long I am going to stay there. Village comprises of 400 to 500 people. I cannot go and come out of the village easily. A leader can easily lead to those 400 people. —Organization #5, Marketplace literacy, India

Organizations frequently enter local contexts by associating themselves with high-status gatekeepers such as elected representatives, traditional leaders, or government representatives. This allows them to gain initial legitimacy through association with other legitimate actors in the local ecosystem. This is akin to findings in the entrepreneurship literature describing how entrepreneurs lacking in reputation in a particular industry are able to acquire legitimacy through association with strategic partners (Starr and MacMillan, 1990). As high-status actors, the gatekeepers are in a better position to convince the community regarding the benefits of allowing the social enterprise to enter and work in the community.

Gatekeepers provide social enterprises a conduit into the community. However, in the process of acquiring legitimacy, it is important to establish one's identity more broadly within the community post entry. Informants spoke at length about how they organized community meetings wherein they would discuss who they are, what their background is, and what their goals are. Establishing identity is important to help community members cognitively categorize the role of the new entrant in the context, and then hold the new entrant accountable for their actions. Communities see the organization as legitimate as long as the identity and actions of the organization

are harmonious with each other. This is termed cognitive legitimacy, which captures the comprehensibility of organizational action within the host environment (Suchman, 1995). A field worker at a community development organization from India elaborates. He describes the organization of public meetings in which the organization's history and objectives are clearly articulated to community members in order to garner their support.

First it will be an introductory meeting to tell them [community members] who are we; where are we coming from; What is our social service; what are we going to talk today; Which organization we belong to; Where it is; How it started; In how many villages we are working in; Like that if we share all the information then only they will trust us and come along with us. —Organization #6, Community development, India

While entering communities, organizations have to be sensitive to the sociopolitical realities in the local context in order to refrain from causing unintended disruptions or flouting norms that are perceived as sacrosanct within local contexts. Organizations need to become aware of local norms and act in a manner that is judged as being in conformance to these norms. This is particularly difficult because these norms are tacit and require ongoing interactions with local actors to understand. An informant from an education enterprise spoke about how community members evaluate whether the organization will act in conformance with the norms of the caste system within the village, an issue discussed in the literature (Vikas, Varman, and Belk, 2015). An organization that overtly rejects or disrupts these norms will lack normative legitimacy and consequently will be rejected by community members. The following quote from an employee of a vocational training social enterprise in India bears testimony to this assertion.

[People in village will think] "If I belong to a certain community and caste and if a training centre has come [to my village], it should not affect my caste, community and my [political] party." [If these conditions are met] then I am accepted. —Organization #5, Marketplace literacy, India

Every community views certain practices and norms as sacrosanct. New actors coming into the local environment are constantly evaluated on whether they represent

a threat to the foundational norms that are central to the community's self-identity and social cohesion.

Strong institutional boundaries insulate a society from changes in the broader social environment and act as institutionally driven self-isolation (Rao, Monin, and Durand, 2005). For example, the Maasai tribe have resisted the monetary economy and modern education for centuries (Coast, 2001). Under such circumstances, outside actors must enter and embed themselves within local contexts in order to participate as legitimate actors in implementing social innovations. The legitimization of external entities reduces the forces of isolation of local communities. This, in turn, allows the diffusion of practices across institutional boundaries, thus enabling social innovations (Rao et al., 2005). Embedding is also important because it makes the social enterprise implementing the innovation accountable to the local communities. Tsai (2007) provides examples of how even nonelected government actors in China become accountable to community members by being socially embedded within those communities. The local social norms and regulatory mechanisms begin to have a bearing on the organization once it becomes a part of the local environment.

Tensions and Ruptures in the Process of Legitimation

As outsiders in a community with strong social norms, the issue of trust deficit is a constant threat that social enterprises have to negotiate. Informants reiterated the difficulty of gaining trust in local communities. One salient source of trust deficit resides in the community's historical experiences and could manifest itself in many ways based on contextual factors. Many subsistence communities have historical experiences of being exploited by outsiders (Khan et al., 2010). This could be rooted in diverse experiences such as colonial rule or exploitation of a community's natural resources by commercial firms. For example, one informant from India who works for a women's empowerment organization spoke about how the men in the community were concerned that the organization was gathering the women in the community to hand over to "the English people" [white foreigners]. In a context like India, there are also concerns regarding forced religious conversion.

When we call them [women] as a gathering and talk there have been lots of protest against that saying that you are gathering all women and going to hand over to the English people [they say] "you are being bribed by those foreigners and you are now doing this; you should not go for this gathering." —Organization #6, Community development, India

So initially we struggled, when we tried to enter their community they did not accept, and we did not know about them and how they will behave. So we used to approach the community or village head and explain to them. So they openly told us they did not need our interference, when we took photos in that area they got doubts that we were trying to convert them religiously, so we then spent a lot of time talking to the elders of the village. —Organization #4, Livelihoods, India

In the face of such mistrust, not all social enterprises were able to acquire legitimacy within all local communities. Many of our informants suggested that acquiring legitimacy becomes increasingly difficult if there are irreconcilable differences in priorities between the community and the social enterprise. Our informants encountered local communities as proactive gatekeepers who could allow or prevent the entry of social enterprises into their community. Subsistence communities were not experienced by social enterprises as passive social units that are awaiting aid from external organizations, such as social enterprises.

Disrupting

After social enterprises implementing social innovations legitimate themselves in local communities, they begin to foster dialogue around aspects of local institutions that they find problematic based on their own set of beliefs. We term this process disrupting, which involves the undermining of certain institutional practices with the goal of deinstitutionalizing them (Lawrence and Suddaby, 2006; Sarma and Sun, 2017). The following quote illustrates how an organization had to initiate dialogue on the issue of girls' education in Maasai villages. This was an important issue to organize a dialogue on because girls were getting married off at a very young age in the community, after which they had to manage household duties. This reality prevented young girls from having access to formal education. The central goal of creating a dialogue around this issue was to make local

community members envision alternatives and debate realities that could potentially enhance their collective well-being.

[A]fter calling the meeting we tell them we are here, we are so and so, we are a registered organization, we support [girls'] education and so we have come to your community, we want to support you, support education, this is important, if you send a girl to school, she will be employed, she'll get a lot of money and will support the community.... We have to persuade them from their view, some will really agree and some will not. —Organization #12, Tribal community development, Tanzania

The literature on community action research affirms the importance of such dialogue (Ozanne and Anderson, 2010). Institutions are resilient in nature and, therefore, have a tendency of enduring even though their practical utility has worn off (Scott, 1995). After social enterprises gain legitimacy and embed themselves locally, they attempt to play a catalytic role in effecting change by initiating dialogue within the community on important issues (stage 2 in Figure 2). Coming from the formal economy, social enterprises have exposure to norms, values, and beliefs that are distinct from that of local communities they are operating in. Outsiders, by virtue of being partially dis-embedded from local institutions, can often identify problematic patterns of behaviors or practices within local environments. These problematic aspects are difficult for embedded actors to discern because of the taken-for-granted nature of institutionally derived practices. For example, Sen (1999) notes that oppressed lower caste members in Indian society are often socialized into accepting their lower status position in society as the “natural” order.

Institutional theory views organizations as enactors of the social rules codified in the institutions they are embedded in (Handelman and Arnold, 1999). Therefore, the social innovation problems that social enterprises choose to create discussions around are influenced by the norms, values, and beliefs of the context in which they originated. The focus on girls' education described above was an act on the part of the social enterprise originating in the formal economy to reconcile disparities in values and norms across institutional boundaries.

The informant quoted below illustrates that, in implementing social innovations, social enterprises pay careful attention to even microlevel decisions, such as

the choice of physical location for conducting meetings, in order to not alienate certain social groups.

We will ask people in which location if we conduct a program will you attend it? Whether in a school, or in a temple or under a tree or in a common place on the road side? We always conduct in such a place where people get together; we won't conduct these programs in any house or something like that; people will have problem among themselves and thus I will not come if you conduct a program in his place and he will not come if you conduct a program in my place. —Organization #6, Community development, India

Our data reveal that, in initiating dialogue, it is important to be aware of all the factions in the community and attempt to integrate them all into the dialogue (Mair et al., 2016). In stratified communities, it is easy to alienate groups with less power from the process. Institutions affect all stakeholder groups that operate within its field. Therefore, integrating various groups is important in order to account for everyone's interests. Messages that resonate only with certain subgroups lack the broad-based support required to bring about institutional change (Maguire et al., 2004). Such actions are referred to as boundary work in the institutional work literature (Zietsma and Lawrence, 2010). An effective institutional environment is one that maximizes the gains from cooperative solutions and minimizes the risk of defection (North, 1991). Therefore, integrating various social factions becomes very important during the process of institutional change.

The following quote from an educational organization illustrates how provision of new knowledge regarding child nutrition is crucial to help mothers discern problems in their child's health and take necessary measures to address the problem.

If we say health-wise the child is malnourished, they [mothers] say my child eats well and goes to school and plays well what else is required. They do not understand that the child is malnourished—does not have enough weight and there are other problems due to that, these are not known to them at all. They say their child is healthy. Only when we show the weight and height chart they understand. —Organization #1, Primary education and health, India

Social enterprises often bring in new knowledge to aid in the process of dialogue around social issues.

This is an important function because integration of new knowledge is often necessary to reach a new state of understanding within local institutional contexts. Education provides the knowledge of the “why” allowing individuals and communities to envision alternative realities and empower themselves in the process (Viswanathan, Sridharan, Gau, and Ritchie, 2009). Education and counseling have been a central component of many development projects in domains, such as health, education, and financial management.

Discourse and education are, indeed, essential processes in undermining taken-for-granted assumptions and beliefs that operate at the cognitive level. The process of education increases the perceived costs of conformity to old practices and reduces the perceived costs of change (Lawrence and Suddaby, 2006). For example, external actors, such as activists and NGOs, have played an important role in deinstitutionalizing the use of DDT in the United States. This was achieved by challenging the practice of DDT use by disseminating scientific knowledge, and fostering public discourse to delegitimize DDT use (Maguire and Hardy, 2009).

Practices that diminish well-being can continue to linger within institutions because institutionally derived cognitive schemas, which capture the taken-for-granted assumptions within institutions, normalize the status quo, and limit diagnostic capabilities of individuals and communities (Seo and Creed, 2002). Consequently, problematic social arrangements and practices from the past can continue to extend into the future. External organizations that are not completely socialized within local environments can help challenge prevailing practices and foster a gradual reshaping of consciousness regarding the same (Seo and Creed, 2002). This process entails bringing into awareness the existence of institutional contradictions that involve demonstrating to the community the conflict between prevailing institutional practices and institutional goals of advancing personal and social well-being. The awareness of such a contradiction precipitates a sense of institutional crisis wherein there is emerging consciousness regarding problematic practices or social arrangements.

Tensions and Ruptures in the Process of Institutional Disruption

Many informants noted that critical and self-evident needs in local communities did not always resonate

with local understandings. This difference in perception regarding what factors are critical for enhancing well-being in the community arises from the fact that social enterprises originate from institutional contexts external to the context of their operation. For instance, one of our informants working on a drinking water provision project in tribal communities of Tanzania mentioned to us that there was visible need in the community for a water project that enhanced access to drinking water by obviating the need to travel long distances to fetch water from public water bodies. He felt that the community would be readily willing to alter their traditional practices of accessing water in the face of a more efficient system. However, the community did not perceive water as the most critical area of need and declined to participate in the project. Instead, they requested for a local school over which they could have direct control.

Previous water projects was more interesting because we targeted a place which was much dry. Everybody can see, not a secret, it was dry and this community needs water no need to do a study. We went to the community and started negotiating, to have them participate ... it was quite nice money from private donor lot of things could have been done. But the community told us that they were not interested in water, instead they wanted us to build a school. —Organization #9, Environment conservation, Tanzania

Such divergence in a community’s understandings and a social enterprise’s understanding are bound to arise because local communities are embedded within a specific course of local history that shape the emergence of what is considered to be an important need. In the case of the community in question above, traditionally, education was passed on from elders to children through an apprenticeship model. However, the community felt they were losing control over the education of their children because the government made formal school education mandatory. Building a local school would allow the community to have more autonomy over their children’s education, as tradition demands. Negotiating such specific historical antecedents within local communities play a major role in determining the success of a social enterprise’s efforts to disrupt institutional practices. In the case of the social enterprise above, they failed to implement the water project at the time of the initial proposal. However, the project was implemented

in the same community at a later time when its priorities had shifted toward water access.

The same complexity holds in the case of girls' education with the Maasai community. Community members revealed to us that about a decade back, they would send their children to the bushes whenever government authorities came into their villages to recruit girls for schooling. However, since then, there have been some endogenous changes in the community's norms that allow women to participate in the outside economy to make an income. Therefore, educating girls has now become more appealing to the community. Thus, local communities are not static but rather experience internally driven change (Gusfield, 1967). Consequently, communities might be more or less open to changes in certain institutional practices that are championed by social enterprises at different times.

Re-envisioning

After changes in perceptions occur in the community, a political process of internal dialogue is initiated, which attempts to resolve conflicts and evolve new shared understandings for implementing social innovations (stage 3 in Figure 2). The following quote from an informant in Tanzania captures the emphasis placed on dialogue in local subsistence communities and illustrates the limited utility of legal processes, which play a large role in the formal economy.

Peoples' tradition is dialogue and [legal] documents are not important, it is something that is imposed [from the outside] ... for a new NGO [reliance on] legal process and documents is viewed as a threat rather than a tool to resolve. —Organization #9, Environment conservation, Tanzania

Ozanne and Anderson (2010) make similar arguments regarding the enterprise of community action research. They maintain that the community as a whole is the appropriate level of analysis as problems are complex and culturally embedded and require the participation of multiple stakeholders. This is a distinguishing feature of institutional theory where socially desirable goals are viewed as being determined endogenously within the social system through a political process (Scott, 1995). Other scholars have also highlighted the need for social as opposed to legal contracts in subsistence marketplaces (Hart and London, 2005).

The following quote illustrates how exposure gained from institutions, such as schools and churches, formed a compelling force for young community members to eschew polygamy.

[Traditionally] your parents only will choose a wife for you, you cannot choose yourself. But now children meet at school and they try to learn and they try to move, so now parents don't choose ... it is important and also church. They learn in the church that you cannot have many wives. In Maasai culture you can have many wives if you are rich, which depends on how many cows you have... —A Maasai leader, Tanzania

Historically, the institution of polygamy was supported by the internal logic of a nomadic pastoralist way of life of the Maasai wherein the entire family tends to the livestock to ensure subsistence (Coast, 2001). However, due to forces of desertification in the local environment, the traditional way of life is not sustainable anymore (Coast, 2001). This is one reason for the breakdown of the internal logic of polygamy, that is, driving the gradual shift away from it.

Re-envisioning involves collective determination of the direction as well as the pace of institutional change. Social enterprises have a role to play in the re-envisioning process by bringing into discussion alternative lifestyles and modes of organizing affairs (alternative institutional logics) that deviate from traditional modes. Exposure to such alternative modes could create a potent desire to challenge traditional norms on certain dimensions where there is building discontent. This echoes findings from prior work that argues that tapping into aspirational needs, that involve envisioning beyond immediate circumstances, are important for social enterprises to succeed in subsistence marketplaces (Viswanathan and Sridharan, 2012).

Our informants point out that, although social enterprises can play a facilitating role in the political dialogue, the eventual direction of change, energy for change, and pace of change have to be determined by the community and not outsiders. The quote below suggests that local community members must be the drivers of sustainable change.

Not to romanticize that the people have answers to everything. There are very many issues in which they don't have answers. But ultimately the guide of the

change should be the people and not others [external parties]. —Organization #7, Health, India

This finding is closely related to the concept of community entrepreneurship, which refers to organizing a venture with the primary goal of community development (Johannisson and Nilsson, 1989). It involves harnessing community resources such as culture and social capital in bringing about sustainable local development (Peredo and Chrisman, 2006). It sees the community as the prime mover in implementing social innovations.

After new goals and directions for change are determined, adjustments are made to institutional structures to accommodate change. For example, the following quote illustrates how institutional norms related to women's ownership of land were adjusted in villages of Tanzania. The quote is from the context of the Maasai tribe, who have traditionally not granted property ownership rights to women. The informant is outlining how even these entrenched institutional practices are subject to change once communities realize the need for change.

That is what we call a local dialogue, we expand it to involve several families and then it goes to villages ... eroding the stereotype about the women starts to dilute then later majority of people come and say ok fine it is ok if women own land and then we have had lot of success related to that work and majority of women are now applying for land. —Organization #12, Tribal community development, Tanzania

Prior research on institutional change characterizes this task as “creating an environment to successfully enact the claims of a new public theory” (Thornton and Ocasio, 2008, p. 115). The re-envisioning stage represents the process through which a community collectively chooses what aspects of its institutions to change and what aspects to preserve.

Institutions could be seen as a social technology to structure an uncertain reality and to enable exchange (Besley, 1995). That said, institutions need not always be benevolent. Over time, they could acquire problems and outlast their usefulness. The process of political dialogue is necessary for communities to constantly reflect on the prevailing institutional norms and build consensus for change. Once a consensus for direction of change and pace of change is determined, communities need to engage in a process of re-institutionalizing, which

entails formalization of new institutional beliefs and practices. But to support these new institutional structures, communities require tangible resources. For example, choosing to educate girls requires access to resources to enact the change. As boundary spanners, social enterprises can play a major role in this process of mobilizing and applying various types of resources to enable the process of institutional change.

Tensions and Disruptions in the Process of Re-envisioning

Negotiating the process of re-envisioning is very challenging and requires time, effort, and a deep commitment and sensitivity to the local context. The most salient challenge to re-envisioning stems from the disharmony between what is considered sacrosanct in traditional practices and aspects of proposed changes to institutional practices. Informants spoke of the difficulty of seamlessly blending old institutional practices with new practices. The informant below reflects on the deleterious outcomes that can arise if ignoring this factor.

When changes are made giving respect of cultural values then you see happy people. When you generate changes and you throw away their values and their identity, it creates violence. Everywhere you see the changes imposed that way [top-down], violent society emerges. —Organization #15, Community development, Argentina

Our informants noted the difficulty of achieving this in the face of the fact that most funding agencies decide, in a top-down fashion, what social innovations are good for communities. The “game” after that is to gain access to funds and then impose the predetermined changes within local communities, without much concern for sustainability or garnering community support. Social enterprises that were tied strongly to external funders with a strong top-down orientation faced immense struggles in navigating the re-envisioning process in a manner that is inclusive of the local community. The following quote provides an example of this phenomenon.

The interventions and most of the interventions nowadays are pre-defined by the funding agencies themselves. So funding agencies would have the agenda

and the NGO would pick up the same agenda ... till the time freebies are flowing people ... are ready to sing the same song that we want them to sing. But once the initiatives are gone, once funding stops and the project is over, then everything collapses. — Organization #2, Rural handicraft, India

Resourcing

The organizations we sampled acknowledge that external entities, such as social enterprises, could play a crucial role in facilitating the process of change for social innovation that is self-determined by local communities. Local communities lack some critical resources that would be crucial in negotiating the change in the intended direction. Resourcing is the process through which material, social, and cognitive resources are made available to local communities to effect and sustain institutional change.

An employee from a rural handicraft social enterprise described to us the challenges local artisans face when they decide to start selling their products in the formal marketplace. The traditional technologies used by the artisans were geared toward meeting the needs of the local village market. However, shifting focus to external marketplaces required changes in the underlying production technologies in order to meet the volume and quality requirements.

We will work with artisans in Tamil Nadu, where we provide them support in getting them orders [market access], helping them in terms of technology [technology access]. —Organization 2, Rural handicraft, India

As social intermediaries (Kistruck, Beamish, Qureshi, and Sutter, 2013), the social enterprise supported the artisans by providing them access to appropriate technologies and external marketplaces. In the following quote, one of the informants explains how they had to negotiate with government authorities to construct public toilets in an urban low-income neighborhood in South India to support the institutional changes related to sanitation practices.

There were no toilets at all, they were dependant on the public toilets or the open area, then we went and spoke to the people at metro water [government agency], ... we negotiated and they said if

we gave them the assurance that as middle men we would not cheat them, they would let us do it, we accepted and gave the assurance and then finishing all the formality we built the toilets. — Organization #4, Livelihoods development, India

Social enterprises could also act as conduits for local communities to reach out to external networks, such as government agencies or marketplaces (Kistruck et al., 2013). As local communities move to marketplaces outside the community, the efficacy of informal institutions decreases as dense social networks and the intimate understanding of other people's life circumstances cannot be relied upon with the same effect (North, 1991). As a result, social enterprises can play an important role in connecting communities to stakeholders outside.

Capacity-building products and services must be distinguished from consumption products or services. Capacity-building products and services are crucial in empowering communities and fueling the process of change. Capacity-building services could be in such forms as educational programs and marketplace or financial literacy (Viswanathan et al., 2009; Yunus, 2007). Subsistence marketplaces often lack the requisite capacity-building services such as health care, education, vocational training, and marketplace literacy. These services build self-efficacy and enable agentic action on the part of individuals within communities. The following quote illustrates the importance of training the teachers who work at the community level.

... a training for these teachers, so that they will know they are not alone and it is conducted for all the teachers together in that block [region], they get to meet other people and they can share and compare, the problems faced by them and how others faced and solved similar problems. —Organization #1, Primary education and health, India

Institutional change must be accompanied by cognitive work (education and training) to maintain stability (Lawrence and Suddaby, 2006). New knowledge might be required in order to maintain a newly realized institutional arrangement so as to prevent decay over time. For example, researchers have found a growing need for marketplace literacy education among communities that have recently begun engaging in the formal monetary marketplace (Godinho, Venugopal, Singh, and Russell, 2017).

The resourcing phase involves mobilizing material, social, and informational resources to change and sustain the new institutional structures for implementing social innovations (stage 4 in Figure 2). This process has also been referred to as “advocacy” in the organizational literature (Lawrence and Suddaby, 2006). As compared to resource-constrained subsistence communities, social enterprises have enhanced ability to “provide technical resources, investment, and global learning, native capability” (Hart and London, 2005, p. 30). This capability of social enterprises plays a crucial role in the process of bringing about institutional change. The importance of this resource has been observed across different empirical contexts. For example, in HIV treatment advocacy in Canada, the ability to bridge diverse networks of stakeholders and resources has been argued to be important for bringing about institutional change (Maguire et al., 2004).

Tensions and Ruptures in the Process of Resourcing

Key tensions in the resourcing stage arise from the need to build stable processes that allow for sustained access to resources for altering and maintaining new practices in local communities. Many of the informants noted that there are social enterprises that give in to the pressures of showing quick results to external stakeholders. They overspend money in local contexts to buy conformity from community members instead of engaging in the effortful process of institutional work to build a partnership for change locally. The quote below elaborates on this issue.

You see, if I give you money it is easy for me to do what I want. They [community members] just accept and the project would go so smoothly, I have my outputs, my reports would be superb, but if I don't give money [to community members] I would take lot of time to make you do what I want. —Organization #2, Rural handicraft, India

Buying the conformity of local community members is especially salient in cases where public funding is used to fuel the activities of social enterprises. Many social enterprises operate in this manner either via a public–private partnership model or a publicly funded social enterprise model. Informants spoke about how certain organizations treat community members not as stakeholders in the process

of change but rather as organizational resources. Conformity of community members is bought and used as a leverage to go after the funding market. The problem that this leads to is that there is no shared vision and partnership that is driving the community's change process internally. The change that occurs in such cases is temporary and unsustainable. When the external sources of funding dry up, the circumstances in the community return to status quo. These comments from our informants resonated with the macro-discourse on development and social innovation that we reviewed during our data analyses phase.

Discussion

Theoretical Implications

Institutions are based on shared social realities, which are, in turn, constructed through human interactions (Scott, 1987). Institutions provide us with the shared mental models to structure and organize the uncertain environment we inhabit (North, 1993). If institutions govern the cognitions and behaviors of entities embedded within them, then how can communities change the very institutions that guide their thinking and behaviors? This is a central challenge for institutional theory, which is also referred to as the puzzle of embedded agency (Scott, 1995). Prior research has noted how embedded agency could be triggered by exogenous shocks such as technological changes, social movements, or laws (Zietsma and Lawrence, 2010), or endogenous changes driven by either low-status or high-status actors within institutions (Reay, Golden-Biddle, and Germann, 2006; Scaraboto and Fischer, 2013). In this research, however, we study a process of implementing social innovation wherein organizations crossing disparate institutional boundaries (Ramachandran et al., 2012) catalyze embedded agency.

The social enterprises in question are organizations that originate in the formal economy and operate in subsistence contexts with the intention of implementing social innovations (Kistruck and Beamish, 2010). We show that social enterprises that cross institutional boundaries and operate in new institutional environments within local communities can act as catalysts enabling local communities to bring about institutional change—a process we label facilitated institutional work for implementing social innovation. The

institutional work perspective that is offered involves a protracted and effortful discursive process featuring multiple actors who collectively create, maintain, and transform aspects of the institutional environment (Suddaby, 2010). These transformations include both relational and cognitive elements.

Implementing social innovation in subsistence contexts often necessitates institutional change that requires an ecosystem focus (Sarma and Sun, 2017). For example, promoting girls' education necessitates not just provisioning of affordable education services, but also altering traditional institutional structures that support and reward the behavior of taking girls out of school (e.g., the institution of child marriage among Maasai tribe). By conceptualizing social enterprises as catalysts in the process of institutional change driven by local communities, we theorize about the unique role of social enterprises, complementing insights from extant research (Khavul and Bruton, 2013; Mair and Marti, 2009).

Our article also makes three significant conceptual contributions to the literature on social innovation. First, we demonstrate that implementing social innovation requires institutional change in addition to strategic actions on the part of social innovators. Prior research has emphasized strategic considerations and neglected considerations of institutional change required to implement social innovation (Purtik and Arenas, 2017). Our article underscores the importance of institutional work carried out by social enterprises. Second, prior research has focused on the creation of formal institutions in local communities to support social innovation. For example, formal institution such as property rights, formalization of microenterprises, and labor laws are argued to fill institutional voids and create the environment to support social innovation (De Soto, 2000; Khan et al., 2007). We complement this stream of research by focusing on a bottom-up process of implementing social innovation. The bottom-up process we depict is locally situated and entails social enterprises working with local communities to determine what aspects of local institutions must be altered and what aspects must be preserved. Finally, we depict a social innovation model that demonstrates how social enterprises are held accountable by local communities. This contrasts with prior research that has tended to depict local communities as passive contexts within which social enterprises enact heroic actions.

Practical Implications

Implementing social innovation entails moving a system from a less just equilibrium to a more just equilibrium through direct action (Martin and Osberg, 2015). In this section, we outline several practitioner implications for implementing social innovation that operationalize the goal of attaining a more just equilibrium in local communities. A central practical implication of our research is the need to devote detailed attention to the implementation of social innovation. Specifically, attention should be focused at the institutional level in addition to the product or solution level. This is necessary because institutions provide the shared mental models to make sense of reality. The mental models are taken-for-granted in nature and owe their genesis to convergence of lived experiences in a community (Denzau and North, 1994; Scott, 1995). These mental models are then culturally derived through “intergenerational transfer of knowledge, values, and norms” that vary across contexts (North, 1993). Therefore, as our opening quote illustrates, what seems like a self-evident need to outsiders from formal institutional contexts might not be perceived at all by those within subsistence contexts. Indeed, unfamiliarity of social innovators from the outside to contexts filled with uncertainty (Viswanathan, Sreekumar, and Gau, 2018), highlights the need to consider implementation at a granular level. In implementing social innovations, product development efforts must take into account not only individual-level needs, but also local institutional constraints. The value of the product is not embedded within it but rather depends on the value that can be derived from the product within the context of use (Vargo and Lusch, 2004). There could be institutional barriers preventing consumers from deriving value from the product. This insight is consistent with prior literature on product development for subsistence marketplaces (Viswanathan and Sridharan, 2012).

Institutions are diverse and path dependent. Consequently, seeking a perfect, replicable end-solution is unviable in subsistence marketplaces. With regard to scaling, our model suggests that what is replicable is the process of facilitated institutional work for implementing social innovation that social enterprises engage in. This process could lead to evolutions of outcomes that are diverse across contexts but have historical continuities with the local institutional contexts. The model also illustrates why it is important

for external organizations to engage at the community level. Subsistence marketplaces operate within local institutions that guide marketplace exchange. Consequently, seeking change at the individual level requires change in the institutional framework. This is consistent with why most development organizations as well as social enterprises operate at the community level.

At a broad level, practitioner discourse on implementing social innovation is characterized by a philosophical discord between the “romantics” and the “paternalists.” The romantic notion manifests through works such as *The Moral Economy of the Peasant* (Scott, 1977) and *Assault on Paradise* (Kottak, 1992). These works tend to characterize nonindustrial subsistence contexts as benign and moral institutional contexts that need to be protected from the homogenizing influence of the modern formal economy. On the contrary, the paternalistic view manifests itself through works of certain global development agencies that have prescribed policy measures, such as marketization, with scant regard to local institutional realities (Venugopal and Viswanathan, 2017). Our research highlights the need to eschew ideological polarities and ground theorizing in the realities of how social enterprises constructively engage with communities (Shultz, 2007), co-creating institutional change to support consumption of well-being-enhancing products (Sridharan, Barrington, and Saunders, 2017).

Limitations and Future Research

Our article is focused on the implementation of social innovation in subsistence marketplaces. These marketplaces are characterized by formal institutional voids (Mair and Marti, 2009). Consequently, marketplaces exchange in these contexts are guided by informal institutions such as social norms, values, and beliefs that are locally evolved within communities (Viswanathan et al., 2012). The model that we propose in this article pays attention to how social enterprises enter and navigate informal institutional environments in subsistence contexts for the implementation of social innovation. Although we believe many of our findings hold relevance for implementing social innovation in the formal economy of developed countries, caution must be exercised in extending our findings owing to the fact that our data set did not capture social

innovation in the formal economy of developed countries. Particularly in developed country contexts, the interplay between formal and informal institutions will shape the process of implementing social innovation. This is a productive line of inquiry that future research should explore further.

We aimed to uncover microlevel processes of implementing social innovation in subsistence contexts. Therefore, we have focused on commonalities in the processes that social enterprises engage in across different cultural and geographical contexts. Our article opens up new avenues for future research that examine how macrocultural, political, and geographical forces condition the processes that social enterprises employ to implement social innovation. As an example, macroforces such as ethnic conflicts or geographical forces such as desertification could condition the mechanisms that social enterprises employ to implement social innovation.

Conclusion

Marketing academics have long held that firms must act as social innovators by constructively engaging with, and addressing society’s most pressing social problems (Hill and Martin, 2014; Shultz, 2007; Voola and Voola, 2018). Some approaches have emphasized exogenously driven innovations led by firms and policymakers (London and Hart, 2004). Others have emphasized endogenously driven social innovations led by individuals and communities living in poverty (Gau et al., 2014). Our article addresses a unique approach to the implementation of social innovation that entails an engagement between social enterprise and local subsistence communities in co-creating the institutional conditions for social innovations. Specifically, our research advances the notion of facilitated institutional work for implementing social innovation, capturing the process of institutional change that ensues when an external social enterprise enters local communities. The conceptualization of facilitated institutional change does not represent a process of linear change from the traditional to the modern. Our intention is not to present local subsistence marketplaces as traditional, which are then “modernized” by social enterprises through the social innovation process. Nor do we accord a normative “higher ground” to local institutions or formal institutions. The proposed

theory is descriptive in nature and does not treat a particular social order to be more favorable than the other. Local subsistence communities are in a process of continuous endogenous change even without the engagement of external agents (Mazzucato and Niemeijer, 2002). As external agents, such as social enterprises, engage in this context, they enable the process of facilitated institutional work for implementing social innovation, which involves mutual influence and dialogue. The new cultural values and structures do not entirely replace the extant values and structures but rather coexist alongside. This is consistent with the traditional view of social change as a process in which the old and the new co-exist “without conflict and even with mutual adaptation” (Gusfield, 1967, p. 354).

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Appendix: More Illustrative Quotes

Theme	Illustrative Quotes
Legitimizing through association	<p>It may help to have someone influential who is trusted in that area to take you in, so by association I have become a good guy, and I gain a foothold.</p> <p>At first some drunkards opposed us asking who we were and why we were speaking with their children. So we meet the village elders and tell them about the foundation and ask them if there are such children who need help and whether we can meet them, if he allows then we take him or other village heads with us if available and proceed.</p>
Establishing identity	<p>The chairman of the village is the elected man of the village; he would first get impressed [with our vision] and then we would call for a meeting and explain why we wanted to do this [pursue vision]. We have mingled with people since we have been there in the same village for a long time now. We know almost everybody in the village. If people from somewhere else come and say something—like if you come and advise them they will not listen to you. Since we are there in the same village for a long time now, if they come and say they will have faith in us and do something for that. [They will feel] if we did not get cured we can go and ask them [social enterprise].</p> <p>It takes a lot of time. When we have grown up in a city, and we go to a village, the language there is different, their culture is different, I won't say from different planets but definitely different civilizations almost.</p>
Integrating stakeholders to initiate dialogue	<p>When we talk to students they say their parents expect them to work, then we ask them to let us meet with their parents and convince them, and when we speak to the parents we try to convince them that education is more important—if they send their children to work at this age then they will feel bad later on, we say they should make their children finish at least tenth.</p> <p>During the tsunami rehabilitation, we went there they had a fisherman's association office and they offered that space for us and we started, but the community in the next settlement did not participate because there was a rivalry—their children were not allowed to enter this area—that is why we realized why there was always a police surveillance—there was need to avoid clash at any time—then we spoke to the people there and asked them why they should prevent the youth from enjoying the opportunities given to them when the fight was between the elders.</p> <p>From that angle we look for various means of communicating with the people, we do some cycling or boating and use some “gana” songs [folk songs] for telling about this [local death toll from environmental issues].</p> <p>We conducted many training like this even among the male members of the village and advise them not to drink; when you drink the family get spoiled; there would be violence in the family; that should not happen; so we protested like that; we closed down all the liquor shops; we set on fire on all the liquor bottles; after doing all this activities only the cordial relationship started; they started realizing that we are fighting for the people only; then even male members started co-operating with us; when we conducted meeting they did not bother.</p>
Educating and counselling	<p>When we approach students directly and speak, if we are even a little harsh the students tend to take offence whereas when we go through the headman the students will take it seriously and they will behave well with us and they will have the fear that if they did not study well the complaint will reach the president.</p> <p>Because you have one of the good ideas and political support, they would not take up the project immediately. They also need some counselling. It is not that people don't want to get out of poverty, but they could have got used to the situation so they need to see how bad their situation is.</p>
Fostering political dialogue for self-determination of ends	<p>We hold public meetings in a new village, we see there is a problem and conduct public meetings, at the public meeting people will come and talk about the problems, challenges they face then we decide how far we can interfere in the problem, I forgot to tell you, it is a part of our principle is all the interactions we want the beneficiary to have visibility so we want to be invisible, want people to talk to leaders so the meetings, we also provide training, we also help them to put their problems in technical language as if they talk without problem presentation they cannot understand in this level, if they have analytical knowledge then there are positive interaction that will go on. So that level we meet, talk together and compose the action of plans.</p> <p>Few will say first improve our health condition; few will say that unless we improve our economic status we cannot improve on anything else; like this there will be debate; whether health first or economic status first?</p> <p>One of the things that is remarkable about justice is to enable all communities to speak for themselves. There is an understanding that you do not go and start saying things on behalf of them. So what you do is you build capacity and allow them to speak for themselves. Build capacity doesn't mean that you are telling them what to speak. You are creating the space. The space will come through media literacy, positioning your information in such a way that it is available for consumption.</p> <p>Will leave this problem to the people for them to give us solution so that we will get their co-operation & involvement also; it is not a program which is purely run by us; people's co-operation; we need to unite them; then people will all get together.</p>

Appendix: (Continued)

Theme	Illustrative Quotes
Emergence of new structures	For example, if the students of this communities, when you ask them “do you wash hands,” they say yes. But actually practically, that is not reality. Most of them don’t wash hands. We have started providing these forms to the school clubs. So that forms are at least helping us, so if you see a person who is not washing hands then you put their name and then you put the date, so now the children are scared so now they are trying to practice these things as necessity.
Material and social resource linking	Now we have arranged loans from bank for this village to build toilet. The children who have stopped their education after 8th grade, will be taken care of by our trust by giving them books, uniform and hostel facility. Those who have failed in 10th grade will be given special coaching to get through in the next exam. They said [government officials] if there are 60 children then only we will build day-care-center there [village]. When we took a survey there were 45 children. So we fought with them [government of-ficials] saying that even 45 is a minimum number you need to provide one here then they started this day-care-center here.
Capacity-building services	The idea with which it was started was to assist pollution impacted communities to monitor their own environment. Taking actions based on the reports with the ultimate aim of reducing or eliminating the pollution. It is also a means of building democracy from the bottom up where people who ought to have been consulted in the fate of their environment but who haven’t been, a few of the tools that can help them assert them, those tools are in the form of science, media and legal advice and organization to some extent.