ANALYSIS OF THE DIVERSITY OF SOCIAL BUSINESS APPROACHES IN BRAZIL: A REVIEW BASED ON BRAZILIAN JOURNALS

Kathúcia da Silva Barbosa 1
Bruno Rafael Dias de Lucena 2
Isaac Matias 3
Armando Lírio de Souza 4

ABSTRACT

Objective: The objective of this research was to analyze the approaches related to social business existing in Brazilian scientific productions from 2013 to 2022, in order to establish contributions to the topic in Brazil.

Method: For this study, a systematic literature review of articles indexed on the Periódicos CAPES platform was used.

Result and conclusion: It was found that most studies address the lack of definition of the concept of social business and its related concepts as well as its relationship with social entrepreneurship. Furthermore, it was possible to observe that there are still uncertainties regarding the possibility of sharing profits with investors or not and that the legal framework for the treatment of social enterprises in Brazil is non-existent and unexplored.

Implications of the research: It is understood that the Systematic Literature Review made it possible to investigate the scarcity of social businesses described in the literature outside the southeast region, as well as the intimate relationship between social impact actions and the environmental aspect.

Originality/value: The results, which demonstrate the uncertainties present in the context of social business, enable the development of guidelines for resolving these problems.

Keywords: Systematic Literature Review, Social Business, Social Enterprise, Brazil.

RESUMO

Objetivo: O objetivo desta pesquisa foi analisar as abordagens relacionadas a negócios sociais existentes nas produções científicas brasileiras de 2013 a 2022, a fim de estabelecer as contribuições para o tema no Brasil.

Método: Para esse estudo, utilizou-se uma revisão sistemática de literatura dos artigos indexados na plataforma Periódicos CAPES.

Resultado e conclusão: Constatou-se que a maioria dos estudos abordam a indefinição do conceito de negócios sociais e seus conceitos correlatos bem como sua relação com o empreendedorismo social. Ademais, foi possível observar que ainda há incertezas quanto a possibilidade de divisão ou não de lucros aos investidores e que o arcabouço jurídico para o tratamento de empresas sociais no Brasil é inexistente e inexplorado.

ANÁLISE DA DIVERSIDADE DE ABORDAGENS DE NEGÓCIOS SOCIAIS NO BRASIL: UMA REVISÃO BASEADA NOS PERIÓDICOS BRASILEIROS

1 Universidade Federal do Pará (UFPA), Belém, Pará, Brazil.
E-mail: kathuciasb@gmail.com Orcid: https://orcid.org/0000-0002-0380-515X
2 Universidade Federal do Pará (UFPA), Belém, Pará, Brazil.
E-mail: brunolucena@ufpa.br Orcid: https://orcid.org/0000-0002-9300-4005
3 Universidade Federal do Pará (UFPA), Belém, Pará, Brazil.
E-mail: isaac@ufpa.br Orcid: https://orcid.org/0000-0003-4309-5364
4 Universidade Federal do Pará (UFPA), Belém, Pará, Brazil.
E-mail: lirio@ufpa.br Orcid: https://orcid.org/0000-0001-9982-6627
Implicações da pesquisa: Compreende-se que a Revisão Sistemática da Literatura possibilitou averiguar a escassez de negócios sociais descritos na literatura fora da região sudeste, bem como da relação íntima entre ações de impacto social com a vertente ambiental.

Originalidade/valor: Os resultados, os quais demonstram as incertezas presentes no contexto de negócios sociais, possibilitam o desenvolvimento de orientações para a resolução dessas problemáticas.


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1 INTRODUCTION

Social Business plays a fundamental role in social inclusion and improving the quality of life of citizens in developing countries. They can provide access to affordable goods and services and provide employment and income opportunities for people with low purchasing power. Social enterprises have been a link between the production of artisanal products, for example, and the consumer market.

Thus, social businesses can encourage entrepreneurship and local development, creating jobs and improving the level of services offered. Social businesses can also contribute to reducing poverty and increasing the social awareness of communities by acting in areas such as education, environment, health and infrastructure.

Social businesses can be considered a hybrid that combines the economic viability of the second sector and the social and/or environmental impact of the third sector (CARMONA; DAÍ PRA MARTENS; FREITAS, 2020; OMAROV, 2020). It is noticeable that, although it presents characteristics considered antagonistic (WALCHHÜTTER; IIZUKA, 2019), social businesses emerge as an alternative for the profiles of social entrepreneurs who focus on changing a certain reality through an innovative vision with social value, but differentiating themselves actions carried out by civil society organizations - CSOs, for example.

It is important to highlight that the social challenges faced by developed countries are different from those found in developing countries whose problems such as hunger and poverty are significant issues for the population (Schmitt & Alberton, 2022).

Thus verifying the importance of social business for developing countries such as Brazil and its intimate relationship with social entrepreneurship generated by civil society organizations to seek solutions/alleviation of social problems, seen here as opportunities, the present systematic review of literature was guided by the question: what are the contributions of publications in national periodicals in highlighting social business in Brazil?

Therefore, this article aims to analyze the main factors that influence the creation of social businesses, as well as discuss the main characteristics that distinguish them from other business models, the approaches related to social businesses existing in scientific productions (last 10 years) in order to establish contributions to the topic in the country and, from this, provide perspectives for future studies.

This article is divided into six topics: introduction, literature review, methodological procedures, discussion and data analysis, conclusions and finally references.

The article is divided into six sections. After the introduction, a review of the theory on social innovation, its governance, social value and its relationships is provided in section 2. The third section addresses the methodological design of the research and contextualizes the case
under study. The penultimate section presents a discussion of the results obtained from a collection of qualitative data from the case in dialogue with the principles that relate the research variables. This section also shows how the sustainability of social innovation is affected by these variables. The article ends with a brief conclusion of the work considering the issues raised.

2 LITERATURE REVIEW

2.1 Innovating the Third Sector with Social Entrepreneurship?

The third sector is considered to be the one that operates in the space between what is called the first and second sectors (ANESE; COSTA; COELHO, 2018). However, it is important to clarify who each one is. The first sector refers to the public sphere, the second to the private sector. It is possible to verify, however, that there are social needs that are not met by the public sphere and that are not objectives of the private sector, hence the focus of the third sector. It should be noted that the third sector has several designations used interchangeably (ALANO, 2019; BRITO; TAVARES; SOARES, 2018), among them, the Non-Profit Organization (OSFL).

NPOs, although with an important role in favor of society and the environment, have the great challenge of sustainability, both for the effectiveness of their impact actions and for their own survival as an entity, given their dependence on external resources (DALL'AGNOL et al., 2017).

Nunes, Watanabe and Costa (2020) point out that, although NPOs are guided by transparency as a way of legitimizing their actions, they still face many obstacles in raising funds, such as, for example, the level of bureaucracy of several funding bodies (CONCEAÇÃO ; SILVA, 2019) and/or the increase in non-profit institutions that resulted in increased competition between them for resources, whether of private or public origin (SILVA et al., 2018).

Considering the constant demands (social, environmental, etc.) that require intervention to correct imbalances, the need to propose new actions and/or organizational arrangements capable of improving/alleviating such demands was observed. In this sense, we have the concept of social entrepreneurship that aims to explore opportunities (activities, processes) through innovative practices in order to obtain social wealth and/or social value (ALBUQUERQUE et al., 2021; CARVALHO; VERISSIMO, 2018).

In short, social entrepreneurship plays a strategic role in innovation in the third sector, as it is an important means of supplying resources and, consequently, their sustainability. At the same time, it is an important element in solving social and environmental demands considering its innovative nature. Therefore, innovation in the third sector with social entrepreneurship appears to be an important tool for obtaining effective results in improving social conditions.

2.2 Exploring Social Business: A Hybrid Approach to Social Impact

The social entrepreneur, as opposed to an NPO, for example, does not seek donations nor does he intend to be a philanthropic agent, but perceives a social problem as an opportunity to develop a business with a positive impact on society or the environment (CARMONA; DAÍ PRA MARTENS; FREITAS , 2020). In line with this emerging alternative we have the so-called Social Businesses.

Muhammad Yunus , winner of the Nobel Peace Prize in 2016, is considered responsible for formulating the image of social business, with the “ Grameen Foundation”, born as Grameen
Bank, an example of social entrepreneurship by providing microcredits to vulnerable people in Bangladesh, thus emerging a hybrid model that seeks positive social impacts by combining skills from the private sector and the third sector (CARMONA; MARTENS; FREITAS, 2020; OMAROV, 2020; PETRINI; SCHERER; BACK, 2016a; RIBEIRO; PINTO, 2018; YUNUS; MOINGEON; LEHMANN-ORTEGA, 2010).

Social business does not aim to make profit, however, it becomes a means for the organization to achieve its objectives. Thus, it appears that a certain balance is necessary between the social and commercial components of the organization (OMAROV, 2020). In contrast to companies considered traditional that aim for revenue (PETRINI; SCHERER; BACK, 2016a), or more specifically, profit, social businesses tend to carry out work in the border zone between social benefits and profitability (OMAROV, 2020) and see the solution of social problems as an opportunity (CARMONA; MARTENS; FREITAS, 2020).

Walchhütter and Iizuka (2019) add that environmental demands are also linked to social businesses due to their influence on quality of life and sustainability as well as approaches that involve reducing environmental liabilities through the reuse of materials in social inclusion programs.

Therefore, Social Business is a hybrid approach to social impact, which aims to combine profitability and social well-being at the same time, calling into question the traditional business model and the philanthropy model. With this approach, organizations have the possibility of contributing to both society and the environment, while profiting, however, with a mentality that does not support excess.

2.3 Understanding the Difference Between Social Business Models: A Comparative Analysis

Ribeiro and Pinto (2018) expose the difference between the social business models to be adopted, explaining that Muhammad Yunus’s does not include profit distribution, however, in the North American theoretical model, social business is seen as a company in which it is not Profit distribution is prohibited, and NPOs, in the American context, have taken on social enterprise activities as an alternative to financing their provision of social services (KERLIN, 2006) with the use of separate business activities or solely related to their central mission (DEFOURNY; NYSSSENS, 2010; KERLIN, 2006).

Petrini, Scherer and Back (2016a) summarize the concept by adopting the definition of a social impact business, in which the organization seeks to meet social demands, with the distribution of profits being optional. There is still no consensus on the definition of social business or its interpretation in the literature, as it constitutes a new model that combines objectives considered antagonistic (SILVA; IIZUKA, 2018). Table 1 below contains terms related to social business.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Main Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Enterprise</td>
<td>It is a business that primarily aims to achieve social, and whose surpluses are mainly reinvested in the business itself or in benefits to the community.</td>
<td>GUTIÉRREZ; REFFICO; TRUJILLO, 2006; BORZAGA; DEPEDRI; GUYSS, 2012</td>
</tr>
<tr>
<td>Social Business</td>
<td>Any type of social enterprise that aims to address a problem Social. Its main The objective is social impact and, in its business model, all profits must be reinvested.</td>
<td>YUNUS; MOINGEON; LEHMANN, 2012.; BORZAGA; DEPEDRI; GALERA, 2012;</td>
</tr>
<tr>
<td>Inclusive Business</td>
<td>A Social Business can be considered a business inclusive when focused</td>
<td>THEODOSIO; COMINI, 2012;</td>
</tr>
</tbody>
</table>
in generating employment and income for poor people living in areas of social and environmental risk. GODÓI-DE-SOUZA; FISCHER, 2012; GOLJA; POŽEGA, 2012

| Business with Social Impact | Hybrid organization model that combines private sector skills with management knowledge Third Sector social | BARKI, 2015 |
| Business at the Base of the Pyramid | Model that helps low-income people improve their quality of life, providing subsidies, mainly for people in social vulnerability. | BARKI, 2010; PRAHALAD, 2005 |
| Corp Company | Companies certified by System B are for-profit companies certified by the Laboratory B (international organization). | HONEYMAN, 2014 |

**Source:** Silva and Ilzuka (2018).

It is worth mentioning that according to Gonçalves, Sugahara and Ferreira (2020) observed in their research, social businesses tend to sell goods and services, however, they lack more specific legal treatment in Brazil (RIBEIRO; PINTO, 2018).

It is observed that, although there are different ways of interpreting and defining what social businesses are, it is necessary for Brazil to implement a more appropriate legal framework to operate in this business model. All previous definitions, such as those listed in Table 1, show that there are different ways of approaching the topic, the most important of which is that social businesses are capable of meeting social demands and generating positive impacts for society.

### 3 METHODOLOGICAL PROCEDURES

The present study is characterized as research of an exploratory and descriptive nature (GIL, 2002), carried out using the Systematic Literature Review (RSL) method. RSL consists of a careful assessment of a given research topic in order to answer a specific question, using a rigorous and auditable review methodology (CASTRO, 2001; KITCHENHAM, 2004). Individual studies that precede and contribute to the systematic review are called primary, while the latter is classified as a secondary study (KITCHENHAM, 2004).

For the research, the pre-defined steps (TRANFIELD; DENYER; SMART, 2003) presented below were adopted:

- **Stage I** - Identification of the need for a review, preparation of the review proposal and development of the protocol;
- **Stage II** - Identification of research, selection of Studies, assessment of study quality, data extraction and process monitoring and data synthesis;
- **Stage III** - Report and recommendations and the search for evidence in practice.

EXCEL spreadsheet was used to compile data and produce graphs for this review. After defining the objective and protocol, the search string was established: ("social business" OR "social enterprise" OR "social business" OR "social enterprise") to be used in the title of articles on the CAPES Platform, as inclusion and exclusion criteria are shown in Tables 2 and 3.
Table 2: Inclusion criteria

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description of inclusion criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>I1</td>
<td>Articles that use the constructs in the title</td>
</tr>
<tr>
<td>I2</td>
<td>Articles published and available in Portuguese</td>
</tr>
<tr>
<td>I3</td>
<td>Articles published in the last 10 years (2012 to 2022)</td>
</tr>
<tr>
<td>I4</td>
<td>Articles in peer-reviewed journals</td>
</tr>
<tr>
<td>I5</td>
<td>Articles with summary</td>
</tr>
<tr>
<td>I6</td>
<td>Full articles available online</td>
</tr>
<tr>
<td>I7</td>
<td>Articles with context in Brazil</td>
</tr>
</tbody>
</table>

Source: The authors, 2022

Table 3: Exclusion criteria

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description of exclusion criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Articles that do not use the constructs in the title</td>
</tr>
<tr>
<td>E2</td>
<td>Articles published and not available in Portuguese</td>
</tr>
<tr>
<td>E3</td>
<td>Articles published outside the proposed period</td>
</tr>
<tr>
<td>E4</td>
<td>Articles in non-peer reviewed journals</td>
</tr>
<tr>
<td>E5</td>
<td>Articles without abstract</td>
</tr>
<tr>
<td>E6</td>
<td>Full articles not available online</td>
</tr>
<tr>
<td>E7</td>
<td>Articles outside the context of Brazil</td>
</tr>
</tbody>
</table>

Source: The authors, 2022

After defining the protocol, the next step was carrying out the research, which consisted of selecting relevant articles for the investigation. These were evaluated according to the stipulated criteria, with relevant data being extracted from each of them to construct the article.

4 DISCUSSION AND DATA ANALYSIS

When executing the advanced search using the string proposed for the search, on the CAPES journal portal, with criteria I1, I2, I3 and I4 applied, 36 (thirty-six) results were found. When refining the search with the remaining inclusion criteria (I5, I6 and I7) and exclusion (E2, E5, E6 and E7) defined, 19 (nineteen) discarded articles were obtained, 5 (five) duplicates and 12 (twelve) articles suitable for data extraction for this study according to Graph 1, which is equivalent to 33.33% of the total articles selected, this process is presented in Figure 1.

Figure 1. Schematic of the phases of the systematic literature review.

Source: Prepared by the authors (2023)
It was observed that the construct “Social Business” was mentioned 7 (seven) times in the keywords (only in Portuguese) of the articles analyzed, while “Entrepreneurship Social” was mentioned 5 (five) times, “Social Company” 3 (three) times and Third Sector 2 (two) times, while the others had only 1 (one) mention, as shown in Graph 2.

From this analysis, we can conclude that there is a great diversity of terms related to the topic of Social Business (Rosolen, Ticoski, & Comini, 2014). Although the terms “Social Business” and “Social Entrepreneurship” are the most used, it is important to recognize the relevance of the other constructs for the study of the topic. Furthermore, the use of these terms in the literature reflects the growing importance of Social Business as an alternative business concept, which allows the creation of innovative solutions to social problems.
This finding reinforces the idea that there is no consensus on the definition of social business in the literature (SILVA; IIZUKA, 2018). The Revista de Ciências da Administração was the scientific journal that obtained the most publications in the chosen criteria with 3 (three) articles according to Graph 3. As for the year of publication, it appears that there were more publications in the years 2018 and 2020, each with 4 (four) articles in line with Graph 4:

Regarding the approaches present in the selected articles, it was found that the concept of Social Business does not have a consensus regarding its definition and presents variations regarding its understanding, but always converging to prioritize social and/or environmental value with a balanced financial result (CARMONA ; DAÍ PRA MARTENS; FREITAS, 2020; WALCHHÜTTER; IIZUKA, 2019).

Some studies highlight the relationship between social entrepreneurship and social business, from the antecedents of the entrepreneurial orientation that drives the founders’ initiative to the way in which profits are shared or not. The social problem is seen as inspiration to generate a purposeful business opportunity (CARMONA; DAÍ PRA MARTENS; FREITAS, 2020).
Costa and Itelvino (2018) reinforce the role of social entrepreneurs to promote social businesses with products, educational, environmental and health services, mainly. However, it is important to highlight the need for specific financing policies aimed at this type of business, as the majority of entrepreneurs in this sector still assume the risk of investing through their own capital (CARMONA; DAÍ PRA MARTENS; FREITAS, 2020).

Considering that social business is still a relatively recent topic in the global context and more specifically in Brazil, there was a concern in mapping such organizations, so Silva and Ilzuka (2018) found 200 social businesses and 23 accelerator companies in their research, providing a precious database for the development of other studies, given the noticeable lack of literature that provides evidence of how social businesses balance their economic viability with their social value ((FRANÇA FILHO; RIGO; SOUZA, 2020). Therefore, from this analysis, it appears that social business is a relevant topic for administrative sciences, as it is an area of activity that can contribute to the social and economic development of a region, especially the most needy ones. It is necessary, however, that financing and inclusion policies are developed to support the success of these businesses, as well as encourage innovation and social entrepreneurship.

5 CONCLUSIONS

This article is relevant to the area of social business, mainly because it highlights the aspects used in Brazil for this topic. The findings of this research therefore allowed the understanding of the main approaches to social business in publications in Brazil in scientific articles over the last 10 years.

To answer the research question, which seeks to understand the contributions of publications in national journals in highlighting social business in Brazil, it is noteworthy that studies published on national bases generally present a lack of definition regarding the conceptualization of social business, its synonyms (PETRINI; SCHERER; BACK, 2016) as well as on whether or not to divide profits, although in developing countries, such as Brazil, profit distribution appears to be more common (SILVA; IIZUKA, 2018).

Regarding its relationship with social entrepreneurship, it appears that it behaves as a motivator for proactive attitudes in businesses with social impact, transforming problems into opportunities through the sense of mission of its creators in adding social value to their actions (BEZERRA -DE-SOUSA et al., 2019; CARMONA; DAÍ PRA MARTENS; FREITAS, 2020; GOMES JÚNIOR et al., 2020).

Thus, studies relating to Brazil have been useful in clarifying how the Brazilian market understands and practices social business and how it relates them to other forms of popular economy.

Another contribution to highlight is the need to expand research on the topic to other regions of the country, either to stimulate entrepreneurial actions or to encourage the consolidation of the field of study in academia, considering the fact that 75.5% of social businesses are concentrated in the Southeast (SILVA; IIZUKA, 2018). Therefore, it is desirable to spread social businesses across the country, especially in the Brazilian Amazon region, which suffers from environmental, economic and social damage.

The Amazon is rich in examples of social businesses, but so far there is a lack of studies to replicate their models. It is also important to highlight that the positive social impact of social businesses is closely linked to environmental actions (SILVA; MOURA; JUNQUEIRA, 2015), however a focus on this point was not observed in the articles, which sets up another perspective to be deepened in subsequent studies.

Therefore, the research made it possible to comprehensively survey what has been published in Brazil on the topic of social business, and its relationship with social
entrepreneurship, pointing out the main concepts, approaches and themes related to the subject. Therefore, it is expected that this study will contribute to expanding knowledge about social business in Brazil, as well as being a stimulus for the creation of new business models capable of generating positive social, economic and environmental impact.

The findings of this article also show that social business is a field of study that is still being studied, especially when delving into aspects linked to sustainability and its application in the Amazon region of Brazil. Expanding this study to international literature can generate broader contributions to the understanding of the phenomenon and stimulate new actions for social businesses in Brazil, promoting innovations in the Brazilian model.

Despite the contributions presented in this study, some limitations remain: this research was based exclusively on scientific articles published in the last 10 years in national journals, which may have excluded other relevant sources of information, such as reports from social organizations and unpublished data.

Furthermore, the lack of focus on environmental aspects in the articles analyzed reveals an opportunity for future studies that explore the relationship between social business and environmental actions, considering the importance of sustainability in this context. Therefore, future research should address these limitations, seeking a more in-depth understanding of social business, including geographic diversity, conceptual definition and environmental dimensions, in addition to expanding the scope to international literature, aiming for more comprehensive contributions and innovations in the Brazilian model of social business.

REFERENCES


