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The potentials and perils of prosocial power: Transnational social entrepreneurship dynamics in vulnerable places

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ABSTRACT

Social entrepreneurs can be powerful change agents for alleviating the suffering of the disadvantaged. However, their prosocial motivation and behavior frequently result in detrimental impacts on those they intend to support, especially when their operations span different socio-spatial contexts. We conducted a multiple comparative case study among 12 transnational social entrepreneurs of foreign, domestic non-indigenous, and local indigenous origin, who are seeking to improve the livelihoods of indigenous communities in rural Ecuador. We introduce the concept of prosocial power to social entrepreneurship research and demonstrate how it can work as a double-edged sword in the hands of transnationally embedded social entrepreneurs who operate in vulnerable places. Context-bound variations in social distance, bi-directional learning, reflexive impact measurement, and socio-spatial dominance were identified as being decisive for prosocial power to lead to positive or negative impacts on disadvantaged others.

Executive summary

Social entrepreneurs run businesses whose goals include not only profit-making but also achievement of social objectives, such as poverty alleviation. Latin America is one of the world's most inequitable regions; the deep poverty of many of its inhabitants, particularly within its indigenous populations, make it a place that is both in particular need of what social entrepreneurs have to offer and an excellent testing ground for social entrepreneurship's ability to deliver on its promises of benefiting the poor. In this article, we study the ability of various types of social entrepreneurs to impact – both positively and negatively – the lives of indigenous groups, thus addressing the lack of research regarding the bright and the dark sides of prosocial organizing (Bolino and Grant, 2016; Moroz et al., 2018; Wry and Haugh, 2018). We refer to this ability as the social entrepreneurs' *prosocial power*.

Our focus is on transnational social entrepreneurs (TSEs); that is, social entrepreneurs who are embedded in two or more geographical environments that they bridge through business-related linkages (Drori et al., 2009). We look at 12 TSEs, divided into three types, in rural Ecuador: (1) foreign TSEs who migrated to Ecuador and established a social enterprise that works with disadvantaged indigenous communities; (2) domestic TSEs of Ecuadorian of non-indigenous origin, who returned to Ecuador after spending significant time abroad, and (3) indigenous TSEs who are themselves from indigenous Ecuadorian communities and returned to their home country after living abroad.

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The three groups of TSEs were compared in terms of human and social capital in order to determine how prosocial power is embodied by social entrepreneurs. We also sought to determine why and how prosocial power can function as a double-edged sword, potentially having both positive and negative social impacts, in spite of best intentions. We developed a dynamic model that illustrates that the orchestration of four critical characteristics – social distance between the entrepreneurs and the indigenous populations, bi-directional learning by the two groups, reflexive measurement of their impact by the entrepreneurs, and socio-spatial dominance of a particular group – plays a decisive role in whether or not social entrepreneurs can have a positive social impact on disadvantaged others. In short, we highlight the importance of carefully engaging in prosocial organizing to avoid asymmetrical power relations between high-capacity social entrepreneurs and the comparatively less powerful social actors they seek to support.

Our findings show that, in order to maximize the chances that their activity will have the sort of positive impacts they desire, social entrepreneurs acting in indigenous communities and possessing the advantage of knowledge and experience acquired outside those communities need to minimize their social distance from the members of those communities. Those entering the local context with high social distance (such as foreigners) can do this, for example, by engaging in constant personal interactions that are mediated by local experts (e.g., ones with indigenous backgrounds) with low social distances. This underlines the need for entrepreneurs to learn from the communities they are trying to help as much as the members of those communities need to learn from them. This learning process will involve entrepreneurs undertaking critically important reflection on their experiences in interaction with local communities as well as the ability to adjust their practices according to what they have learned through those experiences and their reflection. Finally, the entrepreneurs will need to cede the dominant position they enjoy in indigenous places, resulting from the advantages and privileges of their social status, and empower locals by including them in ownership and decision-making within social ventures.

1. Introduction

Prosocial organizing refers to “positive social acts carried out to produce and maintain the well-being and integrity of others” (Brief and Motowidlo, 1986: 710). It represents a particularly important yet under-studied domain of research on entrepreneurship aimed at alleviating the suffering of others (Shepherd, 2015). Notably, social entrepreneurship research has already become a dominant stream incorporating prosocial organizing (Wry and Haugh, 2018), focusing on compassionate social entrepreneurs who are primarily driven by the intention to support others instead of maximizing their own utility (Bacq and Alt, 2018; Branzei et al., 2018; Dentoni et al., 2018; McMullen and Bergman Jr, 2017; Miller et al., 2012). However, since entrepreneurial actions can also lead to adversarial and destructive outcomes (Baumol, 1996; Shepherd, 2019; Wright and Zahra, 2011), previous research may be overly simplistic with regard to “taking for granted that prosocial organizing has positive societal impacts” (Wry and Haugh, 2018: 566). Accordingly, many questions remain regarding how the prosocial motivation and behavior of social entrepreneurs impact society not only in positive but also in negative ways (Bolino and Grant, 2016; Moroz et al., 2018; Powell et al., 2018; Wry and Haugh, 2018).

The considerable world-wide advocacy for social entrepreneurship activities over the past 40 years has been driven by a neoliberal approach between private wealth and public power, which rejects government intervention in solving problems in favor of market-based approaches (Kashwan et al., 2019; Spicer et al., 2019). These new institutional arrangements, often facilitated by social movements, networks and virtual communities, challenge existing relationships of power for disenfranchised persons. Critical to the success or failure of these arrangements are the contestations between global and local, both in terms of visible power, such as rules, authorities, and institutions, as well as the hidden sources of power, in terms of who controls institutions and how decisions are made (Gaventa, 2006). Even the World Bank has come to recognize economic inequality as attributed to power asymmetries located in social and political arenas, as local, national, and transnational institutions are inseparable from power (Kashwan et al., 2019). Ineffective management of the potentially contrasting demands of local empowerment and national or global structures may lead to community decision-making lacking the capacity to enact essential bureaucratic systems (Quintana and Campbell, 2019). Thus, power is central to understanding the implications of social entrepreneurship practices in different contexts (Dey and Steyaert, 2016; Goss et al., 2011). In essence, power refers to “the ability to influence others' behavior, be it through persuasion or coercion” (Battilana and Casciaro, 2021: 1). To date, however, there is little knowledge regarding the use of power by social entrepreneurs (Kibler et al., 2019; Newth and Woods, 2014) and the power implications of the socio-spatial context in which entrepreneurial actors are embedded (Gorbuntsova et al., 2018; McKeever et al., 2015; Welter, 2011; Welter and Baker, 2021).

In this paper, we address these shortcomings in the context of transnational social entrepreneurship by introducing the concept of prosocial power, which we define as the ability of prosocially motivated actors to make a positive or negative impact in the lives of those they seek to support, be it directly or indirectly, intentionally or unintentionally. Based on our findings, we argue that this ability is significantly influenced by a certain socio-spatial embeddedness, as well as the human and social capital endowments that can be derived from it. Our contextually sensitive theorization invites future research to extend our work towards the development of a general theory of prosocial power. It draws on research in the fields of education (Finn, 2012; Schrodt et al., 2008), psychology (Aydinli et al., 2014; Righetti et al., 2015), and sports (Cranmer and Goodboy, 2015), where prosocial modes of power were previously outlined as a source of prosocial behavior that intends to serve the well-being of others. However, previous research has also associated power not only with prosocial but also with antisocial behavior and decision-making (Baumann et al., 2016; Bolino and Grant, 2016; Magee and Langner, 2008). Even social entrepreneurs who are committed to deploy their “power as a force for good” to advance the well-being of others were found to be at risk of becoming self-focused and hubristic if they fail to cultivate their other-oriented empathy and humility (Battilana and Casciaro, 2021: 29). Therefore, our study extends existing research by focusing on the ambiguous outcomes that the prosocial power of social entrepreneurs can produce in vulnerable places which we define as underprivileged socio-spatial contexts that are peopled by individuals with a disadvantaged, oppressed, or marginalized social status.

Our research theorizes from empirical explorations among three different types of transnational social entrepreneurs (TSEs), who are of either foreign, domestic non-indigenous, or local indigenous origin, and who seek to improve the living conditions for indigenous community members (ICMs) in rural Ecuador. TSEs are understood as a group of high-capacity social entrepreneurs who migrate across borders and remain embedded in two or more socio-spatial contexts from where they can leverage material and immaterial resources that are otherwise inaccessible to non-transnational social entrepreneurs (Bolzani et al., 2020). The context of indigenous territories was chosen because many of these locations are considered vulnerable places in which the entrepreneurial agency for socio-economic development may be constrained by multiple forms of social exclusion and poverty (Peredo et al., 2004). At the same time, many exogenous entrepreneurship initiatives aimed at supporting indigenous communities are often misaligned with the indigenous world and frequently result in negative or ineffective outcomes (Jackson et al., 2008; Light and Dana, 2013; Peredo and McLean, 2013). However, the arrival and support of foreign social entrepreneurs can also bring desperately needed resources and services to indigenous places (Terjesen, 2007), while concomitant knowledge spillovers and training activities can seed and foster indigenous-led entrepreneurship activities (Marti et al., 2013; West III et al., 2008).

Our work is guided by the following research question: *Why and how can the prosocial power of different types of TSEs lead to positive or negative social impact in vulnerable places?* Our research contributes to entrepreneurship literature in three important ways. First, we advance the knowledge base on the correlations of the bright and the dark sides of prosocial organizing (Bolino and Grant, 2016; Moroz et al., 2018; Wry and Haugh, 2018) by introducing the concept of prosocial power into the field of entrepreneurship and by showing how it can work as a double-edged sword in vulnerable places. Second, we engage in a critical theorization of multi-contextual embeddedness (Baker and Welter, 2018) and address the lack of research on the power implications of diverse socio-spatial contexts for entrepreneurial practices (Welter, 2011). We do so by focusing on transnationally embedded social entrepreneurs in developed and developing economies. Third, we contribute to the lack of comparison among transnational entrepreneurs (Terjesen et al., 2016) by examining a diverse group of TSEs of foreign, national, and local origin. Our study also provides propositions for future research and concludes with practical advice for policy makers and social entrepreneurs.

2. Theoretical foundations

2.1. *The potential of social entrepreneurs*

To alleviate the suffering of others, social entrepreneurs are often highlighted as promising change agents (Bornstein, 2004; Dees, 1998; Sharir and Lerner, 2006) who dare to address the most pressing societal problems that other individuals and organizations have so far been unable to solve (Zahra et al., 2009). Due to their primarily social mission (Lepoutre et al., 2013; Tracey and Phillips, 2007) and their ability to find entrepreneurial solutions for unmet social needs (Leadbeater, 1997), social entrepreneurs have the power to make a difference in regions where social deprivation is most salient. In fact, many of them actively choose to directly support disadvantaged others in developing countries (Austin et al., 2006), even if they would also be able to work in developed economies that provide more conducive institutional conditions for their social ventures (Stephan et al., 2015). Therefore, the typology of social entrepreneurs also comprises a significant proportion of prosocially motivated individuals who, due to altruistic traits and high levels of compassion and empathy, find satisfaction and fulfillment by increasing the welfare of others, rather than their own benefit (Bacq and Alt, 2018; Conger et al., 2018; McMullen and Bergman Jr, 2017; Miller et al., 2012; Mittermaier et al., 2021a; Sharma et al., 2018). They do so, for example, by leveraging their entrepreneurial capacity to acquire resources for the support of refugees (Mittermaier et al., 2021b), mobilizing volunteers to develop sustainable community enterprises (Farny et al., 2019), meeting victims' needs in the aftermath of natural disasters (Shepherd and Williams, 2014), integrating disadvantaged people into the workforce, or providing affordable housing by establishing common property regimes (Peredo et al., 2018). Ideally, such efforts result in the emancipatory empowerment of disadvantaged others by enabling them to break free from oppressive and constraining social orders that prevent social change (Haugh and Talwar, 2016; Rindova et al., 2009). However, it must also be noted that many social entrepreneurship initiatives have “proven capable only of tending to symptoms while the patient remains unwell” (Chalmers, 2021: 3).

Although the field of social entrepreneurship includes numerous positive examples of other-oriented venturing (Khavul, 2010; Mair and Schoen, 2007; Seelos and Mair, 2005; Zahra et al., 2009), some scholars also advise against a “heroic characterization” of social entrepreneurs as this may lead to certain biases, such as overlooking the many social entrepreneurship failures, as well as the social benefits generated by other kinds of organizations (Bacq et al., 2016; Chalmers, 2021; Dacin et al., 2011; Dey and Steyaert, 2010; Light, 2006). “Social entrepreneurs are not inherently moral beings who do the right thing in contrast to the rest” (Chell et al., 2016: 621). Some of them fall victim to overconfidence (Hietschold and Voegtlin, 2021) or drift into caring more about scaling a profitable business than the well-being of others (Ebrahim et al., 2014). Others cause detrimental societal impacts such as crime and social exclusion (Hall et al., 2012), even if prosocial motivations are at the very heart of their mission. Particularly in developing countries, the well-meaning efforts of powerful Western actors to “aid the rest of the world” have frequently led to more social costs than social value (Easterly, 2006; Munk, 2013; Unwin, 2007; Wilson, 2014). Asserted causes include an often inadequate and paternalistic “shoehorning” of Western ideas and practices (Shantz et al., 2018), along with the inability of many social entrepreneurs to bridge the sociocultural distance from disadvantaged communities in the developing world (Claus et al., 2021). Therefore, social entrepreneurs have to be exceptionally skilled to grow effective social enterprises for those they seek to support (Seelos and Mair, 2005) and recognize the critical role of their socio-spatial embeddedness.

2.2. *The opportunities and constraints of socio-spatial embeddedness*

Socio-spatial embeddedness refers to an entrepreneur's immersion in the social structures of a particular geographical place (Jack and Anderson, 2002; Trettin and Welter, 2011; Welter, 2011) and represents an important boundary condition that enables or constrains entrepreneurial abilities (Korsgaard et al., 2015; Korsgaard et al., 2021; Lang et al., 2014; Welter, 2011). The higher the embeddedness of a social entrepreneur in the community they seek to serve, the more likely it is that their practices will meet the needs of that community (McKeever et al., 2015), because they are anchored in a profound understanding of local norms and legitimacies (Kibler et al., 2015). However, to effectively alleviate the suffering of disadvantaged others in developing countries, a critical and common obstacle is that many locally embedded social entrepreneurs lack access to supportive institutions (Stephan et al., 2015). This makes effective resource-mobilization a difficult challenge in resource-scarce environments (Khavul and Bruton, 2013; Reypens et al., 2021) as many resourceful foreign social entrepreneurs from an institutional support context often lack the embeddedness in the sociocultural structures of the host context to effectively apply the required resources (Zahra et al., 2009). A potential corrective to this issue might be embodied by TSEs who combine distance and nearness to disadvantaged others through a transnational embeddedness within and outside the disadvantaged socio-spatial context.

TSEs are a hybrid type of transnational and social entrepreneurs that leverage a boundary-spanning migration background with the desire to improve the living conditions of others (Bolzani et al., 2020). As transnationals, they are a sub-category of migrant entrepreneurs (Sequeira et al., 2009) who are embedded in two or more geographical environments that they bridge through business-related linkages (Drori et al., 2009). The group includes returnee entrepreneurs who return home after having spent significant time abroad (Filatotchev et al., 2009; Qin et al., 2017; Wright et al., 2008) as well as immigrant entrepreneurs who remain connected with their country of origin (Drori et al., 2009). Because of their multi-contextual embeddedness, they are regarded as entrepreneurial elite who can tap into an extensive reservoir of tangible and intangible resources in multiple environments (Chen and Tan, 2009; Lin and Tao, 2012; Portes et al., 2002). Access to many of these resources is provided through their unique transnational network (Patel and Terjesen, 2011; Portes et al., 2002; Yeung, 2002), which puts transnational entrepreneurs in an advantageous position to recognize and exploit opportunities that are imperceptible to non-transnational entrepreneurs (Chen and Tan, 2009; Drori et al., 2009; Jack and Anderson, 2002). Moreover, their foreignness may be perceived as an asset rather than a liability (Stoyanov et al., 2018), as it enables them to access a plurality of cultural, linguistic, socio-economic, and political matters for themselves and others.

In disadvantaged socio-spatial contexts, the power of TSEs can be of particular importance. Since their multi-contextual embeddedness allows some of them to function as intermediaries between developed countries and the bottom of the pyramid, TSEs are able to facilitate efficient business transactions beyond informal markets and local level interactions (Kistruck et al., 2013). However, although some TSEs embody high levels of entrepreneurial effectiveness, this is no guarantee for positive social impact. Potential conflicts are particularly likely to arise when social entrepreneurship efforts in vulnerable places involve actors from highly different social backgrounds (Powell et al., 2018).

Many indigenous territories are arguably among the world's most underprivileged socio-spatial contexts. As those who have benefitted least from globalization and the expansion of the Western world system, indigenous peoples continue to suffer from social exclusion, economic dependency, and cultural repression (Hall and Fenelon, 2016). To escape their disadvantaged position, many regard self-organized entrepreneurial activities as a feasible means for attaining higher independence and better socio-economic circumstances (Anderson et al., 2006; Peredo et al., 2004; Tapsell and Woods, 2010). However, as the entrepreneurship ecosystem is significantly underdeveloped in most indigenous territories (Peredo et al., 2004), many indigenous communities continue to rely on the support of external actors, including TSEs. Ideally, this assistance can activate indigenous-led entrepreneurship through valuable resource provision, education, and capacity building (Cahn, 2008; Li et al., 2018; Terjesen, 2007). On the dark side, it risks perpetuating the long history of colonial domination by foreign powers if external efforts continue to ignore alternatives to imposed Western ideals (Jackson et al., 2008) as well as the desire and ability of indigenous peoples to address their socio-economic well-being through arrangements based on their own political and cultural ideals (Hall and Fenelon, 2016). As previous research suggests, it is through the promotion of indigenous agency (Peredo et al., 2004), intellectual and practical interactions instead of impositions (Marti et al., 2013), and the facilitation of community-led venture creation (Haugh, 2007; Peredo and Chrisman, 2006) that external actors might make a positive difference in indigenous places. However, the mechanisms of power that enable or constrain social entrepreneurs to enhance their possibilities for action remain under-researched (Dey and Steyaert, 2016) and call for a better understanding of why and how the power of different types of TSEs can lead to positive or negative social impact in vulnerable places.

3. Context and method

3.1. *Empirical setting*

The journey of this research project started in 2016 when the first author went to Ecuador to study traditional agroforestry systems in the Amazon region. He was intrigued by the ambitions and struggles of a certain group of TSEs who had migrated to Ecuador but leveraged their ongoing home-country embeddedness to turn local resource and market deficiencies into new opportunities for enhanced livelihood of local indigenous communities.

Latin America represents one of the world's most inequitable regions with unique empirical conditions to investigate social entrepreneurship phenomena in relation to vulnerable populations (Aguinis et al., 2020). Although management and entrepreneurship research in the Latin American region has sharply increased in recent years, the vast majority is concentrated in Brazil, Mexico, and Chile, while scientific production from, in, and on Ecuador is highly underrepresented (Ronda-Pupo, 2016). Ecuador represents one of the world's most biodiverse countries and, at the same time, a developing economy that depends on official development assistance from abroad. Approximately 7% of its people who self-identify as indigenous (CEPAL, 2014) have a long-standing history of systemic oppression and continue to suffer from social exclusion, poverty, violence, and limited access to public resources and services (Picq, 2018). They have also been disproportionately affected by the COVID-19 pandemic (Ortiz, 2021). Indigenous movements in the region have frequently demonstrated their political power, e.g., by making Ecuador the world's first country to include the “Rights of Nature” in its constitution, by toppling three presidents, or by successfully defending their territories against several extractivism projects. However, despite this, they remain a disadvantaged and marginalized societal group.

To change the status quo, locally-based transnational social entrepreneurship initiatives were highlighted as potential levers for better socio-economic development in the most vulnerable parts of Ecuador (Scarlato, 2013). This puts many hopes on multi-contextually embedded social entrepreneurs and their power to leverage and combine transnational resources and knowledge from inside and outside Ecuador to have a positive social impact.

3.2. Sample selection

We purposefully sampled a set of 12 TSEs who are of either foreign, domestic non-indigenous, or local indigenous origin and who seek to alleviate the suffering of indigenous communities in rural Ecuador (see Tables 1 and 2). The group of Foreign TSEs consists of six individuals of non-Ecuadorian origin who migrated to Ecuador and established a social enterprise that works with indigenous communities. The group of Domestic TSEs is represented by four individuals of Ecuadorian, but non-indigenous, origin who returned to Ecuador and established a social enterprise after spending significant time abroad. The group of Indigenous TSEs consists of two individuals from indigenous Naporuna Kichwa communities who also returned to Ecuador and established a social enterprise after previously living abroad. The TSEs were identified by the first author while he volunteered for three of the TSE enterprises (Upano, Aguarico, and Jubones) in 2016. From an initial selection of 16 potentially suitable TSEs cases, 12 TSEs remained after a deeper screening process based on whether or not the individuals fulfilled the predefined criteria of: (1) having migrated or re-migrated to Ecuador; (2) living in Ecuador for more than five years; (3) having founded or co-founded a social enterprise that works with indigenous communities in rural Ecuador; and (4) leveraging transnational embeddedness and prosocial motivation to make a positive impact in indigenous contexts.

We used a maximum variation sampling approach (Lincoln and Guba, 1985) to cover a broad variety of TSE perspectives and selected a heterogeneous set of TSEs from the USA, the UK, South Africa, Switzerland, and France, as well as Ecuadorian returnees of indigenous and non-indigenous origin who previously lived in different developed country settings. Furthermore, the TSEs are active in a range of different industries, including food and beverages, education, timber, community development, and jewelry. In line with

Table 1
Cases of foreign transnational social entrepreneurs.

Category	Foreign TSE		Foreign TSE	Foreign TSE	Foreign TSE	Foreign TSE	Foreign TSE
TSE Name	Evan Blue		Phil Brown	Graham Green	Jacques Beige	Matthew Purple	Simon Black
Company Name	Upano	Zamora	Aguarico	Jatunyaku	Curaray	Tomebamba	Tiputini
Industry	Food & Beverage	Food & Beverage	Community Development	Timber	Food & Beverage	Food & Beverage	Education
Indigenous support recipients (approx.)	2500 families	15 families	2300 families	500 families	600 families	200 families	20 individuals
Founding date	2010	2018	2013	2006	2005	2018	2014
Transnationality	Born and grown up in the USA; lived in Costa Rica.		Born and grown up in South Africa; lived in the UK, Taiwan, China, and Sweden.	Born in Japan; grown up in the USA	Born and grown up in France	Born and grown up in the UK	Born and grown up in Switzerland; lived in the USA
Date of birth	1983		1976	1978	1982	1988	1962
Migration to Ecuador	2010		2005	2005	2005	2007	2013
Languages	English; Spanish		English; Spanish; Africans	English; Spanish	English; Spanish; French	English; Spanish	German; English; Spanish; some Kichwa
Higher education	Undergraduate studies in Environmental Philosophy and Latin American Studies; graduate studies in Environmental Management		Undergraduate studies in Business Administration; graduate studies in Environmental Management and Policy	Undergraduate studies in Economics & International Relations	Undergraduate studies in Cellular Biology and Physiology; graduate studies in Ecology and Management of Agrosilvopastoral Systems in Tropical Zones	Undergraduate studies in History and Law	Apprenticeship in Architecture; undergraduate studies in Graphic Art Studies
Former professional experience	Serial Entrepreneur; Environmental Consultant; Advisor on climate change and forestry		Office Clerk; English Teacher; Sustainability Consultant; Program and Project Manager	Entrepreneur; Project Manager for an international conservation foundation in Ecuador	Volunteer in an agroforestry and reforestation venture	Bank employee; Office Clerk; Employee in the mining industry; English Teacher	Entrepreneur; Volunteer in tutoring, hotel management, animal rescue, and reforestation ventures

Table 2
Cases of domestic and indigenous transnational social entrepreneurs.

Category	Domestic TSE	Domestic TSE	Domestic TSE	Domestic TSE	Indigenous TSE	Indigenous TSE
TSE Name	José Orange	Pablo Bronze	Alan Red	Cesar Pink	Yarik Silver	Sinchi Aqua
Company Name	Yanuncay		Jubones	Zarumilla	Tarqui	Jama
Industry	Food & Beverage		Education	Food & Beverage	Jewelry	Food & Beverage
Indigenous support recipients (approx.)	150 families		50 families	1500 families	200 families	550 families
Founding date	2015		2015	2002	2016	1996
Transnationality	Born and grown up in Ecuador; lived in the UK	Born and grown up in Ecuador; lived in the US	Born and grown up in Ecuador; lived in the USA and Africa	Born and grown up in Ecuador; lived in Germany, Portugal, and Peru	Born and grown up in Ecuador; lived in the USA, South Korea, Italy, and Germany	Born and grown up in Ecuador; lived in Spain
Date of birth	1988	1989	1980	1971	1988	1974
Migration to Ecuador	Not applicable (Ecuadorian)	Not applicable (Ecuadorian)	Not applicable (Ecuadorian)	Not applicable (Ecuadorian)	Not applicable (Ecuadorian)	Not applicable (Ecuadorian)
Languages	Spanish; English; basic German and French	Spanish; English	English; Spanish; French	Spanish; English; Portuguese; some German and Italian	English; Spanish; Kichwa; Italian; French; Portuguese	Spanish; Kichwa
Higher education	Undergraduate studies in Law; graduate studies in Law and Finance	Undergraduate studies in Engineering, Marketing & Management	Undergraduate studies in International Education	Undergraduate studies in Law; graduate studies in Business Administration	Undergraduate studies in International Relations, Political Science, and Public Administration; graduate studies in Public Policy	Business studies in Spain
Former professional experience	Lawyer; Real Estate employee	Entrepreneur; Sales Manager; Project Manager; Marketing Analyst	International Marketing Coordinator; Peace Corps Volunteer	Lawyer; Entrepreneur	Coordinator of International Relations; Governmental Advisor; Project Manager; Consultant	Serial Entrepreneur

the goal of achieving theoretical saturation (Eisenhardt, 1989), the authors regarded the selected data set as sufficient for this study once it became apparent that any additional case would add only marginal incremental value to the findings. The original names of all individuals and organizations in this study were replaced by fictional names to protect the identities of the participants.

3.3. *Data collection process*

In an iterative research process, the first author undertook four different visits to Ecuador spanning a total of 20 weeks over the course of four years between 2016 and 2019. A total of 67 interviews were conducted with an average length of 56 min. Initial data collection took place over six weeks between April and June 2016 and involved the collection of 15 semi-structured interviews. A second visit was carried out for four weeks between June and July 2018, which resulted in another 15 interviews. To follow up, another trip over three weeks took place between November and December 2018, including 11 interviews, while a final visit was made over eight additional weeks between August and October 2019, resulting in another 26 interviews. Depending on the language the interviewees felt most comfortable with, the interviews were conducted in either Spanish or English.

To explore the TSE phenomenon from multiple perspectives, the interviews were our main source of data, with a major focus on the three different TSE sets (30 interviews) as well as the related indigenous community members (ICMs) of Kichwa, Shuar, and Sápara ethnicities (17 interviews). The ICMs were approached either after a previous introduction through local friends of the ICMs or after several community visits as part of volunteering work. To also understand the broader social context of the social entrepreneurship dynamics between TSEs and ICMs, additional interviews were conducted with employees and volunteers of the social enterprises (8 interviews), TSE business partners (5 interviews), locally active international development agencies (3 interviews), a representative of an indigenous advocacy group (1 interview), the CEO of an Ecuadorian business incubator (1 interview), a former Ecuadorian president (1 interview), as well as with an indigenous rights activists and professor from an Ecuadorian university (1 interview). The interviews took place in the Pichincha province of the Andean region as well as in the Napo, Orellana, and Pastaza provinces of Amazonian Ecuador. They were supplemented with participant observations during the voluntary work in the social enterprises, community visits, and passive participation in meetings between ICMs and TSEs. In addition, we analyzed 364 items of TSE-related archival data, including newspaper and website articles, company reports, books, case studies, and promotion material. The recurrent research journey with reflexive triangulation and an iteration over 4 rounds allowed the authors to constantly refine the focus and capture the different dimensions of the phenomenon.

3.4. *Data analysis*

We applied an abductive approach to phenomenon-based theorizing (Fisher et al., 2021) in relation to the prosocial power phenomenon that we observed among TSEs. This approach involves contrastive reasoning and is used to identify unexpected and undertheorized phenomena, challenge assumptions, confirm anomalies, and generate plausible explanations that make the anomalies understandable (Bamberger, 2018; Sætre and Van de Ven, 2021). The approach allows for the advancement of existing theories and perspectives in relation to the phenomena (Fisher et al., 2021). Following Locke et al. (2008), who regard “doubt” as the engine of abduction, we question the taken-for-granted perspective that prosocial organizing produces only positive impact (Wry and Haugh, 2018) and explore how TSEs *may be* promising change agents whose prosocial power can have both a positive and negative impact.

We conducted our data analysis in a three-phase process using NVivo software. In phase one, we created a database that allowed us to organize the cases and verbatim interview transcriptions as well as further data that we collected in relation to the TSE cases. In phase two, we structured our data into coding units. For each TSE set, we comparatively examined the social configurations of the TSEs in terms of their embeddedness and their capital endowments as a first indicator for their prosocial power. In phase three, we conducted an initial and a focused coding process (Charmaz, 2006). The initial coding process involved an open coding procedure (Corley and Gioia, 2004) in which we identified important information in our data and converted the respective sentences and paragraphs into representative first-order concepts. Then we turned to a focused coding procedure of axial and selective coding. In the former, we reviewed our data on a deeper level and identified relationships between first-order concepts that led us to the creation of representative second-order themes. We then grouped these second-order themes into aggregate dimensions to enable the move to theorization.

The coding process involved multiple rounds to iteratively refine the concepts, themes, and dimensions and was carried out by the first author. However, to verify the validity of the coding and to increase its objectivity through intercoder reliability, the second author independently coded one of the interview transcripts and subsequently compared the work of the first author with his own analysis of the data.[1] As a result, we ended up with four second-order themes as regularities for the two aggregate dimensions of either positive or negative social impact, depending on whether the first-order concepts were classified as potentials or perils of prosocial power. Fig. 1 provides an illustration of the coding process.

4. Findings

4.1. Elements of prosocial power

In our comparison of TSEs and ICMs, we identified three elements that we regarded as important preconditions of prosocial power. The first element pertains to the prosocial motivation to reduce the suffering of others. For the TSEs in this study, this motivation had varying reasons. While some of them had a life-long desire to improve the social and environmental circumstances for ICMs, others turned to prosocial organizing following shocking experiences during their previous involvement in anti-social and environmentally destructive work in rural Ecuador.

> Foreign TSE Blue: When I was a little kid, I told my best friend that we're gonna need to save the rainforest. … And so, I went to school and when in college I went down to Southern Chile, to Patagonia, to do a class on conservation biology. And that's why I really got excited about Latin America and conservation. … I wanted to study more how we could find more resources to help farmers in Latin America to plant trees and conserve the forest.

> Foreign TSE Purple: I worked in mining. … And we destroyed a lot of the jungle and people there. It was a turning point, and I do feel like I'm kind of paying a bit of restitution now.

> Domestic TSE Orange: I actually grew up for a few years in the Amazon, because my dad was an army officer. ... I was in the Amazon during wartime as a little kid, growing up there.

> Indigenous TSE Silver: We are really connected to our territory and to our land. When I was growing up, living by the river, doing all those things. … That bond will never disconnect. … I think I have been given a great chance and a great opportunity, a great life. And I cannot jeopardize that by not working with indigenous peoples.

The second element consists of facilitative socio-spatial embeddedness. The territories of the ICMs in this study can be described as vulnerable contexts where access to employment and public services is significantly underdeveloped while poverty is rampant. With the sparse availability of necessary resources for socio-economic development, local ICMs are highly constrained in their ability to derive power from the indigenous context itself. The ICM Sisa Waylla described the situation as follows:

> ICM Waylla: What happens is that the economy in the communities is very low, there is not much income, so they also live as in ancient life. … For example, in [my community] we have seen that there are many suicides because parents do not have the money to allow their kids to study. … There is alcoholism because they cannot go to university, they cannot do what they would like to do because of economic limitations. So that makes them interested in drugs, alcohol. They go out to the city, to steal, and there are many problems.

In contrast, all TSEs of this study migrated or re-migrated from developed countries to Ecuador. Their ongoing transnational

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[1] After discussion, the two coders agreed on the elimination of one redundant second-order theme from each other's coding file and decided to group a set of first-order concepts in one new second-order theme that was labeled “field dominance” and later renamed it as “socio-spatial dominance” during the review process.

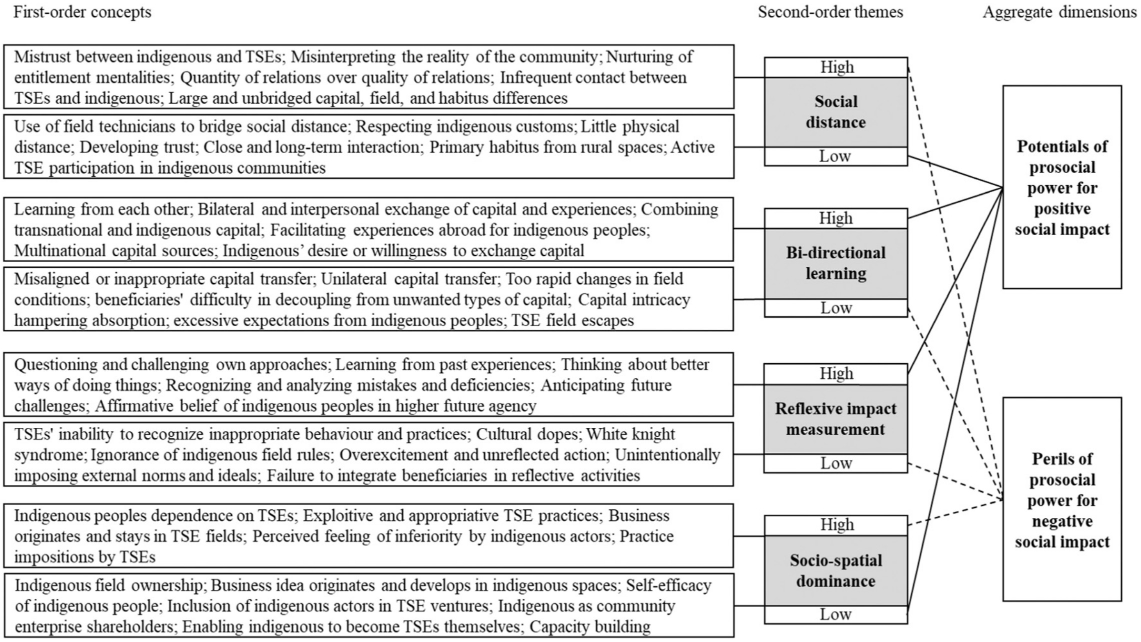
First-order concepts
Second-order themes
Aggregate dimensions
Mistrust between indigenous and TSEs; Misinterpreting the reality of the community; Nurturing of entitlement mentalities; Quantity of relations over quality of relations; Infrequent contact between TSEs and indigenous; Large and unbridged capital, field, and habitus differences
Use of field technicians to bridge social distance; Respecting indigenous customs; Little physical distance; Developing trust; Close and long-term interaction; Primary habitus from rural spaces; Active TSE participation in indigenous communities
High
Social distance
Low
Learning from each other; Bilateral and interpersonal exchange of capital and experiences; Combining transnational and indigenous capital; Facilitating experiences abroad for indigenous peoples; Multinational capital sources; Indigenous' desire or willingness to exchange capital
Misaligned or inappropriate capital transfer; Unilateral capital transfer; Too rapid changes in field conditions; beneficiaries' difficulty in decoupling from unwanted types of capital; Capital intricacy hampering absorption; excessive expectations from indigenous peoples; TSE field escapes
High
Bi-directional learning
Low
Questioning and challenging own approaches; Learning from past experiences; Thinking about better ways of doing things; Recognizing and analyzing mistakes and deficiencies; Anticipating future challenges; Affirmative belief of indigenous peoples in higher future agency
TSEs' inability to recognize inappropriate behaviour and practices; Cultural dopes; White knight syndrome; Ignorance of indigenous field rules; Overexcitement and unreflected action; Unintentionally imposing external norms and ideals; Failure to integrate beneficiaries in reflective activities
High
Reflexive impact measurement
Low
Indigenous peoples dependence on TSEs; Exploitive and appropriative TSE practices; Business originates and stays in TSE fields; Perceived feeling of inferiority by indigenous actors; Practice impositions by TSEs
Indigenous field ownership; Business idea originates and develops in indigenous spaces; Self-efficacy of indigenous people; Inclusion of indigenous actors in TSE ventures; Indigenous as community enterprise shareholders; Enabling indigenous to become TSEs themselves; Capacity building
High
Socio-spatial dominance
Low
Potentials of prosocial power for positive social impact
Perils of prosocial power for negative social impact

Fig. 1. Data structure.

embeddedness enabled them to bridge the resource-rich and institutionally supportive external contexts with the resource-scarce and institutionally underdeveloped environments of rural Ecuador to discover new support mechanisms for the ICMs. For instance, a common pattern is to buy local commodities from the ICMs, turn them into value-added products, and sell them in international markets to distribute economic surpluses back to the communities. Especially the Domestic and Indigenous TSEs appreciated the value of their linkages abroad to leverage new opportunities in their home country.

> Domestic TSE Orange: Studying abroad, that changed my life. … I want to be number one in my country. … I can do something with Ecuador, and I can take it to the world.

> Indigenous TSE Aqua: Well, regarding the training they gave me in the Basque country, they always told me to think of making money, doing things differently than in the community. So, up until now, I have that mentality of doing things differently. And that principally generates profit for the members.

> Indigenous TSE Silver: That experience [abroad] has helped me to become the person I am right now. I think that life experience has helped me to pull through my things and to set up my goals. … I feel I am lucky that I can give back to the community.

In contrast to many non-transnational foreign entrepreneurs or foreign employees of the several NGOs who work with ICMs in Ecuador on mostly temporary projects and with limited-term visas, the TSEs also demonstrated a long-term commitment to their work as they permanently (re-)migrated to Ecuador. A former director of an international NGO in Ecuador reported:

> Jules Turqouis: This is what's happening right now every day with NGOs. They come, they do projects – like we were doing a project on Alpaca wool with women from communities. But the project has two more years and then "Ciao." I know what's going to happen. When we will go, it will just disappear.

The third element of prosocial power relates to the embodiment of universally valued and economically convertible forms of human capital (knowledge, capabilities, and experiences) and social capital (the material and immaterial resources accessible through their social networks). Although the ICMs in this study were observed as resource-rich social actors who possess a cornucopia of human and social capital, including large and durable social networks with co-ethnics as well as an immense amount of knowledge about the natural environment, very little of this capital is adequately valued by the outside world; turning it into economic income thus remains an arduous challenge for the ICMs.

> Foreign TSE Black: These people have an incredible knowledge in relation to the forest. When I walk through the jungle with them I almost feel like a physically disabled man as they are so agile and see so many things that I cannot see. So, they have enormous and incredible talents…. [But] they can barely do math, hardly write Spanish, English almost nothing. Basically, they are on a very low educational level.

In contrast, the TSEs in this study already possessed, or were able to access, an abundance of internationally valuable resources and capabilities that they brought into indigenous contexts. For instance, all of them are fluent in at least two languages, studied at higher education institutions, had previous professional and/or entrepreneurship experiences, were exposed to different environments outside Ecuador, and maintained resourceful international networks. Leveraging these human and social capital advantages provided them with another source of prosocial power to establish a social enterprise where indigenous efforts struggled.

> ICM Waylla: When an enterprise works, it is because there is a foreigner, I can say for myself. Because they have a lot of experience and you learn many things. Because they know how to handle things, capacitate.

In summary, all TSEs were prosocially motivated and arrived with a place and capital configuration that opened unique opportunities for social change in indigenous territories. However, the mere possession of high prosocial power was not a guarantee for having a positive social impact on the ICMs. This required the careful orchestration of four additional elements.

4.2. Impacts of prosocial power

To understand why and how prosocial power can impact disadvantaged others not only for the better but also for the worse, we identified four key themes as being decisive potentials or perils of prosocial power, depending on whether their levels are high or low: Social distance, bi-directional learning, reflexive impact measurement, and socio-spatial dominance.

4.2.1. Social distance

Social distance refers to “the perceived degree of similarity/dissimilarity of the entrepreneur (ego) from the important parties (alters) in the venture space” (Branzei et al., 2018: 555) and was found to vary significantly between the different TSEs and ICMs. For the Indigenous TSEs, their social distance from the ICMs was the lowest, since both the TSEs and ICMs are of Naporuna Kichwa ethnicity and share the same language, worldview, and historical legacy. In contrast, the Foreign TSEs exhibited the highest social distance, given their international rather than Ecuadorian or indigenous provenance, while the Domestic TSEs lay in the middle of the continuum, with Ecuadorian but non-indigenous origins. The lower the social distance, the easier it was for the TSEs to connect with the ICMs and build trust for their social mission.

> Indigenous TSE Silver: I've been an activist and I am Kichwa myself. That gives me the capacity to work with indigenous people. … Because when you are indigenous, people trust you more. It's not that white person going to the communities who wants to take the resources out.

> Indigenous TSE Aqua: Yes, for us as Kichwa, for us it is easier. … Most [indigenous] people understand more in our language, in Kichwa. … There is more trust. There is no fear that if I say a word it is offensive to them or offensive to me. It is these small things.

> Domestic TSE Pink: This is a megadiverse country, sociologically too. Every valley has a different culture. … I think that is a big handicap for all these people who are really coming from another world. To translate that: You're going to be a foreigner here forever. That's a fact, and everyone knows it. Even if you lived here for 20 years, they are going to call you gringo. … You're more than welcome, but you are a gringo.

> Domestic TSE Orange: The Amazon is like another planet. Honestly. There are no rules. Unless you really want to help to liaise between the world and the Amazon, the Western world if you wanna call it. So, it's really hard for someone who's not living there to do that.

> Foreign TSE Beige: In rural areas, it takes very long to build trust. Very very long.

Having low social distance also implied a better understanding of the social world of the ICMs, while high social distance led to misunderstandings or even conflicts that were at cross purposes with the prosocial motivation of the TSEs. For Domestic TSE Orange, for example, his social distance frequently exposed him to the rejection of his transaction agreements with the ICMs and complicated his work – an experience shared by other Domestic and Foreign TSEs but not by the Indigenous TSEs.

> Domestic TSE Orange: So, for us, you buy something, you pay for it, and you receive it. In their case, sometimes for example you ask for 10 kg and they give you 100 kg. And they get angry if you don't buy it all. They feel that you have the obligation to buy from them, everything. … Because they live in a different mindset. There's no such thing as a contract. The Amazon is like this. … It's not going to take your rules.

To bridge the social distance, a common approach of both Foreign and Domestic TSEs was to hire local intermediaries who are familiar with both the indigenous and the non-indigenous context. This was particularly important at the beginning of the prosocial venture process to build trust with the ICMs and to avoid misunderstandings. Otherwise, high social distance usually led to unintended consequences. For example, before Foreign TSE Blue found suitable intermediaries to work with, he stumbled into a situation that caused more harm than good. On one weekend, when his team could not reach the community to fulfill an agreed commodity purchase because a storm had washed a bridge away, the lack of knowledge on how to deal with the communities and their long history of external exploitation experiences caused tensions and destroyed the trust between the two parties for a long time after.

> Foreign TSE Blue: So, we went up on Monday and everybody in the community was super mad because we had not bought [the commodity]. … It was just something to be dealt with in a negotiation, you know, find some middle ground. But they were just instantly mad. So, they locked [my colleagues] into the schoolhouse. Nobody knew what it was like to work with these indigenous communities, and they did not know what it was like to work with us. … And then an old woman came out with ají [a spicy chili sauce] to rub into their eyes. And then [my colleagues] were like “Ok, ok, we pay you.” They gave them as much money as they could and left and then the community sent [the commodity]. But everyone was so mad, somebody had sh*t into [the commodity].

To build more trustful and stable relationships, the TSEs realized that they needed not only the right intermediaries but also to engage more in direct personal interactions to reduce their social distance over time. Based on these findings, we offer the following proposition:

Proposition 1. Social entrepreneurs who are able to minimize the social distance with the disadvantaged others they seek to support have a greater chance of leveraging their prosocial power for positive social impact in vulnerable places, while those who are unable to do so will tend to fail in such leveraging.

4.2.2. Bi-directional learning

Through their continuous work with the ICMs, most TSEs managed to create an interactive learning space where different forms of resources and knowledge are disseminated and absorbed over time. The TSEs realized the need to learn from each other instead of merely imposing something new on the other side. But on the indigenous side, too, there has been a strong willingness to receive and internalize complementary knowledge from the TSEs as a means to become increasingly self-determined in a globalized world.

> Carla Gold (employee of Foreign TSE Brown): We are learning to work together. We have our way of work. They have their own way of work. … Both sides have to learn from their past experiences, too. And come to the fact that it takes more time and effort to get results that are sustainable. You cannot have six-month projects. That goes nowhere.
>
> ICM Puka: It is interesting to learn new ideas, get to know the culture, how they see things differently than the communities.
>
> ICM Ankas: The external support, the international support I would say, of the companies who come to help the communities, is very welcome. As I said, many [indigenous-led] things have failed because of this lack of knowledge and internal organization.
>
> Indigenous TSE Silver: We have to learn about the culture of money. Because in the Amazon we are not very used to the culture of money and capitalism. We grew up with a different set of rules. Just transitioning to that and learning that is a big challenge for us. And we must learn that. How to manage that without exhausting the resources of the community, the soil, and nature. I think that is a big challenge and I am still trying to learn.

A rather unorthodox approach in this direction was followed by Foreign TSE Blue. After the first disastrous encounter with one community (see above) temporarily prevented further interaction, he decided to set up a separate homestay program for international "interns" to live within the community for several months. In this way, he wanted to sensitize the different cultures to each other, while the community would also receive economic income from the interns, who were mostly anthropology and ethnobotany students from the USA.

> Foreign TSE Blue: I said: "Let's send an intern as, like, an offering of peace. To live there for, like, six months. And also, that way they can get to know gringos, feel closer to them." And so we did it. And then we kept sending people there. … I think we basically helped soften their weird feelings about dealing with foreigners.
>
> ICM Yurak: Yes, the volunteers who come here are a support for the community. Above all, the exchange of experience, what we live and what they live. We here in the community do not reject, we rather welcome. … If that company [of Foreign TSE Blue] had not come, we would not have had sufficient resources for our families.

However, due to the heterogeneous social configuration of the actors involved, not all kinds of resources and knowledge were easily transferable, especially when these had little correlation with the social world of the ICMs or were not introduced to them holistically, with sufficient respect for the indigenous perspective. New TSE projects in particular were often endowed with external forms of human and social capital that were poorly aligned with the indigenous world. ICM Sanchi Ankas explained:

> ICM Ankas: Many times, the failure of the support companies is to come and give money, come and give a project when there are no people with the capacity to work, with the capacity to maintain. So many times, we do not have that capacity and preparation.

Another ICM reported a case in which a Foreign TSE leveraged her transnational embeddedness by enabling a local indigenous community cooperative to produce value-added products from local commodities and sell them through a large international retailer in the USA. As long as the Foreign TSE accompanied and managed the project, it generated a significant income surplus for the participating communities. However, because the ICMs were insufficiently equipped with the necessary knowledge and external experiences to understand the requirements of the international client, the business suddenly collapsed when the Foreign TSE handed the project over to the community and left. In a different case, a jungle lodge for international tourists was established by another Foreign TSE and handed over to the community after its completion. Since the ICMs did not have the chance to develop a sufficient understanding of the basic demands and expectations of international visitors, the lodge received several negative online reviews, and this project quickly collapsed as well.

> Foreign TSE Black: I know many projects like this. People who constructed a lodge and gave the responsibility to the community. It has decayed, it is run-down.… The machine, or the hotel, like in the example, was used until the door was cracked, and then maybe they put a nail, a padlock, but they do not repair it. It is not maintained. That's the missing thought. And if you want a project that runs for longer, you have to accompany it.

Without high levels of continuous, bi-directional learning for mutual understanding and capacity building, the prosocial power of the TSEs had little if any positive impact in indigenous contexts. Based on these findings, we offer the following proposition:

Proposition 2. Social entrepreneurs who engage in constant and bi-directional learning processes with the disadvantaged others they seek to support will have a greater ability to leverage their prosocial power for positive social impact in vulnerable places, whereas those who do not are likely to fail to do so.

4.2.3. *Reflective impact measurement*

Although many TSE ventures have become impressive success stories for social change in rural Ecuador, their journeys have never been smooth and often involved cases of unintended harm. In this regard, reflexive impact measurement was found to play a decisive role for having a positive social impact. Reflexivity refers to "the regular exercise of the mental ability, shared by all normal people, to consider themselves in relation to their (social) contexts and vice versa" (Archer, 2007: 4). Through high levels of reflexivity, the TSEs became aware of their position in relation to the ICMs and the rules of the game in indigenous places.

> Foreign TSE Purple: Here you really have to put yourself into a different mindset. … The way you should treat people here is very different from the way you treat people in the UK.

> Foreign TSE Black: The way they communicate, it is very different. I don't mean just language. They communicate very differently. They interpret many things through their dreams and feelings. Things that I will possibly never fully understand, but where we can learn so much.

> Foreign TSE Orange: Contracts are not for them, they are for us! And this is kind of a way in which we really have to think what they are going to think about what we do with them, in order to really be able to be successful.

Furthermore, their reflexivity enabled the TSEs to learn from previous failures by reconsidering, reliving, and reimagining their prosocial motivation and behavior in relation to the indigenous context. Thus, the reflexive questioning of their prosocial power was found to be an important factor for the TSEs to take corrective measures towards positive social impact.

> Foreign TSE Brown: Maybe there is a little bit of resentment sometimes. Because they [the ICMs] are not doing it, just seeing the outsider doing it.

> Foreign TSE Blue: [My colleague] was like "they held our team hostage, the rubbed ají in their eyes, and they pooped in our [commodity], that's not ok. We can't work with them". And I said "No! we have to work with them. We have to just keep building trust." And he's like: "But it wasn't our fault." … And I was like "Yeah, but we can't say that. … We've got to keep working there. We have to work through it. We can't just get mad at them."

> Domestic TSE Orange: We have also had all sorts of problems, don't get me wrong. Like, it's not that our relationship [with the ICMs] is perfect. … Something we learned was that it's better to work with less. We started actually with 300 growers and went down to 150.

Based on these findings, we offer the following proposition:

Proposition 3. Social entrepreneurs who reflexively examine and adjust their practices will be more likely to leverage their prosocial power for positive social impact in vulnerable places, whereas those who do not will tend to fail to do so.

4.2.4. *Socio-spatial dominance*

Since the transnational embeddedness of the TSEs was highly conducive to opportunity recognition in indigenous contexts, the social entrepreneurship concepts and practices were predominately developed and executed by them instead of the ICMs. This led to the consequence that the social ventures were almost entirely dominated by the TSEs.

> Indigenous TSE Silver: Most NGOs or companies come and tell them [the ICMs] what to do.

> Indigenous TSE Aqua: I am rather against that kind of help [of Foreign and Domestic TSEs]. It just makes people more dependent. It does not allow them to develop their way of being, their way of making decisions. Someone always says, "do this".

However, with more interpersonal and reflexive capital exchange over time, most TSEs started to gradually reconsider and restructure the power relationships between themselves and the ICMs which involved four different patterns. In the first pattern, the TSEs created innovative products or services from local resources that they sold through disintermediated value chains on international markets. This enabled the communities to sell their goods at higher price levels and receive a larger proportion of the return on sales as a means of empowerment through economic income. Although this pattern enabled many ICMs to emerge out of extreme poverty, it also created resentment when the TSE domination remained high while the ICMs were kept in a dependency relationship as mere commodity suppliers.

> ICM Chajllakulli: For my community, a Kichwa community, the sales of [the raw material] means employment for us. It's a great chance. We have been working with [TSE Blue] for 2 years and we have been selling [the raw material]. It is a profitable product … It is bought at a good price. 105 families benefit from the sales of this product.

> ICM Waylla: Yes, it is a great help because, as I say, it grows the capacity of more people and communities and in terms of money. … But there are also those jealousies. … The indigenous groups that are cultivating [the product] do not have much profit. … Those who earn more are foreigners.

The second pattern involved a higher inclusion of ICMs into the TSE businesses, either by employment and training on higher hierarchical levels (e.g., as accountants or field technicians), by becoming company shareholders, or by becoming the leaders of specific business units or value chain activities. Although this model distributed more power to the ICMs and reduced their dependency, business ownership and socio-spatial dominance remained with the TSEs.

> Foreign TSE Green: We actually have a hybrid structure where we have community shareholders, and we [the founders] are coming in as entrepreneurs. They did not put any money investment in it, resources beyond their land. But they've put in 'sweat equity' if you will. … We have these bright and motivated women from the communities who actually proved that they can lead the business in the forest. Really cool.

> ICM Laran: Before, I was always a bit dependent on somebody else. But not anymore. … I make decisions. I have my responsibilities. Sometimes I say no. … I've learned a lot. I've grown. And it also helps me a lot that I learn the theory in my studies, and I can apply it at work. … I am studying accounting and auditing.

> ICM Maywa: The work has given me good opportunities and personal development. I am the coordinator of costs and finances. … I am with this company for quite a while now and I have grown and developed a lot. What I want to do now is to also look for new ventures, new ideas for work. … I want to replicate other ideas in other communities.

In the third pattern, the intentions for the establishment of a social venture originated in indigenous contexts while the ICMs also dominated the enterprise and its revenue streams. The role of the TSEs in this pattern was merely to assist and advise (e.g., in terms of business training, education, translations, or international expansion). Foreign TSE Brown and three ICMs who are leading three different community enterprises reported:

> Foreign TSE Brown: These thousands of projects that people were funding in the Amazon like to do good work. But very few of them get to a stage where local stakeholders are actually leading the projects. And to me, it was like, until you get there, really, you're kind of wasting your time if you want to save the Amazon. Because either you need to discontinue financing this project or white people who are working on these projects need to live there forever.

> ICM Kuri: The community was heading the first stage. … It was well-received. As I said, several young people were trained there [by Foreign TSE Brown]. Then we were doing courses, training … We have been making a great effort, great work. And for a year and a half, I have been occupying the position of manager of the enterprise. … And we ourselves improve; we generate more sources of income for the community members.

> ICM Puzu: The idea was of the community. And then I began to process better, and understand better, and I sent a message to [Foreign TSE Evan Blue]. We are the guides who decide. They do help us make conversations, negotiations, because we do not speak English. Their contribution is very important to us, we make decisions on how and where we spend. … The project is successful; it has a very positive impact on the territory.

> ICM Sañiy: My idea was to do tourism one day. A family enterprise. … It is a project that has a good destiny. I am happy and grateful to [Domestic TSE Red's team], who are bringing many visitors to me. ... But also, my son, he did training on the internet. Now they come from there. So, the payments are directly with me. … Now I have a job and more opportunities.

As a fourth pattern, some of the TSEs also realized that the lack of transnational embeddedness among the ICMs was another missing link for indigenous empowerment and the execution of their own entrepreneurial intentions in a global market. Therefore, Foreign TSE Black arranged long-term education placements for young Kichwa individuals in Switzerland, while Indigenous TSE Aqua made it possible for one ICM to represent his community and co-ethnics on several international business summits and political forums in North America and Europe. The objective was to help the ICMs become TSEs themselves and develop a global mindset and the prosocial power to become future bridging agents between the indigenous world and international contexts. Based on these findings, we offer the following proposition:

Proposition 4. Social entrepreneurs who gradually empower disadvantaged others will be better able to leverage their prosocial power for positive social impact in vulnerable places, whereas those who dominate the socio-spatial contexts of those they seek to support will fail to do so.

5. Discussion

Researchers on prosocial organizing have argued that "[f]or those with strong communal orientations and moral identities, power leads to greater prosocial behavior" (Bolino and Grant, 2016: 629). However, given the numerous failures of social ventures aimed at alleviating the suffering of others, there is plenty of empirical evidence that the power of social entrepreneurs does not automatically lead to a positive social impact. Instead, it also carries the risk of becoming a hegemonic force that exacerbates the suffering of the disadvantaged groups they are supposed to benefit (Honig, 2021; Khan et al., 2007).

The unpredictable role of power dynamics has been largely avoided by social entrepreneurship scholars, with a few exceptions (e.g. Dey and Steyaert, 2016; Goss et al., 2011; Newth and Woods, 2014). However, subtle relations may govern the expectations, attitudes, and behaviors of both the social entrepreneurs and the communities they interact with. In a broader sense, asymmetrical power relations exist not only because of historical dependencies based on colonization but also under neoliberal paradigms where responsibilities are shifted from the state to social enterprises (Dey and Teasdale, 2016). Thus, studying and understanding the power relations that exist in the institutional environment represents a critical link in evaluating the evolution of community benefit organizations and any resulting impact, either positive or negative (Korstenbroek and Smets, 2019). Governments, in offloading responsibilities through neoliberal policies, may actively promote myths regarding the utility and advantages of social entrepreneurship (Mason and Moran, 2018). Power includes the concealed neoliberal discourse, carried and promoted by TSEs, referred to as "invisible power" (Korstenbroek and Smets, 2019: 477). These social entrepreneurs may be unwittingly carrying these myths from community to community, country to country. Our research addresses this important issue and adds to entrepreneurship theory by examining how prosocial power is embodied by social entrepreneurs with different contextual embeddedness levels as well as why and how its exercise can lead to positive and negative social impact when these embodied models diffuse. In particular, we examine situations where domination is not the asserted goal and demonstrate the agency opportunities for actors to dynamically alter established power relations.

5.1. The prosocial power of social entrepreneurs

Our study defines prosocial power as the ability of social entrepreneurs to make a positive or negative impact on the lives of others. Drawing on the TSEs phenomenon, we argue that this ability is particularly related to the socio-spatial embeddedness of social entrepreneurs as well as the human and social capital endowments that can be derived from it. In this sense, multi-contextually embedded social entrepreneurs can leverage a unique capital portfolio and a rich contextual understanding that increases their prosocial power. In contrast, social entrepreneurs with single-context embeddedness lack the multi-focal understanding to deploy tangible and intangible resources in an effective, efficient, and context-sensitive way. This puts them at a comparative disadvantage to their multi-contextually embedded counterparts who can combine distance and nearness to disadvantaged others (Marti et al., 2013). However, our research also critically challenges the often heroic portrayal of transnational entrepreneurs as elitist and distinctive change agents (Chen and Tan, 2009; Lin and Tao, 2012), who might seem to be universally effective in alleviating the suffering of others. To contribute to the emergent field of transnational social entrepreneurship (Bolzani et al., 2020), we demonstrate that TSEs embody a high ability to enact social change in vulnerable socio-spatial contexts, but we also highlight that their prosocial power simultaneously implies certain risks that can lead to detrimental social impact. This addresses the under-researched ambiguity of prosocial organizing (Bolino and Grant, 2016; Moroz et al., 2018; Shepherd, 2015; Wry and Haugh, 2018). By addressing the lack of contextual comparison among transnational entrepreneurs (Terjesen et al., 2016), our research further reveals significant differences in the social configurations among three different TSE types. For some of them, it requires more effort than for others to create positive social impact for disadvantaged others.

5.2. The potentials and perils of prosocial power

Based on our findings, we argue that the impact of prosocial power is essentially influenced by different levels of social distance, bi-directional learning, reflexive impact measurement, and socio-spatial dominance that exist between social entrepreneurs and the disadvantaged others they seek to support (see Fig. 2). This also led us to suggest a set of propositions as a way to strengthen our contribution and to provide a roadmap for future research (Gioia et al., 2013).

In terms of social distance, we argue that the social origin of social entrepreneurs and their ability to bridge varying social distances play a critical role in determining the impact of their prosocial power. As our findings show, the Indigenous TSEs were able to connect with the ICMs on a much deeper level than Domestic or Foreign TSEs since they were bound by ethnicity, worldview, and historical context, even though significant differences exist between the different indigenous groups. While a high social distance still allows for the introduction of innovative social entrepreneurship projects, the sustainable impact of those projects is rather questionable, due to the lack of a context-sensitive understanding of the unmet needs of a socially distant other in vulnerable places. To mitigate the social distance from those whose suffering they seek alleviate, social entrepreneurs can use intermediaries, who ideally belong to the same sociocultural group or have a sociocultural background similar to that of the support recipients, as bridging agents. It is critical, however, that intermediaries are not used as a replacement for direct interactions between social entrepreneurs and disadvantaged others, as this is likely to cause further misunderstandings and conflicts (Claus et al., 2021). Through constant personal interactions that are mediated by local experts with low social distances, social entrepreneurs can develop stronger local embeddedness and reduce their social distance. The higher the embeddedness of an entrepreneur in a specific socio-spatial context, the better their entrepreneurial performance in this environment and the higher the chances for positive social impact (Jack and Anderson, 2002). Having low social distance also implies a stronger identification with the support recipients, which paves to way to switch from individual to collective prosocial efforts (Branzei et al., 2018).

A second element of prosocial power relates to the bi-directional learning between social entrepreneurs and disadvantaged others. Inappropriate or too rapid resource and knowledge transfers can lead to a hysteresis effect, wherein the recipient's ability to internalize the new inputs is disturbed (Bourdieu, 1977). Furthermore, the learning process typically comprises of not only explicit but also contextually grounded tacit knowledge (Polanyi, 1966) that requires ongoing immersion and collaboration experiences for its interpersonal exchange (Muñoz et al., 2015; Polanyi, 1966). If the learning pace is not aligned with the social configuration of the recipient's context, it represents another peril of the prosocial power of social entrepreneurs.

To overcome the complications of bi-directional learning, reciprocal and dynamic interaction and knowledge exchange processes between disadvantaged communities and outside actors are critical (Marti et al., 2013; Qureshi et al., 2018; Sutter et al., 2014). Unlike teachers in the classroom or coaches on the playing field, whose use of certain "prosocial power bases" (e.g., rewarding students for certain performances) was found to create effective learning experiences for the students or athletes (Cranmer and Goodboy, 2015; Finn, 2012; Schrodt et al., 2008), we argue that social entrepreneurs operate in a very different educational setting, where they must be empathetic teachers and learners at the same time to produce a positive impact for disadvantaged others (Freire, 1996). If social entrepreneurs are able to engage in an ongoing and bilateral process of interpersonal knowledge and resource exchange in mutual agreement with the recipients of their support, we argue that both sides will gain a better mutual understanding that guides their

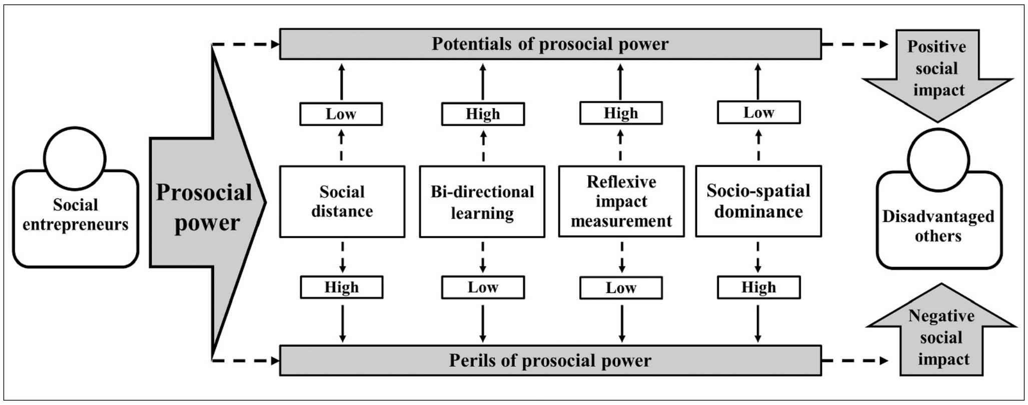

Fig. 2. The potentials and perils of prosocial power.

personal interactions.

Reflexive impact measurement marks a third element of prosocial power. When social entrepreneurs arrive with pre-reflexive and unquestioned attitudes from external contexts, it might cause misperceptions of the socio-spatial rules in the host context. Without critical monitoring of their work, we argue that social entrepreneurs may fall victim to their intuitions and unconsciously impose taken-for-granted beliefs on disadvantaged others as another peril of their prosocial power. While previous research has portrayed the entrepreneur as a "reflexive agent engaging in purposeful action" (Sarason et al., 2006: 287), our research points to the limited capacity of entrepreneurial reflexivity (Mutch, 2007), which can unleash a cascade of failure for social work in disadvantaged environments (Van Wijk et al., 2020). However, social entrepreneurs can mitigate this peril by forcing themselves to constantly challenge their own intentions and behaviors. Developing higher levels of reflexivity can also enable them to identify new prosocial opportunities (Yitshaki et al., 2021), learn from failures, anticipate future challenges, and detect contradictions with respect to their envisioned social impact.

A fourth critical element of prosocial power pertains to the socio-spatial dominance of social entrepreneurs. Since social entrepreneurs with a multi-contextual embeddedness usually possess a large store of internationally valuable resources and knowledge, they often represent the dominant class in vulnerable places. This dominance violates the freedom and autonomy of disadvantaged others and establishes implicit hierarchies wherein social entrepreneurs stand above the support recipients, thereby losing their prosocial legitimacy. Much criticism of Western development projects centers on this form of dominance (Easterly, 2006; Peredo and McLean, 2013) and questions the commonplace image of "the social entrepreneur who is portrayed as the proverbial embodiment of ethical virtuousness" (Dey and Steyaert, 2016: 628).

In this study, we identified four different patterns of socio-spatial dominance with critical implications for social impact. These patterns also reflect several options through which disadvantaged individuals can, with varying effectiveness, "step away from victimhood in the direction of emancipation" (Baker and Welter, 2017: 178). We describe the first pattern as a *support pattern* in which social entrepreneurs act as "social intermediaries" (Kistruck et al., 2013) who aim to economically assist disadvantaged others through the redistribution of profit surpluses from international sales of local products or services. Although this pattern often increases and diversifies the economic income of the disadvantaged, they often remain dependent suppliers of labor and commodities, while the social entrepreneurs continue to dominate the place. By moving on to an *inclusion pattern*, support recipients participate at higher hierarchical levels by becoming direct employees or shareholders of the social enterprise. Although the dominance of the social entrepreneur is reduced in this pattern, the venture is still owned and controlled by the social entrepreneur. In support of the view that social change requires social entrepreneurs to promote higher levels of individual agency and empowerment (Haugh and Talwar, 2016), our findings indicate that the minimization of external domination requires an *ownership pattern*. In this pattern, social entrepreneurs act as "institutional intermediaries" (Sutter et al., 2017) who merely support external field transactions while the prosocial work is dominated and controlled by the support recipients. However, since a sophisticated understanding of international markets by the support recipients is often still absent in this pattern, as in the case of the ICMs, we argue that effective empowerment and emancipation ideally demands a *transition pattern* in which disadvantaged others are additionally enabled to gather context-spanning experiences by living abroad to become transnationally embedded social entrepreneurs themselves. Since socio-spatial contexts have a significant impact on "the entrepreneur's life course and identity, including how they see the world and what roles they can play" (Baker and Welter, 2017: 178), the two Indigenous TSEs in this study demonstrate that transnational experiences can significantly enhance this impact. However, despite the promising potential of the transition pattern, we would like to note that the facilitation of international placements can also provoke a brain-drain effect, with high-potential support recipients deciding to stay abroad instead of returning home. This effect is particularly common in the developing world (Venkataraman, 2004). There might also be cases of a "crab mentality effect[2]" when disadvantaged peers develop envious and resentful attitudes towards those who are enabled to leave a vulnerable place and, consequently, try to hold them back, which might lead to new conflicts. However, the Indigenous TSEs in our study reported a strong social bond to their community that brought them back to support their fellow ICMs.

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[2] This can be described as "if I can't have it, neither can you". It is derived from the behavior patterns of crabs trapped in a bucket.

In summary, we empirically highlight the importance of context-based power relations for social entrepreneurs, examining and theorizing how they can either succeed or fail at their transformational objectives. We thus address largely overlooked assumptions regarding the embeddedness of entrepreneurial actors, providing important theoretical insights on context-spanning social entrepreneurship. Specifically for multi-contextually embedded social entrepreneurs, we argue that it is essentially through low social distance, high bi-directional learning, high reflexive impact measurement, and low socio-spatial dominance that they can leverage the potential of their prosocial power for a positive social impact on disadvantaged others. Conversely, it is through high social distance, low bi-directional learning, low reflexive impact measurement, and high socio-spatial dominance that the prosocial power of social entrepreneurs can act as catalysts for negative social impact.

6. Limitations and future research directions

In this paper, we wish to recognize five important limitations. First, this research took place in a single country, Ecuador, where the level of entrepreneurship activity was found to be the second-highest in the world, after Chile's (Bosma et al., 2020). This implies several institutional-level dynamics that influence the work of social entrepreneurs and calls for additional research on the TSE phenomenon in other global regions. Second, our theorizing on the potentials and perils of prosocial power in vulnerable places was derived from explorations in an indigenous context and might differ for multi-contextually embedded social entrepreneurs who work with other vulnerable societal groups, such as homeless people, refugees, or forced laborers. Third, both TSEs and indigenous communities are highly heterogeneous groups whose multifarious peculiarities cannot be fully captured by the small set of qualitative cases that we have presented in this paper. In Ecuador alone, 14 indigenous nationalities are officially distinguished, each representing a distinct societal group with its own social structure. While we conducted interviews with indigenous peoples from Kichwa, Shuar, and Sápara nationalities, the two Indigenous TSE cases in our study are both Naporuna Kichwa people who are working with other Naporuna Kichwa communities and should not be regarded as representative for other indigenous groups within or outside of Ecuador. Since indigenous entrepreneurs with transnational embeddedness are also deeply underrepresented in the entrepreneurial landscape, we regard future research on a broader set of Indigenous TSEs from around the world as highly important. A fourth limitation of our work relates to the migration direction of TSEs. While we have looked at individuals who migrated or remigrated from developed countries to the developing country of Ecuador, future research is needed to explore the prosocial power of those social entrepreneurs who migrate across emerging economies or from emerging economies to advanced economies. The fifth limitation relates to our elaboration on the potential of prosocial power to make positive or negative differences in the lives of others. In this regard, we want to highlight that there might also be a third dimension of social impact that neither helps nor harms in a meaningful way, which might be no less interesting to explore in future research.

We see further promising research potential in the prosocial power of entrepreneurial individuals to alleviate the suffering of those who are most affected by contemporary societal challenges, such as the COVID-19 pandemic, racial and gender inequality, climate change, or economic recession, and call for an institutional level perspective on the prosocial work of transnational entrepreneurs. The TSEs in our study also demonstrated considerable differences in their motivation to engage in prosocial organizing, with some being driven by a life-long desire and others by certain positive or negative life events. Therefore, as highlighted by Bolino and Grant (2016), it remains another open question whether prosociality is a permanent trait or a temporary state of social actors. Finally, we believe that it will be useful to investigate the links between the psychological distance resulting from the level of abstraction at which multi-contextually embedded social entrepreneurs psychologically construe disadvantaged others in vulnerable contexts (Trope and Liberman, 2010) and the nature of the relations between these two groups of actors.

7. Practice and policy implications

Our study also has important implications for social entrepreneurship practitioners and policymakers. For TSEs, we seek to raise awareness that their prosocial power not only comes with several opportunities to create positive social impact but also carries a number of significant risks and responsibilities. TSEs should deliberate whether their efforts are directed towards the right types of entrepreneurial activities and if they can enhance their social impact by facilitating more empowering international learning and TSE-building experiences for disadvantaged others. The facilitation and funding of international work and education placements is equally critical for local policymakers. However, resource constraints in developing countries require more institutions in developed countries to enhance their support and assistance to achieve sustainable development goals. In terms of foreign education, the Chevening Programme of the UK or the Fulbright Programme of the USA are notable examples through which talented individuals from developing countries can acquire a transnational identity for improved social entrepreneurship in their home country. In terms of labor migration and the development of transnational diaspora and returnee entrepreneurs, the Federal German Migration and Diaspora Programme serves as another institution that enables migrants to acquire expertise in Germany and provides them with professional support to subsequently start a business in their country of origin. It is thus critical for policymakers to enable more disadvantaged individuals and ethnic minorities to participate in these programs instead of those who are already privileged.

8. Conclusion

In this article, we introduced the notion of prosocial power as the ability of prosocially motivated actors to make a positive or negative difference in the lives of others. We contributed to the scarce entrepreneurship research on the correlation of the bright and the dark sides of prosocial organizing. Our findings suggest that prosocial power can work as a double-edged sword with both beneficial and detrimental social impacts on disadvantaged others, depending on how social entrepreneurs leverage their social configuration in vulnerable socio-spatial contexts. Specifically, we demonstrated how prosocial power is embodied by different types of TSEs who work with disadvantaged others and argue that it is especially through the careful orchestration of social distance, bi-directional learning, reflexive impact measurement, and socio-spatial dominance that these entrepreneurs can direct their prosocial power towards positive social impact. We hope that our study encourages future research on the causes and effects of prosocial power in different socio-spatial contexts to further the burgeoning interest in prosocial and multi-contextual entrepreneurial motivation, behavior, and impact.

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Appendix A. Supplementary data

Supplementary data to this article can be found online at https://doi.org/10.1016/j.jbusvent.2022.106206.

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