

## Chapter 7. Transformation Through Employment

As described above, the primary data in relation to the Hagar graduates in employment in social enterprises is transcripts of focus groups of employees, former employees and trainees of the businesses. This data is presented and analysed in this chapter with the aim of determining the effectiveness of social enterprise for the employees drawn from the identified target groups. Data from other interviews is used as further evidence to support the primary focus group data. The analysis is done under a number of headings relating to their wellbeing, ranging from financial to sociological and psychological factors.

The women in the Hagar Shelter arrive there for a number of reasons. All have suffered from one or more of the following: destitution, exploitation and marginalisation arising from homelessness, domestic violence, rape, trafficking for sexual exploitation, or extreme poverty (Goddard et al 2007:5; Goddard 2007:8). Over time the mix between these causes has changed and Hagar has moved to target the tougher cases such as trafficked women (E. Goddard, pers. com., October 13, 2009). In 2008, 43% of women admitted to the Hagar shelter had been trafficked for sexual exploitation, with domestic violence next at 35%, and rape the third most prevalent cause at 16% (Hagar 2008:6).

The make up of the focus groups in terms of reasons for admission to Hagar are not known and these reasons were not raised in the groups in order to avoid revisiting trauma. However, the random sample of employees it is likely to reflect these proportions; this is discernable to some extent from the content of the transcripts. In three of the groups participants referred to husbands. While some of these references appear to be from women who have suffered domestic violence, it appears, from the context, that two of the participants may have been married at the time of their participation in the research. These participants may have married after leaving the shelter and commencing employment; have come to Hagar for reasons other than those listed above and remained married; or had reconciled with a previously violent husband.

When admitted to the Hagar Shelter, these women had suffered severe physical, psychological and emotional trauma (E. Goddard, pers. com., October 13, 2009; M. Jones, pers. com., October 15, 2009), often instigated by parents or relatives (Frieson

2007:25). As a result there is severe anxiety, lack of trust, fear, hopelessness, loneliness and shame (M. Jones, pers. com., October 15, 2009; Frieson 2007:23). The trauma results in significant loss of dignity and sense of self worth. The following quotes from shelter residents, recounted by Frieson (2007:24-26) demonstrate the strength of this reaction:

We miss our villages, our families, our communities. We wish we could go back to living there as before, but we cannot. And sometimes I cry a lot when I think about this.

I felt so dirty and used, and everyone looked down on me like I was worthless and should die. I thought about dying, but it scared me to think that a bad person like myself would go to hell. I cried a lot about this and didn't know whether to live or die. I felt all alone, and too afraid to talk to anyone about this.

As for me, I want to say that, before, I was so afraid to tell anyone what happened to me, because I felt ashamed and bad, that I was a bad person. That I was sold because I did something bad before and it was a punishment.

In her 2007 autobiographical account, Somaly Mam details her experience and trauma of being trafficked for sexual exploitation. The loss of hope and self worth leaves women such as Somaly Mam without ability to make choices, to act to solve problems, or to plan for the future (Pok K., pers. com., October 12, 2009; M. Jones, pers. com., October 15, 2009). Freed (2004) reports on Cambodian specific research about forced prostitution. She describes 'multiple losses: of innocence, trust in others, value to herself and to the social order' (143). Farley (2004) describes the loss of identity associated with prostitution.

Women rescued from trafficking are taken to the shelter by the police or the rescuing organisation (usually another NGO). Others are referred by motodup (motor bike taxi) drivers, police, other shelters or word of mouth (E. Goddard, pers. com., October 13, 2009). Admission is therefore either involuntary or an act of desperation and not representative of empowerment on the part of the women.

The Hagar program involves extensive counseling and life skills education. The period at the shelter is typically four to five years for trafficked women but has ranged up to seven (E. Goddard, pers. com., October 13, 2009). For other types of cases such as rape the period is shorter, in the order of one to two years (E. Goddard, pers. com., October 13, 2009). In general, Hagar finds trafficked women and girls the most traumatised and difficult to work with. In contrast, Goddard suggests that rape victims

are more open, less aggressive and more likely to see themselves as victims (ibid.) When deemed ready by case managers, women join Hagar's Career Pathways program. This is a program of soft skills education, workplace exposure visits and vocational training. It is following this period that women are found employment with social enterprises, including Hagar's own social enterprises.

Hagar has a partnership agreement with approximately 40 businesses in Phnom Penh (E. Goddard, pers. com., October 13, 2009). According to the draft agreement between Career Pathways and the businesses, this partnership involves businesses taking the Career Pathway students for vocational training (supported by Hagar) for up to one year, depending on the nature of the business. At the end of this training, the student may remain in that business as an employee or find alternative employment with the help of Career Pathways staff, who provide follow-up for two years after employment is commenced (Pok K., pers. com., October 12, 2009).

The focus groups included a range of questions designed to determine the impact of their employment and on the job training on their levels of poverty and the extent of their marginalisation. As described in Chapter Five, the six groups consisted of employees of the three Hagar businesses, employees of other partner businesses, current trainees and people retrenched from Hagar businesses. Analyses of these discussions are described below under a number of headings.

### ***Income***

The salaries earned by members of all focus groups were decried as too low. In the HOT group, "everyone answered: the salary is not enough for living" (HOT employees focus group, pers. com., October 17, 2009). The Soya group had two responses explicitly stating the salary was insufficient and two responses indicating that debt was being used as a means to survive, particularly when health costs arose. It is not possible to tell if these were from the same people. In the HCFM group, only one explicitly stated the salary was insufficient, but it was recorded that most were in debt. Three of the four in the other employment group reported insufficient salary and one mentioned debts. Of the ex-employees, three of the five said salary was not enough, and three mentioned debt.

For those in employment (as opposed to group 5 which consisted of trainees), salaries began at \$50 per month, with all groups reporting the lowest salary between \$50 and

\$55 per month. All five groups of employed people reported a range of salaries, with \$100 being the highest, at one of the non-Hagar associated businesses. In fact, three of the four participants from other employers reported salaries above \$80 and one reported significant bonuses in addition (other employers' focus group, pers. com., October 17, 2009). While the upper level reflects the particular sample of employees participating in the focus group, it may also reflect to some extent the potential for advancement within the different businesses.

These salaries compare with a minimum salary in Cambodia in 2007 (as reported in Chapter Four) of \$45 per month. Goddard suggests that commercial sex work is more financially lucrative but that the families of trafficked women may receive only \$30 per month in return for their trafficked daughter (E. Goddard, pers. com., October 13, 2009). These salaries are also lower than what could be achieved in the Phnom Penh garment factories. Pok suggests that these would pay \$100 per month, although this was achieved largely because of overtime (Pok, K., pers. com., October 12, 2009), Davies similarly suggested a range of \$90 to \$120 with overtime (A. Davies, pers. com., August 25, 2009).

The focus groups all agreed that these salaries were insufficient for living in Phnom Penh. One participant in the Soya group suggested that \$200 per month would be closer to a living wage. One person described buying a fish for 35 cents and trying to make it last for a week. This, she said, enabled her children to attend school (ex-employees focus group, pers. com., October 25, 2009). As a result of the low salaries, the employees all relied on other family members to earn money, shared low standard accommodation or relied on continuing charitable assistance: "I live in a rented house with my sister. My sister pay for the house, I pay for utilities" (Soya employees focus group, pers. com., October 17, 2009). This type of shared arrangement was very common among all group participants. Rents mentioned by the participants ranged from \$15 per month (HOT employees focus group, pers. com., October 25, 2009) to \$60 per month (HCFM employees focus group, pers. com., October 17, 2009). These amounted to between 30% and 50% of monthly salaries.

One group mentioned direct charitable assistance: "The salary is not enough. But there are friends and Hagar, when they see like this sometime they help me by giving me some money for gas or for my children education" (ex-employees focus group, pers. com., October 17, 2009).

Two of the groups noted financial insecurity as the major continuing worry in their lives. A typical comment was, “I am worry because my husband does not have enough income, my salary is low, my mother is sick” (HOT employees focus group, pers. com., October 17, 2009).

This low level of income has a significant impact on the ability of the employees to send children to school and cover health costs: “Now I am worry that I don’t have enough money for my children to go to school” (HOT employees focus group, pers. com., October 17, 2009). This can lead to some heartbreaking decisions:

I have two children. The eldest one is going to school now and the younger one is at school age that needs to start school soon. When I am thinking about both of them going to school, it is hard. So at one point, I decided to take the eldest out and let the young one have a chance to go to school instead. However, as I was deciding this, I also feel bad that my eldest child would not be able to continue to higher education. I was weighing this option for a while, now I have decided that my eldest one should not stop half way. The youngest one can just stay home for now (HCFM employees focus group, pers. com., October 17, 2009).

Another comment from the same group was, “I don’t think my child/children can go to highest education. I think he/she could probably go up to grade 5 or 6. The schooling is expensive, the living costs are high” (HCFM employees focus group, pers. com., October 17, 2009).

While some health costs are covered (see below), many group participants referred to using debt to cover health related expenses, “For emergency, we go to private clinic and most of us are in debts because we owed money for healthcare” (HCFM employees focus group, pers. com., October 17, 2009). According to another, “When there is sickness in the family, I would borrow money from people around me and when I get salary, I pay them back. It goes in a circle, but some how I am able to keep moving forward but always with debts” (ex-employees focus group, pers. com., October 17, 2009).

There is some discrepancy between salaries reported in the groups and those reported by business management and its sufficiency. According to the manager of So! Nutritious (the business arising out of Hagar Soya),

The minimum is \$60 per month but we also will be providing lunch which one of the ladies will make for them.... that is attractive for what they can earn. There are a lot of places that pay \$30. What we worked out with economically sustainable employment is

breaking the poverty cycle. If you can live on \$2 per day as the average which is the \$60 as enough to provide a good meal, at least 1 nutritious meal per day, plus send the children to school. That is deemed to be breaking the poverty cycle (G. Taylor, pers. com., October 9, 2009).

Employees in the Soya business report monthly salaries starting from \$50. The difference may be accounted for by bonuses or benefits that the employees don't count in their estimation of salaries.

These low starting salaries are well documented. Hagar's own records reveal that Career Pathways graduates start on salaries as low as \$45 per month, with \$50 to \$60 quite common across all employers (Career Pathways 2009). Hagar acknowledges these incomes as insufficient: "\$60 is not a living wage. That is the problem with it" (T. Payne, pers. com., October 13, 2009). Goddard described Hagar's salaries as the lowest in a recent survey they had done (E. Goddard, pers. com., October 13, 2009). Pok further suggests these salaries are unworkable if the employees have children to support (Pok, K., pers. com., October 12, 2009). As with the garment factories, overtime payments make the salaries more liveable, but the availability of these depend upon the businesses and the prevailing business conditions (Pok, K., pers. com., October 12, 2009).

While Hagar acknowledges that HCFM salaries are below market rates (Christen 2009), other social enterprise employers do aim to pay (and seem capable of paying) market rates (C. Ryall, pers. com., January 12, 2010 for example). Long also noted that Hagar's salaries were lower than those offered by the other partner businesses (Long, C., pers. com., October 12, 2009). The different remuneration policies and practices of the different employers studied will be discussed below and further in the following two chapters. However, for the purposes of examining the impact of employment on the employees, it is sufficient to note that the low wages reflect the market for low skilled workers in Cambodia. These employees, although remaining financially insecure, are in formal employment earning market level incomes. Although low, it represents a career starting point. The ability of the employees to progress from this level of subsistence will depend on the less tangible benefits of their employment with these social enterprises. These are discussed below.

## ***Non Salary Benefits***

Hagar partly justify their lower salaries in HCFM by the claim that they pay additional benefits such as health care costs, meals, continuing education and training, child care, bereavement leave and transport. Groups from HOT and Soya both included health care as a key additional benefit. In fact, all employers included in the study pay some additional health care costs.

Child care is also universally offered by the employers, although in some cases more formally and substantially than in others. HOT (SSE) provides free day care facilities on site for all employees (M. Dennert, pers. com., March 23, 2010; D. Smith, pers. com., October 12, 2009). Café Living Room has a much less formal child care arrangement:

Informal child care. Again Sorphea, she is here in Phnom Penh by herself and so doesn't have those family networks here so her daughter comes here every morning and at 8am takes her to, I don't know, she calls some school, but I imagine some pre-school, child care something or other... I top up her salary a little for that. I think it costs her \$20 a month (C. Ryall, pers. com., January 12, 2010).

Child care was clearly valuable as an enabling benefit without which women would not be able to join the formal employment sector. One HOT employee described her attitude towards this benefit: "Good things about the working place include: there is child care center for those that have children" (HOT employees focus group, pers. com., October 25, 2009). Another commented on how having a nursing baby made formal employment difficult (ibid.). Pok confirmed that the child care provision makes a working life significantly easier for women with children (Pok, K., pers. com., October 12, 2009). According to Davies, "this is a really good benefit they love" (A. Davies, pers. com., August 25, 2009). Christen considered child care to be the key benefit that Hagar offered over and above those offered by other employers (A. Christen, pers. com., October 12, 2009).

Continuing training was seen as a key benefit, particularly English language training. One woman stated, "I continue to learn these skills to be able to be good at it as in the future I would like to start my own business" (HOT employees focus group, pers. com., October 25, 2009). A HFCM employee commented, "one positive thing is my supervisor teaches me how to do my job, so I learn skills here" (HCFM employees group, pers. com., October 17, 2009). The same attitude is expressed by non-Hagar

employees, “I like working there because I like to improve my skill” and, “I am continuing to learn the sewing skill so that I can get really good with this” (other employers’ focus group, pers. com., October 17, 2009).

English proficiency is a key skill in moving to higher paid employment as it allows movement into the foreign service sector (A. Davies, pers. com., August 25, 2009). One Soya group member commented, “I have free time to learn English ... I can speak some English; I have the change to interact with foreigner and people in management position” (Soya employees focus group, pers. com., October 17, 2009) and from the HCFM group, “I only have a good point to talk about: this place hired an English teacher to teach us. I really appreciated learning English” (HCFM employees focus group, pers. com., October 17, 2009).

Provision of on-the-job time for the training, and encouragement to participate, is appreciated. Employees made it clear that they would not otherwise learn these skills. Davies pointed out that although garment factories may pay higher salaries, the employees learned only “basic skills” making further employment opportunities difficult to come by (A. Davies, pers. com., August 25, 2009).

HOT (SSE) also covers some transport costs:

We also for a number of the staff pay a travel allowance which covers the motorbike or tuk tuk or whatever to get here. Some who live quite far away we actually pay the cost of the tuk tuk to meet them part way so they don’t have the cost of travel (M Dennert, pers. com., March 23, 2010).

Transport costs were certainly a big issue for some employees. One stated, “most of my income will just go to pay for transportation” (ex-employees focus group, pers. com., October, 25 2009).

Health care is clearly a major concern for the employees. For example, one woman stated, “The income that we have some time it is enough if we don’t spend too much. The only thing is when we are sick” (ex-employees focus group, pers. com., October 17, 2009). Another describes her concerns thus, “Now I’m worry that I would get sick and I don’t have enough money to get healthcare” (HOT employees focus group, October 25, 2009).

A 2004 study by Van Demme et al suggests average out of pocket expenses for a single treatment fall between \$103 (for private treatment) and \$8 (for public



treatment) with significant ranges for each type (van Demme et al. 2004:275). A woman in one of the focus groups described the situation as follows, “For example: just to get in (register my name) it costs me about 5000 Riels (\$1.25) already. By the time you finish for the day, it costs me about \$30 already. That is about half of my salary already” (ex-employees focus group, pers. com., October 17, 2009).

Another woman suggested that the annual insurance cost covered by the employers was \$50 (Soya employees’ focus group, pers. com., October 17, 2009). Another suggested that the company benefit only covered accident insurance and not “normal sickness” (HCFM employees focus group, pers. com., October 17, 2009). A further concern was that employer-provided benefits did not extend to family members. In this case debt was commonly used to cover the costs, as described by one of the ex-employees already quoted above, in the section on income.

According to Christen, “everyone compensates for medical care to some extent” (A. Christen, pers. com., October 12, 2009). She suggested the amounts per person to be around \$70-\$100 (per year) but that they varied a lot between employers, as did coverage of children. Some employers, including the Hagar businesses did not have fixed policies but considered requests on a case-by-case basis (ibid.).

A further non-salary benefit that requires consideration is the working conditions and working environment. One HOT employee noted, “we like everything about our work”, another, “working policy is better than private garment factory”, however a third suggested that the physical facilities could be better, “the environment is stuffy, only two bathrooms for many people to use” (HOT employees focus group, pers. com., October 25, 2009). Flexibility was valued, “I like to work here because it is more flexible than the private garment factory”, as was leniency, “I like to work here because if I am absent from work, they don’t deduct my salary but I have to put in more time” (ibid.). It was noted, however, that conditions had got stricter under SSE ownership (ibid.). Pok confirmed the Phnom Penh garment factories had strict rules for employees (Pok, K., pers. com., October 12, 2009).

The general conditions were noted at other workplaces too. At So! Nutritious, “working here is great” (Soya employees focus group, pers. com., October 17, 2009). One of the retrenched employees reported that she “loved my job” (ex-employees focus group, pers. com., October 25, 2009).

The caring, encouraging and patient attitude of supervisors was also mentioned as a benefit, “my supervisor encourages me to read... my supervisor keep asking me to read and step by step I can recognise some words” (HOT employees focus group, pers. com., October 25, 2009). A similar experience occurred at Café Living Room, where an employee is encouraged to continue to move on to more and more challenging tasks. This is person quoted more fully in the section under Resilience below.

While these benefits are valued and clearly costed by employers (for example, see Christen 2009 on HCFM or G. Taylor, pers. com., October 9, 2009 on So! Nutritious), the employees do not count them as salary and do not see them as a substitute for cash incomes, which they still lament as too low. Davies observes, “in talking to some of them, some of the women, they would rather have disposable income than have it in benefits” (A. Davies, pers. com., August 25, 2009).

### ***Future Salary Expectations***

Participants were generally pessimistic about future salary increases. Of the two recorded responses from the HOT group, both were adamant they would not get an increase. All four of the Soya group were pessimistic, although not entirely without hope. Four answers are recorded from the HCFM group, with two being positive and two negative. Among employees of other enterprises, three of the four were positive about the prospects of future salary increases.

Some participants indicated that expectations of past increases had not been met. According to one HOT employee, “I don’t think my salary will be increased. I have been working for a long time, there is promised but have not received any increase yet” (HOT employees focus group, pers. com., October 17, 2009). For some, even when increases may come, the expectation is low as to its size: “But I think even my salary increase, it will only increased by \$5 per month” (Soya employees focus group, pers. com., October 17, 2009).

The uncertainty in the businesses clearly impacts on these expectations. Several of the Soya employees refer to the changes in the business and the need to wait until these changes bear fruit in terms of profitability. These changes also bring some skepticism as to whether increases will ever materialise. One participant described the situation as follows:

We heard that after we move the factory, if the sale is increase and the company is profitable, then we will have a raise. But now they move again and even during that move, they don't have money to pay for moving, so I don't have too much hope (Soya employees focus group, pers. com., October 17, 2009).

Employees at the more stable businesses were more optimistic and related their own increasing capacity and potential for promotion to future increases in income. Such comments include, "I think that my income will increase because capacity will be increased" and "I agreed that our capacity will increase. When our capacity increased, even if the salary will not increase, our position might be increase (promoted). If I am promoted to chef, then my salary will be increase" (HCFM employees focus group, pers. com., October 17, 2009). This confirms the value these women place on the additional training they receive at these employers.

These comments, which also arose in the group with non-Hagar related employers, can be distinguished from a set of responses that related only to increasing profitability of the businesses such as, "I think our income will increase because if we work hard, then the company will have surplus. When they have surplus then they will increase our salary" (HCFM employees focus group, pers. com., October 17, 2009). Although all groups demonstrated some skepticism as to both increasing profitability and whether that will be shared among employees, several participants were clearly much more confident in their ability to increase their capacity and earn promotion positions. One comment from a non-Hagar employee referenced an employer's policy on annual increases (other employers' focus group, pers. com., October 17, 2009).

The pessimism of the employees is supported by Hagar staff, who also noted that salaries had remained low for a long time. For example, Davies notes, "for some they are on \$60 for a long time" (A. Davies, pers. com., August 25, 2009).

### ***Living Arrangements***

All participants from the employed and ex-employed groups were living independently of Hagar. As noted above, arrangements consisted almost exclusively of rented premises, often in shared arrangements in order to reduce cost. In cases where it was possible, extended families provided housing: "We will stay with our parents as long as we can" (ex-employees focus group, pers. com., October 17, 2009). In fact, 80% of this group lived with their parents. This fact is surprising given the

social stigma associated with sexual violence (as discussed in Chapter Four); however, it demonstrates the reintegration and reconciliation achieved by the women since admission to the shelter. It may also reflect the make-up of this group in respect of the original trauma that led them to Hagar; that is, the group may have had a lower proportion of participants who were victims of trafficking or rape.

Of the HOT group, two respondents had their own places but these were low quality housing along the river and one was a small thatched house on her mother's land. Out of seven answers recorded, four rented, and two lived with parents. All Soya group members rented as did all but one of the HCFM employees. The other lived with her parents. Three of the employees of other businesses rented and one lived with parents, as did all of the ex-employees.

Very few comments indicated any hope of this situation changing: "I think my living arrangement will be changed. I am work toward getting my own home on the outskirt of the city" (Soya employees focus group, pers. com., October 17, 2009) and "I trust that one day God will provide for me to have my own house" (HCFM employees focus group, pers. com., October 17, 2009). Of all responses recorded, only two in the Soya group and one in the HCFM group offered any hope of obtaining better housing.

Most comments indicated a sense of hopelessness around the issue of housing: "I think if my salary is about \$600 to \$700, then I can probably buy a place" (HCFM employees focus group, pers. com., October 17, 2009) and "I think I will continue to rent for the rest of my life because I don't have land, I have many children and my salary is very low" (Soya employees focus group, pers. com., October 17, 2009).

These comments reflect the housing situation in Phnom Penh rather than any lack of ambition or empowerment amongst the women. In fact, they reflect a realism, rather than resignation. Durand-Lasserve (2007) reports that 'Over the last five years, intense land speculation and a spiraling increase in the market price of land in urban and suburban areas have accelerated large-scale market-driven displacements or evictions at the city level' (9). According to Davies, a "small, tiny place" would cost \$50 per month in rent and this led to many women utilising shared housing arrangements (A. Davies. Pers. com. August 25. 2009).

As previously discussed, the rents described by the participants included \$15 per month, \$20 per month (HOT employees focus group, pers. com., October 25, 2009)

and \$60 per month (HCFM employees focus group, pers. com., October 17, 2009) accounting for 30% to 50% of monthly salaries.

### ***Socialisation***

As stated above, the women originally suffered from extremes of loneliness and lack of trust of others. Questions put to the focus groups aimed to discover if the employment experience had helped employees to integrate into society, establish normal friendships and participate in social events.

In the HOT group, there was significant emotional support within the group for one participant who became emotional when discussing her worries. This support demonstrated a degree of socialisation and trust. In two other groups (the Soya group and the other employers' group) very quiet, shy participants became confident and shared openly when encouraged by the facilitator and other group members. Again, this is evidence of growing trust and socialisation.

All groups of employees reported friendships and attendance at weddings (a key indicator of social acceptance). Five responses were recorded for HOT, three for Soya, five for HCFM, four for the 'other employers' group, one for trainees and three for the ex-employees group. Nearly all of these responses are recorded in plural terms, for example, "we get invitations to weddings" (HOT employees focus group, pers. com., October 17, 2009), indicating that the experiences related were common to the group. All responses from employee groups and the ex-employee group except one were positive about friendships. The exception was one response from the 'other employers' group, "I have only normal co-workers but not close friend." One person from the ex-employees group spoke of maintaining friendships, even after they were no longer working together whereas a HOT employee spoke of friendships intact after colleagues had moved on two to three years before.

Low salaries restricted social lives but in each workplace employees had established some friendships. The HCFM employees noted the "the good thing about working here is the understanding between staff ... most staff that work here are friends. We joke around together" (HCFM employees group, pers. com., October 17, 2009).

Friendships outside of work were less reported; time and money were cited as reasons they had not developed. Similarly, socialisation with colleagues outside of work was

limited by distance and time. However, overall the focus group evidence points to quite normal social lives and relationships.

This evidence is backed up by the testimony of business managers (G. Taylor, pers. com., October 9, 2009) and Hagar Career Pathways staff (Ong B., pers. com., October 12, 2009; Long C., pers. com., October 12, 2009). These relationships assist the women in future crises and aid resilience: “They got a lot of friends, a lot... and they can find some job by their friends” (Long C., pers. com., October 12, 2009). Ong reports that improved self-esteem demonstrated through improved personal grooming and therefore appearance leads to more and better relationships, even to the extent that these relationships can be a hindrance (Ong B., pers. com., October 12, 2009). Ong explains, “But when they have friends we have problem because they have boyfriend” (ibid.). Davies also describes a case in which “one girl decided to quit her job because she got a boyfriend” (A. Davies, pers. com., August 25 2009).

Smith reported that in HOT it would take employees up to six months to trust management enough to respond truthfully to questions. However, this trust did appear and open communication did develop (D. Smith, pers. com., October 12, 2009).

Cameron Ryall from Living Room maintains that it is vital to have good relationships amongst staff. He allows three months for this rapport to develop, and has found that staff do have the social skills and confidence after that time (C. Ryall, pers. com., January 12, 2010).

Goddard suggests that the women value the social opportunities afforded by the employment quite highly. She says, “There is that mentality and at the same time a trend that younger girls want to be part of a company or a business where they can be nicely dressed, have social relationships, doesn’t matter if their salary is \$60 as long as they have friends” (E. Goddard, pers. com., October 13, 2009). Socialisation is therefore an important benefit of the employment.

### **Worry**

Fear and worry were key issues of the women upon entry to the Hagar program. One woman described her past fear: “Before I left for Phnom Penh, I was afraid that the person that brings me to PP might sell me off. When I first came here, I was so scared that I sit down and cry almost every day” (HOT employees focus group, pers. com., October 17, 2009). The focus group discussions indicate that worry continues

with financial security, children's futures, health, and job security being the main focus.

However, there was clear evidence that the focus of worry had changed with some explicit statements that employees were no longer worried about trickery and deceit (HOT employees focus group, pers. com., October 17, 2009), survival, and domestic violence: "When I was looking for a job, I worried that people might deceive me. Now I am not worry about people deceiving me, but I am worried about not having enough to provide for the family" (HOT employees focus group, pers. com., October 17, 2009); "Before, I used to worry that there is no food to eat, now I have food" (Soya employees focus group, pers. com., October 17, 2009); and "When I first came to the shelter, I was afraid that my husband will follow me here to abuse me again" (Soya employees focus group, pers. com., October 17, 2009).

While financial insecurity remains a key concern, survival is no longer a concern. Worries now consistently focus on the future rather than the present and often around children and family: "Before I was afraid of my husband, but now I am worry about income for family" (HOT employees focus group, pers. com., October 17, 2009). The employees are clearly looking forward at the future and outward beyond themselves. Both are key indicators of rehabilitation (M. Jones, pers. com., October 15, 2009).

Two further quotes show significant changes in worry and fear:

Before I start working here, I was worried that I can't find a job. Now that I have a job, I worry that I don't have capacity to do the job well. I am also worry that I might get loss or get into an accident because I never live in Phnom Penh before. Now I'm not worry anymore. I think I can do whatever job. I can go around in the city. As long as I have a map in hand, I'm not worry about getting lost.

When I first start working here, I worry that people don't love me and don't like me and they will fire me. Now I think that if I don't do anything wrong, they won't fire me (HCFM employees focus group, pers. com., October 17, 2009).

In both cases, worry and fear has been replaced with significant confidence. However, one other HCFM employee relayed a story that revealed the continuing impact of the trauma:

When I first came to Hagar shelter, I was very afraid because I don't know anybody and I don't know Phnom Penh. I was sent to learn life skill training for 3 months at a different site, I started to know the land mark of the city. When go to work at the Inter-continental hotel, my supervisor let me ride with him/her the first time. During the

ride, he/she talk to me but I did not pay attention because I try very hard to recognize the land mark. The next day they ask me if I could go by myself, but I can't. So my supervisor rode a motorbike and I follow on my bicycle him/her. Now, I only follow that road, I don't dare to venture to another road that I'm not familiar. All I know is start from my place to the hotel straight. I had one bad experience; one day I came from home and try a different road, but when I turned into that road, it leads me to a bridge that crosses a river, I was very scared. After a while I call a tuk tuk and put my bicycle on the tuk tuk and ask the driver to take me to the shelter. When I was on Tuk Tuk, I was so scared that the driver might take me somewhere else (HCFM employees focus group, pers. com., October 17, 2009).

Overall, the group transcripts reveal that the employment experience has significantly decreased worry and fear among employees. While certainly not free from all worry, their present worries reflect those of low skilled Cambodian workers rather than traumatised and marginalised people; that is, they are now worried about financial security and the future of their children. Of the HOT group, two responses indicated they no longer worried, while four others described a change in what they worried about. Three were worried about income and their children while one only described her past worries.

In the Soya group, all were worried about job security reflecting the uncertain recent upheaval in that business. Two of the group described past worries that no longer concerned them. HCFM employees were similar. Five responses were recorded, of which two stated they did not worry anymore and a further one described a change in what she worried about. A further two were now worried about their children, while one simply described past worries. Amongst the employees of other organisations, all worried somewhat about financial security and one person was worried about moving away from Hagar. Pok suggested that HOT employees were worried about the new owners and what changes might take place (Pok, K., pers. com., October 12, 2009). Only two responses are recorded from the ex-employees group. These expressed worry about the future and their children.

Employers who have observed employees' progress attest to this move away from fear to confidence. David Smith, former manager of HOT reports,

And this morning, for instance, we had a girl get up there, one of the ones from the factory, she is actually HIV+, she got up and gave her testimony this morning, how she was saved out of a brothel and all sorts of stuff. I know, even her a year and half ago,



you couldn't get her to say boo. Today she is standing up in front of 100 people giving her testimony (D. Smith, pers. com., October 12, 2009).

Graham Taylor of So! Nutritious and former general manager of Hagar Soya, also describes an employee who is a "natural leader" who is now in a supervisory position with significant responsibilities (G. Taylor, pers. com., October 9, 2009).

### ***Thinking About the Future***

The starting point for these women, as a result of their trauma and marginalisation, is an inability to think into the future, to plan or to dream of a different reality (M. Jones, pers. com., October 15, 2009). The groups discussed long term plans or dreams and dreams for the participants' children. The transcripts reveal that all participants have significant thoughts about the future, with many articulating quite explicit ambitions.

A significant majority of the participants (all members in the case of the HOT group) dreamt of having their own small business in the future. Owning a business was seen as providing more control, stability and flexibility than employment in someone else's enterprise. Instability in the HOT and Soya businesses seemed to contribute to this ambition: "My supervisor said that this place is not really sure about stability yet; so for me, I would like to be able to own a business" (HOT employees focus group, pers. com., October 17, 2009). 80% of the ex-employees group expressed a desire to have their own business (ex-employees focus group, pers. com., October 17, 2009). A comment from the Soya group was "we want to have our own business" (Soya employees focus group, pers. com., October 17, 2009). While it cannot be claimed with certainty, this plural response may indicate unanimity among the group. This ambition is related to desires to move back to the country areas and to work from home and thus avoid child care issues (Ong, B., pers. com., October 12, 2009).

One answer from the Soya group was, "I also wanted to open a centre caring for elderly people who are abandoned by their children or have no children. It made me happy to think of even a possibility of having a centre to care for the elderly" (Soya employees focus group, pers. com., October 17, 2009). This comment shows something thinking well outside cultural norms and of new possibilities for their own future that involve caring for others rather than just focusing on self-survival.

All the trainees dreamed of owning their own business (trainees' focus group, pers. com., October 25, 2009). Interestingly, Pok describes the dreams of Career Pathways students (that is, pre-employment and job training) as mainly relating to housing, "every client... want to own their own house and own land" (Pok, K., pers. com., October 12, 2009). There seems to have been some transition and enlargement in vision in the type of future dreaming for those now in the workplace.

Of those employed, about half thought they could do their supervisor's job. Those who expressed capability also expressed a desire for that advancement. Comments varied from those who already thought they could do what their supervisor did, those who thought they could learn over time to do that role and those who thought they would never be able to advance that far.

Some demonstrated thought about what this entailed: "I think I can do his/her job because I know the design and can put the design together to create hand bags already" (HOT employees focus group, pers. com., October 25, 2009) and similarly, "I don't think I will have the same capacity as my supervisor, but I think I can be a chef one day" (HCFM employees focus group, pers. com., October 17, 2009). One member of the HCFM group expressed a group desire to learn to "type in the computer" (HCFM employees group, pers. com., October 17, 2009). The facilitator noted that this comment attracted significant laughter in the group but it did demonstrate employees thinking beyond current boundaries.

For those without these ambitions, illiteracy was a big barrier: "I think I can do part of his/her job but not the whole job because I am illiterate. If it is only sewing, I can do it, but I'm not good with managing" (HOT employees focus group, pers. com., October 17, 2009) and "I don't think I have capacity to do their job because I am illiterate" (HCFM employees focus group, pers. com., October 17, 2009). Others recognised their current lack of skills but retained an ambition for promotion: "I think I will have capacity to do their job because I am trying to work hard to improve my skills" (HCFM employees focus group, pers. com., October 17, 2009). This contrasted with a few responses that still demonstrated some lack of self-confidence: "I don't think I have capacity to do their job because brain is not good. I am very forgetful." (HCFM employees focus group, pers. com., October 17, 2009). And, similarly, "I don't know how to read and write. I think this job required a lot of thinking which is

not good for me. I would get headache if I think a lot” (HOT employees focus group, pers. com., October 17, 2009). A further quote along these lines is

I don't think I can manage staff like my boss because my boss has higher education; he/she is also a foreigner that not only owns the shop but also have other job. He/she is also older, have more experience. I am still young, if I manage other people, no one will listen to me (other employers' focus group, pers. com., October 17, 2009).

It is noteworthy in this quote that foreignness is equated with status.

In terms of empowerment, these responses show that some participants have begun to see their future options expand considerably and have started to gain realistic ambitions in their current workplace. Others, however, still appear to suffer from low self-esteem and need to grow further in self-confidence.

In all groups, those participants with children had ambitions that their children would complete education. Often this was expressed as the education that they, the participants, did not receive. This was best expressed by one participant who did not yet have children: “I often imagine that if I have children I would really work hard to provide for their education until they finish school because I don't have much education” (trainees' focus group, pers. com., October 25, 2009). The facilitator noted “all other participants expressed the same desire” (ibid.).

Many participants expressed a desire to see their children in well paying jobs that do not involve manual labour or tough conditions and improve on the roles that these parents (and potential parents) have had:

I have a big dream for my children. I would like to them to study until they finish school, learning English language and computer skills. I will try to work hard to make that dream come true. I want my child to have a good job just like you (like the interviewer); working in the office...whatever good job for them. The kind of job that use his brain instead of his labor (ex-employees focus group, pers. com., October 17, 2009).

Similarly,

I want to see my children have higher education because my husband and I we both don't have education, we work with our hands; it is a hard life. I would like to see them in some kind of management position. In general, the kind of job that uses his brain (ex-employees focus group, pers. com., October 17, 2009).

This sentiment is echoed in many shorter statements: “I want my children to become a doctor”, “I want my children to become a lawyer” (HOT employees focus group, pers. com., October 17, 2009). A couple of comments indicate some reflection on the issue of personal choice and empowerment: “I want my children to decide what they want to do” (HOT employees focus group, pers. com., October 17, 2009), “If I have a child, I want him to decide” (Soya employees focus group, pers. com., October 17, 2009). One comment also shows some gender awareness and a desire to break from the culturally imposed gender roles:

In my family, all my siblings had a chance to have higher education, except for me... (Cried). I like to see my children have high education. I would like to see them working as doctor/nurse or teachers just like my siblings. My mother took me out of school because she thinks that since I am woman, I don't need higher education. But now, I am very poor (ex-employees focus group, pers. com., October 17, 2009).

Davies confirms these observations. She says, “they are ... thinking long term and not just day to day survival” (A. Davies, pers. com., August 25, 2009). She comments on the range of skills and jobs chosen by the women and observes, “It is really good to spread the skills and see young people dreaming and doing something different. Rather than always following what their mother or father did” (ibid.).

Only one person stated they did not dream about the future. This person was, notably, in the ex-employees group, although she did not refer to retrenchment as causing her sense of hopelessness.

I don't have any big dream. I only want a job. I know of a woman from the shelter who is now working for a child care center, I really want to work there; but they don't need staff. In term of business I don't have any desire to start a business. I had a bad experience long time ago; I was helping my relative selling gas and other things from home, but one time they were robbed empty handed. When I saw that, I decided that I don't want to be in business. I don't really want to dream because all of my dream never came true (ex-employees focus group, pers. com., October 17, 2009).

### ***Decision Making***

A key aspect of empowerment is the ability to make decisions and be in control of one's life. The focus groups were asked about decisions they had made in order to test this measure of empowerment. All groups discussed some decisions that participants had made. The decisions mentioned ranged from decisions in the workplace to quite major life decisions.

Reflecting the traumatised and marginalised backgrounds of the participants, several mentioned a decision “to be brave” (HOT employees focus group, pers. com., October 25, 2009; HCFM employees focus group, pers. com., October 17, 2009).

Only one of these comments came with any elaboration. In that case it was bravery in the face of the general fear, loneliness, illiteracy and lack of self-confidence arising from the past. A woman who had expressed fear of being unloved and feelings of job insecurity said, “And I decided that I will not be afraid. I don’t read or write but I decided to be brave; I go around the city so that I can recognize the road and landmark” (HCFM employees focus group, pers. com., October 17, 2009).

Others mention a decision to “continue to work hard” (HOT employees focus group, pers. com., October 17, 2009). This ‘bravery’ and perseverance demonstrates a desire in these participants to move ahead with their lives and not remain captive to their pasts.

Several participants refer to decisions to change jobs or search for a second job. One HOT employee stated, “I have decided to find more work from another place (maybe a few places). I think if I can work at one more place, then my living situation is better.” In addition to this decision-making, the participant also demonstrated some reflection upon the impact of the decision: “When I made that decision, I feel happy and worry at the same time. Happy because if I can do it, my life would be better. Worry because I don’t know if I could do it.” (HOT employees focus group, pers. com., October 17, 2009). A Soya employee had a similar reflection upon their decision to search for alternative employment: “I have decided to find a new job. It made me happy for a while to think of possible work at other place. This way, when I get up, I have a happy thought instead of feeling stress about working at the same old place by after day” (Soya employees focus group, pers. com., October 17, 2009). Given the risk and potential loss of security in changing jobs, these represent significant decisions for these people.

Two participants described decisions about their children’s schooling. Both were decisions borne of financial necessity and brought considerable worry. One has been quoted above in the section relating to income. The participant involved had to decide which child to send to school in face of insufficient funds to send both. The other is less detailed and less traumatic but also demonstrates the stress of living on a low income and the ability these people now have to cope in this situation. The participant

says, “I have decided to find a new school for my child. The current school is too expensive. This made me happy and worry at the same time” (Soya employees focus group, pers. com., October 17, 2009).

Other decisions described show significant empowerment. One participant decided to begin saving in order to reduce financial vulnerability:

I have recently decided that I must start saving money. After making this decision, it made me feel more secure because if I don’t save, I don’t have money for emergency or when I lose job, then I will have some money from saving to help until I am able to find some other means (other employers’ focus group, pers. com., October 17, 2009).

This decision demonstrated considerable forward planning. At least two of the participants decided to start their own businesses in addition to their employment. One had not yet started:

I have decided to ask my mother if she could help me bought a sewing machine so that I can sew clothes from my house. My mother agreed and we will buy the sewing machine next month. I feel happy when I think about this. It made it possible to earn extra income to help support my mother (other employers’ focus group, pers. com., October 17, 2009).

The other, however, tried and failed. Her story is as follows:

A couple of months ago I have decided to start a business selling soup and meat balls after working hour. I worked from 5:00 AM to 2:00 PM. I thought that I have time in the afternoon to do business. But after started, I realized that I can not do it because, I don’t have anyone to help me. After I decided, I feel happy and worry at the same time. After I started a business, by time I finish set up my shop, it was almost late for snack time. I decided to abandon the business. When I stop the business, I feel regret and also embarrass that I can’t succeed in the business (HCFM employees focus group, pers. com., October 17, 2009).

While this failure has dented this participant’s confidence, she was also capable of making the decision to abandon the business when it was not successful.

A final significant decision relates to a relationship. The following quote demonstrates considerable courage and empowerment in the face of strong cultural mores.

At home I am considered as an obedient child and my parent is normal in term of strict with children. Even for my older brother is also difficult. So knowing how strict they are, it made me nervous to think about my decision. I have decided that I should

introduce my boy friend to my parent. Whatever happens when I introduce him to them, I will decide later. If I don't tell them, sooner or later, they will find out anyway. So I told them and they seem to be ok. When I was thinking about that decision, I was so nervous and scared. I am not sure how to act around them after I told them. I was feeling so shy and uncomfortable. My mother said that if my sister thinks that he is good for me then it is ok and that I can make my own decision. I was relieved (other employers' focus group, pers. com., October 17, 2009).

All groups of employees were able to relate decisions that were non-trivial and demonstrated significant empowerment, reflection and thought for the future. The variety of decisions indicates that these are not simply part of a rehabilitation program but deriving from the participants' own lives and initiatives.

Again, the ability to make decisions and think for the future is not only attested to by the group participants but by the employers. David Smith, former manager of HOT describes two of his office employees who have advanced from factory floor roles: "The girl that sits out here, she came in here, she was working down on the cutting line. The one in here she came through from the shelter, she was originally from the shelter and is now our HR, finance and admin person" (D. Smith, pers. com., October 12, 2009). Smith also describes some employees who have remained on the factory floor for "five to six years". The advancement was not automatic, but the result of aptitude and ambition.

Similarly, Graham Taylor of So! Nutritious reports on a growing sense of ownership among employees, a delight in achieving new understandings and significant improvement in confidence and self-esteem (G. Taylor, pers. com., October 9, 2009). Cameron Ryall of Living Room describes the stability of Hagar shelter graduates he has employed and his desire to keep them and "grow" their skills. Their ambition and forward thinking is demonstrated by his need to "make sure there is ongoing training and development" to avoid them "getting stale" (C. Ryall, pers. com., January 12, 2010).

The decision making ability is highlighted by Alison Davies, former manager of Hagar Career Pathways, in her observation that many women make significantly different vocational decisions to those made by their parents (A. Davies, pers. com., August 25, 2009). In the culture, this independence is significant.

## **Confidence**

The ability to make decisions is one sign of increased self-confidence. Certainly the employees began their time at Hagar with a very low sense of self-worth and hence self-confidence. Significant evidence of improved self-confidence has been demonstrated already in the quotes in this chapter.

As described earlier (and quoted in full below under Resilience) a Living Room employee discussed her improved self-esteem. She began, “I am not pretty” but spoke of how she was encouraged to continue learning new and challenging tasks. She concluded “this progress makes me confident” (other employers’ focus group, pers. com., October 17, 2009).

One indicator of this new confidence is the attitude to their illiteracy. This is a source of great shame and the subject is generally avoided (E. Goddard, pers. com., October 13, 2009). However, several women in the focus groups refer openly to their former and current illiteracy. For example, “Because I don’t know how to read or write, it is difficult for me to choose what to do ... I think it is hard for me to get a job at the garment factory because I am illiterate” (HOT employees focus group, pers. com., October 25, 2009). Members of other focus groups made similar comments demonstrating that the sense of shame had greatly diminished.

One Soya employee, then with So! Nutritious, was frustrated that she was not using all her new-found skills and wanted to find a new job in which she could more fully utilise her skills (Soya employees focus group, pers. com., October 17, 2009). This demonstrates a level of self-confidence that contrasts significantly to the case reported earlier by Davies of the women afraid to move out beyond Hagar’s protective umbrella.

Goddard relates a further example, “the cashier. A month ago she was serving food. It is only recently she has moved to cashier and that’s a big step” (E. Goddard, pers. com., October 13, 2009). Long describes the women who come back for follow up interviews, “they have confidence, they have good friend...they know very clear [what to do], make them feel not afraid” (Long, C., pers. com., October 12, 2009). For Ong, this increased confidence is demonstrated in attitude as well as grooming, “it’s better, she not too shy and...grooming and attitude is better than before. Especially grooming is changed” (Ong, B., pers. com., October 12, 2009).



## **Resilience**

One of the key desired outcomes of Hagar's reintegration process was resilience. The focus groups give some insight into how the participants have coped with change and disappointments in the workplace and their lives. In particular, we have comments from those who have lost their jobs.

Both the HOT and Soya workplaces had been through significant change at the time the group interviews took place. These changes did involve retrenchments, a change of location for Soya and changes of ownership. It is reasonable to say that both businesses have been through some upheaval and uncertainty.

Resilience is the ability to cope with adversity, to have positive outcomes in face of adverse circumstances or to maintain stable and healthy levels of psychological and physical functioning after a disruptive event (Bonanno 2004:20; Richardson 2002:308). These events are therefore a good opportunity to test the resilience of the women.

The discussion in the focus groups included comments such as, "I decided to continue to work hard" and "I have decided to be brave" (HOT employees focus group, pers. com., October 17, 2009). These are significant in demonstrating continuing stability in these people. From the Soya group one lady commented, "I have decided to find a new job" and "even though working here is great, I would like more. I will continue to work and grow more" (Soya employees focus group, pers. com., October 17, 2009). These responses show different (opposite) reactions but also definite responses in the face of a difficult situation. There is no evidence of hopelessness or inaction but a continuation of the path of reintegration and normality. Despite the tough circumstances, these women are coping.

Changes in management were generally not viewed positively. According to one of the ex-employees,

I like Hagar because Hagar gives me skill training. Before participate in Hagar program, my life was very hard. Hagar provides skill and teaches me about life (soft skill training). So I have made up my mind to work and repay the organization. I want the organization to improve and successful. So it doesn't matter how hard the job is; I must work hard because I want to repay their kindness. I made up my mind to work for the organization for as long as they will keep me. I worked really hard; I got really early in the morning to come to work. But at the end it is a big failure because they

never gives me encouragement. They often call me to complain about this and that. The former management was good, but this new management is not good; they like to use their power and they don't understand people's feelings (ex-employees focus group, pers. com., October 17, 2009).

A second respondent made very similar claims about the new management. This person's response to this difficulty was to stay to "repay the organisation's kindness" despite "several opportunities to work with other places", demonstrating the ideal of patronage in the society. This woman was fearful of retrenchment and so worked hard and extra hours. She did finally decide to resign but was encouraged to stay only to be retrenched. She describes it as follows,

I called the teacher one day and told him/her that I am thinking of quitting my job, but he/she encouraged me to stay on for the sake of my child. She/he encouraged me to put aside my feeling and to ignore the negative things that the manager was blaming me (they blamed me that the company fails because I made it fail). So I stayed on, but at the end they lay me off (ex-employees focus group, pers. com., October 17, 2009).

This woman demonstrates a struggle with the changes in the business and the perceived messages she is receiving from management but an ultimate determination and resilience in the face of this struggle. She demonstrates a clear ability to continue functioning physically and psychologically through the event.

One of the HCFM employees had started a small business that had failed (quoted in the discussion under Decision Making). What is significant is her response. She is able to express her disappointment and embarrassment but also in the midst of this make clear decisions about the venture. Again, there is no retreat into hopelessness, but rather a continuation of progress. At the time of the focus group interviews this woman was employed at HCFM.

An employee of Café Living Room gives a very positive account of facing new challenges.

I have similar experience. When I first started to work at the Café Living Room, I started as a cleaner. I thought that maybe that the only job that I can do because I'm not pretty and I don't know much English. But my former boss encourages me (and other staff as well) to work in service area. So I tried and I can do that job. Then my boss encouraged me to be the cashier; I also can do that job. This progress gives me confident and makes me think that if we try, we can do any job and also helped me not to be afraid to try new things (other employers' focus group, pers. com., October 17, 2009).

This person says elsewhere that this job is not always easy:

However, there are some difficulties also. For example: My duty is to make coffee but sometime I am being called to do other things, such as servicing, cleaning, and other duties that needed. Sometime, there are more staff, sometime there is not enough staff (other employers' focus group, pers. com., October 17, 2009).

This person has clearly faced challenges positively and progressed in skill and position within the business.

An employee of a tailoring business relates how she was able to face challenges in family life because of support from her employer:

When I first start training (working at the tailor job), my family was also started to have some problem. I felt really discouraged and thought that I won't be able to continue to learn to sew. My colleagues noticed how sad I looked, my boss also asked me. When they found out that I have family issues, they encourage me and I felt encouraged to continue to learn for the future. Now I learn to separate my work and family issues (other employers' focus group, pers. com., October 17, 2009).

Even amongst trainees there is evidence of growing resilience. One trainee stated, "Even if the boss gets angry with me, I don't mind, because she is teaching me to be strong and be good at my work" (trainees' focus group, pers. com., October 25, 2009). However, the trainees still live at the Hagar shelter and have yet to experience the full impact of life in the community and regular employment.

Several participants spoke of increased relational skills. The trainees in particular mentioned that these were taught in the Career Pathways soft skills training but that it took the practical experience of being in a workplace that really saw them develop. For example, "When I first started training at the tailoring shop, I did not dare to speak to people, but now I can relate to people and speak with people" and

One of the skills I learned at Hagar shelter was customer service. At that time I thought that it is my weak area. I wasn't good with people; I was very shy. But when I start training at this Tailor shop, I saw other people receive customers, bring magazine for customers to read, I started to learn to do the same. Now when I see customers walk in, I would bring them to be seated and bring magazine for them to read. I think I will use this skill as my career because I am getting good with this and I am continued to learn and improve (trainees' focus group, pers. com., October 25, 2009).

The worker in a child care centre discussed encouraging the children to “say sorry to each other” and goes on to comment about the relational environment of her workplace (other employers’ focus group, pers. com., October 17, 2009).

Losing one’s employment is a significant test of the resilience of the employees. One focus group consisted entirely of people who were no longer employed. This was mostly a result of the retrenchments at HOT and Soya due to the restructurings and sales of these businesses. Obviously, the loss of income impacts the vulnerability of the families involved such as for this person:

Before my husband and I bringing income for the family. Now that I quit, my husband is the only person bringing income for the family. We have five small boys. We borrow money to buy a motorbike for my husband so that he can use it as a taxi to earn income. We still cannot pay back the money that we owed yet. The money that I owed, I have to pay back interest of 10% a month. We also have to pay for rent of \$20 a month. So far I am only able to pay back my debts of about \$2 a month (ex-employees focus group, pers. com., October 17, 2009).

Many participants mentioned debt, and it is clearly common for low-income people in Cambodia to borrow informally (see van Demme et al 2004 for example). The impact of loss of income on those with debt is clearly significant. Only one of the five participants in this group was currently in employment with others doing informal work in the markets.

Some women spoke of the impact of the retrenchment on their confidence. “For me, I tried to work hard, but when said that I don’t do a good job, it left me discouraged” (ex-employees focus group, pers. com., October 17, 2009). A second participant elaborates on her feelings:

When I saw my name on the list of people that being laid off, I was so scared. I worry that I don’t have any income to feed my family and for my children to go to school. I was terrified. When I got home I cried. I felt that I have lost something. I loved my job. Now I am selling fake jewelry in the market. I don’t really make much money at all. I really worry that my child might get sick. I really want my child to have higher education so that he/she won’t have a hard life like me (ex-employees focus group, pers. com., October 17, 2009).

Clearly, the retrenchments were a shock that brought back past fears and rocked confidence. They were viewed negatively both by the employees affected and the NGO staff who observed the process. Despite the business uncertainty and the

management changes not being viewed positively, the women still regret losing their jobs. According to one woman, “I left my work because it is too far and also because they lay me off also. I felt very sorry that I lose my job” (ex-employees focus group, pers. com., October 17, 2009).

One observation by Alison Davies is that some women who had been employed by Hagar Soya for some time and then retrenched, “want a job with Hagar now, because it is still kind of Hagar, it’s familiar, so there’s a fear of being out there” (A. Davies, pers. com., August 25, 2009). This dependency is discussed further in Chapters Eight and Nine.

In spite of the difficulty of the redundancies, the experience of work still seems to have been positive in encouraging resilience. One woman describes the changes to her life;

Before I came to Hagar shelter, my husband often abused me. I beg him not to abuse me but he said that if I don’t have ability to make a living then I don’t have any say in how he will treat me. After I went through Hagar training, I learned that I can work hard to try to learn skills that can help me to make a living. Also when I see and hear the situation of other women around me, it helped me to be strong and I realized that from then on I will have future and hope in my life (ex-employees focus group, pers. com., October 17, 2009).

The one participant who had found a new job expressed considerable excitement:

I was also lay me off from Nestle. I was really worried that I don’t have any job. But then, a water company needed a part time cleaner; they asked me if I wanted to clean their office. Now I am working part time as a cleaner at the water filter company. Now I am very excited just to have this job (ex-employees focus group, pers. com., October 17, 2009).

This woman clearly has the resilience and confidence to recover from the retrenchment and move on. Two others were selling goods in the market (fake jewelry and hand sewn blankets). While one of these women lamented the low income generated from this activity, the other was positive about the Hagar experience that had enabled her to do what she was now doing. She says, “the significant thing for my life was my experience and the skills that I learned there. Now I can use that skill to try to earn income” (ex-employees focus group, pers. com., October 17, 2009).

Overall, the women would clearly have been better off without the retrenchments. However, the test of resilience is whether the women were able to cope, grow through

the process, and maintain stability both physically and psychologically. While not unanimously the case, it does seem that the majority of group members had coped and moved on to some other form of income generation. As far as could be determined from responses, they had not returned to abusive situations and were still able to support themselves and their families where necessary.

The resilience demonstrated in the focus group interviews was also seen in an example related by Emilita Goddard, manager of the Hagar Women's Program. A woman trafficked at age 13 eventually found her way to Hagar and after five years in the program had a job as a clerical assistant. She got married but discovered her husband was HIV positive. For a time it also appeared that the woman was HIV positive as well. This caused significant further trauma and while Goddard did not hide the difficulty of this time, the woman was able to cope throughout the situation and remained living in the community with her family (E. Goddard, pers. com., October 13, 2009).

Long also attested to the increased confidence and resilience seen in employees when they came back into Career Pathways for follow-up interviews. She says, "they can adapt themselves well in the workplace ... can adapt to people who are very strong or very nasty" (Long, C., pers. com., October 12, 2009).

### ***Causality***

The evidence discussed above shows that the employees have seen significant improvement in their lives from the time they first arrived at Hagar's shelter after suffering extreme poverty, exploitation, violence and marginalisation. Not only materially, but also psychologically and socially, there have been dramatic changes for the better. However, given that the Hagar process involves a number of stages, with employment in social enterprises coming only towards the end of this lengthy process, the question as to the impact of this employment still remains. Some understanding of this can be gained from the responses given in the focus groups, as well as through the interviews of business managers and Hagar staff.

The trainees are those graduates who are currently in on-the-job training, but not yet fulltime permanent employment. As such, they are the most recent graduates from the Hagar Shelter process. They give the most explicit testimony as to the impact of

working in a real workplace as opposed to training within Hagar. Some examples of this testimony are:

During soft skills training, I was taught how to relate to people and value myself as well as encourage myself to do better. When I first started training at the tailoring shop, I did not dare to speak to people, but now I can relate to people and speak with people.

When I first started here, I was so shy and nervous when I see customers. But now I am ok; when I see customers coming I would smile at them.

At Hagar shelter, I learned soft skill such as attitude, feelings, behavior, and other skills that aim to equipped me to be strong and enable we to move forward successfully in my life. However, my training at Hagar was mostly theory. Now while training at this Tailoring shop, it is a real situation. I have to be patience. Even if the boss gets angry with me, I don't mind, because she is teaching me to be strong and be good at my work. At Hagar I was taught about how to interact with people but now at the Tailor shop, I am interacting with customers everyday which teach me better (trainees' focus group, pers. com., October 25, 2009).

Another member of the trainees' focus group who has already been quoted in the section on resilience similarly attributes her new-found confidence in dealing with people to her on-the-job training.

These four distinct testimonies reveal the impact of moving from theory to real life situations. Even though these women are not yet permanent employees, working in that environment has clearly had significant benefits in promoting their well-being.

Although those in the other groups, being already in permanent employment and further along the process, do not make the same direct comparison between theory and practice, they do testify to the impact of employment. For example:

For me, work here is good for me. Before I came, I lived in the village. When someone came and asked me to come to Phnom Penh to work here, my relatives did not want me to come. When I came I'm all alone and I never been here before (she cried and could not continue...) (HOT employees focus group, pers. com., October 17, 2009).

Here, the pain of the past is clearly still evident and employment is clearly vital in moving away from that. Another participant makes a similar statement and elaborates on the impact: "For me, I used to feel hopeless; I collect recycling materials from the dump. I was considered at the bottom of the society and always felt afraid of people.

But now, I can talk to people” (HOT employees focus group, pers. com., October 17, 2009).

Another expresses the hope found through the employment and the impact of formal as compared to informal employment:

I for this work place gives me hope. I am an orphaned. From the time I start to understand about my world, I never had any happiness. I had no value in people’s mind. In 2003, I came to Phnom Penh and start to look for work. I work for people that sell beef Satay until 11 PM every evening. I worked as motorbike and car wash. It was the kind of job that people don’t value. But I like to read newspaper during my free time. Through reading newspaper, I know some information and eventually I got a job working for a company. When the company closed down, I got a job with Hagar SOYA. Working with SOYA gives me great hope... My life changes significantly since I work here. I can speak some English; I have a chance to interact with foreigner and people in management position. However, people’s desire will continue to grow also; I want more in my life. Even though working here is great, I would like more. I will continue to work and grow more (Soya employees focus group, pers. com., October 17, 2009).<sup>14</sup>

A HCFM employee spoke of the improvement that had taken place during her employment:

When I first start working here as a cleaner, I was very disappointed with myself and feeling discouraged and thinking about quitting. But my supervisor encouraged me to study English and give me an option to work as waitress. Now my life has improved and I think in the future it will continue to improve (HCFM employees focus group, pers. com., October 17, 2009).

A HOT employee gave a similar testimony:

I worried a lot before I start working here. I am a widow. My mother is old and poor. My siblings are also widow. The four of us living together and poor. I have heard about Hagar and someone help me to find work at Hagar. Now at Hagar [SSE], I am happy because the leadership here is good and I have a job. My life has improved because of my work here (HOT employees focus group, pers. com., October 17, 2009).

---

<sup>14</sup> This quote suggests that the speaker did not come through Hagar’s shelter program. Because of the anonymity inherent in the recruitment process for the focus groups, this is possible, although a more likely explanation is that they did not refer to this stage of their life in the quote. Getting a job at Hagar after the company closed down could have included a period of time in the Shelter.



An employee of Café Living Room described the confidence she had gained through being given new responsibilities at work (quoted in the discussion under Resilience). She was encouraged to try new roles, and gained confidence with each new skill she mastered. This testimony also highlights the impact of positive management at the enterprise and contrasts with those testimonies where employees showed resilience in the light of perceived poor management. These testimonies certainly present employment as a key aspect of the process by which the participants were empowered and gained confidence and resilience.

A key comment comes from a member of the ‘other employers’ focus group. She says, “I used to worry when was leaving Hagar; I was afraid that I won’t be able to support myself when I leave Hagar. I wondered if I can go forward without depending on Hagar...Now, I think I can support myself now” (pers. com., October 17, 2009). Through the employment, this woman has gained significant independence.

It is also noteworthy that the trainees, although ascribing significant positive impact to their employment, demonstrate less detailed and reflective future planning and analysis of their current situation. Whereas employees in other groups describe their experiences with transport and overcoming associated fears, the trainees are still provided transport by Hagar (trainees’ focus group, pers. com., October 25, 2009). The learnings described all relate to customer service and people skills, and the long-term plans all involve their own tailoring businesses.

The trainees’ reintegration into society is definitely at an earlier stage than the employees: “We have not received any wedding invitation yet and we don’t usually go out anywhere after work because we don’t have lots of money” (trainees’ focus group, pers. com., October 25, 2009). Their views on alternative employment possibilities also reveal less insight than other groups, for example, “When I see people wearing nice uniform here at the Catering, it made me want to work here also but I don’t think I would like the work here. I just want to be good at sewing and continue to sew” and “I know about Hagar Catering, I would like to work here but I think the work here is too hard” (ibid.).

This contrasts with the employees who related complex family issues, decisions about education, health and employment options. Their future dreams involve families,

housing, employment and even plans for their old age. They are far more integrated socially and wedding invitations are common. The stories of housing, transport and family relationships reveal that independent employment, as compared to traineeship, requires much more self confidence and self reliance and hence is necessary for the growth of the empowerment and resilience shown in these participants.

### ***Differences Between Businesses***

Because of the ownership changes in the businesses, the HOT and Soya employees focus groups covered both Hagar owned businesses and independent businesses. It is therefore somewhat difficult to find evidence of a different outcome from the different ownership structures.

Salary levels were one key difference. There is evidence from both the women and the Hagar staff that the Hagar-owned businesses paid lower salaries than independent businesses. This is discussed further in the conclusion to Chapter Nine, where the issue of different models of social enterprise is addressed. However, low salaries were certainly a negative for the employees and seem to be mostly associated with Hagar businesses. As discussed in the following chapter, this was acknowledged by Hagar and they significantly increased salaries in 2010.

Non-salary benefits were certainly appreciated; in particular, assistance with health costs, child care and ongoing training. From the focus group discussions, it appears that the different businesses offer varying levels of formality in these arrangements. Given the importance of these benefits, those businesses offering more certain arrangements and greater levels of training (particularly in English) would be favoured by the employees.

The other difference noted in the groups was in management style and employee relations. Participants spoke variously of paternalistic attitudes, encouraging attitudes and harsh attitudes. These did not seem associated with Hagar or non-Hagar businesses. However, the employees certainly appreciated the encouraging style of some business managers.

Certainly some of the quotes above demonstrate a continuing paternalistic attitude in which the employees gain security from the Hagar relationship and even feel they need to stay employed at Hagar businesses to “pay back” the kindness they have received. Furthermore, Goddard suggests that the employees took advantage of the

Hagar ownership to avoid the level of professionalism necessary in a private business, that is, true reintegration cannot occur while employees remain with businesses owned by Hagar (E. Goddard, pers. com., October 13, 2009). She further stated her opinion that resilience can only be considered to be achieved when employees are outside the Hagar sphere (ibid.). As a result, she views the Hagar owned businesses as transitional employers only.

## **Conclusion**

The evidence from the focus groups highlights the benefits that employment with the social enterprises provide in significantly assisting the graduates to improve their lives in material and non-material ways. Although starting incomes remain low and in the opinion of the employees, insufficient, they provide entry into the formal economy and opportunity for advancement, an opportunity of which some have taken advantage. These incomes levels must also be put in the context of in-country norms, where they are by no means exceptionally low.

While formal employment has reduced vulnerability, participants still used debt to cover for unexpected events, such as sickness. However, the stability of income facilitated repayment of the debts and recovery from the shocks. Family and friends were also sources of financial assistance when shocks hit, indicating the importance of the socialisation benefits of the employment to greater financial security and lower vulnerability.

Some employees had progressed to higher salaries, and the training given at the places of employment was credited with facilitating these promotions. So, while starting salaries were low and considered insufficient, there is evidence that formal employment plus continued training had put these employees on a trajectory to higher income, and therefore reduced poverty.

This training, along with other non-salary benefits such as health care assistance and child care, was highly valued by the employees, even if they did not see it as compensating for the low salaries. In the case of child care, it was an essential part of the employment package, enabling the employees to enter the formal labour market. However, the continuing reliance on debt to fund healthcare, and some evidence of uncertainty regarding the coverage and extent of health benefits provided, suggests that improvements in health benefits could significantly reduce worry and

vulnerability for the employees. There is some evidence that increased literacy and English skills arising from the ongoing training were significant for self-confidence. Most significantly, the employment in the social enterprises does appear to produce benefits of self-confidence, empowerment and resilience. This was indicated in a variety of ways.

While some participants were living with parents, all were living independently of Hagar, and a large proportion renting accommodation. This implies a degree of self-responsibility and decision-making. There is strong evidence to suggest that employees experience improved socialisation and acceptance into social circles. Shared housing and friendships were common; many of these friendships began and were located in the workplace. The emotional support given within the focus groups indicates a sense of solidarity among the employees. The extreme loneliness and isolation associated with past traumas has, to a large extent, gone or at least significantly faded.

Furthermore, an inward-looking focus on survival was replaced by definite future planning for employees and their families. There is good evidence to suggest employee engagement in complex decision-making and reflection on future options. All expressed significant thoughts about the future and there was some evidence of participants thinking of future possibilities outside usual cultural norms. Many expressed a desire for promotion and greater skills. Ambition for children was common. A key comment was that children should make their own decisions regarding their own futures. This demonstrates an understanding of empowerment and a desire for the children to be empowered.

This sense of new possibilities is a strong indicator of empowerment. While their resources and capabilities were increasing, this sense of new possibilities, of ambition, and of self-confidence, indicates psychological empowerment. It was not uniform, and some participants seemed less hopeful about future change. However, there was evidence of real empowerment among the participants.

Certainly some worries and fears persist for these people. However, they are reduced in intensity to appear more like those expected of people living on low incomes and less like those associated with extreme trauma and marginalisation. They focused

mostly on the risk of shocks to health. They were not worried about immediate survival, but about the future.

As discussed in Chapter Two, there is debate as to the extent empowerment can be brought about by outsiders. The participants in this chapter were not operating autonomously to bring about their own empowerment. However, despite the limitations, there does seem to be real evidence of empowerment. Chapter Ten returns to this discussion.

However, a number of factors in the employment process increase the role of the employees themselves and hence create the conditions for greater empowerment. Firstly, there is the choice the graduates have in selecting an employer. While in practice they may have to accept what is on offer, they are not assigned to employers by Hagar, thus giving some agency to the graduates. Secondly, the jobs are real jobs, not temporary training positions. Decisions about length of stay in a job, or applying for promotions, or taking on training, seem to be largely in the hands of the employees. The partnerships Hagar has with such a large number of Phnom Penh businesses create a significant set of possibilities for the graduates. Hence, while not a situation of autonomous development, there is significant space for agency in the process.

There is some suggestion from the focus groups that the Hagar relationship inherent in some of the businesses fosters a continuing paternalism that could inhibit this agency and empowerment. This is explored more as each business is examined in the following chapters and discussed further in Chapter Ten.

Finally, there is evidence of much improved resilience. This is apparent in the responses to negative shocks in the lives of employees. While setbacks continue to produce worry and sadness, the women employees interviewed demonstrated that they have developed at least some ability to cope and move ahead despite setbacks. Clearly the business instability was a significant negative factor for the employees but some measure of the success of the employment is seen in the ability of them to cope with this shock, albeit to varying degrees.

In this kind of study it is difficult to attribute the change to any particular aspect of the process experienced by these employees. However, there is evidence from the focus

groups that the employment in social enterprises has been a key aspect of facilitating material and non-material improvements to the lives of the employees.

So employment in the social enterprises does positively impact on the employees. However, the question remains as to the functioning and sustainability of the businesses themselves. This chapter has identified some differences attributable to ownership of the businesses and the extent to which the NGO remains associated with the businesses. These questions are addressed in the following two chapters which examine the enterprises themselves. Chapter Eight examines the Hagar owned businesses and Chapter Nine looks at the non-Hagar owned businesses.

## **Chapter 8. The Hagar Businesses**

### ***Introduction***

In the preceding chapter, the lives of employees and trainees of the case study businesses were examined. Differences between the businesses in terms of the employees' experiences were not discussed. In this chapter and the next, the businesses themselves will be examined. In particular, issues of sustainability will be explored from a number of perspectives.

Because the businesses are quite different and have quite distinct origins they will be discussed individually in terms of their development and history, their models of leadership and management, their distinctive impacts on the employees (if any), the particular conditions of employment and salaries they offer and the presence, and management, of conflicts of interest. Financial issues including profitability and subsidies are also discussed, although detailed financial analysis is not within the scope of this report.

This study commenced in 2007; at that stage the intention was to examine Hagar-owned businesses. These businesses have a history going back to 1998. However, unfolding circumstances (discussed in Chapter Six and below) saw these businesses change significantly over the study period. By late 2010, none of the businesses remained under Hagar's ownership. In addition to the Hagar and ex-Hagar businesses, one new business with no previous Hagar connections was added (Café Living Room). As a result, the amount of analysis possible for each business varies considerably.

The data considered here consists of mainly transcripts of interviews with management and owners. For the Hagar-owned businesses there is also additional interview data from Hagar staff, management and board. However, in some cases there is also significant documentary data, including financial records, over longer periods of time that builds a more complete picture. Although some businesses date back to the 1990s, the discussion here will concentrate on the period from 2007 onwards.

Detailed financial data on the all case study businesses and over all relevant years was not available. However, for the Hagar businesses, profit and loss statements, balance

sheets and some cash flow data is available to 2008. Following 2008, information is far more summarised and actual financial statements were not available. Therefore, it is not intended to provide detailed analysis of the financial operations of the case study businesses but rather to look at sustainability in terms of profit generation and the subsidies inherent in the operations to date.

Until 2009, three of the businesses were owned and run by Hagar. These are Hagar Catering and Facilities management (HCFM), Hagar on Time (HOT) and Hagar Soya, with significant similarity between them in terms of leadership, culture, conflict of interest and sustainability. These businesses will be discussed in this chapter, with the non-Hagar businesses discussed in Chapter Nine. Concluding statements about the comparison between the businesses will be made at the end of Chapter Nine.

As discussed in Chapter Six, Hagar on Time (HOT) began in 1996 as Hagar Crafts, initially employing 23 women as it grew out of the need to provide income and employment for women in the Hagar shelter. The growth of Hagar's three enterprises from 1996 to 2010 is described in Chapter Six. While they were separate businesses the common ownership meant many of the issues discussed below were common across all three. The discussion below is set out under topical headings but evidence is drawn from each business and differences are highlighted where relevant.

### ***Purpose and Mission***

With the three Hagar businesses, there was a multiplicity of views about the primary mission of the enterprises. As described in Chapter Six, Hagar was founded by Pierre Tami in the 1994, with the first of the businesses beginning in 1996. Tami's initial aim for the businesses was employment for the women coming out of the shelters. Thus the small scale "cottage industry" of Hagar Crafts was started. This was a pragmatic solution to a problem that arose within the NGO. The rescue and rehabilitation model of the NGO needed a pathway for reintegration of the women and such employment was a way to provide it. For the work of the NGO to be sustainable in terms of its impact on the lives of the clients, these clients needed employment and the easiest way to find that at the time was for it to be provided by the NGO.

A second aim also derives from the sustainability needs of the NGO. Tami conceived the idea that the businesses could actually provide continuing funds to the NGO and



assist the NGO to become financially sustainable and less reliant on donor money (Batstone 2007:69). To this end, Hagar Catering and Facilities Management (HCFM, see Chapter Six) did actually remit \$20,000 to Hagar in 2005 (Hagar 2008a:24). This appears to be the only such remittance. However, this remained a stated aim until early 2009. The 2007/08 annual report states: ‘100% of the profits from Hagar’s social enterprises go to improving the working environments and social economic status of employees or are given back to support Hagar’s various social programs’ (ibid.). In fact, the HOT business plan, updated in March 2009, includes the statement: ‘The businesses – whilst remaining mindful of the primary goal of employment generation – will also become funders of NGO activities as they reach sustainability’ (HOT 2009:8).

While it was still a stated aim in 2009, it had clearly become discredited within Hagar and was no longer viewed as realistic. Emilita Goddard, head of the Hagar Women’s Program expressed this changed view:

The Board has made a decision as well to change its expectation of the business. Before when it was started, which is typical of more NGOs, they think that the business can sustain the NGOs so they don’t depend on donor grants anymore. It will never happen. The services in this kind of work is always expensive. The business cannot support it. So, rather than getting the profit from the business, our change is, let the business be profitable and create more jobs so we can have more women more disadvantaged people finding jobs. So it is a change... a paradigm shift... I think it is almost 3 years. When I joined the expectation was the business is still paying (E. Goddard, pers. com., October, 13 2009).

This quote attributes the change to a board decision that puts sole emphasis on job creation. It also dates that change in mindset to early within the 2006-2009 period. This change had a negative impact on donors who had donated to establish the businesses on the basis that they would subsequently fund the NGO (T. Rann, pers. com., July 20, 2011).

A third aim, which seems have become more prominent over time, is as a training institution. This is certainly how some outsiders viewed the businesses (C. Ryall, pers. com., January 12, 2010). In fact Ryall, proprietor of Café Living Room, considers HCFM and PSE (Pour un Sourire d’Enfant, which also operates a restaurant) not to be bona fide businesses but actually training facilities because of the heavy subsidisation from their NGO parents (ibid.). The establishment of Career

Pathways within Hagar and the explicit traineeships created by Career Pathways has somewhat reduced the emphasis on the businesses as pure training institutions. However, the Hagar Changann Bistro (part of HCFM), under review as of late 2010, was more along the lines of a pure training institution than a business. It had never been profitable and ran out of the Women's Program premises. This thinking does still prevail among some Hagar staff in the social programs. Speaking of the businesses, Goddard says, "It is not the end in itself. It is a training ground" (E. Goddard, pers. com., October 13, 2009).

Current Hagar management describes a further aim consistent with, yet going beyond training. They view the businesses more as transitional employers or employers of last resort. According to Talmage Payne, Chief Executive Officer of Hagar,

It is also a transitional employer. So you are in a real working environment, developing real skills, but even if you are very, very good, you need to move on ... it employs an unemployable person. Hopefully, after a couple of years, or several years of work, their employability may be [improved] (T. Payne, pers. com., October 13, 2009).

Under this model, the Hagar owned businesses are a temporary employer for those who cannot find other employment, with the hope being that the experience and training will make them employable in non-Hagar businesses. Whereas the training described above emphasised skills development, transitional employment was more about socialisation and development of 'soft skills' or job readiness. This is consistent with the training emphasis above but goes beyond it. Goddard puts it this way: "The aim of the businesses is to allow extra opportunity for on the job training acquiring more skills and the aim is for them not to stay in Hagar businesses. The aim is for them to find better jobs than Hagar businesses." (E. Goddard, pers. com., October 13, 2009). Similarly Alison Davies, former head of Hagar Career Pathways, describes the aim of the social enterprises as being "a launching pad" (A. Davies, pers. com., August 25, 2009). This aim of transition creates some conflicts, which are discussed below.

Associated with this transitional employment aim, and explicit in the quote from Payne above, is the goal of employing the unemployable. The HOT business plan describes the graduates it employs as follows: 'Most of them are technically unemployable due to their physical and psychological conditions, their lack of skills/experience, and the legacy of trauma previously experienced' (HOT 2009:3).

To the extent the businesses employ the “unemployable” who are not able to transition they become a “sheltered workshop” and therefore welfare institutions in their own right.

The necessity for this role of employer of last resort is questionable, especially at the current point of time. Pok describes some benefits of the Hagar ownership as perceived by the employees (Pok K., pers. com., October 12, 2009). However, according to Davies, more recent graduates of Career Pathways are not choosing to work in Hagar businesses, possibly because they don’t see the need for such a transitional place. She envisaged very little impact on the program if the Hagar businesses ceased to exist (A. Davies, pers. com., 25 August, 2009).

There are two reasons why the importance of transitional employment may have changed over time. Firstly, the demographics of the client group at Hagar had changed to younger women with higher educational achievements, more skills and higher aspirations. Alison Davies explained:

When we first set up the social enterprises ... they were women in their 30s, 40s and 50s. They were former street mums with four to five children. They were very low literacy, very slow to learn, very low capacity. Now more and more, over the years, we are working more with trafficked girls and rape victims. They are young girls (16-22 or 23), they don’t have five children, maybe one or two. Some have been to grade eight or nine. ... They have higher aspirations (A. Davies, pers. com., 25 August 2009; also, E. Goddard, pers. com., October 13, 2009).

Secondly, with the advent of the Career Pathways program with its emphasis on soft skills and work readiness, the graduates are more prepared for regular employment. There is also a question as to whether this welfare mentality has inhibited development of the women. These points will be discussed further after the other businesses have been considered.

One further aim, associated only with Hagar Soya, was to provide a socially desirable product. According to the 2006 Hagar Annual Report, ‘Hagar Soya strives to produce healthy and high quality products to help address the critical nutritional needs in Cambodia.’ As described in Chapter Six, the business began as an income generation project for the women that not only changed over time as discussed above, but also included this additional goal.

So it is apparent, that under Hagar's ownership, the social enterprises have had a range of possibly competing expectations. These expectations have generally reflected the needs of the parent NGO for reintegration pathways, operating funds, training capacity and for a sheltered workshop for the 'hard' cases (that is, women of very low capacity or so traumatised that mainstream employment is not possible).

Furthermore, there was no clear understanding of the very nature of the businesses. The language of social enterprise was used but this was not clearly defined (T. Rann, pers. com., October 15, 2009). This is borne out in the discussion about leadership below and the varying extents to which Christian mission impinged upon the management of the businesses, and became a topic for discussion at the October 2009 board meeting (ibid.).

Payne, who began with Hagar in 2007, wrote a series of essays about social enterprise, presumably based upon his experience at Hagar (Payne 2009). In these essays he insists that social enterprise must have investors with common expectations and must have a clear design. These essays confirm the lack of clarity and agreement that impacted the Hagar businesses over time.

### ***Business Leadership***

Top leadership within the Hagar owned enterprises has been a significant issue over their lives and the eventual demise of two of the three enterprises can be partly attributed to the ad hoc and non-strategic nature of senior leadership recruitment.

In all cases known to the researcher, Chief Executive Officers (CEOs) of the businesses were essentially missionaries, offering their services to the businesses on a voluntary or heavily subsidised basis as a response to a sense of religious calling. In most cases the appropriate skills and experience were not evident and managers were appointed based on relationships, chance meetings and alignment with the broader mission of Hagar. In fact, one of the CEOs describes the NGO culture of mission and the constant shortage of money leading to inappropriate and unqualified people being given senior roles within the businesses. He states: "The majority of the NGOs here are always short of cash and so they will take a volunteer to do a job and it's not appropriate... So it is actually a more expensive exercise in the long run, does more damage than by paying" (D. Smith, pers. com., October 12, 2009).

David Smith, the Australian CEO of HOT from early 2008 to late 2009, was introduced to Hagar through fellow Australian, Gordon Simpson, at the time CEO of HCFM. Smith came from a sales and marketing background and had owned several shops in Australia. However, he describes his reasons for joining HOT as primarily mission related and closely associated with his own strong Christian faith (D. Smith, pers. com., October 12, 2009). This certainly impacted on the culture at HOT with Smith instituting voluntary Bible studies at the workplace (D. Smith, pers. com., October 12, 2009), which did cause some consternation with the Hagar board (T. Rann, pers. com., October 15, 2009).

At HCFM, Gordon Simpson was CEO until mid 2009. He came from a catering background and was supported by his church in Australia (T. Rann, pers. com., October 15, 2009). Much of the relative success of the catering arm of HCFM is attributed to Simpson and his experience in this field (S. Jackson, pers. com., October 14, 2009; C. Ryall, pers. com., January 12, 2010). Cameron Ryall, owner of Café Living Room, both a competitor of Hagar restaurant and a partner of Hagar NGO, describes Simpson's role in HCFM as follows:

You know, Gordon did a great job with catering, he had that sorted out, but that restaurant ... in my point of view it should be shut down, the restaurant. They do a great job with the catering ... yes, the catering had already started but clearly Gordon, that was his background for 30 years or whatever and he came here and ... I think he knew large scale catering but when it comes to restaurants that are meant to be a more intimate affair ... Also, Gordon he probably understands big stainless steel kitchens and things like this but when it came to the ambience of that restaurant, completely lacking (C. Ryall, pers. com., January 12, 2010).

So while the success of catering is attributed to the appropriateness of Simpson as a manager, the lack of success of the restaurant business within HCFM is likewise attributed to Simpson's lack of experience.

Simpson's successor at HCFM was Stephen Jackson from the US, who originally met Simpson as part of a medical mission trip. While his main background was in information technology, he did have one year's restaurant experience. As a result of HCFM sharing their need for management assistance, Jackson was nominated by his church to move to Cambodia. Jackson remains supported by his church and the mission organisation Interserve (S. Jackson, pers. com., October 14, 2009; T. Rann, pers. com., October 15, 2009). The original plan was for a significant period working

under Simpson but Simpson left prematurely and Jackson was given the role of general manager. Jackson describes his motivation as

It is definitely from the mission perspective. I believe that God has called me here and that is why I'm here. I came purely for that aspect but also for the fact that God has put in my heart the Cambodian people, the people who have been exploited and trafficked and live in poverty (S. Jackson, pers. com., October 14, 2009).

According to Rann, Jackson wanted to rebrand the restaurant as Christian business (T. Rann, pers. com., October 15, 2009). While this was not explained in full, it was clear that meant a far more overtly religious culture being adopted. Rann viewed Simpson and Jackson as involving their faith in the business to a greater degree than the other CEOs (*ibid.*). He spoke of a suggestion at one time that internal promotions had been affected by religion (*ibid.*). While the reasons for Simpson's departure are not known, Payne described it as a result of the organisation's "dysfunction" (T. Payne, pers. com., October 13, 2009).

At Hagar Soya, the manager from February 2008 (prior to the complete shut down) was Graham Taylor. Taylor had replaced George Williams after acting in an advisory role to Williams for 2007. Williams came from a banking background in Australia and had not been there long, joining in 2005 or 2006 (C. Ryall, pers. com., January 12, 2010). Taylor is clear that Williams had very little experience or knowledge of the industry in which the business was engaged (G. Taylor, pers. com., October 9, 2009). Ryall, as an outside observer, notes that Williams "obviously wasn't thinking from a commercial perspective" (C. Ryall, pers. com., January 9, 2010). According to Taylor, "Williams struggled with recognising skill sets. He had a lot of the wrong people in the wrong job." (G. Taylor, pers. com., October 9, 2009). While these are personal comments, they do come from two independent sources and correlate well with the performance of the business over that time. It certainly seems that Williams was not well suited to the role.

Taylor is a New Zealander with a background in the dairy industry and sales and marketing. He arrived at Hagar Soya with extensive production experience in the dairy industry. In the period as an advisor, Taylor was immediately able to identify design flaws in the original Soya factory that were leading to significant wastage and inefficiency. As with managers at the other Hagar enterprises, Taylor was mostly supported by his home church. Similarly, he describes his roles at Hagar as mission

motivated (G. Taylor, pers. com., October 9, 2009). However, Rann describes Taylor as the most business-focused of the CEOs he had worked with (T. Rann, pers. com., October 15, 2009).

Payne describes recruitment of management as one of the greatest challenges of the organisation: “one of the hardest things for us to do is to find the business talent that we need” (T. Payne, pers. com., October 13, 2009). Being an NGO with strong Christian values, finding people with business skills and experience in specific industries was a significant challenge. For such a search there were no obvious networks or places to advertise. This difficulty in finding appropriate leadership, along with the cost imperative, explains the relational and ad hoc nature of the recruitment described above. Rann described the volunteer model largely adopted by Hagar as resulting in leadership without “motivation, incentive or drive” (T. Rann, pers. com., October 15, 2009).

### ***Strategy and Advice***

There is significant mention in the interviews of Hagar’s use of consultants. These are mostly viewed negatively and as having contributed to a significant waste of money and poor strategy, particularly with regard to Hagar Soya. The original factory was built in 2002 with a grant of \$1.3 million from the IFC. As part of the deal with the IFC, the IFC were to provide ongoing advice to the business (H. Collins, pers. com., June 2007). However, according to Collins, the “Mekong Private Sector Development Facility (MPDF) (part of the IFC) did numerous studies, gave lots of advice and put in capital. In hindsight, the advice was wrong, the capital has been lost and the MPDF no longer has an active role.” (H. Collins, pers. com., February 15, 2009). The view of later staff was that the promised management assistance never materialised (T. Rann, pers. com., October 15, 2009).

As a result of this poor advice or lack of advice, the original IFC-funded factory for Soya was never appropriate for the task. Taylor described in detail how the building had been built by a construction engineer without experience with dairy facilities or production processes. The inappropriate building then resulted in considerable production losses (G. Taylor, pers. com., October 9, 2009).

The ongoing operation and, in particular, the marketing, was subject to consultants’ advice. According to Taylor, “there was a lot of money spent on, as I say, marketing,

on the different companies. So many marketing companies have been involved in Hagar Soya and huge amounts of dollars have gone to them.” (G. Taylor, pers. com., October 9, 2009). A similar experience was had at HOT: “They had all sorts of consultants who had done all sorts of surveys and wrote all sorts of papers on what they should do and spent a lot of money doing it” (D. Smith, pers. com., October 12, 2009). In this case, Smith considered much of the advice to be useful but it was never implemented: “And a lot of what they said should be done was right ... [but] It didn’t get done.” (ibid.).

Each of the businesses was conceived “as a good idea at the time” (H. Collins, pers. com., February 15, 2009). The subsequent development was ad hoc, related to availability of capital and gifts more than to any planned strategy. Soya started with the gift of a machine (ibid.) and moved into the unsuitable building as a result of Nestle needing to offload its factory, its desire to be seen to be doing good and Tami’s relationship with the Nestle president (T. Rann, pers. com., October 15, 2009). In practice the Nestle factory became a three million dollar albatross around the neck of Hagar Soya. Its facilities were never utilised for milk production and it was expensive to maintain (G. Taylor, pers. com., October 9, 2009).

Smith similarly describes the foundation and growth of HOT. Upon his arrival he found no marketing plan and a strong reliance on word of mouth and charity driven sales (D. Smith, pers. com., October 12, 2009). In his view the business was not commercial and the product was not strategic (ibid.). When Dennert took over responsibilities for StopStart Enterprises (SSE) at the former HOT facility, he discovered a lack of data on product costs and timeframes for manufacture (M. Dennert, pers. com., March 23, 2010).

A similar story is apparent at HCFM. A 2009 report by volunteer consultant Analiese Christen<sup>15</sup> found that ‘Commercial profitability was not a driving force in business decisions’ (Christen 2009). Furthermore, there were no sales or marketing staff or sales plans, a limited understanding of the competition and customer needs and a need for clear budgets, strategy and forward planning (ibid.).

---

<sup>15</sup> Not her real name.



Rann described a “culture of no decisions” at a Hagar board and management level (T. Rann, pers. com., October 15, 2009). In his opinion the struggling companies were “kept on life support” too long because of a hesitancy to “pull triggers” (ibid.).

The Joma joint venture in Vietnam is not a subject of this study but Rann did suggest that from the time of initial discussions in 2007 until the restructuring associated with HSEG it similarly suffered from a lack of proper planning (T. Rann, pers. com., July 20, 2011).

In Payne’s 2009 essays he insists that a clear design incorporating performance measures must be established at the outset. This would include the setting of triggers to sell or close the enterprise and plans for doing this without harming the social mission (Payne 2009). Again, Payne’s reflections appear to have been the result of his Hagar experiences.

### ***Autonomy and NGO Involvement***

There seem to have been significant differences in experience between the various managers of the Hagar businesses in regard to the involvement of NGO staff in management. Although each business had its own board, at least notionally, these boards were staffed by NGO executives and Hagar board members; however, HCFM later did have independent members on its board (Friesen 2007; T. Rann, pers. com., April 3, 2009). The relationship between the businesses and the NGO may also have been impacted by the fact they also shared physical premises for significant amounts of time and in the case of HCFM, its Changann restaurant still operated out of the Hagar Shelter premises in 2010.

The creation of Hagar Social Enterprises Group (HSEG) in 2008 (T. Rann, pers. com., April 3, 2009) was in response to the need to put some separation between the businesses and Hagar and to create some formal independence and communication channels for the businesses.

Taylor describes Hagar’s quite heavy involvement at Hagar Soya during George Williams’s tenure, “Ben was in and out of Talmage’s and Pierre’s office all the time I was there” and contrasts it to the situation during his own tenure, “I have never seen the inside of Pierre’s office and had very few meetings with Talmage. Our meetings were always 15 minutes. I never had much to say and he never had much to say.” (G. Taylor, pers. com., October 9, 2009). This change could be attributed to Williams’s

lack of experience compared to Taylor or to Hagar's changing interest in the business over time.

Simpson described the frustrations of the relationship between Hagar and the businesses to the US Department of Labor evaluators in 2007:

But the NGO has a lack of business knowledge so it is extremely difficult to report to someone who has no knowledge of running a business. We had a situation last week with GM's meeting and the response I got from the chair person was that I was heard but not understood. They didn't understand anything so I am very frustrated. This is not the first time. It has been ongoing to the point where sometimes I just want to pack it in (Frieson 2007:49).

These frustrations went beyond communications and understanding. 'The NGO is putting too much pressure on the businesses to develop but not giving [money] to do so' (ibid.). There is also some suggestion that the businesses wanted a more professional and profit oriented approach but were stymied by NGO pressure to employ high percentages of graduates and to act compassionately towards these employees (ibid.).

Hagar addressed these issues through the creation of HSEG. While this may have assisted with communication channels and placed an appropriate separation between the organisations, problems with strategy and capital provision remained into at least 2009 for HOT and Soya. The fact that HCFM was essentially sold (Hagar retained a 10% holding – see Chapter Six) in late 2010 indicates that the 2007/08 revisions were insufficient to place the business on a sustainable path.

These fraught relationships were partly due to a lack of clarity from the Hagar board. Rann reports that only in late 2009 was the board addressing the definition of social enterprise and formulating a Christian values statement (T. Rann, pers. com., October 15, 2009). The lack of such fundamental direction created the environment for ad hoc decision making and, at times, intrusive involvement in the businesses by Hagar management.

The changes made over time including the creation of HSEG and the new partnerships reflect Payne's views as expressed in his 2009 essays. He calls for the social mission to be enshrined in the governing documents of the company and a board with independent directors who provide oversight of the social mission (Payne

2009). It is clear that the Hagar businesses did not have this clarity or functionality at a board level.

## **Finances**

Hagar Catering and Facilities Management was the only Hagar owned business to approach consistent profitability. However, as discussed below, even this business was the recipient of interest-free loans and other subsidies that make this profitability questionable.

### **HCFM**

HCFM was the most financially successful of Hagar's businesses. Summarised financial statements are available from 2005 to September 2009. Management reports from different years do quote different figures and this is discussed below. In addition, email correspondence included some approximate figures for 2009 and 2010 (T. Rann, pers. com., November 29, 2010). Revenue and net profit from the 2008 management report and subsequent emails are summarised in the following table:

***Table 8.1 HCFM Revenue and Profit***

	Revenue	Net Profit
2005	\$358,503	\$18,414
2006	\$496,760	\$-1,261
2007	\$807,170	\$7,400
2008	\$1,208,204	\$38,965
2009 to September	\$823,659	\$71,540
2009	>\$1,000,000	\$80,000
2010	\$1,200,000 (approx.)	\$85,000 - \$100,000

A first quarter 2007 management report lists 2005 as achieving a profit of \$31,446 on revenue of \$258,225 and 2006 as a profit of \$19,555 on revenue of \$350,045. Both reports list a grant of \$60,000 received in 2006.

However, as shown in table 8.1 above, the equivalent report from the second quarter 2008 restates these 2005 and 2006 results to sales of \$358,503 and \$496,760 respectively and profits of \$18,414 and \$-1261 respectively. For 2008, there are three

sources of financial data and none agree. The range of profit figures is \$23,606 to \$38,965. These discrepancies may be related to the management issues discussed earlier in this chapter or to the lack of boundaries between the businesses and Hagar at the time.

In 2005 HCFM paid a \$20,000 dividend to Hagar but in 2006 received a \$60,000 long-term loan from Hagar which increased to \$71,500 in 2007. The 2006 balance sheet also records a \$16,000 short-term loan from Hagar. Interest payments of \$570 and \$1,415 are recorded in 2006 and 2007 respectively, but there is no interest payment in 2008 or 2009. Apart from these small interest payments and the 2005 dividend, there is no cost of capital recorded in the accounts. Furthermore the original capital contributed is unknown. The 2010 deal to sell the business included repayment of these identified loans (approximately \$66,000 in late 2010) to Hagar (Hagar 2010).

The other major subsidy inherent in the accounts is the cost of management. The salary cost in the 2008 accounts is approximately \$60,000. Given that employment averaged over 100 in 2008, this amount clearly does not include the salary of an expatriate manager. The interview data confirms that both Gordon Simpson and Stephen Jackson were supported by their home country churches and mission societies (S. Jackson, pers. com., October 14, 2009). Jackson estimates that potential managers of the business might expect a fully commercial salary of over \$100,000 per annum but that joining HCFM (being a social enterprise) implied a drop to between \$20,000 and \$30,000, which in his case was funded by his church (ibid.). According to Rann, Jackson was paid \$300 per month by the business. Rann considered \$2,000 per month to be a market salary for the position and had experienced one candidate asking for \$5000 per month (T. Rann, pers. com., October 15, 2009).

It is not possible to accurately identify other subsidies from the accounts. There is an “office rent” payment of \$15,000 in 2008 (the only accounts with this level of detail) but it is unclear whether this includes rental for the restaurant premises. Jackson also mentions some health benefits funded by Hagar (S. Jackson, pers. com., October 14, 2009). Depending on the cost of capital allowed for, the subsidy inherent in the operations of HCFM could be between \$30,000 and \$50,000 assuming a reduced management salary for a “mission” motivated expatriate or a Cambodian manager. Accounting for these subsidies would still leave a profit in 2009-2010 and maybe

2008. A commercial salary for an expatriate manager would remove all profitability, even in the successful latter years.

## **HOT**

Summarised financial records for HOT are available from 2003 until 2008 (called Hagar Design Limited in 2003). Revenue and net profit are summarised in the following table:

***Table 8.2 HOT Revenue and Profits***

	Revenue	Net profit
2003	\$111,510	\$-2,484
2004	\$113,347	\$6,267
2005	\$157,042	\$-62,516
2006	\$199,506	\$-28,644
2007	\$284,130	\$44,982
2008	\$289,484	\$-39,647

This table shows revenue growing until 2007 at which time it flattened. It was late 2008 when the Global Financial Crisis (GFC) hit which impacted revenue significantly. There is no clear pattern of profitability although the large increase in revenue in 2007 did give rise to a profit. However, similar revenue in 2008 resulted in a comparable loss.

To fund these losses, HOT drew increasingly on loans from Hagar. Long-term loans from Hagar grew from \$33,606 in 2004 to \$69,762 in 2008. These were supplemented by short-term loans of \$30,562 in 2006 growing to \$88,010 in 2008. As discussed below, a significant proportion of the sought-after new capital in 2009 was to pay back these short-term loans.

In addition, HOT had \$25,000 in loans from IFC's Grassroots Business Initiative (GBI). This loan was listed at \$20,833 in 2007 and zero in 2008. Cash flow statements in the business plan show that this was repaid during 2008 (HOT 2009). This was funded via increased short-term loans from Hagar.

The 2008 income statement shows interest payments of \$3,658. The primary debt to Hagar over 2008 ranged from \$105,000 to over \$150,000. If this interest relates to that debt then the rate was certainly concessional. However, the interest may relate to cash advances. The balance sheet as at December 2008 does list cash advances of less than \$1,000 although what happened over the course of the year is unknown. Most likely at least some of this interest payment relates to the IFC GBI loan. IFC loans are on “market terms” (IFC 2006:5) and hence some interest payment must have applied. It is most likely therefore, that the Hagar loans did not attract interest.

Salaries are listed at \$55,717 for the year 2008. With a staff of 71 this equates to an average salary of \$65 per month. Although HOT did have staff on \$45 per month for some of 2008, this average would still seem to exclude any significant cost of senior management. David Smith admitted that he took no salary over the GFC period (early 2009) (D. Smith, pers. com., October 12, 2009). However, he claimed the usual salary was between the level expected by a missionary and a fully commercial salary (ibid). Based on Jackson’s observations described above, this could be expected to be at least \$20,000 but probably higher. An amount of this size does not seem to be part of the salary item in the accounts.

The 2008 accounts did include rent at \$4,793 for the Phnom Penh facility. As far back as 2001 when Hagar Design (as it was then) shared premises with Hagar, it was paying 20% of rental costs, together with Hagar Soya (Hagar 2001). Therefore, the major subsidies are in interest and management salaries. As with HCFM, these would add to between \$30,000 and \$40,000. Dennert’s assertion that HOT had never been profitable seems to have been accurate (M. Dennert, pers. com., March 23, 2010).

The deal with SSE was agreed in July 2009 although the transaction was still not complete in October 2009 (D. Smith, pers. com., October 12, 2009). At the time of sale, cash holdings (over \$45,000 as at 31 December 2008) had run out and the firm was accruing employee liabilities it would be unable to meet. In order to avoid such a point of insolvency and because of a tax issue, the deal was done quickly in the end at the low price referred to in Chapter Six (T. Rann, pers. com., July 20, 2011). SSE did not assume any of the Hagar loans upon buying the business, meaning that these must have been written off at that time (D. Batstone, pers. com., June 29, 2011).

The HOT business plan produced in late 2008 and updated in early 2009 claims that ‘All loans/equity from Hagar are used to expand operations, not subsidize production costs’ (Hagar 2009). However, the accounts reveal that only ongoing injections of loan capital from Hagar had sustained the business and that it failed only when Hagar could (or would) no longer contribute further loans.

### **Hagar Soya**

Hagar Soya was the most financially draining of the three Hagar businesses. Financial statements for Hagar Soya were available from 2003 to 2008. Revenue and net profit are summarised in the following table:

***Table 8.3 Hagar Soya Revenue and Profits***

	Revenue	Net profit
2003	\$1,588	\$-304,198
2004	\$127,596	\$-467,711
2005	\$203,999	\$-207,004
2006	\$421,459	\$-314,025
2007	\$541,869	\$-250,557
2008	\$199,713	\$-182,803

This table shows the revenue growing until 2008 when production essentially stopped after the move to the ex-Nestle facility. These profit figures are inflated by the inclusion of grants and “other income” totaling \$245,180 over the period. As with HOT, the losses were funded by loans from Hagar, ranging from \$188,000 in 2003 to \$170,000 (short term) plus \$142,000 (long term) in 2007. This is in addition to equity investments and \$450,000 in equity from the IFC. By 2008, these loans were also supplemented by a bank loan of \$88,000 and a loan of \$17,200 from Graham Taylor, the final general manager who started So! Nutritious from the remains of Hagar Soya in 2009. The 2008 balance sheet also contains a significant list of accounts payable, demonstrating the parlous state of the business at that point of time. Significantly this is after some ‘improvement’. A letter to stakeholders in December 2008 states that

‘The balance sheet has also been substantially improved through write-offs and debt forgiveness’ (Hagar Soya 2008).

As with the other Hagar businesses, there do not appear to be any interest payments on the Hagar loans in the accounts. The salary expense in 2008 was \$101,526. This is split among a number of cost centres but it is not clear what staff it related to. Taylor explained that a number of technical staff were needed to maintain the ex-Nestle facility and this expense most likely related to those staff since Hagar spent 2008 seeking an equity partner who would be able to keep the factory running (G. Taylor, pers. com., October 9, 2009). Taylor was clear that in 2009 he was not paid at all and that he was laying off staff throughout 2008, beginning early in the year (ibid.).

The accounts confirm Taylor’s claim that that Hagar Soya was kept running using donor money. He claims that over three million dollars of donor money had come into Hagar Soya (ibid.). The accumulated losses over the six years listed above add to over \$1.7 million. The value of the ex-Nestle facility is not included on the Hagar Soya balance sheet for 2008. The original (pre-Nestle) factory cost \$1.3 million but this amount was never included on the balance sheet of Soya. It is possible that some of these assets and subsidies were held outside the Hagar Soya company. There is a rental expense of \$7,717 in 2008 that would support this.

The Hagar Soya business was the highest profile of the Hagar enterprises and, financially, the least successful. It drained significant funds from the NGO and did not even approach a point of financial sustainability

### **Capital**

The struggle for capital has had a major impact on the development and ultimate failure of the Hagar businesses. Both Hagar Soya and HOT had no access to capital at crucial points in time (T. Rann, pers. com., October 15, 2009). Capital came from donors rather than investors and was therefore project related, highly public or given in kind. Each of these caused major difficulties for the businesses.

The IFC grant to Hagar Soya to build the first factory was part of a larger arrangement that included significant ongoing advice. As described above, this advice was either non-existent or unhelpful. The money given by IFC was specifically to build the factory and so further capital to market products or bring in experienced management was not available. Furthermore, the IFC grant was a highly public form



of capital that attracted significant attention from contractors wishing to capitalise on the opportunity. Taylor describes the impact:

[question] So whoever built the place in the first didn't understand dairy? [answer] no, they got a company that was, ... saw IFC money, world bank money their eyes lit up. They got heaps of money. I can't believe what they paid for it. It was huge even by today's standards (G. Taylor, pers. com., October 9, 2009).

However, it was the gift of the Nestle factory that caused the most difficulties for Hagar Soya. While it looked like a three million dollar donation, the difficulties described above caused it to become a significant liability. Hagar had hoped capital would be sourced to bring the factory into a sustainable level of production but this capital had not been sourced at the time of the hand over and failed to eventuate despite some possibilities being pursued (G. Taylor, pers. com., October 9, 2009).

Other capital for the Hagar businesses was in the form of loans from the Hagar NGO. While these were available at some points in time, when the NGO suffered from a funding crisis itself, this source of business capital ran dry. This was particularly felt around the time of the GFC in early 2009. At that time, HOT became technically insolvent with few orders and a significant employee benefits liability (T. Rann, pers. com., November 2010; D. Smith, pers. com., October 12, 2009). In that time of need, Hagar was not able to support HOT financially in any way. Furthermore, HOT was at the mercy of Hagar's changing priorities and philosophy, which determined which social enterprises it preferred to support. David Smith relates the story of that period:

Well, November, December was very quiet. January didn't see a thing. February got into March. Didn't see an order. And then we realised that we also had been affected by this global downturn. And effectively, what had happened, there had been money put aside for me to go to America to establish distributors. We have one distributor in America where we most probably need 10. Those funds were gobbled up. Those 3 months when we didn't have any orders put us in a pretty precarious position. We had to lay off most probably 30% of our staff because we didn't have any orders and suddenly found ourselves in a situation where we had no money. Hagar weren't prepared to further fund a marketing trip overseas. They made the call that they wanted to put money into other social enterprises (D. Smith, pers. com., October 12, 2009).

A three-year business plan prepared for HOT in December 2008 and updated in March 2009 (Hagar 2009) set out a case for \$150,000 in new investment to help the business grow. While some of the sought-after capital was earmarked for marketing,

working capital and factory renovations, a significant proportion was targeted to repay the short-term loan from Hagar which, as described above, was also struggling financially at the time.

## **Culture**

The Hagar NGO began essentially as a welfare operation, assisting in the recovery and rehabilitation of traumatised women. Within the NGO, these women are seen as clients or beneficiaries, victims of abuse or trauma who require services. Comments from a number of interviewees indicate that this culture and understanding of the women extended into the Hagar owned enterprises.

Smith describes a culture where behaviour was excused because of the background of the employees: “Here they tend to let it go and the excuse is because of the women we are working with” (D. Smith, pers. com., October 12, 2009). Taylor goes further and describes a culture in which “Once a beneficiary, always a beneficiary” (G. Taylor, pers. com., October 9, 2009). This was not an underlying attitude but quite explicitly spoken. It was “a line when we came to Hagar we were told” (ibid.). Taylor found this incompatible with a business culture and worked to change the culture: “I told Talmage [Payne] a number of times, ‘we do not have beneficiaries in business, we have staff who are employees and add value to the business’” (ibid.).

Taylor was behind a change in terminology adopted (at least formally) in Hagar and the Hagar businesses. He says, “the term beneficiary implies they are here for their benefit not for the benefit of the business” (ibid.). Davies describes the modified naming convention:

they’re a “client” in the women’s program and when they come through Career Pathways and they get a student badge and they’re a “student”, when they go to Phase 2 they’re “trainees”, they’re always called trainees, then they become “graduates” and then they’re “employees”, they’re never called the “client” again (A. Davies, pers. com., August 25, 2009).

However, it seems likely that the beneficiary mentality remained in the Hagar-owned enterprises. While Davies talks of the businesses not needing to know the background of the staff, senior Hagar management still spoke of employing the unemployable (T. Payne, pers. com., October 13, 2009) and hence keeping their “beneficiary” label. The 2007 evaluation reported pressure from the NGO on the businesses to distinguish the graduates and show additional compassion to those staff. The businesses were

resisting this explicit discrimination and wished to treat all employees equally as employees and not as beneficiaries (Frieson 2007:48).

However the business managers did think of the staff as beneficiaries to some extent. Erskine-Smith, in her 2008 evaluation, quotes a manager of HOT lamenting the short tenure of some 'beneficiary' staff: 'Those who have gone through CP tend to stay for a couple of weeks and leave. There need to be an accountability to Hagar for a return on the investment made into their lives' (Erskine-Smith 2008:18). The implication is that the graduates owe something to the businesses as a result of Hagar's charity. Therefore, they are not just like other employees.

The conflicting purposes of the businesses have been discussed above, and this influences culture as well. Management with a strong mission perspective and lack of business background inevitably created a mission culture. Jackson describes the treatment of Hagar graduates at HCFM, "we are a little more forgiving, you know give them a little more grace, if you will, to make mistakes" (S. Jackson, pers. com., October 14, 2009). This correlates with Smith's observation, discussed above, about "excuses" for these employees.

The focus group transcripts confirm this culture and even highlight the changes that were happening over the 2008/09 period. Employees of HOT (which had become SSE by the time of the interviews in late 2009) describe HOT as having significant "flexibility", unlike other employers in the industry (HOT employees focus group, pers. com., October 17, 2009). One employee commented on a perceived change in this culture:

When I was started to work here, it was running as an organization and I wanted to work for NGO but now they change the structure as a company. When it was run as NGO it was very flexible and easy. There were plenty of time to rest and if we have a gathering, there were plenty of food to eat; when we cook curry, there were plenty of meat in the pot, it was much fun and happy time then. But now, when they change into company, it is stricter (ibid.).

At the time of the focus group, SSE/HOT was still managed by David Smith, the final manager under Hagar ownership. It is likely that the change noticed by the employee is more a result of changing emphases within Hagar than the change to SSE. Smith does not indicate any change in attitude towards employees under the new ownership.

This strong mission perspective of the management, which resulted in most of them receiving support from home country churches or mission societies, also has the potential to undermine the profitability imperative of the business. Dennert, who took over the management of HOT under SSE in early 2010, noted the challenge of getting the senior Khmer staff to appreciate the need for profitability. This challenge arose because this need had not been modeled (M. Dennert, pers. com., March 23, 2010). Taylor explores this further and notes, “The NGO culture is always expecting another donor to pay” (G. Taylor, pers. com., October 9, 2009).

While the businesses were within the Hagar fold and seen as training institutions or employers of last resort, there was no incentive or even desire to move to local management. The chief executives of the businesses, along with the Hagar NGO staff, were the keepers of the mission. Therefore, just as Hagar was dominated by expatriate staff at the senior level, so these businesses were destined to remain dominated by expatriate management. Dennert saw this exacerbating a cultural tendency to patron-client relationships. He said that, in response to expatriate leadership not modeling the need for profitability,

they have just defaulted to “well just do what we are told or we’ll do the way that the foreigner wants to do it” kind of thing. Which is a very strong patron-client deal that happens in Cambodia, all over Asia really, but it’s very strong in Cambodia, so most Cambodians won’t question or second guess someone they think is higher status than them or in particular a foreigner (M. Dennert, pers. com., March 23, 2010).

Furthermore, several interviewees noted the difficulty Cambodians have in creativity and critical thinking and in moving away from a strongly hierarchical view of society. Taylor describes some difficulties that this creates in terms of feedback on the business: “My problem is getting the information back again that will change a decision... they don’t want to give the boss bad news” (G. Taylor, pers. com., October 9, 2009).

The patron-client culture passively encouraged in the Hagar businesses does not challenge this tendency to passive submission and lack of critical thinking. Dennert concluded that past practice at HOT had been to not share management-type information with staff, thus perpetuating the separation between management and staff and even encouraging the paternalism already strongly present in society.

Dennert asserts that positive characteristics can be fostered. He gives examples (discussed below) of how SSE had moved to do this.

### ***Pay and Conditions***

All of the Hagar businesses struggled with pay rates. In surveys of comparable businesses, the Hagar businesses were bottom of the list (A. Christen, pers. com., October 12, 2009; Christen 2009) for all comparable job descriptions. Starting salaries at HCFM in 2009 were \$55 per month. These rates were for dishwashers and cleaners, recognized as the lowest skilled workers. In fact, in October 2009, \$55 per month was still the modal salary at HCFM and approximately one third of staff at HCFM were on salaries of between \$55 and \$60 per month (HCFM 2009). HOT had workers on \$60 per month but Smith acknowledged that in mid 2008 HOT had staff on \$45 per month (D. Smith, pers. com., October 12, 2009). Salary data from Hagar Soya were not available.

These rates were generally acknowledged by management to be low. According to Hagar CEO, Talmage Payne. “[the topic] we debate is [that] \$60 is not a living wage. That is the problem with it” (T. Payne, pers. com., October 13, 2009). There was some attempt to justify these rates in terms of providing incentives for staff to move on to employment outside of the Hagar organisation. Jackson, from HCFM, expressed this dilemma,

so part of the problem, part of the challenge is trying to figure out the balance between giving them ... where the industry is ... what we would like to give them but making sure they are not super comfortable that they wouldn't like to leave... We are trying to develop and grow them. Having them stay with the organisation isn't always the best way (S. Jackson, pers. com., October 14, 2009).

This reflects the confusion as to the purpose of these businesses.

Salaries at each of the Hagar businesses were independently set by the business (T. Payne, pers. com., October 13, 2009; D. Smith, pers. com., October 12, 2009). In doing this, it is not clear what policy was being pursued. Jackson spoke of having done informal surveys in the past but was unsure how long ago that had been and “so we need to conduct a new survey to see if we are to make sure we are going along with industry standards” (S. Jackson, pers. com., October 14, 2009). Throughout the history of the businesses there seems to have been constant pressure from the NGO to pay higher salaries (E. Goddard, pers. com., October 13, 2009; A. Davies, pers. com.,

August 25, 2009) although Smith, who only started at HOT in early 2008 denies any pressure and described his management of the business as a “free reign” (D. Smith, pers. com., October 12, 2009).

It was also alleged that Hagar businesses awarded much slower rises in salary than competitors (A. Davies, pers. com., August 25, 2009). Davies described a situation where employees commenced on \$55 per month, moving to sixty after six months, but then remaining static. Employees certainly expressed dismay at the lack of salary rises (see below). These rates compared to other restaurants starting at \$80 and quickly moving to \$100-120 per month (ibid.). Jackson maintained that while rates started at \$55, they did rise by five dollars per month each six months (S. Jackson, pers. com., October 14, 2009). This disagreement may indicate that current policy at HCFM may not always have been followed.

The primary justification for the low salaries were the other benefits offered by the Hagar businesses, both monetary and non-monetary. Payne explains, “The salary is not necessarily better than outside but there is more of a social safety net and social benefit” (T. Payne, pers. com., October 13, 2009). At HOT, monetary benefits included attendance bonus of \$7 per month and paid maternity leave (at half salary) (D. Smith, pers. com., October 12, 2009). Among non-monetary benefits available were free transport to work (it was not clear whether this was available for all employees), access to Hagar’s doctor (available because Smith and his wife provided the initial funding for this facility), child care estimated to be worth \$10 per month and meals (which were stopped at HOT when they became unaffordable) (ibid.). Other less formalised benefits mentioned included ad hoc assistance with the cost of an operation, general leniency and a more relaxed workplace (ibid.).

Less detail is available for HCFM but benefits in that business as at 2009 included child care, coverage of medical expenses, and bereavement leave (S. Jackson, pers. com., October 14, 2009; A. Davies, pers. com., August 25, 2009). It appears though that, as with HOT, some of this was directly subsidised either by the NGO or externally. According to Jackson, “There are... the health benefits though, are available through Hagar NGO and that was funded by somebody else and so ... like they are able to get free dental and eye check ups and some sort of care, but it is all subsidised by Hagar NGO.” (S. Jackson, pers. com., October 14, 2009).

In 2010, significant changes were introduced during 2010 to HCFM's benefits to include English classes, an education benefit and superannuation payments (T. Rann, pers. com., November 29, 2010). This was in addition to significant salary rises (ibid.). English classes were strongly affirmed by several employees in the focus groups (HOT employees focus group, pers. com., October 17, 2009). Even less detail is available on benefits available to Hagar Soya employees, but free transport was abolished in 2008 in order to reduce costs (Hagar Soya 2008).

While these benefits are considered by Hagar staff and managers to compensate for lower wages, the survey by Christen concluded that "Private sector [provided] similar benefits but [were] more ad hoc basis or varying case by case" (Christen 2009). As will be discussed below, the privately owned businesses included in this study also provided a similar or higher level of benefits.

As discussed in Chapter Seven, employees of all the Hagar businesses complained of the low salaries. Furthermore, employees of HOT, Soya and HCFM all indicate they were promised increased salaries when the businesses became profitable, "When they have surplus then they will increase our salary" (HCFM employees focus group, pers. com., October 17, 2009). It is noteworthy that this comment comes from the one business that was profitable. Others indicate promises of better salaries were not kept, "I have been working for a long time, there is promised but have not received any increase yet" (HOT employees focus group, pers. com., October 25, 2009).

These frustrations with salary and perceptions of broken promises led to intentions to leave the business, with many of the focus group participants indicating a desire to move on and a resignation about salary levels. Typical of the comments is "I also know one other person that left here because the salary is low. She/he worked here for a very long time but there is no salary increase. For me also, I have been here for about two years now and salary is still the same" (Soya employees focus group, pers. com., October 17, 2009).

### ***Conflicts of Interest***

In general the Hagar management and Hagar business managers saw the conflicts of interest inherent in these social enterprises more starkly than the non-Hagar businesses discussed below. Payne describes the main conflict as balancing profitability and business security with the social mission of employing difficult

people. A second key conflict was managing the extent of the social mission within the business (that is, how many graduates to employ).

the conflicts: profit versus social cost, the big one. Profit is not just in terms of ... we need to make a lot of money but what is safe and competitive. ... So, its profitability versus... It's a big one. And then, the ratio of outside employment and inside. Because Hagar employment, particular the difficult cases, do have higher social cost. Things go wrong, you can get mad, absenteeism, disease, you know if ... a business like has to carry employees with HIV/AIDS. Basically, if you get more than 50-60% of your employees from a Hagar background it's not a healthy place to work anymore. People bring all their dysfunctions into the [workplace] (T. Payne, pers. com., October 13, 2009).

Payne also identifies a further conflict for an NGO owner looking to the enterprises for funding: "So, Catering had a good amount of cash in the bank and so we went through this economic crisis it had cash, you know, it wasn't on razor thin cash. We let cash stay in the business so they could grow the business or need it. That's one of the biggest ones" (ibid.). This conflict was particularly acute because Hagar had its own funding crisis at the time of the Global Financial Crisis. In fact, its shelter actually closed for a period of time (C. Ryall, pers. com., January 12, 2010; M. Dennert, pers. com., March 23, 2010). The temptation to withdraw excess cash from HCFM must have been significant. Rann describes an actual conflict between Hagar and Stephen Jackson over the cash levels within HCFM. Hagar wished to have its loans repaid but Jackson refused to release the cash for that purpose (T. Rann, pers. com., October 15, 2009). This was not mentioned by Jackson, who shrugged off the question of conflict with a vague reference to past disputes over money:

I've known in the past there were conflicts and so thus there is a ... unfortunately, I believe they have to do with money, either we are not getting paid or they are not getting paid or something or funding. The decisions, more like the decisions. I have not experienced any of that (S. Jackson, pers. com., October 14, 2009).

Dennert, who managed what was the HOT business, saw as the key conflict for Hagar the problem of managing the capital needs of the business while maintaining the NGO (M. Dennert, pers. com., March 23, 2010). In his opinion, Hagar, as an NGO, was incapable of running the business as a business.

How these conflicts were managed within Hagar and the Hagar businesses is somewhat clear from the discussions above relating to leadership, strategy and



purpose. The ill-defined relationship between the entities led to ad hoc decision making, pressure (real or imagined) on management of the businesses and frustration all around as expressed above.

The approaches taken certainly changed over time. As described earlier in this chapter, Taylor reported that George Williams interacted frequently with Payne and Tami whereas he himself had had little contact. Taylor's experience aligns with Smith's experience at HOT: "I was given free hand, pretty well do what I wanted to do" (D. Smith, pers. com., October 12, 2009). On the other hand, in 2007, Simpson expressed considerable frustration at Hagar's interference from a position of business ignorance (Friesen 2007:49). It seems that, post 2007, Hagar took a more hands-off approach to the businesses. However, the general complaint that the businesses were expected to make money and meet the constant social needs of the NGO without adequate resources to do either seems to have continued (D. Smith, pers. com., October 12, 2009; T. Rann, pers. com., October 15, 2009; S. Jackson, pers. com., October 14, 2009; G. Taylor, pers. com., October 9, 2009).

Hagar's ultimate answer to managing these conflicts was to essentially divest itself of all the businesses. Although Soya and HOT were essentially failed businesses, even the profitable HCFM was eventually divested in 2010 (T. Rann, pers. com., November 29, 2010). While Hagar has retained 20% of the equity and a guaranteed board position and described the deal as a partnership, they have certainly removed businesses decisions from the ambit of the NGO. It seems ultimately they have agreed with Dennert's assessment of the inherent incompatibility.

Again these moves are reflected in Payne's documented learnings (Payne 2009). He suggests that the social and financial tradeoffs should be identified and quantified in the design of the enterprise. An independent board with responsibilities to uphold a clear social mission would then manage these conflicts.

### ***The Market***

An important aspect of business sustainability is the sustainability of the market for its goods and services. In this respect the three Hagar businesses were quite different. At its inception, HOT was selling to a charity driven market. According to Smith, "it was who it was made by" that secured the sales (D. Smith, pers. com., October 12, 2009). However HOT evolved from a handicrafts business to selling first silk

products and then recycled bags on the export market. While the ethics of the products remained important, the retailers buying the products were for-profit businesses and so the products had to be commercially viable.

While the local market for the product was not viable, the export market also caused difficulties. Its volatility through the GFC period contributed significantly to the business failure. It is also noteworthy that textile businesses in Cambodia held significant US concessions until 2005 (Wells 2006:360; Source ASEAN 2010:1). As discussed in Chapter Four, the ending of these concessions did not see the end of industry growth but did result in vulnerability for the entire industry at the time of the GFC.

Soya's market was mostly the "street market", that is, in local markets or street side sales. They generally avoided what Taylor described as the modern market (petrol stations and supermarkets) (G. Taylor, pers. com., October 9, 2009). The market was therefore local, indigenous and not charity driven in any way. Soya was meeting a real demand in the local economy (C. Ryall, pers. com., January 12, 2010; G. Taylor, pers. com., October 9, 2009). The other aspect to the market for the Soya product was the provision of nutrition. In its 2006 annual report, Hagar quotes the provision of low-cost nutritious food as part of the mission of Soya. Therefore, its social mission extended beyond employment to the product itself being socially desirable.

HCFM has two distinct markets. The catering business services large businesses within Phnom Penh. While customers would be aware of Hagar's mission, this is a competitive commercially oriented market (S. Jackson, pers. com., October 14, 2009). On the other hand, the restaurant caters mostly for tourists and missionaries (ibid.). In this case, the appeal of the business to customers is definitely the social mission behind it. This difference in markets may have influenced the degree of commercial focus and management discipline and hence may partly explain the significant difference in profitability between the restaurant (loss-making) and the catering business.

In general, Hagar management considered that customers of their businesses were drawn to both the product and the social mission. Both were important for sales success (T. Payne, pers. com., October 13, 2009). Furthermore, Payne considered commercially viable products and services a necessity as "the social sector market is

small” (ibid.). This means Hagar’s businesses were competing for mainstream business, but handicapped by the issues of purpose, leadership and capital discussed above.

### ***Employees and Recruitment***

In the cases of all three businesses, Hagar was the first port of call for new employees (S. Jackson, pers. com., October 14, 2009; D. Smith, pers. com., October 12, 2009). Although candidates would be interviewed, the businesses would make every effort to employ the Hagar graduates. This applied even when the alternatives were graduates from other shelter programs. Jackson explains:

We will definitely give more preference to the Hagar programs, we will definitely try to take them. If there are ... A lot of the times, we try to promote within so a lot of the times the positions we do have open are pretty low level positions like cleaners, dishwashers and things like that so it provides a very easy entry so there wouldn't be any hard reason why we wouldn't hire somebody (S. Jackson, pers. com., October 14, 2009).

By 2009, both HCFM and HOT (then operating as SSE), the only two Hagar businesses remaining at that time, had adopted ratios of between 30% and 40% of employees as graduates (D. Smith, pers. com., October 12, 2009; S. Jackson, pers. com., October 14, 2009). As discussed above, these ratios had been higher, and there had been significant pressure in earlier years to employ higher proportions of graduates.

Also by 2009, the businesses were finding it difficult to employ Hagar graduates, both because of the temporary shelter shut-down and because graduates of Hagar’s Career Pathways program were choosing alternatives with higher salaries or more desirable work (D. Smith, pers. com., October 12, 2009; A. Davies, pers. com., August 25, 2009). According to Davies, “now people aren’t choosing HOT but looking at different kind of skills, the dressmaking skills that are going to set them up longer term if they want a sewing machine at home or have 2 different jobs” (ibid.).

By this time, Career Pathways had established partnerships with a range of other businesses willing to employ the graduates and so the graduates had a choice (A. Davies, pers. com., August 25, 2009). In fact, recognising this choice, thinking it through and making a decision are all important indicators of the development process that is the aim of the Women’s Program. So the ability of the Hagar

enterprises to fulfil their social mission was impacted by the low salaries and the limited variety of work available. Ironically, at the same time, the success of Hagar's social mission (through Career Pathways) was demonstrated by the lack of demand for jobs in Hagar's enterprises.

Staff turnover in HCFM was reported at 3-4% per month (S. Jackson, pers. com., October 14, 2009). Without comparative data, it is unclear how high this is in context, although other businesses did not report turnover this high. Reasons given for turnover at both HCFM and HOT include women moving back to provincial areas, employees moving into study, family reasons, and the desire for more money (S. Jackson, pers. com., October 14, 2009; M. Dennert, pers. com., March 23, 2010). Only Jackson from HCFM mentioned turnover due to lack of enjoyment or "because it is hard" (S. Jackson, pers. com., October 14, 2009). This may reflect either the working environment at HCFM, or the more difficult cases they were employing (as the only Hagar business left in 2009).

There were certainly examples of employees flourishing within the businesses. Goddard described the cashier at the Changann bistro, "A month ago she was serving food. It is only recently she has been moved to cashier and that's a big step." (E. Goddard, pers. com., October 13, 2009). Taylor described long-term employees with Soya as having "a lot of ownership ... They are thinking things through" (G. Taylor, pers. com., October 9, 2009). Chapter Six included a quote from David Smith describing the empowerment of a rescued girl who had moved from a state of extreme shyness to speaking openly about her life in front of 100 people. These descriptions corroborate the evidence from the employees themselves, discussed in Chapter Seven, about the benefits of the employment.

However, Smith also described the difficulty some employees had in accepting the salary given they may have been earning \$150-\$200 per month previously in sex work (D. Smith, pers. com., October 12, 2009). As a result, he struggled with employee retention and motivation and expressed concern that the shelter program may not provide sufficient or appropriate options, "Nice idea having the Hagar shelter, well, as I said, the reality is they don't all want to work in a factory" (ibid.).

The management responses indicated some paternalism in the employee-employer relationship. Jackson described his employees as "in general, they are pretty upbeat,

they are pretty happy they have a job. They understand they normally wouldn't, it would be very hard for them to find a job. So I think they are very grateful and they understand that we are trying to help them" (S. Jackson, pers. com., October 14, 2009). This may be inevitable for employees coming from a shelter environment but might also reflect the underlying NGO culture as discussed above.

In Davies's opinion, the employees did see the Hagar businesses as safer options.

I guess that when they go into Hagar there's this feeling that they'll be well looked after, maybe it's a very safe environment, that things can be a bit flexible for example if your child or your children are sick or you're sick then they'll understand because they're Hagar, which is kind of the attitude that's happened in the past, that anything goes a little bit and so I'm not sure, well, discipline wise, I think they've been a bit lax over the years, you know, you have your warnings and things like that, but generally people are kept safe (A. Davies, pers. com., August 25, 2009).

In her opinion, with the advent of the Career Pathways program, graduates no longer needed that safety net and their new-found confidence was also a contributor to the Hagar businesses struggling to recruit graduates (ibid.). On the other hand, Pok thought Hagar's policies on child care still made Hagar an employer of choice among women with children (Pok K., pers. com., October 12, 2009).

As discussed above, employees did appreciate the greater "flexibility". Their reflections on the management cultures were mixed. Some quoted very positive examples of being helped by management (HOT employees focus group, pers. com., October 25, 2009) while others described conflict with management (ibid.; HCFM employees focus group, pers. com., October 17, 2009). The group of ex-employees, perhaps not surprisingly, were quite critical of management, suggesting they were rude, critical, overbearing and not encouraging (ex-employees focus group, pers. com., October 25, 2009). In fact, some felt blamed for the business failure, "the management did not give us encouragement but blame us for the company failure" (ibid.). As described in Chapter Seven, only one of these had found formal employment post retrenchment.

One comment from an ex-employee does collaborate the welfare mindset that seems to have stubbornly remained within Hagar businesses.

I like Hagar because Hagar gives me skill training. Before participate in Hagar program, my life was very hard. Hagar provides skill and teaches me about life (soft

skill training). So I have made up my mind to work and repay the organization. I want the organization to improve and successful. So it doesn't matter how hard the job is; I must work hard because I want to repay their kindness (ibid.).

This comment also demonstrates the difficulty in escaping from a patron-client culture. However, this employee (at HOT) did not find management encouraging but stayed to “repay the organizations’ kindness” (ibid.). After deciding to resign, she was persuaded to stay on for the sake of her child, who was attending school, assisted by HOT. However, “So I stayed on, but at the end they lay me off.” (ibid.). This attitude is also reflected in the un-named HOT manager’s attitude quoted above relating to short tenure.

This example highlights an impact of the NGO ownership and welfare culture. The employee’s motivations are misplaced and so the impacts of business realities are even more devastating as a result.

A final factor mentioned by ex-employees of the Hagar businesses is that they were assigned to businesses they had not chosen and were not trained for, “When I finish training with Hagar, there weren’t any choices; I was assigned to work there.” (ibid.). This is contrary to all descriptions of the Career Pathways processes and may reflect an earlier approach by Hagar.

### ***Ongoing NGO Involvement***

Jackson at HCFM described a close ongoing relationship with the NGO, citing regular meetings with Emilita Goddard, head of the Women’s Program (S. Jackson, pers. com., October 14, 2009). However, the only agenda mentioned for these meetings covered the benefits offered by the business, rather than services provided by the NGO to employees. Staff at Hagar businesses were able to access medical services at the NGO although, as described above, this may have been due to particular circumstances and not general policy. With the sale of HCFM in 2010, it is not clear whether staff will access services at the NGO.

According to Davies, staff at Career Pathways provided two years of follow up, regardless of the place of employment (A. Davies, pers. com., August 25, 2009). There is no evidence that it is more effective at the Hagar businesses. In fact, employees of non-Hagar businesses praised the Hagar follow up, “I don’t feel abandoned. I feel safe” (other employers’ focus group, pers. com., October 17, 2009).

## ***Conclusion***

This chapter has discussed, from a number of perspectives, the three businesses owned by Hagar. Common ownership gave these businesses a degree of similarity which facilitated this approach. The other three businesses in the study have quite distinct ownership structures, owners and histories. As described in Chapter Six, one is the continuation of HOT under new ownership and another began with equipment and staff from Hagar Soya. The third, Living Room, has always been independent of Hagar. Chapter Nine will consider these three non-Hagar businesses. Concluding remarks on all six businesses will be made at the conclusion of Chapter Nine with broader conclusions discussed in Chapter Ten.

## **Chapter 9. The Non-Hagar Businesses**

This chapter will examine the three non-Hagar businesses. Because they are quite different (as compared to the previous chapter where the businesses had the Hagar ownership and relationship in common), this chapter will be arranged by entity, with a range of factors discussed for each business. The chapter will conclude by drawing together the analysis from both this chapter and the previous chapter.

### ***StopStart Enterprises***

The HOT business essentially failed in 2009. Hagar was not able to provide the capital needed to grow sales (D. Smith, pers. com., October 12, 2009). As described above, Australian company StopStart Enterprises (SSE), headed by Hugh Marquis purchased it for a nominal sum. Not long after, the investment arm of the Not For Sale campaign (Right Reality - RR) joined with SSE and together they invested \$35,000. David Smith remained with SSE for some time but left in early 2010 to be replaced by Mark Dennert.

SSE is a for-profit business owned by a collection of Australian businessmen. RR is a for-profit investment vehicle aiming to pay a return to investors. Both organisations have a clear social mission relating to the prevention of trafficking and the rescue and rehabilitation of victims of trafficking. In the case of RR, it has been intentionally established as a for-profit vehicle to operate alongside the non-profit Not For Sale (NFS) in order to attract capital requiring a return to the anti-trafficking cause (D. Batstone, pers. com., July 9, 2010). The owners of SSE also share a further vision: “That is kind of our longer term vision, to help the local church become sustainable through their local members having sustainable employment.” (M. Dennert, pers. com., March 23, 2010). As part of this, Dennert heads up

another organisation called Future Now Enterprises where we do a lot of mentoring, training and coaching for sustainable business development in particular where that relates to the Christian community and helping pastors and leaders in churches help their members start businesses (ibid.).

So the SSE business contrasts with HOT in that it has a clear purpose around sustainable for-profit business employing and developing victims of trafficking.

Upon assuming leadership of SSE, Dennert had been in Cambodia four years with Future Now Enterprises. As with recruitments to the Hagar enterprises, this



appointment was also a result of existing relationships; Dennert knew the owners of SSE through his Australian church and was supported by that church in his work with Future Now. Dennert's background was in civil engineering and he had significant experience in project management and consulting. As with previous Hagar-appointed managers, Dennert saw this role as a mission but, in some contrast, equally as a business role (ibid.). In early 2011 Dennert left SSE and was replaced by Joe Conway, a US expatriate. Conway came from a sales background. Like others, he had a strong religious motivation. However, he is a salaried employee of the business rather than being supported by a church or mission agency (D. Batstone, pers. cons. June 29, 2011).

The board of SSE consisted of Batstone, Marquis and (at the time of interview) Dennert (D. Batstone, pers. com., July 9, 2010). Batstone's background in venture capital and business publishing is well documented (Not For Sale 2011). Marquis is Managing Director of Network Neighbourhood Pty Ltd, an IT consulting business in Melbourne, Australia. The board is therefore well credentialed in business.

Under SSE ownership, the former HOT business still recruited through known networks and relationships. Dennert was part of Marquis's church network (the C3 Church in Melbourne). However, those networks (namely of Marquis and Batstone) were now highly business-oriented and hence the identified candidates were more suitable to the business needs.

A very clear indicator of the change at SSE was Dennert's description of his key performance indicators (KPIs). The language itself portrayed a more businesslike approach and the indicators themselves demonstrated a clear strategy:

I've got 3 KPIs essentially with the board which are KPIs that I actually put to them because they are values that we uphold. They are number 1: to get the business profitable and into some form of sustainable position; 2: to bring about a cultural change to move from the NGO mindset and culture into a for-profit culture and; 3: to develop the capacity of the Khmer management and senior leadership so I can be replaceable basically by a Khmer GM. So they are 3 key goals in my world stepping into this role (M. Dennert, pers. com., March 23, 2010).

Batstone elaborated further, placing clear timetables around the profitability goal; namely break-even in 2010 and a 10% return in 2012. This would be achieved by appropriate investment in marketing and new production equipment (facilitated by the

capital injection in 2009). The two non-executive directors would be heavily involved in marketing (D. Batstone, pers. com., July 9, 2010). While final 2010 accounts were not available as of July 2011, Batstone gave a verbal assurance that 2010 finished within \$10,000 (plus or minus) of break-even, that sales had grown strongly and new product lines had been developed (D. Batstone, pers. com., June 29, 2011).

The immediate capital needs of the business were provided for in 2009 by the \$35,000 injection at the time of purchase. Both owners have the capacity to provide for future capital needs. In fact, RR was in the process of establishing an investment vehicle to pool funds seeking a return on socially beneficial investments. This new vehicle would guarantee a certain level of return designed to attract investments from charitable foundations in the US. This would allow the business to tap into the investments of charitable foundations as investments, not donations. This is a major difference between SSE and HOT. Hagar relied on donor funds to develop the businesses whereas SSE can tap investment markets.

The second and third of Dennert's KPIs point towards significant cultural change within the organisation. When asked to elaborate on the aspects of NGO culture that persisted within the business and needed to change, Dennert pointed to lax internal processes and basic information about production, a lack of basic business tools (reporting, information about costs, overheads and production times) and an "NGO 'we're doing the best we can, let's just see what we can get by with' kind of mindset." (M. Dennert, pers. com., March 23, 2010).

More significantly however, is the stated aim "to develop the capacity of the Khmer management and senior leadership" (ibid.). Along with Smith and Taylor, Dennert recognised the cultural challenges in this goal. The prevailing patron-client culture is highly deferential to foreigners and so Dennert saw a strong need to foster critical thinking, creativity and responsibility. However, he believed this could be done successfully:

So I actually... in the time we have been here we have come to the opinion that there are a number of Khmer people that are intuitively reasonably intelligent but they have never been taught how to develop that or given the freedom to do that and in a lot of cases they just need to be shown how and given the belief in them that they can do it. So I think, yeah, there is definitely hope there, particularly on the creativity side of it (ibid.).

To achieve this, Dennert says, “So what I am trying to do is help people think a bit more creatively and think for themselves about what needs to be done for the business and teaching them the significance of what we do now and how that impacts on the bottom line.” (ibid.). He described the response of staff to receiving this type of information, “They clearly got it and were clearly appreciative that they were given that information because in the past I don’t think they would have been given that information” (ibid.). This empowerment approach is extended to all staff: “we have just gone to a fortnightly lunch program where we will provide lunch for all the staff and we use that as an opportunity to talk about the business, the vision and direction, any changes that are coming up, that kind of thing” (ibid.).

The most difficult part of the culture and the process of handing over some management control was instilling the vision of the social mission into the Khmer staff. Dennert describes the prevailing culture as reinforcing “the patron/client relationship most times so those that have, continue to have, and those that have not, continue to have not. So there is not really an advancement of people to move beyond their current position” (ibid.). He was also faced with the challenge of very direct harsh and direct management style by senior Khmer staff. A particular goal has been to teach a mentoring style of management and to move away from fear-based relationships to working relationships based on a common vision (ibid.).

This emphasis on building Khmer leadership and building a strong whole-of-business culture is absent from discussions with the Hagar managers. It reflects the differing purposes of those businesses and their emphasis on being training institutions and employers of last resort as opposed to sustainable businesses in their own right. It also reflects a desire to impact the local business culture and economy as well and not just serve the needs of an NGO. A further point of differentiation raised by Dennert is the time frame. In his view, businesses have a longer time frame than NGOs that are dependent on project funding. This longer-term view is reflected in the aims relating to Khmer leadership and the broader vision of the owners relating to Cambodian development.

Salaries at SSE were adjusted up in the time of David Smith (as described above) but Dennert admitted they needed to be revisited in 2010. In 2009, at the time of the interviews, the lowest was \$62 per month plus a \$7 attendance bonus (M. Dennert, pers. com., March 23, 2010). Overtime was offered on occasion but Dennert

emphasised that normal hours were “very reasonable” compared to other industry peers. These rates were considered to be above minimum wages (before the attendance bonus). Batstone articulated an aim to pay 60% above the minimum wage (ibid.). In addition, SSE paid travel allowances, health cover, child care and a fortnightly lunch. They had plans for English classes (for personal development, not a business requirement) and machine traineeships (M. Dennert, pers. com., March 23, 2010).

In 2010, SSE introduced an employee share scheme. This was a mechanism to distribute business profit to employees in the form of shares. While the expectation was that employees would take the entitlement in cash, it did make it possible for employees to build up equity in the business (D. Batstone, pers. com., July 9, 2010). In order to maintain control over the social mission, such transference of ownership would be capped at 49%.

SSE has formally adopted a policy of taking a minimum of 30% of employees from shelter programs. For new employees, the NGOs have typically paid half of the first month’s salaries. NFS was looking at assistance with this cost. SSE was also looking to partner with a wider range of NGO shelters.

Dennert certainly saw these employees as having their problems – absenteeism, family problems, and lower productivity (M. Dennert, pers. com., March 23, 2010). However, he also described the very positive response from employees to a management approach based on empowerment. Employees quickly moved from a fear-based relationship to a trust-based relationship with management when they have been given information, trust, and affirmation (ibid.).

Under SSE ownership, conflicts of interest were less significant than under Hagar ownership. SSE had adopted clear goals for the business, clear benchmarks for the social program in terms of salaries and proportions of employees and sources of capital independent of the underlying social mission. As Batstone described the situation,

So what I really like about what we are doing is Not For Sale has a chinese wall with Right Reality and StopStart. They are their own entities with their own boards and their own general managers and so yes, we partner and collaborate but decisions are made on that basis of what is good for those investors and equity holders (D. Batstone, pers. com., July 9, 2010).

Dennert described some conflict with regards to turnover; wanting to see employees develop and move on could mean the business lost valuable employees (M. Dennert, pers. com., March 23, 2010).

Batstone described two conflicts (D. Batstone, pers. com., July 9, 2010). One was related to the level of salary required for Fair Trade certification in start up businesses. While this conflict was more an issue for certification bodies, it had implications for salary levels and marketing. Secondly, Batstone identified a conflict between the desire to promote Khmer leadership and ownership and maintenance of the social mission. As described above, Dennert saw it as a particular challenge to instill the social values into Khmer leadership.

The market for SSE's product was almost exclusively export driven. This was necessary for a business seeking scale because of the undeveloped nature of the local market in all industries except hospitality (D. Batstone, pers. com., July 9, 2010). While the ethics of the products were considered important to the buyers, it was certainly not the only consideration, and probably not even the primary consideration. While Batstone insisted the products must appeal both on quality and ethics, Dennert wanted to ensure the products stood alone without the ethical overlay being necessary for success:

You know I think it has to be both. Mark [Dennert] would disagree with me. I was just over there and we spoke to a group and he said 'I don't want the ethical thing to be involved at all, I just want it to be because of the product.' I don't think you can compete on that. Because I think you will always be beat on price point by the larger manufacturers and players (D. Batstone, pers. com., July 9, 2010).

For Batstone, the values behind the product are what clinches the sale, *ceteris paribus*, and these values are necessary for a sustainable business: "But if I want to have a sustainable product I have to make them desirable, designed well, the kind of product I want to buy. The extra part of it is, why do I buy these [shoes] instead of Converse? Because of the values issue. I think it has to be both" (ibid.).

There is a further factor in the marketing success or otherwise of SS. According to Batstone, "Social enterprise in an underdeveloped market still needs some kind of ... you could call it underwriting, or you could call it... The Japanese have called it Kiritsu – you create your success by your relationships. You create a built-in advantage (ibid.).

What Batstone meant is leveraging the brand of his Not For Sale campaign. Using relationships from this network Batstone has been able to increase significantly the probabilities of success. As he explained, without this, “I don’t think you can be successful enough. You might get lucky but it is a roulette game, it’s a crap shoot. Whereas if you can create linkage then you can ensure a high viability of success” (ibid.).

### ***So! Nutritious***

The Hagar Soya business spent the early part of 2008 searching for investment partners to provide capital and skills to re-start production at the ex-Nestle factory. By mid 2008, none had eventuated and so the business was closed. Because it had wound down over a period of time, most staff were placed in alternative employment or into personal income generating activities; some were laid off. In October 2008, Graham Taylor, the final general manager of Hagar Soya began a new enterprise, So! Nutritious. Initially this operated out of the Hagar facilities but in mid 2009 moved to its own premises. A few Hagar Soya staff were retained by So! Nutritious and some of the equipment was purchased (G. Taylor, pers. com., October 9, 2009; T. Payne, pers. com., October 13, 2009).

Taylor’s motivation and purpose for founding So! Nutritious was clearly missional (G. Taylor, pers. com., October 9, 2009). However business sustainability is clearly articulated as one of three key aims. The aims are:

To create sustainable employment for women and youth from Hagar’s Social Programs and other NGO programs who have completed Career Pathways Training. Make good nutrition accessible to all people in Cambodia thereby improving the health and well-being of all Cambodians, and to become financially sustainable accepting that we carry additional costs through our social mission (Taylor 2009:3).

Furthermore, So! Nutritious seeks to use local raw materials and hence support local economic development (ibid.).

Taylor’s background and leadership credentials were described previously in relation to Hagar Soya (see Chapter Eight). His strategic outlook and management focus is apparent from the So! Nutritious business plan written in 2009 (ibid.). This document contains detailed analysis of the history of the Hagar Soya business, the current state of the business and projections for the future. It contains detailed financial projections and the capital needs required to achieve the various targets. While the interview with

Taylor was conducted in late 2009 and the success or otherwise of the business was unknown, there was clearly a focus and a plan within the leadership which was in contrast with that of the Hagar businesses.

While Taylor listed mission as his motivation and the first aim of the business was social, the business plan was very much focused on business growth and sustainability. It includes clear market analysis, projections of sales and profits, risks and capital needs. So within the overarching aim of the social mission, there is strong evidence that So! Nutritious intends to become a growing and viable business in its own right.

So! Nutritious was founded by Taylor using \$20,000 of his own finances. An NGO also provided grant capital of \$30,000 (G. Taylor, pers. com., October 9, 2009). The Micro Business Development Plan is essentially a marketing document to attract further capital that is needed to maintain and develop the business. Potential sources discussed at the time were charity-driven grant capital although the plan was also requesting loan capital,

This request is for seed capital investment (\$26,500 as a grant) enabling So! Nutritious Co Ltd, become sustainable at this level of operation (Micro level) and \$43,500 as a loan, to further develop the business to a level which will continue to employ staff (Taylor 2009:12).

The business culture embodied by Taylor's is discussed in Chapter Eight in relation to Hagar Soya. At So! Nutritious, Taylor has ensured a culture of staff being clear about their function as employees who are employed to add value to the business rather than beneficiaries of charity: "when they go into business they are staff and employees and that helps them move on in their own mind or head as well and realise that they are there to earn a job." (G. Taylor, pers. com., October 9, 2009). There is no welfare mentality or soft treatment: "My discrimination is against people who are lazy and people who are not lazy. The lazy ones ended up with... in October last year another 10 or 11 people went and they were the lazy ones" (ibid.).

Coupled with this, however, is a strong desire to grow Khmer leadership and see people develop into roles of greater responsibility (ibid.). Taylor had been behind the development of Career Pathways within Hagar and strongly promoted its focus on empowerment rather than welfare. According to Taylor, this personal development

involves internal attitudes and expectations and is an area in which Taylor believes he can assist people:

To grow and develop you need to change and I'm not afraid to change, not afraid of implementing change but people like to see that you as a leader, show confidence in change and I'll walk with you and they'll grow ... we will do small expectations. The fact that you are with them, that you are sticking with them. I talk about step by step all the time (ibid.).

He finds difficulties in the Cambodian culture that he is challenging, "they don't want to give the boss bad news ... it is like pulling teeth trying to get information back, feedback about a new product or whatever ... you put people in a position above others they become bossy ... the hierarchical structure is huge" (ibid.). As with Mark Dennert at SSE, Taylor modeled an alternative, non-hierarchical, empowering culture, "Like the last couple of days I have just been in shorts and shirt, working with them and I don't think that happens very often with Khmer culture." (ibid.).

Employees of Hagar Soya (and then So! Nutritious) affirm Taylor's management style.

My life changes significantly since I work here. I can speak some English; I have a chance to interact with foreigner and people in management position. However, people's desire will continue to grow also; I want more in my life. Even though working here is great, I would like more. I will continue to work and grow more (Soya employees focus group, pers. com., October 17, 2009).

This quote reflects the emphasis on personal growth and Taylor's style of working amongst the employees.

So! Nutritious was quite a small business in 2009 and Taylor, being the owner, manager and only expatriate, was a large and dominant figure within the business. The opportunity for paternalism was high but Taylor's aims and intention practices were directed at empowerment and leadership development.

In 2009, the minimum salary at So! Nutritious was \$60 per month plus a daily lunch. Child care was provided and cost the business \$80 per month in additional rent and the salaries of two child care workers. For a small business, this was a significant cost. While this salary was low amongst the case studies considered, Taylor believed this "is attractive for what they can earn" (G. Taylor, pers. com., October 9, 2009).



Taylor believed in paying according to skills and responsibility and has several ex-Hagar clients earning over \$100 per month.

Due to his history in Hagar during which he identified many conflicts of interest and poor management practices, it is not surprising that Taylor did not see significant conflicts of interest with So! Nutritious. He acknowledged the cost of the social mission that is manifest in employing lower capacity staff, “we will take ex-beneficiaries who have gone through the process from Hagar and provide jobs to people who will not otherwise get jobs. Which means there is some social cost in this business” (ibid.). However, when pushed on the quality of the graduates from Career Pathways, Taylor emphasised the main cost was in providing benefits that enables those staff to work, rather than in their low productivity, “Well there is still young mothers with babies, if it is girls whose parents who have sold them or whatever, they don’t have the family structure to look after their babies. So for me, in this business, there is still a bit of cost” (ibid.).

In contrast to SSE, the market for So! Nutritious (as for Hagar Soya) was purely local and mostly aimed at the “street market” rather than the “modern trade” (ibid.). As such, the ethics of the product were not relevant (and probably not known) to the majority of the customers. That meant competition was based on quality, accessibility and price. While current (2009) production was mostly for the street market, Taylor had plans to expand into a premium product and use that to subsidise the base market (ibid.; Taylor 2009).

One key difference between So! Nutritious and the other businesses in this study is that their product itself is beneficial to the target population. Not only does it provide nutrition but compared to its competition, does not contain potentially harmful preservatives.

Our competition at street level for Soya Milk is many family units producing Soya Milk with minimal volumes who grind Soya beans just adding water and preservative to maintain the shelf live of the milk for a number of days. Their preservative has a range of chemicals included to kill the bacteria, enable a 7 day shelf life, which over time builds up in the human body (Taylor 2009:11).

One outside observer, Cameron Ryall from Living Room, is adamant that “there is definitely a market for it” (C. Ryall, pers. com., January 12, 2010).

The impact of employment at So! Nutritious (and Hagar Soya before that) is described as positive but there are also hints that this development was not uniform.

I see them happy, smiling, keen to please, keen to please me I suppose. They are looking for the next thing. A number of them will ... a number will hide and not do much and ... Hagar Soya, the big factory, a lot of them will just ... it was such a big place, spread out, they could go and hide and have no idea where they are. Coming to a small place like this, everyone is visible. You know where they all are, what they are doing so ... we enjoy... things develop a lot quicker here ... (G. Taylor, pers. com., October 9, 2009).

This quote refers to ambition and even initiative but also to others who struggle in the environment. On a positive note, Taylor says, "I see a lot of ownership, especially with the older ones, who have been with Hagar Soya for a while. They are thinking things through" (ibid.).

So! Nutritious began in late 2008 and in the early stages of the business was able to sell existing products and do so in a manner that was cash-flow positive for the initial period (ibid.). In 2009, the business moved to new premises (out of the Hagar building) and began production from scratch. The move was forced by the high costs of the Hagar (ex-Nestle) premises (ibid.).

No accounts were available for 2009 but full profit and loss and balance sheet were available for 2010. They show total sales in 2010 of \$106,269 and costs of \$157,651. The loss of \$51,382 was covered by grant income of \$64,952 and miscellaneous income of \$3,085. The accounts include rent for the premises and the only possible inherent subsidy is Taylor's salary. The salary items in the accounts do not appear to include an amount that would cover an expatriate manager's salary.

The total assets of the business were made up of the 2010 surplus and the \$5,000 initial share capital. At the end of 2010 So! Nutritious had \$16,733 in cash.

Taylor had identified sales as a key problem for the business (G. Taylor, pers. com., October 9, 2009) and in early 2011 advised that he had finally employed a Khmer production manager, which allowed Taylor himself to concentrate on sales development (G. Taylor, pers. com., May 21, 2011). It remains to be seen in the future whether sales can grow sufficiently to ensure financial sustainability of So! Nutritious.

## ***Living Room***

Café Living Room was owned and managed by Cameron Ryall, an Australian teacher. Ryall was in Cambodia because his wife was employed by Hagar in their communications department. He purchased the business in 2008 when the previous owner was looking to leave Cambodia. The café had been established approximately ten years and had always had a relationship with NGOs based on these NGOs providing graduates for employment (C. Ryall, pers. com., January 12, 2010).

Ryall had never run a business before but had some ambition to run a business with a social mission. While this partly arose from his Christian faith, it also derived from his education. Because of this the social mission lies not just in employing NGO graduates but also in running educational and cultural events at the restaurant; “There are two aspects to the social goals. One is directly with the staff and supporting the staff through certain things. Another is directly with the customers” (ibid.). While profit making was not a key motivation for Ryall, “Being a teacher previously I guess running this just for a profit motive isn’t my intent” (ibid.). His educational emphasis is reflected in one comment by an employee who contrasted the range of what she had learned at Living Room with the limited skills she had been trained in at the Hagar shelter (other employers’ focus group, pers. com., October 17, 2009).

As did other respondents, Ryall articulates the hierarchical and patriarchal nature of Cambodian society as a challenge,

I find here with the management, it is either you have got a boss which everyone kowtows to essentially or there is a loose arrangement as we have here where ... In theory there is an assistant manager but he is not so far up the pecking order. It’s more equal (C. Ryall, pers. com., January 12, 2010).

Ryall and his wife (who assists with the business) are the only expatriates and he has a loose management team of five Khmer nationals. His aim was to hand over increasing responsibility to the Khmer staff. In early 2010 Ryall was unclear about his own tenure in Cambodia (“It could be one year, it could be five”) and leaving the business in the hands of those key Khmer staff was a possibility at that point. Allied with this aim was a desire for a profit sharing arrangement with staff.

While Ryall did not talk in managerial or strategic terms like respondents from SSE or So! Nutritious, he certainly tried to cultivate a strong culture with Living Room. When evaluating staff, “a key aspect of it is this intangible good vibe that I must get

from the staff when I am speaking to them and they must demonstrate in the first 3 months. It is very much a key point. There has to be good feeling among staff and in the café” (ibid.).

Living Room aims for a high ratio of NGO graduates (at least 50%) but Ryall finds no evidence of stigma or discrimination among employees. Four staff were studying at university while they worked but there was no disharmony between them and other staff, including NGO graduates (ibid.).

While aiming for at least a 50% ratio of employees from NGOs, Ryall insists that the business is a bone fide business and significantly different from NGO training institutions, in which classification he includes the Hagar restaurants. As stated above, profit was not the key motive, but sustainability was necessary because Ryall did not have a source of subsidy in the event of negative cash flow. He contrasted Living Room with the Hagar businesses in terms of commercial focus, “I think it [Hagar] errs too far on the social side of things. It needs a bit more of a commercial perspective in there” (ibid.).

To date, capital needs have not been high and Ryall has been able to use positive cash flow from the business to reinvest in improvements. However he did see the need for kitchen renovations and was investigating potential sources of capital. The requirement was approximately \$15,000 and Ryall was proposing to look for socially minded investors in Australia to invest in either loan or equity capital. Ryall would have taken bank finance if available: “If it was easy to access a loan in this country then I would have done it but it’s almost impossible” (ibid.). However, in terms of approaching investors, Ryall was not yet clear whether to market the investment on financial or social grounds but considered clarity around this issue as vital: “I think it needs to be clear if I am going for the social thing I need to be very clear what that will be. It can’t be in any way ambiguous” (ibid.).

Salaries at Living Room were generally higher than the other businesses included in the study. The average was \$110 per month and the lowest was \$70 per month for a newly recruited cleaner. On top of this was a health benefit (\$70), one meal per day, paid maternity leave and child care (\$20 per month – at the time this applied to only one employee). Living Room also provided for ongoing training (ibid.). While Ryall

was not aware of the exact market average, he considered these salaries to be “probably above average” (ibid.).

When discussing conflict of interest Ryall was undecided: “ Yeah. Um, I mean there is conflict... I guess on some level there is a conflict I guess, maybe, on the financial... ah, I don’t know there is a conflict.” (ibid.). He went on to give an example of an employee who was quite skilled and very useful to the business but left after a short time in search of promotion. Ryall compared this to a lower skilled employee who he could train but would stay longer, and over time add more value to the business. He concluded: “So there is a tradeoff. The guy who came here, he was very skilled and he could work things well. But he leaves quickly and Sorpheia [from Hagar] has taken a longer time to build her up but I guess in the long run I’m likely to keep her” (ibid.).

The conflict described by Ryall was not one peculiar to a social enterprise but representative of a small enterprise deciding between higher productivity and costs on the one hand and lower productivity and lower turnover on the other. Ultimately he did not ascribe any financial cost to the social mission although he does view all low-income employees as relatively low capacity. However, he admits “there is probably higher levels of frustration for me at points.” (ibid.). This arises from low educational standards and disadvantaged backgrounds leading to expectations that are not appropriate in the workplace. Again, in Ryall’s view, this is not limited to NGO graduates but common to the unskilled workers in Cambodia (ibid.).

The previous owner of Living Room is quoted in Hagar’s 2008 annual report and gives a positive testimony as to the quality of the staff she had sourced from Hagar.

The difference in the students coming from this course is in their willingness to learn and their positive attitude ... Skills and knowledge they can learn on the job. What has impressed me is that the students are able to work well with others, they are trustworthy, and have high coping skills. I have seen their confidence grow on a daily basis (Hagar 2008a:18).

While these quotes were obviously selected for use in Hagar’s marketing material, they do give additional credence to Ryall’s assertion that the additional burden in taking on these staff is not high.

Living Room caters mostly to resident expatriates but its market is not mission or tourist related. According to Ryall, “Most of my customers are people who live here.

There is a growing Cambodian group that is coming here. But then the food isn't particularly appealing to them" (C. Ryall, pers. com., January 12, 2010). Customers come for the "good food and good atmosphere" (ibid.). Living Room did not make significant use of its social mission in advertising its services. In fact, Ryall says, "the idea is at some point to have a few more details on our website. We ... I really don't do it to any great length. Maybe I could take more advantage of it" (ibid.). Thus the market was a commercial one and not driven by charitable instincts.

The recruitment policy was to target 50% of employees from NGOs. When a vacancy at an appropriate level arises a number of NGOs (including Hagar) would be approached as a first port of call (ibid.). In addition, staff at some NGOs would proactively contact Living Room when they have potential staff available. Ryall described this partnership process:

For instance, this girl here. She just started with us. She has come from Mith Somleng. There's a bloke there ... one of the things he does is he finds positions for their staff. So I tell him whenever you have good female candidates call me. So he called me about a month ago and right at that time I had one staff going on maternity leave (ibid.).

Ryall also described the follow up provided by Hagar to staff sourced from their Career Pathways program.

[staff member] has had an ongoing issue which Hagar has supported her with. The reason she went to Hagar was because of her husband and she was in the women's shelter and then did Career Pathways and mid last year divorced her husband and so Hagar were supporting her through that (ibid.).

Ryall was very positive about this assistance and ongoing support.

Profit and loss accounts for Café Living Room were available from January 2009 through to July 2010. In 2009, profit was \$8,716 on revenue of \$206,924. Profit was positive in eight of the twelve months. The largest monthly loss was \$3,230 in April and came about through lower revenue for the month. April was also the lowest month for revenue in 2010 and this seasonal effect may be related to the occurrence of Khmer New Year in April each year. For the first half of 2010 the profit was \$23,682 on revenue of \$124,359. Profit was positive in each month of 2010 with the exception of April.

These accounts do include rental costs for the premises (\$28,800 per annum) but no cost of capital (essentially equity capital provided by the owner – Cameron Ryall) or

salary for the manager (again, Cameron Ryall). Living Room is not associated with an NGO but is privately owned by Ryall. Hence there are no options for subsidies other than on management salaries. This is a very different situation to the Hagar businesses that have significant flow of loans, use of premises at reduced rent and use of NGO services in addition to reduced management salaries.

These profitability results are consistent with Ryall's assessment given in the interview that the business was cash flow positive but not sufficiently to cover a salary for himself (C. Ryall, pers. com., January 12, 2010). Ryall sold the Café Living Room business in July 2010 for \$57,500 (C. Ryall, pers. com., March 3, 2011) as a going concern business, not including premises or land. This provides strong evidence that the profits described above are not illusory or the product of hidden subsidies.

### ***Conclusion***

Chapter Seven concluded that employment in social enterprises had a very positive impact on the women graduates from the Hagar program. Chapters Eight and Nine have analysed some of the different businesses in which these women were employed. In particular, businesses owned by Hagar were compared with those independent of Hagar but operating in partnership with Hagar. The question of which model is more appropriate has perhaps been answered by Hagar coincidentally with the research as they had, by late 2010, essentially divested themselves of all the businesses (retaining only a 10% interest in HCFM) and were then operating purely in partnership with employers. However, conclusions as to why this is the case can be drawn from the analysis above. Some of these are reflected in Payne's 2009 essays but his analysis appears to be heavily influenced by Hagar's experience and relates specifically to purpose-built social enterprises (such as the Hagar enterprises but unlike others such as Living Room).

Firstly, the Hagar businesses were never clear about their purpose. Various they were training institutions, sheltered workshops, transitional employers and fund-raisers. Some management wished them to be centers of Christian mission. This lack of clarity of purpose affected planning and strategy and created frustration among the management. They began as ad hoc solutions and grew opportunistically. They were always subservient to greater NGO purposes, whose needs changed over time. As a result, they lacked strategic planning and business discipline.

These observations accord with the literature. Borshee argues strongly that social enterprise must be distinct and kept as separate as possible from the parent NGOs other operations (2006:379). Its distinct objectives must be clear from the start and it must remain focused (ibid:379-381). It is clear that in the case of Hagar and its businesses, this was not the case. Lack of strategic planning was discussed in Chapter Three as a key issue for social enterprise.

This compares to the privately held case study enterprises that, although representing a wide spectrum in terms of long-term strategy and business discipline, were very clear about their purpose. Without an NGO parent, they were focused purely on the enterprise and were able to adhere to discipline and plan strategically.

This lack of clear purpose for the Hagar enterprises, allied with capital shortages, resulted in low staff salaries that, in turn, led to employee dissatisfaction. Whether the resultant employee turnover was positive or negative was unclear (depending on whether the purpose of the enterprise was training, transition or employment), although low salaries were defended on the basis of encouraging turnover. However, more recent salary increases are evidence that the low salaries and their impact on employees were not seen as positive.

Secondly, partly as a result of this confusion and partly because of their existence within the NGO sector, recruitment of senior leadership became a major difficulty in Hagar enterprises. Financial constraints and the priority of the mission of the NGO led to inappropriate appointments. In particular, the faith-based links of Hagar resulted in volunteer managers who shared the faith but perhaps lacked the skills and experience necessary. The literature presented in Chapter Three suggested that finding appropriate senior staff was a key challenge and that industry expertise should not be sacrificed in the process. This seems to have happened with the Hagar enterprises.

Again, this contrasts with privately held businesses, existing more clearly in the business sector, which were able to attract more entrepreneurial and managerial oriented staff while not forsaking the social mission. Lack of management expertise is a key problem for small enterprise in general (Holmes et al 2003:76) and this was exacerbated for the Hagar businesses by the issues mentioned here.

Thirdly, an NGO culture certainly pervaded the Hagar businesses, although steps were increasingly taken to assist with this over time with the creation of HSEG and,



eventually, the divestment of HCFM. This culture influenced both a welfare mentality among staff and employees to the detriment of both the businesses and, ultimately, the employees. Business management seemed to exist with a tension between desiring to see some of the staff as beneficiaries to help and resisting the pressure from the NGO to help them more. They appeared confused about the exact status of the graduates within their businesses and this may have impacted the empowerment potential for those staff.

Furthermore, it inhibited business planning, causing significant frustration to management. This seems to have been the major source of conflicts of interest and the moves to distance the businesses from Hagar over time reflect the understanding that these conflicts were causing major difficulties. The privately owned businesses appear to have experienced fewer conflicts of interest in attempting to manage a business together with a social mission. The lack of a pervasive NGO culture as well as the absence of the explicit trade-offs associated with the two types of activity within the one organisation may explain this.

Borshee described this culture clash as the ‘greatest single obstacle’ to social enterprise (2006:367). Hagar seems to have struggled with this until ultimately solving it through structural separation.

Ownership did not seem to have any impact on the employees’ development (although they did note the change from the welfare culture as discussed above). As Career Pathways developed its programs, traineeships and internships, the need for an employer of last resort or transitional employer seems to have waned. Despite Payne’s assertions in 2009, the recent sale of HCFM would seem to prove that these motivations are no longer primary. In her 2009 study, Christen concluded that the individual business culture was a greater determinant of employee empowerment than ownership (A. Christen, pers. com., October 12, 2009). While this study would agree with her conclusions, it also highlights the potential and tendency for NGO ownership to contribute to a welfare culture and an emphasis on NGO driven expatriate leadership that inhibits empowerment amongst employees.

The businesses have a wide range of capital needs, supply chains and markets. In 2009, Collins, chair of Hagar, articulated that a good social enterprise should have “short supply chain, easy technology, low capital requirement, customers who pay,

experienced management” (H. Collins, pers. com., February 15, 2009). Payne also echoed the need for low capital requirements and short supply chains (Payne 2009).

While the final two of Collins’s criteria would be desirable for all businesses, the first three obviously differ across the businesses discussed above. At the time of the statement, after the failure of HOTA and Soya, this reflected Hagar’s philosophy and they had decided the hospitality industry would be their future focus. However, not surprisingly, it was dismissed as *ex post* rationalisation by Taylor who, at the time, was attempting to make a viable business out of Soya, which did not meet each of the first three requirements (G. Taylor, pers. com., October 9, 2009). SSE, needing to import raw materials and export final products, is perhaps the furthest from meeting the criteria but at this stage does seem successful.

All businesses have moved away from a charity-driven market to mainstream customers. While these ranged from local indigenous informal economy markets to local expatriate markets to export markets, all were commercially based. Each brought its own challenges. However, the social mission remained a selling point in each except for So! Nutritious which targeted only the local market and on the basis of the product alone.

Capital sources were a significant point of difference between the NGO owned businesses and others. NGO financing in the form of project grants resulted in inappropriate business initiatives, and lack of capital also significantly hampered their mission. Private ownership does not guarantee capital, but it does open the business to other sources. For example, business angel capital (that is, seed capital provided by philanthropists prepared to take high risks in order to assist a fledgling business that may not be ready for investment grade venture capital) is a potential source for for-profit businesses not available to NGOs (Holmes et al 2003:298). The NGO owned businesses were propped up by loans from the NGO, eating up valuable NGO resources and possibly cushioning the businesses from the harsh reality of their unsustainability and the need for significant change. On the other hand, at crucial times shortage of funds in the NGO inhibited the businesses. The non-Hagar businesses were typical of small enterprise in that the majority of financing came from the owners themselves (see Holmes et al 2003:278).

In terms of sustainability considered across non-financial factors, the private businesses appear to have been better equipped to employ appropriate leadership, were more focused on transitioning to local management and even ownership, had sustainable business-like cultures that encouraged employee development while maintaining business disciplines, and did not suffer crippling conflicts of interest. It remains to be seen if and how each can attract sufficient capital to sustain the business. However, it should be noted that difficulty in sourcing capital is not a problem of social enterprise alone but of small enterprise in general (Holmes et al 2003:140).

Financially, all businesses received some level of subsidy, at least to the extent that senior management or proprietors received little or no salary from the business (with the possible exceptions of HCFM post partnership deal and SSE). However, it is typical of small enterprise owners to forego compensation in this way (ibid:72).

Of the Hagar businesses, only HCFM approached financial sustainability. The positive value placed on Café Living Room by its purchaser in 2010 indicates that it was a sustainable business at that time. So! Nutritious was still reliant on grants in 2010 but it must be remembered that it was essentially a start-up business in 2009. SSE, based on verbal evidence only, was on target to reach financial sustainability in 2011.

As discussed in Chapter Three, sustainability need not involve complete lack of subsidy. It is reasonable, given the social missions of the enterprises, to expect a continuation of the lower management salaries and owners accepting lower financial returns. Provided these are accepted long-term arrangements, the enterprises can be sustainable in this form.

While these businesses will continue to develop, it seems from this analysis that social enterprise focusing on employing NGO graduates can be sustainable and effective. NGO ownership certainly brought challenges, and the warnings in the literature were borne out by Hagar's experience. However, the recent experience of Hagar and the other businesses included in this study suggest that these issues can be overcome through a partnership model. Such a model can produce both good development outcomes and be a sustainable organisational approach.

Further issues relating to the relationship between NGOs and social enterprises and the funding for social enterprise are taken up in Chapter Ten. Final conclusions and recommendations for the growth and effectiveness of social enterprise are included in Chapter Eleven.

## **Chapter 10. Social Enterprise and Development, Divine Providence and Serendipity**

Chapters Seven, Eight and Nine have included discussions that address the focus of research questions. However, a broader look at the analysis in those chapters sheds further light on issues raised in the early chapters of this study. This chapter addresses those broader applications of the research, looks behind the conclusions to consider issues of cause and causality and to propose further investigations that could continue the growth in understanding of social enterprise and its relationship with human development. It concludes with a discussion of the particular religious background of Hagar and how this may have contributed both to its success and difficulties.

### ***Poverty Reduction***

Clearly the employment provided by the enterprises was beneficial to the graduates of Hagar's shelter program. These women had suffered quite extreme trauma and while this was still visible in their conversations in the focus groups, it was also clear that they had made significant progress towards normalisation within their society (keeping in mind that normal in that society implies low income and significant vulnerability by world standards).

Financially, these women had sustainable incomes, at least within the context of the generally poor Cambodian working and peasant classes. They had workable living arrangements that were not dependent upon any NGO or charitable interventions. Furthermore, they exhibited significant capability to make decisions and to both plan for and imagine the future. In terms of the key developmental outcomes of empowerment and resilience, there was significant evidence of progress. In fact, the key impact of employment in social enterprise may be empowerment, socialisation and integration rather than the pure financial benefits of employment.

As already noted, some of the employees did express a continuing attachment to Hagar as a result of their employment with a Hagar enterprise. While evidence was presented that such a culture may have been cultivated at the Hagar enterprises, it is likely that such an association may occur regardless, particularly given the Cambodian culture of patronage and hierarchy. That is, the ownership, if known by the employees, may always result in a mental link between the welfare environment at

the shelter and the workplace. In that case, true reintegration and independence from welfare would require employment outside the Hagar fold. There was no evidence of such a welfare-based attachment to the non-Hagar businesses.

Hence, it can be hypothesised that either separation of the enterprises from the NGO is necessary (as is now the case) or the NGO owned enterprises must be strictly transitional. As discussed above, this is how some Hagar management personnel did view the enterprises. While transitional employment may work for employees (although disruption in employment did distress respondents in the focus groups, making this model problematic), there were certainly issues for the enterprises themselves in focusing on this model. This is discussed further below.

All of the businesses in the study were managed by expatriates, at least over the study period. One comment (see Chapter Seven) did indicate that such foreign leadership represented a status barrier for the women. It can only be speculated that further empowerment may result from Cambodian role models in these positions. It is noteworthy that by 2011 Cambodian managers, the most senior of whom was a woman, were leading HCFM. While business management remains Western, the whole intervention retains overtones of post-colonialism. The relationship of social enterprise to development theory is further discussed below.

A further question is the sustainability of the impact on the women. Frieson (2007:33) suggests three aspects of sustainability in terms of Hagar's (the NGO) work with the women. The first relates to holistic healing and is really about activities at the shelter. The second refers to a clear path of reintegration and includes combining the trauma therapy with self-awareness and empowerment. The third is about secure employment and liveable wages for a period of time until the person is able to fully reintegrate. Lisborg (2009) argues strongly for economic empowerment to be the major emphasis in interventions aimed at sex-trafficked women. He argues that such economic empowerment is not only what 'survivors say they want and need' but works in several ways to promote societal reintegration (ibid:4).

The social enterprise approach examined in this study clearly provides the third factor (with maybe some qualification over the wage levels). In fact, under the partnership model (as opposed to a transitional employment model) the employment in the enterprise does represent reintegration. That is, there is no continuing paternalism or

welfare associated with the employment. Furthermore, as demonstrated in Chapter Seven, the employment in the enterprises does contribute significantly to self-awareness and empowerment. Both the focus group interviews and Hagar data (Career Pathways 2009) reveal that the graduates remain in employment, get promotions and increase their salaries. That is, it is not short-term welfare assistance but long-term empowerment and reintegration that is achieved.

Under Frieson's criteria, the approach in this study does appear to provide a sustainable improvement in the lives of the women. Of course, complete confidence in this sustainability would require further study. A full longitudinal study of the employees that tracked their lives for a number of years after employment began (along with a control group who did not have access to social enterprise employment) would provide firmer evidence. Such a study may be possible and would add further to the understanding gained in this study.

A key question to be asked of any development tool is whether it can reach the poorest. This was certainly claimed for microfinance but has since been disputed (see Chapter Three). The women employees in this study could certainly be counted among the poorest. As suggested above, their poverty went well beyond the material definitions to the point of losing their very self-identity and worth. However, it was not at this point that social enterprise entered the process. Rather, a more welfare-based intervention (the shelter) was necessary first. Hence social enterprise was able to play a role in assisting the poorest but only in conjunction with other, more welfare-based, interventions. This should be kept in mind if and when grandiose claims (such as those made about microfinance) are made about the ability of social enterprise to reach the poorest of the poor.

As with microfinance, there is the question of whether employment in a social enterprise could have negative impacts. Certainly the loss of employment was a setback for those women who were laid off. All the employees were vulnerable to the fortunes of their respective businesses. However, it cannot be said that they were more vulnerable than before the intervention (as possibly is the case with some microfinance interventions). Certainly there are risks but in general, the employment decreased vulnerability.

It should be noted that actual income may have actually have decreased in some cases where the women were previously involved in paid sex work. However, poor women in the sex industry in Cambodia are extremely vulnerable, as described in Chapter Five, and moving away from that industry can be seen as a positive step away from vulnerability and towards empowerment and greater dignity. It should be noted that the women do have a choice about involvement in the social enterprises. Therefore, they are choosing the social enterprise path rather than returning to the sex industry. So, in those cases where actual income has decreased, empowerment has increased and vulnerability decreased.

### ***Social Enterprise and Development Theory***

Given that real benefits did accrue to the employees and that significant developmental outcomes were evident, it is appropriate to consider such an approach in the light of the competing development theories discussed in Chapter Two. The location of social enterprise within the development discourse is not obvious and the model discussed in this study has aspects compatible with a range of development theories and paradigms.

The modernisation paradigm recognises the development of local industry, the development of manufacturing for export, the shift of labour from the subsistence sector to the 'formal' or 'modern' productive sector and the employment of low skilled labour at low wages as essential steps in the development of a nation. The movement of manufacturing to centres of cheap labour has been a key feature of the global landscape for much of the period of the modern development discourse.

The enterprises in this study could be seen in this light, particularly StopStart Enterprises (SSE) which manufactures for markets in developed countries. They all can be seen in the modernisation paradigm in terms of bringing employees into the formal labour market and thence into the global economy.

The narrative underlying modernisation is the drawing of developing countries into the global marketplace. While this has created wealth, it has often contributed to loss of culture and autonomy, as the post-colonial critique of development points out. The question then arises, is social enterprise in Cambodia simply drawing poverty-stricken and marginalised Cambodians into a global economy which, while providing some financial security, may be destructive to broader notions of development such as



freedom, choice and creativity? Is it the exercise of Western power and impartation of Western knowledge?<sup>16</sup>

Clearly social enterprise as observed in this study does not comprise participatory bottom-up development but is neo-colonial, in that the money and the power are external to the graduates. It certainly does not fit with the dependency theories as it does consist of outside interventions with little democracy or participation in decision-making by the graduates. Hagar board member, Harvey Collins, admitted this at the outset of the study (H. Collins, pers. com., June 2007). It does draw the employees into the formal economy and a more Westernized culture. According to the critiques of post-development, the social enterprises in this study are bound up with Western knowledge and power and outside interventions.

From a theoretical perspective, both post-development and dependency discourses would urge against such a globalising tendency, with the latter suggesting those at the 'core' cease exploiting those at the 'periphery'. Neither critique was forthcoming about practical means of assisting victims of exploitation or those unable to pursue any autonomous development activity, such as those in the focus of this study. As Collins proceeded to add, Hagar's enterprises 'work with those who have fallen out of community' (ibid.).

On the other hand, the march of globalisation seems inevitable. According to Schuurman it was and remains a major force challenging development studies (Schuurman 2008:14). A globalised industrial world is (or will be) the reality and so social enterprise as operating in this study may be an appropriate strategy to enable the Hagar graduates to survive in society as it is or will become. If that is the case, then the question becomes one of maximising personal freedom, agency and opportunity for creativity.

However, the model studied does empower people and allow people to re-enter society. The analysis in this study does show an increase in human freedoms and choices as a result of the social enterprises, and is therefore not entirely antithetical to the more human-centred development approaches. The women in this study had, through employment, begun to hope and dream for the future. Women had moved on

---

<sup>16</sup> Of course, trafficking and the commercial sex industry can be globalising forces as well, but here the emphasis is on the interventions.

to further employment beyond the Hagar fold, undertaken studies and further skill development, and made significant choices. Their personal capacities had clearly increased in a number of dimensions, and they exhibited an ability to critically analyse and take responsive action.

Hence, according to definitions of development by Korten, Sen and others (as discussed in Chapter Two), this process was one of human development. Carmen defines development as ‘humanising the landscape’ (Carmen 1996). While the landscape may still remain hostile, at least these women were now able to face it, survive it and perhaps even flourish in it. So while antithetical to a radical post-development viewpoint, both the possibility and reality of material advancement and transformation must be acknowledged.

In fact, even Goulet, coming from a dependency perspective, recognises the benefits of intervention. He speaks of external ‘shocks’ to a person’s world-view that bring awareness that change is possible. With this new awareness, ‘they no longer think of themselves as powerless because they can begin to think of themselves as agents of their own destiny’ (Goulet 1971:26). In the intervention provided by social enterprises, the employees are faced with new possibilities and the evidence presented in Chapter Seven reveals some acting as ‘agents of their own destiny’.

This introduces a key question in the debate between competing development discourses, which is that of agency. Are these women objects or subjects? Who is acting on their behalf? On the one hand, this intervention begins with the women as objects of welfare, perhaps necessarily so given their trauma. It may be argued that employment with a Hagar business continues to see them as passive objects in the process. However, employment with independent employers, requiring the employees to make choices and take responsibility for their part of the employment contract, begins to turn this around. The employees become subjects, taking control of their lives to at least some extent. That is, there is some empowerment and shift in power relations.

Postmodern development discourses also focus on reproducing social relations. This is discussed further in relation to social enterprises in the following sections but clearly the intervention described in this study has a strong human and social element. The more business partners in the process, the greater the choice and plurality of

outcomes for the women. On the other hand, there was clearly an asymmetry in power between the employees and the business management. Such an asymmetry would appear to be a permanent feature of this model. However, more local leadership may reduce this and present even more possibilities to the employees. As stated above, even greater empowerment, power shifts and improved social relations may result from such a greater emphasis on local leadership. While there are barriers to achieving this, it may also significantly reduce the residual welfare mindset among employees.

The social enterprise discussed in this thesis also represents a WID approach to the problems of female poverty and marginalisation. That is, it is a program aimed at specifically at women and their practical needs. It does not, as a GAD agenda would include, challenge patriarchy or gender-based power structures. In fact, all business managers were male. However, it did provide for significant empowerment of the women involved. It did increase freedoms and agency, leaving open the possibility that these women may go on to challenge male dominance.

However, the employment in social enterprises can be seen as a mainstreamed approach. The rehabilitated women were employed alongside employees, both male and female, who had not come through Hagar's shelter and had not suffered the same trauma and marginalisation. The process therefore does have some characteristics of a GAD approach. As discussed below, the starting point of the women involved may necessitate a WID based approach.

It is therefore not a simple question of where this intervention sits in the development discourse. On the surface it is clearly a modernisation approach. The focus on employment echoes the basic needs approach of the early 1970s. However, at a micro level, many of its outcomes fit the more human centred, agency focused, postmodern development models.

A further dimension of variation between development theories discussed in Chapter Two is that of scale. The interventions analysed in this study are all micro scale, in line with postmodern development and in contrast with modernisation and other 'grand' theories. It is hypothesised that this could be the defining feature of these interventions that helps create human flourishing and expanding freedoms rather than purely economic outcomes. That is, while the interventions may be modernising, the

scale allows for a plurality of human centred outcomes. It is likely that the small scale of the enterprises studied was a significant factor in their effectiveness. It is in small firms, where ownership and management are not highly separated that the values of the owners can best be reflected in the operations (Holmes et al 2003:8-12).

Related to scale is the need for local contextualisation. After experience of social enterprises in both Cambodia and Vietnam, Rann emphasised the significant differences both in the target group employees and the business contexts (T. Rann, pers. com., July 20, 2011). There is a danger that social enterprise could be considered a well-defined, standalone concept and imposed from the outside on different contexts. This would be a mistake if small-scale relational approaches, dependent on context, are what brings effective development.

Development ethicist Denis Goulet argues against economism, and for ethics and human well being to be central to development. He views the aims of corporations (particularly multinationals) as opposite to those of human centred development. It is conceivable that social enterprise represents a corporate approach to development that adopts the ethical standards Goulet is looking for. Of course, his main critique is against large corporations where ownership and management are widely separated. In the social enterprises studied here, the size permitted a close proximity of ownership to management and hence the ethics and values of the owners were able to drive the businesses.

Being small and local, these businesses do permit local ownership (and several of the businesses in this study stated this as a long term goal) and local management (some had actually achieved this to some extent; in particular, HCFM had Cambodian managers under its new ownership). They explicitly sought to promote human well being rather than maximise profits, and could therefore be seen as embodying the new social contract called for by Goulet.

Postmodern development theory also addresses this new social contract between the corporate and the human, and therefore perhaps holds a key to locating this type of social enterprise. As discussed in Chapter Two, regulation theory seeks to place wealth accumulation within a new set of social relations. Social enterprise could be seen as fitting this mold. It does involve a market oriented approach and profit making enterprises but subjugates these activities to a set of 'regulations' governing social

relations; that is, a social mission comprising the necessity of employing certain classes of people under certain favourable employment conditions.

As discussed in Chapter Three, social enterprise covers a large range of activities and therefore it is impossible to definitively place it within a development theory.

However, the type of social enterprise analysed in this study could be seen through the lens of regulation theory, and the moral vision of Goulet as providing a more human centred approach than the neo-classical economism typical of modernisation.

Ultimately this developmental intervention is a pragmatic one. While it may not 'measure up' according to post-development and post-colonial critiques and some theories of human centred development, it must be measured against available alternatives. For these people, given the extent of their trauma and marginalisation, there may not be alternatives.

It also needs to be measured against the type of poverty encountered. As discussed in Chapter Two, poverty is not simply a lack of material wealth, but goes beyond social power to that of self-identity. The trauma suffered by these women (see Chapter Four), is generally highly damaging to self worth and identity. The evidence presented in Chapter Seven reveals significant growth in these dimensions. Hence it is a pragmatic intervention suited to the type of poverty encountered, providing significant empowerment and increased capacity compared to alternatives that in the past have simply been ongoing welfare or a return to the trauma (see Chapter Six).

The inability to fit a practical and pragmatic response into theories about development is unsurprising. Knippers Black noted that 'the gap that most need to be bridged is that between theory and practice' (Knippers Black 1991:8). She goes on to say that

most of our theoretical approaches are pitched a level too abstract,... - in general too far removed from the workaday world of the would-be beneficiaries – to be much help to those who would actually design and/or implement projects in areas steeped in poverty (ibid).

Both Knippers Black and Long argue for a focus on the actors in development, that is, the 'life-worlds of the individuals and social groups affected', rather than structural theories (Long 1992:20; Knippers Black 1991:10).

A risk with pragmatic and micro level interventions is a co-option into more macro level, mainstream development activities. That is, a local contextual and pluralistic

approach becomes, arguably, neo-colonial and part of a new grand narrative. As discussed in Chapter Two, some authors see ‘participation’ as having suffered such co-option. There is a danger that employment in social enterprises could be adopted as a more mainstream development activity and wide scale replication attempted without regard to local contexts and the evidence that small scale ‘micro’ level approaches are what bring success. That is, it may lose its pragmatism and local nuances and therefore its effectiveness. It is hypothesised that social enterprise should not become part of a new ‘grand theory’ but rather, contained within a postmodern, pragmatic and flexible toolbox available to those seeking to alleviate poverty and marginalisation.

### ***Social Enterprise and NGOs***

Chapter Two discussed NGOs, their role in development and the challenges they face, in particular, with funding and engagement with the private sector. Numerous authors suggested social enterprise as a potential solution to some of those challenges. The analysis in this study provides some insight into the relationship between NGOs and social enterprises.

The analysis in Chapter Eight revealed that the enterprises within the NGO fold had numerous difficulties and conflicts that ultimately were not sustainable in that context. The NGO ownership and lack of clarity over management separation led to confusion over mission and expectations. It also created a competitive environment for finances with a subsequent lack of capital experienced by the businesses. Capital was always directed to the perceived area of need and generally this was the core business of the NGO. The model initiated by Hagar therefore proved to be unsustainable.

It is possible that for-profit enterprises within the umbrella of a related NGO constitute a ‘deadly combination’ as described in Chapter Three. That is, activities that in themselves make sense (such as those of the NGO on the one hand and the businesses on the other), when put together in one organisation become a ‘recipe for disaster’. This is not simply related to the different skills and perspectives needed for each type of organisation. The same authors (Beck, Lengnick-Hall & Lengnick-Hall 2008) go on to suggest, ‘A compelling mission without the constraints of resource limitations or the perspective of portfolio interactions can encourage

counterproductive growth and diversification' (166). It appears that the interactions between the 'portfolios' (the NGO and its mission and the businesses with their imperatives) create or contribute to the difficulties of the whole, despite that fact that each on their own can be successful.

This would seem to have occurred with the Hagar businesses. The combination of easy donor money (that is, a lack of resource constraints at least in the early years) and faith (contributing to a compelling mission - see below) together with the interactions (in this case the manifestations of the inherent conflicts of interest) may have led to the dysfunction apparent in the study. Although in the case of Hagar the requisite skills may have been lacking, the 'deadly combinations' hypothesis suggests that even with more appropriate management skills, the combination of business and NGO is likely to remain problematic.

It has been suggested (see Chapter Three) that social enterprise may provide a funding source for development NGOs and hence assist with NGO sustainability. In fact, that was one of the aims of the Hagar enterprises for many years. On the other hand, Fugere (see Chapter Two) suggested NGOs running for-profit activities would encounter problems. For what Alter described as 'external' social enterprises, focused purely on profitability (and hence, outside the definition of social enterprises used in this thesis), this may be the case (2006:208-209). However, this study examined mission-centric or embedded social enterprises; that is, enterprises whose business was integral to the overall social mission. This study suggests that embedded social enterprise is not such a solution and that Fugere was right to be pessimistic.

Firstly, for social enterprise to operate as a funding model, businesses are required to be profitable. Among the enterprises studied, this was not typically the case.

Secondly, it requires money to be paid from the enterprises to the NGO. While this happened once with HCFM, the potential for this was also a constant source of conflict. Cash balances were coveted by the NGO but protected by the business managers, whose concerns were business security and future capital needs.

Thirdly, the timing of capital needs for the businesses is quite likely to coincide with the times of greatest need for the NGO (as happened with the Hagar businesses around the time of the GFC). HCFM survived the GFC well, partly because of significant cash balances at the start of the crisis. However, these cash balances were

keenly sought by the NGO at exactly the same time due to its own crisis in funding. Fourthly, such a transfer of money assumes the social mission is located only in the NGO, ignoring the fact that the business has a significant social mission itself that requires funding.

Furthermore, as discussed in Chapter Nine, social enterprises have more scope for attracting (possibly higher quality) capital as businesses, rather than as NGOs. Hence it can be hypothesised that social enterprise is not a solution to the NGO funding problem. From a financial perspective, it would seem that social enterprises should remain structurally and financially separate from the NGO in order to create a long-term sustainable model of development work.

It is noteworthy that both HCFM and Living Room were profitable businesses. The fact that Hagar was able to find a partner to take on HCFM and a buyer for HOT is further evidence that the businesses themselves were viable, even with their social missions intact. At the end of the study period, Hagar had partnership agreements with over 40 businesses. It is therefore arguable that social enterprise itself can be financially sustainable. That is, businesses can have an explicit social mission of equal or greater importance than profitability, and remain viable businesses.

This study covered only a relatively short period of time. A longitudinal study over many years would be preferable in determining the long-term sustainability of such social enterprises. Theoretically, provided that the ultimate owners of the enterprises are disposed to receive less than maximum profits, businesses with a social cost can compete and be sustained in a competitive environment.

A second issue raised in Chapter Two in relation to NGOs is that of engagement with the private sector and the corporate world, and the interaction of this with their values base. It was suggested by Sayer (2007b:252) that NGOs lacked a theory relating to such engagement and therefore were at risk of compromise or inefficiency.

Hagar typified such NGOs as being without a theoretical base. While it had strong values, driven by its biblical inspiration, it was a pragmatic organisation that was opportunistic in its growth. This lack of theoretical foundation for engagement with the corporate world (and the official aid sector) was demonstrated by the International Finance Corporation (IFC) and Nestle interactions. In both cases, Hagar received significant funds (or property) but in both cases Hagar did not necessarily benefit in



the long term. Nestle has been the target of NGO advocacy for many years, but Hagar unquestioningly accepted Nestle's offer to 'do good' with their factory. Hagar had never engaged in such advocacy and did not have a theoretical or philosophical foundation that would have facilitated a more critical approach to such donors. In fact, it must be asked whether Hagar was the victim of co-option into Nestle's CSR program, ultimately to its own cost. This cost only became apparent when it was realized that the factory required a skilled workforce, significant maintenance and upgrading and also carried significant potential tax liabilities for Hagar.

A more critical view of these donors and a theoretical understanding of the role of such players in the development process may have assisted Hagar to avoid both financial distress and disruption to their employment programs. A stronger approach to theory would also have assisted Hagar with their social enterprise development. Rather than trust in their own ability to innovate (or even divine guidance – see later section), a foundation of theory around enterprise development and the place of NGOs in Bendell's typology of NGO/corporate engagement (see Chapter Two) may have resulted in earlier recognition of solutions that were instead learnt by experience and mistake. This is partially reflected in Payne's 2009 essay in which he calls for clear design, clear performance measures and careful choice of investors, NGO partners and business partners (Payne 2009).

The partnership model to which Hagar moved, and which was followed by Living Room, SSE and So! Nutritious, avoided many of the conflicts inherent in the NGO-ownership model. While capital was still not easy to acquire, in situations of NGO ownership the organisation was competing with itself for capital and management attention. Clarity of purpose and situation (that is, being clearly a business and not a mission or NGO) made recruitment easier and opened the door for more business-oriented management. It can therefore be concluded that the partnership model has more scope for sustainability on more than just financial grounds. It is possible that Hagar may have adopted this model with similar opportunism and pragmatism as other developments in Hagar's history, although Payne's 2009 essays indicate some critical reflection. Whether in fact Hagar leadership discussed a more rigorous theoretical foundation is unknown.

## ***Hype or Reality***

As discussed in Chapter Three, microfinance blossomed as a development tool during the 1980s and 1990s. The successes of Grameen Bank and its founder Mohammad Yunus were widely trumpeted and became the image for the sector. Microfinance developed considerable ‘hype’, an exaggerated set of claims about its ability to both empower the poor and to do so at no cost. Authors refer to ‘organisation myth’ that both feeds on and creates this exaggeration. The reality of microfinance turned out to be much less promising than the hype. While at times a successful development tool, it was no silver bullet and more recent press has shown significant negative impacts of its growth and commercialisation (see for example, ‘India’s microfinance suicide epidemic’ BBC 2010).

Microfinance was of course a development tool that appealed to capitalist tendencies and drew the poor into market-oriented and entrepreneurial activities. It is therefore possible that its popularity arose partly from the ideological coherence with the dominant economic and developmental paradigm at the time, namely, a neo-liberal, market-oriented framework. It also had broad donor appeal because money was loaned and so donors understood their money was ‘reused’ many times over as loans were repaid and new loans given.

It is interesting to compare the trajectory of microfinance with that of social enterprise. Hagar’s entry into social enterprise was early in the period of its conceptualisation. Hagar had a high public profile and Pierre Tami won awards and government recognition for his entrepreneurship both in the US and Cambodia. He was presented as an inspirational figure in books like Batstone’s (2007). It is therefore possible to draw comparisons between Yunus as the figurehead of microfinance, and Tami as a figurehead for social enterprise in the developing world.

Examination of the annual reports and other documents of Hagar as well as third party accounts, such as those of Batstone (2007) reveal the development of organisational myths relating to Hagar and social enterprise. Words such as ‘hero’ and mention in speeches by the US Secretary of State (Batstone 2007:71) create an aura of success around Hagar’s operations. As discussed in Chapter Eight, the reality of the business ventures fell short of both expectations and the publicised data. Whereas the businesses together made profits only in a minority of years (most years for HCFM, two years for HOT and never for Soya – subject to the caveats on inter-entity

subsidies discussed in Chapter Eight), the documents continually portrayed their purpose as providing income for the NGO while fulfilling a valuable social mission. Batstone's book in particular paints Hagar as successfully initiating and running social enterprises.

As described in Chapter Three, much of the literature about social enterprise comes out of organisations such as Ashoka and the Skoll Foundation which have been set up to fund and promote them. Much of the literature to date has been rhetorical, based on success stories of 'hero' entrepreneurs (Battle-Anderson & Dees 2006:145; Nicholls & Cho 2006:99). As such, there is a high level of social enterprise 'evangelism', to use the term Dichter applied to microfinance. Alter warns against this, to some extent, when she suggests social enterprise represents a false 'promise of easy money', 'oversold as the new Holy Grail of funding' (2006:230).

That chapter quotes Dart's view that the legitimacy of social enterprise may well come from its coherence with a capitalist mindset. The promise of a social mission plus profits appeals to the dominant paradigm of market based solutions and efficiency. The predominance of US literature and funding, through the organisations such as those mentioned above, adds to the possibility that Dart is correct. With microfinance, there eventually came numerous evaluations showing mixed impacts, and later negative impacts of microfinance in general but particularly of over-commercialisation. Such over-commercialisation remains a threat if social enterprise becomes another business model or set of business tools, to be rolled out indiscriminately as the latest answer to solving social problems at no cost.

With social enterprise, those evaluative studies remain to be done (with this study being a contribution in that direction). However, this study has shown that costless development work or costless assistance to the poor and marginalised remains elusive.

### ***Disclosure and Investment***

While not necessarily causative, one factor allowing organisational myths to develop and linger is lack of disclosure. Being an NGO operating in unregulated Cambodia, Hagar had no duty of public disclosure of its accounts and certainly not for the accounts of its enterprises. As a result, statements of 'success' and repetitions of the

mission to remit dividends can continue without contradiction from publically available information.

Financial data for this study was only obtained after considerable negotiation and even then was incomplete. As discussed in Chapter Eight, the accounts revealed a net of loans between entities that made clear recognition of cross subsidies difficult. The public disclosure that does take place is essentially marketing that focuses on the social mission and social outcomes. Poor quality of accounting and financial disclosure is common among small enterprises and data is often filtered by the owner due to their vested interests (Holmes et al 2003:105, 233). While it is not possible to be conclusive, it is hypothesised that lack of disclosure enabled the continuation of unsustainable situations much longer than might have been the case. It also enabled continuation of donor funding beyond what might have occurred. Conversely, it may also have prevented a different type of capital coming into the businesses (see discussion below). Further research on disclosure levels and donor attitudes would be useful.

The discussion of microfinance in Chapter Three reveals a similar lack of disclosure. Various authors have expressed doubts about the veracity of published repayment rates, profitability and subsidies. While some maintained that targeting the poorest clients must come at a cost, proponents and operators continued promoting the 'win-win' proposition. It was only when microfinance became highly commercialised that this was fully exposed. It is to be hoped that social enterprise, as it develops, does not follow the same path of exaggerated claims, lack of disclosure and finally, harm to the very people it set out to assist.

This lack of disclosure can also partially explain the continued enthusiasm of donors. While they are of course attracted by the innovation and awards (the organisational myth) there is little hard data by which they can evaluate their investment. They are sold the impact on the women, the story of innovation and the coherence with capitalist values rather than the details of whether the strategy is sustainable or not. In fact, a powerful organisational myth is a highly desirable association for a government or private donor.

Osberg (2006) describes what she calls a 'new philanthropy' landscape. She asserts that donors desire a partnership relationship with NGOs, based on transparency, trust

and non-financial support alongside the donations. Although poor disclosure may provide for some donor longevity, the trend Osberg identifies may mean difficulty for more 'closed' NGOs in the long term.

In addition to the disclosure issues involved, it is clear there is a fundamental difference between donors to an NGO (or NGO run businesses) and investors in enterprises (even social enterprises). As discussed by some of the interviewees, donors have a shorter time frame and usually a project based approach. This was exhibited in the IFC and US government grants to the Hagar businesses. These grants purchased infrastructure or equipment associated with specific outcomes. Both the business managers and senior Hagar personnel bemoaned the lack of promised advice associated with the IFC grant.

Payne called for a very careful selection of investors in social enterprise (Payne 2009). He had witnessed the impact of donor funding and varying expectations among contributors. Implicit in his essay is that ownership by an NGO with other key objectives and financial needs would not work for a social enterprise.

Equity capital (or even debt capital) supplied to a business, while potentially earmarked for specific expenditure, is typically longer term in nature, with the investors highly interested in the longevity of the enterprise and not just specific outcomes in terms of products, services or employment. This was illustrated by the SSE takeover of the HOT business. Capital was supplied to provide for appropriate marketing and expansion of the product range. The investors viewed the enterprise as an ongoing business and approached the supply of funds from that point of view. The business plan of So! Nutritious demonstrates similar planning.

In the case of So! Nutritious, the business plan included significant financial detail to enable investors (or donors) to make an informed decision on the financial proposition, as opposed to just the social proposition. The general lack of formal planning across the case study enterprises is typical of small enterprise (Holmes et al 2003:223) and is a major problem when internal sources of capital are not available.

This demonstrates a larger point. Within the NGO framework, standards and expectations about disclosure along with available sources of capital are significantly different to within a corporate framework. Hence, there may well be significant limitations as to how much NGOs can develop wholly owned enterprises. Further

research across the sector to examine sources of capital and associated levels of disclosure would be beneficial.

Hartigan (2006) describes the development of two intermediaries set up to assist the global market for social enterprise capital. Such an investment market is in its infancy, with lack of information and intermediaries. However, if social enterprise is to grow such a market needs to develop. While current philanthropists and social entrepreneurs may assist with this, this is clearly an area where government assistance, both regulatory and financial, may be required. This is an area where significant policy work remains to be done.

### ***Entrepreneurial Leadership and Social Enterprise***

One of the major themes in the entrepreneurship literature is that of entrepreneurial leadership and the personal characteristics and motivations of entrepreneurs. As discussed in Chapter Three, these themes are also prominent in social entrepreneurship literature. It is useful to consider the present study in this light.

Pierre Tami, the founder of Hagar, is in many ways the archetypal social entrepreneur. He responded to a significant social need without regard to the resources available. He was a charismatic, creative leader who took risks (was perhaps even daring), was opportunistic, independent and driven by strong religious values. Authors discuss entrepreneurship as pioneering solutions, creating new combinations and forging new stable equilibriums in the social and economic realms. Hagar's initiation of its social enterprises fits such descriptions. The awards Tami received highlight the innovation inherent in Hagar's model. Tami perhaps also demonstrates the overconfidence inherent among entrepreneurs. Further analysis of Tami's (and Hagar's) particular religious background is given below.

Tami also demonstrates the dichotomy between entrepreneurial leadership and managerial leadership (as described by Borshee 2006:362). It is clear that the Hagar enterprises struggled to move from a start up phase to being stable going concerns. The testimonies of managers indicate lack of clarity between their roles and that of Tami and other Hagar management. The history of the Hagar businesses also highlighted the lack of strategic planning and significant overconfidence typical of social entrepreneurship.

Such struggles are actually common to all small enterprise development (Holmes et al 2003:150). In fact, the experiences of all the businesses and business managers have much more in common with general small enterprise than with any special class of social enterprise. In general, small enterprises are led by people with motivations other than wealth creation, who often delay remuneration in return for non-financial benefits. The business owners and managers in this study had particular values in line with the particular social mission involved. However, it seems clear that, with the possible exception of David Batstone (who was not a major subject of this study), other owners and managers apart from Tami were not exceptional individuals pioneering social innovations. Rather, they were typical small enterprise managers and proprietors with strong religious values that led them to place the social mission ahead of profit maximisation.

Thus, it appears that social enterprise as a tool for alleviating poverty and marginalisation does not require exceptional individuals or any outstanding entrepreneurial leadership. Rather, it is a model that feeds on the common motivations that small enterprise owners demonstrate combined with values consistent with the social mission involved. Furthermore, it can be hypothesised that Payne's definition of social enterprise as a 'commercially registered company designed specifically to impact a defined social problem' (Payne 2009) may be too restrictive. The evidence in this study suggests that an enterprise capable of placing a social mission ahead of profit maximisation may be effective, in partnership with an NGO, as a development tool. Of course, Payne, based on his experience, may well doubt the sustainability of an enterprise not specifically designed for the purpose, with the social mission built into the corporate governance, but such a hypothesis remains to be tested.

This further reinforces the argument given above, that the size of the enterprise may be significant in the model being effective in its social mission. As enterprises become larger, ownership becomes further separated from management and more diverse resulting in increasing difficulty for the values of owners to influence a social mission in priority to wealth maximisation (Holmes et al 2003:12). This argument received support from Hagar Social Enterprises Group (HSEG) employee, Tim Rann (T. Rann, pers. com., July 20, 2011). In describing the newer partnerships in which Hagar was now involved (Joma in Vietnam, HCFM in Cambodia), Rann discussed the difficulties encountered when the various social investors have different ideas of

the social mission. Similarly Payne suggests that individual investors can create problems with diverse and changing expectations (Payne 2009).

Future research could usefully concentrate on larger social enterprises and how the social mission is managed and sustained under more diverse ownership. Batstone's growing businesses under the Not For Sale and Just Business banners may provide useful case studies.

### ***Hagar's Faith-Based Heritage***

As outlined in Chapter Six, Pierre Tami and the Christian mission organisation, Youth With A Mission (YWAM) established the Hagar NGO. In reviewing the approach to the social enterprises by the parent NGO it is useful to consider this Christian heritage and, in particular, what values may have been inherited from YWAM that influenced the development and operations of the social enterprises examined in this study.

YWAM was established in 1960 by American, Loren Cunningham. The founding and development of this mission is described in his book 'Is that Really You, God?' (Cunningham 1984). It started as a result of a 'vision' received by Cunningham in which he saw 'waves of young people' going out on short term missions trips.

Inherent in this vision and demonstrated in the subsequent development of YWAM was the lack of emphasis on formal qualifications and training. The dominant ethos of the organisation was on hearing God's call and responding; following the call but not necessarily knowing how to achieve the task at hand, what would come next or from where the required resources would come. As such, it was a highly entrepreneurial organisation.

Cunningham details stories of both his father and himself launching into mission careers at an early age with no formal qualifications. He described mission trips of young people engaged in public speaking and evangelistic activity with a similar lack of qualification and training. Obeying the call and moving ahead with the task at hand were more important than qualifications. The emphasis was on trusting God, not strategic planning. Individuals were empowered to act, based on 'revelation' not preparation. Bold action was celebrated. The emphasis was on freedom rather than organisation control; freedom to try new ideas and freedom to make mistakes (Cunningham 1991:95).



This was particularly emphasised when the fledging organisation split from the Assemblies of God denomination precisely over issues of control and strategy (Cunningham 1984:78). Cunningham was not prepared to sacrifice his vision and its immediacy for institutional control and support. The vision was too big and important to be contained within a bureaucratic structure under institutional control.

A key emphasis throughout Cunningham's account is reliance on God for direction. Strategic planning and preparation were eschewed and in its place were prayer meetings at which God would reveal significant plans for the organisation. Seemingly impossible projects were launched involving large financial requirements, based on such leading.

This approach was particularly successful for YWAM. As of February 2012, YWAM was 'currently operating in more than 1000 locations in over 180 countries, with a staff of over 18,000' (YWAM 2012). Cunningham details its rapid growth and the seemingly miraculous provision of finances and other resources to achieve this. For the reader of his account, the impression is gained of an extremely successful organisation, whose setbacks simply become springboards to even greater success. Even when significant money is lost, this became an investment in organisational learning. It is a success culture where apparent failure is a call to redouble efforts in prayer and faith.

In addition to entrepreneurialism and amateurism, the other key characteristic of YWAM's operations as described by Cunningham was the reliance on God for finances. Not only are numerous accounts detailed in 'Is That Really You, God?' but Cunningham also wrote 'Daring to Live on the Edge' (Cunningham 1991) which is entirely devoted to issues of finance. The fundamental principle described in this book is that God provides: believers are to live by faith. This means acting first and trusting God to provide the necessary resources (ibid:21).

By such methods, YWAM was able to 'do the impossible' (ibid:24). Cunningham describes gifts of significant properties and other goods as well as significant amounts of money. The common thread throughout all stories he tells is that the decision and even commitment comes before the availability of the money. For example, Cunningham describes the purchase of a German castle. While searching for premises

near Munich in 1972, a colleague called to say he had found a property for sale.

According to Cunningham,

Somehow as soon as he had said that, I knew the castle was for us, even though we had no extra money to buy anything. I went with two friends to meet with the owners. On the way there, God impressed me with the amount we were to offer and when we needed to take possession (ibid:40).

In Cunningham's accounts, money would arrive miraculously, in the exact amount needed for the transaction at hand and at the very last minute. Continuing the story of the castle, Cunningham says, 'it did come easy. We took possession of the castle that night. Within a week 100,000 deutschemarks came in from various sources in Europe. People felt led to send it to us' (ibid.). Once God had spoken, actions were commenced and a lack of resources was never taken as a reason to pull back. In Cunningham's accounts, the money always arrived. In some cases the money just appeared, apparently, without human agency. One story involves a person in need of money who was walking on the beach. This man 'looked down and saw \$20 floating in the receding surf' (ibid:139).

A further feature in the development of the YWAM organisation is the gift of significant properties. Cunningham described how 'the Lord impressed me that our mission was going to get a farm ... I guess it could look foolish to some people, but we were simple enough to believe God had promised it and would do it' (ibid:21, 22). He goes on to describe the gift of a farm, 'so we were given a multi-million dollar farm free of charge' (ibid.)

At the end of 'Daring to Live on the Edge' there is an appendix regarding poverty and wealth. This reflective appendix lays out a philosophy (as opposed to Cunningham's narratives) of wealth creation and capitalist endeavour as the solution to poverty. The inherent entrepreneurship therefore is coupled with a capitalist philosophy sympathetic to enterprise development.

So we see in YWAM a culture of success, entrepreneurship, amateurism and miraculous provision. Aggressive faith and big vision was promoted and celebrated. Of course, Cunningham's account is selective and many of his stories could be interpreted differently. However, as the founder of a successful mission agency, these stories and the book relating the genesis and development of the organisation define the organisational myth. Such happenings and such behaviour become the entrenched

culture. Subsequent members of the organisation adopt these values as those of the organisation and as such, positive values to be lived.

These same characteristics can certainly be identified in Hagar and its relationship to the business enterprises. While they started out small as streetside selling of handicrafts, the vision grew into that of profitable businesses providing funding for the NGO as well as employment for their graduates. Hagar Soya was a high technology business with significant ongoing capital requirements. There is no evidence of strategic planning but rather an adherence to the YWAM ethos of action first. Various donors provided money, including the IFC.

Tami was highly entrepreneurial in his actions, not only in starting the Hagar NGO in the first place but in the vision for and development of the businesses. As described in Chapter Three, entrepreneurs pursue opportunities without regard to current resources. This was clearly the operational mode of YWAM and seems to also have been demonstrated by Tami and Hagar management as the social enterprises were developed. In fact, the Identity document adopted in 2010 states: ‘We choose courage, we take risks, we defy the odds and challenge the realm of possibility’ (Hagar 2010b).

The gift of the Nestle factory is perhaps the clearest example of a potentially YWAM-inspired action. To operate such a high technology and high capacity factory was clearly beyond the Hagar organisation in 2007. There is no evidence of strategic planning as to how such a factory would be capitalised or staffed. However, given the existing vision of the enterprises, it could easily be understood as part of a miraculous provision to further the work. The gift was in the present; how it would work and what it meant for the organisation could be worked out later. The continual supply of donations for this business surprised even the managers. Graham Taylor did not understand this flow of money, “That was part of what I struggled with all the time. Understanding the donor money that just kept coming in. Probably be \$3 million over the time” (G. Taylor, pers. com., October 9, 2009).

The leadership of the businesses seemed to operate on a culture of amateurism and availability rather than qualification, although the difficulty of recruitment is acknowledged. As described in Chapter Eight, the general managers were often volunteers (or highly subsidised employees) who had a strong sense of calling and who were recruited opportunistically. Several of the interviewees named this culture

of voluntarism and amateurism. Among managers interviewed it is most clearly demonstrated by Stephen Jackson. He was young, available and selected by his church to be sent to work for HCFM. He says, ‘I believe that God has called me here ... God has put in my heart the Cambodian people’ (S. Jackson, pers. com., October 14, 2009).

It was the general managers of the enterprises who named the NGO culture relating to finances. As Graham Taylor stated, ‘The NGO culture is always expecting another donor to pay’ (G. Taylor, pers. com., October 9, 2009). The development of the enterprises without a plan for capital certainly reflects an attitude that expects the money to come. While this may be common to NGOs it is certainly clear in YWAM’s development: God would provide. In particular, the inability to deal with the lack of finances and either close or sell the businesses earlier reflects YWAM’s strong success culture and the very last-minute nature of many of their financial transactions. Many of Cunningham’s accounts involve ‘nick of time’ financing. Of course, later it seems that pure bureaucratic inertia is more to blame than inherent faith in financial provision.

Divine guidance is a key characteristic of YWAM as described by Cunningham. Again, Stephen Jackson of HCFM illustrates the continuing presence of this attitude in his claim “First of all, this is God’s business and I make God the CEO of my business and so I always make decisions and I plan according to what I hear from him” (S. Jackson, pers. com., October 14, 2009). Asked specifically about requests for improved social conditions in the business, Jackson said, “well I always ask God first and get direction from him and if he says yes, I say yes” (ibid.). As with many of these YWAM volunteers, Jackson was unqualified to manage a significant business but looked to God for direction and named God as the true source of leadership in the business.

It is not possible to conclusively attribute particular organisational strategies to the YWAM legacy. As described in Chapter Three many social entrepreneurs enter into their activities as a result of religious convictions and a sense of calling. However, the strength of the YWAM emphasis on entrepreneurship, amateurism and miraculous financial provision and the extent to which these same features are demonstrated in Hagar’s relationship with its enterprises make it highly likely that Tami and the subsequent Hagar culture was influenced by this background.

Within this study, social enterprises such as SSE, So! Nutritious and Café Living Room demonstrated a more strategic approach to capital needs, management professionalism and business planning. These were also run by people motivated by religious faith. This would indicate that religious faith itself is not behind the particularities of Hagar's businesses but perhaps the particular expression of that faith, and the faith background of Hagar's founders. Hugh Marquis, co-owner of SSE, for example, belongs to a church known for its professionalism, business links, corporate success and use of modern management tools (H. Marquis, pers. com., December 2, 2010; Ferguson 2005). To further investigate any influence it would be instructive to compare Hagar with other YWAM inspired social enterprises (which exist in many other countries around the world) and other generally religiously inspired enterprises.

### ***Conclusion***

Conclusions related to the specific research questions that are outlined in Chapter Two are set out in Chapter Eleven. However, this discussion has raised a number of hypotheses and points for further research. These relate to long-term impact on the target group, the place of social enterprise within the development discourse, the ability to generalise and scale up social enterprise and the role of entrepreneurial leadership.

There is also a warning about social enterprise becoming 'flavour of the month' and suffering from an over-hyped image as a panacea for poverty. Increased disclosure and transparency may help avoid this. It is also instructive to understand the religious or ideological influences on social enterprises and, in particular, in seeking to understand the particular case study of Hagar and its businesses which have been the focus of this research.

## **Chapter 11. Empowerment Through Social Enterprise?**

### ***Introduction***

This study set out to examine social enterprise as a development tool of development NGOs (Non Government Organisations). Using a qualitative case study approach, it examined a single NGO, Hagar Cambodia, and six businesses associated with Hagar that formed part of the process Hagar used to assist their target group. This group was primarily women rescued from sex trafficking or having suffered other gender-based violence. These women have suffered significant trauma and enter Hagar suffering from extreme poverty: physical, psychological and social. They suffer variously from fear, shame, lack of trust, lack of social ability and relationships, illiteracy and physical effects of their trauma.

Hagar's approach entailed recovery and rehabilitation through their shelter program, reintegration into society using their Career Pathways program and then employment in social enterprises. Hagar continues to follow up these employees for two years after they are employed and living independently. Hagar's intention is for these women to be economically independent and empowered and living independently in the community. They started the enterprises opportunistically, but as a key component in this process.

Hagar is addressing issues related to endemic poverty and underdevelopment in Cambodia. These issues remain because of the particular recent history of Cambodia but also because of the failure of development efforts to address such poverty and marginalisation. Chapter Two of this study summarised the history of development studies since World War Two and described the changing paradigms. It is a landscape of competing ideologies, with modernisation continuing under the guise of globalisation while post-development has moved the focus away from grand theories and top-down development to more autonomous models of empowerment.

Within this environment, the location of social enterprise, such as that examined in this study, is unclear. While it ostensibly sits within a modernisation and WID paradigm (as an externally imposed, capitalist intervention aimed specifically at women), this study has shown that it can produce significant empowerment among

employees and enhance their overall freedom and agency. This issue of social enterprise and the development discourse was addressed again in Chapter Ten.

The proliferation of NGOs in Cambodia echoes a global pattern. Chapter Two outlined the rise of NGOs as development actors and discusses some of the key issues that arise; in particular, their financing and their relationship to the corporate or market sector. Some authors have suggested that social enterprise could solve the financing question by providing a source of funds for NGOs. However, as NGOs grapple with their relationship with the corporate sector, their relationship with social enterprises, in many ways hybrids of NGOs and businesses, remains unclear. This relationship is a key question throughout this thesis.

Social enterprise has proliferated in the literature in recent decades. While not a new phenomenon, the language is new and theoretical development is in its infancy. Chapter Three introduced social enterprise and social entrepreneurship. These terms are widely used and hence a working definition was proposed. Social enterprise was defined to be an organisation undertaking activities with an explicit and primary social purpose, operating commercially within a market economy. As such, it combines the motivations and aims of an NGO with the financing and operations of a commercial business. Obviously this creates potential for conflicts within the organisations and these conflicts are key considerations throughout this thesis. Chapter Three also includes a discussion of microfinance. As shown in Chapter Ten, there may be many lessons for social enterprise to be learned from the microfinance experience.

The social purpose of these enterprises can be achieved in a number of ways. For those included in this case study, that purpose was achieved through providing employment for graduates of Hagar's women's program. Within that broad aim, it was shown that the businesses in question were unclear about their exact role. Were they training institutions, were they transitional employers, were they employers of the most difficult cases, or were they simply employers? These roles changed over time, partly as a response to changing needs but also in response to lessons learned.

The study covered the period from 2007 until 2011. The bulk of the primary data was collected in 2009. At the start of the study period Hagar owned three social enterprises that employed the graduates of the shelter program. These were Hagar

Catering and Facilities Management (HCFM), Hagar on Time (HOT) and Hagar Soya.

As described in Chapter Six, Hagar Soya failed in early 2009, and So! Nutritious began as a new business using assets and staff from Hagar Soya, continuing to employ Hagar graduates. HOT also struggled as a result of the GFC and was sold to StopStart Enterprises (SSE) in 2009. Although it retrenched approximately half of its staff, it continued as a viable business. HOT and SSE, being under separate ownership, were considered different businesses for the purpose of the study. Hagar also partnered with independent businesses for the purpose of finding graduates employment. One of these, Café Living Room, was also included as case study.

The objectives of this study were set out in Chapter One. They were summarised in the following research questions:

1. To determine the effectiveness of social enterprises working in association with NGOs as development tools. That is, are they effective in reducing poverty, empowering local people and producing long term benefits for employees or the target community as measured by income level, community integration, skills attainment, resilience, increased gender equity, leadership within the business and outside employment opportunities?
2. To examine the long term viability of the businesses as a development tool through assessment of a number of measures of sustainability including the extent of dependence on external and local leadership, the cultural appropriateness of management structures and conditions of employment, the relationship with the associated NGO and mechanisms for the resolution of the conflict between the social mission and the profit imperative of the business.
3. To determine the extent to which these businesses are financially sustainable as development projects. This includes examination of all subsidies and reciprocal funding flows between the businesses and parent NGOs, as well as the costs of the social mission of the business.
4. To explore the extent to which NGO activities complementary to employment within the enterprise contribute to improved quality of life for employees and contribute to the success of the enterprise.



## ***Major Research Findings***

Question One was addressed in Chapter Seven and discussed further in Chapter Ten. It was concluded that employment in social enterprises had significant developmental benefits for the target group involved. The employees, who in this case had backgrounds of extreme trauma, poverty and marginalisation did experience improved financial status, integration into general society, empowerment and increased resilience. They had attained skills and work experience and some had received promotions. Their self-confidence and self-esteem had grown significantly. As far as could be determined by this study, these benefits were sustained and represented a sustainable improvement in their lives.

Their incomes were still low; below the poverty line if they had dependents. However, they had joined the formal sector of the economy, experienced some degree of economic empowerment and were living independently. We can conclude, therefore, that the social enterprises did play a significant role in improving the lives of these women. Furthermore, these women were among the poorest and most marginalised in Cambodia. The approach taken has been demonstrated to be capable of reaching the ‘poorest of the poor’, but only in conjunction with the NGO’s more welfare oriented work. As pointed out in Chapter Ten, there are risks to generalising the approach beyond the scale in these case studies. However, some further conclusions can be drawn and recommendations made.

In order to further the empowerment benefits of social enterprise, it is recommended that local leadership be a priority for the enterprises. This provides positive role models and reduces the potential for confirmation of existing hierarchies and perceptions of Western superiority. Allied with this, prospects for promotion for these women into leadership positions within the enterprises would also increase empowerment possibilities. Furthermore, it is recommended that such ‘embedded’ social enterprise be structurally separate from associated NGOs so as to reduce any continuing paternalism and the potential for patron-client relationships to impact adversely on empowerment possibilities.

The final three research questions were addressed in Chapters Eight, Nine and Ten. Research question two asked about the sustainability of the businesses across non-financial dimensions. A key aspect of this is ownership and whether ownership by the relevant NGO is a sustainable and effective model. While it was concluded that the

enterprises benefited the employees, it was concluded that NGO ownership might not be the best model of social enterprise involvement in development. It was observed in Chapter Seven (and mentioned above) that NGO ownership might lead to reduced empowerment and some continuing paternalistic behavior and submissive attitudes among employees. It was concluded that greater separation between enterprises and the NGO resulted in greater reintegration into general society and greater independence.

Again, the results of the examinations of the businesses themselves indicated a difference between the businesses owned by the NGO and those with separate ownership. In terms of recruiting appropriate leadership, planning and strategy and managing conflicts, it was concluded that the independent or structurally separate enterprises were more sustainable across these dimensions. The NGO owned businesses suffered from deficiencies in all these areas and were not sustainable. Hagar reached this conclusion simultaneously with this study and by early 2011 they had divested themselves of all businesses (except for minority stake in HCFM).

It was concluded that a partnership model of engagement between development NGOs and social enterprise was the most appropriate. This allowed for clarity of purpose within each organisation and also clear and contractual arrangements as to the services each would provide to the other while avoiding conflicts between competing claims on organisational resources.

Hagar was presented in Chapter Five as an exemplary case study. It had received numerous awards and been an early innovator in terms of social enterprise. The study revealed that the public image and the internal reality were not entirely consistent. However, the study was able to examine the internal development of the Hagar's approach to social enterprise and this also enabled a discussion of entrepreneurial leadership and the role of hype in development.

The one area of sustainability that remained unanswered relates to local leadership. While all businesses had long terms aims of localisation, only one achieved local management over the study period and all remained dependent on expatriate ownership. The main reason put forward by owners was the lack of capacity among Cambodian staff to undertake the higher level of work. Dependence upon volunteer management also reduced the scope for localisation. As recommended above, it is

hoped that these social enterprises can, in the future, develop staff to take on management roles.

The third research question addressed the financial sustainability of the enterprises. While profitability did not come easily and some businesses were never financially viable, the study did conclude that financial sustainability was possible, at least within the bounds of the common practice of small and medium enterprise owners not receiving full compensation from their business. That is, all businesses received some form of subsidy but these subsidies, in the case of the more successful businesses, were of a form common to small businesses. The least financially sustainable of the businesses, Hagar Soya and HOT, were the earliest to be developed and most subject to the conflicting priorities of the NGO.

The other aspect of financial sustainability was access to capital. This was a common difficulty but for the non-NGO owned businesses capital was sourced from similar sources to that of the general small business sector. Hence it was concluded that social enterprise can be sustainable financially but that this was more likely when separated structurally from the NGO. The cost of the social mission did not appear to materially impact the sustainability of the business and the businesses were not reliant on charity marketing for sales.

The literature does refer to some attempts to create a market for social investing that will facilitate the capitalisation of social enterprises. It is recommended that such markets and intermediaries be supported. Currently, social enterprise slips between philanthropic markets and financial investment markets. The development of social investing markets, with characteristics of each of these, will require new intermediaries and supportive policy within Western (donor and investing) countries. Further to this, it is recommended that NGOs and social enterprises adopt more open reporting so that greater information flows can assist with the development of this new market. It has been noted in the literature that donors are seeking greater partnership with NGOs. Social enterprise can also be seen in this context; that is, it is a partnership relationship between investor and enterprise and communication needs to be commensurate with the relationship.

The final research question covered the ongoing NGO support provided to employees of the enterprises. There was less evidence as to the role this played than was

available to assess the other research questions. However, what evidence was available supported the hypothesis that ongoing NGO involvement with the employees did assist in reintegration and the sustainability of the benefits for the employees. Certainly both the women and the business managers testified to benefits from this ongoing involvement, and, while not crucial to the sustainability of the businesses, it may have been crucial to sustaining individual employees in their employment.

In addition to the explicit research questions, the analysis led to some significant discussion of broader issues. One issue raised in Chapter One was that of scalability. Certainly Hagar has scope to scale their operations by partnering with a greater number of social enterprises. However, it was hypothesised in Chapter Ten that the nature of the enterprises and the ability to maintain their strong social missions may be compromised with increasing size. Furthermore, there is a risk that the very contextual nature of the results of this study may be over-generalised and that social enterprise may suffer from the same exaggerated claims as microfinance.

In terms of the wider development discourse, social enterprise is somewhat ambiguous. On the surface it is a modernisation approach, representing an outside intervention that draws the poor into a Westernised market economy. It is also a WID approach, focusing on a particular group of women. However, as discussed in Chapter Ten, on an appropriate scale and with appropriate practices, it can represent a more participatory, empowering and even postmodern development approach. It was suggested that social enterprise could even represent a new social contract that avoids the extremes of the modernisation/dependency debate. While it does not directly challenge patriarchal or gender-based power relationships, it did empower the women involved to take greater agency in their lives.

A key risk identified in Chapter Ten and alluded to above is that of co-option into mainstream practice and the adoption of a formulaic approach that loses the pragmatism and contextualisation of the examples in this study. If social enterprise is to answer the critiques of post-development, it must not become part of a new 'grand theory'. It is recommended that the development of social enterprise theory not proceed down a path of close definition and tight theoretical concepts but remain a broad discussion, allowing for diversity and pragmatism. As such, social enterprise

can become a tool within a post-development discourse, rather than one of neo-modernisation.

A significant feature of the social entrepreneurship literature is the discussion of the entrepreneur, the visionary leader who imagines new possibilities and sets about realizing them. While Hagar and its original conception of social enterprise was seen to be the product of entrepreneurial activity, such exceptional leadership was not seen as necessary (and perhaps even a hindrance) for social enterprise in general to be a useful tool in the development process. However, a key difficulty for the social enterprises studied was finding appropriate leadership. The challenge of finding industry expertise, management skill and the right social motivations may restrict the growth of social enterprise. It is recommended that social enterprises do not compromise on industry expertise. Short term cost savings through volunteer use may inhibit long-term viability.

Finally, Chapter Ten discussed the faith-based heritage of Hagar and how this may have influenced some of the outcomes reported in this study. It was concluded that the particular background of Hagar's founder was reflected in Hagar's organisational processes and decision making. The role of particular theologies and backgrounds among entrepreneurial ventures was suggested as a subject of future research.

In conclusion, social enterprise was seen to be a valuable development tool, best operated in partnership with NGOs rather than directly owned by NGOs. However, the roles played by the entrepreneurial behavior of Hagar and its founder must be acknowledged in initiating a model of development that grew into the current partnership model operated by Hagar in Cambodia. Once this entrepreneurial activity created a new social phenomenon, small business people and social investors were able to provide partner businesses to create a sustainable model for assisting the Hagar graduates to significantly improve their lives and reintegrate into society.

This thesis has contributed to the knowledge base focused on development and social enterprise by addressing the gap in evaluative studies of social enterprise. It has shown that employment in social enterprises, in conjunction with NGO programs, can assist in addressing poverty and facilitating empowerment and resilience.

Furthermore, amongst the considerable proliferation of literature and suggestions about NGOs and enterprise, it has highlighted the difficulties that can occur in practice. It recommends partnership, rather than ownership, as the way forward.

Such social enterprises not only can be effective developmentally, but can also be sustainable financially and organisationally. While this thesis has studied only cases in Cambodia dealing with women who have experienced gender-based violence, it does provide some lessons for NGOs and enterprises in other contexts and locations.

It is hoped that, through the conclusions and recommendations in this thesis, social enterprise can become a key tool in the fight against poverty and marginalisation, and that, through such enterprises, people will be empowered, experiencing greater agency and freedom so that they and their children may move on to new possibilities.

## Bibliography

- Abugre, C. (1994). Chapter 10, When Credit Is Not Due: A Critical Evaluation of Donor NGO Experiences with Credit. Case study of ACORD. In F. Bouman & O. Hospes eds, Africa in *Financial Landscapes Reconstructed: The Fine Art of Mapping Development*. Westview Press, Boulder, Colorado.
- Adams, D. (1984a). Effects of Finance on Rural Development. In D. Adams, D. Graham & J. Von Pischke eds. *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado, pp. 11-21.
- Adams, D. (1984b). Are the Arguments for Cheap Agricultural Credit Sound? In D. Adams, D. Graham & J. Von Pischke eds. *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado, pp. 65-77.
- Adams, D. (1992). Taking a Fresh Look at Informal Finance. In D. Adams & D. Fitchett, eds. *Informal Finance in Low-Income Countries*. Westview press, Boulder, Colorado, pp. 5-23.
- Adams, D. Graham, D. & Von Pischke, J, eds. (1984). *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado.
- Adams, D. Graham, D. & Von Pischke, J. (1984a). Overview of the Importance of Interest-Rate Policies. In D. Adams, D. Graham & J. Von Pischke eds. *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado, pp. 61-64.
- Adams, D. & Fitchett, D. eds. (1992). *Informal Finance in Low-Income Countries*. Westview Press, Boulder, Colorado.
- Adams, D. & Von Pischke, J. (1994). Chapter 9, Micro-Enterprise Credit Programs: Déjà Vu. In F. Bouman & O. Hospes eds. Africa in *Financial Landscapes Reconstructed: The Fine Art of Mapping Development*. Westview Press, Boulder, Colorado.
- Aldrich, H. & Martinez, M. (2001). Many are Called, but Few are Chosen: An Evolutionary Perspective for the Study of Entrepreneurship. *Entrepreneurship Theory and Practice*, Vol, 25, No. 4, pp. 41-56.
- Allan, R. (2005). Social Enterprise through the Eyes of the Consumer. *Social Enterprise Journal*, Vol 1, No. 1, pp. 57-77.
- Allen, J. (2003). *Lost Geographies of Power*. Blackwell, Malden, MA.
- Allen, T. & Thomas, A. eds. (1992). *Poverty and Development in the 1990s*. Oxford University Press, Oxford.
- Alonso, J. (2001). Globalisation, Civil Society and the Multilateral System. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford, pp. 86-103.

- Alter, S. (2006). Social Enterprise Models and Their Mission and Money Relationships. In A. Nicholls ed. *Social Entrepreneurship : New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 205-232.
- Alvord, S. Brown, D. & Letts, C. (2004). Social Entrepreneurship and Societal Transformation: An Exploratory Study. *The Journal of Applied Behavioral Science*; Vol. 40, No. 3, pp. 260-282.
- Amis, P. (1995). Making Sense of Urban Poverty. *Environment and Urbanization*, Vol. 7, pp. 145-159.
- Anderson, R., Honig, B. & Peredo, M. (2006). Communities in the Global Economy. In C Steyeart & D Hjorth, eds. *Entrepreneurship as Social Change*. Edward Elgar, Cheltenham, UK, pp. 56-78.
- Anderson, I. (2001). Northern NGO Advocacy: Perceptions, Reality and Challenge. In D. Eade & E. Ligteringen eds. *Debating Developing NGOs and the future*. Development in Practice readers Oxford: Oxford Publishing, pp. 222-232.
- Anderson, I. (2003). *Towards Global Equity, Northern and global Development Non-Government Organisations' Advocacy Examined Through Oxfam International's World Bank Poverty Reduction Policy Influence*. Unpublished PhD Thesis, UNE.
- Anderson, I. (2007). Global Action: International NGOs and Advocacy. In B. Rugendyke, ed. *NGOs as Advocates for Development in a Globalising World*. Routledge, London and New York, pp. 71-95.
- Appleby, S. (2008). Building Sustainable Peace: The Roles of Local and Transnational Religious Actors. In T. Banchoff, ed. *Religious Pluralism, Globalization, and World Politics*. Oxford University Press, New York.
- Arens, E. (2003). Multilateral Institution-Building and National Interest: Dutch Development Policy in the 1960s. *Contemporary European History* Vol. 12, No. 4, pp. 457-472.
- Asian Forum for Human Rights and Development, (2007). *Ethnic Minorities and Indigenous Peoples in Cambodia – Discrimination in the Face of Development*.
- Austin, J. Gutierrez, R. Ogliastri, E, & Reficco, E. (2007). Capitalising on Convergence. *Stanford Social Innovation Review*, Vol. 5, No. 1, pp. 24-31.
- Austin, J., Stevenson, H. & Wei-Skillern, J. (2006). Social and Commercial Entrepreneurship: Same Different or Both? *Entrepreneurship: Theory and Practice*, Vol. 30, No. 1, pp. 1-22.
- Bailey, M. (1999). Fundraising in Brazil: The Major Implications for Civil Society Organisations and International NGOs. *Development in Practice*, Vol. 9, No. 1, pp. 103-116.



- Banchoff, T. ed. (2008). *Religious Pluralism, Globalization, and World Politics*. Oxford University Press, New York.
- Banerjee, A. & Duflo, E. (2011). *Poor Economics*. Penguin, London, UK.
- Barendsen, L. & Gardner, H. (2004). Is the Social Entrepreneur a New Type of Leader? *Leader to Leader*, Vol. 34, pp. 43-50.
- Baron, D. (2005). Corporate Social Responsibility and Social Entrepreneurship. *Research Paper No. 1916*, Stanford Graduate School of Business.
- Barrientos, A. (2007). Does Vulnerability Create Poverty Traps? *CPRC Working Paper 76*, Institute of Development Studies (IDS) at the University of Sussex, Brighton, UK.
- Barton, C. (2005). Women Debate the MDGs. *Development*, Vol. 48, No. 1, pp. 101-106.
- Bassau, D. (2000). Challenges Posed to CDOs Engaged in Microenterprise by the Microfinance Industry. *Transformation*, Vol. 17, No. 2, pp. 68-70.
- Batstone, D. (2007). *Not For Sale*. HarperSanFrancisco, San Francisco CA.
- Battle-Anderson, B. & Dees, J. (2006). Rhetoric, Reality and Research: Building a Solid Foundation for the Practice of Social Entrepreneurship. In A. Nicholls ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 144-168.
- BBC (2010). India's Microfinance Suicide Epidemic. Retrieved 29 June 2011 from <http://www.bbc.co.uk/news/world-south-asia-11997571>.
- Beazley, H. & Desai, V. (2008). Gender and Globalisation. In V. Desai & R. Potter eds, *The Companion to Development Studies*. Hodder, London, pp. 359-364.
- Beck, T. Lengnick-Hall, C. & Lengnick-Hall, M. (2008). Solutions Out of Context. *Nonprofit Management and Leadership*, Vol. 19, No. 2, pp. 153-171.
- Beetham, G. & Demetriades, J. (2007). Feminist Research Methodologies and Development: Overview and Practical Application. *Gender & Development*, Vol. 15, No. 2, pp.199-216.
- Bendell, J. ed, (2000). *Terms of Endearment: Business, NGOs, and Sustainable Development*. Greenleaf, Sheffield.
- Bendell, J. (2005). In Whose Name? The Accountability of Corporate Social Responsibility. *Development in Practice*, Vol. 15, No. 3, pp. 362-374.

- Bhowmick, S. (2009). Is Social Entrepreneurship an Oxymoronic Term? Proceedings of the 6th AGSE International Entrepreneurship Research Exchange. Adelaide, 3-6 February 2009. *Regional Frontiers of Entrepreneurship Research 2009*, pp. 659-664.
- Binns, T. (2006). Doing Field work in Developing Countries: Planning and Logistics. In V. Desai & R. Potter, eds. *Doing Development Research*. Sage, London, pp. 13-24.
- Binns, R., Elliott, J., Potter, R., & Smith, D. (2004). *Geographies of Development*. Pearson, Harlow.
- Bonanno, G. (2004). Loss, Trauma and Human Resilience. *American Psychologist*, Vol. 59, No. 1, pp. 20-28.
- Bornstein, L. (2006). Systems of Accountability, Webs of deceit? Monitoring and Evaluation in South African NGOs. *Development*, Vol. 49, No. 2, pp. 52-61.
- Boschee, J. (2006). Social Entrepreneurship: The Promise and Perils. In A. Nicholls ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 356-390.
- Boserup, E. (1970). *Women's Role in Economic Development*. St Martins, New York.
- Bouman, F. (1984). Informal Savings and Credit Arrangements in Developing Countries: Observations from Sri Lanka. In D. Adams, D. Graham & J. Von Pischke eds. *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado, pp. 232-247.
- Bouman, F. & Hospes, O. eds. (1994). *Financial Landscapes Reconstructed: The Fine Art of Mapping Development*. Westview Press, Boulder, Colorado.
- Bourne, C. & Graham D. (1984). Problems with Specialised Agricultural Lenders. In D. Adams, D. Graham & J. Von Pischke eds. *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado, pp. 36-48.
- Brock, D. (2008). *Social Entrepreneurship*. Ashoka.
- Brookfield, H. (1975). *Interdependent Development*. Methuen, London.
- Brooks, R. (1994). Children at Risk: Fostering Resilience and Hope. *American Journal of Orthopsychiatry*, Vol. 64, No. 4, pp. 545-553.
- Broughton, B. & Hampshire, J. (1997). Monitoring Systems for Implementers. In *Bridging the Gap: A Guide to Monitoring and evaluating development projects*. Australia Council for Overseas Aid, Canberra.
- Burns, R. (2000). *Introduction to Research Methods*. Pearson Education, Frenchs Forest.

- Busza, J. & Schunter, B. (2001). From Competition to Community: Participatory Learning and Action Among Young, Debt-bonded Vietnamese Sex Workers in Cambodia. *Reproductive Health Matters*, Vol. 9, No. 17, pp. 72-81.
- Cambodian Communities out of Crisis (2011). Facts and Figures about Cambodia. Retrieved 18 October 2011 from <http://www.cambcomm.org.uk/ff.html#employment>.
- Cambodian Ministry of Planning (2007). *Progress in Achieving Cambodia Millennium Development Goals: Challenges and Opportunities*. Government of Cambodia, Phnom Penh.
- CAMBOW (2007). *Violence Against Women: How Cambodian Laws Discriminate Against Women*. The Cambodian Committee of Women. Retrieved 1 July 2008 from [http://www.licadho.org/reports/files/112CAMBOWViolenceWomenReport2007\\_ENG.pdf](http://www.licadho.org/reports/files/112CAMBOWViolenceWomenReport2007_ENG.pdf).
- Career Pathways (2009). *Follow Up Statistical Report*. Hagar Career Pathways.
- Carmen, R. (1996). *Autonomous Development: Humanizing the Landscape: An Excursion into Radical Thinking and Practice*. Zed Books, London.
- Cartwright, J. (1992). Conserving Nature, Decreasing Debt. In K. Jameson & C. Wilbur eds. *The Political Economy of Development and Under-development* (5<sup>th</sup> edition). McGraw Hill, Singapore, pp. 618-630.
- Cassell, C. & Symon, G. (2004). *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London.
- Chambers, R. (1983). *Rural Development: Putting the Last First*. Pearson, Harlow UK.
- Chambers, R. (1997). *Whose Reality Counts? Putting the First Last*. Intermediate Technology, London.
- Chan, S. & Ngo, S. (2010). *The Impact of the Economic Downturn on Households and Communities in Cambodia*. The NGO Forum on Cambodia's Economic Development Policy Project of the Development Issues Programme.
- Chandler, D. (2000). *A History of Cambodia*. Westview Press, Boulder CO.
- Chant, S. (2006). Contributions of a Gender Perspective to the Analysis of Poverty. In J. Jaquette & G. Summerfield eds. *Women and Gender Equity in Development Theory and Practice*. Duke University Press Durham, NC, pp. 87-106.
- Chell, E., Nicolopoulou K. & Karataş-Özkan, M. (2010). Social Entrepreneurship and Enterprise: International and Innovation Perspectives. *Entrepreneurship & Regional Development: An International Journal*, Vol. 22, No. 6, pp. 485-493.

- Christen, A<sup>17</sup>. (2009). *Review of HCFM*. Hagar Social Enterprises Group.
- Christian, J. (1999). *God of the Empty Handed*. MARC Books, Monrovia, Cal.
- Chun, S & Hor, H. (2009). Garment Industry Unravels. *Phnom Penh Post*. 11 March 2009.
- CIA (2009). *The World Factbook 2009*. Central Intelligence Agency, Washington DC.
- Cleaver, F. (2001). Institutions, Agency and the Limitations of Participatory Approaches to Development. In B. Cooke & U. Kothari, eds. *Participation: The New Tyranny?* Zed books, London, pp. 36-55.
- Cooke, B. & Kothari, U. eds. (2001). *Participation: The New Tyranny?* Zed books, London.
- Cooke, B. & Kothari, U. (2001). The Case for Participation as Tyranny. In B. Cooke & U. Kothari, eds. *Participation: The New Tyranny?* Zed books, London, pp. 1-15.
- Cooksey, R. & McDonald, G. (2011). *Surviving and Thriving in Postgraduate Research*. Tilde University Press, Prahran, Vic.
- Corbridge, S. (1988). The third world in global context. In M. Pacione, ed. *The Geography of the Third World: Progress and Prospects*. Routledge, London, pp. 26-76.
- Corbridge, S. (1990). Post-Marxism and Development: Beyond the Impasse. *World Development*, Vol. 18, No. 5, pp. 623-639.
- Corbridge, S. (1991). Third World Development. *Progress in Human Geography*, Vol. 15, No. 3, pp. 311-321.
- Corso, M. Botti, F. Rondinella, T. & Zacchia, G. (2006). Women and Microfinance in Mediterranean Countries. *Development* Vol. 49, No.2, pp. 67-74.
- Craig, G. & Mayo, M. eds (1995). *Community Empowerment: A Reader in Participation and Development*. Zed Books, London.
- Cumming, G. D. (2011). Good Intentions Are Not Enough: French NGO Efforts at Democracy Building in Cameroon. *Development in Practice*, Vol. 21, No. 2, pp. 218-231.
- Cunningham, L. (1984). *Is That Really You, God?* YWAM, Seattle.
- Cunningham, L. (1991). *Daring to Live on the Edge*. YWAM, Seattle.

---

<sup>17</sup> Not her real name.

- Cusworth, J & Franks, T. (1993). *Managing Projects in Developing Countries*. Longman, New York.
- Dailami, M. & Klein, M. (1997). *Government Support to Private Infrastructure Projects in Emerging Markets*. Retrieved 9 November 2007 from [www.worldbank.org/html/dec/Publications/Workpapers/WPS1800series/wps1868/wps1868.pdf](http://www.worldbank.org/html/dec/Publications/Workpapers/WPS1800series/wps1868/wps1868.pdf)
- Dalaibuyan, B. (2007), Faith Matters in Development Work? A Case Study of Christian Faith Based NGOs in Mongolia. *Research Journal of Graduate Students*, Vol. 1, pp. 147-166.
- Dart, R. (2004). The Legitimacy of Social Enterprise. *Nonprofit Management and Leadership*, Vol. 14, No, 4, pp. 411-424.
- Deasey, M. (2002). Microcredit and Poverty Alleviation Under Post-socialism: The Oxfam-community Aid Abroad Experience. *Development Bulletin* Vol. 57, pp. 101-105.
- De Beer, F. Swanepoel, H. (2000). *Introduction to Development Studies*. Oxford University Press, Oxford.
- Dees, J. (1998). Enterprising Non-Profits. *Harvard Business Review*, January-February, pp. 55-67.
- Dees, J. (2001). *The Meaning of "Social Entrepreneurship."* Center for the Advancement of Social Entrepreneurship, Fuqua School of Business, Duke University. Retrieved 27 May 2008 from [http://www.fuqua.duke.edu/centers/case/documents/dees\\_sedef.pdf](http://www.fuqua.duke.edu/centers/case/documents/dees_sedef.pdf).
- Dees, J. & Anderson, B. (2003). Sector Bending: Blurring the Lines Between Nonprofit and For-profit. *Society*, Vol. 40, No. 4, pp16-27.
- Dees J. & Anderson B. (2003a). For-Profit Social Ventures. In M. Kourilsky and W. Walstad eds. *Social Entrepreneurship*. Birmingham, UK: Senate Hall Academic Publishing.
- Defourny, J. & Nyssens, M. (2009). Conceptions of Social Enterprise and Social Entrepreneurship in Europe and the United States: Convergences and Divergences. *Second EMES International Conference on Social Enterprise*, University of Trento, Italy, July, 1-4, 2009.
- Denzin N. & Lincoln, Y. eds. (2011). *The Sage Handbook of Qualitative Research*, 4th Edition, Sage, Thousand Oaks, CA.
- Desai, V. & Potter, R. eds. (2006). *Doing Development Research*. Sage, London.
- Desai, V. & Potter, R. (2006). The Raison d'être of Doing Development Research. In V. Desai & R. Potter, eds. *Doing Development Research*. Sage, London, pp. 3-10.

- Desai, V. & Potter, R. eds. (2008). *The Companion to Development Studies*. Hodder, London.
- De Soto, H. (2000). *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Black Swan, London.
- Dey, P. (2006). The Rhetoric of Social Entrepreneurship. In C Steyeart & D Hjorth, eds. *Entrepreneurship as Social Change*. Edward Elgar, Cheltenham, UK, pp. 121-144.
- Dichter, T. (2006). *Hype and Hope: The Worrisome State of the Microcredit Movement*. Retrieved 17 August 2007 from <http://www.microfinancegateway.org/content/article/detail/31747>.
- Dickson, M. & Littrell, M. (1997). Alternative Trading Organizations: Shifting Paradigm in a Culture of Social Responsibility. *Human Organization*, Vol. 56, No. 3, pp. 344-352.
- Dickson, M. & Littrell, M. (1999). *Social Responsibility in the Global Market: Fair Trade of Cultural Products*. Sage Publications, Thousand Oaks, CA.
- Di Domenico, M., Tracey, P. & Haugh, H. (2009). Social Economy Involvement in Public Service Delivery: Community Engagement and Accountability. *Regional Studies*, Vol. 43, No. 7, pp. 981-992.
- Diener, E. & Biswas-Diener, R. (2005). Psychological Empowerment and Subjective Well-Being. In D. Narayan, ed. *Measuring Empowerment: Cross Disciplinary Perspectives*. World Bank, Washington.
- Dudley, E. (1993). *The Critical Villager: Beyond Community Participation*. Routledge, London.
- Durand-Lasserve, A. (2007). Market-Driven Eviction Processes In Developing Country Cities: The Cases Of Kigali In Rwanda And Phnom Penh In Cambodia. *Global Urban Development*, Vol. 3, No. 1, pp. 1-14.
- Dyrness, W. (1990). *Learning About Theology from the Third World*. Zondervan, Grand Rapids, MI.
- Eade, D. & Ligteringen, E. eds. (2001). *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford.
- Eade, D. & Ligteringen, E. (2001). Introductory Essay: NGOs and the Future: Taking Stock, Shaping Debates, Changing Practice. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford, pp11-18.
- Easterly, W. (2006). *The White Man's Burden*. Penguin, New York.
- Edwards M. (1999). *Future Positive*. Earthscan Publications, London.

Edwards, M & Hulme, D. (1995). *Non-Governmental Organisations – Performance and Accountability – Beyond the Magic Bullet*. Earthscan, London.

Edwards, M. & Hulme, D. eds. (1997). *NGOs, States and Donors. Too Close for Comfort?* London: MacMillan.

Edwards, M. & Hulme, D. (1997). Conclusion: Too Close to the Powerful, Too Far from the Powerless? In M. Edwards & D. Hulme eds. *NGOs, States and donors. Too Close for Comfort?* London: MacMillan.

Edwards, M. & Sen, G. (2000). NGOs, Social Change and the Transformation of Human Relationships: A 21<sup>st</sup> Century Civic Agenda. *Third World Quarterly*, Vol. 21, No. 4, pp. 605-616.

Eikenberry, A., Arroyave, V., Cooper, T. (2007). Administrative Failure and the International NGO Response to Hurricane Katrina. *Public Administration Review*, Vol. 67, No. S1, pp. 160-170.

Ek, C. & Sok, H. (2008). *Aid Effectiveness in Cambodia*. Wolfensohn Center for Development.

Elahi, K. & Rahman, M. (2006). Micro-credit and Micro-finance: Functional and Conceptual Differences. *Development in Practice*, Vol. 16, No. 5, pp. 476-483.

Elliott, D., Gibson, A, & Hitchins, R. (2004). *Making Business Service Markets Work for the Poor in Rural Areas: A Review of Experience*. DFID, London.

Emerson, J., Freundlich, T. & Fruchterman, J. (2007). Skoll Centre for Social Entrepreneurship Working Paper, Oxford, UK.

Eng, S., Li, Y., Muslow, M. & Fisher, J. (2010). Domestic Violence against Women in Cambodia: Husband's Control, Frequency of Spousal Discussion, and Domestic Violence Reported by Cambodian Women. *Journal of Family Violence*, Vol. 25, No. 3, pp.237-246.

Engelkamp, S. & Fuchs, D. (2011). *'In God we trust?' Exploring the Discursive Power of Religious NGOs in International Development*. Paper to be presented at the 6th ECPR General Conference Reykjavik, August 25–27, 2011.

Eriksen, S. & O'Brien, K. (2007). Vulnerability, Poverty and the Need for Sustainable Adaptation Measures. *Climate Policy*, Vol. 7, pp. 337–352.

Erskine-Smith, C. (2008). *Women's Program: Evaluation of Women's Education*. Hagar, Phnom Penh.

Escobar, A. (1997). Unmasking Development. In M. Rahnema & V. Bawtree eds. *The Post-Development Reader*, Zed Books, London.

Esteva, G. & Prakash, M. (1998). *Grassroots Post-Modernism*, Zed Books, London.

Fairtrade International, *What is Fairtrade?* Retrieved 24 February 2012 from [http://www.fairtrade.net/what\\_is\\_fairtrade.html](http://www.fairtrade.net/what_is_fairtrade.html).

Falkingham, J. & Namazie, C. (2002). *Measuring Health and Poverty: A Review of Approaches to Identifying the Poor*. DFID, London.

FAO (2000). *The State of Food and Agriculture 2000*. Economic and Social Department, FAO, Rome.

Farley, M. (2004). Prostitution, Trafficking, and Traumatic Stress. *Journal of Trauma Practice*, Vol. 2, No.3, pp. xvii-xxviii.

Farmer, P. & Paluzzi, J. (2005). The Wrong Question. *Development*, Vol 48, No. 1, pp. 12-18.

Ferguson, A. (2005). God's Millionaires. *Business Review Weekly*, May 2005.

Flanagan, S. (2010). Factors Influencing Nonprofit Career Choice in Faith-based and Secular NGOs in Three Developing Countries. *Nonprofit Management and Leadership*, Vol. 21, No. 1, pp. 59-75.

Flockhart, A. (2005). The use of Social Return on Investment (SROI) and Investment Ready Tools (IRT) to Bridge the Financial Credibility Gap. *Social Enterprise Journal*, Vol. 1, No. 1, pp. 29-42.

Flyvberg, B. (2011). Case Study. In N. Denzin and Y. Lincoln, eds., *The Sage Handbook of Qualitative Research*, 4th Edition, Sage, Thousand Oaks, CA, pp. 301-316.

Folch-Lyon, E. & Trost, J. (1981). Conducting Focus Group Sessions. *Studies in Family Planning*, Vol. 12, No. 12, pp. 443-449.

Foucault, M. (1972). *The Archaeology of Knowledge and the Discourse on Language*. Tavistock, New York.

Foucault, M. (1976). *Power/Knowledge*. Pantheon, New York.

Foucault, M. (1980). *The History of Sexuality Vol. I: An Introduction*. Vintage, New York.

Fowler, A. (2000a). NGO Futures: Beyond Aid: NGDO Values and the Fourth Position. *Third World Quarterly*, Vol. 21, No. 4, pp. 589-604.

Fowler, A. (2000b). NGDOs as a Moment in History: Beyond Aid to Social Entrepreneurship or Civic Innovation. *Third World Quarterly*, Vol. 21, No. 4, pp. 637-654.



Francis, P. (2001). Participatory Development at the World Bank: The Primacy of Process. In B. Cooke & U. Kothari, eds. *Participation: The New Tyranny?* Zed books, London, pp. 72-87.

Frank, A. (1969). *Capitalism and Underdevelopment in Latin America*. Monthly Review Press, New York & London.

Frank, D. Longhofer, W. & Schofer, E. (2007). World Society, NGOs and Environmental Policy Reform in Asia. *International Journal of Comparative Sociology*, Vol. 48, pp 275-295.

Freed, W. (2004). From Duty to Despair. *Journal of Trauma Practice*, Vol. 2, No. 3, pp133-146.

Freire, P. (1970). *Pedagogy of the Oppressed*. Penguin, London.

Friedman, J. (1992). *Empowerment: The Politics of Alternative Development*. Blackwell, Cambridge, Mass.

Friedman, M. (1970). The Social Responsibility of Business is to Increase its Profits. *The New York Times Magazine*, September 13, 1970.

Frieson, K. (2007). *Independent Final Evaluation of the Reintegration of Trafficked Women Project*. Hagar Cambodia & USDOL.

Fugere, R. (2001). *Future Directions For Development Non-Governmental Organizations*. The Coady International Institute, St. Francis Xavier University. Retrieved 31 August 2007 from [http://www.coady.stfx.ca/resources/publications/PDFs/future\\_directions.pdf](http://www.coady.stfx.ca/resources/publications/PDFs/future_directions.pdf)

Gabriel, Y. & Griffiths, D. (2004). Stories in Organisational Research. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 114-126.

Garvey, N. & Newell, P. (2005). Corporate Accountability to the Poor? Assessing the Effectiveness of Community-based Strategies. *Development in Practice*, Vol. 15, No. 3, pp. 389-404.

Getu, M. (2000). Poverty Alleviation and the Role of Microcredit in Africa. *Transformation*, Vol. 17, No. 4, pp. 152–157.

Getu, M. & Mensah, K. (2003). CMED, Kingdom Building and the Local Church. *Transformation*, Vol. 20, No. 3, pp. 178-184.

Ghimire, K. (2006). Introduction: Financial Independence Among NGOs and Social Movements. *Development*, Vol. 49, No. 2, pp. 4-10.

Goddard, E. Oung V., Nhep H., Uk S., Chan S., Leng S. and Keu T. (2007). *Life in All Its Fullness*. Hagar Women's Internal Research.

Goddard, E. (2007). *Recovery, Rehabilitation and Reintegration of Women and their Children Who Survived Gender-Based Violence*. Presented at Micah Network's Asia-Pacific Regional Consultation: Marginalized People-Our Christian Response. Genting Highlands, Malaysia. October 1-5.

Goddard, T. (2005). Corporate Citizenship: Creating Social Capacity in Developing Countries. *Development in Practice*, Vol. 15, No. 3&4, pp. 433-438.

Gold, L. (2004). A Case Study of Business and Civil Society in Partnership for Change: the Economy of Communion. *Development in Practice*, Vol. 14, No. 5, pp. 633-643.

Gomez, F. (2011). Rich Men in the Tax-free Kingdom of God. Retrieved 16 August 2011 from [thepunch.com.au](http://thepunch.com.au).

Gongalez-Vega, C. (1984a). Credit Rationing Behaviour of Agricultural Lenders: The Iron Law of Interest Rate Restrictions. In D. Adams, D. Graham & J. Von Pischke eds. *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado, pp. 78-95.

Gongalez-Vega, C. (1984b). Cheap Agricultural Credit: Redistribution in Reverse. In D. Adams, D. Graham & J. Von Pischke eds. *Undermining Rural Development With Cheap Credit*. Westview Press, Boulder, Colorado, pp. 120-132.

Goodenough, S. (1977). *Values, Relevance and Ideology in Third World Geography*. The Open University Press, Milton Keynes.

Goulet, D. (1971). *The Cruel Choice*. Atheneum, New York.

Goulet, D. (1982). Goals in Conflict: Corporate Success and Global Justice. In O. Williams & J. Houck, J. eds. *The Judeo Christian Vision and the Modern Corporation*. University of Notre Dame Press.

Grameen Bank (2007). Retrieved 17 August 2007 from [www.grameen.com/bank/index.html](http://www.grameen.com/bank/index.html).

Grenier, P. (2006). Social Entrepreneurship: Agency in a Globalising World. In A. Nicholls ed. *Social Entrepreneurship : New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 119-143.

Grzybowski, C. (2001) We NGOs: A Controversial Way of Being and Acting. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford pp. 209-221.

Gummesson, E. (2000). *Qualitative Methods in Finance*. Sage, Thousand Oaks, California.

Hagar (2001). Hagar Shelter Project: Proposal 2002-2004, Phnom Penh, Cambodia.

Hagar (2002). Mid Term Evaluation Report HSP, Phnom Penh, Cambodia.

Hagar (2006). *Annual Report 2006*. Retrieved 13 May 2008 from [http://www.hagarinternational.org/index.php?option=com\\_remository&Itemid=14&func=fileinfo&id=66](http://www.hagarinternational.org/index.php?option=com_remository&Itemid=14&func=fileinfo&id=66)

Hagar Soya (2008). *Hagar Soya Co., Ltd. Stakeholder Update December 2008*, Phnom Penh, Cambodia.

Hagar (2007). *The Women in Gender-Based Violence Program in Cambodia, January to December 2007*. Hagar Women's Department, Phnom Penh, Cambodia.

Hagar (2008). *The Women in Gender-Based Violence Program in Cambodia, January to December 2008*. Hagar Women's Department, Phnom Penh, Cambodia.

Hagar (2008a). *Annual Report 2007-2008*. Hagar, Phnom Penh, Cambodia.

Hagar (2008b). *Great Mekong Region Expansion Strategy: JOMA Project*. Hagar International, Phnom Penh, Cambodia.

Hagar (2009). *Donations for Equity: Hagar International Investments in Social Enterprises*. Hagar International, Phnom Penh, Cambodia.

Hagar (2010). *HCFM Partnership Letter to Stakeholders*. Hagar International, Phnom Penh, Cambodia.

Hagar (2010a). *HCFM Partnership FAQs*. Hagar International, Phnom Penh, Cambodia.

Hagar (2010b). *Hagar Identity*. Hagar, Phnom Penh, Cambodia.

Hagar Catering Factsheet. Retrieved 13 May 2008 from [http://www.hagarinternational.org/index.php?option=com\\_remository&Itemid=14&func=download&id=69&chk=76c7c5c44df51f2f95a700d8e8e34233](http://www.hagarinternational.org/index.php?option=com_remository&Itemid=14&func=download&id=69&chk=76c7c5c44df51f2f95a700d8e8e34233)

Hagar Design Factsheet, Retrieved 15 May 2008 from [http://www.hagarinternational.org/index.php?option=com\\_remository&Itemid=14&func=download&id=15&chk=65c2440f3e81b2aa661948d1d2da74d9](http://www.hagarinternational.org/index.php?option=com_remository&Itemid=14&func=download&id=15&chk=65c2440f3e81b2aa661948d1d2da74d9)

Hagar Soya Factsheet, Retrieved 15 May 2008 from [http://www.hagarinternational.org/index.php?option=com\\_remository&Itemid=14&func=download&id=4&chk=d3f8e2f4858482abd3b23bd33f4189e1](http://www.hagarinternational.org/index.php?option=com_remository&Itemid=14&func=download&id=4&chk=d3f8e2f4858482abd3b23bd33f4189e1)

Hailey, J. (2001a). Beyond the Formulaic: Process and Practice in South Asian NGOs. In B. Cooke & U. Kothari, eds. *Participation: The New Tyranny?* Zed books, London, pp. 88-101.

Hailey, J. (2001b). Indicators of Identity: NGOs and the Strategic Imperative of Assessing Core values. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*, Oxfam Great Britain, Oxford, pp. 163-170.

Hartarska, V. (2005). Governance and Performance of Microfinance Institutions in Central and Eastern Europe and Newly Independent States. *World Development*, Vol. 33, No. 10, pp. 1627-1643.

Hartigan, P. (2006). Delivering on the Promise of Social Entrepreneurship: Challenges Faced in Launching a Global Social Capital Market. In A. Nicholls ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 329-355.

Hartley, J. (2004). Case Study Research. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 323-333.

Harvey, M. (2007). *Towards an Ecological Understanding of Resilience in Trauma Survivors: Implications for Theory, Research and Practice*. Harvard Medical School.

Haugh, H. (2005). A Research Agenda for Social Entrepreneurship. *Social Enterprise Journal*, Vol. 1, No. 1, pp. 1-13.

Hay, I. (2005). *Qualitative Research Methods in Human Geography*. Oxford University Press, South Melbourne.

Hayes, B. & Walker, B. (2005). Corporate Responsibility or Core Competence? *Development in Practice*, Vol. 15, No. 3, pp. 405-412.

Haynes, J. (2009). Conflict, Conflict Resolution and Peace-Building: The Role of Religion in Mozambique, Nigeria and Cambodia. *Commonwealth & Comparative Politics*, Vol. 47, No. 1, pp. 52-75.

HCFM (2009). *Management Report*. Phnom Penh, Cambodia.

Heder, S. (2007). Cambodia. In A. Simpson ed. *Language and Identity in Asia*. Oxford University Press, Oxford, UK, Chapter 13.

Helm, S. & Andersson, F. (2010). Beyond Taxonomy. *Nonprofit Management and Leadership*, Vol. 20, No. 3, pp. 259-276.

Hemingway, C. (2005). Personal Values as a Catalyst for Corporate Social Entrepreneurship. *Journal of Business*, Vol. 60, pp. 233-249.

Henderson, J. (2001). Dissonance or Dialogue: Changing Relations with the Corporate Sector. In D. Eade & E. Ligteringen eds. *Debating Developing NGOs and the future*. Development in Practice readers Oxford: Oxford Publishing, pp. 118-126.

Henriquez P. (1983). Beyond Dependency Theory. *International Social Science Journal*, Vol. 35, No. 2, pp. 391-400.

Herman, R. & Renz, D. (1998). Nonprofit Organisational Effectiveness: Contrasts Between Especially Effective and Less Effective Organisations. *Nonprofit Management and Leadership*, Vol. 9, No. 1, pp. 23-38.

- Hettne, B. (1982). *Development Theory and the Third World*. Swedish Agency for Research Cooperation with Developing Countries, Stockholm.
- Hettne, B. (1990). *Development Theory and the Three Worlds*. Longman, Harlow, UK.
- Hettne, B. (2008). Current Trends and Future Options in Development Studies. In V. Desai & R. Potter, eds. *The Companion to Development Studies*. Hodder, London, pp. 8-12.
- Hewitt, T. (1992). Developing Countries: 1945 to 1990. In T. Allen & A. Thomas eds. *Poverty and Development in the 1990s*. Oxford University Press, Oxford, pp. 221-237.
- Hines, F. (2005). Viable Social Enterprise – an Evaluation of Business Support to Social Enterprise. *Social Enterprise Journal*, Vol. 1, No. 1, pp. 13-29.
- Hinton, A. (1998) Why Did You Kill? The Cambodian Genocide and the Dark Side of Face and Honor. *The Journal of Asian Studies*, Vol. 57, No. 1, pp. 93-122.
- Hirsch, P. (1996). Large Dams, Restructuring and Regional Integration in Southeast Asia. *Asia Pacific Viewpoint*, Vol. 37, No. 1, pp. 1-20.
- Hjorth, D. & Bjerke, B. (2006). Public Entrepreneurship. In C Steyeart & D Hjorth, eds. *Entrepreneurship as Social Change*. Edward Elgar, Cheltenham, UK, pp. 97-120.
- Hollis, A. & Sweetman, A. (1998). Microcredit: What we can Learn from the Past. *World Development*, Vol. 26, No. 10, pp.1875-1891.
- Holmes, S., Hutchinson, P., Forsaith, D., Gibson, B. & McMahan, R. (2003). *Small Enterprise Finance*. Wiley, Milton Qld.
- Hope, K. (1996). *Development in the Third World: From Policy Failure to Policy Reform*. Sharpe, Armonk, N.Y.
- Hopkins, R. & Scott, C. (1999). *The Economics of Non-Governmental Organisations*. Suntory and Toyota International Centres for Economics and Related Disciplines, London School of Economics. Retrieved 9 November 2007 from <http://sticerd.lse.ac.uk/dps/de/dedps15.pdf>.
- Holstein, J. & Gubrium, J. (1995). *The Active Interview*. Sage, Thousand Oaks, CA.
- HOT (2009). *HOT Accessories and Apparel: 3-Year Business Plan for Manufacturing Capacity and Sales Development*. Phnom Penh, Cambodia.
- Hudson, M. (1995). *Managing Without Profit: The Art of managing Third Sector Organisations*. Penguin, London.

- Hulme, D. & Mosley, P. (1996a). *Finance Against Poverty. Vol 1*, Routledge, London.
- Hulme, D. & Mosley, P. (1996b). *Finance Against Poverty. Vol 2*, Routledge, London.
- Hunt, J. (1986). *A Critical Assessment of Australian Official Development: Policy and Practice*. Unpublished PhD thesis, Department of general studies, University of NSW.
- Hunt, J. (2002). Reflections on Microfinance and Women's Empowerment. *Development Bulletin*, Vol. 57, pp.71-75.
- IFC (2006). *IFC in South Asia*. International Finance Corporation. Retrieved 12 March 2011 from [www.ifc.org](http://www.ifc.org).
- IMF (2005). *Poverty Reduction Strategy Papers (PRSP)*. Retrieved 1 November 2007 from <http://www.imf.org/external/np/exr/facts/prsp.htm>
- IMF (2006). *Cambodia: Poverty Reduction Strategy Paper*. IMF, Washington.
- ILO (2005). *Better Factories Cambodia*. International Labour Organisation.
- ILO (2006). *Women and Work in the Garment Industry*. International Labour Organisation.
- IRS (2012). *For-Profit Subsidiaries of Tax-Exempt Organizations*. US Internal Revenue Service. Retrieved 31 August 2012 from [www.irs.gov/pub/irs-tege/eotopice86.pdf](http://www.irs.gov/pub/irs-tege/eotopice86.pdf)
- Islam, N. (1972). Foreign Assistance and Economic Development: The Case of Pakistan. *The Economic Journal*, Vol. 82, No. 325, Special Issue: In Honour of E.A.G. Robinson, pp. 502-530.
- Jaquette, J. & Summerfield, G. eds. (2006). *Women and Gender Equity in Development Theory and Practice*. Duke University Press Durham, NC.
- Jacquette, J. & Staudt, K. (2006). Women, Gender and Development. In J. Jaquette & G. Summerfield eds. *Women and Gender Equity in Development Theory and Practice*. Duke University Press Durham, NC, pp17-52.
- Japan Bank for International Cooperation (2001). *Poverty Profile, Executive Summary Kingdom of Cambodia*.
- Jarvis, O. & Tracey, P. (2006). An Enterprising Failure. *Stanford Social Innovation Review*, Vol. 4, No. 1, pp. 66-70.
- Jameson, K. & Wilbur, C. eds. (1992). *The Political Economy of Development and Under-development (5<sup>th</sup> edition)*. McGraw Hill, Singapore.

- Jayakaran, R. (2003). *Participatory Poverty Alleviation and Development*. World Vision, Hong Kong.
- Jeavons, T. (1992). When the Management is the Message: Relating Values to Management Practice in Nonprofit Organisations. *Nonprofit Management and Leadership*, Vol. 2, No. 4, pp. 403-417.
- Johnson, D., Worell, J. & Chandler, R. (2005). Assessing Psychological Health and Empowerment in Women: The Personal Progress Scale Revised. *Women & Health*, Vol. 41, No. 1, pp. 109-129.
- Joseph, J. (2001). NGOs: Fragmented dreams. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford, pp. 145-162.
- Jourard, S. & Jaffe, P. (1970). Influence of an Interviewer's Disclosure on the Self-Disclosing Behaviour of Interviewees. *Journal of Counseling Psychology*, Vol. 17, No. 3, pp. 252-257.
- Kabeer, N. ed. (1994a). *Reversed Realities: Gender Hierarchies in Development Thought*. Verso, London.
- Kabeer, N. (1994b). Empowerment from below: Learning from the Grassroots. In N. Kabeer, *Reversed Realities: Gender Hierarchies in Development Thought*. Verso, London.
- Kabeer, N. (1999). Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment. *Development and Change*, Vol. 30, 435-464.
- Kabeer, N. (2001). Conflicts over Credit: Re-evaluating the Empowerment Potential of Loans to Women in Bangladesh. *World Development*, Vol. 29, No. 1, pp. 63-84.
- Kaplowitz, M. & Hoehn, J. (2001). Do Focus Groups and Individual Interviews Reveal the Same Information for Natural Resource Valuation? *Ecological Economics*, Vol. 36, pp. 237-247.
- Karnani, A. (2007). *Employment, not Microcredit, is the Solution*. Ross School of Business Working Paper Series Working Paper No. 1065.
- Kegley, C. & Wittkopf, E. (2001). *World Politics: Trends and Transformations* (7<sup>th</sup> edition). Bedford/St. Martin's, Boston, MA.
- Kerlin, J. ed. (2009) *Social Enterprise, A Global Comparison*. Tufts University, Medford MA
- Kilby, P. (2002). Microfinance and Poverty Alleviation: The Dangers of a Development 'Snake Oil'. *Development Bulletin*, Vol. 57, pp. 117-119.

- Kiernan, B. (2002). *The Pol Pot Regime*, (2<sup>nd</sup> Edition). Silkworm, Chiang Mai, Thailand.
- Kimura, R. (2007). *Developing Christian Relief and Development NGOs' Cambodian Staff toward Becoming Servant Leaders*. Regent University School of Global Leadership and Entrepreneurship Servant Leadership Research Roundtable – July 2007. Retrieved 29 August 2012 from [https://www.regent.edu/acad/global/publications/sl\\_proceedings/2007/kimura.pdf](https://www.regent.edu/acad/global/publications/sl_proceedings/2007/kimura.pdf)
- King, N. (2004). Using Interviews in Qualitative Research. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 11-22.
- Knippers-Black, J. (1991). *Development in Theory and Practice: Bridging the Gap*. Westview Press, Boulder, CO.
- Kothari, U. (2001). Power, Knowledge and Social Control in Participatory Development. In B. Cooke & U. Kothari, eds. *Participation: The New Tyranny? ?* Zed books, London, pp. 139-152.
- Korten, D. (1990). *Getting to the 21<sup>st</sup> Century: Voluntary Action and the Global Agenda*. Kumarian Press, West Hartford CT.
- Krug, K., & Weinberg, C. (2004). Mission, Money, and Merit: Strategic Decision Making by Nonprofit Managers. *Nonprofit Management and Leadership*, Vol. 14, No. 3, pp. 325-342.
- Kumar, K. ed. (2001). *Women and Civil War*. Lynne Rienner, Boulder CO.
- Kumar, K. Baldwin, H & Benjamin, J. (2001). Profile: Cambodia. In K. Kumar ed. *Women and Civil War*. Lynne Rienner, Boulder CO, pp. 39-47.
- La Barbera, P. (1991). Commercial Ventures of Religious Organizations. *Nonprofit Management and Leadership*, Vol. 1, No. 3, pp. 217-234.
- Landau, I. (2008). Law and Civil Society in Cambodia and Vietnam: A Gramscian Perspective. *Journal of Contemporary Asia*, Vol. 38, No. 2, pp. 244-258.
- Lansisalmi, H., Peiro, J. & Kivimaki, M. (2004). Grounded Theory in Organisational Research. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 242-255.
- Leach, F. & Sitaram, S. (2002). Microfinance and Women's Empowerment: A Lesson from India. *Development in Practice*, Vol. 12, No. 5, pp. 575-588.
- Leckie, J. ed. (2009). *Development in an Insecure and Gendered World*. Ashgate, Farnham, Surrey, England.
- Leckie J. (2009a). Introduction. In J. Leckie, *Development in an Insecure and Gendered World*. Ashgate, Farnham, Surrey, England, pp. 3-30.



Leclair, M. (2002). Fighting The Tide: Alternative Trade Organisations in the Era of Global Fair Trade. *World Development*, Vol. 30, No. 6, pp. 949-958.

Ledgerwood, J. & Un, H. (2003). Global Concepts and Local Meaning: Human Rights and Buddhism in Cambodia. *Journal of Human Rights*, Vol. 2, No. 4, pp. 531-549.

Ledgerwood, M. (2012). *Understanding Cambodia: Social Hierarchy, Patron-Client Relationships and Power*. Northern Illinois University. Retrieved 28 August 2012 from <http://asianhope.org/templates/files/understanding-cambodia.pdf>.

Leedy, P. (1997). *Practical Research: Planning and Design*. Prentice Hall, Upper Saddle River, NJ.

Leipold, G. (2001). Campaigning: A Fashion or the Best Way to Change the Global Agenda. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford, pp. 233-242.

Leonard, H., Epstein, M. & Smith, W. (2007). *Digital Divide Data: A Social Enterprise in Action*. Harvard Business School.

Lewis, D. & Sobhan, B. (1999). Routes of Funding, Roots of Trust? Northern NGOs, Southern NGOs, Donors, and the Rise of Direct Funding. *Development in Practice*, Vol. 9, No. 1, pp.117-129.

Light, P. (2005). Searching for Social Entrepreneurs. *Paper prepared for presentation at the annual meetings of the Association for Research on Nonprofit and Voluntary Associations*, November 17-18.

Light, P. (2006). Reshaping Social Entrepreneurship. *Stanford Social Innovation Review*, Vol. 4, No. 3, pp. 47-51.

Lindsey, B. (2004). *Grounds for Complaint: 'Fair trade' and the Coffee Crisis*. Adam Smith Institute London. Retrieved 4<sup>th</sup> September 2007 from <http://www.adamsmith.org/images/uploads/publications/groundsforcomplaint.pdf>.

Linton, A. (2005). Partnering for Sustainability: Business–NGO Alliances in the Coffee Industry. *Development in Practice*, Vol. 15, No. 3&4, pp. 600-614.

Lisborg, A. (2009). *Re-thinking Reintegration*. United Nations Inter-Agency Project on Human Trafficking (UNIAP): Phase III.

Lissner, J. (1977). *The Politics of Altruism*. Lutheran World Federation, Geneva, Switzerland.

Living Room Facebook page. Retrieved 26 March 2012 from <https://www.facebook.com/pages/Cafe-Living-Room/92305837011>.

- Lloyd-Evans, S. (2006). Focus Groups. In V. Desai & R. Potter, eds. *Doing Development Research*. Sage, London, pp. 153-162.
- Long, A. & Long, N. eds. (1992). *Battlefields of Knowledge: The Interlocking of Theory and Practice in Social Research and Development*. Routledge, London and New York.
- Long, N. (1992). An Actor-oriented Paradigm. Introduction. In N. Long & A. Long, eds. *Battlefields of Knowledge: The Interlocking of Theory and Practice in Social Research and Development*. Routledge, London and New York, pp. 3-15.
- Lubett, R. (1987). *Non-governmental Organizations as Agents of Empowerment*, Unpublished thesis for MSc in Agricultural Extension, University of Reading.
- Lum, T. (2007). *Cambodia: Background and US Relations*. Congressional Research Service Report for Congress.
- Mair, J. & Marty, I. (2006). Social Entrepreneurship Research: A Source of Explanation, Prediction and Delight. *Journal of World Business*, Vol. 41, pp. 36-44.
- Maher, B. (2010). Cry of the Gecko. Retrieved 29 August 2012 from <http://www.cambodianchristian.com/article/?p=325>.
- Malhotra, K. (2000). NGOs Without Aid: Beyond the Global Soup Kitchen. *Third World Quarterly*, Vol. 21, No. 4, pp. 655-668.
- Marshall, A. (1907). The Social Possibilities of Economic Chivalry. *The Economic Journal*, Vol. 17, No. 65, pp. 7-29.
- Marshall, K. & Zambra, C. (2011). *Faith-Inspired Organizations and Development in Cambodia*. Paper presented at the April 2011 ASREC (Association for the study of Religion, Economics and Culture) conference.
- Martin, R. & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*, Vol. 5, No. 2, pp. 29-39.
- Mathie, A. (2002). Including the Excluded: Lessons Learned from the Poverty Targeting Strategies used by Microfinance Providers. *Development Bulletin*, Vol. 57, pp. 17-22.
- Maxwell, S. (1999). The Meaning and Measurement of Poverty. *ODI Poverty Briefing No: 3*, Overseas Development Institute, London.
- Mayoux, L. (2002). Microfinance and Women's Empowerment: Rethinking 'best practice.' *Development Bulletin*, Vol. 57, pp. 76-80.
- Mayoux, L. (2006). Quantitative, Qualitative or Participatory? Which Methods, for What and When? In V. Desai & R. Potter, eds. *Doing Development Research*. Sage, London, pp. 115-129.

- McEwan, C. (2008). Post-colonialism. In V. Desai & R. Potter, eds. *The Companion to Development Studies*. Hodder, London, pp. 124-128.
- McGoldrick, M. Giordano J. & Garcia-Preto N. eds. *Ethnicity and Family Therapy*. Guildford Press, New York.
- McKenzie-Pollack, L. (2005). Cambodian Families. In M. McGoldrick, J. Giordano & N. Garcia-Preto, eds. *Ethnicity and Family Therapy*. Guildford Press, New York, pp. 192-201.
- McLean, M. & Peredo, A. (2006). Social Entrepreneurship: A Critical Review of the Concept. *Journal of World Business*, Vol. 41, pp. 56–65.
- McVay, M. & Miehlabradt, A. (2006). *Implementing Sustainable Private Sector Development: Striving for Tangible Results for the Poor*. International Labour Organisation.
- Mehmet, O. (1997). Development in a War Torn Society: What Next in Cambodia? *Third World Quarterly*, Vol. 18, No. 4, pp. 673-686.
- Mercer, C. (2006). Working with Partners: NGOs and CBOs. In V. Desai & R. Potter, eds. *Doing Development Research*. Sage, London, pp. 94-103.
- Mestrum, F. (2006). Global Poverty Reduction: A New Social Paradigm. *Development*, Vol. 49, No. 2, pp. 62-66.
- Middleton Stone, M. & Crittenden, W. (1993). A Guide to Journal Articles on Strategic Management in Nonprofit Organisations. *Nonprofit Management and Leadership*, Vol. 4, No. 2, pp. 193-213.
- Momsen, J. (2004). *Gender and Development*. Routledge, Abingdon, Oxon.
- Moore, G. (2004). The Fair Trade Movement: Parameters, Issues and Future Research. *Journal of Business Ethics*, Vol. 53, pp. 73–86.
- Morduch, J. (1994). Poverty and Vulnerability. *The American Economic Review*, Vol. 84, No. 2, pp. 221-225.
- Morduch, J. (1999). The Microfinance Promise. *The Journal of Economic Literature*, Vol. 37, pp. 1569-614.
- Morduch, J. (2000). The Microfinance Schism. *World Development*, Vol. 28, No. 4, pp. 617-629.
- Morena, E. (2006). Funding and the Future of the Global Justice Movement. *Development*, Vol. 49, No. 2, pp. 29-33
- Morgan, D. (1996). Focus Groups. *Annual Review of Sociology*, Vol. 22, pp. 129-152.

- Morgan, S. & Symon, G. (2004). Electronic Interviews. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 23-33.
- Morvaridi, B. (1994). Sustainable Development and the Project Appraisal. In J. Weiss, ed. *The Economics of Project Appraisal and the Environment*. Edward Elgar, Aldershot. pp. 184-195.
- Moser, C. (1993). *Gender Planning and Development*. Routledge, London.
- Mosse, D. (2001). 'People's Knowledge', Participation and Patronage: Operations and Representations in Rural Development. In B. Cooke & U. Kothari, eds. *Participation: The New Tyranny?* Zed books, London, pp. 16-35.
- Moyo, T. (2003). Critical Success Factors for MED in Africa: An Overview. *Transformation*, Vol. 20, No. 3, pp.166-170.
- MPDF (2000). *Mekong Private Sector Development Facility Annual Report 2000*.
- Mulgan, G. (2006). Cultivating the Other Invisible Hand of Social Entrepreneurship: Comparative Advantage, Public Policy and Future Research Priorities. In A. Nicholls ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 74-96.
- Munck, R. (1999). Deconstructing Development Discourses: Of Impasses, Alternatives and Politics. In R. Munck, & D. O'Hearn eds. *Critical Development Theory*, Zed Books, London.
- Munck, R. & O'Hearn, D. eds. (1999). *Critical Development Theory*, Zed Books, London.
- Murphy, B. (2001). International NGOs and the Challenge of Modernity. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford pp. 60-85.
- Murray, D., Raynolds, L. & Taylor, P. (2006). The Future of Fair Trade Coffee: Dilemmas Facing Latin America's Small-scale Producers. *Development in Practice*, Vol. 16, No. 2, pp. 179-192.
- Mussen, G. (2004). Life Histories. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 34-44.
- Mwangi, S. & Ole Sena, S. (2003). Harnessing Africa's Resources for a People-centred Development: A Christian Framework for a Better Understanding Between Africa's MED Organizations and Partners in the North. *Transformation*, Vol. 20, No. 3, pp. 154-160.
- Myers, B. (1999). *Walking with the Poor*. Orbis Books, Maryknoll, NY.
- Myers, M. (2009). *Qualitative Research in Business and Management*. Sage, London.

Narayan, D. ed. (2005). *Measuring Empowerment: Cross Disciplinary Perspectives*. World Bank, Washington.

National Institute of Statistics (2010). *Labour Force 2007*, Cambodian Ministry of Planning.

Nederveen Pieterse, J. (2000). *Global Futures: Shaping Globalisation*. Zed Books, London.

Nestle (2007). *Press Release: Nestlé Donates Cambodian Factory to Hagar International*. Nestle, Phnom Penh.

NGO Forum on Cambodia (2011). *List of The NGO Forum on Cambodia 's Memberships*. Retrieved 13 June 2011 from <http://www.ngoforum.org.kh/eng/core/sublistmembership.php>

Nicholls, A. ed. (2006) *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK.

Nicholls, A. & Cho, A. (2006). Social Entrepreneurship: The Structuration of a Field. In A. Nicholls ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 99-118.

Nicholls, A. & Paton, R. (2009). *Emerging Resource Flows for Social Entrepreneurship; Theorizing Social Investment*. British Academy of Management Annual Conference, 15-17 September 2009, Brighton, University of Brighton.

Nicholls, A. & Pharoah, C. (2008). The Landscape of Social Investment: A Holistic Topology of Opportunities and Challenges. Skoll Centre for Social Entrepreneurship. Oxford, UK.

Nicholson, B. & Kay, D. (1999). Group Treatment of Traumatized Cambodian Women: A Culture-Specific Approach. *Social Work*, Vol. 44, No. 5, pp. 470-479.

Nieto, B. (2005). Private Funding of Microcredit Schemes: Much Ado About Nothing? *Development in Practice*, Vol. 15, No. 3, pp. 490-501.

Not For Sale (2011). *The Team: David Batstone - President & Co-Founder*. Retrieved 2 June 2011 from <http://www.notforsalecampaign.org/about/staff/>.

ODI (2010). *Cambodia: Case Study for the MDG Gap Task Force Report*. Overseas Development Institute, London.

O'Leary, M. & Nee, M. (2001). *Learning for Transformation*. Krom, Akphiwat Phum, Phnom Penh.

Oller, S. (2006). Power Relations in the Financial Aid Chain. *Development*, Vol. 49, No. 2, pp. 34-39.

- Osberg, S. (2006). Wayfinding Without a Compass: Philanthropy's Changing Landscape and its Implications for Social Entrepreneurs. In A. Nicholls ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 309-328.
- Oxfam (2012). *About Oxfam Shop*. Retrieved 1 September 2012 from <http://www.oxfamshop.org.au/aboutus>.
- Pacione, M. ed. (1988). *The Geography of the Third World: Progress and Prospects*. Routledge, London
- Padaki, V. (2001). Coming to Grips with Organizational Values. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford pp. 189-208.
- Parks, T. (2008). The Rise and Fall of Donor Funding for Advocacy NGOs: Understanding the Impact. *Development in Practice*, Vol. 18, No. 2, pp. 213-222.
- Parpart, J. (1993). Who is the 'Other'? A Postmodern Feminist Critique of Women and Development Theory and Practice. *Development and Change*, Vol. 24, pp. 439-464.
- Parpart, J., Rai, S. & Staudt, K. eds. (2002). *Rethinking Empowerment: Gender and Development in a Globalised World*. Routledge, London.
- Parpart, J., Rai, S. & Staudt, K. (2002a). Rethinking Empowerment Gender and Development. In J. Parpart, S. Rai & K. Staudt eds. *Rethinking Empowerment: Gender and Development in a Globalised World*. Routledge, London.
- Paton R. (2003). *Managing and Measuring Social Enterprises*. Sage, London.
- Paul, E. (2005). Evaluating Fair Trade as a Development Project: Methodological Considerations. *Development in Practice*, Vol. 15, No. 2, pp. 134 – 150.
- Payne, T. (2009). *Keeping the Social Mission*.
- Peebles, D. (2006). *Women's Microenterprises Growth Strategies Project: The NGO Business Sub-contracting Model*. Consultative Cycle 2006 Innovations in Export Strategy, Kartini International, Canada.
- Pirotte, G. Pleyers, G. & Poncelet, M. (2006). Fair-trade Coffee in Nicaragua and Tanzania: A Comparison. *Development in Practice*, Vol. 16, No. 5, pp. 441-451.
- Poree, A. (2009). *Cambodia Has to Cope With its Global Connection*. Yale Center for the Study of Globalization.
- Power, M. (2003). *Rethinking Developing Geographies*. Routledge, London.
- Pretes, M. (2002). Microequity and Microfinance. *World Development*, Vol. 30, No. 8, pp. 1341-1353.

- Radio Australia (2011). *Controversial Law in Cambodia has NGOs Worried*. Retrieved 13 June 2011 from <http://www.radioaustralia.net.au/asiapac/stories/201104/s3186598.htm>
- Rahman, M. (1995). Participatory Development: Toward Liberation or Co-optation. In G. Craig & M Mayo, eds. *Community Empowerment: A reader in Participation and Development*. Zed Books, London, pp24-32.
- Rahnema, M. & Bawtree, V. eds. (1997). *The Post-Development Reader*, Zed Books, London.
- Rathgeber, E. (2005). Gender and Development as a Fugitive Concept. *Canadian Journal of Development Studies*, Vol. 26, Sup. 1, pp. 578-591.
- Raynolds, L. (2002). *Poverty Alleviation Through Participation in Fair Trade Coffee Networks: Existing Research and Critical Issues*. Background Paper Prepared for Project Funded by the Community and Resource Development Program, The Ford Foundation, New York. Retrieved 5 September 2007 from <http://www.colostate.edu/Depts/Sociology/FairTradeResearchGroup/doc/rayback.pdf>.
- Reed, D. (1996). *Structural Adjustment, the Environment, and Sustainable Development*. Earthscan, London.
- Reed, D. (1996). Sustainable Development. In D. Reed, *Structural Adjustment, the Environment, and Sustainable Development*. Earthscan, London, pp. 25-40.
- Remenyi, J. (1991). *Where Credit is Due, Income-generating Programmes for the Poor in Developing Countries*. IT Publications, London.
- Richardson, G. (2002). The Meta-theory of Resilience and Resiliency. *Journal of Clinical Psychology*, Vol. 58, No. 3, pp. 307–321.
- Ridley-Duff, R. & Bull, M. (2011). *Understanding Social Enterprise*. Sage, London.
- Roland-Holst, D. & Tarp, F. (2002). *New Perspectives on Aid Effectiveness*. Paper prepared for the Annual Bank Conference on Development Economics, June 24-26, Oslo, Norway (ABCDE-Europe 2002).
- Roper, J. & Cheney, G. (2005). Leadership, Learning and Human Resource Management: The meanings of Social Entrepreneurship Today. *Corporate Governance*, Vol. 5, No. 3, pp. 95-104.
- Rostow, W. (1960). *The Stages of Economic Growth: A Non-communist Manifesto*. Cambridge University Press, Cambridge.
- Rowlands, J. (1995). Empowerment Examined. *Development in Practice*, Vol. 5, No. 2, pp. 101-107.
- Rowlands, J. (1997). *Questioning Empowerment*. Oxfam, Oxford, UK.

Rozario, S. (2002). Grameen Bank-style Microcredit: Impact on Dowry and Women's Solidarity. *Development Bulletin*, Vol. 57, pp. 67-70.

Rugendyke, B. (1994). *Compassion and Compromise: The Policy and Practice of Australian Non-Government Aid Agencies*. Unpublished PhD Thesis, UNE.

Rugendyke, B. ed. (2007). *NGOs as Advocates for Development in a Globalising World*. Routledge, London and New York.

Rugendyke, B. (2007). Lilliputians or Leviathans? NGOs as Advocates. In B. Rugendyke ed. *NGOs as Advocates for Development in a Globalising World*. Routledge, London and New York, pp. 1-14.

Sachs, J. (2005). *The End of Poverty*. Penguin, London.

Sadasivam, B. (2005). Wooing the MDG-skeptics. *Development*, Vol. 48, No. 1, pp. 30-34.

Sadoun, B. (2006). Donor Policies and the Financial Autonomy of Development NGOs. *Development*, Vol. 49, No. 2, pp. 45-51.

Samuel, V. (1996). The Development Movement: An Overview and Appraisal. *Transformation*, Vol. 13, No. 4, pp.12-16.

Sanitarium (2012). *Moments That Made Us*. Retrieved 1 September 2012 from <http://www.sanitarium.com.au/about-us/moments-that-made-us>.

Santos, J., Macatangay, L., Capistrano, M. & Burns, C. (2009). Southeast Asia. In J. Kerlin ed. *Social Enterprise, A Global Comparison*. Tufts University, Medford MA.

Santry, P. (2005). *"When Apsaras Smile" Women and Development in Cambodia 1990-2000: Cultural Barriers to Change*. Unpublished PhD Thesis, Victoria University, Melbourne, Australia.

Sarr, F. (2006). Funding of Non Government Organisation in Senegal: Constraints and Opportunities. *Development*, Vol. 49, No. 2, pp. 108-115.

Sayer, J. (2005). Guest Editors Introduction: Do More Good, Do Less Harm: Development and the Private Sector. *Development in Practice*, Vol. 15, No. 3&4, pp. 251-267.

Sayer, J. (2007a). Confrontation, Co-operation and Co-optation: NGO Advocacy and Corporations. In B. Rugendyke, ed. *NGOs as Advocates for Development in a Globalising World*. Routledge, London and New York, pp. 196-244.

Sayer, J. (2007b). Risks and Rewards: NGOs Engaging the Corporate Sector. In B. Rugendyke, ed. *NGOs as Advocates for Development in a Globalising World*. Routledge, London and New York, pp. 245-283.



Scheerer, S. (1981). The Value of Focus-group Research for Social Action Programs. *Studies in Family Planning*, Vol. 12, pp. 407-417.

Scheyvens, R. & Storey, D. (2005). *Development Fieldwork: A Practical Guide*. Sage, London.

Scheyvens, R. Novak, B. & Scheyvens, H. (2005). Ethical Issues. In R. Scheyvens & D. Storey, eds. *Development Fieldwork: A Practical Guide*. Sage, London, pp. 139-166.

Scheyvens, R., Scheyvens, H. & Murray, W. (2005). Working with Marginalised, Vulnerable or Privileged Groups. In R. Scheyvens & D. Storey, eds. *Development Fieldwork: A Practical Guide*. Sage, London, pp. 167-194.

Schumpeter, J. (1934). *Capitalism, Socialism, and Democracy*. Harper & Row, New York.

Schumpeter J. (1955). *The Theory of Economic Development*. Harvard University Press, Cambridge, MA.

Schuurman, F. (2008). The Impasse in Development Studies. In V. Desai & R. Potter, eds. *The Companion to Development Studies*. Hodder, London, pp. 12-16.

Schwab Foundation. *Pierre Tami*. Retrieved 22 May 2008 from <http://www.schwabfound.org/sf/SocialEntrepreneurs/Profiles/index.htm?sname=152923>.

SDA (2010). South Pacific Division Strategic Plan 2010-2015. Seventh Day Adventist Church. Retrieved 1 September 2012 from <http://adventist.org.au/about-strategies>.

Seelos, C. & Mair, J. (2005a). Social Entrepreneurship: Creating New Business Models to Serve the Poor. *Business Horizons*, Vol. 48, pp. 241-246.

Seelos, C. & Mair, J. (2005b). Sustainable Development, Sustainable Profit. *European Business Forum*, Vol. 20, pp. 49-53.

Seelos, C. Ganly, K. & Mair, J. (2005). *Social Entrepreneurs Contribute Directly to Global Development Goals*. IESE Business School Occasional Paper No 05/14.

Seers, D. (2000). The Meaning of Development. In S. Corbridge ed. *Development: Critical Concepts in Social Sciences*. Routledge, London & New York, pp. 189-213.

Selinger, L. (2004). The Forgotten Factor: The Uneasy Relationship between Religion and Development. *Social Compass*, Vol. 51, No. 4, pp. 523-543.

Selltiz, C. (1976). *Research Methods in Social Relations*. Rinehart and Winston, New York.

- Sen, A. (1992). Development: Which Way Now? In K. Jameson & C. Wilbur eds. *The Political Economy of Development and Under-development*, (5<sup>th</sup> edition). McGraw Hill, Singapore, pp. 5-26.
- Sen, A. (1999). *Development as Freedom*. Oxford University Press, Oxford.
- Shane, S. & Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Research. *The Academy of Management Review*, Vol. 25, No. 1, pp. 217-226.
- Shaw, J. (2002). Location and Microenterprise Performance: Evidence from Sri Lanka. *Development Bulletin*, Vol. 57, pp. 97-100.
- Shaw, J. (2004). Microenterprise Occupation and Poverty Reduction in Microfinance Programs: Evidence from Sri Lanka. *World Development*, Vol. 32, No. 7, pp. 1247-1264.
- Shaw, S. & Allen, J. (2009). To be a Business and Keep out Humanity. *Nonprofit Management and Leadership*, Vol. 20, No. 1, pp. 83-96.
- Shih, M. (2004). Positive Stigma: Examining Resilience and Empowerment in Overcoming Stigma. *Annals of the American Academy of Political and Social Science*, Vol. 591, pp. 175-185.
- Siciliano, J. (1997). The Relationship Between Formal Planning and Performance in Nonprofit Organisations. *Nonprofit Management and Leadership*, Vol. 7, No. 4, pp. 387-403.
- Sidaway, J. (2008). Post-development. In V. Desai & R. Potter, eds. *The Companion to Development Studies*. Hodder, London, pp. 16-19.
- Simpson, A. ed. (2007). *Language and National Identity in Asia*. Oxford University Press, Oxford, UK.
- Slater, D. (1992). Theories of Development and Politics of the Post-modern – Exploring a Border Zone. *Development and Change*, Vol. 23, No. 3, pp. 283-319.
- Slocumb, M. (2002). Forestry Policy and Practices of the People's Republic of Kampuchea, 1979-1989. *Asian Survey*, Vol. 42, No. 5, pp. 772-793.
- Smith, B. & Stevens, C. (2010). Different types of Social Entrepreneurship: The role of Geography and Embeddedness on the Measurement and Scaling of Social Value. *Entrepreneurship & Regional Development: An International Journal*, Vol. 22, No. 6, pp. 575-598.
- So, A. (1990). *Social Change and Development: Modernisation, Dependency and World-system Theories*. Sage, Newbury Park.
- Somaly Mam (2007). *The Road of Lost Innocence*. Virago, London.

Sophal, E. (2007). The Political Economy of Aid and Governance in Cambodia. *Asian Journal of Political Science*, Vol. 15, No. 1, pp. 68-96.

Source ASEAN (2010). *Cambodia Textile and Garment Industry*. Retrieved June 2, 2011 www.sourceAsean.com.

Spicker, P. Leguizamon, S. & Gordon, D. eds. (2007) *Poverty: An international Glossary*. Zed, London.

Steyaert, C. & Bouwen, R. (2004). Group Methods of Organisational Research. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 140-153.

Steyaert, C. & Hjorth, D. eds. (2006). *Entrepreneurship as Social Change*. Edward Elgar, Cheltenham, UK.

Stevenson, H. & Jarillo, C. (1990). A Paradigm of Entrepreneurship: Entrepreneurial Management. *Strategic Management Journal*, Vol. 11, pp. 17-27.

Stiglitz, J. (2002). *Globalization and its Discontents*. Penguin, London.

Streeten, P. (1978). Basic Needs: Some Issues. *World Development*, Vol. 6, No. 3, pp.411-421.

Streeten, P. (1984). Basic Needs: Some Unsettled Questions. *World Development* Vol. 12, No. 9, pp. 973-978.

Stryjan, Y. (2006). The Practice of Social Entrepreneurship. In C Steyaert & D Hjorth, eds. *Entrepreneurship as Social Change*. Edward Elgar, Cheltenham, UK, pp. 35-55.

Swedberg, R. (2006). Social Entrepreneurship: The View of the Young Schumpeter. In C Steyaert & D Hjorth, eds. *Entrepreneurship as Social Change*. Edward Elgar, Cheltenham, UK, pp. 21-34.

Sylvester, J. (2004). Attributional Coding. In C. Cassell & G. Symon, eds. *Essential Guide to Qualitative Methods in Organizational Research*. Sage, London, pp. 228-241.

Tadros, M. (2010). *Faith-Based Organizations and Service Delivery: Some Gender Conundrums*. United National Research Institute for Social Development, Gender and Development, Program Paper 11.

Tadros, M. (2011). The Faith Factor in Reimagining Development. *IDS Bulletin*, Vol. 42, No. 5, pp. 63-67.

Tan, C. (2007). Education reforms in Cambodia: issues and concerns. *Educational Research for Policy and Practice*, Vol. 6, No. 1, pp. 15-24.

- Tandon, R. (2001). Riding High or Nosediving: Development NGOs in the New Millennium. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford pp. 44-59.
- Tarr, C. M. and Aggleton, P. (1999). Young People and HIV in Cambodia: Meanings, Contexts and Sexual Cultures. *AIDS Care*, Vol. 11, No. 3, pp. 375-384.
- Taylor, G. (2009). *So! Nutritious Co Ltd. Business Plan*.
- TEAR (2002). *Hagar Evaluation*. TEAR Australia.
- TEAR (2008). *Project Proposal*. National Allocations Committee 122.
- Teasdale, S. (2012). What's in a Name? Making Sense of Social Enterprise Discourses. *Public Policy and Administration*, Vol. 27, No. 2, pp. 99-118.
- Tendler, J. (1982). Turning Private Voluntary Organisations into Development Agencies: Questions for Evaluation. *AID Program Evaluation Discussion paper No.12*, US Agency for International Development.
- Thomas, A. & Potter, D. (1992). Development, Capitalism and the Nation State. In T. Allen & A. Thomas, eds. *Poverty and Development in the 1990s*. Oxford University Press, Oxford, pp. 116-144.
- Thompson, J. (2002). The World of the Social Entrepreneur. *The International Journal of Public Sector Management*, Vol. 15, No. 4/5, pp. 412-431.
- Thompson & Thompson, (2012). Subsidiaries of Tax-Exempt Organizations. Retrieved 1 September 2012 from <http://www.t-tlaw.com/bus-04.htm>.
- Thuy, J., Hoershelmann H. & Juergensen A. (2012). Cambodia. *The Ecumenical Review*, Vol. 64, No. 2, pp.104-124.
- Todaro, M. & Smith, S. (2009). *Economic Development*. Pearson, Harlow, UK.
- Tomalin, E. (2012). Thinking About Faith-Based Organisations in Development: Where Have We Got to and What Next? *Development in Practice*, Vol. 22, No.5-6, pp. 689-703.
- Toye, J. (1987). *Dilemmas of Development: Reflections on the Counter Revolution in Development Theory and Practice*. Blackwell, Oxford.
- Toye, J. (1993). *Dilemmas of Development* (2<sup>nd</sup> edition). Blackwell, Oxford.
- Trainer, F. (1989). Reconstructing Radical Developing Theory. *Alternatives*, Vol. XIV, pp. 481-515.
- Truman, H. (1949). *Inaugural Speech*. Retrieved 16 February 2012 from [http://www.trumanlibrary.org/whistlestop/50yr\\_archive/inagural20jan1949.htm](http://www.trumanlibrary.org/whistlestop/50yr_archive/inagural20jan1949.htm)

Tsasis, P. (2009). The Social Processes of Interorganisational Collaboration and Conflict in Nonprofit Organisations. *Nonprofit Management and Leadership*, Vol. 20, No. 1, pp. 5-21.

Tun Wai U. (1992). What Have We Learned About Informal Finance in Three Decades. In D. Adams & D. Fitchett, eds. *Informal Finance in Low-Income Countries*. Westview press, Boulder, Colorado, pp. 337-348.

Uba, L. (1992). Cultural Barriers to Health Care for Southeast Asian Refugees. *Public Health Reports*, Vol. 107, No. 5, pp. 544-548.

UN (2000). *United Nations Millennium Declaration*. United Nations. Retrieved 4 April 2008 from <http://www.un.org/millennium/declaration/ares552e.htm>.

UN (2001). *Road Map Towards the Implementation of the United Nations Millennium Declaration*. United Nations, New York.

UNCTAD (2005). *World Investment Report 2005*. UNCTAD.

UNCTAD (2009). *World Investment Report 2009*. UNCTAD.

UNCTAD (2011). *World Investment Report 2011*. UNCTAD.

UNDP (2006). *Human Development Report 2006*.

UNDP (2007). *About the MDGs: Basics*. Retrieved 1 November 2007 from <http://www.undp.org/mdg/basics.shtml>

UNDP (2010). *Human Development Report 2010*.

UNDP Cambodia (2007). *Expanding Choices for Rural People: Cambodian Human Development Report 2007*. Ministry of Planning and UNDP Cambodia, Phnom Penh.

UNDP Cambodia (2011). *Building Resilience: The Future for Rural Livelihoods in the Face of Climate Change: Cambodian Human Development Report 2011*. Ministry of Environment and UNDP Cambodia, Phnom Penh.

UNHCR (2006). *The State of the World's Refugees*.

UNIAP (2009). *Cambodia: Exodus to the Sex Trade?*

Ung, L. (2000). *First They Killed My Father*. Harper New York.

U.S. General Accounting Office (1990). *Case Study Evaluations*. Transfer paper 10.1.9. Washington, D.C.

U.S. General Accounting Office (1991). *Designing Evaluations*. Transfer paper 10.1.4. Washington, D.C.

USAID (2007). *The Rehabilitation of Victims of Trafficking in Group Residential Facilities in Foreign Countries*. Office of Women in Development, United States Agency for International Development.

USSIF (2012). *Sustainable and Responsible Investing Facts*. The Forum for Sustainable and Responsible Investment. Retrieved 31 August 2012 from <http://ussif.org/resources/sriguide/srifacts.cfm>.

Utting, P. (2005). Corporate Responsibility and the Movement of Business. *Development in Practice*, Vol. 15, No. 3, pp. 375-388.

Van Demme, W., Van Leemput, L., Por, I., Hardeman, W. & Meessen, B. (2004). Out-of-pocket Health Expenditure and Debt in Poor Households: Evidence from Cambodia. *Tropical Medicine and International Health*, Vol. 9, No. 2, pp. 273–280.

Van Rooy, A. (2001). Good News! You May be Out of a Job: Reflections on the Past and Future 50 years for Northern NGOs. In D. Eade & E. Ligteringen, eds. *Debating Development: NGOs and the Future*. Oxfam Great Britain, Oxford, pp. 19-43.

Verhelst, T. (1990). *No Life Without Roots*. Zed Books, London.

Vincent, F. (2006). NGOs, Social Movements, External Funding and Dependency. *Development*, Vol. 49, No. 2, pp. 22-28.

Von Pischke, J. (1996). Measuring the Trade-off Between Outreach and Sustainability of Microenterprise Lenders. *Journal of International Development*, Vol.8, No.2, pp. 225-239.

Waddock, S. & Post, J. (1991). Social Entrepreneurs and Catalytic Change. *Public Administration Review*, Vol. 51, No. 5, pp. 393-401.

Wallace, B. (2005). Exploring the Meaning(s) of Sustainability for Community Based Social Entrepreneurs. *Social Enterprise Journal*, Vol. 1, No.1, pp. 78-89.

Wallace, S. (1999). Social Entrepreneurship: The Role of Social Purpose Enterprises in Facilitating Community Economic Development. *Journal of Developmental Entrepreneurship*, Vol. 4, No. 2, pp. 153-154.

Walsh, M. (2007). *Report on the Status of Cambodian Women*. Licadho-UQAM.

Weerawardena, J. & Mort, G. (2006). Investigating Social Entrepreneurship: A Multidimensional Model. *Journal of World Business*, Vol. 41, pp. 21-35.

Weiss, J. (1994). *The Economics of Project Appraisal and the Environment*. Edward Elgar, Aldershot.

Wells, D. (2006). Best Practice in the Regulation of International Labor Standards: Lessons of the U.S.-Cambodia Textile Agreement. *Comparative Labor Law & Policy Journal*, Vol. 27, No. 3, pp. 357- 376.

- Whaites, A. (1999). Pursuing Partnership: World Vision and the Ideology of Development - A Case Study. *Development in Practice*, Vol. 9, No. 4, pp. 410-423.
- Williams, O. & Houck, J. eds. (1982). *The Judeo Christian Vision and the Modern Corporation*. University of Notre Dame Press.
- Willis, K. (2005). *Theories and Practices of Development*. Routledge, Abingdon, UK.
- Willis, K. (2006). Interviewing. In V. Desai & R. Potter, eds. *Doing Development Research*. Sage, London, pp. 144-152.
- Wilson, K. (2008). Reclaiming 'Agency', Reasserting Resistance *IDS Bulletin*, Vol. 39, No. 6, pp. 83-91.
- Woolard, I. & Leibbrandt, M. (1999). Measuring Poverty in South Africa. *Working Paper 99/33*, Development Policy Research Unit, University of Cape Town, South Africa.
- World Bank (2011). *Millennium Development Goals*. Retrieved 25 October 2011 from [http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT\\_ID=1336&REQUEST\\_TYPE=VIEWADVANCED](http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT_ID=1336&REQUEST_TYPE=VIEWADVANCED).
- Yehuda, R. (2004). Risk and Resilience in Posttraumatic Stress Disorder. *Journal of Clinical Psychiatry*, Vol. 65, Suppl. 1, pp. 29-36.
- Yilmaz, M. (2006). Funding Social Movements Through Fair Trade. *Development*, Vol. 49, No. 2, pp. 40-44.
- Yin, R. (2003). *Case Study Research: Design and Methods*. Sage Publications, Thousand Oaks, CAL.
- Yin, R. (2003a). *Applications of Case Study Research*. Sage Publications, Thousand Oaks, CAL.
- Young, D. (2001). Organizational Identity in Nonprofit Organizations: Strategic and Structural Implications. *Nonprofit Management and Leadership*, Vol. 12, No. 2, pp. 139-157.
- Young, R. (2006). For What it is Worth: Social Value and the Future of Social Entrepreneurship. In A. Nicholls ed. *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford University Press, Oxford. UK, pp. 56-73.
- Yunas, M. (1998). *Banker to the Poor*. The University Press, Dhaka.
- Yunus, M. (2007). *Grameen Bank at a Glance*. Retrieved 17 August 2007 from <http://www.grameen.com/bank/GBGlance.htm>.

YWAM (2012). *About YWAM*. Retrieved 14 February 2012 from <http://www.ywam.org/About-YWAM>

Zafar, R. (2002). Microfinance and Women's Empowerment: Turning Lead into Gold. *Development Bulletin*, Vol. 57, pp. 63-66.



## **Appendix 1 Focus Group Guides**

### **Current employees**

Describe your work here <at the business>? Do you like it? What are the good things here? What are the bad things? Why did you choose it? What other options were there?

What did you learn at Hagar before starting work here? What have you learned since? What are you continuing to learn?

Who tells you what to do? Would you like to do their job? Do you think you could ever do that?

What is most significant thing that has happened while at <employing business>?

Do you know people who have left? Why did they leave? What are they doing now?

What are your long term plans or dreams? What are your dreams for your children?

Do your children go to school? How much education do you expect they will get?

What is a decision you have made recently about your life? What were the different choices? How did you make the decision? How did you feel about it?

How long do you think you will be at <employing business>? What do you think you will do next? Why would you leave?

What do you worry about? What do you fear? How has this changed?

What is your income? Is it enough for what you need? Describe your living arrangements? What about healthcare? Can you afford to get sick? How do you see income changing in the future? What about housing?

Describe your friendships? How many? Do you live with friends or family? Have you been to weddings? Do you get invited to do thing with friends?

### **Trainees**

Describe your work <at the business>? Do you like it? What are the good things here? What are the bad things? Why did you choose it? What other options were there?

What did you learn at Hagar before starting training here? What have you learned here? What are you continuing to learn?

What jobs do you see people doing here? Which ones would you like to do? Do you think you could ever do those jobs?

What are your long term plans or dreams? What are your dreams for your children? Do they go to school? How much education do you expect they will get?

What do you think you will do after the traineeship? Who will decide? What would you like to do?

What do you worry about? What do you fear? How has this changed?

What are your hopes for income, for housing, for your career?

Would you like to work for Hagar catering or another business? Why? How do you expect them to be different?

Describe your friendships? How many? Have you been to weddings? Do you get invited to do thing with friends?

### **Ex-employees**

Describe your work at <Hagar enterprise>? Did you like it? What were the good things? What were the bad things?

What did you learn at Hagar before starting work there? What did you learn at <Hagar enterprise>?

What job did you do there? What job would you liked to have done there? Did that seem possible?

What was your income? Was it enough for what you need? Describe your living arrangements? What about healthcare? Can you afford to get sick? How do you see income changing in the future? What about housing?

Describe your friendships? How many? Have you been to weddings? Do you get invited to do thing with friends?

Why did you leave <Hagar enterprise>? How did that feel? How do you feel now about your time at <Hagar enterprise>? What was the most significant change in you while working there?

What are you doing now? How did that come about? What choices did you have? If you had a choice, how did you decide?

What are your long term plans or dreams? What are your dreams for your children?

What do you worry about now? What do you fear? How has this changed?

## Appendix 2 Focus Group Schedule

Group 1	Group 2	Group 3	Group 4
<b>Graduates in HOT</b>	<b>Graduates in SOYA</b>	<b>Graduates in Catering</b>	<b>Graduates in 3 other businesses</b>
<b>10 participants</b>	<b>5 participants</b>	<b>8 participants</b>	<b>4 participants</b>
Sunday 25 <sup>th</sup> Oct 3:00 – 5:00 p.m. At Hagar Changann Bistro	Saturday 17 <sup>th</sup> Oct 10:00 – 12:00 a.m. At Hagar Changann Bistro	Saturday 17 <sup>th</sup> Oct 1:00 – 3:00 p.m. At Hagar Changann Bistro	Saturday 17 <sup>th</sup> Oct 3:00 – 5:00 p.m. At Hagar Changann Bistro

Group 5	Group 6
<b>Current Trainees</b>	<b>Ex-employees</b>
<b>6 participants</b>	<b>5 participants</b>
Saturday 25 <sup>th</sup> Oct 9:00 to 11:00 am. At Hagar Catering Meeting Room	Saturday 25 <sup>th</sup> October 1:00 to 3:00 pm At Hagar Changann Bistro

## **Appendix 3 Interview Guides for Staff and Management**

Separate interview guides were used for NGO staff and business management. These interview guides are included below.

### ***NGO Staff Interview Guide***

Describe the vocational training and Career Pathways process?

What role do you understand the Hagar enterprises play in this? What role would you like them to play?

How do people become trainees in Hagar enterprises?

How do you understand the process by which they become employees?

What happens to graduates who do not work with Hagar enterprises?

What continuing role does the NGO have with graduate employees? Describe any continuing services provided by the NGO to the employees or the enterprises.

What access do you have to employees? What access would you like?

In your opinion, are Hagar graduates treated differently to other employees? Examples?

How long do you maintain a relationship with employees and ex-employees?

In your opinion, what expectations do the graduates have of (i) gaining employment within Hagar enterprises; (ii) what this employment will be like compared to outside alternatives.

How do you define success in terms of graduates employed at the enterprises?

What evidence do you see that women's lives are improved as a result of this employment? Do you collect stories, evaluate impact etc. Are these available?

Do they have evidence that as a result of the employment women are better able to feed their children/send children to school?

Does Hagar have any way/s of measuring poverty - seeing whether poverty reduction is an outcome of the employment they offer? It might be evidence of improvement to housing - access to sanitation, water, improved housing construction, other indicators of improved material quality of life?

Does Hagar ask the women whether their employment has improved their social status/standing?

What term of employment with the enterprises do you consider (i) a minimum; (ii) ideal, for “success”?

What is your assessment of the performance of the enterprises in terms of their social mission?

What are the alternatives to employment in a social enterprise? That is, what would Hagar do if these businesses didn't exist?

What is your opinion of the way they have managed through the Global Financial Crisis of 2008/09?

Can you describe any negative impacts of employment with the enterprises? If so, how prevalent are these experiences? Examples?

What influence do you think you have over the management of the enterprises? What influence would you like to have?

Describe the conflicts between Hagar and the businesses as you see them? How do you see them being resolved? How would like them to be resolved?

What difference do you think it make now that 2 of the businesses are not owned by Hagar?

What are your expectations for the future of the 3 businesses?

In your opinion, how necessary are the businesses in the success of Hagar's work with traumatised women?

### ***Business Manager Interview Guide***

Describe your background, how did you end up in Cambodia?

Business or mission? Qualifications for business/social mission?

What was the attraction of this role?

Explore the motivations and the role of the social mission in these motivations.

What is your remuneration? How does that compare to indigenous management? Other expatriate management? Are their significant fringe benefits? Are these different to those generally by expatriate management in Cambodia? How does this issue impact your expected tenure?

How do you see (i) the current state of the business and (ii) its future direction?

Profitability?

Social mission?

Fitting in with the broader Hagar organisation?  
The independence or otherwise of the business from the Hagar NGO?  
What is your market share or market penetration?  
Do you believe the current state is due to the level of sales or the costs imposed by the social mission?

Describe the market for your products and/or services?  
Do you perceive it to be charity driven, ethically driven or mainstream?  
What do you think is the motivation of your customers?

What do you believe is your mandate?  
Who do you report to? What criteria have they set as success? What are the reporting requirements? How is the social mission assessed? What are the short/medium and long term goals (financial and social) for the business?

What is the management structure?  
Describe the middle management and the production management?

Describe the interactions with the Hagar NGO staff  
What role do they play in business decisions?  
Describe any pressures you feel from the NGO to make particular business decisions?

How do you understand the recruitment of staff to work?  
Who decides whether to employ Hagar graduates or outsiders? What skills (both hard and soft) do you require of graduates when they arrive? Is that different for graduates and non-graduates?  
Do you work to a quota?  
Who makes recruitment decisions?  
Describe the role of the trainee program  
How is the conflict between efficiency and the social mission managed?

What distinctions are made in the workplace between employees?  
Do employees know the status of others?  
Are pay and conditions the same?  
How does provision of ongoing social services work with two sets of employees?

Describe the promotions policy?  
Have graduates been promoted?  
Is that a target?  
Are there any long term aims in terms of local management or even ownership?

What is the aim for staff turnover?  
How is the conflict between turnover and reintegration and the need for continuity resolved?

What do you provide for staff that is different to competitors?

Salary, conditions, leave, training, social support. Who is provided these services and at what cost?

What continuing role does the Hagar organisation play in the lives of beneficiaries or other employees? Does this impact the business in terms of time and/or money?

Is any of this different for graduates and non-graduates

How is the cost of these covered?

Are there any direct subsidies from Hagar?

Do you think it is possible to be competitive?

How?

How do you see the capital needs of the business?

Is the business sufficiently capitalised? What have been the historical sources of capital? What sources do you see future capital coming from?

How has the business fared in the Global Financial Crisis of 2008/09?

What actions have taken?

How were decisions made about who to lay off?

How was this carried out?

How did you feel about these actions, have they affected your motivation, do you view it as failure?

How is this different to other businesses you have worked in both in Cambodia and elsewhere?

Explore any particular Cambodian cultural influences or sensitivities that have been taken account of in this business.

[For Soya only]

How do you see the future?

Describe the process of downsizing over the past 2 years?

How did you feel about this?

How was the social mission prioritised throughout this process?

## Appendix 4 Information Statements and Consent forms

**John McKinnon**  
+61 (0) 411 512 620  
john.mckinnon@tear.org.au

### **INFORMATION STATEMENT for PARTICIPANTS (managers and NGO staff)**

#### **Research Project: *The Use of Businesses by NGOs as a Poverty Alleviation Strategy.***

I wish to invite you to participate in my research on the above topic. The details of the study follow and I hope you will consider being involved. I am conducting this research project for my PhD at the University of New England.

If you would like to contact me to discuss this research or your involvement further, please contact me at: [john.mckinnon@tear.org.au](mailto:john.mckinnon@tear.org.au) or + 61 411 512 620

My supervisors are Associate Professor Barbara Rugendyke and Professor Brian Gibson of University of New England. Should you have any queries about this research, please do not hesitate to contact them. Barbara Rugendyke can be contacted by email at [brugendy@une.edu.au](mailto:brugendy@une.edu.au) or by phone on +61 2 6773 2923. Brian Gibson can be contacted by email at [bgibson4@une.edu.au](mailto:bgibson4@une.edu.au) or by phone on +61 2 6773 2838.

#### **Aim of the Study:**

This study aims to investigate the use of businesses in alleviating poverty by non-government development aid organisations (NGOs). In particular, the major research questions addressed by this study are:

1. Are the businesses effective in assisting to alleviate poverty? That is, do they bring about appropriate and the anticipated benefits in the lives of the intended beneficiaries?
2. To what extent is this model of development work sustainable in both financial and non-financial terms? This includes the extent of dependence on external and local leadership, the cultural appropriateness of management structures and conditions of employment; and mechanisms for the resolution of the conflict between the social mission and the profit imperative of the business.
3. How important are the complementary development activities of the NGO in determining the developmental outcomes of the businesses?

The study is for academic purposes only. The results will not be used commercially and there are no commercial interests involved in supporting



the study. The study is being funded by personal savings and a research grant from the university.

### **Time Requirements:**

I expect the interviews will take approximately 1 hour.

### **Interview method:**

I am seeking to interview business managers and other principals in the Hagar businesses as well as senior staff at the Women's Program. These interviews will be semi-structured, meaning that questions will be open-ended. They will mostly involve details of how the businesses operate and interact with the Women's Program and the opinions of the interviewees about these processes and the businesses in general. The complete study will also involve conducting focus groups with current and ex-employees of the businesses as well as trainees.

I will audio record the interviews and transcribe them into typed notes. The audio file will then be deleted. The written notes will be stored on my computer and backups with password protection. They need to be kept until 5 years after the research is complete, at which point all data will be permanently deleted.

You will be shown the transcript to ensure your answers have been recorded accurately.

The management of Hagar Cambodia and Hagar Social Enterprises Group have indicated their support of this research. I have entered into a confidentiality agreement with Hagar to ensure no commercially sensitive information is published.

It must be emphasised that participation is voluntary and entirely at your discretion. There will be no consequences for you if you wish not to participate.

### **Research Process:**

The complete research will take a number of years to complete. The results may be presented at conferences and written up in journals without any identifying information being used. As well, the results will be used in completion of my doctoral thesis. While the organisation will be identified, no names will be used. If sensitive information is disclosed I will seek a 5 year embargo on publication of the thesis.

The information will only be used in this study.

### **Withdrawal:**

The participant is free to withdraw consent and to discontinue participation in the activity at any time without prejudice.

This project has been approved by the Human Research Ethics Committee of the University of New England (Approval No. HEO9/146 Valid to 07/10/2010).

Should you have any complaints concerning the manner in which this research is conducted, please contact the Research Ethics Officer at the following address:

Research Services

University of New England

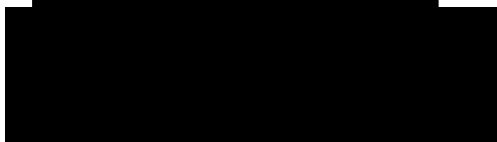
Armidale, NSW 2351.

Telephone: (02) 6773 3449 Facsimile (02) 6773 3543

Email: [ethics@une.edu.au](mailto:ethics@une.edu.au)

Thank you for considering this request and I look forward to further contact with you.

Regards



John McKinnon

## **INFORMATION STATEMENT for PARTICIPANTS (employees)**

### **Research Project: *The Use of Businesses by NGOs as a Poverty Alleviation Strategy.***

I would like to invite you to participate in my research. I am conducting this research project for my PhD at the University of New England, Australia.

My supervisors are Associate Professor Barbara Rugendyke and Professor Brian Gibson of University of New England. Should you have any queries about this research, please do not hesitate to contact them. Barbara Rugendyke can be contacted by email at [brugendy@une.edu.au](mailto:brugendy@une.edu.au) or by phone on +61 2 6773 2923. Brian Gibson can be contacted by email at [bgibson4@une.edu.au](mailto:bgibson4@une.edu.au) or by phone on +61 2 6773 2838.

#### **Aim of the Study:**

My study is investigating the use of businesses by organisations such as Hagar. I want to examine if:

4. The businesses are able to help people who are disadvantaged to improve their quality of life?
5. The businesses are able to continue to help people in the future? This involves understanding how they work and how much money they make.
6. The other activities run by Hagar Career Pathways are important in helping the people working at the businesses?

The study is for purely academic purposes and not associated with any business activity. It is funded by personal savings and a university research grant.

#### **What is required?**

I would like groups of 8 or 10 women to meet with my research assistant to talk about their experience at Hagar and the Hagar businesses. The groups will be conducted by \_\_\_\_\_ who is a Khmer women.

The groups will discuss your employment at the Hagar businesses and how your life has changed as a result. The groups will NOT discuss your past prior to coming to Hagar. You will NOT be required to discuss anything upsetting or illegal.

The group discussions will be audio recorded and written transcripts kept. The audio files will be deleted once they are transcribed. The transcriptions will be

stored securely. They need to be kept until 5 years after the research is complete, at which point all data will be permanently deleted.

Your names will not be used and it will not be possible to identify you from the recording or the written record.

The management of Hagar Cambodia and Hagar Social Enterprises Group have indicated their support of this research. However, it is voluntary, you do not have to participate and your managers will not keep a record of who participated. Even if you decide to participate in a group discussion, you are free to withdraw at any time. There will be no consequences of choosing not to participate or if you withdraw after the session starts.

### **Time Requirements:**

I expect the groups will take approximately 2 hours.

They will be held at \_\_\_\_\_ at \_\_\_\_\_ time.

You will be reimbursed for any cost you incur (lost time at work, transport for example). You will be provided with a meal if the session is held over a meal time.

### **Research Process:**

The complete research will take a number of years to complete. The results may be presented at conferences and written up in journals but you will not be identified. As well, the results will be used in completion of my doctoral thesis. Again, no identifying information will be used in the thesis.

A summary of the of information will be given to Hagar to help them in their future planning, but no-one will be identified.

### **Withdrawal:**

You can leave the group session any time you wish. There will be no penalty for leaving early.

### **More information:**

If the discussions raise any issues which are upsetting for you, you can contact \_\_\_\_\_ to talk to about that. Counselling will be available through Hagar if you wish to use that service.

If you wish to know more or wish to complain about the groups afterwards, you can speak with Alison Davies at Hagar Career Pathways.

This project has been approved by the Human Research Ethics Committee of the University of New England (Approval No. HE09/146, Valid to 07/10/2010).

Should you have any complaints concerning the manner in which this research is conducted, please contact the Research Ethics Officer at the following address:

Research Services

University of New England

Armidale, NSW 2351.

Telephone: (02) 6773 3449 Facsimile (02) 6773 3543

Email: [ethics@une.edu.au](mailto:ethics@une.edu.au)

Thank you for considering this request and I look forward to further contact with you.

Regards

A large black rectangular redaction box covering the signature area.

John McKinnon

***Consent Form for Participants (Managers/NGO staff)***

***Research Project: The Use of Businesses by NGOs as a Poverty Alleviation Strategy.***

I, ....., have read or been explained the information contained in the Information Sheet for Participants and any questions I have asked have been answered to my satisfaction.

Yes/No

I agree to participate in this activity, realising that I may withdraw at any time.

Yes/No

I agree that research data gathered for the study may be published but will not use my name.

Yes/No

I agree that research data gathered for the study may be published and may use my name.

Yes/No

I agree to the interview being audio recorded and transcribed as described in the Information Sheet for Participants.

Yes/No

.....  
Participant Date

.....  
Researcher Date

***Consent Form for Participants (employees)***

***Research Project: The Use of Businesses by NGOs  
as a Poverty Alleviation Strategy.***

I, ....., have read or been explained the information contained in the Information Sheet for Participants and any questions I have asked have been answered to my satisfaction.

Yes/No

I agree to participate in the focus groups, realising that I may withdraw at any time and that I will not be identified in any way.

Yes/No

I agree that research data gathered for the study may be published but will not use my name.

Yes/No

I agree to the interview being audio recorded and transcribed as described in the Information Sheet for Participants.

Yes/No

.....  
Participant Date

.....  
Researcher Date

## Appendix 5 List of Interviewees

Thirteen interviews were conducted with Hagar staff and management and business management. These were:

### Hagar Staff

Talmage Payne, CEO Hagar International

Tim Rann, Hagar Social Enterprises Group

Harvey Collins, Chair, Hagar International

Emilita Goddard, Manager Women's program

Margaret Jones<sup>18</sup>, Hagar Women's Program (psychologist)

Analiese Christen<sup>19</sup>, Hagar Social Enterprises Group, volunteer consultant

Ong Boup<sup>20</sup>, Hagar Career Pathways, Small Business Trainer

Long Chantou<sup>21</sup>, Hagar Career Pathways, Soft Skills Coordinator

Pok Kolab<sup>22</sup>, Hagar Women's Program (reintegration)

Alison Davies<sup>23</sup>, Manager Career Pathways (to September 2009)

Stephen Jackson<sup>24</sup>, General Manager, Hagar Catering and Facilities Management

### Other

Graham Taylor, Proprietor and Manager, So! Nutritious

David Smith<sup>25</sup>, General Manager, SSE (ex HOT)

Cameron Ryall, Proprietor and Manager, Living Room

Mark Dennert, General Manager, SSE (replacing David Smith in January 2010)

David Batstone, Director of Right Reality, co-owner of SSE.

Hugh Marquis, co-owner of SSE.

---

<sup>18</sup> Not her real name.

<sup>19</sup> Not her real name.

<sup>20</sup> Not her real name.

<sup>21</sup> Not her real name.

<sup>22</sup> Not her real name.

<sup>23</sup> Not her real name.

<sup>24</sup> Not his real name.

<sup>25</sup> Not his real name



# Appendix 6 Map of Phnom Penh

