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Towards a Clearer Ecosystem for Social Enterprises in the Philippines: Identity, Certification, and Policy Implications

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Abstract

We probed the evolving landscape of social enterprises (SEs) in the Philippines by examining how practitioners define their identity, legitimacy, resilience, and ecosystem support needs. Using key informant interviews (KIIs) with SEs affiliated with The Spark Project (TSP), we unpack grassroots perspectives on certification, government engagement, and the risks of "social washing." Our findings revealed that while SEs share a strong social mission and community focus, the lack of a harmonized definition and inclusive certification system hinders trust-building and policy integration. Respondents express the need for flexible legal recognition, context-sensitive standards, and government support beyond regulation, including access to finance and storytelling. By situating practitioner voices within global SE typologies and aligning them with national innovation policy frameworks, we provide actionable insights for building an enabling environment that fosters authenticity, inclusion, resilience, and impact.

Keywords: *social enterprise, certification, inclusive innovation, ecosystem governance*

JEL Classification: *L31, O35*

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List of Abbreviations

BIA	B Impact Assessment
DEPDev	Department of Economic Planning and Development
DTI	Department of Trade and Industry
EODB	Ease of Doing Business
ESG	Environmental, Social, and Governance
KII	Key Informant Interviews
LGUs	Local Government Units
MSMEs	Micro, Small, and Medium Enterprises
NGAs	Government Agencies
NGO	Non-Government Organization
RA	Republic Act
ROC	Republic of China
ROK	Republic of Korea
ROs	Research Objectives
RQ	Research Question
SE	Social Enterprises
SEC	Securities and Exchange Commission
TSP	The Spark Project
UK	United Kingdom
WEF	World Economic Forum

Towards a Clearer Ecosystem for Social Enterprises in the Philippines: Identity, Certification, and Policy Implications

John Paolo R. Rivera[1], Lailani L. Alcantara[2], Kimberly Christie S. Vergara[3]

1. Introduction

Social enterprises (SEs) have emerged as hybrid organizations that aim to balance economic performance with social impact (Doherty et al., 2014). Globally, they have been recognized as key actors in addressing complex societal challenges such as poverty, inequality, and environmental degradation (Lechterman & Mair, 2024; Kerlin, 2013). In Asia, SE's landscape has grown rapidly, with both public and private sector actors increasingly supporting inclusive business models (ERIA Digital Innovation and Sustainable Economy Centre [E-DISC], 2024; Bidet & Deforny, 2019; Maitland & Ciencia, 2018; British Council [BC], 2018; de Jongh, 2013; Defourny & Nyssens, 2010). However, in the Philippines, the SE ecosystem remains underdeveloped, fragmented, and loosely defined (Quiloy et al., 2023) necessitating for an enabling ecosystem of policies and institutions to scale them up (Slitine et al., 2024; Ballesteros & Llanto, 2017; Lanzona Jr., 2015).

Despite various initiatives to promote inclusive innovation and sustainable development, there is currently no formal or legal definition of SE in Philippine law (BC, 2015). While there are existing definition across the literature, it "has yet to be harmonized in the country" (Ballesteros & Llanto, 2017, p. 6). This definitional ambiguity creates regulatory uncertainty and opens the space for issues such as greenwashing, identity abuse, and mission drift among enterprises that claim social impact without clear accountability mechanisms (Chen et al., 2022; Chell et al., 2014; Dacanay, 2012). This also poses challenges in policy support, access to financing, and public trust. As the ecosystem matures, establishing legitimacy and clear standards becomes essential, especially in ensuring that those claiming to be SEs are indeed pursuing both social and financial goals (De Lima, 2023).

One promising avenue is through third-party certifications (Fella & Bausa, 2024; Potter et al., 2021) such as the *B Corporation* (*B Corp*[4]) certification, which sets rigorous standards for social and environmental performance, transparency, and accountability (Honeyman & Jana, 2019). However, according to BC (2018), certification uptake in the Philippines remains limited, and its role within the broader SE ecosystem has not been adequately studied; while other Asian economies such as the Republic of Korea (ROK) and Republic of China (ROC) have more systematically integrated certification mechanisms into their national strategies to support SEs.

As such, our study becomes timely and relevant. By mapping the existing ecosystem, identifying gaps, and investigating perceptions of certification mechanisms among

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[4] A rigorous, third-party verification by the global non-profit *B Lab* for for-profit enterprises meeting high standards of social and environmental performance, legal accountability, and public transparency (Honeyman & Jana, 2019), proving they balance profit with purpose by positively impacting workers, communities, customers, and the environment; involves completing the B Impact Assessment (BIA), meeting legal requirements, and demonstrating holistic performance, earning the right to use the *B Corp* logo as a leader in conscious business. For more information, see https://www.bcorporation.net/en-us/certification/.

stakeholders, we seeks to contribute to building a more coherent and trustworthy SE sector in the Philippines. We aim to clarify definitional boundaries, examine the utility and limitations of certification (particularly *B Corps*), and explore policy frameworks that can better support authentic and impactful social entrepreneurship, as well as their expansion, in the country.

1.1. Policy question and objectives

The lack of a clear legal definition and policy framework for SE in the Philippines creates ambiguity in determining which enterprises qualify as genuinely pursuing sustainability. This has led to concerns about identity misuse, "social washing," and uneven access to support mechanisms (Dacanay, 2012). Certification systems such as *B Corp* offer a standardized approach to evaluating impact and promoting accountability, yet their adoption in developing countries remains limited due to cost, capacity, and contextual fit (Honeyman & Jana, 2019).
Thus, policy research is needed to evaluate whether, and how, certification can be a useful institutional lever within a still-maturing ecosystem like in the Philippines. International experiences suggest that when certification is effectively integrated into national support systems, it can improve legitimacy and unlock greater investment and policy support (Nicholls, 2010; Haigh & Hoffman, 2012). However, in contexts like the Philippines, policymakers must also weigh the risks of marginalizing community-based or informal SEs that may not have the resources to pursue global certification.
Given the abovementioned backdrop, we pose the research questions:

1. What is the role of the government in building an SE ecosystem in the Philippines? How can it harmonize the definition of SE in the country?
2. How can social washing be mitigated, and what strategies can be used to build public trust in SEs? Whether and how can certification mechanisms be implemented in the Philippines?

In addressing our two-pronged research question (RQ), we set the following research objectives (ROs):

1. To examine existing definitions and conceptual frameworks of SE in the Philippines and internationally, and identify key components for a harmonized, context-appropriate SE definition. This includes analyzing legal, academic, and practitioner-driven definitions to inform a unified typology suitable for policy and ecosystem development.
2. To assess the perceptions, barriers, and enabling conditions surrounding the integration of certification mechanisms (e.g., *B Corp*) within the current Philippine SE ecosystem. This involves stakeholder interviews, case studies of certified and non-certified SEs, and comparative insights from other selected Asian economies.
3. To propose policy recommendations that institutionalize a clear SE definition and support inclusive certification pathways that recognize both formal and informal SEs. The goal is to craft enabling regulations and support structures that prevent greenwashing while maintaining inclusivity for grassroots enterprises.

1.2. Significance of the study

Our study provides both empirical and policy-relevant insights into how Environmental, Social, and Governance (ESG) performance, with emphasis on social and environmental impact performance, facilitates the growing recognition of SEs as drivers of inclusive and sustainable development calls for a more coherent and enabling policy environment in the Philippines (Ballesteros & Llanto, 2017; Lanzona Jr., 2015). It is important to note that while ESG frameworks are often associated with large corporations and investor-driven reporting systems, elements of ESG, particularly social impact and community accountability, overlap with the

core missions of SEs. However, unlike corporate ESG models that focus on compliance and disclosure (Cortez & Rivera, 2026), SEs embed impact directly into their operational logic. Thus, ESG concepts are best understood in this study as complementary reference points rather than defining frameworks for SEs.

However, the absence of a unified legal or operational definition of SEs, and the lack of a formal ecosystem that recognizes and supports them, undermines their potential contributions to national development goals such as poverty reduction, job creation, and social innovation (Chen et al., 2022; Ballesteros & Llanto, 2017; Chell et al., 2014; Dacanay, 2012). On a knowledge component, our study directly addresses this gap by proposing a harmonized definition of SEs that reflects both international standards and the Philippine context. Furthermore, our study investigates the role of third-party certification mechanisms (e.g., *B Corp*), in enhancing the credibility and legitimacy of SEs in the country. With increasing concern over social washing and the blurring of profit-oriented and mission-driven enterprises, certification offers a possible solution, but only if it is accessible, context-sensitive, and embedded within the broader ecosystem. Lessons from other countries show that when properly supported, certification mechanisms can improve transparency, investor confidence, and policy alignment (Haigh & Hoffman, 2012; Nicholls, 2010).

On the policy component, our findings are expected to inform key government agencies (e.g., Department of Trade and Industry [DTI[5]], Department of Economic Planning and Development [DepDev[6]], Securities and Exchange Commission [SEC[7]]), lawmakers, and development partners as they explore ways to institutionalize support for SEs. Specifically, our study can aid in: (1) clarifying eligibility criteria for SE-targeted programs and incentives; (2) reducing the risk of misrepresentation and misuse of the SE label; and (3) supporting inclusive certification frameworks that promote trust without marginalizing grassroots actors. Ultimately, our study can contribute to a more inclusive, accountable, and mission-aligned SE ecosystem, one that is capable of addressing development challenges while also being recognized and supported by public policy.

2. Literature review

2.1. International perspectives on SEs

SEs have emerged globally as hybrid organizations that blend market-based strategies with social and environmental missions (Salwan et al., 2025; Doherty et al., 2014). In contrast to traditional nonprofit and for-profit models, SEs aim to deliver public value while sustaining themselves financially (Defourny & Nyssens, 2010).

Internationally, various governments have begun to formalize the role of SEs in development policy. For instance, ROK passed the *Social Enterprise Promotion Act in 2007*[8], creating a legal definition and certification system for SEs, while the United Kingdom (UK) developed a robust

[5] Primary government agency for trade, industry, and investment activities; acts as a catalyst for economic growth by promoting trade, supporting industries, and facilitating investments, while also ensuring fair trade practices and consumer protection.
[6] Formerly the National Economic Development Authority (NEDA); primary government agency involved in the formation of national and sub-national policies, plans and programs; reviews, monitors and evaluates infrastructure projects; undertakes short-term policy reviews that provide critical analyses of development issues and policy alternatives to decision-makers.
[7] Oversees securities exchanges, securities brokers and dealers, investment advisors, and mutual funds in an effort to promote fair dealing, the disclosure of important market information, and to prevent fraud.
[8] For more information, refer to https://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=24346&type=new&key.

SE sector under the *Social Enterprise Mark*[9] and related policies (Kerlin, 2013). These formal ecosystems are often supported by strong institutional linkages, enabling SEs to access funding, build partnerships, and achieve impact at scale. The integration of clear definitions, legal recognition, and enabling infrastructure has been shown to foster sector legitimacy and accelerate the growth of impactful enterprises (Nicholls, 2010).

However, even in well-defined ecosystems, challenges persist. The dual identity of SEs, pursuing both social purpose and financial sustainability, often creates internal tensions and makes performance assessment complex (Muñoz & Gamble, 2024; Pieniazek et al., 2024; Battilana & Lee, 2014). This has led to the emergence of external certification frameworks that aim to resolve these legitimacy issues.

2.2. The economic logic of SE

Economic theory provides a useful lens for understanding why SEs emerge as a distinct organizational form alongside traditional for-profit and nonprofit institutions (Ghatak, 2021). Besley and Ghatak (2017) conceptualized SEs as hybrid organizations that combine profit with purpose, designed to balance financial sustainability with the pursuit of social objectives. Their framework highlights the central mission-integrity problem. That is, when social outcomes are difficult to measure or contract upon, organizations must rely on intrinsically motivated managers and founders to safeguard mission alignment.

Unlike conventional firms that maximize profits or nonprofits that prioritize social objectives under rigid non-distribution constraints (Ghatak, 2021), SEs operate with flexible missions that allow managers to make context-specific trade-offs between financial returns and social impact (Raman et al., 2025). This flexibility can enhance effort and innovation, particularly when managers are motivated by both financial and mission-related rewards (Besley & Ghatak, 2017).

Besley and Ghatak (2017) further suggested that SEs are most likely to emerge in environments where profitability and social value do not perfectly align, and where neither purely commercial nor purely nonprofit models are sufficient to deliver desired outcomes. In such contexts, hybrid enterprises can achieve a more efficient balance between sustainability and mission fulfillment by aligning organizational design with the motivations of founders and managers (Jakob & Sundermeier, 2025).

2.3. The Philippine SE ecosystem

In the Philippines, the SE sector remains vibrant yet institutionally underdeveloped (Salonga, 2020; Lanzona Jr., 2015). Many enterprises engage in socially oriented work across sectors such as agriculture, health, and education, often reaching underserved communities (Dacanay, 2012). Despite their contributions, SEs operate in a fragmented policy environment. There is no legal definition of SEs, and no formal mechanism exists to distinguish authentic SEs from businesses that adopt socially responsible language without substantive impact (BC, 2015). This lack of definitional clarity complicates policy formulation, access to government support, and investor due diligence. It also fuels skepticism about the authenticity of SEs, opening the door to "social washing" or the misuse of social impact claims for branding or regulatory advantage (Trinquetel, 2023). The absence of a centralized registry or certification system

[9] For more information, refer to https://communityinterestcompanies.blog.gov.uk/2017/09/08/social-enterprise-mark-providing-credible-standards-for-social-enterprise/.

further weakens verification of whether enterprises meet expected social, environmental, and governance (ESG) standards (Chopra et al., 2024). Nevertheless, this institutional void is increasingly being filled by a growing network of private sector actors, including philanthropic foundations, university-based incubators, and training centers, that are actively strengthening the SE ecosystem (Inter-American Development Bank [IDB], 2016). These non-state actors are not only providing access to catalytic capital but also offering capacity-building, technical assistance, and community-based validation pathways, thereby complementing gaps in state support and reinforcing the long-term viability of the sector.

In the Philippines, SEs range from large incorporated organizations to grassroots and community-based initiatives (Lu, 2024; Dacanay, 2013). Any approach to formalization must therefore be sensitive to this diversity and avoid marginalizing informal but impactful enterprises (International Labour Organization [ILO], 2016, 2007; Oviedo et al., 2009).

While national-level policy support for SEs remains fragmented, emerging evidence suggests that several local government units (LGUs) and regional offices of DTI have begun developing localized support mechanisms (Mora & Gianan, 2021). Some LGUs maintain their own working definitions of social or community-based enterprises and curate lists of enterprises eligible for training, financing, and market linkage programs. These localized initiatives demonstrate that ecosystem development is not entirely absent but unevenly distributed across regions (Kim & Lim, 2017). In areas where proactive LGUs and DTI regional offices collaborate closely with enterprises, social entrepreneurs report more accessible support and clearer recognition pathways. This suggests that future national policy should build on, harmonize, and scale existing local innovations instead of assuming a fragmented baseline.

2.4. Certification mechanisms and legitimacy

One potential solution to the credibility and definitional challenges facing SEs is the adoption of third-party certification systems (e.g., *B Corp*) (Honeyman & Jana, 2019). Globally, certification has helped distinguish authentic SEs, attract ethical investors, and encourage mission alignment (Mion et al., 2024; De Lima, 2023).

Scholarly studies support the idea that certification enhances public trust and investor confidence, particularly when sectors are characterized by low regulation or high reputational risk (Castro-González et al., 2021; Haigh & Hoffman, 2012). However, in Asia, uptake of certification remains uneven (World Economic Forum [WEF], 2024; BC, 2022). In countries like Japan and Singapore, cultural attitudes toward modesty, cost concerns, and limited public awareness of certification systems inhibit their adoption (BC, 2022).

In the Philippines, *B Corp* certification is still in its infancy (Oreña-Drilon, 2023; The Philippine Star, 2017). Moreover, its relevance and accessibility for small or informal SEs remain questionable (Bennett, 2024). Barriers include the cost of certification, lack of localized standards, and the absence of policy incentives tied to certification status (Attanasio et al., 2025). Hence, these concerns raise critical points of inquiry: Can certification systems (e.g., *B Corp*) be effectively localized in the Philippines? Should certification be mandatory for government support? Can informal SEs be included in a tiered or inclusive recognition system? These questions serve as anchor to our policy question and research objectives.

2.5. Research gap

While scholarly literature highlighted the potential of certification mechanisms to promote SE legitimacy and impact, there remains a lack of empirical research on how these systems can be meaningfully integrated into underdeveloped SE ecosystems like that of the Philippines. This is warranted by the fact that there is no harmonized definition of SEs in the Philippine context that accounts for both formal and grassroots enterprises. Likewise, the role of certification in addressing trust, greenwashing, and public accountability is underexplored. Equally important, there is limited understanding of local stakeholder perspectives on certification, including its perceived value, accessibility, and relevance. Hence, our study addresses these gaps by providing a systems-based exploration of the Philippine SE ecosystem and its potential integration with certification mechanisms like *B Corp*. Addressing our policy question and research objectives can contribute actionable insights for policymaking, ecosystem development, and the design of inclusive certification pathways that do not marginalize community-based SEs.

3. Methodology

3.1. Conceptual framework

In harmonizing the definition of SEs and integrating certification mechanisms (e.g., *B Corp*) into the Philippine SE ecosystem, we appealed to a systems-based conceptual framework grounded in institutional theory and legitimacy theory.

From an institutional theory perspective, SEs operate within institutional environments shaped by formal rules (i.e., laws, policies), informal norms (i.e., social expectations), and cognitive frames (i.e., how stakeholders understand SE) (Scott, 1995). In the Philippine context, the lack of formal SE recognition creates institutional voids, weakening coordination and legitimacy. Thus, from a legitimacy theory perspective, SEs must secure legitimacy from stakeholders (e.g., public, government, investors) to survive and scale (Suchman, 1995). Specifically, certification mechanisms (e.g., *B Corp*) can act as tools of legitimacy by signaling compliance with widely accepted standards of social and environmental performance.

Incorporating institutional theory (Scott, 1995) and legitimacy theory (Suchman, 1995) into a systems thinking and ecosystem approach (Roxas et al., 2019), SEs can be embedded in a broader ecosystem of actors (i.e., government, intermediaries, certifiers, funders, communities) and institutions. Certification is one subsystem that interacts with others (policy, finance, civil society) either enabling or constraining SE legitimacy and scaling (Murray et al., 2010). Note that gender inclusion and community empowerment are treated as cross-cutting legitimacy drivers within the SE ecosystem, influencing both certification relevance and public trust formation.

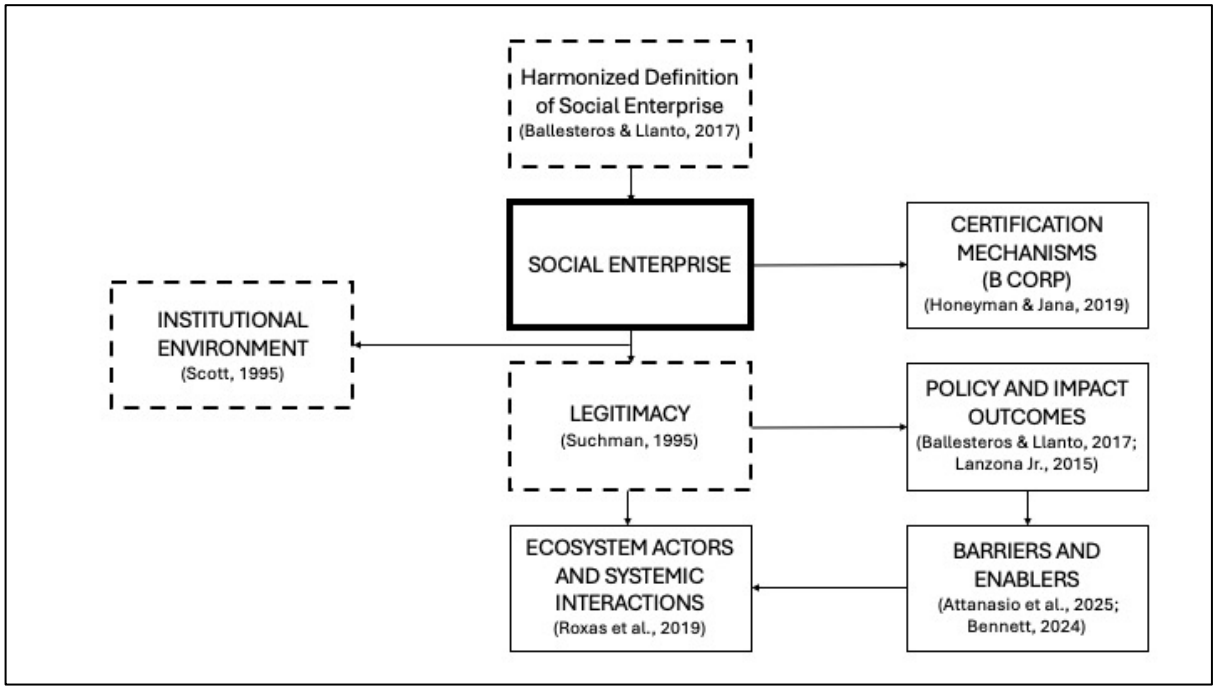
Table 1 and Figure 1 summarizes the framework components. Note that the core is the SE navigating dual missions (profit and social impact), certification mechanisms act as filters or gateways, institutional voids and norms shape what is incentivized or excluded, ecosystem actors connect through feedback loops (e.g., policy influences certification uptake; certification builds or erodes trust), and legitimacy is an emergent outcome depending on system coherence.

Table 1. Framework components

Component	Description
SE definition	Varying definitions and stakeholder interpretations of what counts as SE.
Certification mechanism	Presence (or absence) of frameworks like *B Corp*, their uptake, accessibility, and perceived legitimacy
Institutional environment	Legal structures, policy support, norms, and regulatory gaps
Legitimacy drivers	How SEs gain trust through certification, impact demonstration, or grassroots reputation
Ecosystem actors and interactions	SEs, certifying bodies, government agencies (e.g., DTI, DepDev, SEC), funders, and local communities
Barriers and enablers	Financial costs, cultural fit of certification, awareness, policy incentives, grassroots inclusion
Policy and impact outcomes	A harmonized SE definition, inclusive certification frameworks, improved ecosystem legitimacy

Source: Author constructed.

Figure 1. Conceptual framework



Source: Author constructed.

Equally important, SEs should be understood not as permanently small or grant-dependent entities, but as mission-driven enterprises capable of growth, innovation, and market competitiveness. Recognizing this trajectory is crucial to designing policies that enable SEs to transition from early-stage survival toward sustainable and scalable impact.

3.2. Research design

3.2.1. Data requirement

We employed a qualitative research approach through key informant interviews (KIIs) to generate a nuanced understanding of the SE ecosystem and perceptions of certification

mechanisms in the Philippine context. The target population comprised SEs affiliated with *The Spark Project (*TSP[10]), a recognized crowdfunding and incubation platform that has supported over 100 impact-driven ventures since 2013. From this pool, a purposive sample of 20 SEs was randomly selected and invited to participate in the KII. Of these, eight enterprises confirmed and successfully completed the interviews.

The KII instrument, as seen in Appendix 1, was structured to elicit insights across six domains: (1) organizational profile (sector, size, location, age), (2) social and environmental objectives, (3) legal status and operational structure, (4) awareness and perceptions of certification mechanisms (e.g., *B Corp*), (5) challenges and motivations related to certification, and (6) perspectives on the need for an official, contextually grounded SE definition in the Philippines. The tool included both open- and close-ended questions, enabling both comparative and narrative analysis. Responses were initially examined using descriptive statistics and basic cross-tabulations to identify emerging trends by sector and region.

To further enrich and contextualize these findings, semi-structured KIIs were conducted with select SE founders, managers, and ecosystem enablers. Drawing on the approach used by Gutierrez et al. (2025), these interviews explored respondents' motivations for engaging in social entrepreneurship; experiences with certification and standard-setting; perceived barriers to legitimacy and public trust; strategies for navigating gaps in policy recognition; and suggestions for institutionalizing inclusive and credible certification pathways. KIIs were conducted either online or face-to-face, depending on the key informant's availability and preference. All sessions were audio-recorded with informed consent, transcribed, and analyzed using thematic and content analysis to surface recurring patterns, tensions, and insights relevant to the research questions.

All key informants were provided with informed consent forms outlining our study's objectives, voluntary participation, and data privacy protections. In adherence to the confidentiality clause, no personally identifiable information was disclosed in any report outputs without the express permission of the participants.

3.2.2. Analytical approach

Given our qualitative design, our KIIs allowed for a grassroot understanding of the SE ecosystem and certification dynamics in the Philippine context. It generated deeper insight into motivations, institutional constraints, and stakeholder perspectives on SE legitimacy and certification. Thematic analysis will be done using a coding framework derived from both literature, emergent data, and interview transcripts to identify themes such as (1) legitimacy and trust; (2) certification value and barriers; (3) gendered experiences in SE leadership; and (4) policy recommendations. Moreover, content analysis will also be implemented to assess the frequency of specific terms or concerns across interviews.

To synthesize findings, we applied a validation strategy, comparing and contrasting KII insights with scholarly literature to reinforce validity and draw nuanced conclusions. For

[10] A Philippine-based crowdfunding and impact-entrepreneurship platform that supports creative, conscious entrepreneurs and changemakers in launching and scaling sustainable ventures; launched in 2013 as a pioneer in local crowdfunding, it has grown into a broader ecosystem builder providing tools, resources, learning modules, and community networks for impact-driven founders and SEs. Through initiatives such as Spark Launchpad, accelerator programs, workshops, and community events, it helps impact projects raise funds, build campaign strategies, and connect with supporters, mentors, and partners. Over the years, it has supported dozens of projects and enterprises in raising capital, expanding networks, and fostering an inclusive creative-entrepreneurial ecosystem in the Philippines. For more information, see https://www.thesparkproject.com/.

instance, as an a-priori, if scholarly literature indicated low awareness of certification, interview narratives may explain why (e.g., perceived irrelevance, cost barriers, or cultural mismatch) in the Philippine context.

From these dual approach, we are able to address our policy question and research objectives by analyzing (1) grassroot insights of SEs and ecosystem characteristics; (2) key factors influencing interest in or adoption of certification; (3) stakeholder-driven policy recommendations; (4) a proposed typology or rubric for defining SEs; and (5) identification of systemic enablers and barriers for inclusive certification uptake. Table 2 matches our research objectives with our methodology.

In creating profiles of SEs, part of the information to be asked from key informants would include age, outputs, and impacts of SEs under our sampling frame (i.e., TSP). The age of the SE is easily determined by asking the year of establishment and whether the SE is still active as of conduct of KII. For output, impact, and influence, Table 3 indicates the potential metrics for such constructs.

Table 2. Data source and analytics mapping matrix

Research objectives	Data source	Analytical method	Expected output
RO1: Examine existing definitions of SEs to inform a harmonized, policy-ready definition.	Literature review; KIIs	Thematic analysis; comparative review of definitions and frameworks	(1) description of SEs and ecosystem characteristics; (2) key factors influencing interest in or adoption of certification; (3) stakeholder-driven policy recommendations; (4) a proposed typology or rubric for defining SEs; and (5) identification of systemic enablers and barriers for inclusive certification uptake
RO2: Assess perceptions and enabling conditions for certification mechanisms like *B Corp*.	KIIs of SEs under TSP	Thematic coding of qualitative responses	
RO3: Propose inclusive policy solutions for SE definition and certification.	Synthesized survey and KII data; document review	Cross-validation; thematic synthesis; gap and opportunity mapping	

Source: Author constructed.

Table 3. Construct-variable mapping

Construct	Dimension	Variable	Remarks
Output	Product and service delivery	Number of goods/services provided	Count of products and services offered
	Job creation	Number of jobs created	Noting jobs for marginalized groups (e.g., indigenous people, women, youth)
	Revenue and profit	Gross income	Other viable financial performance metrics
	Reach	Number of customers or served	Count of customers and beneficiaries served; market share
Impact	Social impact	Increased income, improved education, health, empowerment	Other viable metric for contribution to social responsibility

	Environmental impact	Waste reduction, carbon offsets, biodiversity restoration	Savings from sustainability practices
	Gender and inclusion	% of women in leadership or among beneficiaries	
	Quality of life	Access to services, food security, housing stability	Other viable metric for contribution to social responsibility
Influence	Policy influence	SE consulted in government policy; contribution to legal reforms	Count of assistance provided to government
	Ecosystem development	Incubated other SEs; peer mentoring; coalition-building	Number of other SEs being supported
	Certification leadership	First in sector to be certified; promoted standards adoption	Number of certifications
	Public trust and reputation	Media visibility, awards, community endorsement	Number of media appearances, awards received, endorsements from beneficiaries

Source: Author constructed.

4. Results and discussions

To address our research questions and objectives, we conducted KIIs with eight SEs affiliated with TSP, selected from a broader pool of ventures that have participated in TSP's crowdfunding and incubation programs. Since its inception in 2013, TSP has supported over 100 projects by enabling founders and changemakers to raise capital, test ideas, and build impact-driven enterprises through a combination of crowdfunding and tailored capacity-building initiatives (The Spark Project, n.d.). More recently, Ignacio (2023) reported that TSP has launched a total of 133 crowdfunding campaigns and incubated over 105 enterprises through accelerator programs and strategic partnerships. Out of the 20 SEs randomly invited to participate in our study, eight (8) accepted and successfully completed the KII process.

We present the synthesized insights drawn from our KIIs. In accordance with the confidentiality provisions of the informed consent process, the identities of individual respondents and their enterprises are not disclosed. Our analysis is structured around the our central research questions: (1) What is the role of the government in defining and supporting the Philippine SE ecosystem? and (2) How can social washing be mitigated, and what strategies can build public trust through credible certification mechanisms? By drawing on the diverse experiences of SE founders, from sectors such as creative industries, sustainable crafts, and consumer goods, we highlight recurring themes, tensions, and opportunities that characterize the evolving SE ecosystem in the Philippines. Results are discussed through the lens of policy development, impact measurement, and ecosystem governance, toward formulating inclusive and context-appropriate recommendations that foster SE legitimacy while preserving grassroots participation, aligned with our output-impact-influence framework presented in Table 2b.

To unpack the responses and generate analytical insights, we employed a coding and thematic analysis approach. Table 4 presents a synthesized summary of key codes derived from our qualitative data, categorized according to our research objectives. Through this, we are able to provide a structured lens through which emerging themes are interpreted and used to build arguments around policy gaps, ecosystem challenges, and legitimacy pathways for SEs) in the Philippine context.

Table 4. Summary of codes

Research objective	Codes (Second Pass / Initial)	Interpretation / Theme
RO1: Examine existing definitions of SEs to inform a harmonized, policy-ready definition.	• SE is supporting a cause • SE is supporting a community of people • SEs deliver social impact • SEs are enterprises that provide employment and an honest living	• Practitioners define SEs through purpose and outcomes (i.e., supporting causes, uplifting communities, creating livelihoods, and ensuring measurable impact).
RO2: Assess perceptions and enabling conditions for certification mechanisms like *B Corp*.	• Anyone can claim to be an SE • SE is a misused term • Skepticism on defining the business as a SE • Need for certification or clearer standards	• There is confusion and skepticism around the label SE • Key informants feel the term is often misused and argue for clearer legitimacy frameworks or certification to prevent dilution of meaning.
RO3: Propose inclusive policy solutions for SE definition and certification.	• Has not considered government support • Does not know of available government programs • SEs' request from government (full implementation of the ease of doing business [EODB], support for greater access to finance)	• Key informants show low awareness of government initiatives but express a desire for structural support (e.g., financing, streamlined regulations, capacity building). • Gap between SEs and government support is evident.

Source: Author constructed.

From Table 4, our thematic analysis of KII results revealed three dominant strands that collectively articulate how SEs in the Philippines understand their identity, navigate legitimacy, and perceive the government's role in their ecosystem.

First, when defining what constitutes an SE, key informants emphasized outcomes over formal definitions, linking their identity to the pursuit of social causes, community upliftment, job creation, and measurable impact. This reflects a practitioner-led orientation where purpose, not legal form, defines an enterprise.

Second, concerns surrounding the legitimacy of the SE label emerged strongly. Key informants noted the ease with which any business could self-ascribe as an SE, raising the need for certification mechanisms or clear standards to protect the label's integrity and prevent social washing.

Third, despite low awareness or engagement with government programs, participants expressed aspirational expectations of government support in the form of access to finance,

ease of doing business, and institutional capacity-building. These insights illustrate a trust gap between SEs and regulatory bodies, but also reveal openness to a more strategic government role as ecosystem enabler. Taken together, these themes underscore the need for definitions and certification frameworks that are credible yet inclusive, and for policies that are co-developed and co-created with, rather than imposed upon, the SE community.

Thus, Table 5 shows the expanded discussion of key themes.

Table 5. Expanded discussion of key themes from KII with SEs

Research objectives	Sub-themes / codes	Expanded discussion
RO1: Examine existing definitions of SEs to inform a harmonized, policy-ready definition.	• Supporting a cause • Creating livelihoods • Delivering social impact • Helping communities	• SEs are primarily understood by practitioners as mission-driven ventures that use business tools to create positive change. They focus on solving real-world problems (e.g., poverty, inequality, marginalization) while generating sustainable income. • Unlike traditional enterprises, their success is judged not by profit alone but by the lives they touch. • Many key informants emphasized helping specific groups such as women, farmers, or indigenous artisans.
RO2: Assess perceptions and enabling conditions for certification mechanisms like *B Corp*.	• Anyone can claim to be SE • Misused term • Skepticism • Need for clearer standards	• There is widespread concern that the SE label lacks gatekeeping, allowing any business to claim social impact without accountability. This undermines public trust and may result in "social washing", where enterprises use the SE identity as branding without actual impact. • Key informants expressed openness to certification mechanisms, provided they are accessible, not burdensome, and aligned with local contexts. • Absence of a clear legal or operational definition complicates recognition, especially in government and funding engagements.
RO3: Propose inclusive policy solutions for SE definition and certification.	• Not aware of government programs • Wishlist (access to finance, EODB, incentives)	• Most key informants have not received or actively pursued government support, citing either unawareness or perceived bureaucracy. • Key informants articulated concrete needs such as better access to public financing, tax incentives, streamlined registration processes, and more inclusive procurement policies. • SEs wish for government-led promotion of SEs through storytelling and ecosystem building. The perception is that government has potential to be an enabler but is currently distant from SE realities.

Source: Author constructed.

Thematic findings from our KIIs have revealed a complex and evolving SE landscape in the Philippines, one that is rich in mission-driven intent but challenged by definitional ambiguities,

questions of legitimacy, and limited systemic support. As practitioners articulate the need for clearer recognition and safeguards against social washing, a key issue that emerges is the absence of a harmonized, policy-backed definition of what constitutes an SE. This concern directly intersects with the perceived role, or lack thereof, of the government in providing enabling infrastructure, including legal recognition, certification pathways, and financial or technical support mechanisms. We delve into how SE founders perceive the government's role in shaping the ecosystem, and explore the implications of the definitional vacuum on trust-building, credibility, certification, and institutional engagement.

4.1. Role of government and the challenge of harmonizing SE definition

Across our KIIs, key informants consistently emphasized that the government has a critical but currently underdeveloped role in supporting the Philippine SE ecosystem. Several SE founders shared that existing support systems for micro, small, and medium enterprises (MSMEs) are burdensome, generic, and not tailored to SEs, especially in areas such as tax compliance, business registration, and access to finance.

One key informant explained how the current corporate tax framework penalizes small and impact-driven enterprises, noting that *"you're taxed the same way as big corporations even if you're just starting out"*. Another key informant added that even well-intentioned programs, such as equipment grants or livelihood kits, fall short without entrepreneurial mentoring, echoing concerns that support is fragmented and not sustained.

There is also a strong desire for legal recognition and clearer identity framing of SEs. Several key informants expressed confusion and caution about labeling themselves as SE due to the lack of clear definitions and risk of being questioned or misunderstood. For instance, one key informant stated: *"I'm doing social good, but I don't want to call myself a social enterprise if it's not formalized. There should be standards"*. Other key informants feared being accused of misrepresenting their intent, especially when their businesses also prioritize aesthetics or premium branding.

Our findings also echo theoretical insights that the central challenge for SEs is maintaining mission integrity while ensuring financial sustainability. Besley and Ghatak (2016) emphasized that when social outcomes cannot be easily measured or contractually enforced, organizations must rely on intrinsically motivated managers and founders to balance profit and purpose. This dynamic is evident among our key informants, where founders often act as mission custodians, ensuring that revenue generation does not compromise social goals. However, in the absence of clear policy recognition or certification frameworks, this reliance on intrinsic motivation alone may not be sufficient to build sector-wide legitimacy and public trust.

These perspectives affirm the need to develop a harmonized, context-sensitive definition of SEs, ideally anchored in Philippine realities, such as hybrid livelihood models, community-based production, and cultural entrepreneurship, while also aligning with international standards to enable access to global resources and certifications.

4.2. Social washing and the need to build trust

Our key informants widely recognize the risk of "social washing", when enterprises loosely claim social purpose without accountability. Many agreed that not everyone calling themselves an SE is truly one, and that without defined benchmarks, the label may be diluted: *"Anyone*

can say they're a social enterprise. It's like saying 'organic', there needs to be standards". At the same time, several key informants stressed that some SEs prefer to avoid the term altogether because of its association with marketing gimmicks or expectations of self-sacrifice. One founder of a luxury product line said: *"I don't want to use the SE label to market. It's not the right positioning. Just doing good and employing people well should be enough"*.

These responses suggest that building public trust in SEs requires both protection against misuse of the label and positive reinforcement for those who authentically deliver social value. Respondents voiced support for tools like rubrics or impact frameworks rather than purely promotional seals, and recommended impact reporting as a better starting point than formal certification.

4.3. Perspectives on certification

Certification mechanisms like *B Corp* were recognized by some key informants, particularly those with global aspirations. However, most were either unaware of such systems or found them to be distant and impractical, especially given current business constraints. One key informant noted that *"Yes, B Corp would be a dream. But right now, local consumers don't really look for it. They're happy enough knowing we upcycle or support a community"*. Others cited paperwork burdens, lack of time, and limited perceived benefits as reasons they have not pursued certification. That is, "*We're already overwhelmed with FDA certification. Impact reporting is more important for us than B Corp"*. Another key informants underscored that *"If certification requires hiring an HR officer to implement programs, I'd rather focus on production"*.

Overall, respondents acknowledged that certification could strengthen credibility and legitimacy, especially for export-oriented SEs, but many found it out of reach or misaligned with their local priorities. For certification to be viable in the Philippines, it would need to be: (1) accessible to MSMEs; (2) contextualized to informal and community-based SEs; and (3) backed by policy incentives, such as tax relief or market access.

4.4. Key components for a harmonized definition of SEs

Despite differing degrees of formality and structure, most respondents shared a common vision of SEs as businesses that uplift underserved communities or champion sustainable practices. Some emphasized livelihood generation (e.g., direct employment, subcontracting to artisans), while others highlighted environmental goals such as textile waste diversion or ethical sourcing. A recurring theme was that social impact must be integrated into the core operations, not merely a side initiative. Respondents also suggested that metrics like job creation for marginalized sectors, community training, or sustainability innovations could be part of a future SE rubric. This supports the development of a multi-dimensional, criteria-based framework to differentiate genuine SEs from those merely using the label.

4.5. Enabling ecosystem conditions

Finally, all respondents expressed a desire for a more enabling ecosystem, particularly in the following areas: (1) government facilitation and incentives, such as simplified taxation, startup grants, and SE recognition mechanisms; (2) access to affordable finance, especially for enterprises serving marginalized sectors or operating in high-risk areas; and (3) technical and

operational capacity-building, including support for financial modeling, IP protection, and digitalization.

Notably, several SEs are already experimenting with impact metrics (e.g., number of bedsheets diverted, number of artisans engaged), indicating readiness for light-touch but structured monitoring systems if supported by accessible tools.

4.6. Key findings

Our KIIs reveal a strong appetite for clearer SE definitions, contextualized certification pathways, and enabling policies, but also point to the realities of under-resourced enterprises struggling with survival, compliance, and trust-building. Certification mechanisms like *B Corp* are viewed positively in principle but need local adaptation and integration into broader government support systems. To ensure inclusivity and prevent social washing, SE development in the Philippines must combine: (1) rubric-based legitimacy standards grounded in real-world practices; (2) institutional recognition of SEs through policy and incentives; and (3) support for bottom-up social innovation, not just compliance-based certification. These findings underscore the importance of co-designing SE ecosystem frameworks with the enterprises themselves, ensuring that any national definition or certification system reflects the diversity, constraints, and aspirations of the local SE landscape. Table 3 summarizes the alignment of our KII findings with our research questions and objectives.

From Table 6, our findings highlight three pivotal insights that are central to building an inclusive and credible SE ecosystem in the Philippines. First, any attempt at harmonizing the definition of SE must be grounded in the lived realities of grassroots Filipino enterprises, particularly those operating informally or embedded in marginalized communities, while also being flexible enough to interface with globally recognized standards. Second, the adoption of certification mechanisms (e.g., *B Corp*) or similar frameworks should not be imposed as rigid compliance tools. Rather, they must be locally adapted, affordable, and integrated into broader enabling policies that promote transparency, accountability, and inclusion. Certifications should serve to uplift and validate, not to exclude. Finally, the government's role must go beyond regulation; it must position itself as a strategic enabler of the SE ecosystem by investing in storytelling, capacity-building, and expanding access to finance. Through such a multi-pronged approach, trust in the sector can be strengthened, social washing minimized, and both grassroots and formal SEs empowered to thrive.

Table 6. Summary of findings vis-à-vis research questions and objectives

Research questions and objectives	Key findings
RQ1: What is the role of the government in building an SE ecosystem in the Philippines? How can it harmonize the definition of SE in the country?	• Government support is currently limited, fragmented, and not tailored to SE-specific realities. • Need for legal recognition, tax reform, and incentives for SEs. • SEs demand a clear, inclusive, and context-specific definition, anchored in both local experience and international standards. • There is risk aversion in self-identifying as an **SE** due to lack of formal typology and fear of being accused of "social washing."
RQ2: How can social washing be mitigated, and what strategies can be used to build public trust in	• Social washing is a recognized concern, leading to erosion of legitimacy. • Respondents support rubrics and impact reporting frameworks over high-bar certifications like *B Corp*.

SEs? Whether and how can certification mechanisms be implemented in the Philippines?	• Certification is seen as aspirational but not accessible due to cost, complexity, and limited relevance to grassroots SEs. • Building trust is better rooted in transparency, storytelling, third-party validation, and government-backed recognitions or directories.
RO1: Examine existing definitions of SEs to inform a harmonized, policy-ready definition.	• Definitions used by SEs vary: livelihood-based, environmental impact-based, or community-oriented. • Respondents favor a multi-criteria framework (e.g., hybrid value, reinvestment to purpose, inclusion) rather than a rigid checklist. • As a consensus among key informants, SEs must have impact embedded into operations rather than an afterthought, regardless of scale or profit orientation.
RO2: Assess perceptions and enabling conditions for certification mechanisms like *B Corp*.	• Awareness of *B Corp* is limited; few SEs consider it feasible under current conditions. • Most are more comfortable with impact reporting, local awards, or informal validations (e.g., features in media, non-government organization [NGO] partnerships). • There is readiness for "light-touch" certification tools, provided these don't exclude micro or informal SEs.
RO3: Propose inclusive policy solutions for SE definition and certification.	• SEs support the idea of SE registries, legal recognition, and tiered support systems (formal vs. community-based). • Inclusion and flexibility are emphasized: regulations must not disqualify informal or hybrid models. • SEs seek institutional legitimacy without being burdened, such as tax incentives for impact-driven practices or simplified compliance protocols.

Source: Author constructed.

4.7. Defining SE in the Philippines

In light of the increasing relevance of hybrid organizational models that blend profit-making with purpose-driven missions, it is imperative to articulate a context-sensitive definition of SE that reflects the unique environmental, social, economic, and governance realities of the Philippines. While international typologies of SEs (e.g., Kerlin, 2013; Defourny & Nyssens, 2010) offer useful benchmarks, our KII findings suggest that Philippine SEs thrive not only because of their impact orientation but also due to their deep embeddedness in local communities, adaptability across legal forms, and responsiveness to grassroots needs. This localized definition acknowledges the diversity and informality of SE practice in the country, spanning cooperatives, non-profits, and MSMEs with strong social missions, and highlights the primacy of inclusion, resilience, transparency, and reinvestment of surplus toward measurable impact. By synthesizing scholarly insights and grounded field realities, this definition serves as a foundation for future policy, certification, and ecosystem-building initiatives that aspire to legitimize and scale SEs without undermining their community roots.

Below is our proposed definition of SEs in the Philippine context, grounded in our KII findings aligned with international and local scholarship, while addressing inclusivity, resilience, transparency, and reinvestment of surplus.

> *An SE in the Philippine context is a mission-driven organization that uses market-based activities to address social and/or environmental challenges while maintaining financial sustainability and potential for growth. It integrates purpose into its core operations, generating revenue and reinvesting a significant share of its surplus to create measurable and lasting benefits for marginalized and underserved communities. Regardless of legal form, an SE balances profit and purpose by ensuring that commercial viability supports its social mission. Through inclusive, ethical, and community-embedded practices, it seeks to sustain and scale impact while remaining economically resilient and socially accountable.*

This definition of SE allows it to operate formally or informally, and may take the form of a for-profit or non-profit entity, but it must demonstrably prioritize purpose over profit, ensure stakeholder inclusivity and empowerment, particularly for women, youth, indigenous peoples, and other historically marginalized sectors, through equitable participation in leadership, employment, ownership, and value creation. Likewise, the emergence of large Philippine foundations supporting SEs reinforces the view that SEs must be financially viable and scalable to sustain impact over time.

A critical dimension that emerged but warrants stronger explicit articulation is gender empowerment. Many Philippine SE operate within sectors where women constitute the majority of producers, community partners, and micro-entrepreneurs (Bayudan-Dacuycuy, 2018; Gatpolintan, 2018). As such, gender inclusion must move beyond representation toward empowerment, encompassing leadership participation, income control, skills development, and decision-making agency. Embedding gender responsiveness within the SE definition aligns with inclusive development goals and ensures that SE recognition frameworks do not overlook enterprises whose primary contribution lies in advancing women's economic and social empowerment.

Following Besely and Ghatak (2017), our proposed definition aligns with emerging economic theories that conceptualize SEs as hybrid organizations designed to achieve an optimal balance between profit generation and social mission. That is, SEs arise when organizations require flexibility to pursue social objectives that cannot be fully measured through market prices or formal contracts. In such settings, mission-driven founders and managers play a critical role in preserving organizational purpose while maintaining financial viability. This perspective reinforces the view that SEs should not be defined solely by legal form or profit distribution constraints, but by the intentional alignment of mission, motivation, and organizational structure. In the Philippine context, where many SEs operate in community-embedded and resource-constrained environments, such flexibility is essential to sustaining both impact and enterprise viability.

Thus, central to this definition is the balance between financial viability and social purpose. SEs must generate sufficient revenue to sustain operations, scale impact, and ensure organizational resilience. At the same time, profit maximization is not their sole objective. Instead, profit serves as a means to advance social and environmental goals. This dual orientation requires careful calibration. An overly commercial focus risks mission drift, while excessive dependence on grants or subsidies may undermine sustainability. Thus, the defining feature of an SE lies not in the absence of profit, but in the intentional alignment of profit generation with mission fulfillment.

From this definition, Table 7 explains the key elements of our SE definition generated from our KII findings.

Table 7. Key elements of SE definition

Component	Rationale
Hybrid business model	Combines market-based tools with mission-driven intent (e.g., selling goods while solving inequality).
Deliberate mission	ESG mission is embedded and not incidental to the business.
Surplus reinvestment	Emphasizes how earnings are used to further the mission, not just shareholder returns.
Inclusivity	Must show a bias for impact on marginalized groups and enabling participation from vulnerable communities.
Flexibility of legal form	Can be a cooperative, single proprietorship, NGO, or corporation; what matters is its purpose and outcomes.
Accountability mechanisms	Encourages certification, monitoring, or community-based validation to reduce "social washing."
Gender empowerment	Recognizes SE contribution to women's economic participation, leadership, and inclusive value chains; ensures gender is not implicit but explicit in SE identity

Source: Author constructed.

Therefore, our emerging definition of SE in the Philippine context must balance inclusivity, flexibility, and accountability. Our empirical evidence from our KIIs affirms that SEs, such as those from TSP that we have interviewed, prioritize measurable impact, community embeddedness, and values-driven operations over formal certification. While global frameworks (e.g., Kerlin, 2013; Defourny & Nyssens, 2010) offer foundational typologies, our findings underscore the need for a localized conceptualization, one that reflects the country's socio-economic conditions, legal pluralism, and entrepreneurial culture. Our proposed definition is not only informed by grounded practitioner insights but also aligns with existing legislation like the Innovation Startup Act (Republic Act [RA] 11337[11]) and the broader *Philippine Inclusive Filipinnovation and Entrepreneurship Roadmap* by DTI (2018). By adopting this context-sensitive framing, policymakers and ecosystem actors can foster a regulatory environment that supports both grassroots and growth-oriented SEs, mitigates the risks of social washing, and builds durable public trust.

While certification can strengthen legitimacy and guard against social washing, its effectiveness depends on a shared and operational definition of what constitutes an SE in the Philippine context. Without definitional clarity, certification risks becoming either exclusionary or superficial. This reinforces the sequencing challenge; that is, policy efforts must first articulate a clear yet inclusive definition of SEs before designing certification or accreditation systems that recognize and support them.

[11] For more details, see https://lawphil.net/statutes/repacts/ra2019/ra_11337_2019.html.

5. Conclusions and policy recommendations

5.1. Conclusions

Our study explored how Philippine-based SEs, particularly those affiliated with TSP, understand their roles, perceive legitimacy challenges, and view the prospect of certification mechanisms. From eight in-depth KIIs, several insights emerged. First, SEs define themselves by their mission-oriented, inclusive, and impact-driven nature thereby prioritizing community and environmental outcomes over pure profit. Second, there is skepticism about "social washing" (i.e., the misuse of the SE label by organizations without real social intent), which undermines sector credibility. Third, SEs express limited awareness of existing government support, yet articulated a strong desire for enabling policies, capacity-building, and access to financing. While there is openness to certification, there is also a call for inclusive, non-restrictive mechanisms that reflect grassroots realities. These findings align with and contextualize global SE discourses (e.g., Kerlin, 2013; Defourny & Nyssens, 2010), yet also emphasize the need for a localized definition and ecosystem-building approach responsive to Philippine socio-economic conditions.

From a theoretical standpoint, our study reinforces the proposition that SEs represent a distinct organizational form that emerges when neither for-profit nor nonprofit models alone can deliver socially optimal outcomes. As argued by Besley and Ghatak (2016), hybrid enterprises become particularly valuable when mission-aligned decision-making must be decentralized to motivated actors within the organization. In the Philippine setting, strengthening institutional recognition, financing pathways, and inclusive certification mechanisms can help sustain this delicate balance between profit and purpose.

Through these findings, we were able to address our research questions, as seen in Table 8.

Table 8. Responses to research questions

Research question	Key responses
RQ1: What is the role of the government in building an SE ecosystem in the Philippines? How can it harmonize the definition of SE in the country?	• Government is seen as a potential ecosystem enabler, especially in facilitating access to finance, streamlining registration and regulatory processes, and strengthening capacity-building. • However, most SEs reported low visibility or engagement with government programs. • There is a policy gap between SE needs and institutional responses.
RQ2: How can social washing be mitigated, and what strategies can be used to build public trust in SEs? Whether and how can certification mechanisms be implemented in the Philippines?	• SEs recommended voluntary, tiered, or community-based certification mechanisms that balance credibility with accessibility. • They cautioned against rigid or exclusive standards and emphasized storytelling, peer validation, and stakeholder inclusion as complementary approaches to formal certification.

Source: Author constructed.

Similarly, we assessed the extent to which our research objectives have been met. Table 9 provides a detailed evaluation of how each objective was addressed based on our findings.

Table 9. Assessment of research objectives

Research objective	Status	Assessment
RO1: Examine existing definitions of SEs to inform a harmonized, policy-ready definition.	Achieved	SEs consistently emphasized social impact, inclusivity, and ethical business practices as defining characteristics.
RO2: Assess perceptions and enabling conditions for certification mechanisms like *B Corp*.	Achieved	The study identified misuse of the SE label, lack of certification, and absence of shared standards as key barriers.
RO3: Propose inclusive policy solutions for SE definition and certification.	Achieved	Respondents provided rich insights on their awareness, preferences, and concerns related to certification and the need for enabling government policies.

Source: Author constructed.

Through validation, from Table 8 and Table 9, our findings are broadly consistent with global scholarly literature on SEs. The hybrid identity of SEs, as blending commercial and social logics, is echoed in the works of Kerlin (2013) and Defourny and Nyssens (2010), while the concern around social mission drift and authenticity mirrors trends observed in the Global South (e.g., Battilana et al., 2015; Young, 2001). However, we add value to these by localizing these frameworks to the Philippine context, where legal hybridity, informal sector dynamics, and grassroots-led innovation complicate traditional SE classifications. Moreover, the call for inclusive certification aligns with recent regional discussions on context-sensitive impact standards (Byrne et al., 2025; Carballido et al., 2025; Grieco, 2025).

Our study also highlights the importance of incentive compatibility in SE development. For SEs to remain viable, their business models must allow them to generate sufficient surplus to sustain operations and reinvest in mission-driven activities. Thus, policy support should avoid creating dependency on subsidies or protectionist measures that weaken market discipline. Instead, support mechanisms should strengthen enterprises' capacity to become financially viable while maintaining their social purpose. As such, profitability and impact become mutually reinforcing rather than competing objectives.

5.2. Policy recommendations

Building on our empirical insights and thematic findings, we propose a set of policy recommendations aimed at strengthening the legitimacy, recognition, resiliency, and support systems for SEs in the Philippines. Our qualitative data affirms that while SEs operate with deep commitment to inclusive and purpose-driven outcomes, they continue to face challenges around definitional ambiguity, lack of government support, and the risks of "social washing." These challenges highlight the urgent need for a more coherent policy environment, one that not only harmonizes the definition of SEs based on local realities, but also offers enabling mechanisms such as inclusive certification, access to finance, regulatory streamlining, and capacity building. Our recommendations, outlined in Table 10, are grounded in the lived experiences of SE founders, who served as key informants in our KII, and aligned with global best practices adapted to the Philippine context. These are intended to guide policymakers, support organizations, and ecosystem enablers in fostering an inclusive, trust-based, and innovation-driven SE sector.

Table 10. Policy recommendations

Policy domain	Policy recommendation	Intended impact
Definition	Enact a nationally recognized, inclusive SE definition through multi-stakeholder consultation (our proposed SE definition in Section 4.8 can serve as baseline).	Anchors legitimacy while acknowledging varied legal forms and models (e.g., NGOs, cooperatives, corporations, among others)
Certification	Develop tiered, voluntary, and community-based certification systems, possibly administered by independent third parties	Balances credibility and accessibility; avoids over-burdening grassroots or early-stage SEs
Government ecosystem support	Institutionalize SE support in national government agencies (NGAs) and LGU innovation offices	Addresses low awareness and fragmented programs; supports access to finance, capacity-building, and regulatory streamlining
Capacity building	Invest in regional SE hubs, storytelling campaigns, and inclusion in innovation roadmaps	Builds visibility, networks, and public trust, especially for community-embedded SEs
Impact measurement	Encourage voluntary impact reporting frameworks tied to government or donor incentives	Promotes transparency while avoiding extractive monitoring burdens

Source: Author constructed.

From Table 10, we call for a multi-pronged, context-sensitive policy response that strengthens the legitimacy, recognition, resiliency, and support-system for SEs in the Philippines. Central to this is the harmonization of the definition of SEs, one that reflects local realities and is inclusive of diverse legal forms, missions, and business models. SE founders consistently emphasized that legitimacy should not be imposed through rigid certification frameworks, but nurtured through participatory, values-aligned mechanisms that reinforce transparency, community validation, and measurable impact. In turn, the government must take on a more catalytic role, not merely as a regulator (Rivera & Andrada, 2025), but as an ecosystem enabler that promotes ease of doing business for SEs, incentivizes inclusive business models through public procurement or tax relief, and expands access to financing and incubation support through regional and sectoral channels.

Financing remains a critical constraint to the growth and scaling of SEs. Many SEs rely on internal revenues, grants, or informal financing channels, which may be insufficient for expansion. There is therefore a need to develop financing instruments tailored to hybrid enterprises, including blended finance, concessional capital, impact investment funds, and credit guarantee facilities. Strengthening access to growth capital will allow SEs to move beyond subsistence operations toward scalable and sustainable models.

To operationalize these principles, we recommend three interlinked strategies: First, institutionalize a Philippine SE Framework Law that defines SEs based on mission, inclusivity, reinvestment, and impact, drawing from both local practitioner voices and international typologies. Second, adopt a tiered, context-adaptive SE validation system, which combines voluntary certification (e.g., *B Corp* or impact labeling), peer/community validation, and transparency commitments, particularly for smaller or informal SEs. Third, ensure government programs align with SE needs by expanding support to non-traditional enterprise models, simplifying compliance for impact-driven MSMEs, and explicitly including SEs in national

and regional development plans. Fourth, there is a need to avoid equating SEs solely with micro or early-stage livelihood ventures. While many SEs begin as small community-based initiatives, long-term ecosystem development requires supporting enterprises across different stages of growth, from startup to scale-up and maturity. Policies that focus exclusively on microenterprises risk trapping SEs in subsistence-level operations and limiting their broader economic contribution. A differentiated support framework that recognizes varying levels of enterprise readiness, scalability, and profitability will better ensure sustainability and long-term impact.

Collectively, these policy directions aim to restore public trust, prevent social washing, and build a fertile ecosystem where legitimate SEs, whether in crafts, technology, food, or heritage sectors, can thrive, scale, and co-create inclusive development with government and community partners. The success of these policies depends on meaningful dialogue with SE practitioners, cross-sectoral coordination, and an unwavering commitment to social equity, particularly for women, youth, indigenous peoples, and other marginalized actors.

5.3. Areas for future studies

Building on our policy recommendations in Table 9, it is equally important to deepen the knowledge base that underpins future interventions in the Philippine SE ecosystem. While our study surfaces critical practitioner insights and institutional gaps, further studies are needed to address unresolved questions, quantify ecosystem dynamics, and explore emerging themes. These future studies should complement policy reforms by generating granular, disaggregated, and evidence-based inputs that ensure inclusivity, effectiveness, and sustainability in ecosystem development.

First, there is an urgent need for a national mapping of SEs, encompassing formal and informal actors, across all regions, sectors, legal forms, and scales. Such a comprehensive inventory will help quantify the true breadth of the SE sector, inform targeting of government programs, and establish a baseline for future monitoring and evaluation. This mapping should be inclusive of grassroots and community-embedded SEs that may fall outside traditional registries but deliver significant social value.

Second, policy evaluation studies are needed to assess the effectiveness of existing government interventions, particularly those enacted under RA 11337 and other inclusive innovation initiatives. These future studies should examine how accessible, relevant, and impactful these programs are for SEs, especially those operating in rural, indigenous, and resource-constrained contexts.

Third, there is scope for comparative research on certification models, analyzing international frameworks, such as *B Corp*, alongside local or community-based validation mechanisms. Future studies should examine how these can be adapted, or hybridized, to suit the Philippine legal, socio-cultural, and economic context, with an emphasis on accessibility for MSMEs and unregistered SEs.

Fourth, we recommend deeper case studies on grassroots innovation, focusing on informal or rural SEs that embody social entrepreneurship in practice despite lacking formal recognition. This can surface vernacular models of impact, locally grounded accountability systems, and indigenous concepts of community enterprise that enrich the ecosystem's diversity.

Finally, future studies should explore the landscape of impact finance, particularly the availability, accessibility, and efficacy of blended finance instruments (e.g., catalytic grants, concessional capital, social impact bonds). These studies should investigate the barriers SEs face in accessing mission-aligned finance, and identify pathways to crowd in capital from both public and private sectors. Specifically, future studies may probe into the role of large philanthropic and impact-oriented foundations in shaping the SE ecosystem in the Philippines. Over the past decade, institutions such as the *Peace and Equity Foundation*[12], *Foundation for a Sustainable Society, Inc.*[13], and similar organizations have played a catalytic role in financing, incubating, and mentoring SEs across sectors. Examining their portfolios and long-term engagements may provide valuable insights into how SEs evolve from early-stage initiatives into financially viable and scalable enterprises. Such study could assess the types of financing instruments used, capacity-building approaches, and ecosystem partnerships that contribute to sustainable business models. It may also generate a longitudinal view of supported enterprises, offering lessons on growth trajectories, survival rates, and impact sustainability. Understanding these dynamics would help inform more coherent financing frameworks and policy interventions to support the long-term viability of SEs in the Philippines.

Collectively, these scholarly directions aim to reinforce an evidence-based, inclusive, and practitioner-informed ecosystem that supports the growth and legitimacy of SEs across the Philippines.

Moving forward, the future of SE in the Philippines hinges not merely on defining what it is, but on empowering it through inclusive policy, enabling infrastructure, and a culture of trust and legitimacy. As we have seen, SEs are not fringe actors. Instead, they are frontline innovators working at the nexus of impact and enterprise, often in the hardest places and under the most constrained conditions. What they need is not another rigid label or bureaucratic hoop to jump through, but an ecosystem that sees them, hears them, and backs them. If we get this right by building a policy and certification system that reflects Filipino realities and amplifies Filipino ingenuity, then we will not only strengthen our social economy as we will also rewire enterprise towards business for society (Habaradas et al., 2019) serve people and planet, not just profits. This is both a reform and an aspiration, which should begin now.

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[12] For more information, see https://pef.ph/.
[13] For more information, see https://fssi.com.ph/.

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8. Appendix

Appendix 1. KII instrument and interview guide

Part 1: Tell me something about your venture.

1. What crowdfunding project did you launch on The Spark Project?
2. What year did you launch this project?
3. Why did you decide to crowdfund your project?
4. How would you describe your venture?

Part 2: Share your thoughts on social enterprises.

5. Is the venture considered a micro business or a social enterprise?
6. What do you consider is a social enterprise?
7. If you don't, why not? If you do, why didn't you tick the "social enterprise" category on The Spark Project campaign?
8. Do you know of social enterprise certifications? If you do, have you considered getting one?
9. What would be your wish list from the government as a social enterprise?