



Corporate social responsibility in emerging markets: Opportunities and challenges for sustainability integration

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ABSTRACT

In emerging markets, Corporate Social Responsibility and social entrepreneurship practices emerge as drivers of social inclusion and welfare. In countries with considerable demands for social and economic transformations, Corporate Social Responsibility provides a positive force for addressing society's major challenges such as the United Nations' Sustainable Development Goals (SDGs). In this paper, we examine how two projects selected by the United Nations Development Programme (UNPD) orient their operations toward responsible management practices in a transition economy context and answer two questions: 1) Does Corporate Social Responsibility supporting social entrepreneurship pave the way for greater inclusion?, and, 2) How do the Corporate Social Responsibility practices help achieve the SDGs? By focusing our analysis on stakeholder theory, we highlight how context can influence the strategic management process of social inclusion choices. Both cases provide practical implications of how the insertion of responsibility thematic in core business strategy acts as an effective driver for the development of fundamentally important SDGs.

1. Introduction

The global - and current - COVID-19 pandemic has highlighted the vast inequalities existing across countries and severely affected those in low-income brackets of society (Van Zanten and Van Tulder, 2020). Lack of training and education, family situations, mental health issues, and lack of access to financial resources are factors that often lead to limited economic and entrepreneurial participation of low-income individuals. However, through non-market strategies, such as Corporate Social Responsibility (CSR) programs, many firms have been engaging in the implementation of projects aimed at fostering a more inclusive economy and reducing poverty levels in their surrounding communities. Specifically, firms have contributed to the achievement of greater societal goods, such as those portrayed in the United Nations' (UN) Sustainable Development Goals (SDGs), by initiating and operating programs designed to provide historically disadvantaged members of society with access to resources needed to initiate small ventures that benefit from

local endowments and create new jobs. A wide array of frameworks have been developed in the past few years, identifying the interwovenness of SDGs in contextual, sectorial, an multilevel dimensions of society (Nilsson et al., 2016; Kolk et al., 2017; Scherer et al., 2018; Van Zanten and Van Tulder, 2018; Sachs et al., 2019; Goubran, 2019; Montiel et al., 2021; Castor et al., 2020).

For firms operating in emerging markets, the presence of pervasive corruption, social inequities, power struggles, deforestation, among other difficulties, provides the opportunity for corporate malfeasance. Often, instead of exploiting the aforementioned institutional voids (or market failures) (Khanna and Palepu, 2010), firms have found opportunities to address and overcome such challenges through CSR (Carroll and Shabana, 2010; Pünderich et al., 2021). However, when it comes to firms' design of CSR programs targeting relevant social, economic, and environmental issues in their surrounding communities, context matters (Barkemeyer and Miklian, 2019).

Our goal with this paper is to assess CSR programs aimed at fostering

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inclusive social entrepreneurship designed by two Brazilian companies, Energisa and Damha, and how they generated solutions to overcome the grand challenges associated with the SDGs and, consequently, affect the firms' performance. By describing two successful cases in a transition economy country, we demonstrate that when a supporting ecosystem is created and a range of stakeholders are involved, the chances of generating economic and social value (Grassmann, 2021) and long-term survival are increased. Further, we show how CSR activities promote social inclusion and provide performance improvements to the sponsoring firm in a non-munificent institutional environment (Bhatt et al., 2019).

We present two different case studies (Lynn, 2021), with the aim of examining their business orientations on CSR practices in an emerging market context (García-Sánchez et al., 2020) and answer two questions: 1) Does CSR that supports social entrepreneurship pave the way for greater inclusion? and, moreover, 2) How do these types of CSR practices help achieve the SDGs? At a time when firms are becoming one of the main targets of activist movements and international organizations (Desjardine et al., 2020), pursuing ethical agendas can be a source of legitimacy that also converges with economic benefits and risk minimization (Desjardine and Durand, 2020; Hunter and Bansal, 2005).

Moving away from the fuzzy debate on the business case for CSR and the question of "does it pay to be good?", we shed light on the idea of "when and how are we going to be part of this?" (Lynn, 2021), situating the practices of the firms assessed in a context that shapes and is shaped by their CSR programs. Previous literature on CSR emphasizes that firms implement different practices in the various contexts where they operate (Aguilera et al., 2007), which opens space for specialization but also for *greenwashing*. Therefore, we benefit from the advancing literature on a contingency perspective of CSR (Grewatsch and Kleindienst, 2017; Halkos and Skouloudis, 2016; Rowley and Berman, 2000) to study contextual aspects and mechanisms that can explain why these firms have achieved positive financial (Siuieia et al., 2019) and social outcomes through their CSR programs. Our work differs from others that address CSR case descriptions in that we consider the paradox between SDG results and corporate performance. Following Lynn's (2021) questions of when CSR is paid for, context is an influential factor in how a firm develops its CSR programs and results. In this sense, this paper contributes to the advancement of previous research by identifying context as an influencing factor, reinforcing the use of case studies as an appropriate method.

We carefully stress that institutional characteristics of these communities, and the country in which they are located, facilitated the achievement of these outcomes. The generalizations of our findings are limited to similar (or even to the actual) contexts in which these assessments were performed. Nevertheless, the two case studies presented portray sectors that have particularities within an emerging markets context. The Energisa case refers to an industry responsible for one of the cleanest energy matrices in the world: the Brazilian one, composed mostly of renewable sources and with low environmental externalities (Pischke et al., 2019). The clean hydroelectric generation has its fault-lines, since the country is mainly dependent on this energy source, Brazil is exposed to cyclic crises linked to drought patterns (Hunt et al., 2018). Damha company, on the other hand, is part of the construction sector, historically associated with significant contributions towards the Brazilian gross domestic product (GDP). However, the shortcomings of this sector relate to negative social externalities, such as lack of decent work standards and modern slavery (Pinheiro et al., 2019), environmental impacts of large infrastructure projects (da Silva et al., 2020), and urbanization issues such spatial segregation and provision of inadequate housing (Garmany and Richmond, 2020)).

The SDGs framework, as a macro level agenda designed for societal advancement, has been used to measure CSR progress (Fallah Shayan et al., 2022), nevertheless the literature research on specific linkages between SDGs and CSR is still to be fully developed (López-Concepción et al., 2021). Furthermore, there is a growing research interest on how

the 169 targets of the SDGs are interwoven with different industries such as energy (Rampasso et al., 2021; Nerini et al., 2017) and construction (Johnsson et al., 2020), and how these linkages can act as diagnostic tool, identifying negative and positive relations (Vinuesa et al., 2020) and prognostic instruments in decision making, by highlighting synergies, trade-offs and calls for action (Scherer et al., 2018; Diep et al., 2021; Parikh et al., 2021).

In addition, the SDGs "deadline" is close, but data shows large discrepancies on how likely each country will be able to comply with the goals. While some OECD (Organization for Economic Co-operation and Development countries) are achieving the targets with considerable success, such as Norway, Finland and Denmark, others fall behind and are nowhere near to them (SDG Index, 2022), and one of the major dimensions of this shortcoming are the challenges in applying the macro goals at a contextual and regional level. These can hinder the achievement of the SDGs (Han and Lee, 2021), especially in regions such as Latin America, where work towards business sustainability is still to be fully developed (Ullah and Sun, 2021). The economic hierarchy of priorities also is a main barrier to achieving the SDGs thus our research brings to the foreground details on how economic interests can meet societal needs without necessarily harming a firm's long-term survivability. In fact, by responding to their surrounding communities' needs, firms can leverage their own performance - independently of the motivations that led them to implement the CSR program in the first place, relying not upon only on the concept of green marketing but the engagement of a network of stakeholders. We show that firms do so when they engage in political issues and assume public functions to deliver social goods and protect human dignity (Matten and Crane, 2005; Scherer and Palazzo, 2007).

2. Literature review and theoretical background

This paper is based on the CSR and social entrepreneurship literature and has as its theoretical foundation the stakeholder theory (Freeman, 1994) and strategy theory (Ghoshal et al., 1996), which are the two orientations followed by the companies that served as case studies. Stakeholder theory focuses on balancing the organization's CSR results for its environment, contemplating the common objectives of several agents simultaneously. Under the strategic management approach, the CSR process is seen as a more systematic and structured activity, aiming at performance gains and market results.

2.1. CSR definition and the relevance of context

Known as a fluid and contested concept (Barnett et al., 2020; Lozano, 2012; Mittnick et al., 2020), CSR "empirically consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good" (Matten and Moon, 2008, p.405). Firms develop and implement a myriad of CSR programs and policies, with the intention to generate contributions to society and the natural environment. The body of research developed so far strongly support the business case for CSR; in other words, several findings support that CSR reduces costs and risks, safeguards legitimacy, builds a competitive advantage towards competitors, and allows firms to pursue profit goals while addressing stakeholder demands (Asif et al., 2013; Carrol and Shabana, 2010). Thus, more recently CSR research has moved away from the debate on "does it pay to be good?", to focus on "when does it pay to be good?" (Lynn, 2021) putting context at the forefront. Consequently, firms' CSR practices started being assessed as a function of the context in which they are implemented.

Previous literature has shown that firms implement different CSR programs and practices while considering contextual differences (Aguilera et al., 2007). Contextual aspects and mechanisms are, therefore, relevant to explain why firms can reconcile positive financial and social outcomes through their CSR programs. However, when operating

in emerging markets, due to weaker formal and informal institutions (Wang et al., 2020), firms historically have been able to engage in environmentally damaging activities, unethical business operations such as paying abnormally low wages and/or creating poor or dangerous work environments for their employees and are plagued by additional inefficiencies and costs due to corruption risks. Therefore, we are led to believe that non-munificent institutional environments are not conducive for CSR (Bhatt et al., 2019). However, these same institutional voids (Khanna and Palepu, 2010) that can harm firms' operations also open space for agency and create opportunities for genuine change leveraged by firms through CSR platforms. Therefore, firms can fill these gaps and support communities through the provision of societal goods that are associated with the same institutional voids that challenge their economic, social, and environmental development.

Contextual institutional features of the communities in emerging markets can support the achievement of positive outcomes for both society and the firm (Ali and Kaur, 2021). Overall, positive outcomes for a single community can also contribute to the solution of grand challenges that affect modern society (Martí, 2018), thereby advancing the sustainable development agenda.

2.2. Social entrepreneurship: A CSR approach to contextual social inclusion

The term social entrepreneurship was defined in the early 1980s by Bill Drayton, the creator of the Ashoka Foundation (Light, 2009) to characterize individuals with innovative solutions to society's most relevant social problems (Ashoka, 2010). Entrepreneurship in its traditional aspect is associated with the figure of an entrepreneur who solely seeks financial gain. Social enterprises, on the other hand, focus on the development and improvement of a community, which, in most cases, is characterized by precarious economic conditions, such as low income and scarce job opportunities (Bhatt et al., 2019; Martí, 2018; Mort et al., 2003).

Alvord et al. (2004) view social entrepreneurship as a catalyst for social transformation of great impact that extends beyond solving particular or local social problems. Many community services ranging from small consumer groups to large charities have developed and used entrepreneurial strategies to ensure their continued survival and to promote the social and economic interests of the communities with which they work (Gray, 1997; Midgley, 1996). Dees (2001) suggested that the social entrepreneur acts as a change agent in the social sector through the adoption of a mission to create and maintain social value; recognizing and incessantly seeking new opportunities that serve this mission; engaging in a process of innovation, adaptation and continuous learning; acting boldly without allowing limited resources to divert it from its vision; bearing responsibility for the needs and values of the people and communities it intends to serve.

Social entrepreneurship focuses on innovation, transformation and development of communities. However, the literature also highlights the issue of injustice and reparation of problems, as well as the aspect of collectivity and communities along with the characteristic of individual emancipation (Gray, 1997; Raheim, 1996). Midgley (1996) argued that this type of social practice in emerging markets played a decisive role in social and economic development. Social entrepreneurship refers to actions arising within or directed towards a community, enabling innovations that result in social development and individual inclusion, achieving social emancipation for their own livelihood (Campos et al., 2020). For the social entrepreneur, the community is seen as a resource and as an object of intervention. They seek recognition and development of the social and economic capacities of communities and try to combat public perceptions about the dependence of marginalized communities (Botsman, 2001; Chandra et al., 2021). In this sense, the goals of sustainable development intuitively align with the goals of social entrepreneurship. The results sought by both initiatives are related and intertwined, making social entrepreneurship one of the innovative

strategies for achieving the SDGs (Rahdari et al., 2016).

Companies engaging in social entrepreneurial activities are often seeking to address social injustices (Austin et al., 2006; Bacq et al., 2013) and aim to benefit or "give back to" the communities that have supported them by assisting specific historically disadvantaged and/or equity deserving groups. An example of this can be seen in the recent Black Entrepreneurship Loan Fund established by the Canadian Bank, CIBC. Partnering with the Canadian Government and the non-profit organization, Federation of African-Canadian Economics (F.A.C.E.), the bank is offering entrepreneurs (start-ups or existing business-owners) within the Black community, a group that has historically had great difficulty gaining start-up capital, access to loans of up to \$250 000 CDN with the goal of improving the economic prosperity of an equity deserving community.

2.3. SDGs as a mapping tool for different industries

The 2030 Agenda has been widely used as a diagnostic and prognostic tool for policy decision making, strategy planning in companies, structuring of civil society initiatives and as a basis for literacy on sustainability in education. The SDGs framework posits itself as an important tool for policy scoping - in a seminal work related to the theme, Nilsson et al. (2016) address how the interconnections between different targets can range from an inextricably linked bond (synergy) to a counteracting one (trade-off). For instance, a synergy linkage could be established between the energy supply for rural areas and how it would allow children to study and do homework at night, connecting SDGs 7 and 4, while a trade-off relation, could be exemplified by how boosting consumption could increase food waste, connecting SDG 1,2 and 12.

As a diagnosis tool, Castor et al. (2020) identified transboundary ecosystem trade-offs and synergies, that suggested, for instance, a significant amount of trade-off related to poverty SDGs targets and proposed how additional actions that could be taken to ensure energy could reach rural communities at vulnerable setups. A similar approach was carried by Diep et al. (2021) when exploring sanitation interlinkages in Brazil. The authors found interlinkages with 124 SDGs targets located in four domains: basic services for resilience building, equity and empowerment, pollution and waste reduction and economic well-being. For instance, target 8.3 had published evidence linking the provision of on-site sanitation conditions with decent labor standards. Another linkage in the same study referred to the connection between target 3.2 and specific sanitation needs from indigenous children in Brazilian northern regions.

SDGs target mapping allows research to scope issues from an intersectional perspective that is suitable for policy planning and decision making towards sustainable development within specific industries. There is a specific call for action on research for achievement of SDG 7 in Brazil, through strategic planning aligned to the country with particular energy matrix needs (Rampasso et al., 2021). In another emerging context, Bisaga et al., (2021) explored off-grid energy solutions and found that 80 SDGs targets could be connected with the issue, such as a trade-off relationship between the use of biomass for energy generation and the potential health issues associated with respiratory illness (SDGs targets 7.1 and 3.4) (Chojnacka et al., 2021). In another linkage, off-grid energy posits synergies with sustainable agriculture through solar powered irrigation systems (SDGs targets 2.4 and 7.1), and trade-offs with SDGs 16 targets related to corruption for instance (Lu et al., 2019).

Architecture, engineering and construction industries posit the same nexus connecting SDGs with CSR strategies (Xia et al., 2018). For instance, it is possible to reduce the environmental footprint of these sectors on dimensions mostly linked to climate action targets, or linked to procurement practices, connecting with the domains of transparency and governance (SDG 16) and green procurement promotion (SDG 12). The construction industry is responsible for the largest share of all material flows in cities, and also for demands of primary sourcing of minerals and waste generation, therefore, scoping strategies under the SDGs

network can aid the identification of synergies and connections linked to closed supply loops for re-use of construction waste in urban mining practices, connecting the industry with SDG 12 (circular economy) and SDG 11 (sustainable cities and livelihoods) (Arora et al., 2021).

3. Methodology

This paper examines two different cases based on different values and with different approaches. The goal of bringing them together in a single paper is justified because we demonstrate how two different organizations with distinct strategic approaches to the development of social entrepreneurship include different CSR programs in their core business strategy and still contribute to the SDGs, regardless of how this process unfolds internally. When incorporated as a strategic element, social entrepreneurship actions become SDGs development drivers, in both these cases in a developing country context with so many social needs to be addressed.

To account for the many more variables of interest than data points in our case study research, we relied on multiple sources of evidence from the two companies to converge the data into a reasonable format using classic data triangulation case study techniques (Saunders et al., 2007). In the case of this research the sources of information included interviews, documents, and direct observation (Yin, 2010; Saunders et al., 2007). Qualitative analysis of this nature often provides a better experience and insight into the phenomenon (Malhotra, 2012; Saunders et al., 2007) and case study is suitable when the boundaries between phenomenon and context are not clearly evident (Saunders et al., 2007). Yin (2010) argued that the case study method is effective when one wants to get responses to "how" and "why" questions.

Fig. 1 outlines the flow of the eight-step methodology of the research. The theme, problem and research question, methods, and objective were defined in the first stage. The theoretical framework and the data collection protocol were then elaborated. The next step consisted of conducting the case studies as well as developing a cross-analysis with the theoretical framework and then presenting results and discussions.

3.1. Case-study design

For the data collection, a case study protocol was stipulated. The protocol for the case study ensures the validity and reliability of the results with the multiple sources of evidence: interview, observation and documents (Gibbert and Ruigrok, 2010; Yin, 2010). The protocol comprised four sections: case study overview, field procedures, required data panel and guides for presenting the case study results. These

sections generally assist in ensuring that the research focus on each case study is maintained during data collection and help align data collection with the construction of the results (Yin, 2010).

3.2. Data collection and analysis

We selected two large firms that accepted our data cession protocol and had developed CSR programs within different industries. We also selected the companies to focus on the paradoxes because both companies operate with high revenues in impoverished areas of a transition economy context, which could optimize the comparison of results and provide deeper analysis of the phenomena. Multiple-case designs are appropriate when the same phenomenon is thought to exist in a variety of situations. Under these circumstances, each individual case study still must be rigorously conducted, but the collection of several case studies on the same topic is intended to be the basis for replicating or confirming the results (Yin, 2010).

The script of the interviews was identical and translated directly from the social inclusion studies promoted by UNDP. The script sought qualitative information from the most strategic managers and the CEO of both companies, totaling 12 interviews. We triangulated documentary and secondary source data from the companies, which ensured case study reliability (Yin, 2010). At Energisa, interviews were held with the President, the Project Coordinator, the President of the Community Association, the Coordinator of credit cooperative, the President of the Unilins Cooperative (from the Mucumagro community) the Manager of Citizen Bank. At Damha interviews were held with the SNA Chair, SNA coordinator, project analyst, Community Artisans Association (AABC), and the company's CEO. The semi-structured scripted interviews were conducted to ensure the main points of the interviewees' perception of their firm's actions were captured. The interviews provided critical insights into the interviewees' understanding of the research topic, identifying the aspects they considered most important (Flick, 2008; Godoy, 2010; Richardson et al., 1989).

By capturing the perspective of several key members of the programs, we were able to analyze and triangulate our data to increase the validity of the research (Azevedo, 2011). The collected data were evaluated through content analysis, using a process of pre-analysis, results coding, results categorization, results inference and interpretation (Bardin, 2011). The results were categorized two different ways to adapt the case studies' specificity. There was no comparison objective, and the studies were conducted according to their CSR orientation. In addition to the analysis of case studies' data, we aligned the stakeholders' dimensions from both companies in five categories: Society, Consumer,

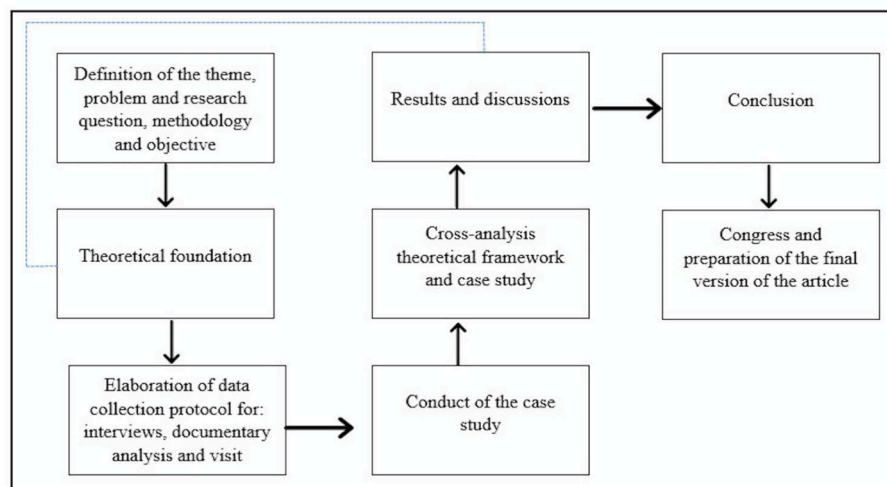


Fig. 1. Methodological flow.

Collaboration, Community and Supplier. The categories were, therefore, aligned to the SDGs targets and a final framework was proposed (Table 1).

4. Case studies

4.1. Energisa

Energisa is the 5th largest energy distribution company in Brazil with operations in 862 municipalities located in all regions of the country. Energisa has generated, distributed, and marketed electricity for over 110 years. The company is recognized for its constant pursuit of excellence and continuous and sustainable growth. Energisa's mission is to "transform energy into comfort and development, creating new sustainable possibilities, offering energy and social solutions to its customers" (Energisa, 2015). The CSR program, named "Bem da Gente" (For Our Own Good) was created in 2012 in the neighborhood of Muçumagro, in João Pessoa to support entrepreneurial initiatives that could generate welfare for the low-income population. The company has undertaken projects to support vulnerable populations by opting for economic intervention initiatives that promote income generation and employment. The program's objectives are to boost socio-economic development by increasing employment through the creation of sustainable small businesses. At the time of our interviews, the company had trained 57 entrepreneurs, resulting in 42 business plans and 12 formalized companies. From 2014, the program was replicated in other communities. After the businesses were founded, the entrepreneurs' expenses were monitored to properly channel resources to the project and guarantee good financial management of the new business

Table 1
Case study protocol.

Case Study Protocol	
Variables	Description
Case selection and exclusion criteria	The UNDP previously analyzed Brazilian companies whose sustainability reports presented evidence of a high commitment to CSR and social entrepreneurship. In this first analysis, they selected a pool of companies to conduct a case study in a second research phase. We then selected the two companies that were willing to readily provide their data to conduct an in-depth case study. The fact that they are in different industries and regions of the country was potentially beneficial for the research since it is not the focus of this paper to discuss a specific industry or region.
Script design	We developed the study instrument using an original UNDP tool, translated into Portuguese by our research team. A sustainability researcher who is a native English-speaking proofread the questions.
Data analysis method	We analyzed the results based on content analysis (Bardin, 2011) to code, tabulate, and relate the data qualitatively from the recommended sources in both companies.
Data source	We conducted twelve interviews with strategic managers and the CEO of both companies. At Energisa, interviews were held with the President, the Project Coordinator, the President of the Community Association, the Coordinator of credit cooperative, the President of the Unilins Cooperative (from the Mucumagro community) the Manager of Citizen Bank. At Damha interviews were held with the SNA Chair, SNA coordinator, project analyst, Community Artisans Association (AABC), and the company's CEO. For the triangulation, both companies provided documents, such as contracts, pictures, news, and reports; and we spent 2 days in each organization for direct observation.
Main results	We related results in two directions, unfolding consequences for the company outcomes and the ecosystem stakeholders such as surrounding community, employees (Yin et al., 2021), suppliers, and consumers.

(ENERGISA, 2014a).

In addition to any legitimacy benefits associated with this CSR program, Energisa understood that some significant operational problems could be mitigated if the project was a success. Difficulties relating to high numbers of nonpayment, high costs of cutting and reconnecting electric power, and the losses caused by theft through the use of illegal electrical installations resulted in a loss of 12.6% of the electricity generated and pressured the company to take action. The project involved several stakeholders, such as universities, banks that offered microcredit, government development agencies, and a private consulting firm. Energisa's operations division connected all the stakeholders and served as a credit sponsor for the entrepreneurs, enabling them to access opportunities never accessible to this population before. Promoting social inclusion among more vulnerable groups and the creation of an environment capable of reducing local levels of poverty, as well as their good management made Energisa the best energy distributor in the Northeast in 2014 (ENERGISA, 2014a). Additionally, the firm earned good evaluations from ANEEL's (National Electric Energy Agency) Consumer Satisfaction Index (IASC), among other awards.

Behind the scenes of this project, Energisa struggled with different, but converging issues. On one hand, a relatively large portion of their customers were either actively stealing electricity or failing to pay their electricity bills, which created a cost/revenue problem. On the other hand, the firm faced a certain level of resentment from the community, and relationships with community members were essentially transactional. Finally, regulators and government agencies required actions that increased costs and limited the company's ability to engage in potential cost-saving or revenue generation activities. The solution to these conflicting stakeholder demands lay in Energisa's ability to consolidate results from Bem da Gente into economic, social, and environmental performance indicators within the company. Energisa focused on the most vulnerable communities with the aim of promoting and improving the living conditions of this population, without any profit interests (ENERGISA, 2014b). Nonetheless, as the businesses began to grow and the communities helped by Bem Da Gente began to prosper, energy losses due to theft were reduced from 21% in 2012 to 2% in 2014 and the rate of payment defaults fell from 6.35% in 2012 to 4.65% in 2013, reflecting a more economically stable operational environment for Energisa. Management felt that aligning Bem da Gente to Energisa's entire scope of action and linking its inclusion strategy to the company's core business would extend economic, social and environmental gains, such as improving the company's image, allowing the firm to meet ANEEL energy efficiency targets and the creation of more employment in the community (ENERGISA, 2014b).

Fig. 2 presents external pressures that influenced Energisa to create Bem da Gente (For Our Own Good).

Energisa recognized that in order to achieve its goals (increased revenue from new products, improved customer and stakeholder relations, consolidating energy-efficient strategies with ANEEL standards), they would have to break with traditional solutions to solve problems that were characterized, a priori, by social conditions that were out of its control. The company found innovative solutions to ensure its excellent performance could continue, but also that they were able to help their community by offering their expertise to those who needed assistance. Bem da Gente's inclusive business model recognized the complexity of the market and by using Energisa's knowledge and management techniques to promote the small business, society and the firm benefited.

Through Bem da Gente, Energisa created incentives for those living in the communities that were part of the program to reduce thefts of energy that were concentrated in some poor neighborhoods. This kind of initiative that promoted social gain and, at the same time, improved the company's core activity can be called a legitimate social entrepreneurship program (Austin et al., 2006; Bacq et al., 2013; Chandra et al., 2021). The company aligns its corporate social responsibility with its business strategy, transforming its social action into a timeless social program, rather than a social project with an expiration date. These



Fig. 2. Energisa’s inclusive business model.

outcomes demonstrated the value of the development of Bem da Gente in terms of the creation of economic benefit to the company. With an investment of 985 thousand reais from 2012 to 2019 the company significantly reduced the losses and theft rates in the community of Muçumagro and came to be admired by the residents. Also, the company was able to comply with ANEEL and its regulatory requirements for energy efficiency expenditures. Overall, Energisa has reduced the rate of loss and theft dramatically since 2012, from a rate of 20%–0.5% in 2019.

In addition to these positive financial results, Energisa also obtained a Perceived Quality Satisfaction Index (ISQP) of 78.81 percentage points. The firm ranked 2nd in the Northeast region on the ANEEL Consumer Satisfaction Index (IASC) (Energisa, 2021). Bem da Gente directly improved Energisa’s results, reducing defaults, operational expenses, and energy losses in the community, and enhancing community-company relationships. It also facilitated better access to the community by the company’s employees, allowing them to better carry out much needed activities such as readings, inspections, and other emergency services. The CEO mentioned that the company is the largest ICMS (Tax on Transactions of Merchandise Transactions) and Provision of Interstate and Intermunicipal Transportation and Communication Services contributor in the state of Paraíba.

The results of Bem da Gente as an inclusive business model that support the SDGs can be evaluated along several dimensions, multiple stakeholder value-generation in a systemic strategy (Fig. 3).

SOCIETY: By demonstrating the ability to generate income and work in underprivileged communities, Energisa inspired other successful companies in their markets to act positively in society through actions not directly associated with its core business thereby creating a multiplier effect in terms of developing a larger, more fertile environment for the development of small social enterprises. In addition to inspiring other existing businesses to follow their lead, the benefits promoted in the community from the social entrepreneurs who valued the locals’ vocations, small networks of entrepreneurs formed, which was accelerated by social capital. Social capital is defined as norms, values, institutions and relationships that, if shared, enable the cooperation between different social groups that might not otherwise interact (Marteleteo and Silva, 2004). In the focused communities, they created a network to offer new products and services outside the local neighborhood, forcing residents to go out to meet their needs. Also, the program supported typically disadvantaged groups to identify opportunities within their community and provided a fertile environment for inclusive entrepreneurial activities.

These outcomes demonstrate the need to develop and provide tools (i.e. training, micro-finance, etc.) for people in their local communities that recognize their particular desires and needs. The inclusion of these

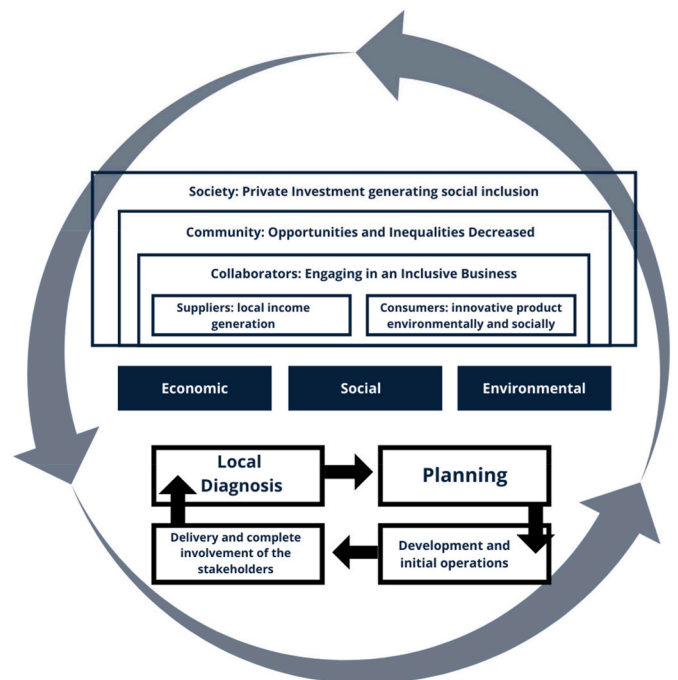


Fig. 3. Systems approach: Strategic and stakeholder values.

people in the labor market promotes the restoration of the urban periphery environment, minimizing the social vulnerabilities to which residents are often exposed.

COMMUNITY: Two major social problems are the low income and the difficulty that women without qualification and with small children have when trying to enter the job market. The project demonstrated that women could generate income for their family without leaving their children for work purposes. Middle aged mothers represented 80% of the sample of entrepreneurs. This demonstrates the project’s ability to improve the welfare of these women by providing them a better livelihood. The project planned to creating infrastructure in different locations. In this way, the company added value to the community “by transferring its best knowledge, providing management training is our greatest value” (Energisa’s CEO) to show the community its potential and allowed them to explore their vocations so that social entrepreneurship emerged from the community’s own will.

COLLABORATORS: Energisa’s employees developed creative and

innovative solutions and had autonomy to manage the project. This demonstrated that the firm trusted its employees promoting a social responsibility culture within the firm. The positive results of the project opened new opportunities for CSR activities and sustainable development, focusing on energy efficiency.

SUPPLIERS: The focus on using local suppliers and improving their performance was a paradigm shift. By creating an ecosystem that enabled the creation of local businesses and educating the community to its needs, the project brought together suppliers from their own community, providing a local, reliable source of supplies.

CONSUMERS: The project heightened the population’s awareness of the need to reduce energy waste in their homes. Through educational programs and visits to the communities from Energisa technicians, many new environmentally friendly habits regarding conscious consumption were established. Energisa’s energy efficiency division exchanged 130 old refrigerators for new models with more efficient seals. It also replaced incandescent bulbs with more economical compact fluorescent lamps. It is important to emphasize the firm’s desire to develop the community and not just help it. The company created an ecosystem that supported small businesses and the community through programs that encouraged the efficient use of energy in their homes and businesses. In social terms, for their customers, the project produced increased incomes and helped reduce unemployment in normally disadvantaged populations, specifically women who had difficulty finding work due to childcare obligations. The project encouraged turning craft vocations such as sewing, carpentry, electrical equipment maintenance into businesses that provided people with not only income but dignity and a sense of purpose, accomplishing their goals through work. Energisa’s Bem da Gente, increased revenue, improved customer relationships and raised energy efficiency, developing a systemic CSR project for social inclusion.

Energisa solved performance problems and met the regulatory compliance rules creating an opportunity for social inclusion in one of the most deprived regions of Brazil. Energisa’s CEO acknowledged the company’s breakthroughs relating to its inclusive projects and stated that the project’s results were a “personal concern of the executive team” and pointed out the need for these types of projects in several mergers and acquisitions.

4.2. Urban Damha

Urban Damha is part of the Encalco Damha Group, a conglomerate of companies founded in 1964 that operates in civil engineering, agribusiness, shopping centers, highway construction, energy, and real estate development sectors. Damha’s strategy is to deliver projects that promote residents’ quality of life by aligning modern concepts of urbanism and infrastructure needs with concern for the environment and the predominant social issues of the regions in which the projects are built. Damha has won several awards in recognition of its sustainable actions, such as the 2014 Benchmarking Ranking Seal, one of Brazil’s most respected sustainability awards. It also won the CIC Brasil 2014 Award for “Best Contribution in Social Responsibility”, specifically for its actions carried out through the Associação Bairro Sustentável (ABS), among others, which recognizes the positive impact generated by the company.

ABS was formed in 2011 to support social initiatives around urban renewal to promote self-esteem, improved quality of life, and respect for the individual by fostering sustainability projects in low-income communities. Since it began, numerous projects providing improvements across the country have been carried out, and more than R\$ 600 thousand has been invested. An essential aspect of the project is its involvement with the communities into which Damha plans to build. Regions selected for future condominium developments are designed jointly with the community to improve the neighborhood’s infrastructure, involve the population, and stimulate entrepreneurship among the surrounding residents. This process occurs before and during the

construction of the condominiums and is maintained afterward through the condominium owners’ involvement with the local population.

In partnership with public bodies, community leaders, associations, and non-governmental organizations (NGOs), ABS promoted discussion to identify the specific needs of each community and social and environmental projects that were already in progress to work together. Once the requirements are identified, the community is involved in the transformation process, reinforcing how the work can and should be performed collaboratively to improve the quality of life of these people. When the project is completed, Damha Urbanizadora is firmly integrated within the local community as an integral partner in its transformation, which aligns with its business model. The company seeks to offer a differentiated product, delivering high-quality condominiums to the market but with a solid socio-environmental bias (see Table 2).

Table 2 summarizes the threats and opportunities of the external environment to Damha Urbanizadora through the ABS program.

The ABS program was intended to be part of an inclusive of the communities in which its condominium construction projects were being undertaken. However, the firm faced several challenges as it attempted to begin operations. The challenges Damha faced setting up ABS, for which innovative and community-minded solutions developed before the program could begin, can be categorized under five strategic dimensions:

- (i) Market information: Damha had little information on local suppliers, which were preferred to generate local development and lacked knowledge as to whether the community was aware of socially responsible activities that were being carried out to improve the surroundings of the condominiums
- (ii) Regulatory environment: The project faced potential delays as the local licensing and regulatory compliance processes required time to be understood and navigated. Delays may have called into question the sincerity of the ABS mission in stakeholders’ eyes, reducing its legitimacy and ultimately community involvement and support
- (iii) Physical infrastructure: Since most of the projects would take place in peripheral communities where basic infrastructure like reliable electricity, running water, and suitable roadways were lacking, the project faced challenges related to the actual construction in the neighborhoods
- (iv) Knowledge and skills: Damha sought local suppliers to provide materials to build their projects, promoting opportunities for companies in the region, but the lack of capacity of local building suppliers, contractors, and tradespeople represented a significant challenge to a vital element of the project’s mission and
- (v) Access to financial services: Damha used its own and its partners’ resources as opposed to external financing for its development projects. However, given the lower incomes of the community members involved, while financial resources were normally acquired in enterprising ways, lack of resources posed a challenge for the projects to expand.

Table 2
Threats and opportunities of the external environment.

Threats	Opportunities
Lack of resources for investments in larger and more representative social projects	Possibility of becoming a Civil Society Organization of Public Interest in order to expand its performance
Lack of training of the workforce and local suppliers	Available national supplier network
Legal problems and difficulty with the approval time of construction projects, which delay or even render projects unfeasible	Social reality of insecurity in the country gives opportunities to businesses such as closed condominiums
Lack of community involvement, making unfeasible efforts and projects	Communities with great demands for social projects

For each of the challenges outlined above, Damha was able to create solutions using strategies to adapt products and processes, invest to remove market constraints, leverage the low-income potential of the poor, combine resources and capabilities with other institutions, and engage in political dialogue with the government. Table 3 details the socially responsive solutions Damha developed to address the challenges they faced implementing ABS.

Eventually, ABS became a strategic pillar of the company and is now part of the business structure, providing a catalyst for social development and good relationships with all stakeholders. As a result of its efforts Damha was the first Brazilian company to earn the AQUA seal (High Environmental Quality), awarded by the Vanzolini Foundation, a Brazilian NGO founded by members of the Polytechnic School of the University of São Paulo, for its Damha Golf I and the Eco Technological Park, located inside the Eco Sports Park complex. ABS and its "Sustainable Neighborhood" project in the São Francisco de Assis community in Feira de Santana (BA) was highlighted at the Ethos 360° Conference in the panel "Analysis of Sustainable Business Cases III". The project was awarded the 2014 Benchmarking Ranking Seal, one of the most respected sustainability stamps in Brazil, and with the CIC Brasil 2014 Award in the category "Best Contribution in Social Responsibility".

Since its creation, the project has directly influenced and improved the quality of life for many by helping those who are generally disadvantaged and excluded from society gain the feeling of citizenship as well as increased self-esteem and self-sufficiency. ABS projects have helped transform people who were discredited and disengaged from their communities into people who were willing to get involved and take advantage of the opportunities the programs offered. Its operations as an inclusive business reduced the societal disparity between those living in higher-priced condominiums in affluent, more central locations and the projects ABS built in lower-income districts on the outskirts of the cities.

The project encouraged residents to become more socially active,

causing them to interact with the political process and other institutions that are crucial for improved economic and social development in the neighborhoods. In economic terms, the program spurred the generation of incomes for people who usually would be excluded from economic participation for various reasons by providing business training which then produced new small businesses and cooperatives as ABS construction projects created a demand which promoted and grew the local economy.

In addition to social and economic development, the projects focused on protecting the environment and sustainably developing infrastructure, which resulted in the preservation of green spaces and ecosystems (within the condominium areas), the stimulation of recycling, an awareness of the need balance social and economic issues with environmental sustainability, and the revitalization of roads and squares. When construction was finished, and before Damha left the communities, through ABS, the community members responsible for the management of the condominiums were offered training in environmental management and financial management. Also, Damha organized an annual event for all the condominium sites to meet and exchange essential experiences.

Table 4 shows the detailed process through which ABS matched outcomes for each stakeholder.

The Damha case study demonstrates how a company can incorporate a corporate strategy of inclusion and social entrepreneurship into its traditional operations, completely transforming its behavior and creating a new inclusive business model. The creation of ABS facilitated this transformation and is responsible for directing and sustaining Damha's vision of becoming a competitive company with innovative projects in the social and environmental areas.

The positive acknowledgment given by the stakeholders involved in the projects stems from the company's continued concern for improving people's quality of life by providing training and opportunities for

Table 3
Strategic solutions for each challenge.

STRATEGIES					
Challenges	Adapt products & processes	Invest in removing market restrictions	Leveraging the low-income potential of the poor	Combining resources and capabilities with other institutions	Engagement in political dialogue with government
Market Information		Communicate the value of the initiatives and the environmental improvement to the lands and projects to the market	Dialogue with the community to gather information on the needs of the neighborhoods around the condominiums	Through dialogue with the community and local agents, they create a base of local suppliers, contributing to regional development	Prior contact with city hall and municipal agencies to understand needs and create public-private partnerships
Regulatory environment	Well-structured initial process for diagnosing the regulatory environment and adapting projects	Investment in a highly qualified team to handle the regulatory issues of ABS projects	Comprehensive diagnosis of legal challenges and adaptation for projects with the community to meet these demands		Local partnerships with municipalities and public agents to understand and adapt to legal and regulatory aspects
Physical infrastructure	Condos built on the periphery, with value-added by the quality, differentiated by environmental focus	Demonstrate the added value of high-end condominiums in peripheral areas - disclosure and brand investment	Investment in local projects, around condominiums, improving infrastructure and local landscape	Partnership with local suppliers, both to improve the physical structure of ABS projects and to build the projects	Partnerships with city halls to engage the public sector in ABS projects to improve the landscape and infrastructure
Knowledge and skills	Construction process carried out with the coordination of professionals allocated from company headquarters to the work sites	Training of company employees to explain and involve them in ABS projects, reducing possible resistance	Discussions with communities to diagnose local skills and competencies, to plan actions that enable business opportunities and inclusion	Training of local suppliers, with technical staff from the company to local enterprises	
Access to financial services	The ABS projects are projects of great social impact but of narrow scope, since the investments are internal without resources of third parties.	Damha is currently creating an OSCIP to expand ABS's activities in projects in the areas of influence of the projects	As there are no third-party resources in the projects, the ABS team encourages residents to undertake entrepreneurial actions to assist in fundraising	ABS periodically tries to partner with suppliers so they can assist in the projects with the community, but these actions usually do not consolidate	The ABS seeks partnership with the city halls and other institutions that can collaborate financially with the projects

Table 4
Identifying results.

Cycle steps	Stakeholder affected	Economic ±	Social ±	Environment ±
Local diagnosis	<i>Potential consumer</i> City Hall and local associations <i>Community</i>		Knowledge of the problems in the enterprises' areas of influence Evidence of community needs	
Planning of construction and projects in the area of influence	<i>Local Suppliers</i> <i>Local workforce</i> <i>Community</i>	Perspective of contracts Local Job Opportunity Income generation opportunity	Opportunity for involvement and attendance of psycho-social needs Meeting job specifications	Opportunity to reorganize local landscape and environmental issues Compliance with environmental specifications
Construction and operation of projects	<i>Legal and regulatory bodies</i> <i>Local Suppliers</i> <i>Local workforce</i> <i>Town Hall</i>	Compliance with economic specifications Contracts and income generation Work and income Collection of taxes	Social gains from ABS projects and involvement with communities	Improvement of the urban landscape and gain from private investments (water, waste, access roads)
Delivery and involvement of the actors	<i>Community</i> <i>Consumers</i> <i>Community</i>	Currently generating income from some projects New development Possibility of generating income from projects	Encouraging entrepreneurship and participation, community involvement Qualification of condominium managers Involvement with condominium residents and social inclusion	Environmentally preserved area Environment with better infrastructure, more organized and with restructured landscape
Customer and community relationship	<i>Consumers</i> <i>Community</i>	Local business opportunity, taking residents as occasional clients (example: vegetable garden)	Possibility of maintaining continuity of ABS projects, through the involvement of the community Possibility of relating to residents - social inclusion	Maintenance of the environmental structure of condominiums, annual meetings of managers

personal and professional growth and by stimulating the development of communities and the local economy. Mr. José Francisco do Nascimento, President of the Association of Artisans of Barra dos Coqueiros and a musician, affirms that "Damha is making a difference according to my understanding because it is close to the community and is watching even with the limitations of its performance and community dissatisfactions [residential condominiums are of a high standard, different from the reality of the local community that is precarious].".

Damha's results demonstrate that companies can opt for a business strategy based on competitiveness and inclusive operations simultaneously. With a systems approach and in a common final conceptual figure, we can see how both cases incorporated stakeholders and strategic orientation to their CSR actions. Both cases exemplify social entrepreneurship programs that are drivers to transforming an emerging market context by addressing multiple SDGs.

4.3. SDGs linkages with stakeholder dimensions

Energisa has a strong stakeholder orientation that asks how they can actively participate in its social entrepreneurship strategy. Stakeholder engagement is the central pillar of Energisa's social program strategy. Damha, on the other hand, has a different orientation. Damha defines its social entrepreneurship practices through a strategic analysis process. It collects, analyzes and decides its CSR practices through a strategic orientation. There is also strong stakeholder participation, but with a much more procedural view. The company analyzes challenges, opportunities, and the external environment then elaborates systematic processes to demonstrate the impact of its social actions. The framework represented by the approach of both companies is described in Fig. 2.

Both companies incorporate CSR into their core business, which makes them adopt an inclusive business model. They can achieve their performance objectives and address multiple SDGs, even though they use different theoretical archetypes. Of the 169 targets of SDGs, the Energisa and Damha projects have made a significant contribution directly to at least 17 of them.

From Energisa's perspective, we see several connections linked to the socio-economic dimension of the targets, such as increasing income

generation, fostering entrepreneurship and fighting gender bias. According to the interviewees, the biggest CSR challenge faced by Energisa is "low income and the difficulty that women face (...) trying to enter the job market". Several studies explore the very same issue of CSR activities reaching SDGs targets through female literacy in other emerging markets. Results from a study Nigeria, indicate that if CSR educational and capacity building policies are not specifically tailored towards gender diversity and equality, they might keep hindering women's participation in the society. (Udujiet al., 2020). In a similar study in India, Kapoor (2019) exposes how CSR-oriented companies can promote women/girl empowerment through entrepreneurship groups, called "Self Help Groups", which could alleviate poverty and also give voice to women in their communities. In another Nigerian case, Mogaji et al. (2021) explored the role of a CSR initiative from banks, with the general goal of women's empowerment, ranging from healthcare to social and career development. In this study the same findings appear: the call for contextual design of initiatives, especially in areas of low-institutional development. Energisa seems to be aligned with this perspective, especially when it comes to the stakeholders' dimension of "Society" and "Community", directly linked to the SDGs targets that combine education, capacity building, entrepreneurship and gender equality:

- Target 1.4** "By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance"
- Target 4.3** "By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university"
- Target 5.5** "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life"
- Target 8.3** "Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services"

When it comes to the dimensions linked to the "Collaborators", "Suppliers" and "Consumers", Energisa keeps its efforts on socio-economic investments linked to entrepreneurship, which is a crucial mechanism to promote growth and local community development

(Ribeiro-Soriano, 2017). The examples brought by Energisa when it fosters craft vocations, converting them into local business, are similar to an initiative carried out in Indonesia, related to the capacity building of traditional artisan cloth sewing communities (batik craft) (Tambunan et al., 2018). CSR can harness social capital in these local communities and create an environment for knowledge exchange, innovation and business development, such as documented in a craftsman community from northern Portugal (Sá et al., 2019). Energisa seems to not only foster entrepreneurship outside its boundaries, but also inside its ranks, stimulating innovation among its collaborators. Another dimension of Energisa’s CSR is awareness towards responsible energy consumption through its technicians’ visits to the communities. Environmentally friendly behavior can be stimulated inside the pool of CSR options, for general audiences of specific targets, for instance, to children (Gezmen, 2021). This dual perspective, connects Energisa’s CSR goals with other two specific targets, related to energy and sustainability literacy:

Target 4.7. “By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture’s contribution to sustainable development”

Target 7.1. “By 2030, ensure universal access to affordable, reliable and modern energy services”

Urban Damha, put its goals in a different direction. Its CSR goals for stakeholders’ “Community” and “Society” are closely linked to the main negative externality of the construction sector: the changing of the landscape and societal disruption in communities. Thus, its projects aim at targets linked to community empowerment and landscape recovery, to mitigate the negative impact, and, in a similar way to Energisa, also foster entrepreneurship and income generation. Gaur and Vazquez-Brust (2019) explores externalities of the construction industry and the SDGs, in the UK, and suggests training and development, transparency and research are pathways to integrate sustainability in the sector.

Damha focuses on its society stakeholder with several compliance and transparency targets, that connects them with SDG 16 targets. Emerging economies are historically vulnerable to corruption

(Krishnamurti et al., 2018; Xu et al., 2019; Tafolli & Grabner-Kräuter, 2020), and Brazilian construction industry is no different (Monteiro et al., 2020). In the past few decades the construction industry has been in the spotlight for fighting corruption, with companies that are responsible for large shares of Brazilian GDP being plagued by scandals involving state capture, bribery and other public procurement frauds (Valarini and Pohlmann, 2019; Saad-Filho and Boffo, 2021). When Damha’s society goals aim for “Compliance with economic specifications, Compliance with environmental specifications and Collection of taxes” (Table 4), it is trying to mitigate a negative perception towards the sector.

Fig. 4 presents a Sankey diagram that shows how Energisa’s and Urban Damha’s CSR activities connect to some of the SDGs.

Damha seems to keep its CSR “conservative”, with respect to “Suppliers” and “Collaborators”, enforcing rule of the law in its contracts and decent labor standards, which can be categorized as fair-trade standards for managing supply chains. The Brazilian construction sector has also been labelled as one of the focal points of modern slavery, alongside with mining, agriculture and textile sweatshops (Parente et al., 2017; Global Policy, 2021). In 2015, the biggest construction company from Latin America was sued for keeping Brazilians in forced labor conditions.

At the “Consumer” level, Damha works in a similar way to Energisa: education towards sustainable development, and with the specific themes of links to recovering landscapes altered by the infrastructure and condominium projects. This seems to be a gap in the industry. Hopkins (2019) identified that the majority of the largest 50 condominium management companies in the US do not have any efforts regarding the communication of sustainable practices to its consumers. From the consumer’s point of view, it seems that there is a lack of awareness towards what a green condominium or the concept of green buildings should look like (Wijayaningtyas et al., 2018).

5. Conclusion

Businesses in developing countries face several challenges that their counterparts located in countries with a more stable institutional

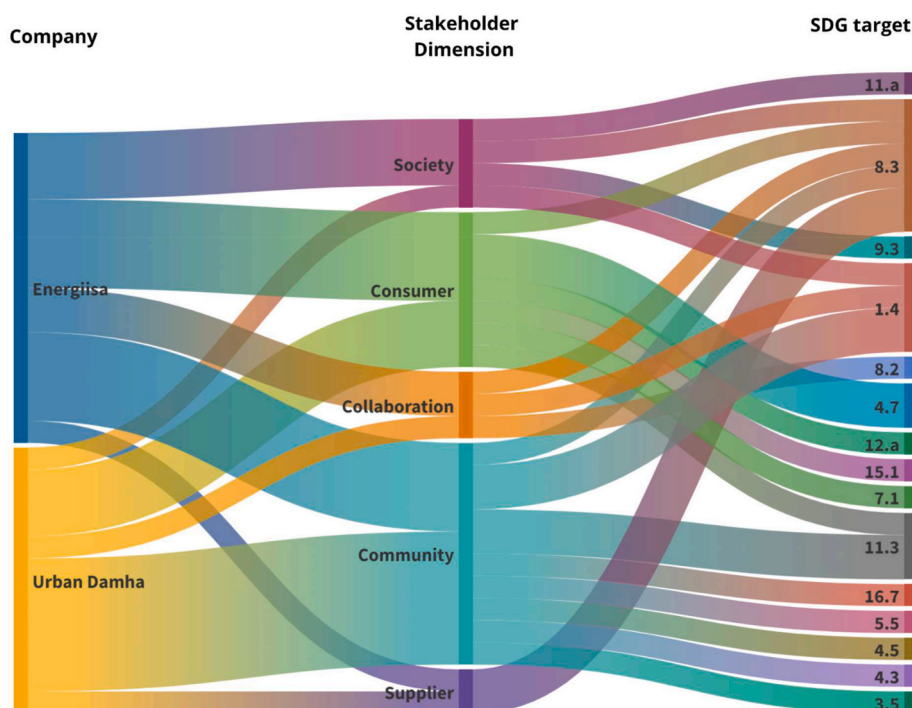


Fig. 4. Sankey diagram reflecting CSR projects linkages with SDGs targets.

environment do not. It is often thought that given the challenges they face, it is unreasonable to expect them to engage in socially responsible behaviors when they are struggling to survive. However, much research has found that businesses who pursue a more socially responsible business model tend to foster an environment of inclusivity and social entrepreneurship which, while helping their community, in turn, can help themselves.

The purpose of our study was to examine how CSR practices are related to the context within which they are employed, more specifically for this study, domestic firms operating in an emerging market. Using case studies of two Brazilian firms, we identified elements of their CSR practices that lend support to the notion that it pays to be good, which, for countries that may not have strong institutional support for CSR, may provide an incentive for firms in these regions to engage in activities with social and environmental impact, which may ultimately benefit their society.

Our cases demonstrate the beneficial effects of inclusive business practices to the firm, which, while recognizing the specific characteristics of our cases' location, may provide guidance to managers around the world. We believe our study demonstrates the notion that a business model that seeks to create stakeholders out of customers and community members rather than fostering more transactional relationships, benefits all stakeholders and tends to result in the creation of a sense of affiliation between the community and the firm leading to benefits to the firm can be generalized to other countries. Using a framework that connects CSR practices with SDGs targets we identified in a systemic way, how companies from different sectors can reach similar goals in their CSR practices, and how the points in which they differ are linked to their specific industry.

From our examination of the case studies, key points emerged:

1. As stakeholders, community members are motivated to ensure the organization's health is maintained because if the organization succeeds, so do they.
2. Stakeholders feel more "connected" to the firm and are more likely to have positive views toward it and its behaviors which results in "good will".
3. While the energy industry CSR case focused on poverty alleviation, literacy and gender equality, and the construction sector company focused on mitigating the impacts of negative land use externalities and measures for transparency and decent labor standards, Both industries put a lot of effort in promoting entrepreneurship within their communities and intra-entrepreneurship and innovation among its collaborators.
4. Stakeholders (both internal and external) are motivated to provide input into problem solving, increasing the number of perspectives addressing the problem, which is more likely to lead to the creation of innovative solutions to which the community is more likely to buy in.
5. Stakeholders are less likely to harm a firm with which they feel affiliated resulting in reduced negative behaviors like theft or non-payment.
6. Both companies emphasized the need for their stakeholders to be able to generate income. Once they gain financial security, due to their affiliation and good will toward the firm, stakeholders are more likely to purchase from the firm, pay in full and on time.

Energisa's Bem da Gente program focused specifically on some of the poorest communities in Brazil with the goal of helping lift the citizens out of poverty by creating an environment that fostered the development of small businesses. By bringing in members of the community, with no strings attached, the firm was able to gain the trust and respect of the community, and the program evolved to meet their needs. Ideas from the community directed the behaviors of the program such that the solutions were bottom up, from those who understood the needs, combined with top down, business training from a world class firm, to create

effective, targeted solutions.

Dahma's ABS program focused on social entrepreneurial environmental strategic solutions in areas where they were operating. By creating an ecosystem of inclusion, they were able to manifest the development of innovative environmental solutions to assist them in greening their projects. As the local economy was stimulated through Dahma's plan to support innovative ideas and businesses and then "buying local", the firm was able to become an award-winning environmental leader in their industry.

Supporting social enterprise creates an environment wherein businesses can become customers who are willing and able to use and pay for services the sponsors provide. Adopting inclusive business systems develops and draws in new perspectives and ultimately new ideas and innovation, which are often related to social goals which further support a sponsor's CSR goals, closing the circle in a fortuitous cycle. While recently, there has been a lot of normative pressure to "be good for goodness' sake" rather than to "do well by doing good," this perspective may be more appropriate for developed countries. These regions have relatively strong institutional environments and stable economies allowing them to be able to afford the attitude of "profits after purpose". However, in emerging markets where poverty and corruption are more common, there is a greater incentive to have "profit as the purpose," which, as the example of the developed world shows, leads to exploitation of people and the environment. Due to a lack of institutional pressure for CSR, without the incentive of "doing well through doing good," it is unlikely that socially responsible behaviors will be followed. Hence, the behaviors demonstrated through our case studies' social entrepreneurship and inclusivity, represent examples upon which firms in other similar institutional environments can mirror their behaviors with the knowledge that the pay-off won't "just" be "doing good", but will also come in financial terms.

5.1. Limitations and replicability

Following the case study method has provided us with insights into how two large Brazilian firms use CSR programs to promote inclusive business and social entrepreneurship while improving their overall performance. From these cases we were able to identify best practices that firms wishing to further SDGs could emulate. We are confident that our data collection and analysis methodologies are sound, however, we recognize that there are some limitations to the study which could provide avenues for future research.

While the case study method provides a great deal of depth and insight into the concepts being studied, the ability to generalize beyond the cases may be limited. The limits to the generalizability of our findings come from the number of cases used and their geopolitical context. It would be interesting to undertake a broader study of firms to see if and how they include CSR into their business operations and the results (social, economic, and business performance) by comparing firms in a given country. The firms under study are large and well known in Brazil, which leads to the question: Do quantitative and qualitative factors like size, industry, age, reputation, reach, for example, have an effect on the social and financial benefits that follow implementing similar programs? There is fertile ground for larger scale empirical research that may narrow in on the key elements that determine the power and size of the effect.

The study could be extended to examine multiple countries while controlling for context (GDP, corruption, governance, etc.) to see if our results could be replicated. As we note in our paper, the firms we examined have taken on roles that are normally filled by the state in countries with stronger institutional environments. It would be interesting to see if the societal benefits from the practices we identified are also perceived in countries where the state provides the kind of support our cases' programs intend to provide to the surrounding communities. Our assumption lies on the idea that the kind of programs our case firms introduced might not be needed or even considered socially beneficial.

Our questions are: Would these programs be seen as innovative? Would the goodwill gained by the Brazilian companies be gained by other firms following their lead? Ultimately, can we say the benefits perceived by two firms would be possible in other contexts? It would be important to answer these questions before we can say that these types of CSR programs will fulfill SDGs and provide improved financial performance.

CRedit authorship contribution statement

Luciana Oranges Cezarino: Conceptualization, Investigation, Resources, Writing – original draft, Supervision, Funding acquisition. **Lara Bartocci Liboni:** Conceptualization, Investigation, Resources, Writing – original draft, Supervision, Funding acquisition. **Trevor Hunter:** Writing – review & editing, Visualization. **Larissa Marchiori Pacheco:**

Methodology, Validation, Formal analysis.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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APPENDIX I. SDGS TARGETS LINKAGES

Energisa Stakeholder ID	SDG Target Linkage	SDG target Description	Reasoning (excerpts from case study)
Energisa-Society	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	By demonstrating the ability to generate income and work in underprivileged communities, Energisa inspired other successful companies in their markets to act positively in society through actions not directly associated with core business thereby creating a multiplier effect in terms of developing a larger, more fertile environment for the development of small social enterprises. "Energisa inspired other successful companies in their markets to act positively in society through actions not directly associated with core business thereby creating a multiplier effect in terms of developing a larger, more fertile environment for the development of small social enterprises"
	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	
	9.3	Increase the access of small-scale industrial and other enterprises, in particular, in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	
Energisa-Community	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable , have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	"The two major social problems are the low income and the difficulty that women without qualification and with small children have when trying to enter the job market . They realized that they could generate income for their family without leaving their children for work purposes. Middle aged mothers represented 80% of the sample of entrepreneurs."
	4.3	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	
	4.5	By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	
	5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	
	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labour-intensive sectors	
Energisa-Collab.	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	Energisa's employees developed creative and innovative solutions and had autonomy to manage the project. This demonstrated that the firm trusted the employees, promoting a social responsibility mindset within them. The positive results of the project opened new opportunities of CSR activities and sustainable development, focusing on energy efficiency.
	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	The focus on using local suppliers and improving their performance was a paradigm shift. By creating an ecosystem that enabled the creation of local businesses and educating the community to its needs , the project brought together suppliers from their own community, providing a local, reliable source of supplies. (...) The project heightened the population's awareness of reducing energy waste in their homes. Through educational programs and visits to the communities by Energisa technicians , many new environmentally-friendly habits regarding conscious consumption were established. (...) "The project encouraged turning craft vocations such as sewing, carpentry, electrical equipment maintenance into businesses that provided people with not only income but dignity and a sense of purpose, accomplishing their goals through work . Energisa's Bem da Gente, increased revenue, improved customer relationships and raised energy efficiency developing a systemic CSR project for social inclusion "
Energisa-Supplier	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	
Energisa-Consumer	7.1	By 2030, ensure universal access to affordable, reliable and modern energy services	
	12.a	Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	
	4.7	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of	

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Energisa Stakeholder ID	SDG Target Linkage	SDG target Description	Reasoning (excerpts from case study)
		cultural diversity and of culture's contribution to sustainable development	
	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	
Damha-Society	11.a	Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning	<ul style="list-style-type: none"> ● Social gains from ABS projects and involvement with communities ● Improvement of the urban landscape and gain from private investments (water, waste, access roads)
Damha-Community	11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	
	16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels	<ul style="list-style-type: none"> ● Compliance with economic specifications ● Compliance with environmental specifications ● Collection of taxes ● Meeting job specifications ● Encouraging entrepreneurship and participation, community involvement
	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	
	11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	<ul style="list-style-type: none"> ● Opportunity to reorganize local landscape and environmental issues ● Local business opportunities, taking residents as occasional clients (example: vegetable garden) ● Possibility of relating to residents - social inclusion ● Income generation opportunity
	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	
	3.5	Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol (psychosocial needs)	<ul style="list-style-type: none"> ● Opportunity for involvement and attendance to psycho-social needs
Damha-Collab.	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	<ul style="list-style-type: none"> ● Contracts and income generation ● Work and income
Damha-Supplier	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<ul style="list-style-type: none"> ● Contracts and income generation ● Work and income
Damha-Consumer	11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	<ul style="list-style-type: none"> ● New development ● Possibility of giving continuity to ABS projects, with involvement with the community ● Maintenance of the environmental structure of condominiums, annual meetings of managers ● Qualification of condominium managers
	4.7	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	
	15.1	By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	<ul style="list-style-type: none"> ● Environmentally preserved area

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