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# ‘Social or Business’ or ‘Social and Business’: Problematique of the Hybrid Structure of Community-based Ecotourism in Cambodia

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This ethnographic study examines the organizational tensions of a community-based ecotourism in Cambodia by employing the theoretical framework of the hybrid structure of social enterprises. It elucidates the tensions between business and the local culture, between business and the natural environment, and between business and inclusive governance. It suggests that there need to be constant efforts to strike a balance between these tensions in order to maintain community stability, foster social inclusion, promote environmental conservation, sustain business viability, and counteract the isomorphic pressures to conform to the market economy.

Keywords: Cambodia, community-based ecotourism, social enterprise, social capital, Karl Polanyi, institutional isomorphism, mission drift, ethnography

## 1. Introduction

In community-based ecotourism (CBET) worldwide as well as in the Cambodian context, there are tensions between its business dimension and the local culture (for example, Robinson<sup>1</sup>; Rith<sup>2</sup>), between its business dimension and the natural environment (for example, Kiss<sup>3</sup>; Jouffroy<sup>4</sup>), and between its business dimension and its inclusive governance (for example, Johnston<sup>5</sup>; Rith<sup>2</sup>). CBET shares a commonality with social enterprises which in terms of their hybrid organizational structure include both a business logic and a social mission logic in their operations<sup>6</sup>. While studies have emerged that recognize such tensions of CBET as social enterprises (for example, Campbell-Hunt et al.<sup>7</sup>; Peredo and Wurzelmann<sup>8</sup>), there is no study that explicitly utilizes the theoretical framework on the hybrid structure of social enterprises—which has increasingly deepened since around the new millennium—for delving into and thus elucidating these tensions. Thus, this study applies such a framework in a CBET in Cambodia, in order to unravel these tensions in a more comprehensive and revealing way as well as to suggest how the tensions should be dealt with.

In this paper I will first describe the CBET in question. Second, I will discuss the theoretical framework. Then the third section will present the methodology. The fourth section will be devoted to a discussion of the findings, while the final section will draw a conclusion, including practical and theoretical implications.

## 2. Community-based Ecotourism in District A

Community-based Ecotourism in District A<sup>1</sup> (hereafter CBET A) is located in a mountainous area in Cambodia. As one of the environmental conservation projects that protect the tropical rainforest and wildlife there, an international environmental NGO started preparing CBET A in 2007 and actually opened it in 2008. However, the central project of this NGO is to develop the capacity of government forest rangers and police who crack down on the illegal felling of trees and on poaching, and the rigorous law enforcement in collaboration with them.

In the arena of international development, CBET is one of the development strategies for developing countries, and hence external organizations such as NGOs originate it, and plan and implement it in collaboration with local communities<sup>2</sup>. The above-mentioned NGO has supported CBET A financially and technically since its inception. Towards the commencement of CBET A, the NGO had provided the initial capital for the construction of the visitor center where the reception desk and the restaurant are housed, the purchase of mountain bikes for rental purposes, and the installation costs of bathrooms (toilets) in guesthouses and homestay accommodation. It has also supported the salary of the CBET management committee (MC) members as full-time staff. But as the number of guests has expanded and hence the income has also increased (see Table 1), the financial support from the NGO has been gradually reduced. Currently, most of the guests are from western countries. As will be

discussed later, there has been an increase in the number of guests not because the service-level has improved, but primarily because there is no comparable CBET competitor nearby and the number of foreign tourists in Cambodia has expanded in recent years.

**Table 1:** Numbers of Guests and Income for CBET A

Year	2008	2009	2010	2011	2012	2013	2014	2015
Numbers of Guests	426	831	1,228	1,792	2,315	2,508	3,202	3,058
Total Income (US\$)	6,921	22,375	39,225	69,681	99,542	107,213	105,213	151,011
Income for CBET (US\$)	1,256	5,725	10,736	19,472	26,023	31,775	35,627	33,974
Income for Service Providers (US\$)	5,665	16,651	28,489	50,209	73,519	75,438	69,587	117,037

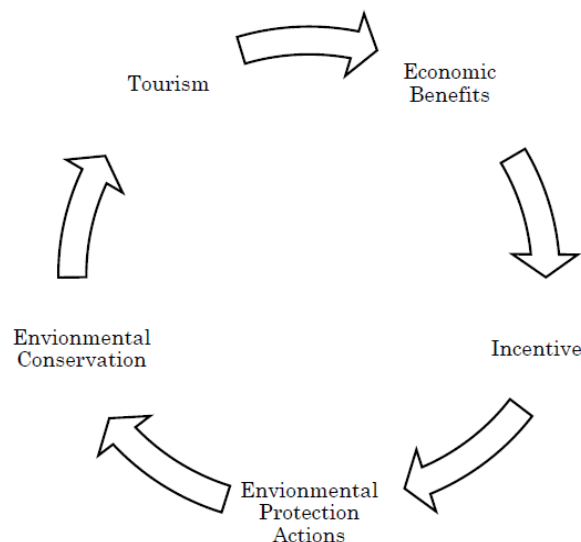
Source: Community-based Ecotourism A<sup>9)</sup> and Email Interviews with the NGO (12 February 2015 and 17 May 2016)

CBET A re-evaluated the existing forests, plains, rivers, waterfalls, caves, wildlife and so on in District A and transformed them into tourist resources, thereby utilizing them to create touristic activities such as trekking and bike tours. For these touristic activities, residents in District A, including the poor, have been involved in CBET as service providers (SPs) as tour guides, guesthouse owners and homestay accommodation owners, and cooks for the restaurant in the visitor center. CBET A, composed of community residents as members, can be considered as a community-based social enterprise that is akin to a cooperative. In particular, the fact that residents in District A elect seven MC members every five years characterizes CBET A as a community-based social enterprise governed by community representatives. SPs are given service provision opportunities in a pre-determined rotation among SPs within the same service. For example, after a guesthouse has received a certain number of guests, the next guesthouse in their rotation receives the same number of guests, thereby guaranteeing that each guesthouse receives an equal number of service provision opportunities.

From the end of 2014 to the beginning of 2015 when I conducted fieldwork, approximately 240 people out of the population of 1,500 over 18 years of age in District A were involved in the CBET. SPs need to return 20% of their income from the CBET as a levy in exchange for receiving their service provision opportunities. As key stakeholders, the district government, the commune council and village chiefs exert an influence over the CBET.

Figure 1 shows the mechanism in which CBET

contributes to environmental conservation. More specifically, the economic benefits from CBET for SPs become an incentive for them towards forest and wildlife conservation, which makes the sustainable flow of guests possible. Then once they act on this incentive and thereby withdraw from the illegal felling of trees and from poaching, environmental conservation will be brought about<sup>10)</sup>.



**Fig. 1:** CBET’s Contribution to Environmental Conservation  
Source: Adopted and adapted from the Mountain Institute<sup>10)</sup>

### 3. Theoretical Framework

The fundamental dilemma of CBET A is the tension between its social mission dimension (environmental conservation, the stability of community networks, local ownership, and social inclusion) and its business dimension (profitability, competition, improved services, and centralized and efficient decision-making), which means the tension associated with its hybrid structure. When social enterprises drift towards one of these dimensions, they fall into *community failure* or *business failure*, in which either the social dimension or the business dimension is neglected, and, as a result, they are unlikely to be able to solve social problems in a sustainable way<sup>11)</sup>. Therefore, social enterprises need to be managed by constantly striking a balance between these two dimensions. For instance, Evers<sup>12)</sup> states that “[p]ainful conflicts often arise between the goals of surviving and strengthening an initiative’s own economic potential, on the one hand, and the responsibilities taken for the weak members of the community, on the other” (p. 305). This tendency or pressure to conform to each dimension is called institutional isomorphism<sup>13)</sup> and this is what the context of social enterprises is considered to be (see for instance, Laville and Nyssens<sup>14)</sup>; Nicholls<sup>15)</sup>). In particular, the isomorphic pressure to conform to the

market economy or business-orientation may exclude the poor, who lack the abilities and resources to deal with the fierce market competition that such pressure is likely to bring about, and *who are the very people whom social enterprises are trying to assist*<sup>16)</sup>. Moreover, such market competition may also break down community networks<sup>16)</sup>. Therefore, as Jouffroy<sup>4)</sup> rightly points out, “to what extent the projects can develop and gain more importance without threatening the conservation project and the harmony of the community” (p. 36) is the issue for CBET in both theory and practice.

This alienation from the market economy can be further elucidated by Karl Polanyi’s theorization of economy. Polanyi considers economy not only as *formal*—namely, the market economy—but also as *substantive*, based on interdependence among fellow human beings, and therefore he regards economy not as singular but as pluralistic<sup>17)18)</sup>. More specifically, it is not just the market that plays the dominant role in economy; we need to consider the market in its relation to the mechanisms of redistribution and reciprocity<sup>18)</sup>. While redistribution is normally done by government through taxation and social services, reciprocity is “the circulation of goods and services between groups and individuals”<sup>19)</sup> (p. 18) and determined by the conventional norms and expectations of the community<sup>20)</sup>. From the perspective of the conceptualization of social capital, one can look at redistribution as structural social capital (roles, rules, precedents and procedures)<sup>21)</sup> and hence, for example, taxation and social services as the structural mechanisms (that is, rules and procedures) in which government and citizens have their respective roles. On the other hand, one can look at reciprocity as cognitive social capital (norms, values, attitude, and beliefs)<sup>21)</sup>.

Polanyi thinks that *economic freedom*, which assumes the singular market, cannot achieve social harmony and is therefore likely to bring about destructive consequences<sup>20)22)23)</sup>. On the other hand, a *good society* for him is where the mechanisms of redistribution and reciprocity, through which one can foresee the impacts of one’s actions on others, are in equilibrium with the market<sup>20)</sup>. In other words, if the non-market domains such as redistribution and reciprocity (namely, social capital) occupy more space in society, destructive consequences of *economic freedom* such as social exclusion can be alleviated, and more *freedom through responsibility* or *social freedom*, which is conducive to social inclusion, will be achieved<sup>20)</sup>. However, there need to be constant efforts to maintain this equilibrium<sup>20)</sup>. Such efforts are important from the perspective of the above-mentioned institutional isomorphism too: namely, constant efforts to maintain redistribution and reciprocity mechanisms embedded in social enterprises can be a buffer against the isomorphic pressure to conform to the singular market economy.

In terms of participatory governance structure,

community-based social enterprises that include various stakeholders in their decision-making resonate with the cooperative model, the social economy model<sup>24)</sup> and the model of the EMES European Research Network<sup>25)</sup>. Because of their inclusive governance, such social enterprises are considered to function as “systems of incentives,” which stimulate their members’ commitment and sense of belonging<sup>26)</sup> (p. 362), thereby generating bonding social capital. Such inclusive governance allows rights-based interactions, in which members can ask questions and claim their rights<sup>18)</sup>. Such processes bring about the fulfillment of their needs<sup>27)</sup> and become the basis for the legitimacy of the plan by their social enterprise and its effective implementation<sup>2)</sup>. However, as paid and/or full-time staff of community-based social enterprises become more professionalized, the centralized decision-making for efficiency, which has an affinity with the capitalist market economy, tends to become dominant and therefore members tend to be excluded from decision-making<sup>28)29)</sup>.

Because of the prudent deliberation and discussion that it can generate, the democratic process of inclusive governance by stakeholders can counteract this isomorphic pressure to conform to the market economy, which is manifested as efficient and centralized decision-making<sup>30)</sup>. Ultimately, it can function as a corrective measure against *mission drift* from social missions, which is a common phenomenon in social enterprises<sup>19)</sup>. Having said this, it is a constant struggle for social enterprises—which face the challenge of fostering consensus among different stakeholders internally, and, at the same time, deal with the isomorphic pressure to conform to the market externally<sup>11)</sup>—to strike a balance between social missions and the business dimension. It goes without saying that without business profitability, social enterprises cannot survive either.

#### 4. Methodology

This study has taken the form of an ethnographic case study with a grounded theory approach<sup>31)</sup>. I conducted fieldwork in CBET A from the end of 2014 to the beginning of 2015 at four different times. I spent seven days on participant observation and conducted thirty-three interviews in total, with MC members, NGO staff, the commune chief, non-participating residents, and SPs with six years of work experience with the CBET and those with three years of work experience—including tour guides, homestay accommodation owners, guesthouse owners, cooks, motorcycle taxi drivers, and boatmen. I theoretically sampled interview respondents in order to find patterns and variations. For most of my fieldwork, one Cambodian research assistant accompanied me in order to interpret for me, although my ten years of work experience in Cambodia enabled me to understand some of the respondents’ explanations and body language.

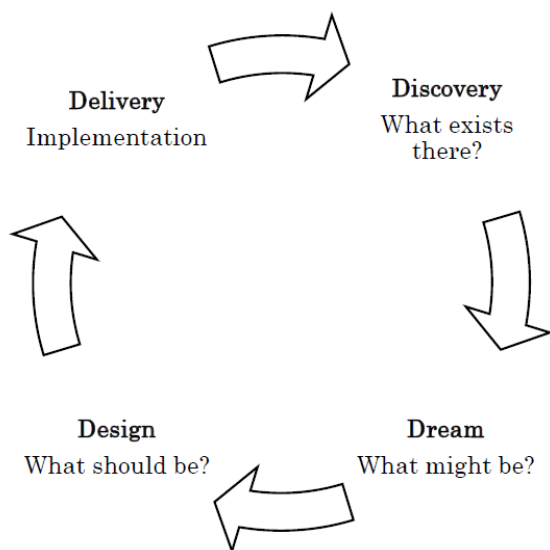
The other Cambodian research assistants produced verbatim transcripts and the translations of these. I then employed grounded theory as an analytical approach to see the variations and patterns of the processes in question. Grounded theory is appropriate for elucidating social processes, thereby unraveling the tensions associated with the hybrid structure of the CBET. Broadly speaking, after initial coding I generated concepts and then formed categories and finally tried to elucidate the overall processes by examining the relationships between categories<sup>32</sup>. The whole analytical process was assisted by Nvivo 10, a qualitative data analysis software.

Figure 3 is a category diagram that shows categories and the relationships between them. More specifically, a mono-directional arrowed line indicates a cause-effect relationship between categories and a bi-directional arrowed line indicates an antithetical relationship. A number in parentheses for each category shows the sum of interview respondents and the number of occurrences during participant observation. Then, with the different colors I visually differentiate the various tensions.

## 5. Findings and Discussion

### 5.1 Participatory Appreciative Inquiry

For a few years after 2007 when CBET A was initiated, the NGO used a participatory approach to support it. In particular, the NGO utilized Appreciative Participatory Planning and Action (APPA), which combines a participatory approach with appreciative inquiry (AI)<sup>9</sup>. AI identifies and uses local resources, local strengths, and the knowledge and capacities of residents for the development of a community.



**Fig. 2:** 4D Cycle of Appreciative Inquiry  
Source: Adopted and adapted from Whitney and Trosten-Bloom<sup>33</sup>

AI was originally developed as a form of organizational development in Case Western Reserve University in the US back in the 1980s and has since been applied in the field of community development<sup>34</sup>. The process of AI is often delineated as a 4D Cycle (Discovery, Dream, Design and Delivery) (Figure 2). The Discovery stage asks, ‘What exists there?’, in order for the community to discover or re-evaluate the above-mentioned local traits and capacities of residents. Next, the Dream stage asks, ‘What might be?’ by increasingly using these local resources, in order to draw the vision of the community. Then the Design stage inquires, ‘What should be?’ for the achievement of the vision, in order to further concretize the vision, formulate the strategies for it, and gain the consensus of residents for the vision and strategies. Finally, the purpose of the Delivery stage is to develop and implement the concrete plan of operation for the strategies.

While AI involves the participatory process, the incorporation of the participatory approach which has become sophisticated since the 1980s in the arena of international development—particularly Participatory Learning and Action (PLA), which emphasizes people’s agency and ownership—has made APPA an advanced form of AI in the context of community development. Its methods include modified PLA methods such as mapping of tourism resources, time lines of wildlife sightings, and ranking of service provision options<sup>10</sup>. Noda<sup>35</sup> points out that although the use of these PLA methods tends to be emphasized in development practice, the methods themselves do not necessarily bring about meaningful participation. He goes on to say that it is the goal of PLA and the principle behind it that practitioners should adhere to<sup>35</sup>. The Mountain Institute<sup>10</sup>, which developed APPA, states that the reason why the principle of participation, rather than participatory methods, is important is that it fosters people’s awareness and rediscovery, and develops their sense of ownership over and responsibility for jointly planned actions. In CBET A too, the NGO utilized APPA beyond the narrow purpose of identifying tourism resources. The NGO repeatedly and cyclically employed APPA as an overall framework for a community-based approach, which involved residents in vision-setting and decision-making. In other words, it operated as an inclusive process that involved stakeholders including SPs. Rith<sup>2</sup> argues that “[i]nvolving local communities and other stakeholders in tourism planning and including their ideas and opinions seriously increases the resource span of tourism, the legitimacy of the plan and effectiveness of implementation” (p. 27). It was interesting to hear at the time of my fieldwork that some of the SPs still based their sense of ownership of the CBET on the collaborative efforts at the beginning of the CBET.

The NGO also took an inclusive approach in order to develop the capacity of the MC. More concretely, the NGO facilitated discussion with them through numerous

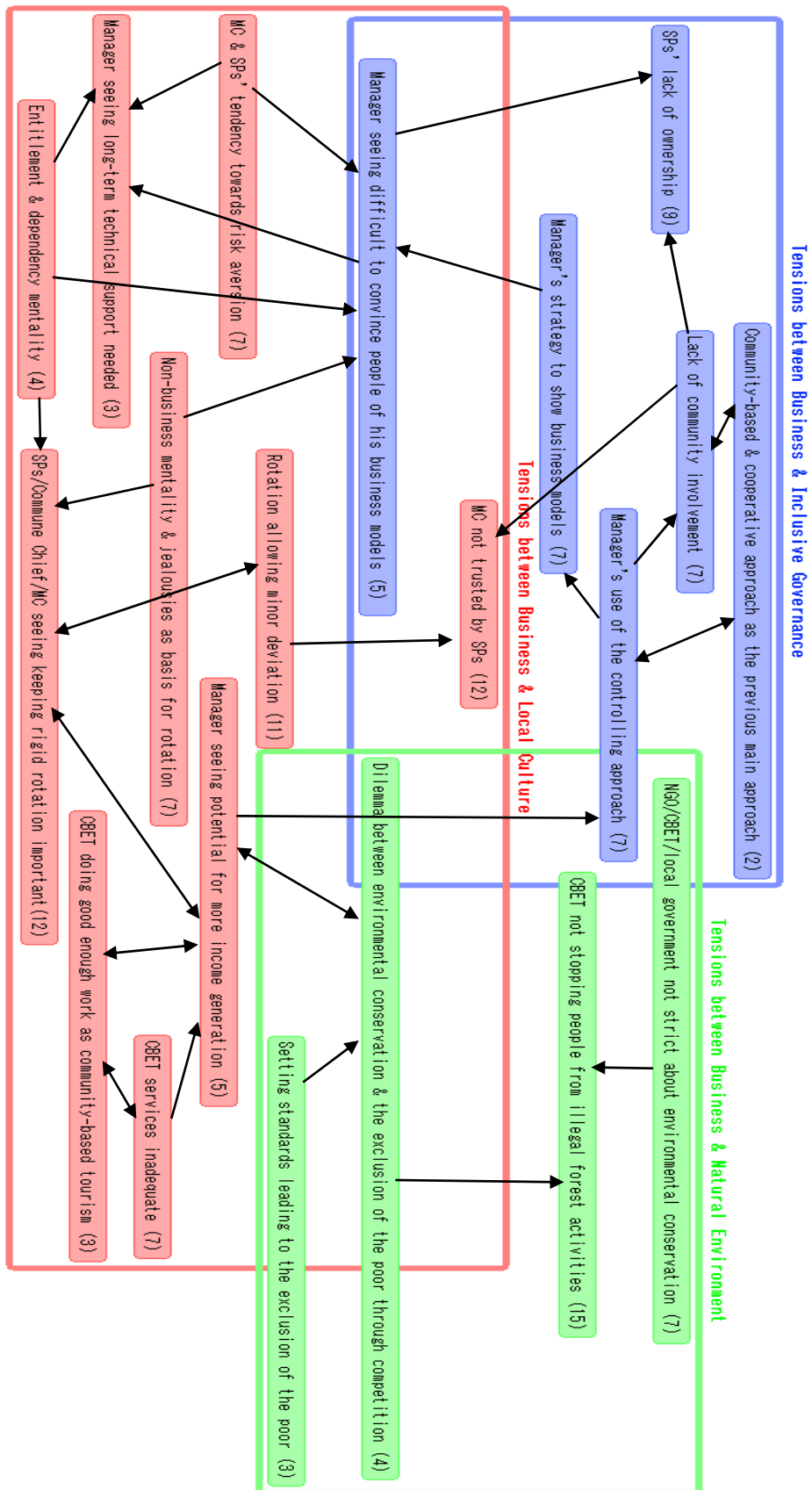


Fig. 3: Category Diagram  
Source: Author

meetings, conducted hands-on training by letting them do tasks and manage the CBET, and delegated authority to them. Mandinyenya and Douglas<sup>36</sup>, who studied several social enterprises in Cambodia, pointed out that such inclusive management style in social enterprises facilitated “the unconscious learning process by which employees and clients can take small steps to change daily practices...” (p. 231). Then, in order to ensure the sustainability of the operation, it is imperative that the authority and responsibilities are gradually delegated to a community<sup>4</sup>.

When CBET A commenced, several guesthouses also opened in order to benefit from it. However, they did not register themselves as CBET SPs and hence did not pay 20% of their income as a levy to the CBET. To deal with this situation, the NGO and the CBET negotiated with those guesthouses from the perspective of cooperatives, which emphasizes the rights and obligations relationship. They persuaded the owners of the guesthouses that these were able to make profits because of the opening of the CBET, which had increased the number of guests, and therefore the owners were obliged to pay a levy to the CBET. In other words, as a practical participatory approach, CBET A used the cooperative approach. Whether this approach is used, which is rather forceful, or APPA, which is more facilitative, one rationale for these participatory approaches is to foster residents’ sense of ownership by involving them in the CBET.

## 5.2 Tensions between Business and the Local Culture

On the other hand, an expatriate manager who joined the NGO in 2013 saw that CBET A had the potential for more income generation. More specifically, he thought that it could raise more profits by, for example, expanding the menu of the restaurant in the visitor center, opening a bar and another restaurant, and diversifying the activities that visitors could enjoy during their stay, such as cookery classes for Cambodian food—which would lead to their staying longer. However, he became very frustrated with the hesitant attitude of the MC, which was not willing to invest in these new business opportunities (this mentality will be unpacked later), and with the fact that the MC and SPs were not willing to learn skills and knowledge from him and other expatriate volunteers and hence their labor productivity and services had not improved.

It is true that generally speaking, the services in CBET A have not been at the level that satisfies foreign guests. Although SPs who had joined the CBET since its inception received hospitality training from another NGO on environmental education, it was not adequate. To make matters worse, those SPs who joined the CBET later did not receive any such training. As part of my participant observation, I stayed at the guesthouses and joined the half-day bike tour. In one of the guesthouses where I stayed, the rooms did not seem to be properly

cleaned, the bathroom was shared with the owner’s family, and they were not really hospitable but rather indifferent to the guests. The young tour guide of the bike tour kept going at her rather fast pace without considering my stamina or explaining interesting spots on the way. I therefore needed to ask for breaks and her explanation about those places of interest. This is not necessarily my subjective view as a Japanese, as the analysis of the interview data also revealed that the satisfaction level of guests regarding the services of the CBET is generally low. Nevertheless, this is not a problem particular to CBET A. Chambok CBET in Kampong Speu Province, which opened earlier than CBET A and is often considered as a pioneering and successful case among the Cambodian CBETs, has the same issue<sup>2</sup>. Finally, in CBET A, the English abilities of SPs such as tour guides, who need to interact with guests, are generally low.

On the other hand, there is another view, in which CBET A is providing *good enough* services as community-based tourism. In other words, the standards of services in the CBET are appropriate in the light of the inexpensive prices that it charges—for example, US\$5 for an overnight stay at a homestay accommodation and US\$2.50 for one meal per person there. This view also considers that guests expect to experience the real rural life in Cambodia rather than the high quality services that they can receive at the usual touristic places.

The MC, SPs and the commune chief consider it important to maintain the rotation system that ensures the equal distribution of service provision opportunities to SPs. The MC sees it as essential to keep the rotation system, from the perspective of fairness. Also, in the interviews, some of the SPs exhibited a strong sense of egalitarianism, that there should be an equal distribution of service provision turns. This phenomenon can be elucidated as the duality of agency and structure in Giddens’<sup>37</sup> structuration theory, in such a way that the structure of the rotation allows egalitarianism as the agency of SPs, and in turn such egalitarianism as agency reproduces and fortifies the rotation as a structure.

However, structured egalitarianism as the rotation has another underpinning where in Cambodia, particularly in its rural areas, there has not generally been the culture to invest in services and improve them by taking a risk<sup>36</sup>. Kerlin<sup>38</sup> finds that in cultures that avoid uncertainties such as risk-taking behavior, innovations in social enterprise are unlikely to occur. Furthermore, because of the patron-client relationship embedded in the Cambodian society and culture as well as international assistance for more than two decades, dependency and entitlement mentalities have been internalized as part of people’s psyche. Therefore, residents’ adherence to the rotation system can be considered as the manifestation of such cultural values.

Nevertheless, in reality the rotation has not been strictly kept. If tour operators and guests themselves ask

for tour guides with higher English abilities or guesthouses with better facilities, more turns will be distributed to such tour guides and guesthouses. Some SPs have improved their English by taking advantage of their interactions with foreign visitors, and some guesthouse owners have owned buildings that have been suitable as guesthouses from the outset or have had resources and foresight to invest in facility improvement. Moreover, when guests first arrive at the visitor center located in the center of Village A, they tend to request guesthouse and homestay accommodation around there. Hence geographical comparative advantage also brings about deviation from the rotation system.

As a result, because of the aforementioned differences between a fraction of SPs with higher-level services and convenience and the rest of the SPs without such advantages, more guests use the former, thereby creating a disparity in income from the CBET between them. In other words, a competition has emerged among providers of the same services. This indicates a dilemma between community stability based on existing social and cultural values, which are manifested as residents' adherence to the rotation, and the market competition through improved services, which the rotation allows.

As already mentioned, obstacles such as egalitarianism and the lack of entrepreneurship, which prohibit business development, can be considered as part of the local culture embedded in District A. Mandinyenya and Douglas<sup>36)</sup>, who studied several social enterprises in Cambodia, state that giving careful consideration to the cultural dimension would help in removing cultural barriers between external organizations like this NGO and communities, and in gaining support from community residents. From the holistic or multi-faceted perspective that includes the cultural facet, "[s]ocial enterprise activities which fail to take sufficient account of culture may be less effective, or may even bring more harm than good to their targeted communities"<sup>29)</sup> (p. 196).

This discussion on the cultural facet can be further deepened by Polanyi's theorization of substantive economy that includes redistribution—which can be considered structural social capital—and reciprocity—which can be considered as cognitive social capital. Evers and Laville<sup>19)</sup> mention that redistribution can be done not only by government but also by private entities like CBET. CBET A redistributes service provision opportunities fairly to SPs through the rotation. Moreover, it annually donates part of its income, generated by taking 20% of SPs' income from the CBET, to development projects such as road construction, which are implemented by the commune council, thereby redistributing through social services. In summary, the CBET functions as structural social capital for redistribution.

The sense of egalitarianism, which emphasizes the fair distribution of service provision opportunities, is not

really a reciprocal circulation or explicit reciprocity, but can be understood as implicit reciprocity, in which SPs are mindful of each other's rights to receive an equal number of opportunities. In other words, egalitarianism is cognitive social capital or a social norm for reciprocity. Nevertheless, Evers and Laville<sup>19)</sup> argue that reciprocity is "a complex mix of selflessness and self-interest" and cannot be separated from "human relations that express the desire for recognition and power" (p. 18). In CBET A too, a strong sense of jealousy exists among its members, which derives from the differences in service provision opportunities. Thus egalitarianism does not necessarily come from altruism, but is a complex mix of which self-interest and the desire for entitlement are part.

Polanyi thinks that the mechanisms of redistribution and reciprocity should be in equilibrium with the market to counter the destructive consequences of the market economy, such as social exclusion, and that there need to be constant efforts for such mechanisms to occupy more space in the society. Thus, it is indeed healthy that the CBET has this dilemma of balancing the cultural/social logic with the market logic, as it may become the basis for such efforts.

Constant efforts to maintain redistribution and reciprocity mechanisms embedded in social enterprises can also be a buffer against the isomorphic pressure to conform to the singular market economy. From the standpoint of Giddens<sup>37)</sup> structuration theory, the rotation can be considered as a governance arrangement, in which the unique values of District A are structured, and can function as a corrective measure against the isomorphic pressure to conform to market competition. Nonetheless, Mason, Kirkbride and Bryde<sup>27)</sup> point out that both endogenous and exogenous institutional pressures influence the forms of governance systems in social enterprises. The fact that the CBET allows a certain degree of deviation from the rotation as a response to the market's demand suggests that the influence of such exogenous pressures is unavoidable.

As discussed already, because some tour operators and guests seek SPs who offer better services, there have emerged a disparity in service provision opportunities and a sense of unfairness deriving from this and also from the fact that guests generally prefer to stay at guesthouses and homestay accommodation near the visitor center. Moreover, the same sentiment has arisen among cooks in the restaurant because of the disparity in service provision opportunities among them, stemming from the unpredictability as to how many guests eat at the restaurant<sup>ii</sup>. Because of this sense of unfairness, many SPs do not trust the MC who manages the rotation, and are suspicious of each other in terms of the number of service provision opportunities they have received. Distrustfulness among people is not uncommon in Cambodian society, owing to the mutual spying imposed on the forced collectives during the Pol Pot period in the 1970s<sup>39)</sup>. Nonetheless, the unavoidable deviation from



the rotation has brought a further disintegration of community networks.

But there are also cases where the rotation is not kept due to the negligence and self-interest of SPs. For instance, the number of service provisions for a tour guide is reduced as a penalty for having been late for the departure time of his/her previous tour; an SP's turn is skipped because he/she did not answer the phone call from the CBET requesting his/her service; and a tour guide only accepts tours with overnight stays in the forest (as these offer higher pay than a day trip). Although the MC has tried to distribute service provision opportunities fairly, the aforementioned unavoidable deviations from the rotation and the self-interested behavior of some SPs have been promoting distrust between SPs and the MC as well as among SPs themselves.

### 5.3 Tensions between Business and the Natural Environment

However, a deeper analysis of the role of CBET A in the NGO's overall goal of forest and wildlife conservation reveals that the CBET cannot completely stop residents from illegally felling trees and poaching wildlife. For one thing, the CBET cannot create enough jobs for every resident in District A to have one. As stated already, 240 out of 1,500 residents over 18 years of age were employed as SPs at the time of the fieldwork. Moreover, even if residents become SPs and hence obtain service provision opportunities, in most cases their work from the CBET only provides an additional source of income for their households. Similarly, in Tmatboey Village in Preah Vihear Province, a CBET there only generates an additional source of income for its members and they still largely rely on rice cultivation and the collecting of honey, resin and mushrooms for their main income<sup>4</sup>. In addition, residents in District A and even SPs who joined and received pay from CBET A exhibited a low level or different levels of awareness towards forest and wildlife conservation. According to Kiss<sup>3</sup>, who surveyed CBET from a global perspective, these characteristics of CBETs in Cambodia have an affinity with those in other countries and regions and hence can be observed universally. In other words, CBET provides only limited income and only to some residents and hardly brings about changes to the existing ways of using the natural environment and resources<sup>3</sup>.

Furthermore, for the NGO, CBET A is meant to provide alternative livelihoods as just one of the environmental conservation activities. In fact, its central work of building the capacity of government forest rangers and police, who crack down on the illegal felling of trees and on poaching, and rigorously enforcing the law in collaboration with them, is more effective for environmental conservation. However, since the livelihoods of many residents still rely on resources from the forest, local government is not too comfortable with

the arrest of its residents through the rigorous law enforcement. Originally, residents in District A made their livelihoods through the felling of trees and poaching, and indeed the MC was no exception to it. As a result, the CBET and local government, one of the stakeholders of the CBET, have had an ambivalent attitude towards the externally-driven, drastic and full environmental conservation measures. Rith<sup>2</sup>) and Johnston<sup>5</sup>) critique that exogenous environmental conservation approaches show little respect for or ignore the traditional livelihood strategies of local communities and impose measures based on external knowledge. This argument can be linked with the aforementioned cultural point of view too. That is to say, the approach that does not pay due attention to traditional livelihood strategies as the critical cultural aspect has created cultural barriers between the NGO and the community, and so has been unable to gain support from residents<sup>36</sup>).

On the other hand, if the CBET tries to generate more income by encouraging SPs to improve services, which would inevitably lead to competition among them, the poor who lack capacities and resources to upgrade their services will be excluded from the CBET and hence they are likely to resort back to illegal activities in the forest. In other words, there is a trade-off or dilemma between social missions—in this instance, environmental conservation and social inclusion—and competition through improved services. As mentioned, while there are SPs who have better accommodation or the resources to upgrade their facilities and who are capable of learning from their interactions with foreign guests, there are also those who lack such resources and capacities, thereby creating the income disparity between them. This is not a phenomenon particular to District A; it is also seen in Chambok CBET<sup>4</sup>) and is indeed a common issue for CBET in general<sup>10</sup>). This is fatal for the resource-poor who bear more costs in terms of restricted access or loss of access to forest resources, to which they previously had freer access<sup>10</sup>). Furthermore, as a general phenomenon of other social enterprises in Cambodia<sup>36</sup>) and indeed as a common problem of social enterprises in general<sup>12</sup>), the marginalized, who lack resources and capacities, tend to be excluded from the economic activities of social enterprises.

For such a predicament, Jouffroy<sup>4</sup>) suggests the self-help group approach exemplified by savings groups where the poor periodically save up a small amount of their money in a group and members can in turn access the accumulated capital, through which they can invest in upgrading their services. The idea of self-help groups in this instance assumes the existence of capitalistic market competition and thus aims primarily to provide the poor with economic empowerment<sup>iii</sup>.

More importantly, as discussed already, in line with Polanyian thought the constant efforts to maintain redistribution through the rotation and egalitarianism as cognitive social capital for reciprocity would play a key

role in preventing the social exclusion in question. In other words, Polanyi does not consider market competition as the normative state of the world and thinks that the maintenance and expansion of the counter domains, such as redistribution and reciprocity, against such competition would help the society avoid its destructive consequences<sup>20)22)</sup>.

#### 5.4 Tensions between Business and Inclusive Governance

Because of the expatriate NGO manager's preoccupation that CBET A has potential for more income generation, since his appointment he had been taking a more controlling approach towards developing the business side of things in the CBET. For example, during my fieldwork I observed that he rather forcibly insisted on his ideas in the meetings where he was supposed to make decisions with the CBET in a collaborative manner, and he behaved impolitely to—more specifically, yelled loudly at—the MC and residents. When he ran the guesthouse with the social enterprise element, in which the poor were hired as employees, in another location in Cambodia, he also used this controlling management approach and succeeded in drastically increasing sales. This is considered as one of the reasons why he stuck to the same approach for the CBET. In the guesthouse, he indeed had the authority as a manager to take a controlling approach over the employees, a limited number of people. However, in the CBET he needed to face the stakeholders of the community as a whole, over whom he had no authority and control. In particular, as the MC had become more established, it was difficult for him to take the controlling management approach from the position of the NGO as an external entity for capacity building.

Yet in such a context, rather than involving the MC and residents in decision-making, the expatriate manager had been taking an approach where he showed business models to them which he thought effective, and expected them to accept and follow them. For example, he tried to show how to develop a hospitality business by renting and renovating cottages located in the ideal location of an island on a lake but where the business had previously declined, as well as opening a restaurant there. He also attempted to show a model in which by opening a bar in the visitor center and hiring tour guides who could speak good English as bartenders and as persons who conducted the orientation of various tours offered by CBET A while at the bar, CBET could gain more profits not only from the bar and tours, but also from guests staying longer because of their participation in the tours. However, it was difficult to convince people with his business models. First of all, there were misunderstandings on the part of residents. For instance, some SPs thought that the cottages on the island were the expatriate manager's own business and that he personally

gained profits from these. So he was viewed as someone who, despite being a non-profit NGO staff member, filled his own pockets and hence there was a conflict of interest. The truth is that the income from the cottages was only used for paying back the initial capital that he had invested, paying rent to the owner and a levy (20% of income) to the CBET, and financing the NGO's activities. Yet because most of his business models, including the idea of opening a bar, did not receive support from the MC and SPs, they did not actually materialize but rather created a mistrust of him<sup>iv)</sup>. As a result, the manager thought it would take a long time for residents to overcome their dependency and entitlement mentality and develop entrepreneurship, or more generally to surmount their path-dependent attitude<sup>40)</sup>.

Nonetheless, his tolerance for such cultural particularity of the community was actually required for constructive discussion and decision-making with residents, and would become a key for attracting their support<sup>5)</sup>. His approach is in contrast with the community-based and participatory approach involving various stakeholders, which was initially taken in the CBET. The involvement of stakeholders by overcoming prejudice fosters the creation of bonding social capital represented by trust among people. Therefore, leadership in social enterprises entails creating social mission visions, involving various stakeholders, creating social capital, motivating the stakeholders through such visions, and encouraging their participation and learning<sup>41)</sup>. Such a leadership style, which resonates with "a gentle process of co-creating social enterprise," is "particularly important for rural Cambodia where locals [have] had limited experience of interacting with outsiders or incorporating new ideas"<sup>36)</sup> (p. 219 and p. 231). In her research on tourism associated with indigenous peoples, Johnston<sup>5)</sup> reveals that while tour operators required indigenous peoples to make immediate and drastic changes in order to attract tourists, many such attempts have brought disastrous consequences. In CBET A too, the impetuous and controlling approach of the expatriate manager triggered residents' mistrust and became one of the causes for diminishing residents' sense of ownership by their lessened involvement.

However, the exclusion of SPs from decision-making in the CBET in recent years is actually the main factor for the lack of ownership by SPs. The expatriate manager's presence simply exacerbated this trend. Annual general assemblies, which SPs joined, had been held for a few years since the inception of CBET A. But because SPs and the MC became busier owing to the large increase in the number of guests (see Table 1) and holding general assemblies started costing more because of the expansion of SPs (in particular, in the light of the reduction of financial support from the NGO, the costs for holding general assemblies have been considered a burden by the CBET), they have not been held for the last few years. On the other hand, a monthly meeting for

SPs in each service field is held and led by an MC member responsible for the field. Yet such substantive matters as the direction of the CBET and its budget are neither discussed there nor passed on to SPs. Rather, day-to-day operational matters, such as complaints from guests and the number of service provision opportunities to each SP, are the usual agendas there. As mentioned, CBET A annually donates part of its income to development projects which are implemented by the commune council, and the income is thence redistributed through social services. Although at the inception of CBET A, residents suggested options for development projects and then voted to select their preferred ones, this process has not happened lately for the same reason as the above cases. So what is happening is that the MC has been making decisions on important matters without involving the SPs, which is the major factor for the lack of a sense of ownership by SPs. As the MC has become progressively professionalized through its work with CBET, more centralized and efficient decision-making has become dominant and therefore SPs have been excluded from decision-making<sup>28)29)</sup>. One notable aspect of the interview data is the passive sense of ownership by SPs, in which, for example, they just follow the instructions from the MC so that they can do their job blamelessly, or economic benefits are the primary reason why they joined the CBET. In other words, although there is “[p]articipation in sharing economic benefits” through service provisions already decided by the CBET, there is a lack of “participation in planning...[and] in decision-making” of service provision options and other projects and activities<sup>10)</sup> (p. 28). In the light of the characteristics of inclusive governance, such as rights-based interactions, in which members can ask questions and claim their rights<sup>18)</sup> in order to meet their needs<sup>27)</sup>, and as the basis for the legitimacy of their plan and its effective implementation<sup>2)</sup>, apathy—in which SPs feel that nothing would change no matter what they say—is a cause for concern<sup>v</sup>.

In fact, the democratic process of inclusive governance by stakeholders, including SPs, can counteract isomorphic pressures to conform to the market economy, which is manifested as competition and efficient and centralized decision-making<sup>30)</sup>. Hence this process can eventually function as a corrective measure against mission drift from the CBET’s social missions of social inclusion of the poor and environmental conservation<sup>19)</sup>. Thus there need to be constant efforts to maintain inclusive governance in the face of isomorphic pressures to the market economy.

Another CBET in Cambodia suggests the possibility of such democratic governance. In contrast to CBET A, the MC for the aforementioned Chambok CBET painstakingly and repeatedly informs its members of the current conditions and outcomes orally and with visual aids, and its members are allowed to critically examine what they are reported<sup>2)</sup>. In other words, by creating

spaces to get together, giving a full account, and increasing transparency through the provision of opportunities for members to give feedback, bonding social capital was generated between its MC and members<sup>12)42)</sup>.

## 6. Conclusion

One of the affinities between social enterprises and CBET is their hybrid structure that tries to achieve both business viability and social missions. This study reveals the tensions associated with such a structure in CBET A. More specifically and first of all, there is a tension between culture and business or between community stability based on existing social and cultural values (which are manifested as residents’ observance of the rotation) and the market competition through the betterment of services (which the rotation permits). Second, there is a tension between the natural environment and business or between environmental conservation through social inclusion and competition through improved services. Third, there is a tension between inclusive governance and business or between the inclusion of SPs in decision-making and centralized decision-making that has an affinity with the capitalist business practice.

So how should these tensions be dealt with? In fact it is healthy to have such tensions between the broadly social dimension and the broadly business one, and so it is critical to strike a balance between these two contrasting dimensions. Such efforts indeed make the CBET as a community-based social enterprise both *social/community-based* and an *enterprise/business*. Constant efforts to keep or expand the mechanisms of redistribution and reciprocity, or cognitive and structural social capital, help in diminishing the violent effects of the market economy, such as social exclusion and environmental destruction. Having such non-market domains occupying more space in the economy also helps to counteract the isomorphic pressure to conform to the market economy or business orientation. Furthermore, inclusive governance fosters the sense of ownership and bonding social capital. In addition, through its deliberation, inclusive governance functions as a corrective measure against the isomorphic pressure towards the market economy and business orientation, which are manifested as efficient and centralized decision-making but also as mission drift from the social inclusion of the poor and from environmental conservation.

As a theoretical implication, this article has shown the explanatory power of the theoretical framework on the hybrid structure of social enterprise for elucidating the tensions associated with CBET in a multi-faceted and illuminating way. Hence, the framework has helped to draw out more grounded practical implications, which are based on the multi-faceted analysis of the complex dilemmas of CBET.

### Notes

- i. I use 'A' to anonymize the name of the location.
- ii. There were around 80 cooks at the time of fieldwork. A team of three cooks is rotated every 105 meals. However, since in reality it is hard to predict the number of guests who eat at the restaurant, it is not possible to rotate teams with the clear-cut number of 105 meals.
- iii. There are other purposes and effects of self-help groups, which have an affinity with Polanyian thought. For example, solidarity and mutual emotional support among members have an affinity with the notion of reciprocity, and the rotation of access to accumulated capital shares a commonality with the concept of redistribution. But the purpose of Jouffroy's<sup>4)</sup> suggestion of self-help groups in the context of CBET is to provide the poor with economic empowerment.
- iv. In the middle of 2015, the expatriate manager left the NGO due to its budget shortage. However, after he had left, CBET A reconsidered the idea of opening a bar and actually implemented it. By March 2016 (three months after its opening), the CBET made huge profits from it. This seems to suggest that this particular business model proved to be successful; the problem was that his controlling approach had inflamed opposition.
- v. However, it is not that SPs are afraid of the MC and hence cannot speak out. In fact, they directly express their complaints and problems at monthly meetings for SPs in their respective service field. But some SPs feel that the MC refuses to listen to them.

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