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Scaling Social Impact of Circular Community Enterprises:

The Influence of Social Capital, Leadership, Organizational Capacity &

Government Support on Scaling Strategies

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**Preface**

With this thesis, my Master of Science education in Urban Governance at Erasmus School of Social and Behavioural Sciences and Institute for Housing and Urban Development Studies comes to an end. The thesis writing process was stressful from time to time, but I am thankful for all the new insights and skills I gained. Therefore, there are some people that I would like to thank.

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**Executive Summary**

This research has studied two circular community enterprises (CCEs) in the Netherlands with the aim to explore how the antecedents social capital, leadership, organizational capacity, and government support influence the social impact-scaling efforts. Transitioning towards a circular built environment requires the adoption of a business model that incorporates environmental, economic and social logics, which create a complex and unique business climate for CEs that also aim to create local community value. Even though the context can be discouraging for community entrepreneurs, the CCE applies strategies that enable them to be sustainable and increase their impact. By employing a mixed-method research approach, this study gained insights into the importance of the various driving factors for scaling impact, and the ways in which these organizations adopt scaling strategies.

The contributions of this research are threefold. Firstly, a conceptualization of CCEs was formulated, which distinguishes the organizations based on their aim to stimulate community development by embracing circularity principles in their commercial undertakings and engaging their customers as personas that contribute to closing, slowing down or narrowing the loop of resources or regenerate natural capital. Secondly, the scaling strategies of CCEs were explored, which demonstrated clear ambitions to alter culture, norms and values of community members and other relevant actors through the application of 'thought leadership' and 'leading by example'. Lastly, the importance of the driving factors social capital, leadership, organizational capacity and government support on scaling the organization's social impact was delved into. Here, it was found that all four factors are important, as they contribute in their own way. Social capital enforces collaboration, networking and exposure. Leadership is fundamental through the adoption of bricoleurship, ability to take risks, mobilization of commitment, and networking skills of the community entrepreneur. Organizational capacity contributes as the formulation of strategic plan, recruitment of enough and good staff, and security of enough income provides a fertile soil for scaling impact. Government support provides the necessary funding, knowledge and trust for scaling social impact, which is especially vital in the start-up phase when applying for permits and searching for start-up capital.

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**Introduction**

        Cities are centers of human and economic activity but also of resource use and waste. Over 50% of the world population lives in cities, who together consume about 75% of natural resources, produce 50% of the total waste and emit between 60% and 80% of all greenhouse gas emissions (Kisser & Wirth, 2021). In our current linear economy, these urban areas have turned into bottomless resource sinks. Yet, as climate change and the increasing recognition of planetary boundaries are pushing cities to rethink their linear economy, the concept of circular cities is receiving an increasing amount of attention in the scientific literature (Boeri et al., 2019; Paiho et al., 2020).

        Paiho et al. (2020) state that *"a circular city is based on closing, slowing and narrowing the resource loops as far as possible after the potential for conservation, efficiency improvements, resource sharing, servitization and virtualization has been exhausted, with remaining needs for fresh material and energy being covered as far as possible based on local production using renewable natural resources"* (p.6). The principles that ground a circular city by closing and narrowing resource loops locally, are particularly relevant for its built environment. About half of all non-renewable resources that people consume are used in the construction sector, which makes it one of the least sustainable industries in the world (Willmott Dixon, 2010).

        Furthermore, Huuhka and Kolkwitz (2021) found that carbon-intensive materials are used in buildings which have inherently shorter functional lifespans than the carbon-friendlier materials: "*Steel buildings are on average the youngest at the time of demolition (23 years), followed by concrete buildings (36 years), brick buildings (49 years) and, lastly, timber buildings (54 years).*" (p. 955). Moreover, the global affordable housing crisis has further encouraged the use of concrete, as it is conceived as a large-scale construction material (Huuhka & Kolkwitz, 2021). This has pushed it to be the second most-consumed resource in the world (Rodgers, 2018). Consequently, there is an ongoing process that turns cities into concrete jungles. However, the highly polluting production of cement, which is concrete's main component, accounts for eight percent of the global carbon emissions (Preston & Lehne, 2018). Therefore, it is important to pool knowledge, investment, and resources that stimulate and promote sustainable and circular building alternatives in order to cut down greenhouse emissions.

**Problem Statement**

A proposed way of gathering these kinds of capital is in physical spaces, generally referred to as 'circular economy hubs', which are characterized by a wide range of actors, structures, social values and served industries. Aiming to operationalize sustainable and circular material loops, hubs "*can provide the practical means to move beyond traditional conceptions of reuse, repurposing and sharing, to address more fundamental questions of consumption*" (Neuberger, Weidner & Steane, 2019). In such circular systems, it is key that various societal actors collaborate to minimize the use of raw materials, and stimulate sustainable consumption, waste management, cross-sectoral innovation, as well as human development and increased well-being for everyone (Lakatos et al., 2021).

To achieve this, the multi-stakeholder network thus has to take into account: private companies, NGOs, governmental institutions, members of community organizations, start-up companies, financial institutions, research institutions, members of the informal sector, professional associations, volunteers, and small and local business (Rios et al., 2022). It is argued that for correctly implementing urban interventions, especially stakeholders that comprehend daily life, habits and local community values should be involved (Nogueira et al., 2020; Rios et al., 2022). When these are considered, networks will generate important social capital, like symbiotic partnerships, capacity building, social enterprises as well as various forms of funding. Here, working closely together with the local community through co-creation is an effective way for merging top-down and bottom-up approaches, gaining public support, increasing awareness about the circular economy, and stimulating positive behavioral change (Rios et al., 2022).

The concept of circular entrepreneurship has recently been introduced, as circularity principles rely on entrepreneurial innovative spirits for catalyzing the circular economy transition (Ellen McArthur Foundation, 2012; Henry et al., 2020; Zucchella & Urban, 2019). Community enterprises (CEs) are organizations that undertake commercial activities and are in business to stimulate local community development (Buratti et al., 2022). They are grounded in local traditions, norms and values, social cohesion, and apply entrepreneurial activities to combat local poverty and environmental degradation. This makes them an interesting partner for transitioning towards a circular built environment, as CEs contain the social and cultural capital to propel durable and adaptable design practices, and accelerate preservation and restoration activities (Moffatt & Kohler, 2008).

Van Meerkerk et al. (2018) looked into the conditions for durable CE, with which they refer to CEs that are able to stay afloat, create social impact, while meeting the community's

needs as well as have external legitimacy. Other research looked at the performance of community-based initiatives (CBIs), where similar antecedents were proven to have a stimulating effect. These factors include social capital, organizational capacity, leadership (both transformational and boundary spanning) and government support (Igalla et al., 2018; Igalla et al., 2020). Even though those factors have been found to positively correlate with performance and durability, their influence on the scalability of CEs has not been researched yet. However, overcoming social problems on a large scale requires the development of effective tools and organizations to address these challenges (Dees et al., 2004). When relating CEs to circular hubs, one can note that both deal with a multitude of actors, rely on social ties, and have the potential to smoothen the societal transition towards a circular economy. However, they tend to face challenges for replicating and scaling their social impact across contexts. Relying on personal and durable contacts makes it easier for CEs to be of small scale, and an internal focus on fellow community members can limit the exploitation of wider trading gains (Bauwens et al., 2022; Bowles & Gintis, 2002).

This thesis aims to address various knowledge gaps in the literature. Firstly, the academic literature on environmentally-driven CEs is minimal (Gurau & Dana, 2018) and the role that CEs play in the circular economy has not been researched yet. Therefore, it will examine the potential role of circular community enterprises (CCEs) in the transition towards a circular economy by considering their functioning as circular building and (re)manufacturing hubs. Secondly, previous research has not looked into the drivers for scaling social impact of CEs, this thesis will consider how the antecedents of durable enterprises relate to scaling the impact of CEs.

## Research Objective

The objective of this research is to explain how social capital, organizational capacity, leadership styles and government support influence the social impact scaling of CCEs operating in circular building and (re)manufacturing hubs.

## Research Question

*How do social capital, organizational capacity, leadership styles and government support influence the scaling strategies for scaling social impact of CCEs operating as circular building and (re)manufacturing hubs in the Hoeksche Waard (Samen Circulair HW) and Wageningen (Easy Housing Concepts BV) in the Netherlands?*

**Research Sub-questions**

1. How are social capital, organizational capacity, leadership styles and government support manifested in these two CCEs?
2. How are CCEs scaling their impact in these cases? Which scaling strategies are used?
3. How important are social capital, organizational capacity, leadership styles and government support for the scaling strategies of CCEs?

**Relevance of the Research**

**Academic Relevance**

When considering the relevance of this study, it is important to note that the field of circular economy is still emerging, and especially the social and societal dimension of circular economy remains understudied (Padilla-Rivera, Russo-Garrido & Merveille, 2020; Vanhuyse et al., 2021). There is a need for more research on both social impact creation as well as on more collaboration between actors in the construction sector (Munaro, Tavares & Bragança, 2020).

Moreover, the role of CEs in the circular economy remains understudied. To the knowledge of the researcher, there has not been any research on CCEs. This study will therefore not only add to bridging the current gap in the literature, but will also provide insights into the potential that these enterprises can play in creating and scaling social impact. Bauwens et al. (2022) have researched scaling efforts by CEs, but they have only examined the increasing institutional complexity and they adopted a transitions approach to do this. This paper will adopt a social entrepreneurial lens for approaching impact scaling efforts of CEs, and will combine both social entrepreneurship as well as community entrepreneurship literature to develop its theoretical framework. The scientific relevance of this study can therefore be regarded as an empirical case study that contributes to the literature of CCEs and their scaling efforts.

Moreover, this study will examine two CCEs that are operating as a circular building and (re)manufacturing hub. The context of circular building hubs has not been used before. Even though this is not the primary objective of this thesis, the findings of this research will add to the knowledge on and conceptualization of circular building and (re)manufacturing hubs.

**Societal Relevance**

  The Government of the Netherlands (GotN) has together with industry, decentralized institutions and civil society to stimulate and encourage the Dutch transition from a linear economy towards a circular economy by 2050, aiming to run entirely on reusable materials. The reasons for this are twofold: tackling the ongoing triple planetary crisis on climate, biodiversity and pollution by keeping resources in the loop; as well as gaining independence from other countries by extracting secondary resources out of products that are now still regarded as waste (GotN, n.d.). Closely related to the circular economy is the increased shift to producing and consuming more locally. In urban areas, circular economy hubs are put forward as a means for regenerating urban 'waste'. Yet, not much is known about the realization of these hubs, as they need to encompass both logistical dimensions as well as (re)manufacturing functions (Center for Sustainability, n.d.).

  In the meantime, CEs are receiving an increasing amount of attention for their potential to promote community capacity and local development (Community Fund, 2018). The societal relevance of this thesis thus lies in the contributions towards a better understanding of how to support CCEs on scaling their social impact for public officials. Policy recommendations will be made for local municipalities on how to best support CEs and encourage value creation in the built environment. Moreover, a holistic approach towards circular building and (re)manufacturing hubs will help to formulate circular city policies that consider the socio-economic potential of these hubs alongside their logistical importance.

**Literature Review**

The following chapter takes a closer look at the relevant theoretical concepts for forming a clear understanding of the foundational blocks that contribute to answering the research question of this thesis. First, the discussion of the literature will provide a definition of CCEs. For this conceptualization, the research will adopt a social entrepreneurial lens. This will, after having covered circular entrepreneurship, help to formulate an interpretation of circular community entrepreneurship. Next, the chapter will discuss the concept of the scaling of social impact. As this has not been studied with regards to CEs, the literature on scaling social impact of social enterprises in general will be examined first. Here, the research will use the SCALERS framework of Bloom and Chatterji (2009) to link the antecedents discussed in community entrepreneurship literature (Igalla et al., 2020; Van Meerkerk et al., 2018) with the scaling social impact research. The last section will provide the conceptual model that brings all these blocks together.

**Defining Circular Community Enterprises**

**Approaching Community Entrepreneurship through a Social Entrepreneurial Lens**

Over the past years, the field of social entrepreneurship has received an increasing amount of scholarly attention covering various disciplines, covering Business Administration, Public Administration, Human Geography, Sociology and Engineering (Steiner et al., 2018). Social entrepreneurship is commonly known as undertaking ventures and processes for discovering, defining, and exploiting opportunities that contribute to the creation of social impact (Zahra et al., 2009). Yet, due to its multidisciplinary nature, the notion and characterization of social entrepreneurship is still heavily debated. In business literature, the type of opportunities is the topic of debate, where three interpretations are distinguished (Choi & Majumdar, 2014). Social entrepreneurship can be viewed as: a method for non-profit organizations to achieve financial sustainability by undertaking business ventures; the creation of a market that serves the poor, underprivileged and bottom of the pyramid (Abu-Saifan, 2012); and as the application of innovative methods to solve the most pressing social, cultural and environmental problems, where commercial activities are not considered a prerequisite for becoming a social enterprise (Choi & Majumdar, 2014).

In contrast to the business debate, the public administration literature focuses on the public, social impact creation that comes with social entrepreneurship. Here, social entrepreneurship is seen as "*a form of self-organization in which citizens mobilize energy and resources to collectively define and carry out projects aimed at providing public goods or*

*services for their community*" (Igalla, Edelenbos, van Meerkerk, 2019, p 1176). In this instance, the institutional context is emphasized, as citizens are connected to governments and governmental institutions through their undertakings. Social entrepreneurship is considered to be a useful tool for effectively mobilizing tacit knowledge and resources for overcoming local challenges where more formal governance institutions seem to fail. In this way, social entrepreneurship is able to balance the tensions between society and local bureaucratic governance modes, therefore serving as 'governance in the gaps' (Duniam & Eversole, 2016).

A particular type of social entrepreneurship that demonstrates governance in the gaps is collective social entrepreneurship (Montgomery, Dacin & Dacin, 2012). Understood as "collaboration amongst similar as well as diverse actors for the purpose of applying business principles to solving social problems" (p. 376), social entrepreneurship focusses on leveraging prevailing resources, constructing new resources and influence the emergence and restructuring of institutional arrangements to support scalable impact efforts (Montgomery, Dacin & Dacin, 2012). Closely related to collective entrepreneurship is the notion of community entrepreneurship.

**Community-based Enterprises**

The debate on community entrepreneurship was sparked by the groundbreaking work of Peredo and Chrisman (2006), who developed a model for grasping the notion of community-based entrepreneurship. They characterize community-based enterprises (CBE) as the following:

> "*a community acting corporately as both entrepreneur and enterprise in pursuit of the common good. Furthermore, this community behaves as an entrepreneur when its members collaborate in creating or identifying market opportunities and eventually organize themselves to exploit them. In addition, the community has to operate as an enterprise as its members work together in the production and exchange goods and/or services using the existing social structure of the community as a means of organizing those activities.*" (Peredo & Chrisman, 2006, as cited in Sarreal, 2006, p. 174).

It can thus be noted that all the members of the CBI are equal in their decision-making power, and all contribute to the durability of the enterprise by exploring new ventures and opportunities. The CBE is founded to fulfill both the social and economic objectives of their

community. Here, the social objectives are prioritized and a collective governance structure and democratic management structure is in place, which links it to collective social entrepreneurship (Peredo & Chrisman, 2006). The community that is being served is seen as a group of people which are geographically confined (Peredo & Chrisman, 2006). For this community to be active in a CBE, it is important that the *whole* community is participating, rather than a small representation of the group, as this will minimize the inequalities within the community (Peredo & Chrisman, 2006).

**Characteristics of Community Entrepreneurship**

The notion of community entrepreneurship builds upon the model of community-based entrepreneurship for defining its characteristics (Buratti et al., 2022; Meerkerk et al., 2018; Somerville & McElwee, 2011). However, the CBE model is quite exclusive in its characteristics, since it requires the involvement of the entire community, which feeds off of very strong cultural and ancestral norms, values and practices (Peredo & Chrisman, 2006). Community entrepreneurship takes a more inclusive approach, as it can be found in all organizations that have focussed their strategic objectives, being economic, social as well as political, on the self-expansion of the values for their community, and uses it venture to realize these objectives (Buratti et al., 2022; Ratten & Welpe, 2011; Summerville & McElwee, 2011).

Community entrepreneurship can therefore be recognized in organizations that deal with a business that is (Buratti et al., 2022; Van Meerkerk et al., 2018):

1. founded by people residing or working in geographically bounded communities;
2. autonomous, not focussed on private gains, but rather managed and controlled by (sometimes even all) members of the community;
3. established for creating local social impact for the people in the bounded community through the provision of particular goods and/or services;
4. (at least partially) generating revenues through the adoption of a successful business model, where profits are reinvested in the organization or the community;
5. held accountable locally and ambitious in including local people and partners in their ventures, by the adoption of participatory or democratic decision-making processes.

These characteristics are common rather than systematic, and differences occur in organizational form; design approaches (top-down or bottom-up); coordination amongst actors and members; political proactivity; and/or extent to contributing to a social cause (Buratti et al., 2022). Being a type of social entrepreneurship, community entrepreneurship varies in its organizational manifestation (Defourny & Nyssens, 2010). The cooperative CE form is mostly cited, as it endows participatory governance (Buratti et al., 2022; Summerville & McElwee, 2011; Teasdale, 2010), yet foundations, associations and charities exist as well.

A special type of CE is the family enterprise, which has a very restricted community, but often focuses on broader local development as well (Buratti et al., 2022; Peredo & Chrisman, 2006). Communities are thus not always geographically bounded, approaching it as a community of place or residence, but can also be approached socially, as a community of interest or identity (Bauwens et al., 2022; Summerville & McElwee, 2011). What is important to note here, is that "*participation is willing and productive, so that the system develops freely and is resilient in the face of external disturbances*" (Somerville & McElwee, 2011, p. 326). CEs are thus to be assessed based on their social foundation mainly, where a significant number of the members demonstrate qualities of entrepreneurship (Somerville & McElwee, 2011).

When considering the origin of the CE, one can note differences in the design. Often, the CE is founded bottom-up by community members as a reaction to a local crisis or deterioration of the local quality of life (Kleinhans & van Ham, 2017; Peredo & Chrisman, 2006). However, it is also possible that the initiation is top-down, where an external party constitutes the CE. This is then done to empower local communities by providing them with the skills for self-management (Buratti et al., 2022).

Regarding coordination among the members of the CE, Buratti et al. (2022) discuss a continuum of participation. This ranges from the community-based enterprise as discussed by Peredo & Chrisman (2006) on the one hand, because it sees the whole community as endogenous to the enterprise both in work and in governance. On the other hand, there are also CEs that aim to involve the community, but in practice fail due to trade-offs between engagement and proper functioning of the enterprise, and therefore only have an exclusive number of people involved. Therefore, there are CEs that do not have any form of coordination nor political proactivity, but are considered CEs as they rely on local social capital and promote economic growth.

**Environmentally-driven Community Enterprises**

The extent to which CEs contribute to local impact creation can also differ tremendously. In general, it can be noted that the enterprises are aiming for reaching community development through the adoption of a holistic approach. Yet, in reality, the approach taken is often only combining economic development with reaching social needs, while the environmental pillar of sustainability is overlooked or receives less attention (Buratti et al., 2022). In the literature, CEs are analyzed for their contribution to rural development (Castillo, 2013; Peredo & Chrisman, 2006), urban regeneration (Kleinhans & Van Ham, 2017; Van Meerkerk et al. 2018) social inclusion through poverty alleviation (Barraket, 2010), or car sharing initiatives (Bauwens et al., 2022).

Gurău and Dana (2018) were the only ones connecting environmental sustainability to community entrepreneurship. Environmentally-driven CEs built on a common historic, cultural, and territorial basis for resolving (local) environmental challenges. They express the relationship between their community and nature in three ways (Gurău & Dana, 2018): firstly, the community members take up the role of *guardians* of the natural environment by protecting it from misuse and negligence; secondly, they are *educators*, who share their "*lessons given by nature into human experience [with] students or community members*" (p. 227); finally, they *span boundaries* between nature and people, in which they negotiate and facilitate exchanges through the use of their knowledge.

It thus seems that CEs have the potential to play an important role in resolving complex environmental issues and/or smoothing the transition towards a circular economy.

**Circular Community Entrepreneurship**

Circular entrepreneurship as a concept embodies the principles that underlie the circular economy. Therefore, before delving into its conceptualization, it is first essential to provide a definition of the circular economy. Kirchherr et al. (2017) conceptualize circular economy as:

> "*an economic system that is based on business models which replace the "end-of-life" concept with reducing, alternatively reusing, recycling and recovering materials in production/distribution and consumption processes, thus operating at the micro-level (products, companies, consumers), meso level (eco-industrial parks) and macro level (city, region, nation and beyond), with the aim to accomplish sustainable*

*development, which implies creating environmental quality, economic prosperity and*
*social equity, to the benefit of current and future generations*" (p. 224 & 225).

This definition highlights certain important aspects. Firstly, one can note the valuable role that business models play in the achievement of sustainable development. Secondly, one can note how these business models operate on different levels, distinguishing micro, meso and macro. Lastly, with acknowledging the different levels, the ecosystemic, or embedded nature of circular economy is recognized (Cullen & De Angelis, 2021; Zucchella & Urban, 2019). Ellen MacArthur Foundation (2015), a leading circular economy organization, notes three principles on which the circular economy is based: *designing out waste and pollution*; *keeping resources in use*; and *restoring natural systems*. For enterprises these principles can be translated into business strategies based on so-called R-frameworks, which range from 4Rs (*reduce*; *reuse*; *recycle*; and *recover*) (Kirchherr et al., 2017) up till 10Rs (*refuse*; *rethink*; *reduce*; *reuse*; *repair*; *refurbish*; *remanufacture*; *repurpose*; *recycle*; and *recover*) (Potting et al., 2017).

Zucchella & Urban (2019) focussed on organizations that embraced these strategies for developing a definition of circular entrepreneurship. Here, circular enterprises are organizations that use commercial as well as ecological logics for undertaking "*environmental challenges with the aim of closing, slowing and narrowing the loop of (natural, human and intangible) resources and regenerating natural capital*" (Zucchella & Urban, 2019, p.195).  As the concept discusses all the opportunities found in the circular domain, circular entrepreneurship in general comprises multiple forms of organizations, ranging from circular born start-ups to incumbent firms transitioning towards a more circular business approach, and considers the roles of both the individual entrepreneur and the organization as whole.

What circular enterprises do have in common is their value creation through circular business models. These models distinguish themselves from 'regular' business models in that they involve "*personas*" rather than customers, as personas are internalized in the business model through the co-creation of value whereas customers are external actors taking up the role of "*target of the firms offer*" (Zucchella & Urban, 2019). Personas are involved in the circular business models in two complex ways. Firstly, through their relationship with the product or service, as they are expected to use, reuse, recycle and thus extend the life cycle of their purchases. Secondly, through their relationship with the circular venture, as they are

expected to act in accordance with the venture's ethical principles, be engaged as both users and citizens and thus play an active role in the circular ecosystem (Zucchella & Urban, 2019).

When relating this back to the characteristics of CEs, one can note that the personas in the circular business model thus need to operate as the enterprise by participating in the production process and exchange of goods and services and need to adhere to the norms and values set by the circular venture. Circular community entrepreneurship thus distinguishes itself from regular community entrepreneurship in the fact that the norms and values of the community venture emphasize circularity principles and the value creation lies in overcoming environmental challenges aiming to close, slow or narrow the loop of various resources and regenerate natural capital (Zucchella & Urban, 2019). Personal and community resources and capabilities are thus used in a circular manner to address the enterprise's objectives. Here, horizontal relationships and relational innovation align community structures and processes with the needs of the local ecosystem (Gurău & Dana, 2018).

**Defining Scaling Social Impact in Social Enterprises**

Building on the fact that social impact creation lies at the center of the conceptualization of social entrepreneurship, a vast amount of literature has considered the scaling of social impact as a key criterion for measuring the organization's performance (Austin et al., 2006; Bloom & Chatterji, 2009; Islam, 2020). Social impact was defined by the International Association for Impact Assessment as "*the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions*" (Vanclay et al., 2015, p.107). Social enterprises are thus looking at how they can influence these processes and interventions to enlarge the positive social consequences. However, in the social enterprise literature, scaling social impact is often used without providing an interpretation of the concept.

On the one hand, authors like Dees et al. (2004) use scaling impact to refer to increased returns by helping "*the many people and communities that could benefit from their innovations*" (p.27). Here, the scaling of impact is thus about reaching an increasing amount of beneficiaries (André & Pache, 2016; Islam, 2020). Helping thousands is prefered over helping hundreds (Bloom & Chatterji, 2009). On the other hand, scaling social impact is also used to refer to a process of transforming "niche" or local-level innovations into large systemic changes that operate on an institutional scale. Instead of applying treatment for the

symptoms of a problem, scaling social impact is thus about reaching further, and treating the roots of complex social and ecological issues (Moore, Riddell & Vocisano, 2015).

Islam (2020) therefore developed a unifying conceptualization based on an extensive literature review, defining scaling social impact as *"an ongoing process of increasing the magnitude of both quantitative and qualitative positive changes in society by addressing pressing social problems at individual and/or systemic levels through one or more scaling paths"* (p. 2). This definition highlights five main features of scaling social impact:

- first, social enterprises contribute to creating positive social impact by combatting pressing societal issues;
- second, the positive social impact considers both the quantitative (expanding the number of beneficiaries) and the qualitative (improving the quality of life of beneficiaries);
- third, the magnitude of this positive impact is being increased;
- fourth, the issues combatted are impacted on an individual and/or systemic level;
- and fifth scaling positive impact is an ongoing process where, depending on the evolution of the enterprise, one or more scaling strategies are applied (Islam, 2020).

**Scaling Strategies for Social Enterprises**

Prevailing literature on scaling social impact for social enterprises discusses a variety of scaling strategies (Bauwens, Huybrechts & Dufays, 2020). These strategies can be understood along a spectrum of scaling types that stretches from breadth-scaling to depth-scaling, and covers 'scaling up', scaling across', 'scaling deep', and 'scaling out' (André & Pache, 2016; Bauwens et al., 2020).

Breadth-scaling is about the quantitative expansion of the social impact and involves the surge and rise of the number of beneficiaries that are helped by social innovations (Kickul et al., 2018). Strategies that belong to this category are 'scaling out' and 'scaling across'. Scaling out is about maximizing the social impact by reaching new beneficiaries in (other) geographical locations (Moore et al., 2015). The central question here is about what one wants to scale: organization (the organizational structure of the social enterprise), program (the activities organized by the social enterprise) or principles (the core values of the social enterprise) (Dees et al., 2004). Three mechanisms used in scaling strategies are distinguished: 'dissemination', 'affiliation' and 'branching'. Dissemination refers to proactively sharing information and technical support to others that want to create local impact for their community. Affiliation is an official contractual relation between two or multiple actors to

unify under a clearly distinguishable network, ranging from commercial franchises to loosely connected enterprises that are combating the same societal challenges. Branching regards the establishment of various locations of one big corporation (Dees et al., 2004). Scaling across builds on this dissemination method, as social entrepreneurs share their social innovations with other actors to enhance their impact (André & Pache, 2016).

The other category, depth-scaling, represents "*a qualitative improvement in terms of development of product/services scope in serving the needs of the target community*" (Kickul et al., 2018, p.410). The strategies here are 'scaling deep' and 'scaling up'. Scaling deep refers to the improvement and enrichment of the quality of current processes in the enterprise that enlarge the social impact created (André & Pache, 2016). This is achieved by recognizing that culture can play a key role in changing problem-domains, and impact can be created when altering beliefs and norms which are rooted in people, relationships, communities and cultures (Moore et al., 2015). Scaling up is an approach that does not require the expansion of the venture to new regions or the involvement of more people, but is about shifting the impact from the niche level to the regime level. In this sense, the impact is about affecting the institutional level, altering policies and laws. These strategies rely more on community capacity, partnering and transformative learning (Moore et al., 2015).

Because of this, it is argued that depth-scaling appears more on a local level for serving communities, whereas breadth-scaling occurs on a more global level and is client-driven (Bauwens et al., 2020). However, in practice, social enterprises tend to combine the two categories and use a mix of scaling strategies (André & Pache, 2016, Bauwens et al., 2020; Dees et al., 2004; Islam, 2020; Moore et al., 2015).

**Deciding on a Scaling Strategy**

In practice, one can note that some social enterprises are very successful in scaling their social impact, whereas other ventures fail to create more social value. Therefore, Bloom and Chatterji (2009) developed the SCALERS model, which helps social entrepreneurs in identifying the strengths and weaknesses of their organization and deciding on their scaling strategies. The SCALERS model, presented below in figure 1, considers seven key drivers, socalled organizational capabilities, for successful scaling efforts. SCALERS is an acronym that encompasses the capabilities of: Staffing, Communications, Alliance building, Lobbying, Earnings generation, Replication, and Stimulating market forces. Bloom and Chatterji (2009) further found for each driver a contextual factor, socalled situational contingencies, that correlates positively or negatively to the weight and importance of each driver.
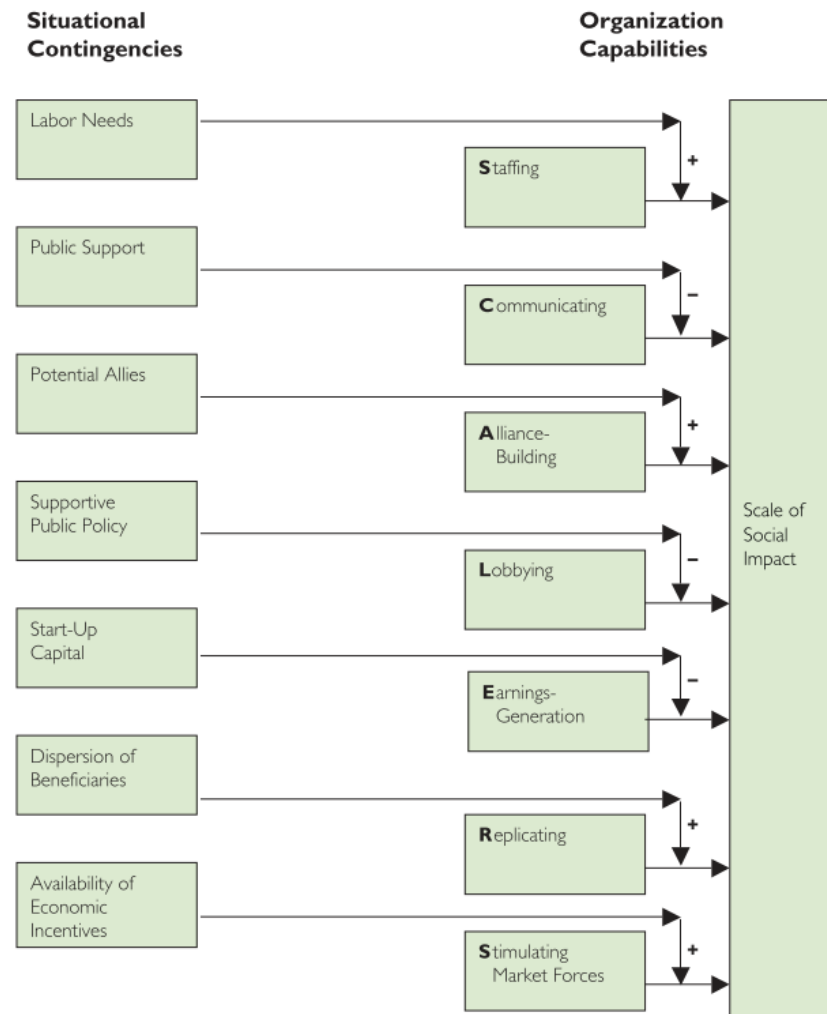
Figure 1: the SCALERS model (Bloom & Chatterji, 2009)

The first driver is 'Staffing', which covers the effectiveness of social enterprises to fulfill their labor needs with skilled people (both employees and volunteers). A high value refers here to few struggles in finding competent people. The contextual factor 'labor needs' asks to what extent the venture relies on labor intensive and skilled activities for impact creation. Either the needs are high, meaning that staffing forms an important driver, or the labor needs are low, which means that other drivers are more important.

The second driver is 'Communications' and is about the ability of social enterprises to persuade important stakeholders that their venture is worth consuming and/or supporting. A high value means here that the enterprise is successfully persuading: potential customer segments to consume their products and services; employees and volunteers to work for their organization; patrons and investors to provide funding for the organization. The contextual factor 'public support' indicates that when the general public already supports the change

strategy that the social enterprise offers compared to regular products or services, communications is a less important driver. When this support is not present, more communication efforts are necessary for scaling impact.

The third driver, Alliance Building, recognizes the embedded nature of social enterprises and considers their effectiveness in forging partnership, coalition or other connections with actors in their ecosystem. High values refer to a help-seeking attitude of the venture that acknowledges the benefits of collaborating. Its contextual factor 'potential allies' concerns the extent to which other organizations and institutions are prepared and willing to collaborate with the social enterprise for creating social impact.

The fourth driver is 'Lobbying', which is about how effective the social enterprise is in advocating for governmental actions or interventions that can work in its favor. A high value here means that the social enterprise is successful in getting aid from governmental officers from various levels. The contextual factor 'supportive public policy' deals with the extent to which laws, regulations and policies are already there stimulating the enterprise's social impact creation.

The fifth driver is 'Earnings generation', referring to how effective the social enterprise is in remaining profitable. High values mean that they do not have troubles with paying their bills and financially supporting their undertakings. The contextual factor for this driver, is 'start-up capital', argues that when the social enterprise has enough financial capital when starting its scaling activities, other drivers are more important for deciding the scaling success, as their impact is often closer associated to other SCALERS (e.g., a social workplace that employs disabled people).

The sixth driver is 'Replication', encompasses the extent to which a social enterprise can replicate the programs it runs and initiatives it organizes. High values refer to the ability to copy the activities without diminishing quality, through training, franchising, contracting, or other quality controlling tools. 'Dispersion of beneficiaries' is the corresponding contextual factor and considers how varied the beneficiaries are that the social enterprise is trying to serve, incorporating demographic and geographic differences. Here, little dispersion indicates that the enterprise is better off growing the "home" organization, rather than setting up new organizational entities.

The final driver is 'Stimulating market forces'. This refers to how effective the social enterprise is in creating incentives for encouraging people and institutions to combine private interest with serving the public good. A high value translates to the enterprise being successful in creating new markets. The contextual factor that influences this driver is

'availability of economic incentives', which is about the presence of economic incentives that motivate people's behavior in the sector in which the venture is active.

The SCALERS model can be used to assess the ecosystem of the social enterprise and determine which steps have helped their ability to scale, and where they can improve (Bloom & Chatterji, 2009). Dees et al. (2004) developed a five R framework that, after having performed a scaling SWOT-analysis, can be used to then choose a scaling strategy: 'Readiness' is about the readiness of a venture to be spread and scaled; 'Receptivity' asks whether the activity will be well-received in the newly targeted communities; 'Resources' covers the resources, being financial, human and other tangible,'that are needed to scale; ' Risk' wonders how big the changes are that the activity that is being scaled will be implemented incorrectly or will not lead to social impact creation; lastly 'Returns' asks what the bottom line of the scaling is, and thus how the newly targeted community is better off after the scaling.

**Drivers for Scaling Social Impact of Community Enterprises**

When relating scaling social impact to the research on CEs, it can be noted that no literature has specifically looked into the drivers of scaling the social impact of this type of social enterprise. Van Meerkerk et al. (2018) examined the conditions for a durable CE, where they found supportive evidence for the importance of: (1) strong social capital; strong entrepreneurial community leadership; (3) supportive relationships with institutional key players; and (4) a strong business model. Especially a strong business model and strong social capital are fundamental conditions, whereas community leadership plays a more indirect role, strengthening the first two (van Meerkerk et al., 2018).

Igalla et al. (2020) studied the determinants that explain the performance of CBIs, where they considered: (1) organizational capacity, covering both human and financial resources, which involves the business model; (2) leadership styles; (3) social capital; and (4) governmental support. Connecting these four factors to the scaling literature on social enterprises, it can be stated that these antecedents encompass both the characteristics of social entrepreneurship through the focus on organizational performances, but it also integrates community performance, as CBIs aim to create broader public value (Igalla et al., 2020; Igalla et al., 2018). Therefore, in this thesis, these four factors will be elaborated upon and examined as driving factors for scaling social impact of CEs.

**Organizational capacity**

A CE's organizational capacity is about the ability of an organization to realize its mission. Since CEs often operate in resource scares and uncertain environments, it is important for these ventures to become effective organizations (Eissinger, 2002). There are two dimensions of organizational capacity that are of importance for CEs, which are human and financial resources (Igalla et al., 2020).

For human resources, Eissinger (2002) notes two key aspects namely 'Staffing' and 'Institutionalization', which align with the SCALERS 'Staffing' and 'Communication' (Bloom & Chatterji, 2009). Concerning staffing, CEs rely on both employees and volunteers for achieving their desired objectives. Here, they contribute by providing resources like time and energy for increasing the enterprise's capacity (Bloom & Chatterji, 2009; Eissinger, 2002; Igalla et al., 2020; Van Meerkerk et al., 2018). Moreover, with regards to institutionalization, or communication, it is argued that organizations that are looking forward, and aim to improve their performance, are also more likely to organize themselves more effectively. Strategic planning, establishing rules of procedure, modes of communication and planning are indicators of organizational capacity (Eissinger, 2002). This relates to the Bloom & Chatterji's (2009) communication, since higher levels of institutionalization not only bring awareness to the importance of persuading stakeholders and consumers, but also includes the methods of how to approach that.

The financial resources encompass the business model of CEs (Van Meerkerk et al., 2018). CEs being a type of social enterprise, generally are market oriented. This orientation covers the commercial activities that the social enterprise undertakes for safeguarding income flows and thus ensuring financial sustainability (Choi & Majumdar, 2014). There are two main objectives for focussing on the market: becoming and staying self-sufficient; as well as growing the organization's social impact and thus resolving social issues. For achieving this, the organizations make use of a variety of income streams, like subsidies, funding, charity, profit. As the financial aspect of organizational capacity is about the extent to which the enterprises are capable of generating earned income, e.g. through registration fees or selling products (Igalla et al., 2020), this part is in line with the SCALERS 'Earnings Generation' (Bloom & Chatterji, 2009).

**Governmental Support**

For CEs to successfully grow, and thus scale their impact, a minimal recognition of the self-organization by the government is required. For governments CEs are of interest for safeguarding a certain level of public service delivery after having faced multiple rounds of budget cuts and changing public administrative paradigms over the past years (Igalla et al., 2020). Here, the public sector, should keep in mind that 'making' active citizenship through CEs is very difficult, as these bottom-up organizations are difficult to govern without causing any friction or frustrations. Kleinhans and Van Ham (2017) described various support paradoxes that arose during CE support experiments in the Netherlands.

Here, two main issues are highlighted. Firstly, support professionals have to deliberate between setting strict guidelines on the one hand, and giving free rein to community members. In general, co-production, entrepreneurship and active citizenship is favored in Dutch policy discourse.Yet, institutions tend to 'counter-produce' with the CE by being too strict and bureaucratic, and thus leaving the enterprise in uncertainty and reliance surrounding the acquisition of assets, important knowledge or legal consent for particular ventures (Kleinhans, 2017; Kleinhans & Van Ham, 2017).

Secondly, CEs, which as an organizational form is still in its infancy, require an experimentational approach in which a full learning process is implied for both the community members as well as the supporting governmental organization (Kleinhans & Van Ham, 2017). In practice, Kleinhans (2017) found that political-administrative systems experience difficulties translating the insights gained by CEs, and obstacles that they encounter in scaling their impact, into policy adaptations.

Even though governments are retreating in self-organizational forms like CEs, they thus still play an important role through the application of meta-governing techniques, which shape the process and outcome of CEs. The government support is influenced and framed by its 'shadow of hierarchy'. As governments are in control of critical resources, they can use their powerful position to either cast a fear-based shadow, in which citizens can self-organize within a framework created by the government, or a benevolent shadow, where active citizens are trusted to self-organize in CE (Nederhand et al., 2016). Here, a fear-based shadow can lead to demotivation of the CE initiators and members, and should therefore be prevented (Kleinhans, 2017).

To support CEs and demonstrate trust in CBIs, governments can use a variety of functions, ranging "*from allowance, counseling and stimulation (e.g., start-up grants), to intensive collaboration and co-production, being more active forms of support phase*" (Van

Meerkerk et al., 2018, p. 655). Here, the difference can be made between one-time support, mainly for funding the start-up process but also covering special projects in which CEs participate, and support provided on a continuous basis. The latter includes tax breaks, transfers of ownership on public properties, no or lower rent for use of public spaces, as well as support through loans, training, and mentoring (Buratti et al., 2022; Kleinhans, 2017, Kleinhans & Van Ham, 2017; Van Meerkerk et al., 2018). Governmental support is explained in the SCALERS model as 'Lobbying', where high levels refer to successfully getting governmental support (Bloom & Chatterji, 2009).

**Leadership Styles**

When thinking of the success factors of a CE, the founders of the social enterprise, the community entrepreneurs, have to be taken into account, as these are individuals with specific goals, skills, knowledge and experience, which they apply for recognizing and unlocking opportunities in an above mentioned innovative way (Lan et al., 2014; Mason & Royce, 2007; Miller et al., 2012; Sharir & Lerner, 2006; Whitelaw, 2012; Zahra et al., 2012). Social entrepreneurs in general are to be seen as 'old rule breakers' and 'new rule creators', since they can influence and alter the mindset and cultural values of fellow community members, and stimulate higher levels of participation in social entrepreneurial ventures (Lan et al., 2014).

On the one hand, their leadership skills should encompass soft skills, like adaptability, innovativeness, proactiveness, as well as the ability to create a culture of openness and stimulate cohesiveness amongst their team members (Lan et al., 2014; Mason & Royce, 2007; Sharir & Lerner, 2006; Whitelaw, 2012). On the other hand, the social entrepreneur has to master hard skills too, including business savviness, management experience, and well-developed financial knowledge (Lan et al., 2014; Whitelaw, 2012).
Leadership in a CE, or community leadership, can be approached as
*a set of dynamics occurring among and between individuals, groups and organizations*
(Igalla et al., 2020, p. 6). These dynamics mainly focus on motivating people and achieving objectives and are manifested in three main activity types (Van Meerkerk et al., 2018).

Firstly, there are community building and mobilizing activities for which community leaders apply a transformational leadership style. This style rests on directing and inspiring others by formulating a clear vision and raising awareness about the importance of enterprises mission, vision and values (Igalla et al., 2020). Especially in environmentally-driven CEs, transformational leadership is an important means for the

community to adopt the roles of guardian, educator and boundary spanner between nature and the community. Here, successful transformational leadership is able to turn the participating community members into 'Barthian agents of change', where the roles are willingly adopted, people are intrinsically motivated, and take pride and responsibility in their stewardship towards the natural environment (Gurău & Dana, 2018). In achieving this, transformational community leaders promote creativity and innovativeness of their staff, and encourage self-development. Because of this, leadership is also improving the organizational capacity of the CE, as the human resources of the venture are strengthened (Van Meerkerk et al., 2018).

Secondly, community leadership promotes undertaking activities that identify and exploit new entrepreneurial opportunities, which translates to the 'Stimulating Market Forces' SCALERS (Bloom & Chatterji, 2009). These activities align with characterization that leaders are to be flexible, creative, innovative, risk-taking and adaptable, as well as become old rule breakers and new rule creators (Igalla et al., 2020; Lan et al., 2014; Mason & Royce, 2007; Sharir & Lerner, 2006; Van Meerkerk et al., 2018; Whitelaw, 2012). As mentioned above, CEs are often operating in resource-scarce environments, especially due to their not-for-private-profit characteristic (Van Meerkerk et al., 2018). Therefore, community entrepreneurs often have to apply bricolage for identifying and exploiting new opportunities. Bricolage refers to *"the making do with any resources at hand to provide innovative solutions for social needs that traditional organizations fail to address in an adequate way"* (Janssen, Fayolle, & Wuilaume, 2018, p.450). Instead of scaling social impact through the use of expensive high quality resources, bricolage overcomes challenges by making use of locally available resources (Di Domenico et al., 2010; Hoka et al., 2019; Janssen, Fayolle, & Wuilaunme, 2018; Mair & Martí, 2009; Zahra et al., 2009). Community leaders that adopt both a transformative leadership style and bricolage, should be considered social bricoleurs, as this implies that they make use of local and usually implicit knowledge to *"leverage motivation, expertise and personal* (or communal) *resources to create and enhance social wealth"* (Zahra et al., 2009, p. 524).

Finally, the third set of activities has an inter rather than intra-organizational focus, as it is about building collaborative and strategic alliances between the venture and institutional actors, which is also understood as boundary spanning leadership (Delozier & Burbach, 2021; Igalla et al., 2020; Noble & Jones, 2006; Van Meerkerk et al., 2018; Van Meerkerk & Edelenbos, 2014; 2018; Williams, 2002). Boundary spanners are *"individuals within an organization who can reach across organizational borders to build relationships, interconnections, and interdependencies in order to manage complex problems"* (Delozier &

Burbach, 2021, p. 1). Being a boundary spanner means therefore that you are personable, communicative, empathizing, understanding, trustworthy and a good listener, but also that you are able to work in non-hierarchical environments (Williams, 2002). Bloom & Chatterji (2009) noted that for scaling social impact 'Alliance Building' is an important driver. This type of leadership thus refers to the extent to which the community entrepreneur is able to connect with other actors in the ecosystem, and again recognizes the embedded nature of a CE.

**Social Capital**

Social capital can be understood as the "*features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit*" (Putnam, 1993, p.2). Social capital promotes the mobilization of resources as well as the coordination of activities and ventures and functions as a safety net that risks for individual community members that are active in the network. Communal value creation can be considered the way for generating and accumulating social capital, which makes it particularly relevant for CEs. Especially in resource-scarce environments, in which CEs often operate, social capital is of vital importance to economic development, because access to economic capital for third sector organizations is rather limited (Igalla et al., 2020; Putnam, 1993; Van Meerkerk et al., 2018). Three kinds of social capital can be distinguished that are all of interest for scaling social impact of CEs.

The first type of social capital is bonding social capital. This is about the "*trusting and cooperative relations between members of a network who see themselves as being similar, in terms of their shared social identity*" (Szretzer and Woolcock in Igalla et al., 2020, p. 5). Regarding CEs, bonding social capital can be found in the strong ties that exist between neighbors, friends and members of the enterprise. These ties contribute to the formation and well-functioning of the board management and the sustainability of the CE (Somerville & McElwee, 2011; Van Meerkerk et al., 2018). Here, it can be noted that bonding social capital strengthens the human capital within the enterprise and thus positively enforces the 'staffing' component of organizational capital (Putnam, 1993).

The second category is bridging social capital, which is about the CE's connections with the wider neighborhood, other networks and other CEs. This type of social capital is about relationships gaining general support, a pool for finding volunteers, and legitimacy as well as structural capacity of the CE (Somerville & McElwee, 2011; Van Meerkerk et al., 2018). Bridging social capital is thus also important for stimulating the 'staffing' component

of organizational capital, yet it further relates to the alliance building capacity as bridging social capital is a consequence of boundary spanning activities.

Third, there is the linking social capital category, which entails the unequal relationships that a CE can have with actors that have more power and/or access to resources. These are often connections with local government agencies or employees and other institutions, such as development and funding bureaus. Therefore, this type of social capital is essential for securing financial resources and aid, relating it to both the governmental support driver and the boundary spanning leadership (Igalla et al., 2020; Putnam, 1993; Van Meerkerk et al., 2018).

**Conceptual Model**

In Appendix A, a literature table is presented that summarizes the concepts that are discussed in both the social entrepreneurial and community entrepreneurial literature regarding scaling drivers and antecedents. Here, the conditions for a durable CE (Van Meerkerk et al., 2018) and performance measures for CBI (Igalla et al., 2020) are compared with their counterparts of scaling social impact drivers of social enterprises (Bloom & Chatterji, 2009; Dees et al., 2004). Moreover, there seems to be an overlap in the SCALERS framework of Bloom and Chatterji (2009) and the scaling strategies that were discussed before (André & Pache, 2016;  Moore et al., 2015). This is shown in the dependent variable side of the literature table. The literature table suggests that the driving factors of social capital, leadership, organizational capacity and government support can be seen as fundamental antecedents for the various scaling strategies. In this way, it is hypothesized that the drivers lead to CCEs scaling their social impact through the scaling strategies. Therefore, the following conceptual model (see Figure 2) was developed  that will test how the different dimensions of social capital, leadership, organizational capacity and government support influence the scaling strategies (scaling out, across, deep and up), and through this, scale social impact.
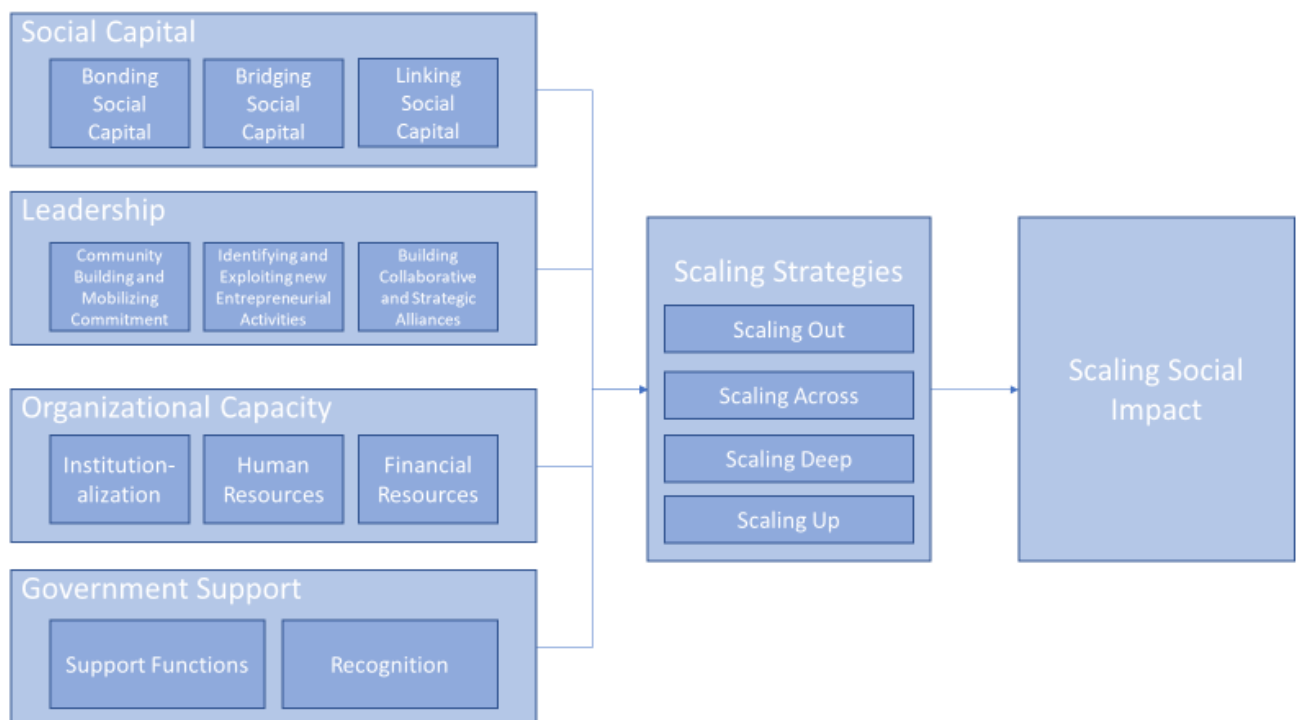


Figure 2, Conceptual Model of the Drivers of Scaling Social Impact of Circular Community Enterprise

**Research Design and Methodology**

For this study,  mixed research methods, dominated by qualitative research, were found to best fit. Qualitative research emphasizes naturalism, which is "*the practice of seeking to understand social reality in its own terms by providing rich descriptions of people and interactions in settings that arise without the researcher attempting to influence them for the purposes of data collection*" (Bell, Bryman & Harley, 2018, p. 356). Naturalism thus considers people as active creators of their social world. This corresponds with the interpretivist nature of qualitative research, which refers to the aim to understand this social world through the exploration of the interpretations provided by the active participants of that world (Bell, Bryman & Harley, 2018). Moreover, since this study aimed to investigate how conditions for durable CEs are related to their scaling efforts, an explanatory approach is preferred (Yin, 2013). Here, quantitative research could help clarify and support the qualitative results, thus a mixed methods approach was adopted.

The empirical component of this thesis will use a multiple-case study to examine the conceptual model and concepts discussed above. Multiple-case studies focus on some particular case for understanding a broader application. It is therefore important to choose good cases which can serve as examples or best-practices to learn from (Gioia, Corley & Hamilton, 2013). Case studies are rich, observational, usually involve a wide range of data sources and highlight a real-world context in which the phenomenon takes place (Yin, 2013). Case studies allow for contemporary phenomena to be examined "*in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident*" (Yin, 2013, p.18). This is applicable to the study of CCEs as "*being entrepreneurial in the circular economy means to create value for the broader system an organization is part of*" (Cullen & De Angelis, 2021, p.6). This underlines the embedded nature of circular enterprises and emphasizes their blurred boundaries. Within the case study method applies a multiple-case design, since this increases the robustness of the evidence through the replication of the findings in comparison to a single case study design (Yin, 2013). For this multiple case design, CEs were selected that differed in their organizational form, type of community being served and phase of business development. Even though the cases are harder to compare due to their varying context, the researcher assumed that the common findings would be more generalizable.

**Sampling Procedure**

      To find out how CCEs are successfully scaling their social impact, it was deemed important to examine well functioning cases where CEs active in the circular built environment worked to increase their impact. A combination of purposeful sampling strategies was used in the identifying process. Firstly, a criterion strategy was applied for deciding whether the social enterprises were regarded as CEs. Here, the five characteristics of Van Meerkerk et al. (2018) on regular community entrepreneurship as well as the additional characteristic of circular community entrepreneurship served as the main criteria. Yet, the exceptions as discussed in the literature review were kept in mind too. Secondly, the researcher applied an intensity strategy within and between the case studies, as he believed that the drivers of scaling social impact are influenced by the stages of business development. Therefore, two cases were selected that are each in a different developmental phase, a two-year-old company and a foundation that has existed for over 15 years. When regarding the sampling within one case, it was key that the interviewees played different roles in the ecosystem of the CE, distinguishing board members, employees, volunteers, partners and governmental representatives, for reaching both into depth and breadth (Patton, 2005). Here, the multiperspectivity and different levels of experience help in painting a holistic picture of the enterprise.

      Therefore, the researcher used purposive and snowball sampling as a sampling strategy for identifying and selecting actors involved in the CEs that are particularly well-informed and contributing to successfully scaling their organization (Palinkas et al., 2015). Purposive sampling is applicable when researchers need to swiftly contact a distinct sample and where the sample does not have to represent the population (Bell, Bryman & Harley, 2018). In addition, this sampling method considers availability and willingness to participate in the research, and the ability of sharing and bringing across past insights and thoughts in an understandable and structured manner (Palinkas et al., 2015).

**Study Sample**

      This research sets out two case studies drawn from the Dutch province of South-Holland and Gelderland for illustrating the scaling efforts of two very different CEs. The case studies have been selected to demonstrate the difference in location, role, organizational forms, activities and impact within circular building and (re)manufacturing hubs. The first, Samen Circulair HW, encompasses a circular community remanufacturing hub in Hoeksche Waard, a peripheral municipality to the city of Rotterdam, is located in a

geographically bounded community, and organized as a foundation. The second, Easy Housing Concepts BV, covers an international circular community building enterprise that is located in the Wageningen in the Netherlands, but collaborates with communities of interest to create local impact.

**Data Collection**

For the data collection, an operationalization table was drafted (see Appendix B) based on the questionnaire of Igalla et al. (2020). From this table, the researcher designed a semi-structured interview guide, which can be found in Appendix C. The questions were organized in a survey where the interviewee had to rate the questions using a 5-point likert scale as illustrated by Table 1. Most importantly, this questionnaire served the main purpose of guidance and formulation. As Gioia et al. (2013) state, it is important to "follow wherever the informants lead us in the investigation of our guiding research question" (p. 20). In this way, there was enough room for more in-depth follow up questions so that deeper insights could be gained. The interviewees are thus regarded as 'knowledgeable agents' in the process.

There are multiple reasons for the adoption of semi-structuring the interview questions. First, this study on CCEs covers a variety of conceptions that leave room for interpretation, for example the notion and organization of circular building and (re)manufacturing hubs as well as the CE itself. Second, it is believed that every CCE operates in a unique ecosystem and context, where stage of business development, and the function of interviewees in the enterprise have influenced experiences and therefore the importance of drivers on scaling strategies. On top of that, the CCE has not been studied yet, which can mean that some factors or characteristics of the enterprise have been overlooked up till now. This thus requires an approach that really listens to the interviewee and lets them paint their story, also known as "get in there and get your hands dirty" research (Gioia et al., 2013, p. 19).

To safeguard the transparency of the data collection to the participants, as well as take some stress and pressure off during the interviews and stimulate answering the questions honestly and fully, each interviewee was provided with a 'Consent Form' before starting the interview (see Appendix D). This form was about the confidentiality of the research, and discussed the "rights" of the respondents during the interview. Two particular boxes that need to be 'ticked' were the consent to having the interview recorded for transcribing purposes, and the consent for having their data used anonymously in secondary analysis.

In total, the researcher conducted 12 interviews (see Appendix E). The interviews lasted between 33 and 94 minutes and were recorded after having received the consent of the interviewees. The interviews were mainly online due to busy schedules and preferences of working from home, due to shifting working habits after the pandemic, using Zoom or Microsoft Teams. During the interviews, notes were taken, and observations were written down. Based on the recordings, all interviews were transcribed. During the transcribing process, no tools were used for the general transcribing.

**Data Analysis**

While conducting case study research, it is important to involve multiple sources of information for establishing a detailed, in-depth data collection method. Therefore, the researcher applied triangulation of methods for gathering data, building on observations, documents and reports as well as the quantitative and qualitative findings of the semi-structured interviews (Yin, 2013). After the interviews were transcribed, the researcher started the analyzing process by allocating answers and information to excel tables, organized per driver and scaling strategy. To better compare the influence of each driver, interviewees assigned scores to their presence and importance (see table 1). The quotes from the interview were also assigned this number, ranging from -2 (highly unimportant) to 2 (highly important). Here, highly important meant that the answer involved a strong correlation between one of the drivers and the impact scaling, or meant that one of the scaling strategies was used by the CE. Highly unimportant, however, referred to a weak correlation. Moreover, the frequency of these values was recorded, so that a mean could be found for the indicators per case.

| Importance | Explanation | Value |
| --- | --- | --- |
| Very important | a strong connection of the indicator | 2 |
| Important | a connection of the indicator to the enterprise | 1 |
| Neutral | answers like 'maybe', 'probably yes', 'I don't know', or not answering the question at all | 0 |
| Unimportant | a disconnection of the indicator from the enterprise | -1 |
| Very unimportant | a strong disconnection of the indicator from the enterprise | -2 |

Table 1, Likert Scale Answer Options

**Reliability and Validity**

To ensure the internal reliability of this thesis, all interviewees will be asked the same key questions, which are provided in the interview guide. Moreover, all the interviews were transcribed and analyzed by the same researcher. This contributed to the thesis' internal reliability since it prevented inter-interviewer and inter-coder issues that might arise otherwise. Further it ensured that the data collection and analyses process took place in a consistent manner. Concerning the external reliability, which focuses on the extent to which this thesis can be replicated (Bell, Bryman & Harley, 2018), a research guide and description of the interviewees are provided in the methodology section, which also provides a description of the detailed step-by-step approach taken. Furthermore, the coding was done in a comprehensive and systematic way that ensures replicability. On request, the transcripts of the interviews can be provided too.

With regards to the internal validity of the thesis, it should be noted that "there is no "magic number" of interviews or observations that should be conducted in a qualitative research project" (Pratt, 2009, p. 860). It is rather more important to reach a point of data saturation, where an additional interview brings diminishing returns of new insights (Bell, Bryman & Haley, 2018). This is further strengthened by the application of triangulation of various information sources, relying on observations, archival data, documentations as well as the transcriptions of in-depth semi-structured interviews (Yin, 2013).

The external validity of the study is quite limited, as the thesis only focuses on two CCEs which are heavily embedded in their local context. Yet, here it should be stated that the aim of this study was to be an instrumental case study, so that the intensiveness was prioritized over the extensiveness. The cases can serve as 'exemplary knowledge', and thus offer the possibility for other communities to learn from (Yin, 2013).

**Findings**

      This chapter will discuss and analyze the results of the two case studies 'Samen Circulair HW' and 'Easy Housing Concepts BV'. Firstly, the CCEs will be introduced more thoroughly. Next, having conducted the semi-structured interviews with an embedded oral survey, where interviewees elaborated on their given scores, this chapter will present and expand on the averages of the scores per indicator and dimension (as outlined in Appendix B) in figures. These figures discuss the findings of both case studies combined. For more detailed qualitative findings on each case study, Appendix F and G can be consulted for 'Samen Circulair HW' and 'Easy Housing Concepts BV' respectively.

**Samen Circulair HW**

      Location: Oud-Beijerland, South-Holland

      In may 2022, the 'Waardeloods', a circular craft center (circulair ambachtscentrum), was opened by the foundation Samen Circulair HW (SC). This foundation is a collaborative effort of five parties, Municipality Hoeksche Waard, Welzijn HW, RAD HW, DENNS, and the Province of South-Holland, and has the aim to bridge the current gap between the waste collection point and secondhand stores and other initiatives that recycle and reuse materials, while providing work and study places for people with a distance to the labor market (Gemeente HW, 2022). The Waardeloods is a new location of the 15-year-old secondhand store that was previously run by Welzijn HW, called 'Tweedehands Warenhuis'.

      Yet, by moving to the newer, bigger location, the store was augmented by a workplace in which products can be restored, upcycled and collected. Furthermore, having RAD HW (Regionale Afvalstoffendienst Hoeksche Waard), the local waste collection center, as one of the partners, SC is able to collect and save products from being thrown away, and rather sell them in their own store. The circular craft center is led by a 'project group' of 5 people covering one director and four employees, besides that it works with about 30 volunteers to run the store and work in the craft center. On the one hand, this group includes retired craftsmen and 'regular' volunteers, and on the other hand there are the volunteers with a distance to the labor market that need coaching and guidance by the employees, who all have a healthcare background.

      Figure 3 depicts a visualization of the impact of the growth model that is developed by SC. This model promotes both the environmental and social pillars of sustainability. In the middle, one can note the 'Waardeloods' that serves as remanufacturing hub, ultimately contributing to (in top orange circle in the figure): upcycling, employment, repair and

remanufacture; education; and storage. On the sides, one can see the stores in the various centers in the area that function as (in bottom orange circle in the figure): second hand stores, social hubs, coffee corners, workshop facility, repaircafé as well as neighborhood restaurant.
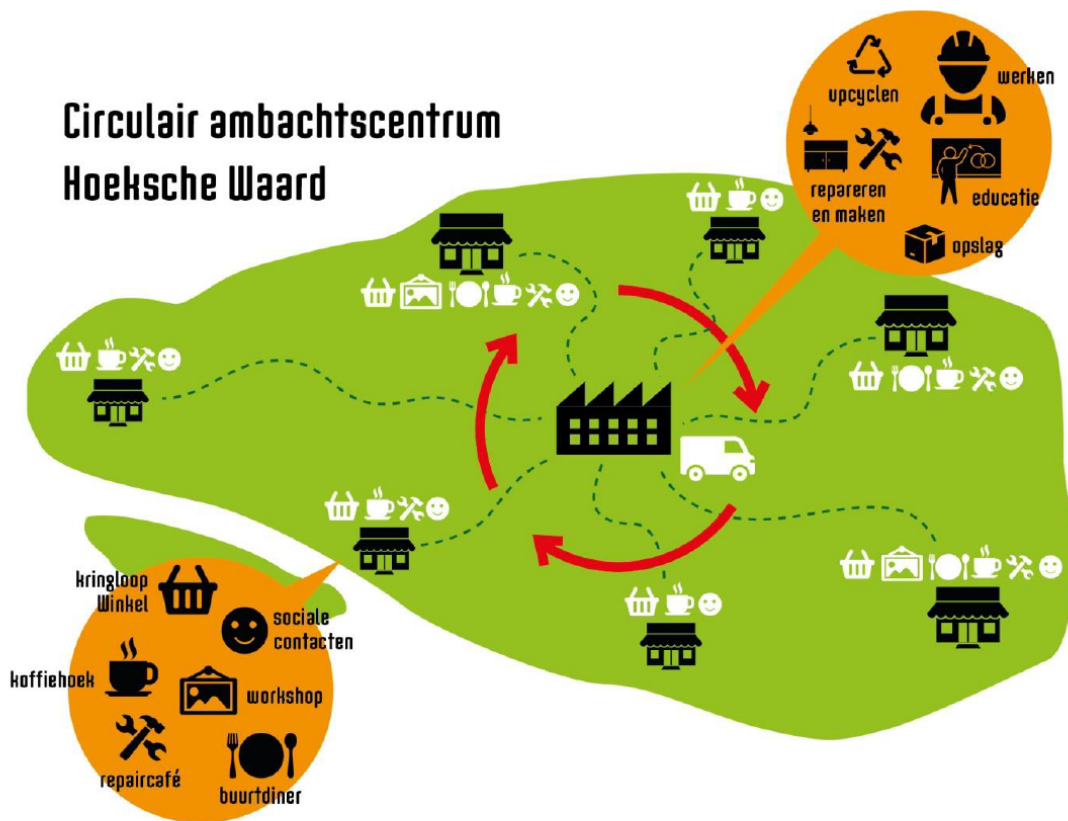


Figure 3, Visualization of Samen Circulair HW's impact (Samen Circulair, 2019)

All of these impact ambitions were summarized in their strategic plan in their mission, vision and values statements. SC sees it as their mission to "contribute to a 100% circular economy in the Hoeksche Waard in which the qualities of people and resources are optimized" (Samen Circulair, n.d.b). They envision to achieve this by being the link between second hand stores, workshops, recycle parks, entrepreneurs and education in all villages of the Hoeksche Waard. They aim to create awareness about circularity for all by being a social hub where personal development is fostered. The values that they embrace are: sustainability; creativity; inclusivity; and respect (Samen Circulair, n.d.b).

Having just opened the 'Waardeloods' earlier this year, the scaling efforts of the CE are not finalized yet. According to their action plan, the scaling will occur in three phases of which the first phase has been finished. The second step is currently being worked on, which is the development of an educational program by DENNS in collaboration with RAD HW. The final step is collaborating with local repaircafés and other second hand stores in the area,

where an exchange of products between stores is planned (Samen Circulair, 2019). Their goals that are aimed at circularity, an inclusive community, and liveable communities in villages, are to be developed over the past three years (Samen Circulair, n.d.a).

**Easy Housing Concepts BV**

Location: Wageningen, Gelderland

In 2020, the company Easy Housing Concepts (EH), was founded as a sustainable and universal solution for the ongoing global affordable housing crisis. EH provides *a circular and carbon-negative building concept based on sustainably sourced timber* [that is] *safe, comfortable, and resistant to natural disasters* […] *standardized and scalable* (Easy Housing, n.d.a). Even though the Dutch company, operating mainly in Sub-Saharan Africa, provides the design, construction drawings and technical documents of the houses, it can be considered a CE as it has a clear interest in creating local development in rural communities in Africa.

For every project that they execute, EH establishes local supply chains with local businesses, for amongst others the provision of their sustainable 'Forest Stewardship Council'(FSC) certified  timber. They work together with local construction workers and carpenters, as they not only aim to contribute to afforestation, but also stimulate the local economy by creating employment and providing training on working with timber building structures (RVO, 2022). This capacity building ensures the spread of *"circular and sustainable ways of building (with timber) in local building companies and helps to spread knowledge and awareness on these topics ... [and] ensures knowledge retention for future projects in the area"* (Easy Housing, 2021).

Two years ago, the company started with a project to build a house in the Dutch town of Hilversum. Since then, they have been active in Mozambique and Uganda, where they have established local value chains and worked on creating impact in multiple places through the construction of and training on their building concept, and are in the process of establishing new projects in Ghana and Uganda, in which they work in a refugee context. EH has grown to a company with a board of 2, 3 employees working in the Netherlands, Uganda and Mozambique, 4 interns that focus on business development or architecture and engineering, and has 4 official ambassadors, which are building enthusiasts that support the CCE through their advice and access to their professional network (personal communication).

Being a small but international company with employees in both Africa and Europe, as well as being founded in the beginning of the pandemic, has led the company to operate

almost fully online. However, all staff members still share the company vision. EH envisions a world in which everyone is able to live safely, sustainably and comfortably. The CCE has four corresponding company values (Easy Housing, n.d.b):

1. *climate smart & carbon negative*: the concept is both adaptive to climate change through their resistance against climate disasters and also does not contain any cement or concrete which heavily lowers the carbon emissions;

2. *circular & biobased building system*: the housing is produced waste free and "*the houses can easily be reused, repurposed, relocated, rebuilt, incrementally expanded, and repaired by replacing individual components*" (Easy Housing, n.d.b);

3. *cultural integration & local labor*: the development of the local building sector in a sustainable manner while taking local cultural aspects and differences into consideration;

4. *scalable & standardized concept*: the technical building techniques and dimensions of the houses as well as to the establishment of local value chains contribute to the optimization of the building process.

**Social Capital**

Although analyzing the different dimensions of social capital (bonding, bridging and linking capital) separately, it can be noted that they are interrelated and influence each other. For instance, it happened that interviewees provided answers about a specific indicator of one dimension of social capital in which they connected certain aspects with aspects that are in theory linked to other dimensions of social capital. However, it should also be mentioned that interviewees ranked the importance of the dimensions differently, and noted that the importance of the dimensions differs over time. In Figure 4, the averages of the indicators of social capital are depicted. Moreover, linking social capital seems to be heavily influenced by the leadership dimension '*Building Collaborative and Strategic Alliances with Institutional Power Holders'* (see Figure 5) and showed an overlap with the dimensions of the government support driver, which is why both the leadership dimension  linking social capital are integrated in the government support analysis.
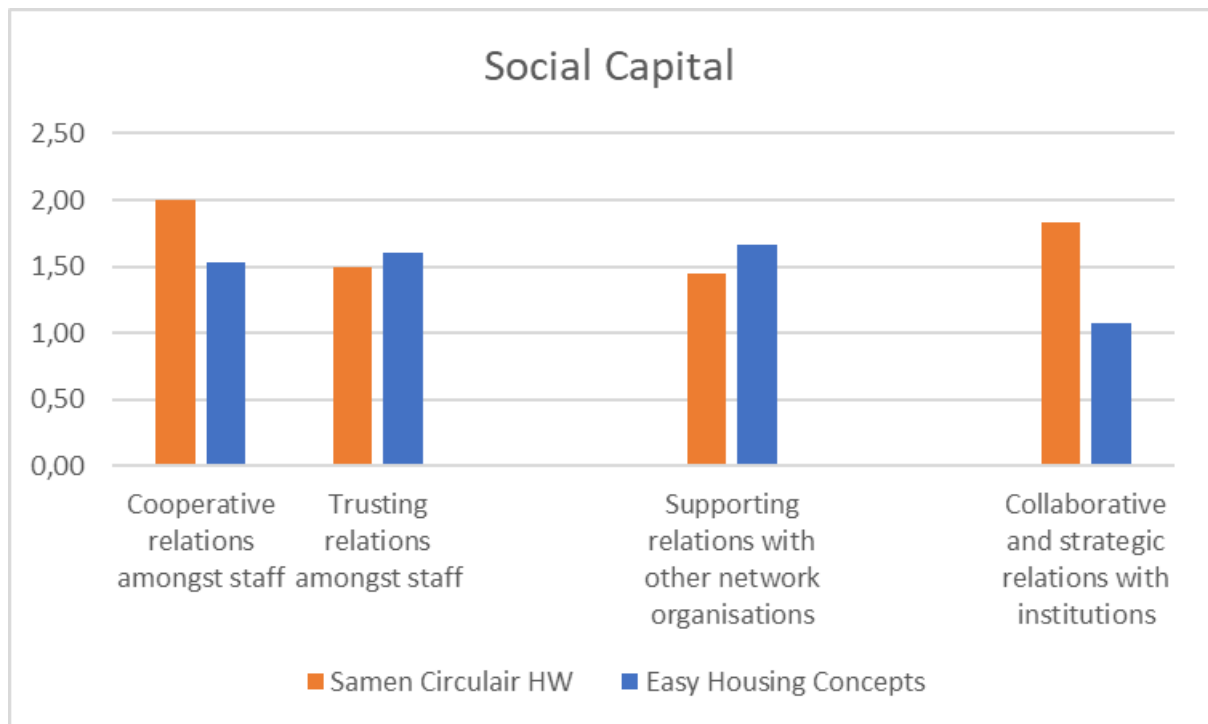
Figure 4, Findings on the indicators of Social Capital (N=11)

*Bonding Social Capital*

The research examined two indicators on bonding social capital, which were cooperative relations and trusting relations amongst staff members. When looking at cooperative relations amongst staff members, both CCEs demonstrated high levels of collaboration between their staff. Importantly, both case studies connected the high levels of engagement and collaboration of their staff with an intrinsic motivation to contribute to the greater good. The fact that the CEs are circular in their approach to the environment as well as people, creates a drive and commitment among their employees, as they know they are doing good: "*The organization has a goal of helping people and that goal is very palpable. Because of this, you also notice that people are eager to do well and try very hard.*" (Interviewee 10);

> "*Everyone has their own motivation. One does it because he likes being amongst people, or wants to develop himself, but people also want to contribute to the bigger picture in a way. People are just proud of what we are building.*" (Interviewee 3);

When looking at the trusting relations amongst staff members, it can be seen that the scores are still very high, both having an average above 1.5. Yet, SC scored a bit lower here,

as they work with volunteers that have an occupational disability. Three interviewees from SC explained that this can sometimes lead to distrust or jealousy between volunteers. However, coaching and guiding these people is part of their social impact creation, and it was further argued that the employees compensate for this as they are good in uniting people and communicating values like respect and inclusion to others: "*We really cultivate bonds of trust here. People can say things to each other, feel safe. Of course, there are sometimes clashes but there is such a good atmosphere here that we can always put things right with each other*" (Interviewee 4) EH further noted an obstacle in being a CE that operates online. This makes it more difficult sometimes to bond with colleagues, yet they have regular catch-up meetings, in which there is room for connecting, to overcome this.

*Bridging Social Capital*

There is one indicator that explains bridging social capital, which is 'supporting relations with other network organizations'. This indicator covers both interactions with neighbors as well as other organizations. Here, both case studies displayed high levels of engagement with wider networks, scoring 1.44 and 1.67 on average, as they realized the importance of collaboration for their organization: "*Not only financially but also when it comes to sharing ideas, inspiration, exchanging knowledge… I'm really in favor of doing that as much as possible.*" (Interviewee 6).

SC is a collaboration of partners, and can thus be seen as a network in itself. Moreover, it started working together with neighboring companies to combine waste streams and raise money, and find volunteers locally to run their second-hand store or help in the craft center. Interviewees explained that having entered step 1 of their impact plan means that they are first focussing on developing their center before really actively connecting further with wider networks. For them this dimension will thus grow in importance in a later stage as they aim to involve more actors in their CE. For EH, all interviewees explained that the enterprise is very active in wider networks. They are really engaged as they on one hand see this as an opportunity to spread the awareness on circular biobased building methods and their potential, and on the other hand recognize that participating in networks further enables them to gain knowledge, attract investment, and reach new customers. From the two case studies it becomes clear that CCEs not only realize the importance of being involved in networks as they aim to create local communal value, but also as they realize that being circular translates to being active in an ecosystem in which collaboration between actors serves as a prerequisite for reaching a circular economy.

**Leadership**

Within the driver 'leadership' the research looked at three dimensions or styles of leadership, namely 'community building and mobilizing commitment', 'identifying and exploiting new entrepreneurial activities', and 'building collaborative and strategic alliances with institutional power holders'. During the interviews it seemed that there was a clear divide between these dimensions, yet, the indicators within the dimensions sometimes showed linkages, for example between the ability to be inspiring and the mobilization of commitment.. Interviewees explained their scores by referring to factors that would later be discussed in other questions, like the engagement of staff members which was explained by the stimulation of creativity and self-development as well as the creation of an open atmosphere. In general, all dimensions of leadership were perceived by all interviewees to be present amongst the management or board of both cases as all scores were above 1.23, which can be seen in figure 5.
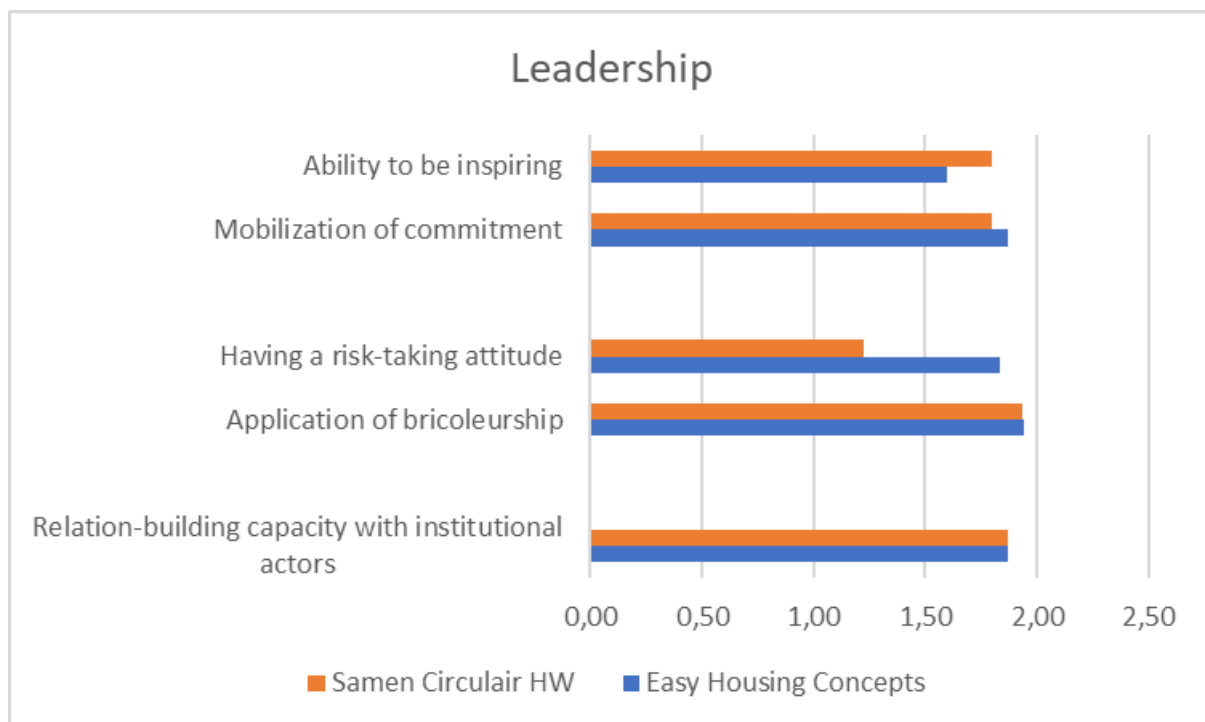


Figure 5, Findings on the indicators of Leadership (N=11, ranging from -2.0 to 2.0)

*Community Building and Mobilizing Commitment*

There are two indicators that explained the presence of community building and mobilizing capacity amongst the leaders of the CCEs, namely 'ability to be inspiring' and

'mobilization of commitment', which all ranked above 1.2 for both cases. From both their strategic plan and interviews, it can be stated that the management of both SC and EH have formulated a clear vision, mission and values for the company which helps in attracting staff members that either already align with these, or are able to adopt these. This was outlined by interviewee 9, an intern at EH:

> "*The vision that they convey ... that it's possible to start tackling these problems with this concept, the belief in that. Not so much that you only commit because the company asks you to. You commit because you are intrinsically supporting the goals. And they radiate that enormously, that you are doing this for the good of man, of the earth, of society, that you are very keen to achieve success in it. Making a profit is totally not the interest, the social and economic well-being of people and nature is much more important.*"

What helped in this process, is that both cases are quite horizontally structured (which was confirmed by observations during company visits), meaning that there is not a strict hierarchy, and everyone is involved in important decisions, which has led to high levels of commitment of both employees and volunteers. The management has achieved this by creating a welcoming and open atmosphere, in which creativity, innovativeness, equality, and self-development are encouraged: "*We all carry out enthusiasm, passion and things ... You're there for your people, we're consciously there for them*" (Interviewee 3);

> "*But we also offer a lot of room for personal input, so we have a very flexible management style, which encourages being proactive and also helps people to think of things, how they can do them and tackle them and give them enough room to do so and thus also give them room to develop themselves.*" (Interviewee 11)

*Identifying and Exploiting New Entrepreneurial Activities*

The indicators 'having a risk-taking attitude' and 'application of bricoleurship' helped examine the presence of identifying and exploiting new entrepreneurial activities. Here, both cases demonstrated interdependencies between the two indicators, as the risk-taking attitude of the board is closely connected to the minimal number of resources available for running the enterprise. Both CCEs were considered a very innovative and risky venture by nature. Interviewees argued that the leaders have "*stuck their necks out*" (Interviewee 2 and 6) by

founding the CE, and by coming up with new ways to fasten the transition to a circular economy. In the case of SC, the biggest risk was the budget overview, as they estimated a minimal amount of financial resources so that governmental institutions would then agree to invest, which was confirmed by the CE's action plan (Samen Circulair, 2019). For EH the biggest risks lay in establishing a local value chain for their timber supplies, which in the end created more local impact, less pollution and lower costs. Both enterprises can be considered bricoleurs, as they have a make-do with the resources available and leverage those to create more impact:

> "*A good example is that last year during a project in Uganda we had to decide under great time pressure not to work with imported wood but with local wood. We had to do this because we suddenly had to work with half the budget. This creative solution has been a big positive change for the organization, we now have a much better proposal and we can create local jobs. This was a creative solution to a problem that has been so successful that we are using it everywhere we can. This has become the new approach for our concept.*" (Interviewee 12)

What was further noticed, is the influence that identifying opportunities has on alliance building capacity. Both organizations expressed how establishing relationships with other partners and institutions has been crucial for the exploitation of opportunities and overcoming risks:

> "*I think I've said that 10 times, but that's so important, this one is really crucial. You can have such a nice plan, but if we had only done that internally with the nice plan we wouldn't have made it. This is why you really need a lot of people.*" (Interviewee 6)

In general, when discussing the identification and exploitation of new ventures, both cases discussed that they identified so many potential activities that rather deciding on opportunities had proven to be difficult sometimes. To overcome this, both cases have used their strategic plan to demarcate their options and have a guide in the exploitation process (Samen Circulair, n.d.a; Easy Housing, n.d.): "*There are so many opportunities that it is very difficult to make choices. We've been able to do that well up until now because we had a clear focus*. (Interviewee 6).

**Organizational Capacity**

For the driver 'organizational capacity' there are three dimensions that will be discussed: 'institutionalization'; 'human resources'; and 'financial resources'. During the interviews, the dimensions of organizational capacity showed to have a lot of overlap both with each other as well as with other aspects of the other drivers, as it involves all factors that are internal to the organization. Figure 6, depicts the scores of the indicators of the organizational capacity dimensions.
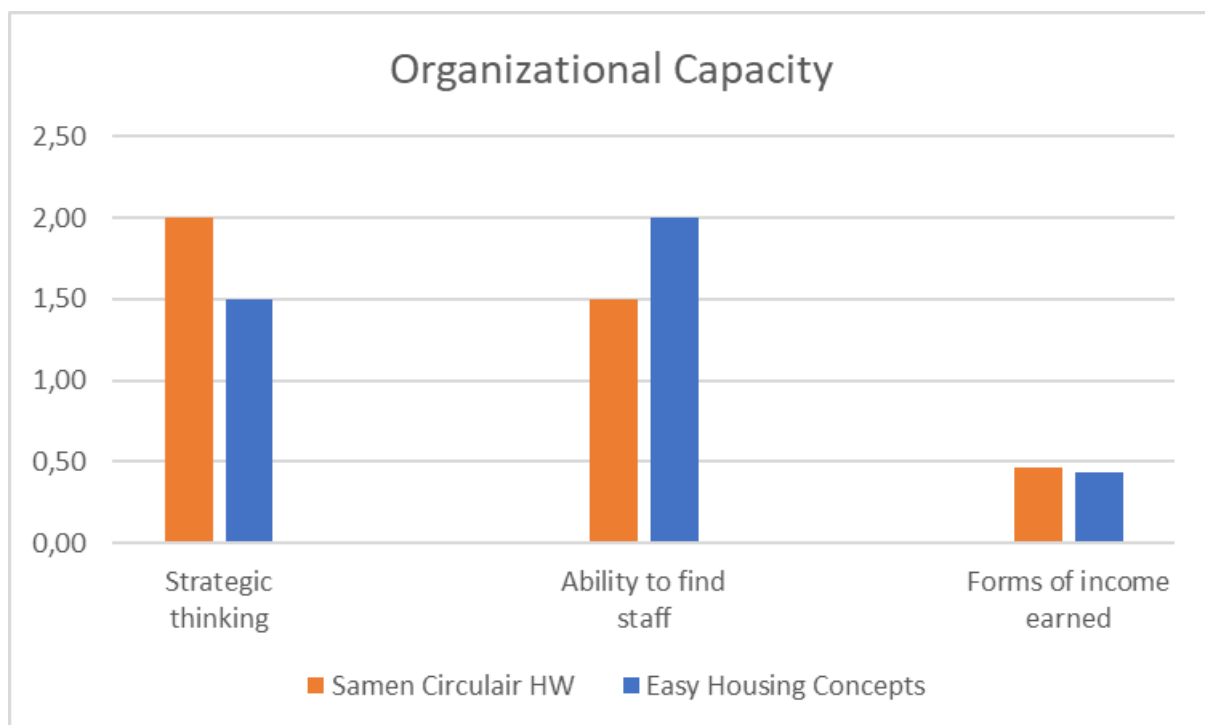


Figure 6, Findings on the indicators of Organizational Capacity (N=11, ranging from -2.0 to 2.0)

*Institutionalization*

The indicator for institutionalization is 'strategic thinking', which was about having and adhering to a strategic plan. SC has a comprehensive written action plan and a strategic plan, which guides them to the process of scaling their impact in a logical way (Samen Circulair, 2019; Samen Circulair, n.d.b). EH works with milestones, which are goals they have set for themselves for the upcoming two to three years (Easy Housing, n.d.). They revise those biannually in a strategy day with the entire staff base. Interviewees from both organizations argued that the most important part of the strategic plan is the formulation of a

vision and clear values, because this is what attracts people and mobilizes commitment. The strategic plan was thus argued to have more of an indirect influence on the human resources of the CCEs:

> "*Vision I see more as inspiring whereas strategic planning is rather there in the background for ourselves. [Strategic planning] is less about why people join. Contributing to doing good in the world, sustainability, and inclusivity, I think that is why we reach people, not a strategy.*" (Interviewee 6)

> "*I think the strategic plan is more of a kind of future vision, a kind of goal to work towards so to speak. So more of a motivation than it really ... Indirectly, it motivates to work on projects and to reach out to people, but it doesn't really have anything direct*" (Interviewee 8)

*Human Resources*

Regarding human resources, the survey examined the 'ability to find staff'. Here it can be noted that both cases do not have any difficulty finding enough members to put in their resources of time and energy. On the contrary, both SC as well as EH, indicate to receive open applications from people that want to volunteer at their organization, which is shown in the high average scores (1,5 and 2). This is due to their clearly articulated vision, which enthuses people and mobilizes them. SC noted that the human dimension of their organizational capacity has grown since scaling up, as they found a better balance in the type of volunteers they employ:

> "*What we have seen up till now is that in the Tweedehands Warenhuis we mainly got volunteers with a bag [occupational disability]. Now that we moved here we see other types of volunteers finding us. People who also have other skills, like crafts ... so more retirees that still enjoy practicing their crafts, DIYs and carpentry. That group increases and the ratio is improving.*" (Interviewee 6)

Easy Housing has grown a lot in capacity as well by introducing the role of ambassador for supporters of their concept, and employing 'local' people that are knowledgeable about local cultural aspects: "*We now have two people who live in Africa, speak the language and grew up there, that that is very important to reach people there.*

(Interviewee 8). Both cases explain that staff is vital for the organization, as they bring their own network as well as take over jobs so that there is more time for networking, which thus increases the bridging social capital of the CCE. Additionally, more staff members increases the knowledge in the enterprise: "*When a new person joins us and he likes it, he is appreciated, he starts working, he becomes and stays enthusiastic, and that he shares with his personal network. Logically following, they are ambassadors.*" (Interviewee 3).

*Financial Resources*

The 'forms of income earned' indicator was used to study the financial resources of both cases. Here, both cases scored significantly lower than on the other dimensions of organizational capacity with 0.47 and 0.43 (ranging from -2.0 to 2.0). This is due to the fact that both CEs are at the moment not financially sustainable yet due to their focus on the scaling process, but in accordance with their strategic plan will be in about 3 years. For scaling their impact, the organizations are heavily reliant on external sources of income, like funding, partnerships and subsidies. Yet, they also have other sources of income through sales, donations, equity (EH), and personal health care budgets or educational programs (SC). Both cases thus rely on various income streams for (eventually) becoming financially sustainable, as the dependance on just one stream was described to be "*too risky*" (Interviewee 3). Spreading risks by exploiting identified opportunities is part of the bricoleurship dimension of leadership, as it aligns with making do with the resources and possibilities present.

**Government Support**

The driver 'government support' covers the two dimensions 'support functions' and 'recognition', which accordingly were measured by the indicators 'governmental support' and 'governmental recognition'. As both the indicators are focussed on the government, it became clear that not all interviewees were able to provide answers to the questions because they did not interact with the government themselves. Mainly the interviewed staff (in total 9) were able to answer, an overlap was found between the two dimensions.

Because this driver focussed on governmental influences and relations, an overlap with 'linking social capital' and 'building collaborative and strategic alliances with institutional power holders' was found. Whereas the social capital and leadership dimension looked at the ability and perceived importance of CCEs to network with governmental actors, this driver examined the support and recognition that the CCEs actually receive.

Nevertheless, these dimension are integrated in the discussion of the government support driver.
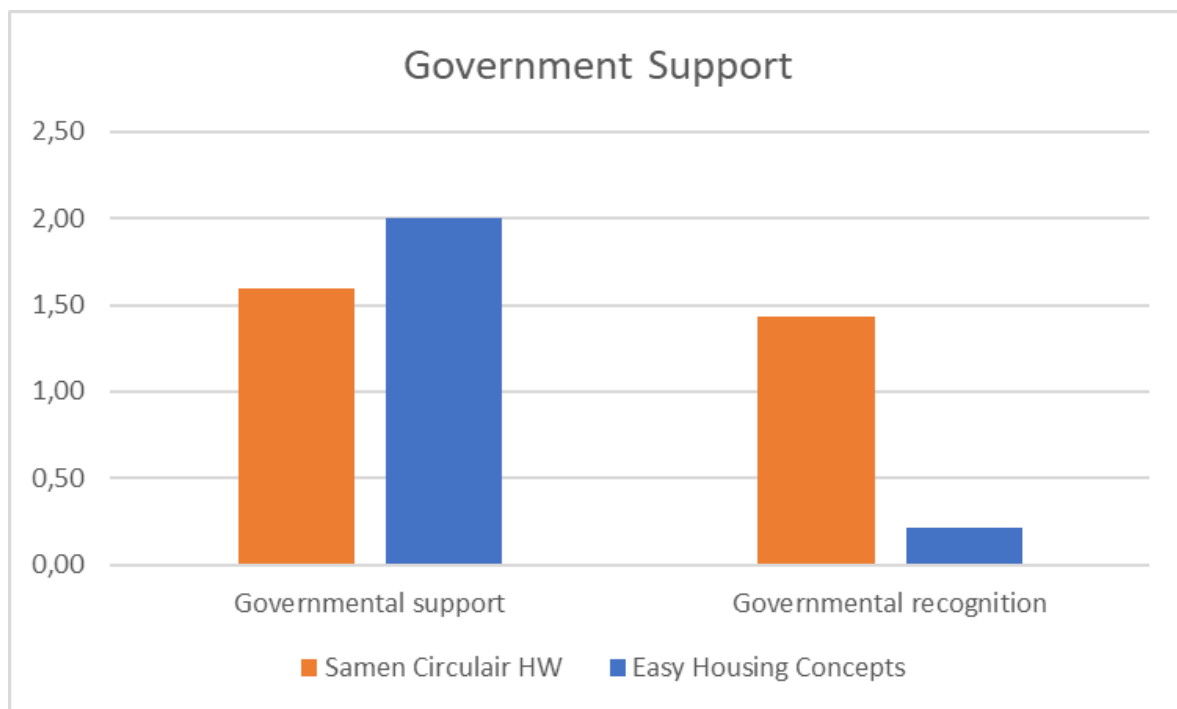


Figure 7, Findings on the indicators of Government Support (N=9, ranging from -2.0 to 2.0)

*Support Functions*

When looking at the scores for governmental support, SC scored 1,6 and EH 2. Both cases thus indicate to be supported well by the government, which is done through a number of ways:"*you are quite reliant on your financing, licensing, rental and environmental permits. So on a lot of components you really have to knock on the door of your (local) government.*" (Interviewee 6). Firstly, the CEs are supported financially through subsidies and grants, which has been essential in scaling the impact of the two organizations. SC received funding from the municipality, province of Zuid-Holland and the regional water board, whereas EH got funding from the Netherlands Enterprise Agency, which was confirmed by the documents studied. Secondly, the government supported the circular enterprises by connecting them with other stakeholders or network organizations that are active in their respective sectors. SC is founded as such a network, but is also invited to national meetings and seminars on circular craft centers, and EH was connected to institutional network organizations, such as 'het Versnellingshuis' (a circular economy hub in Amsterdam), and got in contact with local

partners through the Dutch embassies. Thirdly, in the case of SC, the municipality helped them with applying for all kinds of permits.

*Recognition*

For receiving all this support, it is important that the government recognizes the importance of CCEs. The linking social capital indicator 'collaborative and strategic alliances with institutions' (see figure 4), examined the CCEs ability to network with power holders for getting this recognition. With 1.83 (out of 2.0) the staff of SC very much acknowledges the importance of maintaining good relationships with the government. To do so, an important role is played by the project group in establishing these relationships. To their partners, the leaders can demonstrate passion, trust in their enterprise, engagement, but also a clear vision, and a clear strategy, making them score high on 'relation-building capacity with institutional actors' (1.87 in figure 5). For contact with the municipality, SC has good contacts with the circular economy advisor of the government that functioned as a boundary spanner:

"*she is the one we have contact with and if we have questions she looks further within the municipality who then.... Yes, we had to apply for an environmental permit and she arranges a meeting. She's also present at the meeting, so she can direct it. So she makes it easier, certainly.* " (Interviewee 2).

Regarding governmental recognition, this meant that SC felt well recognized by the government, scoring a 1,43 out of 2,0. EH scored 1.08 for the linking social capital, and 1.87 for the building collaborative alliances indicator, which also demonstrates the importance of a strong relationship with the government. Yet, being an internationally operating enterprise, their connection differs a lot from SC. Regarding the Dutch government they mainly interact with embassies and the Netherlands Enterprise Agency for connecting with other entrepreneurs or gaining funding or subsidies. They do not have a clear boundary spanner, as their interactions depend per subsidy and embassy with which they have contact. Besides collaborating with Dutch institutions, EH further interacts with local governments in developing countries, which they see as regulators in the housing sector as well as potential customers rather than subsidizers: "*We are now working on a design for more the refugee context in Uganda, and the government is also responsible for that largely and so in that sense can become a client*" (Interviewee 8). About this relationship, they noted that the importance of their enterprise is not well recognized due to cultural differences and

corruption, which explains the discrepancy of their recognition score (0,22): "*I then think about how the government in Mozambique for example prescribes concrete for the construction of school buildings*" (Interviewee 12). However, when focussing on the Dutch government, both enterprises shared similar experiences. The Dutch government was said to have good intentions in general, trusts the initiatives, and they have been very helpful and supportive through funding.

Yet, from the cases it also became clear that there are a couple of recognitional divides within the public sector. Firstly, interviewees from SC noted differences between the level of engagement of the province, who mainly acted as funder in the founding phase, and the municipality, who was involved throughout the entire process taking up a more facilitative role. Secondly, as aforementioned within the municipality there was a difference between the boundary spanner and other officers of other departments, who did not always understand the potential and importance of the CE: "*They say they do, but then when you submit your stuff to the environmental department, all the alarm bells go off and then you have to start negotiating or at least involving 'name of boundary spanner'.*" (Interviewee 2). Thirdly, it became clear from both cases that there was a general divide between the willingness of government employees and their ability to cooperate, as they are bound by rules and regulations that need to be followed:

> "*And then a policy within the municipality can't really be the force, even though I think they would very much like it to be, to keep it all a bit simple. So it's also the laws and regulations that really don't cooperate with these kinds of initiatives*"
> (Interviewee 6)

This had implications for the enterprises, as procedures took longer, or cost more energy to overcome. Interviewees of EH noted here that on a national level the Dutch government is going through something similar: On the one hand, they increasingly realize the importance of a circular built environment. On the other hand, is the government too slow in adapting their policy and decision-making, where a more proactive approach is required to transition to a circular economy: "*I think governments are talking about problems and solutions, that's one thing. But the throughput of radical policy changes needed to accelerate a circular and biobased economy and decarbonize society is too slow.*" (Interviewee 11).

**Scaling Impact & Strategies**

In the second part of the questionnaires, interviewees were asked about the social impact created by the CCE, and the scaling strategies that were used for scaling impact. In Figures 8 and 9, the impact dimensions, measured through scores, are displayed, the other dimensions will be elaborated upon in the corresponding sub-chapter.

*Scaling Social Impact*

In general, it can be stated that the interviewees ranked the solution of the CE to social issues quite high with 1.48 and 1.76 (see Figure 8). Interviewees of SC noted that their impact is holistic as it incorporates social and environmental aspects in their solution, yet their impact is only created locally whereas the problem is experienced globally. Interviewees of EH ranked their solution a bit higher, but explained that they are still facing difficulties with the cultural acceptance of timber rather than concrete, which still forms an obstacle. With regards to the quantitative changes, SC has reached about three times as many beneficiaries after their relocation, and EH increases their beneficiaries per new project that they finish: "*On average, residents, but also the people you provide with jobs, you provide with knowledge, about 20 benefit per project.*" (Interviewee 9). Both cases differentiated between direct and indirect beneficiaries, where direct beneficiaries include the staff members themselves, buyers of their products, partners, and the local value chain actors, and indirect beneficiaries are the ones that gain new insights and awareness about the potential of circularity in general.

Regarding the qualitative changes, it can be noted that the scaling of impact has led to the ability to reach beneficiaries better. Here, SC explained that especially the staff base benefitted from the move to the current location, as it is more spacious, welcoming, and offers more possibilities to do something that you like: "*The location is bigger, there are more opportunities in terms of work, but also what you come here to get as a visitor. So there has been a lot of change. Much more impactful now.*" (Interviewee 4). For EH, scaling their impact has led to more recognition and exposure for the company, which translated to better collaborations with partners that were able to help improve the concept, and thus improve the quality for the beneficiaries. These two types of impact have contributed to increasing the magnitude of impact created, which is expressed in the figure by high scores (1,33 and 1,75).
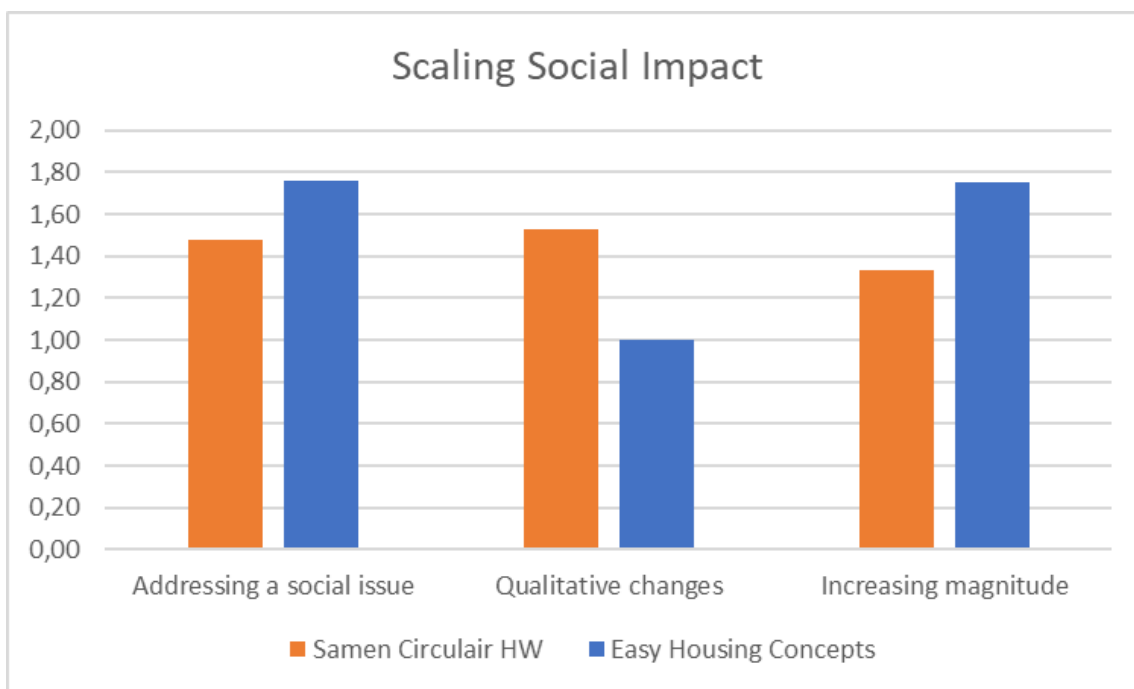
Figure 8, Findings on the indicators of Scaling Social Impact (N=11, , ranging from -2.0 to 2.0)

*Scaling Strategies*

When considering the various scaling strategies that the CCEs are using, it can be stated that a mix of strategies, combining breadth and depth-scaling, is applied. Both cases have adopted scaling out in their own way: SC scaled their organization by growing their operations and adding new aspects to their secondhand store, like a crafts center and a collaboration with the recycling park (Samen Circulair, 2019; Samen Circulair, n.d.a). EH starts projects in different geographical locations (Easy Housing, n.d.), thereby scaling their programs: "*So part of these breakthrough initiatives is work with Easy Housing's prefabricated modular housing in Uganda, they are already operating in Mozambique, and they are also scaling to Ghana*" (Interviewee 7). With regards to scaling across, interviewees and documents showed clear ambitions to share their insights and knowledge with other entrepreneurs, where it can be said that both enterprises recognize the ecosystem in which they are operating, and understand that collaboration is a prerequisite for reaching a circular economy: "*their impact is in helping others and making impact amongst their service partners, in a market where it is not common to use wood, so they make impact there.*" (Interviewee 7). They scale across by hosting their own information sessions and network meetings, but also by actively engaging in meet-ups and seminars that are organized by other network organizations for sharing best-practices. Additionally, both CEs also educate people,

SC trains their volunteers to work in a store and teaches crafts to their volunteers (with an occupational disability), in contrast EH provides training to local carpenters and construction workers to work with their concept and educates them on biobased and circular construction methods.

Regarding depth-scaling, both CCEs aim to share their insights to the wider public as well, which is part of the scaling strategy scaling deep (1,2 and 1,25). They both want to alter the culture, norms and values that surround circularity in general, and the circular built environment specifically. SC is developing an educational program to educate high school students and it wants to provide tours for companies through their building to demonstrate the issues surrounding our consumption patterns. Additionally, volunteers of SC are collecting goods at the recycling park, with which they also aim to change norms and values about waste (Samen Circulair, 2019). EH aims to tackle the problems surrounding the perception of timber for building houses, for which they adopted the concept of 'thought leadership', where they operate as experts and share their insights with local communities (Easy Housing, n.d.):

> "*because we invest a lot in this. We do this mainly through thought leadership, by being active in all kinds of networks and by pitching in all kinds of places. This could become more structural and we are working on this.*" (Interviewee 12).

Concerning scaling up, both cases expressed an interest to create impact on higher levels in government and push for policy changes, but they both saw this more as a long term strategy, which will also stem from the awareness created by their other strategies.

The most important goal for CCEs is promoting the transition to a circular economy. Multiple strategies to increase impact, and thus advance this shift, are pursued at the same time, where interconnections can be found. Breadth-scaling seems to be a more short-term scaling path, whereas depth-scaling requires more time, and the impact is more difficult to measure. Moreover, breadth-scaling contributes to reaching more people, which allows for changing more people's culture, norms and values, which thus influences the realization of the depth-scaling strategies.
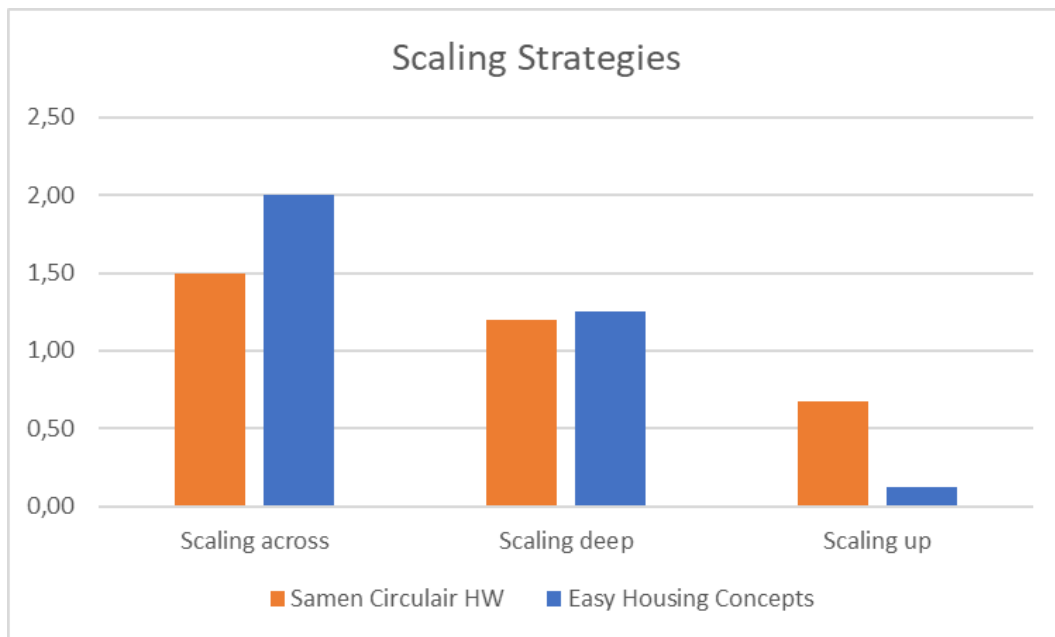
Figure 9, Findings on the indicators of Scaling Strategies (N=11, ranging from -2.0 to 2.0)

**Conceptual Framework**

In the last part of the questionnaire, interviewees were asked to link the first part to the second part of the survey, and rate the importance of the drivers to scaling their social impact. Here, the outcomes of scaling impact were measured in quantitative and qualitative growth, which is depicted in Figures 10 and 11. The interviewees agreed upon the relevance of all four drivers for scaling impact, which is why all indicators scored above 1. One exception is the driver organizational capacity on the qualitative impact made by SC. Here, multiple interviewees argued that financial resources are not important for helping beneficiaries better, which dragged down the score of the indicator: "*I think quality is really in other things, what people do you employ, what is your vision, what is your network. That's what makes the quality possible, finance doesn't determine it, that's in other things.*" (Interviewee 6).
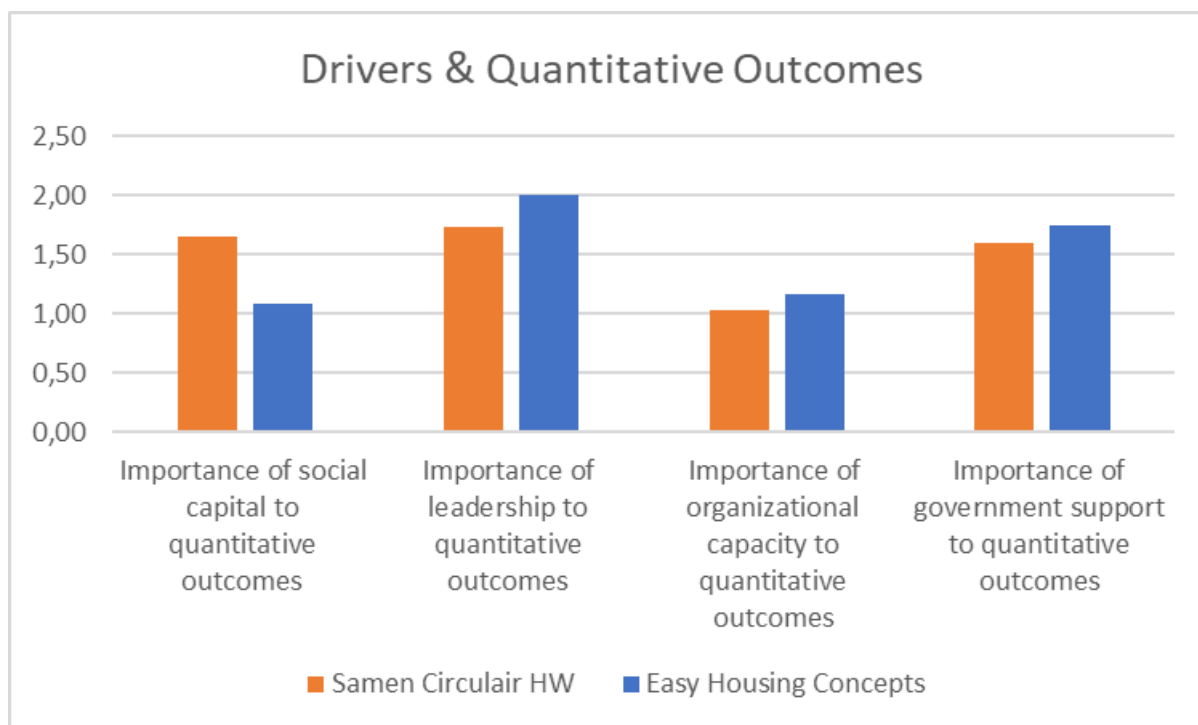
Figure 10, Findings on the relation between the drivers and quantitative outcomes (N=11, ranging from -2.0 to 2.0)
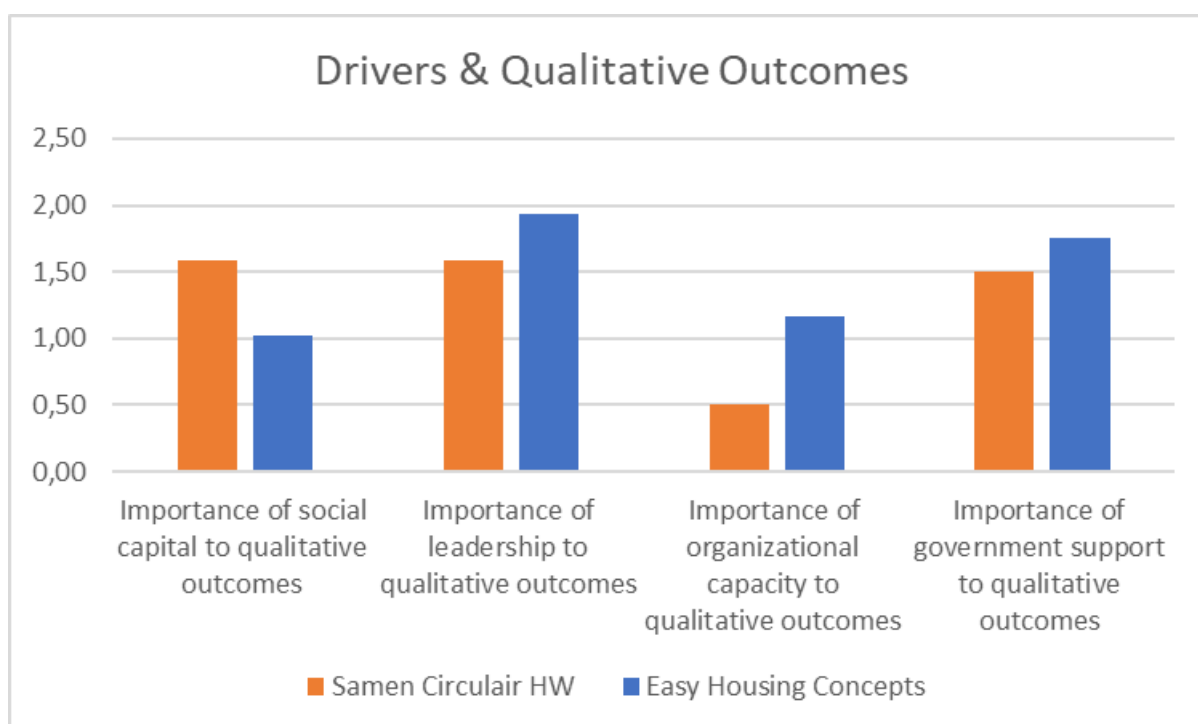


Figure 11, Findings on the relation between the drivers and qualitative outcomes (N=11, ranging from -2.0 to 2.0)

What became clear in this part of the survey is the interconnectedness of the different drivers, and how particular dimensions of the drivers have an influence on a specific scaling strategy. Because of that, the conceptual framework was adapted, so that linkages between the dimensions of the drivers and scaling strategies were taken into account (see figure 12). Here, the thickness of the arrows represent the strength of the relationship.

As illustrated in Figure 12, the model demonstrates how leadership is the fundamental driver for scaling social impact, as it catalyzes all other drivers: "*All the pillars are important but the foundation is the founders, so the success depends on the dedication of the founders and their capacity to work on those other pillars I would say*" (Interviewee 11). The dimensions of leadership contribute in a variety of ways. Community building characteristics help in mobilizing support through the enthusiasm and dedication of the leaders as this directly affects staff (bonding social capital) and local community members (bridging social capital), and the ability to formulate and articulate a clear strategy and vision, which influences the institutionalization of the enterprise. Moreover, identifying and exploiting new entrepreneurial activities, shaped by the enterprise's bricoleurship and risk-taking attitude, forms the core of CCEs, as the organization is seen as a risky venture in itself. Here, the management applies bricoleurship by continuously building relationships with potentially interesting partners, which stimulates alliance building, and turning locally available resources into innovative revenue streams, directly influencing financial resources. Additionally, building collaborative and strategic alliances directly influences linking social capital, as more relationships with institutional power holders are established, and more like-minded companies and funding opportunities are reached and exposure is created.

Social capital, promoted by the dimensions of leadership and institutionalization, contributes to qualitative and quantitative growth in their own way. Regarding bonding social capital, trust was argued to form the foundation of collaboration within a team, which strengthens the coordination and communication of tasks, and improves the organization's staffing and attraction of human resources. For bridging social capital it is the collaboration with partners and local (community) networks that creates exposure for the CCE and through this increases sales and secures financial resources. Moreover, the exposure ensures that more people come in contact with circularity principles and alter norms and values (scaling deep), and the networks allow for knowledge sharing between community entrepreneurs (scaling across). Combined this directly stimulates the CCEs to expand their geographical boundaries and spread their concept (scaling out). Linking social capital is important, as lobbying with governmental actors translates to more recognition of the CCE by the public sector.

On its turn, governmental recognition implies a smoother scaling process through increased governmental support functions. Contributing through financial support, help in the application for amongst others permits. Yet, governments are also good connectors which can grow the network of the enterprise and gather knowledge on circularity. Additionally, the recognition of governments can influence policies and regulations in the long-term (scaling up), which allows for helping beneficiaries better and creates more recognition.

As can be seen in Figure 12, organizational capacity is the driver that is most influenced by the other drivers. Institutionalization has helped the CEs by forming the basis for the development of a vision, which helps with engaging more people (human resources) and contributes to the creation of an open atmosphere and stimulation of self-development of staff members. This allows for people to explore what energizes them, and has resulted in the staff members opening up more, coming up with creative solutions, and learning continuously (bonding social capital). Human resources are thus influenced directly by institutionalization, as the vision engages more volunteers and employees, and indirectly, as the values of the CCE boost bonding social capital, which increases the capacity of the current staff members. Financial resources come from revenue streams including sales (identifying and exploiting new entrepreneurial activities), contributions from the organization's network (bridging social capital), as well as funding and subsidies (government support). Human resources both help scaling social impact, as motivated and passionate staff takes up the role of ambassadors, which helps scaling deep, across and up. Financial resources ensure the durability of the company, so that the staff can continue to create impact through these strategies.
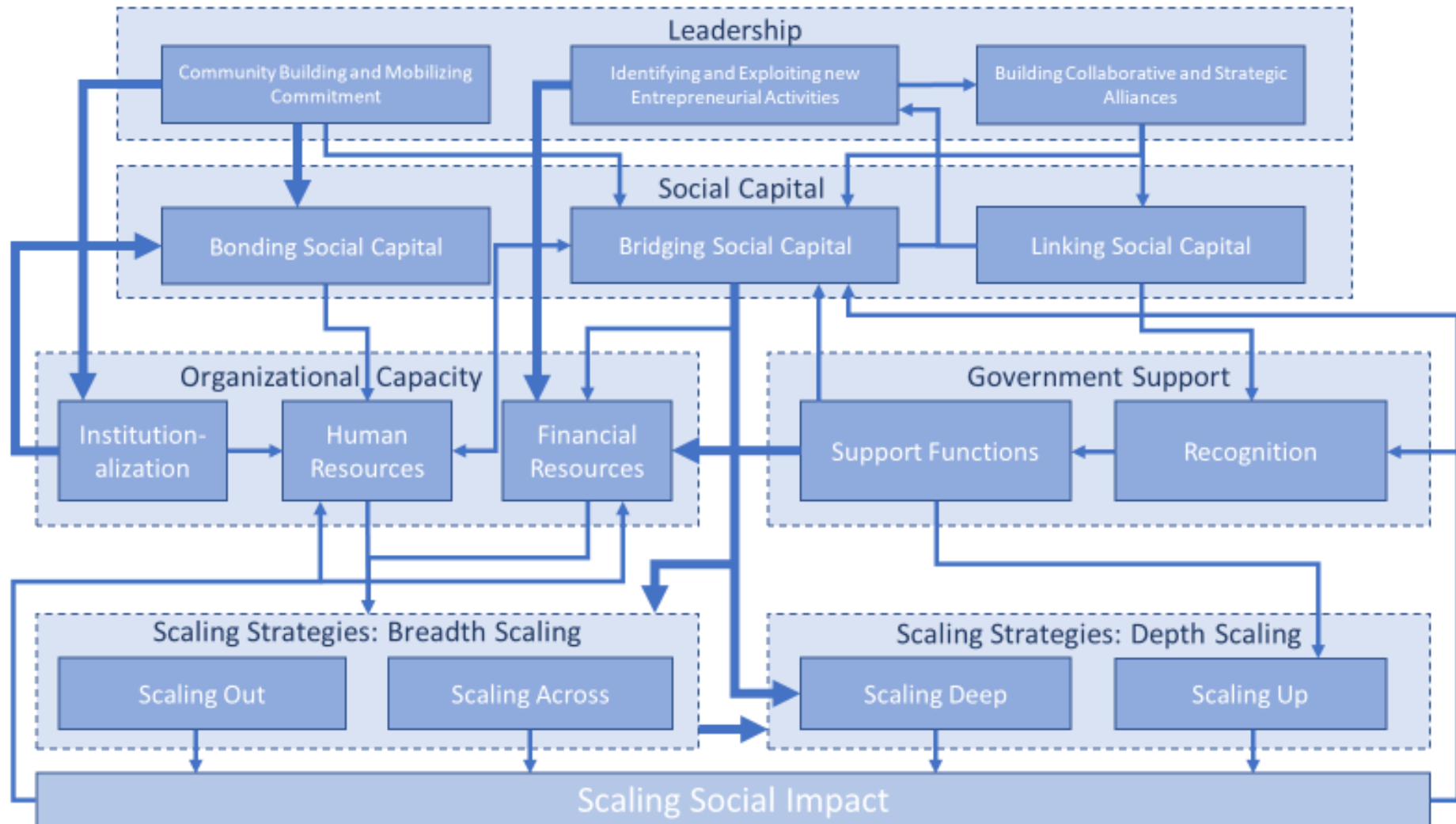
Figure 12, Conceptual Framework of the Drivers of Scaling Strategies for Scaling Social Impact by Circular Community Enterprise

**Conclusions and Discussion**

This paper has studied two CCEs that are active as circular building and (re)manufacturing hubs. This all with the purpose of finding out how social capital, organizational capacity, leadership styles and government support drive the impact-scaling of CCEs. Here, the study contributes to the prevailing body of literature in a number of ways. It conceptualizes the notion of CCEs, examines the scaling strategies of CEs, and reports on the importance of the drivers for scaling social impact.

**Circular Community Enterprises**

The first key conclusion relates to the conceptualization of circular community entrepreneurship, which is considered a subcategory of community entrepreneurship. Building on both the conceptual literature and the findings, this thesis understands CCEs as organizations that aim to stimulate community development through the use of commercial activities that combat environmental challenges by closing, slowing, or narrowing the loop of (natural, human, and intangible) resources and/or regenerating natural capital (Buratti et al., 2022; Ratten & Welpe, 2011; Summerville & McElwee, 2011; Zucchella & Urban, 2019). In line with the circular entrepreneurial literature (Zucchella & Urban, 2019), CCEs have personas rather than customers, as these customers are expected to contribute to closing the loop by participating in the production process or exchange of goods and services through the adoption of the circularity principles: *designing out waste and pollution*; *keeping resources in use*; and *restoring natural systems* (Ellen MacArthur Foundation, 2015). Moreover, in alignment with the findings of Gurău and Dana (2018), it seems that circular community entrepreneurs take up similar independent roles regarding the relationship between community and nature by being: *guardians* of the natural environment that keep resources in and work with biobased products that restore natural systems; *educators* that aim to share their gained experience and knowledge concerning circularity through 'thought leadership'; and being *boundary spanners* between the environment and people that further use these experiences and knowledge to accelerate the transition to a circular economy through leading-by-example.

**Scaling Strategies of Circular Community Enterprises**

The second conclusion of this paper is that it is the first study that examined the scaling strategies of CEs, for which it built upon scaling theories for social enterprises (André

& Pache, 2016, Bauwens et al., 2020; Dees et al., 2004; Islam, 2020; Moore et al., 2015). CCEs were found to combine a mix of breadth and depth-scaling, aiming to scale impact quantitatively, by reaching more people, as well as qualitatively, by impacting the current beneficiaries better (Bauwens et al., 2020; Kickul et al., 2018). In this study, both cases applied 'scaling out' as a strategy by either expanding the geographical boundaries in which their enterprises operate; 'scaling across' for sharing their experiences and gained insights with other social or community entrepreneurs; 'scaling deep' as a strategy is pursued by developing educational programs surrounding circularity, and inviting people to rethink their consumption pattern with the aim to change cultures, norms and values of their targeted community; 'scaling up' as the most long-term strategy, where the enterprises aim to 'lead-by example' and hope to affect policies and laws, for which they actively lobby with different levels of government. The scaling strategies are pursued alongside each other, but breadth-scaling seems to be easier for the CCEs to realize. By growing their organization, it seems that depth-scaling strategies are indirectly executed.

It follows that in their ambitions, CCEs grasp and adopt a 'mixed embeddedness perspective', regarding their enterprise as an organizational structure that is rooted ingrained in both socio-economic as well as politico-institutional contexts (Kloosterman & Rath, 2001; Verver, Dahles & Soeterbroek, 2021). CCEs consider altering beliefs and cultures as a fundamental part of their existence. In this way, circular community entrepreneurs operating as *educators* and *boundary spanners* (Gurău & Dana, 2018), are to be considered activists, since their ventures involve "*mobilizing the community as citizens, and lobbying and advocating on their behalf in governmental arenas, at local, regional and national levels*" (Somerville & McElwee, 2011, p.322) for the implementation of policies and regulations that stimulate the transition towards a circular economy. CEs should thus be considered important stakeholders in the transition to a circular economy as their scaling strategies indicate their aspiration and ability to reshape daily life, habits and local community values by promoting their circularity principals (Nogueira et al., 2020; Rios et al., 2022).

**Importance of the Drivers for Scaling Social Impact**

The third key conclusion pertains to the drivers framework that was developed based on the conditions for a durable CE by Van Meerkerk et al. (2018), the performance measures for CBIs by Igalla et al. (2020), and the scaling social impact drivers for social enterprises of Bloom & Chatterji (2009) and Dees et al. (2004). This paper is the first to combine public administration and business literature for developing a holistic model that examines the

drivers of scaling strategies for CEs. Here, the manifestation of the four drivers 'social capital', 'leadership', 'organizational capacity', and 'government support' in CCEs was studied, and their relevance for scaling impact was examined. It was found that all four drivers are relevant for scaling strategies. The conceptual framework (Figure 12) that was developed confirms the interdependencies between the four drivers as found by Igalla et al. (2020). However, the way that the various drivers were examined in this thesis differs slightly, as this framework considers more dimensions per driver, this leads to three main contributions that are important to note.

First, where Igalla et al. (2020) approached leadership in CEs by studying transformational and boundary spanning leadership, this research looked into the three dimensions of Van Meerkerk et al. (2018), extended by social entrepreneurial concepts like bricoleurship (Lan et al., 2014; Mason Royce, 2007; Miller et al., 2012; Sharir & Lerner, 2006; Whitelaw, 2012; Zahra et al., 2012). Here, new interlinkages between the dimensions and other drivers were found. 'Community building and mobilizing commitment', just like transformational leadership, was found to directly influence bonding social capital, as an open atmosphere and room for innovation and self-development enhances trust and collaboration. However, it was also found that the ability to be inspiring translates to a better formulated vision and strategy, which improves organizations's institutionalization, and through that, motivates staff (creating more bonding social capital) and boosts the time and energy that staff wants to spend on the CCE (and thus have more human resources). The dimension 'identifying and exploiting new entrepreneurial activities' was added to the model, which was found to influence alliance building capacity and financial resources, as all resources that are locally available are leveraged for increasing impact.

Secondly, regarding organizational capacity, new interdependencies were found. First, the argument of Eissinger (2002), that institutionalization, which refers to enterprises organizing themselves more effectively when they look forward, has an indirect effect on impact-scaling, as it enhances communication to external parties, and increases the ability for CCEs to attract more staff by articulating a clear vision. Human resources were found to have a direct effect on reaching beneficiaries more and better, because a bigger staff equals more personal networks that are affected and involved, as well as more knowledge, creativity and innovation, a better division of tasks in the company (which therefore also affect bridging social capital). This allows for being more effective in reaching people (Igalla et al. 2020). Financial resources are considered essential for scaling social impact, as capital is often a prerequisite for scaling impact, especially for CEs in the start-up phase (Van Meerkerk et al.,

2018). On the one hand, circular community entrepreneurs seem to be bricoleurs who 'make-do' with the resources at hand, but on the other hand it was noted that a certain financial base is needed for paying staff and rent, acquiring basic materials, and generally keeping the company afloat while impact is being scaled. This makes it a strong business model a core condition for a durable CE (Van Meerkerk et al., 2018), and thus, a fundamental driving factor for scaling social impact.

Thirdly, this model differentiates between governmental support functions and recognition, distinguishing between the attitude that governments have with regards to CEs, and the ways that they are actually supporting them. Government support was found to be an especially essential driver in the start-up phase, as the CCEs need to bridge the gap between founding the enterprise and becoming financially sustainable and independent. For scaling social impact it is important that the government has enough trust in the CE that it will get through this period, which emphasizes that a shadow of benevolence is important for scaling impact (Nederhand et al., 2016). Here, boundary spanners in the government can help in connecting the CE better with the different governmental departments, which can smoothen the bureaucratic process. Furthermore, this paper restates the support paradoxes of Kleinhans and Van Ham (2017) who noted the struggle that government official experience between being trusting in the capabilities of the community entrepreneur and setting strict guidelines to maintain control of the process, and between abiding rules and regulations, or having an experimental approach, which is needed to learn and unlocking the potential of CCEs. When a more experimental approach is adopted, CCEs have received more trust, and regulations and policies that support a better transition to a circular economy, government support will directly scale social impact through the scaling up strategy (Moore et al., 2015).

A fourth key contribution of this framework is the importance of bridging social capital for scaling social impact of CCEs. In the model of Igalla et al. (2020) bridging social capital was only found to influence organizational capacity. Yet, for CCEs, bridging social capital seems to have direct effects on scaling strategies as well, as CCEs aim to change people's perspectives, norms and values with regards to waste and consumerism through scaling across, deep and out.

**Practical & Theoretical Implications**

The findings of this study shed light on the drivers of CCEs for scaling their social impact. Here, it added to the growing, but still under-researched body of literature that examines the phenomenon of circular and community entrepreneurship. Based on the results

of this paper, several implications can therefore be drawn for circular community entrepreneurs, government officials as well as policy-makers and academics.

For current and future circular community entrepreneurs the paper contributes to understanding their organization and growing it to their potential. Firstly, the findings pinpoint the importance of leadership for shaping the CE. Here, the community entrepreneur should demonstrate or develop skills for mobilizing commitment, identifying opportunities and establishing strategic alliances. It is important that, firstly, a strategic plan is made, so that a clear vision can be articulated to the community and other stakeholders. Secondly, a horizontal organizational structure should be created that fosters an open and welcoming atmosphere and allows for creative and innovative input from staff members, which allows for identifying and exploiting new activities better. Lastly, the circular community entrepreneur should recognize the mixed embeddedness of their organization, and therefore should actively engage in networking efforts with both potential partners as well as institutional players, as an integrative approach by the entire ecosystem is required for transitioning to a circular economy.

For government officials and policy-makers that are concerned with stimulating circular community development, this study stresses the importance of the CCE in creating local community impact. Various governmental paradoxes were discussed, for which local governments are advised to function as a trusting facilitator to overcome these contradictions. A logical step for doing so is appointing a boundary spanner in the government that can guide community entrepreneurs throughout the bureaucratic maze that is the government. This boundary spanner has to overcome the phenomenon of departmentalization through open and clear communication between all governmental departments involved. On a national level, government officials have to revise their policies and regulations with regards to circularity and community entrepreneurship, so that more room is created for entrepreneurs to experiment, take risks, and innovate. This can help community entrepreneurs with altering the norms and values of their community and move to a circular economy. Moreover, this would allow lower levels of government to be more flexible, which can bridge the gap between the willingness and ability of government employees to support CCEs.

Lastly, for academics, this research contributes to the already existing however limited body of literature in the field of community entrepreneurship. Circularity and impact scaling of CEs form a niche in the field of community entrepreneurship that requires new studies to confirm, refine, and add to previous findings. Before, the environmental aspect in general, and circularity specifically, has largely been overlooked. This study is the first to

conceptualize CCEs, and examining the driving factors of leadership, social capital, organizational capacity and government support in relation to scaling social impact, by extending earlier research.

**Limitations & Recommendations for Future Research**

This research contains two limitations that need to be mentioned. The first limitation concerns the study design, looking into two Dutch CCEs. CCEs are a new notion in the governance of spatial regeneration, particularly in the Netherlands (Van Meerkerk et al., 2018). This is reflected in the cases that were examined, as according to their strategic plan they were both still in the first phase of their impact scaling endeavors. Here, interviewees expressed that drivers which are currently very influential can fluctuate in importance throughout later scaling phases, like the role of government support. It would be interesting to study cases which have finished their impact scaling, as they can provide richer data on how the significance of the driving factors unfold throughout the entire process.

Additionally, the design of the study was focussed on the embedded nature of the CE, for which partners were interviewed alongside of the staff members to obtain a strong data set. However, during the interviews it became clear that some questions were too specific for outsiders, making it difficult for them to provide logic and well-argued answers. This brings limitations to the research, since the findings are dominated by the members of the CE. Here, the researcher can rely too much on certain interviews, which poses the risk of "*going native*" (Gioia et al., 2013, p.19), which concerns remaining too close to certain interviewees' perspectives that you eventually adopt these views as well. Since the usage of interviews pose the threat of becoming too subjective or attached, interviews might not be representative. Yet, this type of qualitative research is not always chosen for being representative but rather to gain deep and practical insights which through other methods could not have been found (Valentine, 2005). As much as possible, the interviews with partners were used to refer back to situations and answers of the interviewees from within the CE as a form of triangulation, with the purposes of preventing 'going native'.

Furthermore, the case studies were selected by the researcher as they highlight the range of organizational forms that a CCE can adopt, covering a local foundation and an internationally operating company. The research thus only drew conclusions from a small sample. Using an in depth qualitative research approach, twelve stakeholders of two very different CEs were interviewed. This makes it difficult to generalize findings, or relate them to other CEs. Even though this was not the aim of this study, a bigger sample would have

allowed for more overlap between cases, so that the drivers could be linked to particular aspects of the form of CE.

Following the study design limitation, there are some recommendations for future research to focus on. Firstly, to gain a better understanding of the impact scaling process of CCEs, a longitudinal study can be set up, where cases are followed for a longer period of time. This can clarify the importance and role of each driver in the different stages that a CE goes through in scaling their impact (Bauwens et al., 2022). Here, the longitudinal research design can be used as a multiple case study design that encompasses more CCEs in the Dutch context for: on the one hand better grasping the concept of CCEs; and on the other hand making the dataset more generalizable. Additionally, it would be beneficial to develop multiple questionnaires depending on the relationship of the interviewee with the enterprise.

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**Appendix**

**Appendix A - Literature Table of the Independent and Dependent Variables**

| Conditions for a durable community enterprises | Determinants of performance in community-based initiatives | | SCALER Framework for scaling social impact | 5R Framework for caling social impact |
|---|---|---|---|---|
| Van Meerkerk et al. (2018) | Igalla et al. (2020) | Other authors | Bloom and Chatterji (2009) | Dees et al. (2004) |
| **Strong social capital:**<br><br>■ <u>Bonding social capital:</u> Strong ties between neighbors, friends and association members. These ties help the formation of CEs and dynamics in board management and continuity<br><br>■ <u>Bridging capital:</u> The ties in the wider neighborhood, ties to other networks and other community organizations. Generate support and a base for recruiting volunteers, potentially impacting upon the structural capacity and legitimacy of the CE<br><br>■ <u>Linking capital:</u> ties of CEs with institutional key players, which can | **Social capital:**<br><br>■ <u>Bonding social capital:</u> trusting and cooperative relations between members of a network who see themselves as being similar, in terms of their shared social identity<br><br>■ <u>Bridging social capital:</u> Relations of exchange, respect and mutuality between people who are unlike in some social identity sense Ability to create new markets<br><br>■ <u>Linking social capital:</u> ties of exchange between actors | **Social Capital:** (Putnam, 1993)<br><br>■ Features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit<br><br>■ Promotes the mobilization of resources as well as the coordination of activities and ventures and functions as a safety net that risks for individual community members that are active in the network<br><br>■ Important in resource-scarce environments | **SCALERS: Alliance Building**<br><br>■ Effectiveness in forging partnership, coalition or other connections with actors in the ecosystem of the social enterprise | **5R: Readiness**<br><br>■ Readiness of a venture to be spread and scaled<br><br><br>**5R: Receptivity**<br><br>■ Will the activity be well-received in the newly targeted communities |

| | | | | |
|---|---|---|---|---|
| be crucial for getting resources and support | who are unequal in power and access to resources | | | |
| **Strong entrepreneurial community leadership**<br><br>1. community building and mobilizing commitment:<br>   ■ Formulating a vision for inspiring others and mobilizing resources and commitment<br>2. building collaborative and strategic alliances between CEs and institutional power holders:<br>   ■ Establishing relations outside of the CE for mobilizing external resources<br>3. identifying and exploiting new entrepreneurial opportunities:<br>   ■ A risk-taking attitude, flexibility and creativity for resource acquisition in resource-scarce environments | **Leadership styles**<br><br>Transformational leaders:<br>■ Stimulate and encourage creativity and innovativeness of those around them<br>■ Services are being self-organized in order to pursue higher-order societal goals.<br>■ Articulate an inspiring vision and agenda that attracts people and organizations to invest their time, energy, and financial resources to achieve the collective goals<br><br>Boundary Spanning Leaders:<br>■ Important for gaining necessary resources and linking the organization to external developments | **Leadership:** (Lan et al., 2014; Mason Royce, 2007; Miller et al., 2012; Sharir & Lerner, 2006; Whitelaw, 2012; Zahra et al., 2012)<br>Ability to:<br>■ Alter and influence mindsets<br>■ Change values<br>■ Stimulate higher levels of participation<br>■ Create culture of openness<br>■ Stimulate cohesiveness<br>■ Achieve commitment<br>■ Provide innovative solutions with limited resources<br>■ Build alliances between venture and institution<br><br>Qualities:<br>■ Innovative, adaptable, proactive, flexible, creative, risk taking<br>■ Rule breakers and rule creators<br>■ Bricoleurship<br><br>Skills: | **SCALERS: stimulating market forces**<br><br>■ Effectiveness in creating incentives for people and institution to combine private interest with public interests<br>■ Ability to create new markets | **5R: Risk**<br><br>■ How big are the changes that the activity that is being scaled will be implemented incorrectly or will not lead to social impact creation |

| | | | | |
|---|---|---|---|---|
| | ■ Reaching the right people in government and strengthening bridging and linking capital | ■ People and financial management skills | | |
| **Support relations with key institutional players**<br><br>■ CEs with institutionalized processes of service delivery or decision-making depend on municipal and/or professional service providers responses<br>■ Support covers allowance, counselling and stimulation (e.g., start-up grants), but also intensive collaboration and co-production<br>■ Boundary spanners are needed | **Government support**<br><br>■ To develop effective and successful collective actions CBIs need recognition<br>■ Governments can provide a range of services and support functions for CBIs, including start-up funds, business networking and marketing, technical training and knowledge transfer | **Support paradoxes:**<br>(Kleinhans & van Ham, 2017)<br><br>1. Setting strict guidelines or giving free rein to community members. Co-production in theory versus 'counter-production' (being too strict and bureaucratic) in practice<br>2. Experimentational approach (learning process) without translating it into policy adaptations<br><br>(Nederhand et al., 2016)<br><br>■ Shadows of hierarchy demonstrate how governments use their power<br>■ fear-based shadow (set framework) and benevolent shadow (trust) | **SCALERS: Lobbying**<br><br>■ Ability of the organization to successfully get government support | |

| Strong business model | Organizational capacity: | Staffing and institutionalization: | SCALERS: Staffing, Communication and Earning Generation | 5R: Resources |
|---|---|---|---|---|
| **Financial resources:**<br><br>■ Generate a steady and secure revenue stream to enhance the autonomy and durability of the CE<br>■ Covers use of assets (buildings and land), offering services, and use of external funding | ■ <u>Human resources:</u> Committed volunteers provide **resources of time and energy** that increase the capacity of initiatives to achieve the desired outcomes<br>■ <u>Financial sources:</u> Donations, finances from charitable funders, sponsors and private sector. Initiatives are often active in generating earned income, through registration fees and selling of products | (Eissinger 2002)<br><br>■ <u>Institutionalization:</u> an organization that looks forward for improving performance can organize itself more effectively<br>■ Strategic planning, rules of procedure, modes of communication and planning as indicators of organizational capacity | **Staffing:**<br><br>■ Employees and volunteers that contributes resources such as time and energy<br>■ Effectiveness to fulfill labor needs (to find competent staff)<br><br><u>Communication:</u><br><br>■ Methods/channels for bringing awareness to stakeholders and consumers<br>■ Ability to persuade stakeholders of value of product and service/venture (in context of public support)<br><br><u>Earning generation</u> | ■ Covers the resources, being financial, human and other tangible, that are needed to scale |

| | | | | |
|---|---|---|---|---|
| | | | ■ Ability (effectiveness in making) to make a profit or be self-sustaining | |

| Scaling social impact | | | SCALER Framework or scaling social impact | 5R Framework for scaling social impact |
|---|---|---|---|---|
| General Definitions | Spectrum of scaling social impact types | | Bloom and Chatterji 2009) | Dees et al. (2004) |
| Social Impact: (Vanclay et al., 2015)<br><br>■ The intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions | Breadth-scaling: (Kickul et al., 2018)<br><br>■ Expansion of the social impact and involves the surge and rise of the number of beneficiaries that are helped by social innovations | Depth-scaling: (Kickul et al., 2018)<br><br>■ A qualitative improvement in terms of development of product/services scope in serving the needs of the target community<br><br>■ Transforming local-level innovations into large systemic changes that operate on an institutional scale<br><br>■ Dealing with roots of complex societal issues | | 5R Returns:<br><br>■ What is the bottom line of the scaling<br><br>■ How is the newly targeted community better off after the scaling |

| Scaling Social Impact: (Islam 2020) | Scaling out: (Moore et al., 2015) | Scaling deep: (André & Pache, 2016; Moore et al., 2015) | SCALERS Replication: | |
|---|---|---|---|---|
| ■ An ongoing process of increasing the magnitude of both quantitative and qualitative positive changes in society by addressing pressing social problems at individual and/or systemic levels through one or more scaling paths | ■ Reaching groups in more geographic areas.<br>■ Includes (Dees et al. 2004):<br> 1. Changing organizational structures<br> 2. Changing program activities<br> 3. Changing core values<br>■ Involves dissemination, affiliations, branching | ■ Improvement and enrichment of the quality of current processes in the organization<br>■ Focus on the culture, altering beliefs and norms rooted in people, relationships, communities | ■ Extent to which organizations can replicate programs<br>■ Through training choosing, contracting, or other quality controlling tools | |
| **Five features of Scaling Social Impact:**<br>1. Social enterprises contribute to creating positive social impact by combatting pressing societal issues;<br>2. The positive social impact considers both the quantitative (expanding the number of beneficiaries) and the qualitative (improving the quality of life of beneficiaries); | **Scaling across:** (André & Pache, 2016)<br><br>■ Sharing innovations with other stakeholders<br>■ Builds on dissemination | **Scaling up:** (Moore et al., 2015)<br>■ Shifting from niche to regime levels through altering policies and laws<br>■ Done through development of community capacity, partnering and transformative learning | | |

| | | | |
|---|---|---|---|
| 3. The magnitude of this positive impact is being increased;<br><br>4. The issues combatted are impacted on an individual and/or systemic level;<br><br>5. Scaling positive impact is an ongoing process where, depending on the evolution of the enterprise, one or more scaling strategies are applied | | | |

## Appendix B - Operationalization Tables

Table 1: *Operationalization of independent variables (drivers)*

| Independent Variable | Dimension | Definition | Indicator | Data Type & Method |
|---|---|---|---|---|
| Social Capital | Bonding | Trusting and cooperative **relations** between members of the CE | **Cooperative relations**<br>− Level of active engagement of the staff<br>− Perception of success of inter team relations | Qualitative<br><br>*Semi-structured interviews*<br><br><br>Likert<br>− Actively engaged, engaged, somewhat disengaged, disengaged (Likert)<br>− Highly successful, . . . |
| | | | **Trusting relations among staff**<br>− Strength of trust between staff (1-10)<br><br><br>Other staff members . . .<br>− took the interests of the collaboration into account when making a decision<br>− was capable to complete the project or meet their obligations according to agreements made<br>− had, in general, good intentions | Qualitative<br><br>*Semi-structured interviews*<br><br><br>Scale 1-10<br><br>Likert<br><br>- Strongly agree, agree, neutral, disagree, strongly disagree |

| | Bridging | **Supporting relations** between the CE and the wider neighbourhood and other network organizations | **Supporting relations with other network organizations**<br><br>- Level of neighbourhood engagement in the CE<br><br>- perception of successful collaboration with other network organizations<br><br>- Strength of collaboration between CE and wider networks (1-10) | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- Actively engaged, engaged, somewhat disengaged, disengaged<br><br>- Highly successful, . . .<br><br>Scale 1-10 |
|---|---|---|---|---|
| | Linking | **Building collaborative and strategic alliances** between the CE and institutional actors | **Collaborative and strategic relations with institutions**<br><br>- Strength of collaboration with the government<br><br>- Level of municipal engagement in CE<br><br>The Government . . .<br><br>- Assigned a representative to the CE | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Scale 1-10<br><br>Likert<br><br>- Actively engaged, engaged, somewhat disengaged, disengaged<br><br>- Strongly agree, . . . |

| Leadership | Community building and mobilizing commitment | The role that leaders play in formulating a vision for **inspiring** the CE members, and mobilize commitment | **Ability to be inspiring**<br><br>The leader/board of the CE . . .<br><br>- Is successful in articulating an inspiring vision<br><br>- Is successful in changing norms and values of members/staff | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br><br>Likert<br><br>- Strongly agree, agree, neutral, disagree, strongly disagree |
|---|---|---|---|---|
| | | | **Mobilization of commitment**<br><br>The leader/board of the CE . . .<br><br>- Achieves high levels of commitment amongst staff<br><br>- Stimulate creativity and innovativeness amongst staff<br><br>- Encourage self-development of the staff/members<br><br>- Create a culture of openness | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br><br>Likert<br><br>- Strongly agree, agree, neutral, disagree, strongly disagree |

| | Identifying and exploiting new entrepreneurial activities | The extent to which leaders have **a risk-taking attitude**, and apply **bricoleurship** to gain resources | **Having a risk-taking attitude**<br><br>The leader/board of the CE . . .<br><br>- Dares to take risks when exploiting new ventures/projects<br><br>- Can be considered an 'old rule breaker, and new rule creator' | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- Strongly agree, agree, neutral, disagree, strongly disagree |
|---|---|---|---|---|
| | | | **Application of Bricoleurship**<br><br>- Perception of successfully identifying opportunities by leader/board<br><br>- Perception of creativeness of leader/board<br><br>The leader/board of the CE . . .<br><br>- Manages to create impact with a minimal amount of resources | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- Highly successful, successful, somewhat unsuccessful, highly unsuccessful<br><br>- Very creative, creative, somewhat uncreative, very uncreative<br><br>- Strongly agree, . . . |

| | Building collaborative and strategic alliances with institutional power holders | The role that leaders play in **establishing relations** for mobilizing external resources | **Relation-building capacity with institutional actors**<br><br>The leader/board of the CE . . .<br><br>- can reach the right people in government<br><br>- Has good networking skills | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br><br>Likert<br><br>- Strongly agree, agree, neutral, disagree, strongly disagree |
| --- | --- | --- | --- | --- |
| Organizational Capacity | Institutionalization | The extent to which the CE **thinks strategically** for improving performance | **Strategic thinking**<br><br>- Presence of a strategic plan (yes/no)<br><br>- Perception of successfully pursuing the strategic plan | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br><br>Likert<br><br>- Highly successful, successful, somewhat unsuccessful, highly unsuccessful |

| | Human Resources | Ability to find enough employees and volunteers for running the operations | **Ability to find staff**<br><br>- Number of people involved in CE (#)<br><br>- Perception of successfully recruiting enough members of staff | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- Highly successful, successful, somewhat unsuccessful, highly unsuccessful |
|---|---|---|---|---|
| | Financial Resources | The various forms of earned income generated by the CE | **Forms of income earned**<br><br>- Perception of successfully generating enough income<br><br>The CE …<br><br>- Relies heavily on external support<br><br>- Has steady and secure income streams | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- Highly successful, successful, somewhat unsuccessful, highly unsuccessful<br><br>- Strongly agree, . . . |

| Government Support | Support functions | The extent to which governments are supporting the CE | **Governmental support**<br><br>- Strength of government support (1-10)<br><br>- Perception of successfully getting government support | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Scale (1-10)<br><br>Likert<br><br>- Highly successful, successful, somewhat unsuccessful, highly unsuccessful |
|---|---|---|---|---|
| | Recognition | The extent to which governments are **recognizing the importance** of the CE | **Governmental recognition**<br><br>Governmental actors . . .<br><br>- Understand the importance of the CE<br><br>- Are willing to bend rules or be innovative<br><br>- Had, in general, good intentions | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- Strongly agree, agree, neutral, disagree, strongly disagree |

Table 2: *Operationalization of dependent variable (scaling social impact of community enterprises)*

| Variable | Dimension | Definition | Indicator | Data Type & Method |
|---|---|---|---|---|
| Scaling Social Impact | Creating positive social impact | CEs are contributing to creating positive social impact by **combatting pressing societal issues** | **Addressing a social issue**<br><br>- Strength of the solution to the social issue (1-10) | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br><br>Scale (1-10) |
| | Type of impact | The positive social impact considers both the **quantitative** and **qualitative** | **Quantitative changes**<br><br>- Number of people benefitting from the CE in the beginning (#)<br><br>- Number of people benefitting from the CE now | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey* |
| | | | **Qualitative changes**<br><br>- Perception of the extent to which the lives of beneficiaries have been impacted | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |

| | Increasing impact | Over time the **magnitude of the impact is being increased** | **Increasing magnitude**<br><br>- Perception of successfully increasing impact over time<br><br>- Perception of the extent to which the number of beneficiaries changed<br><br>- Perception of the extent to which the lives of beneficiaries changed | Qualitative<br><br>*Semi-structured interviews*<br><br>*Observations*<br><br><br>Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br><br>Likert<br><br>- Highly successful, . . .<br><br>- To a great extent, . . . |
|---|---|---|---|---|
| | Level of impact | The impact can be made on an **individual or systemic** level | **Level targeted**<br><br>- Level of impact made (individual / systemic) | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey* |
| | Scaling strategies | Scaling positive impact is a continuous process where | **Scaling out** | Quantitative & Qualitative |

| | | one or more **scaling strategies can be applied** | - What part of your community enterprise did you develop/grow (organization, program or principles)? | *Semi-structured interviews that discuss a survey* |
|---|---|---|---|---|
| | | | **Scaling across**<br><br>- Perception of extent to which the CE contributes to knowledge exchange with other community entrepreneurs to better resolve social issues? | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |
| | | | **Scaling deep**<br><br>- Perception of the extent to which the CE has contributed to altering beliefs, norms, and values? | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |

| | | | Scaling up | Qualitative |
|---|---|---|---|---|
| | | | - Level of political engagement | *Semi-structured interviews* |
| | | | - Perception on successfully making impact in the public sector? | *Observations* |
| | | | | Likert<br>− Actively engaged, engaged, somewhat disengaged, disengaged (Likert)<br>− Highly successful |

Links of IV and DV

| IV | DV | | Indicator | Data Type & Method |
|---|---|---|---|---|
| Social Capital | Social impact | Quantitative | **Importance of social capital to outcomes (achieving social impact)**<br><br>- Perception of the extent to which trust and cooperation between staff members contributed to reaching more beneficiaries<br><br>- Perception of the extent to which relations with other network organizations contributed to reaching more beneficiaries<br><br>- Perception of the extent to which relations with institutional actors contributed to reaching more beneficiaries | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |

| | | Qualitative | **Importance of social to outcomes (achieving social impact)**<br><br>- Perception of the extent to which trust and cooperation between staff members contributed to better helping beneficiaries<br><br>- Perception of the extent to which relations with other network organizations contributed to better helping beneficiaries<br><br>- Perception of the extent to which relations with institutional actors contributed to better helping beneficiaries | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |
|---|---|---|---|---|
| Leadership | Social impact | Quantitative | **Importance of leadership to outcomes (achieving social impact)**<br><br>- Perception of the extent to which the ability of leaders to be inspiring and mobilize commitment contributed to reaching more beneficiaries<br><br>- Perception of the extent to which the ability of leaders to be risk-taking and innovative contributed to reaching more beneficiaries<br><br>- Perception of the extent to ability of leaders to network contributed to reaching more beneficiaries | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |

| | | Qualitative | **Importance of leadership to outcomes (achieving social impact)** | Quantitative & Qualitative |
|---|---|---|---|---|
| | | | - Perception of the extent to which the ability of leaders to be inspiring and mobilize commitment contributed to better helping beneficiaries | *Semi-structured interviews that discuss a survey* |
| | | | - Perception of the extent to which the ability of leaders to be risk-taking and innovative contributed to better helping beneficiaries | Likert |
| | | | - Perception of the extent to ability of leaders to network contributed to better helping beneficiaries | - To a great extent, to a large extent, somewhat, little, not at all |
| Organization al capacity | Social impact | Quantitative | **Importance of organizational capacity to outcomes (achieving social impact)** | Quantitative & Qualitative |
| | | | - Perception of the extent to which the strategic planning contributed to reaching more beneficiaries | *Semi-structured interviews that discuss a survey* |
| | | | - Perception of the extent to which the ability find staff contributed to reaching more beneficiaries | Likert |
| | | | - Perception of the extent to which generating income contributed to reaching more beneficiaries | - To a great extent, to a large extent, somewhat, little, not at all |

| | | Qualitative | **Importance of organizational capacity to outcomes (achieving social impact)**<br><br>- Perception of the extent to which the strategic planning contributed to better helping beneficiaries<br><br>- Perception of the extent to which the ability find staff contributed to better helping beneficiaries<br><br>- Perception of the extent to which generating income contributed to better helping beneficiaries | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |
|---|---|---|---|---|
| Government support | Social impact | Quantitative | **Importance of governmental support to outcomes (achieving social impact)**<br><br>- Perception of the extent to which the support of governments contributed to reaching more beneficiaries<br><br>- Perception of the extent to which the recognition of the CE by the government contributed to reaching more beneficiaries | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |

| | | Qualitative | **Importance of governmental support to outcomes (achieving social impact)**<br><br>- Perception of the extent to which the support of governments contributed to better helping beneficiaries<br><br>- Perception of the extent to which the recognition of the CE by the government contributed to better helping beneficiaries | Quantitative & Qualitative<br><br>*Semi-structured interviews that discuss a survey*<br><br><br>Likert<br><br>- To a great extent, to a large extent, somewhat, little, not at all |
|---|---|---|---|---|

**Appendix C - Interview Guide**

Questions: IV

1. How would you rate the level of active engagement of the staff?

2. How would you rate the success of inter-team relations?

3. How would you rate the strength of trust between staff (1-10)?

4. How much do you agree with the following statements: Other staff members . . .

   a. took the interests of the collaboration into account when making a decision

   b. were capable to complete the project or meet their obligations according to agreements made

   c. had, in general, good intentions

5. How would you rate the level of neighbourhood engagement in the CE?

6. How would you rate the collaboration of  with other network organizations?

7. How would you rate the strength of collaboration between CE and wider networks (1-10)

8. How would you rate the strength of collaboration with the government

9. How would you rate the level of municipal engagement in the CE?

10. How much do you agree with the following statements: The Government . . .

   a. Assigned a representative to the CE

11. How much do you agree with the following statements: The leader/board of the CE . . .

   a. Is successful in articulating an inspiring vision

   b. Is successful in changing norms and values of members/staff

   c. Achieves high levels of commitment amongst staff

   d. Stimulate creativity and innovativeness amongst staff

   e. Encourage self-development of the staff/members

   f. Create a culture of openness

   g. Dares to take risks when exploiting new ventures/projects

   h. Can be considered an 'old rule breaker, and new rule creator'

12. How successful is the board in identifying opportunities?

13. How would you rate the creativeness of leader/board?

14. How much do you agree with the following statements: The Government . . .

      a. Has assigned a clear contact person for the community enterpris

15. Is there a strategic plan?

16. How successful is the CE in pursuing the strategic plan?

17. How many people are involved in the CE?

18. How successful is the CE in recruiting enough members of staff?

19. How successful is the CE in generating enough income?

20. How much do you agree with the following statements: The CE…

      a. Relies heavily on external support

      b. Has steady and secure income streams

22. How successful is the CE in getting government support?

23. How much do you agree with the following statements: Governmental actors . . .

      a. Understand the importance of the CE

      b. Are willing to bend rules or be innovative

      c. Had, in general, good intentions

Questions: DV

1. How would you rate the strength of the CE's solution to the social issue (1-10)

2. How many people were benefitting from the CE in the beginning?

3. How many people are benefitting from the CE now?

4. To what extent have the lives of beneficiaries have been impacted

5. How successful has the CE been in increasing impact over time?

6. To what extent has the number of beneficiaries changed?

7. To what extent have the lives of beneficiaries changed?

8. On what level is impact being made? (individual / systemic)

9. What part of your community enterprise did you develop/grow (organization, program or principles)?

10. To what extent contributes the CE to knowledge exchange with other community entrepreneurs to better resolve social issues?

11. To what extent has the CE contributed to altering beliefs, norms, and values?

12. How would you rate the level of political engagement of the CE?

13. How successful is the CE in making impact in the public sector?


Link:

1. To what extent have trust and cooperation between staff members contributed to reaching more beneficiaries? And to better helping beneficiaries?

2. To what extent have relations with other network organizations contributed to reaching more beneficiaries And to better helping beneficiaries?

3. To what extent have relations with institutional actors contributed to reaching more beneficiaries? And to better helping beneficiaries?

4. to better helping beneficiaries

5. To what extent has the ability of leaders to be inspiring and mobilize commitment contributed to reaching more beneficiaries? And to better helping beneficiaries?

6. To what extent has the ability of leaders to be risk-taking and innovative contributed to reaching more beneficiaries? And to better helping beneficiaries?

7. To what extent has the ability of leaders to network contributed to reaching more beneficiaries? And to better helping beneficiaries?

8. To what extent has strategic planning contributed to reaching more beneficiaries? And to better helping beneficiaries?

9. To what extent has the ability to find staff contributed to reaching more beneficiaries? And to better helping beneficiaries?

10. To what extent has generating income contributed to reaching more beneficiaries? And to better helping beneficiaries?

11. To what extent has the support of governments contributed to reaching more beneficiaries? And to better helping beneficiaries?

12. To what extent has the recognition of the CE by the government contributed to reaching more beneficiaries? And to better helping beneficiaries?

**Appendix D - Consent Form**

**Standard EUR Informed Consent Form**
Arjan van Dorsselaer, May 2022

## INFORMED CONSENT FORM

| | |
|---|---|
| **Project Title and version** | Circular Community Enterprises and the Built Environment |
| **Name of Principal Investigator** | Arjan van Dorsselaer |
| **Purpose of the Study** | This research is being conducted by Arjan van Dorsselaer I am inviting you to participate in this research project about Circular Community Enterprises. The purpose of this research project to better understand the role of social enterprises in rural development. |
| **Procedures** | You will participate in an interview lasting approximately 45 minutes. You will be asked questions about the social enterprise you work for. Sample questions include: "How does the CE earns its income? (subsidies or services to the government; donations; fundraising; membership fee)". <br><br> You must be at least 18 years old. |
| **Potential and anti-cipated Risks and Discomforts** | There are no obvious physical, legal or economic risks associated with participating in this study. You do not have to answer any questions you do not wish to answer. Your participation is voluntary and you are free to discontinue your participation at any time. |
| **Sharing the results** | Your plan for sharing the findings with the participants should be provided. If you have a plan and a timeline for the sharing of information, include the details. You may also inform the participant that the research findings will be shared more broadly, for example, through publications and conferences. |
| **Confidentiality** | Your privacy will be protected to the maximum extent allowable by law. No personally identifiable information will be reported in any research product. Moreover, only trained research staff will have access to your responses. Within these restrictions, results of this study will be made available to you upon request. <br><br> This research project involves making audio recordings of interviews with you. Transcribed segments from the audio recordings may be used in published forms (e.g., journal articles and book chapters). In the case of publication, pseudonyms will be used. The audio recordings, forms, and other documents created or collected as part of this study will be stored in a secure location in the researchers' offices or on the researchers password-protected computers and will be destroyed within ten years of the initiation of the study. |

Erasmus University Rotterdam

## Standard EUR Informed Consent Form
Arjan van Dorsselaer, May 2022

| | |
|---|---|
| **Right to Withdraw and Questions** | Your participation in this research is completely voluntary. You may choose not to take part at all. If you decide to participate in this research, you may stop participating at any time. If you decide not to participate in this study or if you stop participating at any time, you will not be penalised or lose any benefits to which you otherwise qualify.<br><br>If you decide to stop taking part in the study, if you have questions, concerns, or complaints, or if you need to report an injury related to the research, please contact the primary investigator:<br><br>**Arjan van Dorsselaer** |
| **Statement of Consent** | Your signature indicates that you are at least 18 years of age; you have read this consent form or have had it read to you; your questions have been answered to your satisfaction and you voluntarily agree that you will participate in this research study. You will receive a copy of this signed consent form.<br><br>I have been given the guarantee that this research project has been reviewed and approved by the ESHCC Ethics Review Committee. For research problems or any other question regarding the research project, Carley Pennink (Pennink@ihs.nl) or Arjan van Dorsselaer (474264ad@eur.nl) may be contacted<br><br>If you agree to participate, please sign your name below. |
| **Audio recording**<br>(if applicable) | I consent to have my interview audio recorded<br>☐ yes<br>☐ no |
| **Secondary use**<br>(if applicable) | I consent to have the anonymised data be used for secondary analysis<br>☐ yes<br>☐ no |

| **Signature and Date** | NAME PARTICIPANT | NAME PRINCIPAL INVESTIGATOR<br>Arjan van Dorsselaer |
|---|---|---|
| | SIGNATURE | SIGNATURE |
| | DATE | DATE |

**Erasmus University Rotterdam**

**Appendix E - Details of Interviews per Case Study**

| # | Organization | Role regarding 'Samen Circulair' | Gender of Interviewees | Date of Interview | Type of Interview | Duration of Interview |
|---|---|---|---|---|---|---|
| 1 | RAD | Founding Partner | Female | 31-05-2022 | Zoom | 37 min |
| 2 | DENNS | Employee | Male | 1-6-2022 | Face-to-face | 49 min |
| 3 | Welzijn HW | Employee | Male | 1-6-2022 | Face-to-face | 36 min |
| 4 | Welzijn HW | Employee | Female | 1-6-2022 | Face-to-face | 43 min |
| 5 | Province of Zuid-Holland | Founding Partner | Female | 16-6-2022 | Zoom | 53 min |
| 6 | Welzijn HW | Board member | Female | 17-6-2022 | Zoom | 94 min |

| # | Organization | Role regarding 'Easy Housing' | Gender of Interviewees | Date of Interview | Type of Interview | Duration of Interview |
|---|---|---|---|---|---|---|
| 7 | Climate Smart Forest Economy Program | Partner | Male | 15-6-2022 | Zoom | 33 min |
| 8 | Easy Housing | Employee | Female | 15-6-2022 | Zoom | 69 min |
| 9 | Easy Housing | Intern | Male | 15-6-2022 | Zoom | 60 min |
| 10 | Engineers without Borders | Partner | Female | 23-6-2022 | Zoom | 39 min |
| 11 | Easy Housing | Board Member | Male | 1-7-2022 | Zoom | 67 min |
| 12 | Easy Housing | Board Member | Male | 1-7-2022 | Zoom | 65 min |

**Appendix F - Qualitative Findings of Samen Circulair**

**Driving Factors: Organizational Capacity**

*Institutionalization*

During the interviews, it was noted that strategic planning is important for deciding a direction the foundation will follow. However, for scaling their impact, two interviewees explained that it has more of an indirect effect: "*Vision I see more as inspiring whereas strategic planning is rather there in the background for ourselves. [Strategic planning] is less for why people join. Contributing to doing good in the world, sustainability, and inclusivity, I think that is why we reach people, not a strategy.*" (Interviewee 6).

*Human Resources*

An important part of the impact that Samen Circulair HW makes, lies in its staff members. The foundation has one board member and three employees who were all interviewed. Additionally, it has a big group of volunteers, differentiating people with spare time or with a distance to the labour market: "*To me, people with a distance to the labor market are volunteers too, because that is how we regard them. We have about 30 of them.*" (Interviewee 4). Here, all interviewees noted that moving to the new and bigger location required more volunteers, yet it was not a problem to find those. Volunteers are recruited through personal networks, vacancies shared by organizations in Samen Circulair's network, or proactive neighbors that came to the store themselves: "*At this moment it's going really well with about 8 or 9 new volunteers in the past two weeks*" (Interviewee 3). Interviewee 6 discussed an interesting ongoing development that they experience concerning the volunteer base.

"*What we have seen up till now is that in the Tweedehands Warenhuis we mainly got volunteers with a bag [distance to the labour market]. Now that we moved here we see other types of volunteers finding us. People who also have other skills, like crafts … so more pensionados that still enjoy practicing their crafts, DIYs and carpentry. That group increases and the ratio is improving.*" (Interviewee 6)

Two reasons are provided for the newly achieved balance: firstly, the Waardeloods is more spacious and pleasant to be at, making it more inviting for volunteers to spend time there; secondly, the newly added crafts center has a broad assortment of tools and machinery that promotes creativity amongst craftsmen.

Interviewees argued that human resources are an important driver for scaling impact, as they come with their own network as well as radiate their enthusiasm onto others: "*When a new person joins us and he likes it, he is appreciated, he starts working, he becomes and stays enthusiastic, and that he shares with his personal network. Logically following, they are ambassadors.*" (Interviewee 3);

"*It partially has to do with their network. 'Interviewee 2' brought another network than that we had, so that made a difference. And they are all content oriented people, they truly believe in something. So if you talk to 'interviewee 4' about the people she coaches, that comes from her heart, or 'interviewee 2' about waste, the content, that makes a difference and is golden.*" (Interviewee 6).

*Financial Resources*

Together with the municipality, the board of Samen Circulair drafted a business case in which the foundation will be financially sustainable after three years, till that time Samen Circulair will depend on three income streams: sales; funding and governmental subsidies, both municipal and provincial; and (personal) healthcare budgets (Samen Circulair, n.d.a). Depending on just one income stream was considered *"too risky"* (Interviewee 3). For the expansion to and the development of the Waardeloods, the Samen Circulair foundation was successful in getting funding from its partners: "*When you win the challenge you would get a subsidy of €75.000, which we got. We then said, the RAD will contribute €10.000, and the province contributed €10.000. Also, the municipality promised money from the RegioDeal … from the top of my head €7.500.*" (Interviewee 1). Partners further contributed in other ways, like significantly lowering the rent of the building (interviewee 2) or by donating time to the foundation (Interviewee 1 & 6). The store has not been open too long, but 5 interviewees noted higher revenues than projected. Furthermore, local network organizations have already contributed to the foundation's financial health by donating money from a charity event: "*The Rotary was here last week, they raised money by cycling with a cycling club. They raised €2.000 that day.*" (Interviewee 6).

For scaling impact, the interviewees are disagreeing about the importance of financial resources. On the one hand, a 'can do' attitude is demonstrated, where resources are argued to come in second and the focus is on people. On the other hand, all interviewees argue that the expansion and foundation of Samen Circulair relies heavily on external support, making it an important antecedent for growing impact.

**Driving Factors: Government Support**

*Support Functions*

Being one of the partners of the Samen Circulair HW, the municipality of the Hoeksche Waard and Province of Zuid-Holland have played an important role in the foundation of the CE. During the first bits of the start-up phase, these partners worked together to win the challenge of Rijkswaterstaat (**xx**), and raise the above mentioned funding to kickstart the scaling and development of the Waardeloods. As Interviewee 6 stated: "*you are quite reliant on your financing, licensing, rental and environmental permits. So on a lot of components you really have to knock on the door of your local government. And the willingness to move with that I found very diverse.*" which not only demonstrates the importance of governmental relations due to all their support functions, but also discusses the struggle of receiving proper recognition. Nevertheless, almost all interviewees agreed to have been successful in receiving government support, especially the lobby for receiving local support was deemed a success. It was further noted as an important antecedent for scaling the impact, because of the dependence on the various components.

*Recognition*

Closely related to receiving support is the general recognition of the CE by governmental actors. Here, the interviewees noticed multiple divides with the public sector. Firstly, there was a big difference in the level of engagement between the province, who was mainly involved in the initial phase as funder, and the municipality, who has been more involved in different steps of the process playing a more general facilitative role. Secondly, a clear divide became visible between the circular economy advisor of the municipality, and other officers and departments:

"*So the municipal official that we work with, she lobbied a lot. Everything was established by the municipal council and got through, and she arranged that for us, really well. Also participated in the whole project and got money through the RegioDeal. But yes, sometimes you just have to deal with other departments as Samen Circulair, and then you can have some struggles, setbacks.*" (Interviewee 1)

One of the struggles or setbacks arose when trying to find a location. Here, a lot of applications and permits had to be filled in, whereas some were clearly not relevant, like a

soil investigation: "*And then a policy within the municipality can't really be the force, even though I think they would very much like it to be, to keep it all a bit simple. So it's also the laws and regulations that really don't cooperate with these kinds of initiatives*" (Interviewee 6). This demonstrates a third divide in the behavior of government employees, namely between their willingness and ability to cooperate: "*I do think that the government understands the importance. But when I see how I'm supported sometimes, I think, if you really knew the impact you might be a little more willing to color outside the lines. I think it is. I think the willingness is there, but the laws and regulations are so defining, that's why it's so complicated to move with them.*" (Interviewee 6); "*Of course, you have officials who follow the rules and then you get into trouble*" (Interviewee 2). Even though there are clear divides in the public sector, interviewees do discuss the good intentions and trust that the government has in this initiative: "*municipalities are also like, ok now you can go do it. we're going to see how you're going to do it*" (Interviewee 3). Where interviewee 6 emphasized the "*trust and space*" they receive to run the circular crafts center.

**Driving Factors: Leadership**

*Community Building and Mobilizing*

While conducting the interviews, it quickly became clear that the leaders or management of 'Samen Circulair' call themselves the project group that ensures the daily smooth running of the enterprise, and exists of interviewee 2,3,4 and 6. When considering the articulation of an inspiring vision for 'Samen Circulair', all interviewees agreed to have achieved this. In the process, everybody's background and was argued to complement each other, as aspects of social and environmental sustainability/circularity were combined:

"*So 'interviewee 2' is very inspiring on that circularity component, whereas 'interviewee 3 and 4', and I are much more on the social part. So also in the formation of the mission, vision and core values you see that both come back every time. So that's what I like about the dynamics of this group*" (Interviewee 6).

While doing this, all employees and volunteers were involved in the formulation process, so that they all also agree with the vision and carry it out as well.

For mobilizing commitment, it can be stated that the project group has been very successful too. The aforementioned increase in volunteers is, besides a more pleasant location and availability of tools, also due to the atmosphere and environment that is created by the project group. High levels of commitment seem to come from a culture of openness, equality,

self-development and exploration: "*We are always open for new ideas, no matter how crazy, we will always consider them … We never say no."* (Interviewee 4);

"*We do this by accepting everyone as they are, leaving room for creativity and looking at where people's strengths lie, so that is, what do you like to do, but also where do you see a challenge. Yes, we have to make sure that people don't stay in their familiar little circle but go a step further.*" (Interviewee 2);

" *So every five minutes a volunteer or staff member comes barging in to tell 'interviewee 3' something or show him something or tell him a little story. So that says something about the degree of openness. People feel very nice and comfortable to be able to tell their story, at the risk that you are indeed just chatting away*" (Interviewee 6).
This has been argued to be important for scaling impact, as it generates enthusiasm amongst staff members and customers, which then again has led to reaching more beneficiaries and reaching them better: "*We all carry out enthusiasm, passion and things ... You're there for your people, we're consciously there for them*" (Interviewee 3).

*Identifying and Exploiting New Entrepreneurial Activities*
This enthusiasm and passion for the enterprise can be found back in their ability to take risks and identify new chances. Three interviewees said that the project group, especially the director, "*stuck out their necks*" for the scaling to this phase, and that the budget was quite tight, which forms a big risk. Interviewee 6 explained that the foundation 'Samen Circulair' was founded as a separate foundation from Welzijn HW, because of this financial risk and liabilities. However, none of the interviewees seemed to worried about bankruptcy, as the project group is creative itself, "*I think we are definitely adaptable and can improvise quickly*" (Interviewee 3), and even struggles to make choices in exploiting new entrepreneurial activities, as too many are identified (think of renting out spaces, further collaborations, setting up an educational program, and facilitating tours and bonding activities for businesses):

"*Hard to say, but I do see a lot of opportunities. So I think the moment we see that sales are a little bit behind, that we do have enough room to develop some new things, also literally the space*" (Interviewee 2);

"*I do think it's very successful and sometimes a little too, you can't do everything. I think we are so enthusiastic, we have to watch out and be aware that not everything can be done, and not everything has to be done. So really making choices"* (Interviewee 4);

"*There are so many opportunities that it's hard to make choices*" (Interviewee 6).

What is important here to note, is that both the running of current projects and ventures in the enterprise, as well as future initiatives are and can be achieved with a minimal amount of resources: "*I actually think we're doing it in a very simple way. We just said 'this is what we have, and let's work with that', that turned out to be enough for now*" (Interviewee 6); "*We had the idea of, we're doing learning-by-practice, just starting in practice and going for it*" (Interviewee 1).

For scaling impact, it was noted by one of the interviewees that identifying new opportunities is an important part of scaling, especially for reaching more people, but that there is a difference between identifying and being able to exploit opportunities:

"*But I do find the old rule makers very influential. So you have to search between the two. That's; what I would like to do, and I think we have everything we need to be able to do it; and yet the authorities and structures are still very much organized in the old way. So the question is whether it will be possible to realize that*" (Interviewee 6).

*Building Collaborative and Strategic Alliances*

When considering the value of networking skills amongst the project group leaders, it can be said that Samen Circulair has been quite successful with reaching the right and enough people and understands its importance. Having all different backgrounds and functions has translated into untapping different personal networks and leveraging contacts.

"*Then you also see that 'interviewee 2' has a very different range of people than I have from my background. And everyone has their contacts, yes. I think I've said this 10 times already, but this is so important, this is really crucial. You can have such a nice plan, but if we had only done that from the inside with the nice plan we wouldn't have made it. For this to succeed you really need a lot of people.*" (Interviewee 6).

Yet, especially interviewee 6 was put forward as Samen Circulair's networker due to her function as director. Interviewee 6 used her personal contacts with other circular crafts centers to gain tacit knowledge on scaling up these kinds of CCEs, but played an important role lobbying in local politics as well.

*"Otherwise you won't make it. It sounds very dastardly, but when I see the last few years, and this is mainly my work, what I have been lobbying and peddling with the institutions to get where we are. Then you really have to play the game, it's so decisive. And I manage that reasonably well, that's up to me, that's my job. Whether I like it or not is another matter…"* (Interviewee 6).

In local politics, the director had a strong partner in the alderman that covered circularity, as he prioritized the development of the crafts center. Yet, new elections have challenged the political support, which forms a barrier to establishing and maintaining strategic alliances.

*"I'm surprised at the political game that's played then. So everyone says 'what a fantastic plan', until it becomes about 'yes what does that mean for my party for the elections'. 'who gets to cut the ribbon', that kind of nonsense, then I think 'just do it'. But anyway, yes, you have to play it. That's very important though."* (Interviewee 6).

However, after having gone through the first phases of opening and moving to the new and bigger location has meant that in the near future there will be more time for networking and building collaborative and strategic alliances. Not only with local governments, but with national institutions as well, as they have established recognition, have easier access to financial capital and function as knowledge sharing platforms.

*"An example of an opportunity is to form collaborations with other recycling stores, … and with the trade association, the recycling stores union, which we are going to join and which also has a lot of knowledge. And there have been all kinds of discussions about it over the past 3 years and those intentions have also been expressed to each other: we really do want to work together but we still have to do it."* (Interviewee 3).

**Driving Factors: Social Capital**

*Bonding Social Capital*

While focussing on the internal relationships between staff members, all interviewees agreed on the high levels of engagement of both the employees and the volunteers.

*"Because they are very willing, … [and] always want to help think of 'how can this be', they really do look at opportunities and possibilities and are very willing to take things on. They also feel very responsible, that's super good"* (Interviewee 5).

Two underlying reasons were provided for the cooperative and trusting relations amongst staff. Firstly, the project group that is there to coach and help the volunteers are trying really hard to create an accepting atmosphere, which is in line with the values of the organization (inclusion and respect). Here, interviewee 4 described their collaborative effort to create a welcoming climate as *"a natural gift"*, but especially while working with volunteers that have a distance to the labor market, this seems to be a continuous attention point.

*"We really, we cultivate bonds of trust here. People can say things to each other, feel safe. Of course, there are sometimes clashes but there is such a good atmosphere here that we can always put things right with each other"* (Interviewee 4)

These bonds of trust and a good atmosphere are created by being considerate of each other: *"We always take each other's decisions into account. There is no one who just makes a decision without thinking about the other person's responsibilities or field of work"* (Interviewee 3). Yet, what should also be emphasized is the horizontal organizational structure of Samen Circulair:

*"Because we work from the vision that the atmosphere has to be good and that everyone who is working on the floor, even if I'm working along, at that moment we are all just employees. And we start from the premise that that atmosphere has to be good and that means that people have to learn to work together. Of course, that comes with trial and error, that's not a bad thing. Because there will always be conflicts. The question is, how do you deal with those conflicts?"* (Interviewee 3)

Another reason lies in the vision and mission of the crafts center, where 3 interviewees expressed an internal drive and focus on the bigger picture as an important driver of the successful relations between staff members. Both employees and volunteers are motivated to come to the Waardeloods as they are contributing to a good cause, socializing with other staff members, enjoy doing crafts or selling products, and helping customers:

*"Everyone also works with us out of their intrinsic motivation, we don't have musts. People have to go and do something? No, people want to work for us. Everyone has their own motivation. One does it because he likes being amongst people, or wants to develop himself, but people also want to contribute to the bigger picture in a way. People are just proud of what we are building."* (Interviewee 3)

*"We also have people who are driven by content. But it's also because all these people have been involved from the beginning. So the whole process we really ran with this group. You notice that everyone is so hooked on this whole concept. That everyone sees so much purity in it. Because when I see the hours that are being made, I'm sure that more hours are made than are stated in the contracts. Every time I go there, I see 'interviewee 2' and 'interviewee 4' there when they really don't need to be there. So that is also a point of attention, but it does say something."* (Interviewee 6)

This enthusiasm has made bonding social capital a key part in scaling the social impact of Samen Circulair. Interviewee 3 nicely stated how all staff members take up the role of ambassador of the initiative, and because of that not only reach more people through their own network, but also enthuse visitors and customers and thus impact beneficiaries more:

*"without those people you can't build it. And everyone has worked really hard to get it done, to meet deadlines, to achieve something. And they all do it with fantastic enthusiasm, and they radiate that to each other. So they just become your ambassadors. Especially reaching beneficiaries better was fostered by trust and cooperation"* (Interviewee 3)

*Bridging Social Capital*

When looking at the overall connection with the neighborhood, including citizens, businesses and nonprofits in the Hoeksche Waard, Samen Circulair recognizes the embeddedness of their organization. Firstly this is reflected in their mission and aim to create work for all, be a meeting place for people with a small budget, and foster collaboration between charities in the various villages of the municipality (Samen Circulair. n.d.a). Secondly, it can be seen in the organizational structure of the CE, being a collaboration of 5 different partners. Thirdly, it strongly came back from the interviews that cooperation with other organizations is key for scaling your impact due to valuable insights, and access to critical resources:

*"So we also visited him with 'interviewee 6', and we've had several tours already, so that exchange of knowledge and that sharing of experiences that … through him we also found out that the RAD should withdraw a little bit as an initiator and that actually Welzijn HW should be the initiator, because with the healthcare budgets you can do much more."* (Interviewee 1)

*"Not only financially but also just when it comes to sharing ideas, inspiration, exchanging knowledge… I'm really in favor of doing that as much as possible. And people are generally very willing. If you just ask them to think along with you."* (Interviewee 6)

Interviewees shared that from the moment the new location opened, the surrounding neighborhood and residing citizens have been engaged in various ways: *"Multiple business people have come by, they offered their help and brought stuff"* (Interviewee 2); *"I find so anyway the willingness, not only of organizations but also of residents in the Hoeksche Waard very high in terms of circularity and such things."* (Interviewee 5);

*"But what we noticed in the industrial area where we are, and we hadn't thought about it beforehand, is that there was a lot of interest from the start. So while we were doing odd jobs, the man across the street who, I believe, collects metal came by, and a little further down [the street] there is someone who does something with woodworking, so he said, 'hey, I still have some leftover wood, can I bring it to you?"* (Interviewee 6)

These collaborations are considered successful by most interviewees, as the engagement is growing, and more and more people are approaching Samen Circulair to collaborate. Here, residents are enthusiastic to volunteer at the Waardeloods or collect goods at the recycling park, businesses are willing to donate materials, and healthcare organizations want to collaborate in coaching more people in the project:

*"But you see that the involvement in the neighborhood is growing, so other organizations, healthcare and environmental organizations, other recycling stores. One of our objectives for this [enterprise] is also to increase the quality of life in all villages. So the involvement is greater than just our own people."* (Interviewee 6)

*Linking Social Capital*

With regards to the linking social capital, the interviewees all agreed that there was a clear government representative appointed to the project, who was praised for her contributions to the establishment of Samen Circulair: "*Yes we had to apply for an environmental permit and she makes sure there is a meeting. She's also present at the meeting, so she can direct it. So she makes it easier, certainly.*" (Interviewee 3). However, as mentioned above, the strength of the collaboration with the municipality was debated. The municipality was deemed to play a very important and influential role in the development of the CE: "*What I've seen in the process that I've been through, ... that you see that the government is enormously decisive for the success of your project.*" (Interviewee 6). However, looking at the future, the director of the CE expressed to want to be independent of the government, and thus reach lower levels of municipal engagement:

"*But the dynamics around it and the lobbying and the justification that you have to write. Yes I find that anything but productive. The awarding, the politics, but also laws and regulations. I mean the circular craft center is an iconic project from the municipality, there's a lot of woo-hoo about it. And then I had to apply for an environmental permit and ...well, 'interviewee 2' really had to write 2 A4s full about how he processes the raw materials, how many square meters, we almost had to do a soil investigation…*" (Interviewee 6).

**Scaling Impact & Strategies**

*Scaling Social Impact*

When comparing the number of beneficiaries and the way in which beneficiaries are impacted between the Tweedehands Warenhuis and the Waardeloods, the interviewees expressed a strong increase in the impact created. With regards to the number of beneficiaries, three interviewees stated that the number tripled: "*But when I look at staff, yes there is more space, so more people can come and they are already applying. I think there are almost 3 times as many people.*" (Interviewee 3). But staff are not the only beneficiaries: "*our volunteers benefit, but also our customers. Also many people with a narrow budget come to our store. They come to buy a present. And people come to sit at the coffee table, because they like to have a chat and are otherwise lonely*" (Interviewee 6).

The qualitative impact made on the beneficiaries is worth noting as well. Interviewees explain that the atmosphere of the new location improved, making it a nicer place to go to and work. However, they also explain that with the addition of the crafts center, there is more

to offer for people that is to their liking. An interesting comment was further made by interviewee 6, who explained that by involving all volunteers in the entire process of the move to the new location has increased the level of engagement of the staff:

"*So the involvement has become greater because it seems to belong to everyone. Because everybody has been involved from the first brush of paint. So in that sense, it has.... the change has been enormous.*" (Interviewee 6).

The interviewees argue that the level of impact being made is individual, but they as they are aiming to create awareness about the amount of waste being unnecessarily produced, Samen Circulair will move towards a more systemic level.

*Scaling Strategies*

For scaling their impact, Samen Circulair applied both breadth-scaling and depth-scaling strategies. By growing their location and establishing contacts with the recycling park and other second hand stores the foundation is scaling out their impact. They are now doing this by establishing a loosely structured network of like minded organizations that aim to become more circular, and thus adopting Affiliation. However, in their final step of their impact strategies they aim to work together in a type of whitelabel, where they exchange materials and products between different locations in the Hoeksche Waard (Samen Circulair, 2019), relating it more to Branching:

"*I also think that the cooperation with the second-hand stores will get off the ground at some point. It's a little too early to start now, but we want to. We actually hope that we're going to get so much stuff that we can start exchanging. Like, 'we have 4 refrigerators here and in Numansdorp they don't have one, then a refrigerator can go there'. Because we have access to the recycling center, I think at some point we will get too much stuff. That's why we want to work with the charity stores.*" (Interviewee 2).

Besides scaling out, the CE also adopts scaling across as a strategy. Here, two interviewees talked about the first circular meet-up that they organized for entrepreneurs that are interested in becoming more circular. They take up a leading role in smoothing the transition towards a circular economy by involving other (social) entrepreneurs: "*There is a lot of contact between entrepreneurs, they are always present and thinking of each other. [They are] willing to think along with each other.*" (Interviewee 5)

*"But we've already had the first circular meeting here. That's with people from the industrial park. So then conversations already arose. Some came out of curiosity, some because they want to work sustainably. Some have a waste stream of which they think 'why should I get rid of that'."* (Interviewee 2)

Lastly, the foundation also applies a depth-scaling strategy, namely by scaling deep. Samen Circulair recognizes the importance of changing behavior and norms and values. Four interviewees talked about society's "*shopping disease*" (shopping spree), for which our consumerism needs to undergo a radical transformation and awareness needs to be created. The contribution of the CE in this aspect lies firstly in their promotion of second-hand products. This was demonstrated by interviewee 1, who changed her own consuming behavior after becoming involved in the project:

*"For me personally, it's that I look at goods very differently, because yes, you come from a generation where mass consumption has been leading and you also just participate in that, and now I look at it differently, little steps. But I do it, I buy second-hand clothes via Marktplaats or online more often, that way"* (Interviewee 1)

Secondly, Samen Circulair applies scaling deep by approaching people on the recycling park, where every saturday two volunteers collect products:

*"It's already to the point, which is a nice development, that people really just consciously come to the recycling park on Saturdays to offer stuff for Samen Circulair. So it really is already seen as a kind of recycling store. And then they ask people 'do you still have goods that are good for the recycle bin and that don't necessarily have to be thrown away'."* (Interviewee 1).

Finally, the foundation is planning on applying the scaling deep strategy in another way, namely by developing an educational programme for schools and providing tours, which they will organize with their volunteers: "*And that's where we need to start, giving workshops, bringing schools in. So we hope with that piece to start making a big impact on people's lives*" (Interviewee 6). This will be the following step in their plan of attack (Samen Circulair, 2019).

**Appendix G - Qualitative Findings of Easy Housing**

**Driving Factors: Organizational Capacity**

*Institutionalization*

Easy Housing has not really developed a clear strategic plan, but it does biannually set milestones for the company, that give them direction when making decisions:

*"We have clear milestones, we formulated them in January and in July we have another strategy day to evaluate them, so we regularly take time to think about our strategy and the organization takes its time and financial resources to focus them on the priorities"* (Interviewee 12)

Interviewee 8 explained that having these milestones, and thus having a kind of strategy, also helps them staying close to the true nature of being a CE, namely focussing on community development rather than creating value for individuals:

*"So there are quite a few leads from people who want a private home in one country or another. And then we say, right now we're focusing on Uganda, Mozambique and Ghana. There we also have some leads in Bangladesh, but we're not going to do that right now. So that we can focus on these three countries. And then hopefully bring in big projects there before we go anywhere."* (Interviewee 8).

What is interesting to note is that the same interviewees do argue that for scaling impact the institutionalization is less important, as it does provide guidance and motivation to scale, but does not necessarily lead to scaling impact. It is argued that it has a more indirect effect on scaling impact. Additionally, as the organization still is a start-up, it sometimes takes unexpected jumps when identifying new opportunities.

*"I think the strategic plan is more of a kind of future vision, a kind of goal to work towards so to speak. So more of a motivation than it really ... Indirectly, it motivates to work on projects and to reach out to people, but it doesn't really have anything direct"* (Interviewee 8)

*"We have milestones, as I said, but at the same time I also sometimes feel that you have to be opportunistic as a start-up. You have to see opportunities and jump on them. We are running pretty on-track with the milestones. This also shows that we were able to see well where the opportunities were."* (Interviewee 12)

*Human Resources*

As mentioned above, the staff base of Easy Housing consists of board members, employees, interns and volunteers. Here, 4 of the interviewees said that the staff is highly motivated and is committed to growing the company. Up till now, the CE did not have any trouble finding applicants for their vacancies, and they even receive multiple open applications since people are very enthusiastic about the organization's concept. However, 3 interviewees also noted that Easy Housing is not financially sustainable enough to hire more employees: "*It would be nice if there was more financial room for more permanent employees, but that's with a start-up, as long as there isn't one you do it with interns*" (Interviewee 8). The phase that the company is in at the moment does not allow for permanent staff members. Here, the board has come up with a creative solution, namely working with students that want to intern, and ambassadors.

"*Then you have our ambassadors/advisors. These are as you might call them EH enthusiasts, who on a voluntary basis for a few hours a week will provide us with advice or want to be an ambassador for us and spread the name, spread the concept, help think about projects or whatever. So they are not under contract, but they really enjoy being part of this.*" (Interviewee 9)

For scaling up impact, the staff is considered to play a pivotal role: "*This is fundamental. The team is the most important thing in scaling up a business, they give the clout*" (Interviewee 11). Other interviewees explain that having more staff members on the one hand means having more time to network and gain new contacts, whereas on the other hand the staff comes with their own network which can be influential for the growth of the company too. This is especially true for the staff members that are from the emerging countries in which Easy Housing is active, as they also understand the culture there.

"*we now have two people who live in Africa, speak the language and grew up there, that that is very important to reach people there. And well, for example, we now have an intern who originally comes from Indonesia, and yet people who have a bit of local insight and contacts, which is very important.*" (Interviewee 8)

*Financial Resources*

What became clear from the interviews, is that the company is currently not financially durable. For now, the company has relied on "*grants, subsidies, equity, and all other forms of support such as partnerships. It will be a few years before we are self-sustaining* (Interviewee 11). The company is continuously looking for new subsidies or grants by applying to various governmental subsidies or pitching their concept to various institutional investors: "*But we are just looking at different funding options. That's a big part of what me and some interns do. That's something we're constantly working on*" (Interviewee 8). Even though the company has a business-to-business business model, it has also worked with private customers to generate income, so that it is less dependent on grants or subsidies. It thus spreads their chances regarding revenue streams.  However, these income streams are mainly one-off.

"*We always have a certain income until a certain date, which always makes it a little exciting. But this is also part of our planning. Of course it would be nicer to have, say, a ton left over and be able to provide for permanent employees and provide more stability and security. But I think this is an unrealistic scenario for the phase we are in. This is also part of being a start-up.*"

In the long run, the company is thus still struggling to stay afloat, but all interviewees explained that in the short run this has not been a problem yet as they always have been successful in getting financial support. They are working towards bigger projects that concern a minimum of 20 houses per project. Undertaking such ventures would then mean more secure income streams. But these projects are planned for the future and are in the current start-up phase, that the company is in still, described as unrealistic.

For scaling impact, the interviewees explained that the subsidies and income through private clients have been important, as the sustainability of the company depended on it. Nevertheless, it the contribution of financial resources to really scaling the impact is not viewed as vital: "*all revenue is invested to reach more people. But there hasn't been enough revenue yet to say that that contributes a lot. So to say that that has had a lot more reach, that wasn't very big*" (Interviewee 9).

**Driving Factors: Government Support**

*Support Functions*

Building on the financial resources, it can be noted that the CE has been successful in gaining government support.

*"Almost all the grants we applied for from the government were approved. one was rejected, but that was because there was a huge competition going on, we had submitted 2 applications and got one. It would have been very crazy if we had gotten both. But the others are very successful."* (Interviewee 9)

Interviewees explain that this success lies in the fact that they do not go for the biggest subsidies, but apply for funding that relate to the size and stage of the company: *"we got a Young Expert Program grant, a SPIR grant, which is a tender from the government, and we got a demonstration grant. So we've managed to successfully apply for 3 different instruments from the Dutch government now."* (Interviewee 11). Because of these subsidies, government support is considered vital for scaling impact.

*Recognition*

Even though the interviewees argue to be successful in gaining governmental support, the recognition of the importance of Easy Housing's concept is debated. On the one hand is the Dutch government increasingly realizing the importance of circularity in the built environment. As interviewee 11 explains:

*"Well there has been a lot more government attention to the circular economy, for example, in recent years, also in cooperation with several African countries, that's one. And there's also more and more focus on biobased, so wood construction. For example, the SPIR grant, it's specifically developed for circular and biobased housing solutions in African countries. So the fact that such a grant is written in that way says a lot about the government being more attentive to it."* (Interviewee 11)

On the other hand however, the government is said to be too slow in their policy and decision-making, and does not seem to understand how pressing the matter is: *"I think governments are talking about problems and solutions, that's one thing. But the throughput of radical policy changes needed to accelerate a circular and biobased economy and decarbonize society is too slow."* (Interviewee 11).

Interviewee 9 combined these two sides by saying that the Netherlands Enterprise Agency *"just has very strict rules that bend those for no one. They do really do everything they can to make sure it's within the rules, so that's okay. They want to be enormously cooperative and committed to helping us."* (Interviewee 9).

Besides the Dutch government, local African governments were discussed as well, since Easy Housing works closely together with them either as potential customer or facilitator in the process. Here, a dichotomy was seen as well: *"they do see the importance of housing and sustainability. But concrete construction is cheaper and they are familiar with that. So in that sense they are a bit hesitant about if they want to go ahead with us."* (Interviewee 8). Moreover, the governments are often corrupted, which creates another divide between some wellwilling government officials and their general ability to also act in accordance to that.

**Driving Factors: Leadership**

*Community Building and Mobilizing*

The board members of Easy Housing, interviewee 11 and 12, are considered to be excellent in stimulating cohesion amongst their staff members, and mobilize commitment both within and outside of their organization. This is due to their passion for their concept, which they can clearly communicate with others through their clearly articulated vision: *"You know, their vision of a world where everyone has a safe and comfortable home is a simple, clear message that was easy to pick up during our first conversation"* (Interviewee 7);

*"I feel that they are very passionate about a subject. You can tell by the way they talk, consult and work. You can see that they are very actively involved and that also makes you motivated to make it a good project. 'Interviewee 11' expresses enthusiasm."* (Interviewee 10)

This enthusiasm radiates onto others, both employees as well as partners in their network. Within the organization, it was argued by interviewee 8, 9 and 10 that the leaders do not play a big role in changing the norms and values of their staff, as this is already included in the selection process: *"But it is true that most of the people who come to work there, they already almost completely meet the standards and values that they also have. They are fairly selective about that during interviews"* (Interviewee 9). Interviewee 11 explains that there are some values that they purposefully do not want to change, especially when it surrounds the diverse cultural backgrounds of the staff members, they aim to embrace this rather than changing

those. Interviewee 12 continues by explaining how the remote working poses threats on having changing values and norms of staff members, yet they came up with a solution:

*"because we invest very consciously in having a diverse team, where everyone is equal, we value that. During the selection procedure we also look at how it contributes to making the organization more diverse. On the other hand, remote working makes it more difficult to talk to each other in a more open way about norms and values, for example. We do try to express what we expect in terms of norms and values, in terms of equality for example, which is why we have hired an independent confidential advisor for the project in Uganda for example."* (Interviewee 12)

The board of Easy Housing further succeeds in building a community and generate commitment by establishing a horizontal organizational structure in which creativity, self-development and openness are encouraged:

*"They let us be free and independent in what we do and what we want to learn. What goals we have for your internship and that of course also helps to get people more involved … So it's pretty free that you can give your own input. It's not like, they're the boss and they say 'you do this and you do this' it's just a collaboration, it's really a very flat organization."* (Interview 8)

*"But we also offer a lot of room for personal input, so we have a very flexible management style, which encourages being proactive and also helps people to think of things, how they can do them and tackle them and give them enough room to do so and thus also give them room to develop themselves."* (Interviewee 11)

*"I think there is a fairly horizontal structure within our organization, there are of course certain decisions that 'interviewee 11' and I as management have to make, but that is not necessarily something here, this has more to do with mandate … It starts with the job interview, but after that we are also constantly evaluating and talking about learning goals and reflecting on them. We also have one-on-one conversations about whether someone still enjoys the work."* (Interviewee 12)

*Identifying and Exploiting New Entrepreneurial Opportunities*

This open work environment has led to a very innovative corporate culture, where the board can be seen as an 'old rule breaker' and 'new rule creator'.

*"Within the company it is the most normal thing in the world that no matter who you are, if you want to join the company you are welcome and very invited to help us achieve our goals. And if you set that as a standard as a new company, it does contribute to the fact that eventually, if the company grows much larger, it will become the normal standard in the world as well."* (Interviewee 9)

Interviewees not only noted that about the company's culture, but also about the company in general. When pursuing new projects, the board does not shy away from taking risks and trying new things.

*"Just looking at the concept of the company. You don't do that if you want to color within the lines. The combination of starting your own business with this topic shows that you are looking to push the boundaries, I think that's cool"* (Interviewee 10)

*"A good example is that last year during a project in Uganda we had to decide under great time pressure not to work with imported wood but with local wood. We had to do this because we suddenly had to work with half the budget. This creative solution has been a big positive change for the organization, we now have a much better proposal and we can create local jobs. This was a creative solution to a problem that has been so successful that we are using it everywhere we can. This has become the new approach for our concept."* (Interviewee 12)

The last quote shows how the company is innovative, knows how to act under pressure and is able to identify opportunities that are beneficial for the company, both in a financial matter as well as for creating more impact, by further stimulating local community development. This is also considered a crucial driver for scaling impact, as the interviewees noted that taking risks and identifying opportunities meant undertaking the entire venture of starting Easy Housing.

*"Because I think we have been very successful so far in seeing opportunities and jumping on them, even if this sometimes comes with a lot of risk. But I think as an*

*organization we focus a lot on opportunities and a little less on risks, this is a conscious choice that is important for us as a start-up. For example, we did the same in Uganda and Mozambique because we saw an opportunity. We are also good at estimating what we should bet on, we aim for smaller amounts faster than millions because we as a company cannot meet those criteria yet."* (Interviewee 12)

*"In our work, in Easy Housing, they have been very open exploring ways around carbon monitization and the roots to it. I think that was an interesting take from them, and embracing that. Which is not a very established sort of thing"* (Interviewee 7)

This was further acknowledged by the statement of the interviewees that the board of Easy Housing can be considered a bricoleur, making impact with a minimal amount of resources. This is because they are very much aware of the stage that their company is in right now, which forces them to take calculated risks.

*"But still, with little finances and a small team, we did complete a number of projects. And maybe, of course, that's a very small local impact, but through our networks we are of course also working on knowledge sharing and trying to build that house with wood that that becomes more known and that the benefits of it become more known. So in that way they are working on impact."* (Interviewee 8)

*"Well the budget resources are far from being large at the moment, we are doing it with the minimum. With the minimum they get, they have managed to set up projects for refugee reception. There are already two demonstration houses, one of which is actually already being housed and where you have already stimulated the local population and local economies by creating jobs, new knowledge, new skills, so really with the minimum they have already made a great impact and shown that they can make even more impact in the future if they would like to, if the resources are sufficient."* (Interviewee 9)

*Building Collaborative and Strategic Alliances*
When considering the value of networking skills amongst the board members, it was found in the interviews that the management of the CE is quite successful in establishing contacts with key players. To their partners, the board demonstrates passion, trust in their concept, engagement, but also a clear vision, and a worked out plan.

*"They seem very keen, they have been engaged with the wider community, today we have a community call about sustainable ... where they are presenting in. So 'interviewee 11' is very strong and engaged with the wider community, based off interaction"* (Interviewee 7)

*"In order to be helped by Engineers Without Borders, you have to clearly show what your plan is and that you want to work in developing countries and be able to clearly articulate what kind of help you need. That's why I think Easy Housing is pretty capable of approaching the right people in the right sectors for help."* (Interviewee 10)

The board itself understands very much the importance of having strategic alliances, and sees how these can increase the impact that the company can make. The interviewees mentioned that the networks are important for two reasons. Firstly, these networks allow access to insights on potential projects: *"Because our projects started largely from this, the contacts with partners and interested parties."* (Interviewee 8). Secondly, the partners are needed for the success of the projects, as funds, for example, require the collaboration of 3 applicants, or partners are needed for providing resources: *"Very important, we've done everything with partners so far."* (Interviewee 11). Moreover, the strategic alliances can help in spreading the word about Easy Housing's concept.

*"We have been selected by the Climate Smart Forest Economy Program as a breakthrough initiative. That helps us to get in touch with people and provides exposure. I was able to pitch EH this week at the Netherlands Africa Business Council in front of a group of big investors. We are also active in many networks, which helps us to put ourselves on the map, get feedback and meet new partners. We actively look for this ourselves, but we are also approached by networks."* (Interviewee 12)

**Driving Factors: Social Capital**

*Bonding Social Capital*

When considering the internal relationships of staff members in Easy Housing, all interviewees emphasized everyone's high levels of engagement. Here, 3 interviewees explained that this is due to the intrinsic motivation that staff has to work for the CE, as it aligns with their values: *"The organization has a goal of helping people and that goal is very palpable. Because of this, you also notice that people are eager to do well and try very hard."* (Interviewee 10);

*"That is purely out of personal interest and that is actually true for everyone. In terms of personal interest, everyone is very involved in the company and the goals we want to go for and they just fully support the concept and what it stands for."* (Interviewee 9)

For the company, these high levels of engagement have resulted in the fact that *"people work hard, come up with their own ideas and are committed. Also the interns add a lot of value to the organization."* (Interviewee 1). So people work hard as they believe in the concept, yet three interviewees also mentioned a hurdle for collaboration. Because of the international environment that the company operates in, it mainly communicates digitally. *"it's all online, so it's sometimes kind of awkward or a little uncomfortable to have a conversation like that on Zoom, it's a little less natural than seeing someone in real life."* (Interviewee 8). Yet, two other interviewees explained that this is largely overcome, as the organization has dedicated enough time for staff members to catch each other up on the progress everyone is making, and talk about their day as well: *"And the reason it's going so well is mainly dedication of course, but also because we do a daily stand-up digitally every day. And having enough structure in the weekly meetings on different topics and the general meeting."* (Interviewee 11). Therefore there is a welcoming and open atmosphere in the team, where everyone is considerate of each other: *"It's just nice in the team and I think everyone respects each other, we have very different backgrounds so that's very interesting. So in a way I would say the relationships are good."* (Interviewee 8). The basis of this atmosphere is trust in each other and in each other qualities and skills:

*"That is because of the open discussions we have, in which we share experiences, also about things that are not going well. In that sense there is a lot of trust towards each other, there is also a lot of sharing among ourselves, which happens throughout the team. We regularly take over tasks from each other. I think our teams function on trust, it one of our foundations."* (Interviewee 12)

This has further led to a more horizontal approach in structuring the organization, as all members are involved in the decision-making process, as the board trusts that their staff is capable and knowledgeable enough: *"All the decisions that are made, usually management always does that by frequently asking for our opinions and ideas and how we stand on them. Our positions and how we are about it are really taken into account."* (Interviewee 9).

Moreover, seeing trust as fundamental is also reiterated for the scaling of Easy Housing's impact, as it enables the use of more networks, fosters collaboration, and forms the basis of an organization in general: *"Because there is good collaboration within our teams, based on trust. Because of this, we succeed in making good use of everyone's networks and thus reach more people"* (Interviewee 12); *"that trust within your team is just very important to be able to accomplish projects together. So the better your team works together the better you can also reach more people."* (Interviewee 8);

> *"Without trust there is no organization and without organization you don't reach people. Everything is based on trust and listening to each other's feedback on how we think about things, we can come up with a strategy from that and come up with ideas on how we can even better help people or improve their living conditions."* (Interviewee 9)

*Bridging Social Capital*

When looking at the relationships that Easy Housing has with the wider neighborhood and network organizations, it became apparent from the interviews that the organization values their network for *knowledge sharing and also [gaining] a little bit more exposure"* (Interviewee 8). With regards to the neighborhood in which their projects take place, Easy Housing, aims to create awareness about their product and timber buildings in general by providing information signs on the house, and they also conduct evaluations with them.

> *"And if we want to scale up from the pilot projects or homes we also really try to involve the residents who are in it at that time, 'how do you like this', 'how is it going?' 'how do you like living here that', 'do you also experience...' 'the community that has to do with the house, what do you think of it'. We try to interview everybody, we hold stakeholder interviews with the whole community therefore we do have some neighborhood involvement."* (Interviewee 9)

> *"In Mozambique there's a lot of uptake of their product, and when we do speak, they do plan a lot engagement with the local community to understand it. Even their service providers, their relationships from afar they seem very strong."* (Interviewee 7)

When considering local organizations, the CE is very active. They work together with a lot of local businesses for establishing a local value chain, but also for gaining tacit knowledge

about the building culture and cultural aspects that should be considered in their project. So in this they view collaboration in a network as an essential part of their project:

*"It is a way of getting a grip on the local communities and gaining a better understanding of what is going on there. It shouldn't be the case that those white people go and plant a house there, so you really have to work with the local people there and a partner like this helps to give insight into what people think about houses and especially wooden houses. What do they want a house to look like, a separate living room and kitchen or together and how many bedrooms? So I think it's very important to have such a local partner for the success of such a project.* (Interviewee 8)

the organization values their network for *knowledge sharing and also [gaining] a little bit more exposure*" (Interviewee 8).*"If you can work more with companies that are in a network there, that you know much better where you need to be and who can help you there and they may already have certain entrances to contact persons who can help you further.*" (Interviewee 10)

Then, the company also maintains good contacts with wider networks that are operating in the biobased, circular building sector, such as Engineers Without Borders or the Climate Smart Forest Economy Program, or are active in general networks that link Dutch companies with emerging economies, like the Netherlands African Business Council: "*I think we are building a very wide network of collaborations. We also maintain good relationships with partners that we have.*" (Interviewee 11). In their approach to establishing and upkeeping these contacts, the organization is proactive, loyal and reliable as they understand the importance and reliance on other actors for scaling their impact: "*Always very open and fair, honest. Yes, no backstabbing or whatever, but very clear to each other. Making sure that you build a good relationship with each other, that it's nice to see each other again in meetings*" (Interviewee 9); "*With them we also have very nice contact, we maintain well, we are not lax with how long we leave things or whatever, we keep well to the agreements made and we go for it.*" (Interviewee 9).

*Linking Social Capital*

With regards to the relationships with institutional players, Easy Housing does not have one particular contact person in the government, but these differ per type of subsidy, embassy they are in contact with, "*But often at the embassy, there are only a few people who are*

*concerned with the portfolio that we fall under, so then we are in touch with them.*"
(Interviewee 11). Yet, the contact with the Dutch government is considered good, as the board knows "*who to turn to, there is a quick response and they are accessible.*" (Interviewee 12). Here, it was emphasized that embassies are always wellwilling and try to help where they can by linking them with other interesting actors and thinking along.

Concerning the local governments, interviewee 8 explained that these on the one hand are considered potential customers: "*We are now working on a design for more the refugee context in Uganda, and the government is also responsible for that largely and so in that sense can become a client*" (Interviewee 8). On the other hand, these governments are also in charge of resolving local housing problems, making them an interesting stakeholder. Therefore, introducing the concept of Easy Housing to them and creating awareness is key.

"*As in we try to involve as much as possible local governments in our projects. Especially in the scale-up phase that we do try a lot and make them aware of what is possible and why it is possible. So we try to contact them a lot and explain our concept. The goal is mainly to make them aware of the fact that, partly due to all the social problems, our solution is an extremely good innovation to tackle these problems. So as a government agency, you're already working on those problems.*" (Interviewee 9)

When discussing these relations for scaling impact, the interviewees agreed that that was less important. The dutch government mainly serves as funder and subsidizer, for which close contacts are not really necessary. The local governments are mainly still focussing on using concrete for constructing new buildings, making their role in the impact scaling not that far-reaching yet.

**Scaling Impact & Strategies**

*Scaling Social Impact*

When discussing the beneficiaries of a project, the interviewees differentiated between direct and indirect beneficiaries, direct being the staff of Easy Housing themselves, the inhabitants of the built houses, and the people working on the construction who generate income through it and learn how to work together with timber building concepts:

*"For Beira, which was 2 houses, we had 10 carpenters who worked on it for approximately 6 weeks. And then you have people who do the electricity, who paint, people who work on it for a day or a couple of days. And the local partners."* (Interviewee 8)

Then there are also the indirect beneficiaries, which is everyone that is introduced to the concept and that becomes aware of the problems with concrete structures on the one hand, and the potential of timber buildings on the other.

Over the past two years, the company has increased their impact by growing from a team of 3 people, to a team of 13 staff members. Besides that, they have now successfully finished multiple projects, each with their own local value chain, training, and awareness creation:

*"Well I think with 4 projects they have had 4x as much impact. But over the whole time period, a lot more people have been introduced to the concept, people are going to think about it or engage with it in some way. On the people with jobs, who work on it, and people who live in it, on them you have an impact. You also have an impact on a lot of other organizations that you've come into contact with in the meantime that are engaged in the concept that you came up with and the ideas that you have. So in that respect the impact is not growing linearly but exponentially."* (Interviewee 9)

Regarding the level on which impact is made, interviewees provide different answers. On the one hand, interviewee 11 argued that the impact currently made is more on a systematic level, as they are very much investing in creating exposure for their company and thus create general awareness about how unsustainable the housing sector currently is, and what the potential of circular biobased building is. On the other hand, interviewees are arguing that it is more on an individual level, as not that many projects are finished yet that one can speak about creating systemic change.

*Scaling Strategies*

For scaling their impact, Easy Housing applied both breadth-scaling and depth-scaling strategies. As it creates impact in a different geographical location with every project that the organization engages in, it clearly adopts scaling out as a strategy: *"So part of my work with these breakthrough initiatives is work with Easy Housing, with 'interviewee 11' in particular, with that prefabricated modular housing in Uganda, they are already operating in Mozambique, and they are also scaling to Ghana"* (Interviewee 7). Moreover, the company is

very active in knowledge sharing with other entrepreneurs, which is part of the breadth-scaling strategy scaling across.. On the one hand, Easy Housing does this by educating local carpenters and construction workers (Easy Housing, 2021): "*their impact is in helping others and making impact amongst their service partners, in a market where it is not common to use wood, so they make impact there*" (Interviewee 7).  On the other hand, they are also active knowledge and experience sharers in their network: "*We have a lot of interaction with others who are also working on the same thing. The whole network is handing out strategies*" (Interviewee 11);

"*And well 'interviewee 11' also has a number of conferences.  He also participated, for example, in something called the African Housing Finance Conference, where he was on a panel and talked about Easy Housing and what we do, so to speak.*" (Interviewee 8).

"*Easy Housing learns from our engineers, but we also learn just as much from them, so there is definitely an exchange of knowledge there and I can imagine that Easy Housing achieves the same with the other institutions they work with, because they mainly look together at how to handle certain situations and then you are always dealing with knowledge exchange.*" (Interviewee 10)

Besides breadth-scaling, Easy Housing also administers a depth-scaling strategy, namely scaling deep and scaling up. This is closely related to scaling across, as Easy Housing aims to educate locals and local governments about timber building. Yet, the enterprise admits that the scaling up has not been that effective yet and sees this as a potential dimension for improving scaling in the future. The organization has adopted the concept of 'thought leadership', where they operate as experts and share their insights with local communities: "*I think they are changing individual habits around people by showcasing that they can do this, but I think they still have an opportunity to change people. Although, they do change their local community partners*" (Interviewee 7)

"*I think there's a pretty big part here of the cultural acceptance of indeed log home construction, which we actually do try to inform those local people about what the advantages are of log homes and what the disadvantages are of concrete homes. And they then often have concerns about fire safety and that we can then of course tell them that that doesn't have to be a concern.*" (Interviewee 9)

*"We do this mainly through thought leadership, by being active in all kinds of networks and by pitching in all kinds of places. This could become more structural and we are working on it. At the moment, for example, we are working with the Timber Initiative in South Africa."* (Interviewee 12)