

Social Responsible Business and Development

A study of how a social responsible business can be perceived as legitimate in a development context

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Abstract: This bachelor thesis is based on the empirical result of a *Minor Field Study* that was conducted in the small village of Paje, East coast Zanzibar, Tanzania during April-May 2012. The object of the research is Seaweed Center, a foreign initiated social responsible business, and the group of local seaweed farming women that are part owners and working for the company. With qualitative methods such as interviews and participatory observations this study sought to find out how a social responsible business with the aim to create development can be perceived legitimate in a development context. Taking off in the employees point of view we discuss the perspective and expectations of *social responsible business* and development and analyze it in relation to how *legitimacy* can be understood using the theoretical tools from organizational theory. To further understand the social responsible business's legitimacy in its wider development context we are also relating our empirical data to, from the development discourse borrowed concept of *local ownership*. Applying these two corresponding but still different perspectives on the employees view and expectations of social responsible business, we have found that the legitimacy is high, even though the employees' do not relate to the concept of social responsible business. Moreover, that the employees do not perceive themselves as part of the business development objective but instead as being the development actors, which we argue indicates that the local ownership is high. With this paper we hope to contribute to a wider understanding of what makes it possible and legitimate for an initiative coming from outside to operate in a complex development context.

Sammanfattning: Det här examensarbetet bygger på det empiriska resultatet av en *Minor Field Study* som genomfördes i byn Paje, på Zanzibar, Tanzania under april-maj 2012. Studieobjektet är Seaweed Center, ett socialt ansvarsfullt företag och gruppen av lokala kvinnor som är både delägare och anställda i verksamheten. Genom kvalitativa metoder som intervjuer och deltagande observationer är syftet med denna studie att ta reda på hur ett socialt ansvarsfullt företag med mål att skapa utveckling kan uppfattas som legitim i en utvecklingskontext. Med utgångspunkt i de anställdas perspektiv diskuterar vi förväntningar på socialt företagande och för att förstå legitimiteten utifrån ett bredare perspektiv lägger vi även till, det från utvecklingsdiskursen lånade begreppet, lokalt ägandeskap. Genom tillämpningen av dessa två olika perspektiv på den anställdes uppfattning och förväntningar på företaget har vi funnit att legitimiteten är hög, trots att de anställda inte relaterar till begreppet *socialt ansvarsfullt företagande*. Vi har även funnit att de anställda inte ser sig själva som en del av företagets utvecklingsmål utan som de faktiska utvecklingsaktörerna, något vi anser visar på högt lokalt ägarskap. Med denna uppsats avser vi bidra till en fördjupad förståelse för vad som gör det legitimt och möjligt för ett initiativ som kommer utifrån att verka i en utvecklingskontext.

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1. Introduction

This bachelor thesis is based on the empirical result of a *Minor Field Study* that was conducted in the small village of Paje, East coast Zanzibar, Tanzania during April-May 2012. The object of the research is the Seaweed Center, a foreign initiated social responsible business, and the group of local seaweed farming women that are part owners and working for the company. With qualitative methods, such as interviews and participatory observations, this study's intention is to find out how a social responsible business with the aim to create development can be perceived legitimate in a development context. The research begins with taking into account the employee's point of view as we discuss the perspective and expectations of *social responsible business* and development. In addition we analyze it in relation to how *legitimacy* can be understood using the theoretical tools from organizational theory. To further understand the social responsible business's legitimacy in its wider development context we are also relating our empirical data to, from the development discourse borrowed, concept of *local ownership*. Applying these two corresponding but still different perspectives on the employees' view and expectations of social responsible business, we hope to contribute to a wider understanding of what makes it legitimate and even possible for an initiative coming from outside to operate in a complex development context.

1.2 Background of Study

This section will explain the background of our research question, clarify the relevance of our study as well as introduce and explain the usage of the theoretical tools we have chosen for answering our question. This section will also highlight those presumptions that are underpinning the very design of this research and the way we have conducted it.

1.2.1 Problem discussion: the role of business in development

1.2.1.1 The Global Development Relations and the Legitimacy Crisis

Entering the field of global development, social responsible businesses have increasingly become a topic of the development debate. The discussion is, however, not easily understood; neither

development nor social responsible businesses are clear cut concepts and both definitions and contextual implications are widely debated. Characteristic for the development discourse is its elements of self-criticism and awareness of those complexities making it a challenge to operate in a development context with good result. Regardless of the debate the operational development work is naturally proceeding globally, with a plurality of actors involved, some traditional and some new and some more controversial than others. Common to all these actors is that their legitimacy often is questioned; as we know, there is so far no general consensus on how to best create development.

Discussing the “global development cooperation”, here defined in terms of development aid flows from “developed” to “developing” countries, there are plenty of voices stressing the challenges of legitimacy within the development operations. One example is the voices heard at the conference *Legitimacy of Future Development Cooperation* that was arranged by the German Development Institute, gathering researchers, civil society representatives and policymakers to discuss the matter. In their conference report they all agreed on an increasing legitimacy crisis in the development cooperation; a crisis raised from e.g. mixed record of the present and former development models and the emergence of new approaches and new actors within the development field (DIE, 2010). Dealing with the question of legitimacy is, however, not an easy task. The attempt to further pin down the concept of legitimacy is adjourned to our theoretical framework, although in line with the definition of the conference report, we note that legitimacy is something that can be created within a relation between actors: *“no individual or group can claim legitimacy for their own actions unless others agree. The attribution of legitimacy is therefore a social process, based on judgments that are inevitably made in accordance with norms and values specific to a social context and therefore inevitably flavored by a degree of subjectivity”* (DIE, 2010).

Among those subjective actors, able to legitimize development aid, the relation between what could be categorized as donor and recipient is naturally central. It is though a complex relation, characterized of conditionality and power asymmetry. According to the peace- and development researcher Maria Eriksson Baaz, development aid relations must be understood in relation to the power asymmetry; she state that it is impossible to say that the relationship is based on common

interests when the donors set the rules and the recipients have to adjust to the donors' wants and needs in order to receive funds (Eriksson Baaz, 2003:162ff) This reasoning could of course be further developed, but unfortunately not within the delimitations of our thesis. Though we want to draw attention to this question since it demonstrates a fundamental challenge within development relations and thus could be seen as a point of departure for our thesis looking at a different kind of development relation. The challenges of the development relation is central for the outcome of the development objective; according to the English professor of Development Politics, Gordon Crawford, the efficiency of official development aid is dependent on the legitimacy that the "northern donor gain from the southern recipient" (Crawford, 2001: 1,31f).

1.2.1.2 Businesses' controversial role as development actor

The efficiency and the result of the official development aid is also a well debated question, not the least in relation to new actors approaching the field of global development. Considering the critique of official aid, stating that the official aid actors under the "UN-umbrella" have failed with poverty reduction and global development, Michael Hopkins, the author of the book *Corporate Social Responsibility and International Development*, suggests the private sector to take on the role as a development actor, particularly through large company's Corporate Social Responsibility (CSR) programmes. Hopkins is arguing that big companies are already very much involved in development and stressing the possibility that they through their "*wealth and global reach can do more on development than UN has achieved to date*" (Hopkins, 2006:235f).

The development implications of CSR have been criticised and viewed as problematic as well. Michael Bryane (2003:226) states that the theoretical schools of CSR are failing to address important questions such as recourse misallocations and the contestation of political power by international organizations, national governments and business interests. Avoiding these questions can have practical implications since it makes it difficult to determine if the society actually benefits or not from the CSR activities. This reasoning has, as we can see, similarities with the challenges of the development relations as stated above. Furthermore Bryane is stressing that the problem with CSR theorizing is, that it is not considering the challenges of working in a development context that are already well-known within the development discourse: "*the CSR discourse appears to signal a new form of co-operation between government, business and civil*

society in the promotion of social objectives. Yet, left out of the discourse are all the difficulties and complexities that development theory has been debating for a century”. (Bryane, 2003:226)

Another discussion, that is also central within the development discourse, is how to include the grass root perspective of the people affected by the development objective. The CSR theory is criticised for failing to address this difficulty; Prieto-Carrón et al for example, argue in a well cited article in *International Affairs*, that there is a lack of southern perspectives that needs to be included in the northern dominated and too narrow debate on CSR. Suggesting a new research agenda, they point out that since the scope of CSR now includes the role of business in relation to poverty reduction in the developing world, it is a required globalized debate incorporating ‘on the ground’ perspectives from developing countries. This is to see if the CSR initiatives are legitimate and, if so, “*how implementation should be adapted to the particular country or region in which they are taking place*”. (Prieto-Carrón et al, 2006:977ff)

1.2.2 Our contribution to the problem discussion: legitimacy from a local perspective

1.2.2.1 Response on the problem discussion

Acknowledging the legitimacy crisis within the global development cooperation, the challenges within development relations and the controversy about the role of businesses within development has briefly been discussed above. In addition we realize that there are many different ways of approaching these challenges. Basically, these challenges are all boiling down to the essential questions about development: *How can we create development and who can create it?* The intention of our thesis is, however, not to evaluate or compare the development result or suitability of traditional development actors or socially responsible business but to rather focus on the challenge of legitimacy within the development relations. In addition, we aim to respond to the demand for “on the ground” perspectives of social responsible business outlined above. We find it interesting to see how legitimacy can be perceived within the relations that emerge when a company is taking on a development objective as a part of becoming a social responsible business. From what we have seen, there is limited research done on legitimacy of social responsible business approaching the question of the development objective with a “on the ground” perspective and we think there is a gap that needs to be filled.

Our response to the problem discussion above will therefore be a study of a small social responsible business with a development objective operating in a development context. Our contribution will be to analyze how the legitimacy of a social responsible business can be perceived in the local context, through the eyes of the “objects” of the business development objective, in our case the employed women of the Seaweed Center.

1.2.2.2. Introducing our theoretical approach

In order for us to begin our research, we need to understand how legitimate the social responsible business can be understood in relation to its fundamental condition, namely that we are discussing a business initiative where one of the core relations is the one between an employer and their employees. Therefore we have constructed a theoretical framework, beginning with defining how legitimacy can be understood based on organizational theory, focusing on legitimacy *within* a company through corresponding expectations and the desirability of the company’s operations. Furthermore, this is developed in relation to how we can understand the company as being a social responsible business, by pinning down the overall idea of corporate social responsible business. In addition, comparing the expectations on our initiative with the levels of Carroll’s CSR pyramid; that are implying that a business is expected to make a profit, obey the law, be ethical, and be a good corporate citizen.

Using CSR as the umbrella concept trying to grasp the overall discourse on what can be expected of a business taking social responsibility, we will further narrow the discussion, elaborating the more precise definition of Socially Responsible Business (SRB). We chose to use the definition of SRB because it enables us to distinguish our initiative from the more imprecise CSR discourse. Carroll’s pyramid, for example, could in fact be used analyzing most businesses and his theory is based on an assumption that the economical level of making profit must be the foundation of the company while the other levels are more or less “additional”. In our case, the Seaweed Center, economical gain is seen to be equal to social gain and furthermore the “additional” levels, the “CSR-activities” are the very core of the Seaweed Center’s operations not something additional. Important within the theory of SRB is the focus on the stakeholders, which will be our point of departure trying to define the legitimacy creating relation relevant for

our initiative where the key stakeholders are the women that are employed at the Seaweed Center.

Studying a SRB with the objective of creating development we are further assuming that we cannot fully understand the expectations or the legitimacy of the initiative analyzing it only as a business and solely out of organizational theory. Rather we have to find a way to also relate it to its development objective. This could of course be done in many different ways but we have chosen to apply the concept of “local ownership” on our initiative to see if it could be understood as legitimate also in relation to a concept that is central in the development discourse. Ownership is a concept stressed as important in the DIA conference mentioned above, and is further reappearing in the development discourse as central in official development work of today. We should though be aware of not blurring the concepts; this idea of local ownership is not to be mixed up with the formal ownership, as being legally owners of the business.

We are arguing that to be able to be perceived as an legitimate actor in a development context; we must not delimit our analyze to in what extent the employees/stakeholders are *giving* legitimacy to the initiative but also how they *take* ownership of the process. Relating to the problem discussion stated above stressing the difficulties of operating in a development context we think that we can approach the legitimacy of a SRB more comprehensively by merging these two aspects: how the initiative can be perceived as a business in relation to its employees *and* how the initiative can be understood as an actor with a development objective in relation to the grade of local ownership.

1.2.2.3 Our contribution to the problem discussion

To be able to conduct this study there are a few different phases we need to familiarize ourselves with. Since our field of legitimacy within a SRB with a development objective is partly unexplored, there is no obvious theoretical toolbox we can use. First, we need to consequently construct a theoretical framework, namely the one discussed above as we are of the opinion it will help us answer our research question in a satisfactory way. Moreover, we apply the theoretical framework on our empirical field for answering our research question; our study is so a *theory consuming study*, i.e. a study focusing on a specific case and try to explain it through

theories (Esaiasson, 2010: 42). Although, since approaching a partly unexplored field we need to try if, or in what way, our empirical target group is relating to those concepts we have defined as central in our theoretical framework. Furthermore we need to see in what way our theoretical approaches are corresponding and complementing one other to be able to determine if our theoretical framework has proven to be functional in answering our research question.

Using the research design discussed in this thesis, we argue that our study can make a small but substantial contribution to the fields of a social responsible business and global development or even to a potential theoretical integration of the two fields. The discussion above indicates that we are addressing a research problem that has emerged within the theory of science, i.e. a research question emerging from a “gap” in earlier research (Esaiasson, 2010: 31). Though we are as well assuming that our study is of relevance for a problem emerging from the society, since the SRB with a development objective has obvious implications for the society it wishes to affect. External initiatives is a widespread phenomena in the development context, and we strive to hope that our results could be used as a point of departure in the future for inspiring companies wishing to include a local perspective in their operations in a development country.

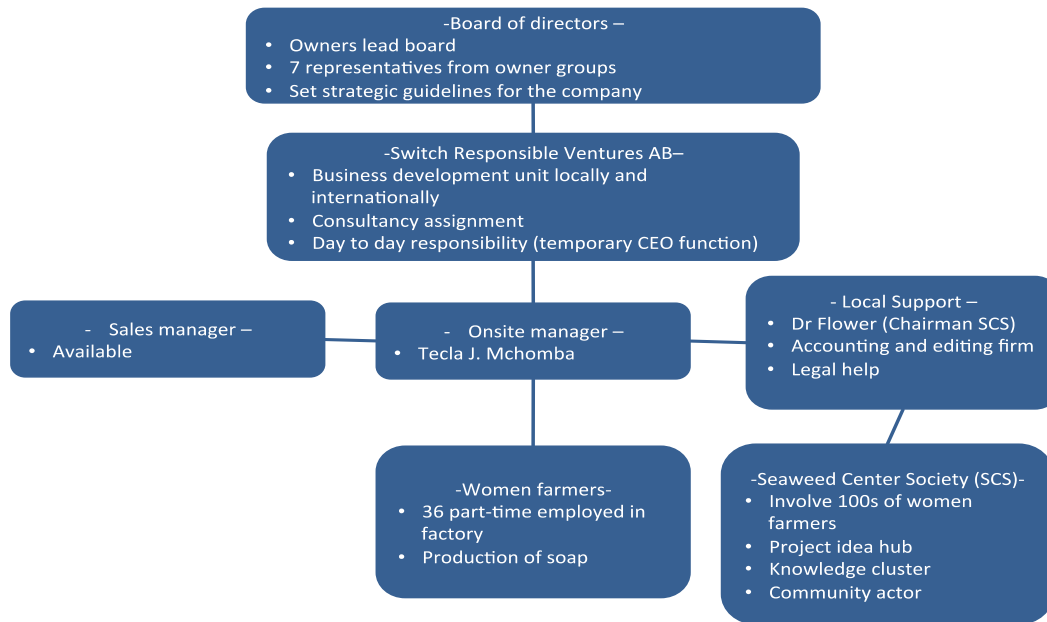
1.3 Research project and its context

This study was undertaken in the village of Paje on the east coast of the main island of Zanzibar, Tanzania. When the seaweed farming was introduced in the 90’s one reason for its popularity was that it is a quite predictable way to get hold of cash all year round and it has become increasingly common among the local women (Tobisson, 2009:14). However, the farming requires hard work and the profitability is low; in Paje the average seaweed generated income is less than one US dollar per day (Switch project description, 2011). The seaweed farming women in Paje where gathered together, cooperating and working collectively with the farming of seaweed before Seaweed Center was founded. Seaweed Center is a business initiative started by class CSE’10 from Chalmers School of entrepreneurship with the purpose to register and become a social responsible business. The center has now been established since 2009, the first year and a half being a start-up period, and today there are 36 women employed at the center. The center has a small factory where the employees make soap out of coconut oil, caustic soda and seaweed, is has a separate space for drying the seaweed and it also has a second floor where meetings and

classes are held. The Center has provided English lessons for the employees and conducted instructional safety workshops. During the start-up period, when the company organization where being set, the women were working for free at the Center as there was not enough capital in the company and in addition, no structures through which salaries could be paid (Interview management, 2012). The employees were consulted in the beginning about how much time they wanted to work and it was them who developed the schedule. Currently they work one day a week and spend that time either at the centers seaweed farms or at the factory making soap (Ibid).

The Seaweed Center is owned by multiple owners, both foreign and local. In a group of six different shareholders, one is a Non- Government organization, *Paje Seaweed Center Society (SCS)*, it consists of the 36 employees and they together owe 15 percent of the business due to a joint decision of the owner group. The general idea is that preferably all the profits should be reinvested in the business operations, with the aim that via the NGO, they can meet the societal challenges the women and the village suffer from (Owners directive, 2011).

The owners of the Seaweed Center are represented in the company by the board of directors, which is the decision-making body. It is stated in the *Owners directive* (2011) that owners within the company should be active and participate in the development of the business. Still, an external firm, Switch Responsible Ventures is hired to run the business operations and will be referred to as the management in the following text. Switch describes their own role as providing the relevant competence and time required to set up the operating and sales organization necessary for the Seaweed Center to become a self-sustaining company, in line with the vision set out by the board. Also to prepare the company for up scaling activities and finding matchmaking partners. In excess they also aim to develop a framework for organizational culture and setup to become a role model for other social responsible enterprises in the East African region. Switch Responsible Ventures is owned by Erik Gulbrandsen, CEO, and Fredrik Alfredsson, East African manager. Before he started Switch Responsible Ventures, Erik Gulbrandsen was a student in the class from Chalmers School of entrepreneurship that founded the center and has thus been a part of the project since the start (Interview management, 2012).



Seaweed Center Structure (Switch Responsible Ventures, 2012)

To summarize, the Seaweed Center is a socially responsible business with the objective to increase the living standards for the people in Paje. The board of directors expresses, via the owners’ directive, how the aim of the business is to be a powerful change agent in the society, *“The Company’s operations should support the overall vision of the Company and should be in line and aim for high societal impact. Hence, focus on company growth, but also with great consideration of creating a structure that helps to ease the living conditions for the society where the company operates. In order to maximize the social impact, the Company should highly promote actions that develops the center to become a powerful stakeholder of societal change within the area of operation.”* (Owners directive, 2011)

1.4 Aim and research questions

This study intends to show how a social responsible business can be perceived legitimate in a development context. By looking at the expectations of the employees working at the Seaweed Center we aim to grasp how the core group, on a grass root-level, perceive the legitimacy of the business out of their multiple roles as employees of the company, key-stakeholders and beneficiaries of its development objective. Doing this we aim to contribute to the understanding of what makes it legitimate for an initiative coming from outside to operate in a development

context. In particular we want to see what the possibilities are for a SRB to be perceived as legitimate in their aspiration of being an actor suitable of creating development. Accordingly this comes down to our main question:

What legitimacy does a socially responsible business have in a development context, from the employees' point of view?

To operationalize this main question we need to deconstruct it into different sub questions:

- What does the women's view on their employment mean for the legitimacy creating process?
- Is the Seaweed Center perceived to be legitimate as a social responsible business?
- Is the Seaweed Center perceived to be legitimate in relation to its development objective?
- What does the employees' sense of ownership mean in the legitimacy creating process?

1.5 Delimitations

We will consider the relation between the company and the local context, via the employed women's perception of the initiative. We will not focus on economic empowerment or the seaweed soap production itself. Neither will we comment on the fact that it specifically employs woman only, as although this is a precondition that may influence our research project, it is not the aim with our research to examine. We believe that the legitimacy of the Seaweed Center as a business and aspiring development actor would be best studied from several societal levels, how it is perceived by the government, the community and other stakeholders; but in our limited study we will focus on one group of stakeholder close to the company, the employees themselves. Also, we won't evaluate whether the Seaweed center is a successful initiative that has reached or created development, we will focus on whether the center is viewed as a legitimate actor in this social context and from the recommendations found in the development discourse.

2 Methodology

In this chapter we will present how we have proceeded when gathering our empirical data for our study. We will describe how we have used our qualitative methods and what challenges we have experienced and how we have handled them.

2.1 Empirical data collection

In our aim to understand how our target group perceives a social business we find qualitative methods to be best suitable and we will therefore approach our field with a core of semi structured conversation based interviews, participatory observations and focus group discussions. Peter Esaiasson et al. (2010:285f) are motivating the conversation based methods advantages when working with an unexplored field where it is difficult to define relevant categories for data collection beforehand. It is also argued suitable when aiming to understand how the interview persons perceive their world and how they describe specific phenomena, give them meaning and relate them to their worldview. In our case, as explained above, the limited research about legitimacy within a social responsible business, there are no clear cut categories of how the initiative's socially responsible approach could be perceived, even though we have some ideas explored in our theoretical framework.

To be able to provide an encompassing picture of the target group's perceptions, one objective of the study must therefore be to find these categories and in addition take into account that space needs to be provided for unexpected answers. It's important that we emphasize that we don't want to evaluate the result of the initiative as such, but want to let the employees express in their own words how they recognize and distinguish the initiative, how they define what's important and following this, to analyze the legitimacy. We are also of the view that qualitative methods are suitable for approaching the multilayered matter of expectations and ownership, created in the relation between the women and the management.

2.1.1 Choice of respondents

The theoretical population of our study is people in a development context, affected by an external initiative with a development objective. In particular we hope to contribute to the understanding of people affected by social responsible businesses. To be able to answer our research question and to articulate a more general discussion on our theoretical population, we intend to begin with a relation we think is characteristic. We have therefore defined our empirical field as the relation between the external management and the local employees in one initiative, namely, the social business the Seaweed Center. Initially our intention was to base our selection of interview persons on employees with different experiences and different formal or informal positions within the company. However, it turned out to be difficult since everyone we spoke to had similar experiences: no formal employment but some experience of petty-trading. They also told us that they had no different positions within the company and that everyone was doing the same job. Furthermore, long working hours and a heavy work load at home, meant that it was an effort for the women to participate in our interviews and therefore we had to be content with a group of women that happily chose to participate. We therefore had no distinguished selection within the group of women working at the Seaweed Center, but we are satisfied that they are a suitable sample group as they are representing the employees of the Seaweed Center and share similar experiences. This “pilot” finding, that none of the employees have experience from formal employment or business, is interesting in itself and we believe that it is a common phenomenon for businesses to deal with when working in a development context. In addition this is something to consider when analyzing the legitimacy of the initiative.

In our participating observations we have had the chance to talk to most of the 36 women working at the Seaweed Center, but when conducting the interviews we had to focus on a smaller group of women. Our intention was to have the same six women that were attending our first focus group to participate in the individual interviews and then conduct a separate focus group with 4-6 other women as a reference group to see if we could get any new perspectives. In addition we intended to complete the individual interviews, with a larger focus group to see if this resulted in any discussion. Due to the aggravating circumstances explained above and some woman from the group experiencing ill health; our initial interview plan was not possible. Furthermore only two women from the first group of six were able to participate in our

individual interviews. The other two were asked to participate separately after we found them suitable while communicating with them during the participating observation. The last focus group was completed with a group of five women.

To be able to understand the structure and aim of the Seaweed Center we arranged an interview with the two external managers.. Among other actors within the business, we found them most suitable for answering our questions since they are executive managers for now and are working both in Sweden and in Zanzibar together with all the part owners.

2.1.2 Participatory observations

During our eight weeks at the Seaweed Center we have had several opportunities for participatory observations, including observing the employees as well as participate in their daily work. Using observations as a method is usually most suitable to apply in a study of non-verbal actions or for example social structures (Esaiasson, 2010: 344). However, although we were interested in how the women express themselves verbally, this method was used to help us understand the operations of the company, the routines and the tasks of the employees. It was also an attempt to understand prevailing social structures, to be able to make an informed selection of respondents and to get an initial feeling of social norms and values to be able to approach the employees in a culturally respectful manner. The participation in the work provided opportunities for us to communicate with the women as well as have more focused discussions with them. This proved to be essential to developing mutual trust and laying the foundation for a safe environment for the interviews to be conducted in. Having heard that the employees were tired of interviews and researchers coming and going, it was of great importance for us to be alert of the environment. In addition it was vitally important to inform and include the employees in the aim of our research to give them a fair chance to understand what we were doing and to make an informed choice of whether they wanted to participate or not. Since some of our interview questions were in relation to the operations of the Seaweed Center, we found it suitable to participate in these, to better understand what the employees were talking about and to be able to talk about these things whilst they were working. In the end we noticed that the empirical information we were able to collect through our participation could be used both as “pilot”

information helping us to construct our interviews and focus groups in an efficient way, as well as to help us answer our empirical questions in more direct terms.

Some participatory observations were also conducted before the very start of our field study. One of us has spent two months of the internship at the Swedish office of the external management and one has been spending the internship at the Seaweed Center in Zanzibar. Even though we were both working with different tasks and not the field study by this time, this has been of great value for us, namely to enable us to get a pre-understanding of the business and become acquainted with the employees of the Seaweed Center. In addition, this provided us with an opportunity to prepare for our study and get an idea about their attitudes to our research aim and our methods, such as interviews. The information gathered from these observations has however not been analyzed in our analysis as such, but rather to inform us for purposes of planning our study. However we have been aiming to stay open-minded and prepared to reconsider our pre-understanding throughout the process as well as trying to be clear about our separate roles as interns and as students as we will further detail below. During our field study we were continuously discussing our observations and we have been writing notes on a regular basis. Notes were also taken during the time of internship to be able to remember as well as distinguish our observations from that time.

2.1.3 Interviews

Furthermore, to understand the employees' perspective of the initiative we were also conducting a combination of semi structured interviews and focus groups. The individual semi structured interviews were about one hour as was intended to enable space for the respondents to speak to us freely and in private, with open ended questions and opportunities for further discussions. We conducted four of these interviews and as a complement we were also arranging two focus group discussions when we invited a group of 5-6 employees to talk together. This is because we are of the opinion that interacting together can generate more aspects of the questions as well as provide a creative way of working with the questions. According to Esaiasson et al (2010:284ff) conversation based interviews is a suitable method approaching an unexplored area and when we need to find out people's view of their world. Since we argue that the area of legitimacy of social business in a development context is partly unexplored we need to, as Esaiasson et al describes

it, obtain an overview of the field. In our case we decided to begin by inviting a group of women for a wider discussion, approaching the themes of our research in an open-ended way to enable us to define the relevant concepts and openings before carrying on with more focused interviews; deepening our understanding of the perceptions of the employees. Separating the conversation based methods from question surveys, Essiasson et al argues that the former is better suitable if you rather than looking for frequency of data, as in more quantitative methods, are interested in making different phenomena visible. Since our problem formulation rather points us in the direction of recognizing a range of different perspectives we are confident that our choice of qualitative methods is of relevance for our aim.

The first focus group could be seen as a pilot study where we tried to approach the themes of the research in a wider sense, finding what words the employees put, explaining what they think that the Seaweed Center is and what they think about the themes of the research. This focus group is used for information as well as for opening up for more detailed questions when conducting the deep interviews. In the second focus group we had more focused questions, providing opportunities for further discussions on similar questions as the ones used in the individual interviews. The purpose of this was to see if it could generate new aspects when the women discussed the questions within a group setting rather than thinking about the questions on their own.

In addition to these interviews we also interviewed the two external managers of the Seaweed Center in their office in Sweden. This was a complementary interview with only a few questions conducted in order to understand the aim and objectives of the Seaweed Center and assist with setting up a framework to relate the expectations of the employees. Therefore this interview should be seen as an informant interview rather than respondent.

2.2 Methodical problems

2.2.1 Translator & language barriers

The language barrier is most likely our greatest methodological challenge, since we are not Swahili-speaking. There was a risk, particularly in the focus group that important discussions would get lost along the way due to interpretation and problems of picking up all that is said.

When conducting our interviews and focus groups we were privileged to be able to use an interpreter from the discipline of development studies and with experience from development work. This was a real advantage since he could understand the reason for our questions and that he were able to discuss with us and help us to reformulate the questions on site if we experienced misunderstandings. To make sure we were on the same level, we were careful to set aside time for discussing our research and interview guide before conducting the interviews as well as go through our answers afterwards.

During our participating observations we did not always have access to an interpreter. Only one of the women speaks English and when she was present she was happy to help us with the interpretation. The rest of the time we had to rely on the very basic Swahili one of us mastered, which was enough for small-talk but far from satisfying for deeper interviews.

2.2.2 Our role and ethical considerations

When executing field work, there are a number of considerations to take into account in relation to who you are as a person. In our case the fact that we are young, white women might be a factor impacting on our ability to undertake the research. However, since our target group was mainly women themselves, we believe that this did not pose a problem to our research and the maternal way the women treated us did not hinder our study. It might however have been the other way around; our young age could have made it easier for the women to speak freely to us about their work. In turn this might be the reason why we didn't feel that they associated us with the management and other founders, who are predominantly white men. This was initially a concern for us as we before our study spent two months as interns at Switch Responsible Ventures, the company that is presently managing the Seaweed Center. Furthermore, during this period it seemed clear to us that the employees did not perceive us as part of the management or as Swedish "donors". However, we took this into great consideration throughout our research and made efforts to distinguish ourselves from the management by studiously explaining our aim about the research we were undertaking and making it known that we are students.

Nevertheless, there is still a chance that the employee's answers reflect rather what they think we or the management wants to hear in the interviews, as we have found it to be a part of the local culture to be accommodating and this is something we have been aware of throughout our study.

Therefore as a method to address this particular issue, we felt that by conducting interviews both in groups and individually would avoid the participants from feeling they had to provide expected answers. However we are mindful that in fact they may still feel reluctant to give accurate answers and have taken this into account while completing this study.

We have also taken into account that during this study we have imposed on the employees' time, who are hard workers and who have the main responsibility to support their family. In addition, their participation was voluntary and we did not provide monetary compensation. Therefore during our interviews and focus groups, we provided snacks and drinks, as well as being flexible about the time we undertook the interviews with them to enable us to work around their working hours.

We have also had to ensure careful consideration was given to the expectations of our research; particularly around asking the employees what they hope and wish for as we did not want to create a false sense of hope for them in the sense that they thought we could provide this for them. Therefore, we were very clear about our motives during every interview and explained what we will do with the results. In addition we provided opportunities for questions and suggestions from the women to inform our study. Furthermore it is important to us that the employees of the Seaweed Center will have the opportunity to see our results and outcomes of this study. Upon completion of our thesis, although we will be back in Sweden, we aim to summarize our results and send it to them by asking the external management to support us in passing the results to the women. We will also send a copy of the thesis and the summary to the English speaking chairman of the NGO and the local manager of the Seaweed Center.

3 Theoretical Framework

In this chapter we will spell out the main concepts of our study, those that we will later use in the analysis for answering our research question. The presentation will also continuously include explanations of our choice of theories, as a complement to the explanation provided in our introduction chapter. Firstly, we present the concept of *legitimacy* based on organizational theory to gain an insight into how the term is used on businesses. Secondly, we narrow down and focus on definitions of the concept the way it is used in the theory of social responsible business to provide a theoretical tool suitable for our research object. We will continue with a presentation of some concepts helpful for explaining Seaweed Center as a business, starting off with a description of the theories regarding CSR, which is the overarching concept, but then zero in on *social responsible business*, SRB, as it can better explain the structure and aim of the Seaweed Center. Furthermore we will focus on the relationship between the *employer – employee* as a consequence of our chosen perspective and target group, the employees at the Seaweed Center. We will then add the concept of *local ownership* as used in the development discourse to provide a tool for an in depth analysis and further insight into the implications and effects of the Seaweed Centers development aim. Finally we will present how we operationalize the theoretical tools and how we will use them in our analysis.

3.1. Legitimacy

3.1.1 Legitimacy in organizational institutionalism

Legitimacy is a central concept in our study as we aim to look at how a social business is understood as a legitimate actor in a development context. We have turned to organization theory to understand the historical evolvement of the concept and to find an up -to-date definition to operationalize and apply on our empirical findings. We have used the work of Deephouse and Suchman to get an historical overview of the concept and we found that legitimacy is viewed as a central concept in organizational institutionalism and that the term dates back all the way to the dawn of organization theory (2008;49). Institutionalism has disparate meanings in different disciplines but in organization theory it is a branch closely associated with sociology (DiMaggio and Powell, 1991:1). Organization theory, DiMaggio argues in his book “*Institutional patterns and organizations: Culture and environment*”(1988:5) incorporates, via institutionalism, an

account of agency and address questions like “how are new organizational forms created and legitimated?”. An approach that makes this a perspective on organizations that suits our study as it enables us to understand the social participation in legitimacy creation. The conceptualization and understanding of organizational legitimacy has changed and evolved during the last three decades and, as a result, there is an excessive amount of definitions and measures in the existing literature on legitimacy (Deephouse and Suchman, 2008;50). We therefore want to clarify that we chose to narrow our understanding of the concept to theories of organizational institutionalism and thereafter focus specifically on legitimacy in social business due to the nature of our research object.

Most people in the field recognize Max Weber to be the one who introduced the concept of legitimacy into sociological theory and thus into organizational institutionalism. He understood legitimacy to be a result of conformity with both formal laws and general social norms (Weber, 1946:180ff). Thereafter, Parsons took Webers idea of legitimacy and stressed the significance of how well an organization was corresponding with social laws and values. Together these two understandings define a basic idea of the concept that is still used today, even if many attempts have been made to redefine it and adjust it to other areas then merely within organization theory. (Parsons 1956:63f, 1960)

An inclusive definition of the concept was in 1995 offered by Suchman in his “*Managing legitimacy: Strategic and institutional approaches*” in which he states that: “*Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*”. DiMaggio and Powell also provides a definition of the concept that includes both the notion of obeying rules and laws, formal as well as social norms and value systems (DiMaggio and Powell, 1991). As we can see, requirement to follow the rule of law and social norms is included in most definitions but what is exiting about DiMaggio and Powell’s contribution is that they also add that an organization should act the way they are *expected to*, as organizations gain legitimacy by conforming to widely accept professional judgments and discourses about how they should operate. Their definition also includes expectations in the meaning of expectations on the company performance and operations. They state that organizations that meet

stakeholder's expectations for effectiveness and efficiency are generally assessed as legitimate (ibid). As there is a variety of definitions like this offered in the literature of organizational theory, we chose to use Suchmans, and DiMaggio and Powells as they both include elements of qualitative measures that fits our research aim. We will clarify later how we chose to operationalize the definitions.

It is argued in organizational theory that to understand the concept of legitimacy you also have to ask who has the possibility to give it and in searching for the definition of what legitimacy is lays the assumption that the processes is a phenomena that originate and operate external to the intent and actions of an individual organization (Meyer and Rowan, 1977.333ff). Legitimization is therefore something that groups outside the company management has power to either give or to withhold. Deephouse and Suchman explain it as 'sources of legitimacy' are the internal and external audiences who observe organizations and make legitimacy assessments (2008:54). DiMaggio and Powell, as mentioned earlier, use the term stakeholders to identify these groups, and the term is also used by Deephouse and Suchman who mentions employees as one of the stakeholder, which strengthens the relevance of our target group in this study, the employees at Seaweed Center.

There is a comprehensive theory, stakeholder theory, regarding this striving concept. In stakeholder theory the employees' role in the legitimacy process is described in more detail, and therefore this is something we will return to later in the chapter as it connects legitimacy with the structure of a social business.

3.2 Social Responsible Business

Approaching the field of business taking social responsibility, one initial notion is that it is containing an extensive range of concepts and perceptions that are not always consistently defined and easy to separate from each other. In our study the concept Social Responsible Business (SRB) is found to be the most applicable concept, as it grasps that social responsibility is at the core of the Seaweed Center's operations, and therefore could be used as a tool in our analysis. However it is important to note that, SRB is a specified branch of the bigger tree of

theory within this field. In our attempt to capture this blurry mass of definitions, we will approach it by trying to define an over-all umbrella theory that we then can build upon and relate our more specified SRB concept to. This umbrella, we will, in line with the summarizing and theorizing of Archie B. Carroll (1999), refer to as Corporate Social Responsibility (CSR) that is also the concept that is most commonly used in the general discourse of the field. Following this understanding we will then be able to deepen the reasoning of SRB.

Due to the range of definitions and perceptions of social responsibility, the conceptualization needs a wide approach also including the theoretical foundation that has been laid out since 1950's that could be seen as a starting point of the modern discussion of CSR. This is among others argued by Carroll (1999) who extensively summarizes the evolution and development of CSR and related concepts in the second half of 20th century. Carroll is himself a key theoretician within this field; it is for example stressed by Habisch et al (2005:337) that Carroll's own definition of CSR is probably the most widely accepted and referred to within the business and management literature. In his article, though, Carroll (1999:292) argues that all definitions of CSR, thus including his own, and related following concepts builds upon and must be understood in relation to the development of the concept of CSR that is underpinning the related theories as well as provides a language that is still widely used within the field.

3.2.1 Conceptualization and evolution: From CSR to SRB

In his summary Carroll (1999:270) initially present Howard R. Bowen's definition of the social responsibilities of a businessman: *"It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen, 1953:6)..* Bowen is further referred to as the "Father of Corporate Social Responsibility", and even though this is not a clear definition of CSR as such, it provides a foundation for the discussion of SRB, even today. In the 60's the definitions and literature expanded, introducing the idea of CSR as something beyond ordinary features of a business such as legal and economical obligations, though something that could result in economical return. Carroll citing for example Keith Davids, who argues that the idea of social responsibility is about *"businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest"* (Davis, 1967:46). However,

this should not be seen solely in terms of spending; if the reasoning was done properly there was a good chance of economic gain in the long run, a view that was to be commonly accepted in the following decades. Davids further introduced the idea of that the grade of responsibility is corresponding with the grade of social power of the business and that the “*avoidance of social responsibility leads to gradual erosion of social power*”. Davids adds a few years later, that Social responsibility should be understood as something that goes beyond the person-to-person relation and move a step further by “*emphasizing institutional actions and their effect on the whole social system*” (Davis, 1960:70). It was however not until the 70’s that we could see the approaches on what multifaceted concepts such as society and social system actually could include in matter of defining the “objects” of the social responsible business. The idea of an existing “multiplicity of interests” was introduced and exemplified with employees, suppliers, dealers, local communities, and the nation (Carroll, 1999:273). This could be seen as the foundation to the later stakeholder approach on CSR, which we describe further below, but was still to be further developed. One example on the growing notion of the importance of such interests role is Prakash Sethi that social responsibility is *prescriptive* and also about social *responsiveness* (Sethi, 1975:69).

This reasoning leads the way to the four dimension definition that has come to be seen as fundamental within CSR and is defined and later refined by Carroll himself “*The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time*” (Carroll, 1999:283). This way of perceiving CSR then, stayed central through the 80’s, when fewer new definitions emerged and the literature focused on empirical research, operationalization on and measuring and was in 1991 after some refining transformed to what is today still is referred to as Carroll’s CSR pyramid, where he organize the expectations of above.

3.2.2 Carroll’s pyramid: a definition of CSR

Carroll (1999:289) uses his four-dimension definition of above, although renaming the discretionary component to involving voluntarism and/or philanthropy arguing that this would be the “*arena from which the best examples of*



discretionary activities came” and sort them in the figure of a pyramid . By this he marks out that the concept of CSR fundamentally rests upon the expectations of the company to fulfil its economical responsibilities and then built upward to the legal, ethical, and philanthropic expectations on the business. Although he emphasizes that businesses must not be fulfilled in this sequential order, but that each is to be fulfilled at all times. Carroll summarizes the implications of his pyramid as follows, “The CSR firm should strive to “*make a profit, obey the law, be ethical, and be a good corporate citizen*” (Ibid).

Placing the economic responsibilities in the bottom could be related to the discussion on companies’ role in society. Stating it as fundamental could be seen in relation to Milton Friedman critique of business involvement in social problem, in that he argues that it is the responsibility of the state and stick to their only responsibility which is to increase its profits (Margolis and Walsh, 2003:272; Carroll, 1999:277). Carroll’s suggestion of areas of responsibility does not stop by economic expectations; however, he argues that the fulfilling of society’s expectations to produce goods and services and selling them at a profit must be done within legal requirements. Furthermore, that these first two responsibilities are also to be seen as *required* while the ethical responsibility should be seen as practices that *expected* from society even though they are not codified into law. The top of the pyramid, the philanthropic responsibilities are *desired* rather than expected “*represent voluntary roles that business assumes but for which society does not provide as clear-cut an expectation as it does in the ethical responsibility*” but includes to be good corporate citizens by for example engage in promoting human welfare or goodwill and “*contribute resources to the community; improve quality of life*” (Carroll, 1991:42).

3.2.3 Social Responsible Business (SRB)

Positioning Carroll’s definition in the conceptual development of above we have achieved a fairly covering explanation of the umbrella concept of CSR. Reminding ourselves that Carroll states that the unique contributions of fundamental definitions of CSR has been declining since the 80’s and the later literature has rather been focusing on refining the definitions and use this concept of CSR as a point-of-departure for related concepts and themes such as corporate citizenship, business ethics theory, and corporate social performance (Carroll, 1999:288) These

theories will not however be of any relevance to the object of our study; but we have taken it into account and are aware of the variety of themes, concepts and definitions related to the field of CSR. For our specific purpose to analyze the Seaweed Center we need to narrow down to more precise tools, and for that we have chosen to focus on the term Social Responsible Business (SRB) as a tool for understanding the Seaweed Center and the concept of stakeholder as a tool for broadening the understanding of the Seaweed Centers relation to its employees.

Keeping the overall CSR definition in mind, we note that the explanation is drawn up in rather general terms and could in principal be applied for analyzing any company. The theory of SRB on the other hand is more specified in terms of defining basic characteristics of the very function and objectives of the business. If CSR is about expectations of behavior and incidental or secondary actions business can undertake to improve its position, Uditha Liyanage (2005:53, 69f) argues that a SRB can be distinguished as business positioning the CSR activity as the core of its operation and its *raison d'être*; *“If the CSR activity of a business is the very purpose of its business, indeed, the reason for the existence of the business /.../ such a corporation is engaged in Socially Responsible Business.* Explaining further Liyanage refers to a wish of CSR companies to undertake actions that at least in the long run will pay off in tangible and financial terms rationalizing its actions with “giving to get”, whilst the SRB business is “doing and getting” keeping the socially beneficial actions central rather than something “incidental and integrated”.

This leads us to a formal definition of SRB: *“The aim of SRB is to profitably serve the socioeconomically disadvantaged people, in an environmentally friendly manner, through innovative products and services, that are financed, sourced, processed, delivered, communicated and priced, keeping, in mind the constraints and limitations of the end beneficiaries.”* (Liyanage, 2005:70) SRB could therefore be understood as a way of shaping the business model, including both value chain activity and markets, in order to benefit their target group (Ibid).

3.2.4 Employee/Employer: a key stakeholder relation in a social business

When looking at the Seaweed Center, the central target group stated in the owners' directive is the employees and then the surrounding society. Therefore we feel confident arguing that the employees have two parallel roles, as both target group for the initiative and also as a central group in giving legitimacy to the business. Here, we will further investigate what the relationship between the social business and its employees include by using the concept of stakeholders. The stakeholder approach is interesting as it explains the specific role the employees have in these kinds of businesses, as well as it explains how a social business relates to - and gets legitimacy from the surrounding society.

The stakeholder theory has won more and more momentum in the general discourse surrounding business and in the theoretical framework around socially responsible business in particular. This is due to the fact that, for a socially responsible business, it is considered *essential* to meet and understand what societal expectations and demands that are placed upon the company in any given situation. The theory states that expectations and norms on what is perceived being a good, accepted and responsible behavior is constructed in the relation between the company and its stakeholders (Grafström et al, 2008:83).

Stakeholder is a concept we first came across in the definition of legitimacy described by DiMaggio and Powell. They used it when explaining which groups has the power to give or withhold legitimacy. In the stakeholder theory there are far more areas where stakeholders have a central role, but we will use it, as the founder of stakeholder theory Edward Freeman puts it to, "...put *"names and faces"* on the societal members or groups who are most important to business and to whom it must be responsive" (Carroll, 1999:290).

Stakeholder theory can thus be applied on any given company, it is not limited to socially responsible businesses, but Carroll is arguing that there is a natural fit between the idea of CSR and an organization's stakeholders and refers back to the usage of Freemans definition to identify which specific groups you are talking about when you, in CSR and SRB refers to the importance of relations with the surrounding society. (ibid)

Agreeing with Carroll, looking back at our conceptualization of CSR, we note that the “objectives” of social responsibility is often vaguely defined in wide terms as for example “the society”. Stakeholder theory therefore gets useful as it argue that employees, governments, political groups and communities are a few of the groups whose interests must be recognized by the company as vital and of great significance, in addition to the traditional view of the shareholders as only agent of importance (Mitchell et al; Freeman 1984). And in the theory concerning social business the relation to your stakeholders and taking responsibility for your employees is considered *fundamental* to have any chance to gaining credibility as a responsible actor. Hence the employees are viewed as one of the most prioritized stakeholders (Grafström, 2008;71ff).

ISO 26 000 is an international accepted standard on how socially responsible business should act in various situations; included in this is the relations with the company’s employees. The standard recognizes employees as a vital stakeholder and states that some stakeholders should be considered an essential part of the organization, among them the employees. It should be recognized that these stakeholders share a common interest in the purpose of the organization to ensure its success (ISO, 2010).

The standard also stresses the importance of labor rights. It discusses the recognition of worker organizations and representation, health and safety among other things. That social responsible business goes hand in hand with labor rights is also stressed in the United Nations Global Compact. The document is a policy initiative for business committed to work with human and labor rights, environment and anti-corruption. The document is considered to be a guiding document for socially responsible businesses and further strengthens the connection between these kinds of companies and the focus on the employee and its well-being.

This broad view of the role of the employee should be put in relation to how the employee is considered in traditional organizational theory: as a “*product of means of production*”, viewed upon as an economic man that always can be motivated with money and how the relationship between the management and employee is strictly formalized to avoid any problems or misunderstandings (Alajlani et al, 2010). It should be noted that the formalized relation between

employer and employee as an exchange of labor for salary is still fundamental for how we can understand the relation and thus the expectations associated to the employment as such. However, this fundamental reasoning has evolved and come to include a more dynamic view that is applicable in our approach to understand the legitimacy of a social business through the expectations of the employees. Keeping the formal view in mind, in this study we are emphasizing that we recognize the employee as an active contributor and participant in the dynamics of the business, in accordance to the stakeholder discussion reported above.

3.3 Social Responsible Business and the concept of Ownership

As already touched on in the introduction chapter, there is a huge debate on what role a business can take in development work. Naturally the limitation of our study is preventing us from addressing the extensive issues underpinning the debate, but we wish to include some of the critical notions and try to find a way to embrace how legitimacy can be understood in relation to a SRB that is taking on a development objective.

When a SRB is taking on two parallel aims and in addition to its profit making intentions also is actively striving for enhancing the living conditions for their target group, they could be considered as entering the field as a development actor. Therefore, we are arguing, the legitimacy of a SRB must not only be understood as a legitimate actor within the business context, but also within the development discourse in which it operates. We mean that the concept of legitimacy found within organizational theory does not include the aspects of the business that relates to the development objective.

3.3.1 Legitimacy within the development discourse

Understanding how to gain legitimacy within the development discourse is not an easy task and there is no general consensus on what a development initiative must include to gain legitimacy. Without claiming to provide a fully covering picture of legitimacy within the development discourse we have chosen to focus on the concept of local ownership that is widely seen as desirable and central within the development discourse.

On the conference *Legitimacy of Future Development Cooperation*, mentioned above, *ownership* is stated to be one of the important futures for legitimacy in the development cooperation. It is further stressed that the local ownership is a precondition for successful partnership between external and local actors and the idea is “*underpinned by the recognition that if development is to be sustainable developing countries must be in the driver’s seat, owning and leading development strategies*” (DIE, 2010). The conference is mainly focusing on the development cooperation central relation of nations but is also discussing ownership as something that is needed on the sub national level. This is something worth noting since the concept of ownership is commonly used when talking about partnership between development cooperating counties, but as we will see it is also applicable on a more local and project based level.

The concept of ownership is moreover one of the guiding principles in current declarations directing the global development cooperation of today; in both the Paris Agenda and Accra Agenda for Action, the concept of *ownership*, has internationally been stated as guiding principle and precondition for efficient development creating relations (OECD, 2008). Even though these terms are mainly used in relation to official aid, they have had great impact on the development discourse as a whole in the last decade and are therefore something that could help us explain the legitimacy creating process of a social business in a development context. As a part of the global official aid cooperation, the concept of ownership is for example also widely embraced within the Swedish International Development cooperation Agency, Sida. This is evident in both “traditional” official aid and within other approaches. In Sida’s programmes directed to the business world they for example emphasise the importance of working in accordance with the Paris Agenda and that principles as ownership is as important in private initiatives as in their other work (Sida, 2010)

3.3.2 Definitions of ownership

To further develop the concept of ownership we have used a report published in *Sida Studies Evaluation*. This is a publication that belongs to the author, Gus Edgren, but we find it a relevant point of departure for discussing the concept of ownership in relation to the development discourse as well as related to “on the ground” work, since it is based on studies of Sida’s practical experience in trying to promote ownership.

In his article *“Donorship, Ownership and Partnership”* Edgren states that *“National or local ownership is commonly regarded as a precondition for sustainable results of development cooperation”* and that *“without ownership, the project suffers and development outcomes as well”* (Edgren, 2003:iii;4). Local ownership is further described to be an important notion, but a very elusive concept. It is stated that the metaphor of ownership is needed to convey a general idea, but is hard to use operationally without further definition. We agree with this string of thought and have hence narrowed our understanding of the concept down to following definitions which we also found in the article. Ownership is defined as the *“...recipient’s control over project inputs and his willingness to assume responsibility for achieving a successful outcome. By inviting political bodies and communities (such as “the target group”) to participate in decision-making and offer their support to the undertaking, the project partners can gradually extend the ownership of the project during the course of implementation”*. The article continues to narrow the concept and claim it to be about: *“the exercise of control and command over development activities. A country or an organization within a country can be said to ‘own’ its development program when it is committed to it and able to translate its commitment into effective action”*. (Edgren, 2003:4)

3.3.3 The development discourse on local ownership

As demonstrated in the above definitions, ownership is often divided into national ownership and local ownership, where national ownership concerns nation-to-nation cooperation. According to the chairman of OECD’s Development Assistance Committee, local ownership today appears as one of ‘broadly agreed’ means of increasing aid effectiveness (Helleiener, 2002:260). He also expresses his view of what local ownership is as *“if donors believe in local ownership and participation, then they must seek to use channels and methods of co-operation that do not undermine those values”* (ibid). The definitions of local ownership or ownership within small scale projects show concern over how the recipients perceive themselves as in control, committed and as part of the process. In our analysis of the empirical data our aim is to see in what way the employees experience the social business to include local ownership and participation.

3.4 Operationalization of our concepts

In this study we aim to look at legitimacy from the employees' point of view, therefore we need to apply a definition of legitimacy that includes their perspective. We also want a definition suited for a socially responsible business and from previous research we found that the same definition of legitimacy is used on these kinds of businesses, as on other companies. The difference is that the importance of being in line with societal expectations and to be desired in the society is stressed and has a central role in SRB literature (Grafström et al, 2008:83,119). As these two concepts, *corresponding expectations* and *desirability*, as showed earlier also are included in many of the definitions from organizational theory; it was felt that it would be appropriate to use these concepts in our study. We are aware of the numerous ways in which you can investigate a broad concept as legitimacy; a company needs for example to follow the law and fulfill its economical obligations. But it is an issue of space and in this limited study we do not have the opportunity to consider the legitimacy process from all angles.

In organizational theory legitimacy is considered an important organizational resource, and it is typically analyzed in terms of organizational conformity to the normative expectations of the external environment (DiMaggio and Powell, 1988:5). Hence, we argue that investigating how well *expectations* on the business and the employment between the management and employees at the Seaweed Center *correspond* will offer us insight into how legitimate the initiative is perceived to be.

We will also apply the concept of local ownership on our empirical data and have, from the work of Edgren and Helliener, narrowed it down to the recipients perception of themselves as *in control*, *committed* and as *part of the decision-making process* (Edgren,2003;2; Helliener,2010:260ff). These are the concepts we will focus on in the analysis of our empirical data. Given we are looking at the legitimating process from the employees' point of view we see that it is a natural fit between the aim and the focus on the receivers' opinions which is inevitably when applying an ownership perspective. Both perspectives depart from, in our case, the employees' comprehension and notion of the center. Hence, in our aspiration to understand how legitimate a specific business is perceived to be and to recognize the grade of local ownership in the initiative, we will focus on these chosen concepts which will enable us to have a concrete

approach in our empirical work. It will also make it easier for the employees to relate to our research questions.

4. Result and Analysis

To understand how the Seaweed Center can be perceived legitimate as a SRB operating in a development context, we will in this chapter present and analyze our empirical data in relation to the theoretical framework we constructed in chapter three. We have decided to present our data simultaneously as analyzing it in order to provide a more focused discussion and we found it suitable for our qualitative approach; our question asked, interaction based data gathering and presenting of the empirical material could be seen as a analyze in itself.

In order to understand the employee's perceptions in relation to the Seaweed Center as a SRB with a development objective, we initially need to analyze the aim of the Seaweed Center using the theoretical tools of CSR and SRB to define the framework where the legitimacy is to be analyzed. The management's perspective will consequently be the point of departure when approaching our research questions that will altogether contribute to answering our overall question of what legitimacy a socially responsible business have in a development context.

After the analysis of the Seaweed Center's aim this chapter will subsequently be divided according to our sub research questions. Understanding legitimacy as a phenomena that is created in the relation between actors, our analysis of the Seaweed Center will begin with considering the relation between the managers and the employees; first and foremost Seaweed Center is a business with employees, a relation that we see as fundamental for the legitimacy creating process. This is why our analysis starts off with discussing the women of Seaweed Centers view on their employment and relating the employees view on the Seaweed Center to its aim. In addition, we will then analyze if and in what way it can be perceived legitimate through the role as a SRB. Being a clearly stated socially responsible business, distinguishing themselves from conventional businesses we think we is of great importance to understand in what way the employees relate to this approach and what their expectations are according to the framework of being employed in a SRB. Answering our third question, we argue that since the Seaweed Center is a SRB and taking on development work as its core activities, the legitimacy must also be understood in relation to the company's development objective. This is a way for us to approach the employees view on the central operations of the Seaweed Center. As a final point we will

apply the, in the development discourse central, concept of local ownership and see what the employees sense of ownership means for the legitimacy of the Seaweed Center. We are arguing that to be able to be perceived as an legitimate actor in a development context, we must not delimit our analyze to in what extent the employees are *giving* legitimacy to the business but also how they are *taking* ownership of the process. Combining these four questions we think we will have an encompassing foundation for contributing to the question of how a SRB can be perceived legitimate in a development context through the eyes of the employees.

4.1 Understanding the aim of Seaweed Center as a Social Responsible Business

Even though the Seaweed Center is not formally categorized in relation to the theoretical framework of socially responsible business it is clearly stated to be one: *“The Company is a social responsible business with the objective to increase the living standards of the people in the village Paje, Zanzibar, by stimulating the economic activities in the village as well as striving for an open-minded spirit in order to reach an equal society with beneficiaries for the women”* (Owners directive, 2011). In relation to this stated aim, we think it is relevant to see in what way the Seaweed Center can be understood with the tools provided from the theory of Corporate Social Responsibility and Social Responsible Business.

Relating Seaweed Center to the theoretical tools of CSR, we note that Carroll is presenting the two bottom levels of his pyramid, economic and legal responsibilities, as *required* and the top ones, ethical and philanthropic responsibilities, as *expected* and *desired* which indicates that these two latest in some way more “additional” when it comes to the expectations of the society, particularly the philanthropic level. As we will see this might not really correspond with neither the employees view, nor the management’s aim. Though it is an interesting point of departure since Carroll’s pyramid is embracing central elements of the business and related expectations.

4.1.1. Economical sustainability and legal requirements

Being a registered limited company and a profit making organization, legal and economic responsibility are indeed fundamental and could in some way be seen as “fixed” components needed to enable the operational work and core activities of Seaweed Center. It is clearly stated that Seaweed Center is a profit making organization that *“should be managed with the aim of be*

a well-being limited company /.../ without the need of external capital investments.” (Owners directive, 2011) This means that the company is striving for economical sustainability in all aspect of their contemporary operations. However, it is worth mentioning that when starting up, difficulties of operating in a development context and thus the challenge of working out a business case strong enough to function in the local context, the Seaweed Center was initiated through soft investment principles. This means that the business needed a start-up investment where the investors did not expect to be refunded. Except from this first investment the business is striving to be economical sustainable and in the long run profitable, even though they are not there yet. During discussions with the management, they expressed that they see the fulfilling of the expectations on both the economic sustainability and the legal requirements as certainties, and that they see their development activities as their most central operations (Interview management, 2012). The Seaweed Center is therefore aiming to go further than conventional businesses focusing on profit by stating that the aim for economical and social benefit must be seen as equal: *the Company’s operations /.../ should be in line and aim for high societal impact. Hence, focus on company growth, but also with great consideration of creating a structure that helps to ease the living conditions for the society where the company operates* (Owners Directive, 2011).

4.1.2. Ethical responsibility: to operate in accordance with local values

Trying to relate Seaweed Center to the ethical level we find it a bit difficult to categorize since it could be seen as both fundamental or “additional” depending on what you are considering to be ethical correct. However we will not get caught in defining what is ethical, but remember that the Seaweed Center aims to operate with high respect for local values and with the interest of vulnerable groups of society in mind. The management is emphasizing the importance of letting local values define what behaving ethical is about and is therefore perceiving this level of the pyramid as a certainty as well. The management mention that they think it is important to act within the requirements of surrounding structures, formal as well as informal. Legality is, as we have seen important for the trustworthiness of the company, but informal expectations are equally important to the Seaweed Center that aims to operate in accordance with local values (Interview management, 2012). The Owners directive is verifying the importance of local values: *“The company should be managed with high respect for local values, be inspired and inspire, in*

order to proactively find a suitable work structure to enable high professional results. Hence, both fulfilling the demands of high social return and creating an economical healthy organization” (Owners directive, 2011).

This way of reasoning about operating in accordance with local values is signaling that Seaweed Center perceives it as important to meet and understand the expectations of the society. This is something that we in our theoretical framework have stated as essential in socially responsible business, viewing groups of society as stakeholders to whom they must be responsive. The women employed at the Seaweed Center are seen as key stakeholders in various ways: as *employees* to whom Seaweed Center must have a trustworthy relation, as well as being *seaweed farmers* and *representatives for the village* of Paje and consequently stated as target group for the company’s operations. The management sees the development and capacity building of the employees as an aim itself and they are therefore prioritizing educational and other empowering activities for the employees (Interview management, 2012).

4.1.3 The development work of Seaweed Center: the core activities of the SRB approach

Discussing the three bottom levels of Carroll’s pyramid in relation to Seaweed Center, we have already some indications that the Seaweed Center is aiming to take their responsibility one step further by positioning the economically vulnerable women employed at Seaweed Center, as the core stakeholders of the initiative and aiming to improve their life by increasing the living standards of the people in the village. Stating this to be the objective of the business we find it in line with Carroll’s definition of the desirable philanthropic level to *“contribute resources to the community; improve quality of life”*

However, in the case of the Seaweed Center this cannot be seen as something only “additional” in the way that it is indicated when Carroll for example states it to be not expected, though desirable. Instead, at Seaweed Center the ideas of creating and development and increase the living standards must be seen as the core objectives of the company and should also be separated from any “add on” CSR project a company can undertake alongside their “business as usual”. This, we argue, is therefore what distinguishes Seaweed Center as a social responsible business, when these social activities are the reason for the existence of the business. From the

managements point of view this is also the cornerstone of the business that separates the Seaweed Center from conventional businesses as a social responsible business and enables expectations of being a role model for other businesses. (Interview management, 2011)

Summing up the understanding of the Seaweed Center's aim as a social responsible business, we can indeed confirm the relevance of looking at the legitimacy perceived of the employees, not only because of the theoretical gap in earlier research as stated in the introduction of the thesis, but something that is contributing to the very aim of a SRB. We have seen that Seaweed Center is profiling themselves as a social responsible business, distinguishing themselves from conventional business as well as business with an additional CSR project, keeping their development activities as core operations of the business. This is therefore the framework in which the employees' perception of legitimacy now will be analyzed.

4.2 What does the women's view on their employment mean for the legitimacy creating process?

From the definition used in organizational theory we learned what a business needs to include to gain legitimacy in order to be a desired business and that expectations need to correlate and be fulfilled. Our target group is the employees at Seaweed center as the employer – employee relation are at the foundation of every company according to business theory, but also because they are a group of stakeholder considered being extra important in social responsible businesses. The management of Seaweed Center claims that the relation to its employees goes beyond the relation found in ordinary companies; they are aware of the fact that taking responsibility for the wellbeing of your employees is a precondition if you as a business are going to have a chance to be viewed as a socially responsible actor. Hence, the following text will analyze the employees view and perception of their engagement and we will investigate whether their expectations on the business and the women's employment correlate with the managements.

4.2.1 The women's view of their employment

The women that are employed at Seaweed Center have little experience from formal business. None of them have had a formal employment but all of them say that they used to do, and are

still doing, “small business” and tell us that they are selling things, for example handicrafts, soaps they make in their homes and vegetables they are growing. They are also selling dried Seaweed to multinational companies through local middlemen (Focus group 1, 2012).

In addition to this, the women are also employed at The Seaweed center and even though it is their first experience of formal employment, it is clear that the women have certain expectations on their role as employees. They view their employment as a central part of the business’s core operations and are also in many different ways expressing that they feel that they can demand things of the management according to their role as workers. *“We can ask the manager if we need things and the manager have to help us”*. They continue: *“If [the managers] are asking us something, if it is a good thing we do it, if not: maybe not”* (Focus group 2, 2012). One employee continues: *“Because I’m employed here I have the ability to say “I want this” and they will listen to me. That is not possible if you work on your own”* (Interview 4, 2012). It is obvious to us, that the employees feel that the work is on their terms, that they have a strong voice and a say in what gets done. This we believe partly derives from the fact that the employees on their own initiative have meetings in the village where they discuss and make plans for the business that they then bring to the management. *“We have meetings in the village one or two times a month with all women. Then we bring [the decisions] to Seaweed Center on the pay-day meeting. In the village meetings there is no leader, everyone can talk, and bring up any question”* (Focus group 2, 2012). Therefore, as a result of viewing themselves as part of both planning and production the women consider their work as more than an employment and describe themselves as very committed and devoted to the center. Sometimes the work interferes with other things but *“If we have conflicts between what we want to do we do the center-stuff [in first place]”* (Interview 2, 2012) . One of the employees also works in the local school, helping the teachers. She doesn’t receive regular payment but sometimes she receives money from the other staff. The fact that she and the other women view this as a job is interesting as it shows that the connection between receiving a salary and work is not always that strong, instead they express other values of importance as the described feeling of being listened to and work together.

Besides that the employees express feelings of being in charge over the business ventures, they also express clearly that they have a close relationship with - and feel a great trust and

confidence in, the management. The women express the sense of security that an employment implies when they talk about their relation to the management. They explain that if they have any problems, personal problems or any other major issues occur, they can always go to the management and get taken care of. *“If we have problems we can come to the manager. If we have problems, not small but big problems, like being sick or injured, we can bring it here and then we can get help”* (Interview 4, 2012). This is something that they count on and appreciate. In the interviews it is clear that the employees count on the management’s goodwill and that they always have the employee’s best interest at heart. The concept of trust is, as we see in the theoretical framework, found in most definitions of legitimacy. It is not something that we deliberately asked about in the interviews or included in our operationalization of the definition, but it is a concept that has kept on reappearing in the interviews and that the employees trust the management and initiative as a whole is very clear. Therefore, even if trust is not one of our specific components, we still feel that the fact that the employees have such a trusting relationship in the business; it is important to stress and include in our analysis of the business legitimacy.

At the same time, we considered our result to be a bit difficult in relation to the fact that the women do not have any prior experience of formal employment. The women have a very grateful attitude which shows in their answers and the fact that they so completely trust the management has as consequences that they don’t question or holds them accountable for their business operations. Something we will return to and look at later in our discussion.

4.2.2 Corresponding expectations

The women expect that their employment will give them new knowledge, and that it is not just knowledge clearly connected to the work they do, but knowledge like reading- and language skills as well, and this is expectations they consider being fulfilled. To achieve new knowledge is seen as important to the employees, as one of them states: *“with lots of experience you don’t have to be the one who gets told what to do”* (Interview 4, 2012). The employees consider themselves to get new knowledge and view the work at the Center as an exchange of experience between, not only the group of women, but also themselves and management. Thus, the expectations on this matter correspond well between the employees and the management. As stated earlier, it is

in the company's idea to be capacity building and enhance the employees' knowledge. The conformity of expectations is an indication that the initiative has gained legitimacy based on the relation to the employees. We believe it to be very interesting as this capacity building approach is quite unique for a social business and could be something considered intrusive by the employees, as it is a role an ordinary employer might not take. But that is seemingly not the case and maybe it is the lack of prior experience of formal work that makes the employees so open to this new agenda their employer has. And instead of creating insecurity, the employers aim to influence their workers lives and living standard is something that we believe enhances the legitimacy of the initiative.

Moreover, the fact that the women have been working at the center without salary for a year, proves their commitment and view of their work as something we consider to go beyond an ordinary employment. According to our observations this does not seem to be a major concern to the employees. When questioned about it they say that when they asked to get paid, they got paid. The one time anyone brings it up as an example on when the management did as the employees told them to do (Interview 3, 2012). Keeping the traditional definition of the relation between employer – employee in mind, where the employees is a commercial goods and an economic man that always can be motivated by money, we recognize that this is not a comprehensive description of the relationship we have observed at the Seaweed Center. Instead we can confirm that the expectations and perception of the employment from the women's point of view is in line and correspond well with the description of the role found in theories concerning socially responsible businesses, having a more dynamic relation and view themselves as having a more important an central role.

4.2.3 Desirability

To have an employment was in relation to what the women used to do before, working from their homes, most wanted and wished for and the initiative is indeed perceived to be a very desirable business. The employees repeatedly state in the interviews that no one thinks that he Seaweed Center is a bad business; on the opposite the seaweed farming women in the village not connected to the center all wish to be so (Interview 1, 2012). One employee sums it up when she states that *“Everyone like Seaweed center, both the women and the village, each and every one.”*

(Interview 1, 2012). To be desired is a fundamental part of having legitimacy to operate in a society and there is no doubt to whether the Seaweed Center is desired or not.

4.3 Is Seaweed Center perceived to be legitimate as a social responsible business from the employee's point of view?

As we have seen the employees of the Seaweed Center have limited experience from working in business other than petty-trading. The Seaweed Center is according to our observations, even though it is small, the only larger scale business with production and employees in the village of Paje. Nevertheless the employees are clear that they perceive the Seaweed Center as a business and that it is similar to other business in general, in line with their definition of what a business is about: *"make things for selling so you can get things /.../ for your family /.../ to eat and get food for your children"* (Focus group 1, 2012). In that sense the Seaweed Center has the same function as other business, since it is coming down to a possibility for employment or achieving an income for living. The employees have not heard of the concept of Social Responsible Business and do not separate businesses as such: *"Businesses can be different but all are helping people"* (Interview 1, 2012). It is further clear to us that the employees haven't heard of or are not relating to the concept of socially responsible business and they seem to assume that all businesses should and are creating development (Focus group 1, 2012).

It is therefore difficult to relate the employee's views to the theoretical idea of socially responsible business, for example the levels of Carroll's CSR expectation levels, other than that they are taking all levels for granted as given activities of the Seaweed Center. When talking to the employees of the challenges of a business they express no concerns over the Seaweed Center's economical or legal situation and they are telling us that the Seaweed Center is always acting ethical and repeat that absolutely no one dislikes the business (Focus group 1, 2012). The employees expressed trust in these matters could be seen as fundamental for the legitimacy of Seaweed Center that is first and foremost a company; a company that must live up to the basic requirements to be able to finance and handle employees and their business operations. Nevertheless we think it is remarkable that the employees are taking all the business activities for granted even though the business is not yet economically sustainable.

Focusing on the core activities of the Seaweed Center, "the top of Carroll's pyramid", the employee's related expectations can be seen as corresponding with the Seaweed Center's aim to

increase the living standards in the village. As we will discuss in more detail later, the employees are firmly convinced that Seaweed Center is improving the life in the village and they consider businesses to be a good forum for creating development. In this sense the high expectations are very much in line with the aim of the company and the expectations of the management, something that indeed indicates legitimacy.

There are numerous possible reasons for the fact that the employees are not viewing the Seaweed Center as a distinguished SRB, among them the employee's limited experiences from formal business in general, something we have to keep in mind when analyzing our results. Regardless of the reason, it is an interesting finding to relate to our question of legitimacy and expectations, since SRB is based on an idea of distinguishing the socially responsible business from conventional business. By not distinguishing the Seaweed Center's socially responsible approach, the employees are not expecting the company to act differently comparing to other businesses and moreover they might not demand it to do so. This different view of the company and associated expectations could therefore, according to our definition, undermine the legitimacy of the initiative. On the other hand, as mentioned above, the employees are also expressing a high desirability of the business of the Seaweed Center. As we will see further down they are at the same time taking the development objective for granted, something that is indicating that the expectations of the operations of the company can correspond even though the employees are not fully sharing the conception of what kind of initiative Seaweed Center is. It should also be remembered that SRB is a theoretical concept that doesn't necessarily have to be understood by the employees conceptually, which is the reason for our attempt to approach the operations of the Seaweed Center in different ways. Talking about it from different approaches such as development, charity and participation we have tried to discuss it in a wider sense and see what words the employees use when describing the SRB and how they distinguish it according to their experiences.

Instead of distinguishing the Seaweed Center from other businesses the employees distinguish it through other kinds of expectations than those that are central within SRB. The employees are at the same time very clear about that Seaweed Center is a "one of a kind". Seaweed Center is perceived different from other companies because they are working united: "*Seaweed Center*

can do more to help than other business because we are doing it together, so we can help each other. Other businesses are one by one” (Interview 2, 2012). It is therefore clear that the employees are first and foremost comparing the work of Seaweed Center with their experiences from petty-trading. This is of course affecting their expectations on Seaweed Center, something that becomes clear when they discuss the involvement of foreign actors and external input and capital: *“Seaweed Center is different from other business we do. Home we don’t get help with it from machines /.../ and experience from [Sweden]”* (Interview 2, 2012).

To summarize, it is not easy to say how legitimate the Seaweed Center can be perceived as a SRB, since the employees are not familiar with the concept or distinguish the Center from other businesses. We can however conclude that the employees have no expectations on Seaweed Center taking off in a notion of the company being SRB and will therefore not value its operation in relation to this idea. On the other hand, in this case the legitimacy seem to skip a step; even though the employees don’t distinguish the Seaweed Center as a SRB they are indeed perceiving their socially responsible approach legitimate and have high expectations of Seaweed Center to fulfill their aim of increasing the living standards in the village. It also seem that there are aspects other than the ones central in SRB that are of relevance for the employees distinguishing Seaweed Center, such as working together, something that could also form a basis for legitimacy.

4.4 Is Seaweed Center perceived to be legitimate in relation to its development objective?

In connection to the above discussed matter of the employees not relating to the theoretical concept of SRB and not distinguishing the Seaweed Center from other businesses, we are now trying to approach the expectations of the business by looking at the company’s development objective. Taking on the role as a development actor, the Seaweed Center’s legitimacy should therefore also be analyzed in relation to the expectations on them actually creating development. Since creating development also for others could be seen as part of the socially responsible approach of the company who are aiming to improve the living conditions for the surrounding society, we have discussed the matter of giving charity or providing help to others with the

employees and then compared that to the aim of business and development. This provides an opportunity for us to discuss the Seaweed Center's socially responsible approach by looking direct at its core activities and further investigate the legitimacy in relation to the expectations the employees have on the company's possibility of creating development.

As we have seen in our interviews, it is clear that development is a concept that the employees relate to and is perceived as an activity close to what they do at the Seaweed Center. They think it is development when they are producing soap, learn new things, earn money and become able to help others in the village and send their children to school. (Focus group 1, 2012) One employee defines it as *"development is about progressing: to go step by step"* (Interview 3, 2012) and another one as *"Development is to do god work. To have a work that makes you able to get things. To be here"* (Interview 2, 2012). They also stress that it is up to them; they themselves are the ones that are responsible for creating the development: *"It is our work. If we don't do it we just hurt ourselves. We have to try"* (Interview 3, 2012). In one of our focus groups the matter led to some discussion when one woman suggested that the government should be responsible for creating development. Another woman argued *"No, it is up to us, the citizens. But if the citizens are not able it's the responsibility of the government."* A third woman added: *"It is the government that should do it, but they don't have enough. It should be the government's role but it's not now"* (Focus group 2, 2012). Even though the women employed are seaweed farmers themselves, and consequently representatives of the group that the Seaweed Center is aiming to "improve the living condition for", their way of reasoning makes it clear to us that they don't see themselves as "objects" of the Seaweed Centers development objective. There is therefore no expectation of the Seaweed Center to be something that creates development "for" the employees rather it seems to be perceived as a tool for them to do it themselves. One woman say that *"Seaweed Center can help us to create development, it gives us a plan what to do"* (Interview 3, 2012). This correlates well with the aim of the Seaweed Center to enable *"self-to-self-help"* (Owners Directive, 2011).

The employees are not aware of so many other development actors but in a similar way as they were stating that all businesses are creating development, they are also arguing that all development actors are creating development in the same way. Only one of the employees could

give other examples of actors working with development except from government and businesses in general. She said that there are some NGO's and charities, but not really in Paje, but she does not separate them from business and Seaweed Center: *"There is no difference because all of this helps the people* (Interview 1, 2012). The other employees, who are all originally from Paje, have not responded to the question of other actors and don't know any NGO's, or are at least not thinking about them immediately as development actors in the same way as they see themselves as development creators. This implies that the employees also have limited experience from external development initiatives. They are, as we have seen, recognizing the government as a potential development actor but they perceive it as too distant to get result: *"Business can do it better than government because businesses are giving us money. The government is distant and do not have to bring development to where we are. It's too far away"* (Interview 1, 2012). These low or non-existing expectations of other development actors should be understood in relation to the high expectations they are having on themselves to be able to create development through the Seaweed Center. The trust that the employees are expressing for the Seaweed Center and in themselves working in the business is thus also indicating legitimacy. However, as we have touched on before, the employees limited experiences from other businesses, development actors and even the distant government is of course effecting the expectations and trust; with no other development actors around; the employees are finding themselves in a position where it is up to them to make sure that they achieve what they want. All the employees agree that business is a good place for them to create development and that all businesses are good for development, as one of them expresses it: *"All businesses can do development because they employ people. If you have a good business you have good development"* (Interview 1, 2012).

Approaching the theme of creating development for others, we can further see that the employee's expectations on the Seaweed Center as a development creator in the village are in line with Seaweed Center's aim. In one of the focus groups they informed us that the income they receive from working at the Seaweed Center; can help the village to develop, since they can pass it on as charity to others because it is their responsibility to do so (Focus group 2, 2012). They are further clarifying the distinction between the Seaweed Center and charity, emphasizing it is difference because it is about them *working*. They rather seem to perceive Seaweed Center

as a mean for them to be able to do charity work. One employee tells us that charity is *“things you take from your hand to give to other people so everyone can get a little bit/.../ not everyone needs it but many: sick people, orphans, people who are not able. It is everyone’s responsibility to give charity if they can”* (Interview 2, 2012). They inform us that business and charity are different things and in one of the focus groups they are arguing a bit about it. One woman tells us *“Seaweed Center is not yet about charity because we are not giving things out”* and another one arguing *“But it is charity, because we get money that we can pass on; if we do good business we can put it into charity”*(Focus group 1, 2012). These expectations are corresponding well with the business’s aim to *“increase the living standards of the people in the village Paje”*

Altogether we can assume that the legitimacy of the business’s development objective is strong: the employee’s expectations are corresponding with the development objective, they found the initiative desirable since they only see possibilities for businesses taking on the development objective and they express trust in the Seaweed Center as a development actor because the Seaweed Center can create development through them and they see how they can create development in the village. They are however not perceiving the Seaweed Center as a distinguished kind of development actor and their statements are for example that it is everyone’s responsibility to create development for themselves while others indicates that the expectations on participating in the joint development creation is more general than associated to the specific initiative.

4.5 What does the employees’ sense of ownership mean in the legitimacy creating process?

When operationalizing the concept of local ownership used in development discussions the focus is on the recipients feeling of commitment, of being in control and as part of the project process. Hence, this is the concepts we will focus on when analyzing our empirical result. The employees at Seaweed Center are all in agreement that they have a say in what is done, where, when and how, and that they feel in control over which direction the business ventures take. When discussing with the employees whether they take part in the decisions made regarding the company’s daily activities and its future, it is clear that they feel included and that they have a

strong influence. “Especially as a unit, the employees feel that they can influence *“Only I can’t say: “let’s do this”, maybe. But I have the ability to tell the women here and together we have more power” “Then we can do what we want to do” “If we say we do this the management have to do it to”* (Interview 3, 2012). We can from their repeated answers safely assume that they feel very much in *control* and as a *part of the process*. The employees express great commitment and dedication to their work and as we discussed earlier the fact that they worked at the center a year for free is just one of our findings pointing in that direction.

According to our observations the employees expect the business to continue their operations in Paje, not because they have a responsible to do so, but that the development that Seaweed Center creates is not a project which they have any obligation to fulfill. Still it is clear that the employees, when asked about the future of the company, count on the business to stay as long as they are willing to work there. The employees describe further their relationship with the management when they state that they from Sweden to learn and listen, and then they work together and learn from each other. *“We have the same goal; we both want new experience, which is what we share”* (Interview 1, 2012) In addition, the employees express that they share the same aim and objectives as the management. They think of the center as a growing business that just started, but has both the aim and potential to get bigger, expand and via their business ventures be part of developing the society. *“We will earn money. And be rich. It hasn’t happen yet but it’s coming. We will create development together, there is no timeframe. It will come as Seaweed Center will increase and have a bigger market”* (Interview 2, 2012). This is an aim that is in line with the managements plans for the future. Hence, the two’s expectations on the company future correspond well.

Furthermore and as mentioned earlier one employee said that it is good to work at the Seaweed Center and learn new things because then you do not have to be the one who gets told what to do. This we believe indicates that they view their new experience and employment as something empowering and owned by themselves, it is not a gift that could be taken away; it is not something that ends as soon as it has been received. We consider it very positive to see that the employees view the Seaweed Center not as something they receive, but as a tool that they can use to help, in part them, but mainly to help their families and the village. The general opinion

amongst them is, as we described earlier, that they are the ones doing the development work; therefore it is not something that is created and executed by the management.

Moreover, in the structure of a social business the employees are placed at the center and the management in our case has described them as not only a priority but essential and the main focus of the business ventures. They are requested to play a big part in the decision-making and business operations (Interview management, 2012). Furthermore we see interesting similarities between the way ownership is requested in development initiatives and the way it is included in social businesses. We think that it certainly indicates that the women feel ownership over the initiative, when they place themselves as part of the implementing actors instead of at the receiving end. They do acknowledge that they get things from their employment, a salary, education and experience. But it is very clear that they then take this and make something out of it, something that they describe as development. They put their children in school, provide for their family and relatives. That is their doing, not the management or anyone else. When asked if Seaweed center could be viewed as charity they all said no, charity is for people that cannot take care of themselves and need help. These women are workers in two senses, workers at the center and development workers in the village. We think this perception of them in relation to the center clearly indicates on a high level of ownership.

To summarize the employees' description of their role conforms to the description of local ownership found in the development debate. The fact that the management perceives their employees as- and wants them to be an important part of the process, as well as committed and in control over the business enhances the legitimacy as this is a meeting point between the employer and employee. Their expectations in these matters correspond very well and is a clear indication on that they both share agenda.

5. Discussion

In this chapter, the result of our four sub questions analyzed in chapter four will be discussed in order to answer our main question “*What legitimacy does a socially responsible business have in a development context, from the employees’ point of view?*” To begin with our analysis, we will discuss our empirical case, the Seaweed Center, and further touch on some contextual factors possibly affecting our result. In addition we will discuss the implications of our findings in a wider context and relate it to the problem discussion of meeting the challenges of operation in a development context that we introduced in the background chapter. Finally we will suggest possible usages of our findings and discuss their contribution to the field.

5.1 Result discussion and possible factors affecting our result

Summing up our analysis we notice that Seaweed Center is indeed perceived legitimate from the employees’ point of view, according to the corresponding expectations on their employment and the company’s operations and the high desirability that all of the women express through their positive attitude. We have seen that the women have high expectations on their employment and that they are expressing great trust in the management. This legitimacy shown in the basic relationship between employer and employee is therefore laying a good foundation for legitimacy also in other aspects. Analyzing the expectations and desirability of Seaweed Center’s core activities we see that they are both high and corresponding with Seaweed Center’s development objective. The legitimacy is further enhanced through the ownership expressed in the employees’ commitment to their work and their way to participate and view themselves as in charge of their own process. Furthermore, the employees do not perceive themselves as the “object” for the development objective, rather they see themselves as the very development creators.

We find it interesting, and a bit remarkable, that the legitimacy could be understood as so high according to our theoretical criteria at the same time as we note that the employees are not relating to the concept of socially responsible business or for that matter distinguish Seaweed Center from other businesses or initiatives in their expectations. Therefore, we could draw the conclusion that a common view on what kind of initiative it is; is not a necessary precondition for the possibility of perceived legitimacy.

Considering the validity of our result, we have tried to ensure that we measure what we claim to do according to our theoretical assumptions. However, approaching a phenomenon the interview persons are not relating to is of course a challenge since it includes trying different approaches grasping the important features of the idea of SRB nonetheless. This might result in us missing out on other aspects that could be of importance for answering our question and there is always a risk of us directing the discussion by our choice of approaches and discussion themes. Given the methodological measures taken, presented in chapter two, we are confident that we have been able to obtain a picture of Seaweed Center adequately enough to take into account their circumstances.

How to understand the external validity and our ability to generalize our results to our theoretical population is less certain. Analyzing our empirical field we have noted several factors contextual for our specific case. The fact that none of the women have had formal employment before and have had limited contact with businesses or other development initiatives is most likely affecting our result. In our context it seems to be a common view that it is very much up to oneself to create development and that it is everyone's responsibility to contribute to the development for themselves as well as others. They do not count on being able to rely on others. Moreover we are talking about a village with limited economical recourses and possibilities to investment or start-up capital, something that might affect how external input is received. These factors are obviously affecting the expectations our group of interview persons have on any initiative and are most likely delimiting the possibilities for us to generalize our result to other initiatives with other experiences. It would be interesting to compare our findings to a project, similar in the design but with a target group with more experience from development initiatives or business to see what role these contextual factors are playing in the legitimatizing process. This is however something we have to suggest as further research. Narrowing down our theoretical population to people in a development context with limited experience from development initiatives and business, we can more confidently discuss our results in a wider context and contribute to the understanding of this group.

As we already discussed in the analysis, the fact that the employees of Seaweed Center are not relating to the distinction of SRB conceptually is not surprising, considering their experiences. It is also worth noting that the theory of social responsible business available is virtually evolved in the developed world (Carroll, 1999:268) and is, as stated in our introduction, connected to a demand for research focusing on the grass root perspective of the development context. We believe that the possible lack of theoretical adjustment to the development context might also be a reason why our theory of SRB did not fully capture all those elements close to the hearts of our interview persons and of relevance for gaining legitimacy in a development context.

5.2 A generalized discussion of the implications of the result

Regardless the reasons, our result is pointing out that the perceived legitimacy of Seaweed Center's operations is high and that they have high expectations as well as great trust in the business. Moreover, socially responsible businesses establishing and operating in a development context where their target groups have no experiences of similar initiatives, is probably a common situation and is therefore allowing a more general discussion addressing this phenomena.

Considering possible implications of our result we ask ourselves if the employees' high trust in the business but different understanding of its basic concept, are limiting the employees' ability to question or oppose the initiative. Not sharing the basic idea distinguishing Seaweed Center from for example other businesses might have the implication that they are not completely comprehending their possibilities according to the business's aim and don't fully demanding their rights as the target-group of the company's development objective. Moreover, this might imply a difficult accountability related situation. The time frame and the future plans should also be considered; in our interviews the employees are talking about Seaweed Center as an everlasting project. They are not expressing that they have a right to make the business stay and finish what they started, but they are seemingly counting on the project to stay. Furthermore the employees are not really expressing any concern for the fact that the business is not economically sustainable yet and don't seem to understand the consequences of that a company's very existence is dependent on being profitable. This is a complex question and we suggest

further research on the matter of local expectations and accountability in relation to the possibilities of the very business activities of a SRB.

However, we want to stress that the employees' high trust in the business but limited experience and thus limited understanding of the conceptual idea of SRB, does not necessarily have to be a problem in itself. Contrary to this, we have seen indications on that the fact that they are unknowing might instead have had a positive effect since it could have contributed to the employees not perceiving themselves as "passive" objects of the initiative's development objective. Instead the employees seem to view themselves as the very development creating actors and rather a genuine "partner" in the business development creating operations and company core activities. According to our analysis of local ownership these features are highly desirable for getting results working in a development context and are indeed underpinning the legitimacy in relation to the company's development objective.

5.3 The contribution of our study

We are realizing that our results are dependent on our theoretical approach and the way we have constructed our theoretical framework and this study is hence only a fraction of possible theoretical takes on the question of legitimacy. However, we believe that our specific take has revealed innovative and valuable insights in the matter.

Taking off in organizational theory and the idea of SRB we have laid a foundation for prevailing and understanding basic aspects of the legitimacy of a company, but by adding the concept of local ownership we argue that we have seen most important aspects of legitimacy that we would not have seen otherwise. When discussing the different ways the employees understands ownership of the initiative, we found that their commitment and experience of being in charge of the process and having a strong voice in the decision- making correlates very well with the managements wish to put this group of employees at the center of the business and contribute with "help to self-help". The management wants the employees to play a big part in the business operations; this idea is embedded in the structure of the company. Hence, our ownership approach reveled on a deeper level how well the expectations between management and employees correspond. We consider the legitimacy in our specific initiative to be higher just

because the conforming thoughts regarding the employees ownership. Doing this study we have discovered several areas of contact between the field of SRB and the development field. We think it is very interesting that the same phenomenon, ownership, is desired in both development work and social businesses, but in business it is not conceptually recognized.

As we have seen in our analysis, contextual factors are of greatest importance for understanding the result of the legitimacy in a development context. Nevertheless it is much possible that our contextual factors can be similar to other circumstances prevailing when a SRB establishes in another development context. Our study could thus be seen as an inspiration for social responsible businesses to understand these contextual factors and plan their operations in relation to them. Our way of including the aspect of local ownership could be one thing, to join the chorus calling for grass root perspectives from the development context in the theory of SRB is another. For us it is clear that the grass-root perspective was a precondition to at all be able to conduct our study.

Relating our study to the challenges of the asymmetrical development relations that we take off from in our introduction chapter, we ask ourselves if there is something particular in the SRB structure that is enabling the high grade of ownership we have seen in our project. Seemingly our interview persons are not relating at all to the in the development discourse noted problem with the picture of the “passive” beneficiary in development projects. Regardless if the reason is something embedded in the structure of SRB or contextual factors like the ones we pointed out above, we think that our study is providing a point of departure for a more extensive cross-disciplinary approach on these questions to further investigate these contact areas and reveal new perspectives on development. Having seen that the fields of SRB and development are overlapping in numerous ways, we are convinced to say that they have much to learn from each other.

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Respondent interview: *Interview 4*, employer at Seaweed Center, 2012-05-04

Appendix 1

Interview guide 1: focus group 1 (pilot)

Introducing/ warm up questions

- What did you do before starting working at Seaweed Center and why did you want to start working at Seaweed Center?
- When starting at Seaweed center, what were your expectations?
 - What did you think Seaweed Center could do for you?
 - What did you think Seaweed Center could do for the village?
 - Do you think those expectations are fulfilled?

Trying the women's view on the concept of development and development actors

- What is development for you?
- Who can create development?
 - Do you think Seaweed Center can create development?
If yes:
 - In what way?
- Do you know any other actors also doing development work?
 - If yes: what do they do and what do you think about it?
 - If no: There are several actors working with development: the government, bigger aid organizations, NGO's etc. Do you know any of these?
 - If yes: what do you think about them?
 - If No: Can initiatives such as Mama Pat's organization/school/clinic in Jambiani or Hands on be seen as doing development work?
 - How do they do and what do you think about it?
- What is the difference between social business and charity?
 - Is Seaweed Center charity?

Trying the women's view on the concept of business and SRB

- What is business to you?
- Seaweed Center is Business, do you think there is a difference between Seaweed Center and any other business?
 - What other business do you know?
 - Have you or anyone in your family worked for a business?
 - Was that different from Seaweed Center? How?
- In the owners directive, the constitution of Seaweed Center it is clearly stated that The Company is a social responsible business with the objective to increase the living standards of the people of Paje. (Seaweed Center is an actor aiming for development)
 - Was that different from Seaweed Center? How?
 - Is this what Seaweed Center do today

- What do you think about that?
- Is there a difference between a social business and other conventional business you know?
- Is this something that other business should do?

Understanding Seaweed Center and the decision-making/power structures

- Seaweed Center is also owned by foreign actors.
 - What do you think about that?
 - In what way is that good?
 - In what way is that bad?
 - Do you know any other foreign initiatives or collaborations?

You, the group of women, own 15% of the company Seaweed Center through the women's organization, so we are interested in how decisions are made at SC.

- Who has the power at SC?
- How much power do you have over decisions made at SC?

Closing the workshop

- Is there anything else you want to tell us?

Appendix 2

Interview guide individual interviews with the women of SC (Interview 1-4)

Introducing questions/warm up

- What did you do before starting working at Seaweed Center
 - Have you been employed before? Under what circumstances?
- Why did you want to start working at Seaweed Center?
- When starting at Seaweed center, what were your expectations?
 - What did you think Seaweed Center could do for you?
 - What did you think Seaweed Center could do for the village?
 - Do you think those expectations are fulfilled?

1) The employment of Seaweed Center

- What does it mean to you be employed at Seaweed Center?
 - Are you satisfied with being employed at SC?
- What is demanded from you as employed at SC?
- What rights do you have as employed at SC?
- Is it something that you knew from before that you use when working at Seaweed center?
 - Do you use any of those skills or knowledge you use today?
- Do you have any specific role or task at Seaweed center?
- How do you feel you have possibility to develop and advance within SC business
- Do you think it would be possible to have only local management at Seaweed Center
 - Could anyone of the women of SC be manager? If no: in the future?

2) Seaweed Center as a business

- What is a business to you?
 - What do businesses do in a society that you think is good?
 - What do businesses do in a society that you think is bad?
 - What do people in Paje think about SC?
- Seaweed Center is a business; do you think there is a difference between Seaweed Center and any other businesses?

3) Seaweed Center as a SRB with a development objective

- What is development to you?
 - Whose responsibility is it to create development?
 - Do you think Seaweed Center is doing development work?
 - Describe how?
- In the owners directive, the constitution of Seaweed Center, it is clearly stated that the Company is a social responsible business with the objective to increase the living standards of the people of Paje (Seaweed Center is an actor aiming for development)

- Is this what Seaweed centers do today?
- Do you think this is something other business do?
- Should all business do this?
- What responsibility does a business have to fulfill, continue a project they have started?
- What other actors do you know that are aiming for development?
- Is a business always suitable for taking on the role as a development actor, to perform development work? (If you compare to other actors)

What is charity to you?

- For whom is charity?
- Who can give charity?
- Is Seaweed Center charity?

4) Local ownership: the women's role, participation and relation to management

- What do you hope to get from Seaweed center?
 - Do you think that you and the management have the same goals?
- Describe how the decision making process is at Seaweed center?
 - How do you do if you think different management/employees
 - How do you do if you think different within the group
- Does it feel like the management want to include you in the decision-making process?
 - If yes, in what way?
 - If no, what could be done different to increase your participation?
 - Is there enough time provided to participate in the decision making
 - How can you include the management in your/ the women's discussions?
- How would you describe your commitment to Seaweed Center?
 - How would you prioritize between your work at the center and your other chores?
- Do you think you will work at Seaweed center in the future?

Closing question

- Is there anything else you want to add in relation to what we have been talking about or something else?

Appendix 3

Interview guide 3: Focus Group 2

Introducing questions/warm up

- What did you do before starting working at Seaweed Center
 - Have you been employed before? Under what circumstances?

1) The employment of Seaweed Center

- What does it mean to you be employed at Seaweed Center?
 - Are you satisfied with being employed at SC?
- What is demanded from you as employed at SC?
- What rights do you have as employed at SC?
- How do you feel you have possibility to develop and advance within SC business
- Do you have any specific role or task at Seaweed center?

2) Seaweed Center as a business

- What is a business to you?
 - What do businesses do in a society that you think is good?
 - What do businesses do in a society that you think is bad?
 - What do people in Paje think about SC?
- Seaweed Center is a business; do you think there is a difference between Seaweed Center and any other businesses?

3) Seaweed Center as a SRB with a development objective

- Do you think Seaweed Center is doing development work?
 - Describe how?
- In the owners directive, the constitution of Seaweed Center, it is clearly stated that the Company is a social responsible business with the objective to increase the living standards of the people of Paje (Seaweed Center is an actor aiming for development)
 - Is this what Seaweed centers do today?
 - Do you think this is something other business do?
 - Should all business do this?
 - What responsibility does a business have to fulfill, continue a project they have started?
- What other actors do you know that are aiming for development?
- Is a business always suitable for taking on the role as a development actor, to perform development work? (If you compare to other actors)

What is charity to you?

- For whom is charity?
- Who can give charity?

- Is Seaweed Center charity?

4) Local ownership: the women's role, participation and relation to management

- What do you hope to get from Seaweed center?
 - Do you think that you and the management have the same goals?
- Describe how the decision making process is at Seaweed center?
 - How do you do if you think different management/employees
 - How do you do if you think different within the group
- Does it feel like the management want to include you in the decision-making process?
 - If yes, in what way?
 - If no, what could be done different to increase your participation?
 - Is there enough time provided to participate in the decision making
 - How can you include the management in your/ the women's discussions?

Closing question

- Is there anything else you want to add in relation to what we have been talking about or something else?

Appendix 4

Interview guide complementary Informant interview with external management

- What is the overall aim of Seaweed Center?
- What are your expectations of Seaweed Center?
 - Now?
 - In the future?
- What kind of business is Seaweed Center
 - How can Seaweed Center be distinguished from other businesses?
- In what way can Seaweed Center be seen as a development actor?
- How do you view the relation between management and the employees
 - What are the employees position at Seaweed Center?
 - Is that position different being a SRB?
- Can you describe the owner structure and management of Seaweed center