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“Bridging the gap between increasing knowledge and decreasing resources”

Assessing Community-Based Enterprise: A Case Survey

SOVIANA

Justus-Liebig University Giessen, Institute of Farm and Agribusiness Management, Germany

Abstract

Community-based enterprise (CBE) has been increasingly acknowledged as a potential instrument for solving environmental and poverty problems. Despite the increasing implementation, however, a clear understanding about the organisation of CBE is still lacking. Focusing on a certain sector/country, some authors have given some efforts to develop the CBE concept. Nevertheless, the author argues that to create a generally applicable concept, an analyses beyond one particular sector or region ist essential. For that purpose, this paper aims to bridge the knowledge-gap in the CBE concept by founding the analyses on organizational insights and the generalizability-gap by employing a case survey. The objectives of this paper are: (1) to identify the organisational architecture and performance of the existing CBEs, and (2) to compare and analyse the current theoretical CBE concept with the practical experiences. The implication of this paper will be especially important for the advancement of conceptual knowledge of the CBE concept, which can further lead to a better implementation of CBE-scheme in practice.

The case survey comprises 34 cases from 12 different countries, covering several sectors such as tourism, agriculture, and handicraft. The descriptive staticstics show that the CBEs are typically established under socio-economic as well as political pressure. In half of the cases the community originally does not have the necessary means to establish a CBE, and in almost all casts there is at least one active NGO, which supports the community. The community participation is dominant in operation-phase and providing material/infrastructure. Meanwhile, the main financial provider are the NGOs. In all other activities, community members are generally involved, but not free from the influence of outsiders (government, NGO and private actors). Various legal forms are used. Almost all CBEs apply a membership system. The CBEs indeed bring economic, social, and environmental improvements to various degrees. Furthermore, using ordered-logistic-regression analysis (STATA 12) and partial-least-squares regression (SmartPLS 2.0), the relationships between contextual constraints, stakeholder’s participation, and performance are analysed. Community and NGO’s participation-level is influential in leading to good performance. Community representation positively (and significantly) influences the performance. Meanwhile, contextual constraints are not significantly influencing the community participation level.

Keywords: Case survey, community-based enterprise, organisation performance, organisational architecture