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Social Enterprises as Agents of Social Justice: A Rawlsian Perspective on Institutional Capacity

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Social enterprises as agents of social justice: A Rawlsian perspective on institutional capacity

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Abstract
Many scholars of organizations see social enterprise as a promising approach to advancing social justice but neglect to scrutinize the normative foundations and limitations of this optimism. This article draws on Rawlsian political philosophy to investigate whether and how social enterprises can support social justice. We propose that this perspective assigns organizations a duty to foster institutional capacity, a concept we define and elaborate. We investigate how this duty might apply specifically to social enterprises, given their characteristic features. We theorize six different mechanisms through which social enterprises might successfully discharge this duty. These results affirm the value of conversation between organizational studies and political philosophy and shed new light on debates regarding social enterprise, institutional theory, and several other topics.

Keywords
social enterprise, social justice, institutional capacity, strong institutions, political philosophy, John Rawls

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Social enterprise is a form of organizing that leverages aspects of market-based activity

to address social problems and affect social change (Miller, Grimes, McMullen, & Vogus, 2012;

Mair & Martí, 2006). This mode of organizing can take many paths, from using sales revenue to

finance social programs or product donations, to recruiting labor exclusively from marginalized

groups, to developing products or business models with economic inclusion or environmental

sustainability as their primary goals. It has become an increasingly prevalent approach to

organizing, manifesting variously and in diverse contexts, and defining as many as 11 million

organizations worldwide (British Council & Social Enterprise UK, 2022). Social enterprises span

sectors and operate in a wide range of national settings, from liberal democracies to authoritarian

regimes and from developed to less developed economies (Kibler, Salmivaara, Stenholm, &

Terjesen, 2018; Kerlin, 2010). Observers note the wide variation in the problems that social

enterprises address, their competition and collaboration with other modes of organizing, their

appetite for pursuing policy and legal change, and the legal forms they adopt (Mair & Rathert,

2024; Mair, 2020; Defourny & Nyssens, 2017).

Social enterprise as a form of organizing has attracted scholarly interest in organizational

studies in part because it represents an instance of organizational hybridity that challenges

conventional analytic categories (Child, 2020) and combines organizing elements associated

with different and often incompatible logics, identities, and forms (Battilana & Lee, 2014).

Additionally, many researchers are attracted to studying social enterprise because they regard it

as a promising approach to addressing social problems, such as economic exclusion,

environmental degradation, and social inequalities (Katz & Page, 2010; Smith, Gonin, &

Besharov, 2013; Wry & York, 2017; Mair & Rathert, 2021b). It is associated with promoting the

public good (Vedula et al., 2021), catalyzing positive social change (Stephan, Patterson, Kelly, &

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Mair, 2016), and transforming social systems that give rise to or reproduce social problems (Mair & Martí, 2006). However, the role ascribed to social enterprises in "solving" problems of public interest is rarely defended on normative grounds. What makes a condition problematic, how it should be solved, and whose responsibility it is to address it are controversial questions with enormous practical consequences for those who operate, finance, regulate, benefit from, or compete with social enterprises. Failing to articulate and defend assumptions about these questions limits the reliability and precision of empirical research. It may also distort research agendas, evaluation metrics, and strategic prescriptions (Chalmers, 2021). How can social enterprises operate as agents of social justice, i.e., as entities capable of or responsible for realizing justice in some way (Hickey, Meijers, Robeyns, & Timmer, 2021), despite disagreements about justice and the allocation of responsibility? In turn, how can a normative evaluation of social enterprise inform empirical investigation of this form of organizing and its place in society?

These questions prompt us to revisit and advance how the literature treats the relationship between social enterprises and their institutional contexts. Despite enduring scholarly interest in the connection between social enterprises and institutions, researchers have tended to investigate this connection in limited ways. Many organizational scholars regard social enterprises as carriers of institutional logics, durable sets of assumptions and beliefs that prescribe thinking and behavior (Pache & Santos, 2010; Battilana & Lee, 2014; Wry & York, 2017; Grimes, Williams, & Zhao, 2019). Others treat institutions as influencing the prevalence, reception, and function of social enterprises in different settings (Stephan, Uhlaner, & Stride, 2015; Kerlin, 2010; Kibler et al., 2018; Santos, 2012; Galle, 2013; Thornton, Gonas, & Lohrke, 2015). A third stream of

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literature considers how social enterprises alter institutions at the local level (Cavotta & Mena, 2023; Venkataraman, Vermeulen, Raaijmakers, & Mair, 2016).

While these streams have traditionally paid limited attention to the effects of social enterprises on macro-institutional contexts, recent efforts to explore macro-institutional questions have run into ideological clashes when attempting to theorize the relationship between social enterprise and capitalism. Recent studies envision social enterprises as catalyzing systemic change or as an antidote to macro-institutional dysfunction. They see social enterprises as rescuing capitalism from troubling trends toward inequality and environmental destruction, either as a necessary supplement to capitalist arrangements or as a desirable replacement for capitalist firms (Mair & Rathert, 2021a; Battilana, Obloj, Pache, & Sengul, 2022). However, such views struggle against skeptical perspectives that regard social enterprise not as a redeemer of capitalism but as the vanguard of neoliberalism (Eikenberry & Kluver, 2004; Dey & Steyaert, 2012; Giridharadas, 2018; Spicer, Kay, & Ganz, 2019). Social enterprises, according to these views, offer false promises of institutional transformation; they ultimately hasten trends toward privatization and commodification, which these authors deem unjust.

We contend that engaging explicitly with political philosophy is necessary to overcome this impasse and advance beyond existing paradigms for conceiving the interaction between social enterprises and institutions.

This article develops an institutional perspective on the relationship between social enterprise and social justice by drawing on the work of John Rawls (1955; 1999 [1971]; 1993; 2001) and those influenced by him. This perspective regards justice first and foremost as a virtue of major social institutions such as the tax system and property law and not of organizations (e.g., charities, firms, churches, universities) or particular organizational forms. It warns that

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organizations assuming responsibility for tackling social problems may inadvertently reinforce

deeper structural inequalities or arrogate to themselves the power to define collective goals.

However, it also insists that duties of justice are not limited to institutions, although the form

such duties take may differ for organizations.

We pick up this idea and explore how social enterprises might satisfy duties of justice

within the bounds of Rawlsian theory. We propose that a Rawlsian view supplies organizations

with a duty of justice to contribute to *institutional capacity*, understood as the ability of

institutions to fairly distribute the benefits and burdens of social cooperation. As we argue,

discharging this duty requires fortifying just arrangements that already exist and facilitating

transitions to just arrangements in contexts where these arrangements are missing, unstable, or

compromised. We then show how the features of social enterprise generate six specific

mechanisms for building and maintaining institutional capacity.

This study demonstrates how political philosophy can help to derive a concept that can

clarify the role of social enterprise in society and anchor further research in organizational

scholarship. The focus on institutional capacity invites scholars of organizations to devote more

attention to the indirect effects of social enterprises on their institutional context, to study

conditions under which social enterprises might succeed or fail in fostering institutional capacity,

to identify and test alternative pathways through which social enterprises might advance justice

through institutional effects, and to consider the relationships between institutional capacity and

other forms of organizing.

Scholars of organizations have long appreciated the value of philosophical analysis for

organizational research, with particular attention to the insights available from metaphysics,

epistemology, and philosophy of language (e.g., Tsoukas & Chia, 2011; Ramoglou & McMullen,

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2023). This study illustrates the potential contributions of political philosophy and builds on

efforts to problematize conceptual and normative assumptions in empirical investigations of

organizational phenomena (Suddaby, 2015; Fayard, 2019). Although efforts to apply political

philosophy to organizational studies are not uncommon, efforts to self-consciously reflect on the

relationship between the two are rarer. We proceed in the next section by canvassing recent

studies that establish connections between political philosophy and social enterprise. As we

show, existing work on the relationship between social enterprise and political philosophy has

underexplored how responsibilities may be distributed between organizations and institutions.

Next, we introduce a central Rawlsian claim that appears to challenge much of the extant theory

and practice of social enterprise, the claim that principles of justice apply in the first instance to

institutions and not to organizations that operate within them. We go on to theorize how this

insight yields guidelines for organizations in general and social enterprises specifically. Our

account proposes that social enterprises can complement and supplement already reasonably just

institutions. Where just institutions are underdeveloped or malfunctioning, social enterprises can

demonstrate just alternatives and incentivize greater accountability. In the discussion section, we

reflect on the consequences of this account for theories of social enterprise and broader currents

in organizational theory. We show how institutional capacity supplies an essential concept for

organizational research and suggest several directions for further study. We conclude by

underlining how careful engagement with political philosophy can deepen the normative and

conceptual foundations of organizational research, challenge conventional paradigms, and

prompt new lines of inquiry.

Social Enterprise and Political Philosophy

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Ours is not the first attempt to leverage insights from political philosophy for application to social enterprise or related phenomena. Below, we distill three ways that organizational and management theory scholars have sought to leverage political philosophy to justify and appraise social enterprise. We highlight these studies because they represent disparate approaches, appear in leading journals, and are among the most cited articles in organizational theory that draw heavily on political philosophy. (The first three columns of Table 1 summarize these contributions, which we elaborate in the text below.)

Insert Table 1 about here

One prominent perspective suggests that social enterprise can be assessed against its success in directly advancing human capabilities (Kroeger & Weber, 2014). It invites observers to evaluate social enterprises according to their tendency to promote the subjective well-being of disadvantaged beneficiaries. This perspective combines insights from Nussbaum and Sen (1993) and the utilitarian tradition (e.g., Bentham, 1907). While not explicitly acknowledged, utilitarian premises are a natural explanation for the authors' focus on minimizing gaps in well-being. Combining these traditions leads the authors to observe that reducing inequality in well-being may be optimally achieved by blending social and market elements. They hold that observers should assess the performance of any given social enterprise according to this yardstick. The account is attractive not only because of its sophisticated combination of disparate philosophical traditions but also because it supplies a simple quantitative metric for progress tracking and drawing comparisons between diverse entities and strategies. Nonetheless, it also raises some key challenges. Many entities commonly regarded as social enterprises do not make inequality

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reduction their primary mission. Plenty of social enterprises use market-based activities to address problems or advance goals of other kinds, such as in the areas of the arts, science, culture, and environmental preservation. The account under consideration leads to the radical conclusion that such entities are either failed examples of social enterprise or must be omitted from empirical samples. While this is a possible conclusion, it also creates an opportunity for alternative views that can accommodate a broader range of causes.

An alternative normative perspective on social enterprise centers on pluralism and suggests a broader potential role. Drawing on insights from Aristotle (2014) and Galston (2002), among others, Mitchell, Weaver, Agle, Bailey, and Carlson (2016) argue that multi-objective organizing (of which social enterprise represents a paradigmatic species) is normatively desirable because of its ability to accommodate diverse perspectives on the nature of value. Disagreement about value, they argue, recommends organizational forms and strategies that pursue plural goals. Only by attending to the preferences of different stakeholders and adopting hybrid organizational forms can organizations show sufficient respect for the diversity of viewpoints throughout society. This pluralist perspective suggests that social enterprises should be assessed not by independent notions of equality or well-being but simply by their success in accommodating the diverse value judgments of their stakeholders. In other words, justice assigns social enterprises a procedural duty to integrate the diversity of stakeholder values fairly. A potential virtue of this account is that it can explain the tremendous variety of social enterprise missions and strategies. Yet, a question left unanswered by this perspective is why incorporating multiple objectives within organizations is superior to an ecosystem composed of diversely-oriented organizations. Tasking organizations with multiple objectives would appear to encourage conflicting interests and middling performance (Heath, 2014). By contrast,

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encouraging organizations to specialize according to particular aims would appear to minimize

internal conflict and unleash the benefits of comparative advantage.

A third way of assessing social enterprise normatively might draw on the deliberative

democratic approach to management, which originates in Habermas (1996) and sees democratic

deliberation as a valuable element in all settings of collective decision-making (Scherer &

Palazzo, 2007; Ferraro, 2018). Social enterprise is a likely form of a deliberative approach to

management, as this way of organizing allows for the pursuit of multiple goals and structural

flexibility that deliberation favors. Instead of adopting multiple goals to fit stakeholders'

preexisting preferences, the deliberative approach to management proposes that organizations

deliberate with their stakeholders to resolve disagreements and identify common goals. The

deliberative approach may be attractive because it goes beyond the pluralist's concern for

acknowledging the perspectives of affected parties by seeking to hear them in their own voices.

Additionally, deliberative processes are credited with epistemic advantages by screening out

faulty reasons and locating justifications acceptable to all (Cohen, 2002). However, as critics

have noted, deliberative democratic theory was developed with the state, not the organization, as

its target (Sabadoz & Singer, 2017). The reasons for governing the state through deliberative

processes may not apply equally to organizations. Organizations, which lack universal

membership and may face pressure from market forces, may be unable to satisfy the

requirements needed to make deliberation successful (Hussain & Moriarty, 2018).

Despite their different philosophical motivations, these accounts share a common

methodological orientation, which is to apply political norms directly to organizational forms

and strategies. They take normative principles from political philosophy and consider how

organizations might satisfy these principles straightaway. The perspective advanced in this

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article explores an alternative possibility. For John Rawls and many influenced by him, political norms do not apply to organizations directly. Rather, they apply in the first instance to the institutions that compose "the basic structure of society." One cannot answer what justice requires of organizations without first attending to the question of what justice requires of institutions at the societal level. As we show further below, this way of thinking ultimately offers a more nuanced institutional view of how social enterprise can contribute to social justice.

Rawls and Agents of Justice

The work of political philosopher John Rawls (1955; 1999 [1971]; 1993; 2001) draws increasing interest from researchers in business ethics (Brock, 1998; Wempe, 2008; Mäkinen & Kourula, 2012; Blanc & Al-Moudi, 2013; Singer, 2015; Norman, 2015) and management practice (Keeley, 1978, 1984; Margolis & Walsh, 2003). However, Rawls's work has made fewer inroads into other areas of organizational studies, such as institutional theory and social enterprise. Like many philosophers, Rawls says little explicitly about organizations and organizing, which might help explain organizational theorists' limited uptake of his work. Nonetheless, we claim that Rawlsian theory has powerful implications for how organizations can be justified and appraised as well as the relationship between organizations and their institutional contexts. As we seek to show, Rawlsian ideas can contribute much to theorizing social enterprise.

Rawls remains best known for proposing a set of principles of justice that recognize individuals as inherently free and equal and specify terms of social cooperation that individuals, so conceived, can regard as fair (Rawls, 1999). The principles he proposes to perform this task focus on (1) assuring an extensive set of equal basic liberties (2a) under conditions of fair

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equality of opportunity for differential rewards, and (2b) where any resulting inequalities work to the benefit of a society's least advantaged members. Our focus is not on the substance of the principles themselves, whose derivation and interpretation continue to provoke extensive debate. Rather, we focus on how Rawls's views about the *application* of principles of justice can inform theorizing about the role of social enterprise in society.

Throughout his work, Rawls insists that principles of justice are not meant to be universal in scope or indifferent to the subject, applying everywhere and equally to the conduct of individuals, organizations, and institutions. Crucially, justice does not apply in the first instance to the conduct of individuals and organizations; it applies to the institutions that compose the "basic structure of society." The "basic structure of society" refers to the assembly of "major social institutions," which "distribute fundamental rights and duties and determine the division of advantages from social cooperation" (Rawls, 1999: 6). Institutions composing the basic structure combine to influence what individuals "can expect to be and how well they can expect to do" (Rawls, 1999: 6). An institution, for Rawls, is any "public system of rules which defines offices and positions with their rights and duties, powers and immunities, and the like" (Rawls, 1999: 47), and examples of institutions that compose the basic structure include the market, the family, the system of property, the tax regime, and the political constitution. The principles of justice do not apply directly to individuals or organizations, which Rawls refers to as "private persons" (Rawls, 1993: 285) and "private associations" (Rawls, 1999: 7).

Why should justice be understood primarily as a virtue of major institutions and not of organizations or individuals? Rawls and those influenced by him offer at least six different arguments, concerning: (1) coordination, that dispersed independent agents may be ineffective at coordinating efforts to achieve collective goals (Rawls, 1993: 268; Cordelli, 2012: 134–7); (2)

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nonvoluntariness, that basic structural institutions incur demands of justice because they alone

are imposed nonvoluntarily (Rawls, 1993: 41–2, 277; Rawls, 2001: 20, 40, 55; Julius, 2003;

Nagel, 2005); (3) pervasive impact, that only basic structural institutions pervasively impact the

life prospects of everyone subjected to them (Rawls, 1999: 7, 82); (4) fair burden-sharing, that

only basic structural institutions can ensure that responsibilities for contributing to justice are

fairly allocated (Beerbohm, 2016); (5) value pluralism, that institutions have no "final ends" of

their own, while organizations have their own goals and commitments (Rawls, 1993: 41;

Scheffler, 2005; Cordelli, 2012); and (6) civility, that assigning organizations the responsibility

for securing justice invites excessive polarization and conflict to permeate social and economic

life (Talisse, 2019).

Taken together, these arguments help to explain why Rawlsians regard justice as a

primary responsibility of institutions and not of organizations. Though organizations may indeed

have an important role to play in the pursuit and maintenance of social justice, how that role can

be specified in a way that respects the limitations just noted remains to be seen. In the next

section, we show how this way of thinking can generate a distinctive view of how social

enterprises can advance social justice.

Social Enterprises and Institutional Capacity

The previous section explored the idea that principles of justice apply primarily to

institutions rather than organizations. This section considers how social enterprises can

nonetheless contribute to social justice in ways that acknowledge the primacy of institutions.

Although principles of justice apply in the first instance to institutions of the basic structure,

Rawls holds that individuals and organizations possess a "natural duty of justice" (a duty that

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exists independently of any voluntary action or agreement) to contribute in various ways (Rawls, 1999: 98-99). In the abstract, we submit that the natural duty of justice can be understood as a duty to foster *institutional capacity*, which we define as the ability of institutions to realize and maintain fair terms of cooperation at the level of society.

The term "institutional capacity" does not appear in Rawls's work and lacks a commonly recognized definition. Healey (1998: 1541) treats institutional capacity as synonymous with "institutional capital," which refers to the resources that enable stakeholders to change conditions in the territory where they live or work. Blomquist and Ostrom (1985: 389) understand institutional capacity as shared infrastructure for solving collective action problems, which includes access to information, a forum for communication, cost-sharing, enforcement, and monitoring. The neighboring term "state capacity" has wider currency, especially in political science, although definitions vary widely (Cingolani, 2013). Whereas state capacity refers specifically to the abilities of states, entities that exercise coercive power over a defined territory, not all the systems of rules comprehended by the term institutional capacity may be directly under state control. We believe that institutional capacity is a helpful concept for organizational theory, and a Rawlsian perspective helps us to derive and apply it. While a long tradition of theorizing in organization studies has regarded institutions as a source of explanation and constraint for the behavior of social enterprises and organizations more generally (Friedland & Alford, 1991; Battilana & D'Aunno, 2009; Besharov & Smith, 2011), the concept of institutional capacity that we derive from Rawls effectively inverts this relationship by indicating how social enterprises can strengthen and reform institutions—and why this matters.

The duty to foster institutional capacity makes two kinds of demands. When and where just institutions exist and are stable, organizations and individuals are expected to support and

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comply with them (Rawls, 1999: 99). When and where just institutions are undeveloped,

unstable, or corrupt, organizations and individuals must contribute to efforts to facilitate

transitions to just institutions when they can do so at moderate cost (Rawls, 1999: 99; Simmons,

2010). These two conditions are not necessarily mutually exclusive, and both just and unjust

institutions will likely coexist to some extent in every society. A society that is reasonably just

overall may still have many aspects of its institutional configuration that fall short of justice's

demands. Likewise, a society that is particularly burdened or unstable may still have certain

institutions that satisfy justice's demands.

The natural duty of justice to contribute to institutional capacity applies to all individuals

and organizations of all kinds (including commercial corporations). However, we claim that

precisely how and how much an agent can be expected to foster institutional capacity may

depend on various factors. These include, among others, the agent's particular opportunities and

constraints imposed by other duties or legitimate commitments, such as fiduciary duties to

shareholders or owners and whether the agent caused or benefits from unjust institutions (Caney,

2015). Although the strength and direction of agents' duties of justice depend partly on

contextual factors, focusing on opportunities and constraints shared by agents with similar

features can yield important insights about their potential contributions.

We are especially interested in the specific pathways for fulfilling natural duties of justice

that emerge from examining the opportunities and constraints that social enterprises typically

share. First, we consider how social enterprises might discharge the duty to support and comply

with just institutions. We observe that social enterprises that introduce novel options for work,

consumption, and affiliation can be understood as *complementing* and *supplementing* just

institutions by satisfying needs that institutions are categorically ill-equipped to meet. We then

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ask how social enterprises might fulfill the duty to facilitate transitions away from unjust

arrangements. Again, we look at the features that distinguish social enterprises from other

entities and consider how these features might create pathways for satisfying this additional

demand of justice. We observe that their flexible forms and use of market-based activity enable

social enterprises to *demonstrate just alternatives* and *incentivize accountability* of other actors.

(Figure 1 provides an illustration of the duties and mechanisms associated with this account.)

Insert Figure 1 about here

Duty 1: Fortifying Just Institutions

We propose that a Rawlsian perspective may, in fact, carve out distinct spaces for social

enterprises operating under institutional conditions that are reasonably just but imperfectly so. As

certain rights may go unfulfilled by governments and conventional organizations even under

favorable institutional conditions (Mair, 2010), social enterprises may enjoy unique capacities

for *complementing* just institutions by filling gaps in rights fulfillment. As social enterprises also

create new opportunities for affiliation, labor, and consumption, they may be seen additionally as

supplementing the work of just institutions. By complementing, we mean efforts that complete

the work that institutions already do. By supplementing, we mean efforts that introduce new

opportunities that institutions could not reasonably be expected to offer. We elaborate on these

different mechanisms in sequence.

Complementing just institutions. Work-integration initiatives provide a paradigmatic

example of how social enterprise might complement institutions that are already reasonably just

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(Battilana, Sengul, Pache, & Model, 2015; Santos, 2012). Many social enterprises provide employment opportunities to individuals with challenges to competing in traditional labor markets due to bodily conditions, educational limitations, or criminal history. Even if a well-regulated labor market satisfied conditions of fair equality of opportunity (part of Rawls's second principle of justice, discussed above), these individuals would still experience substantial barriers to labor market participation. Although some may benefit from direct assistance schemes that assure economic security, such measures cannot fully compensate for the costs of labor market exclusion to individual dignity (Rawls, 1999: 257). Work integration social enterprises (WISEs) enter here to fill the gap, developing businesses that can achieve viability by drawing upon the particular assets of these employees. Consider the example of Specialsterne, a social enterprise that provides employment opportunities for individuals with Autism Spectrum Disorder (Austin and Busquets, 2008). Even where labor markets are reasonably just, and governments provide strong support for people with developmental disabilities (by, e.g., prosecuting discrimination, funding special training, and incentivizing recruitment and accommodation of autistic employees), individuals with Autism Spectrum Disorder may still lack opportunities for employment that offer them comparable prospects of economic mobility and self-esteem. Organizations like Specialsterne help to fill a persistent gap left by just institutions and widen access to just conditions.

While this perspective suggests that WISEs can help to uphold just institutions under certain conditions, it does not propose that WISEs are an all-purpose solution to poverty and unemployment, as enthusiasm about this model may sometimes suggest. Many aspects of labor market exclusion are consequences of institutional injustice and require institutional solutions. Compelling people with disabilities to work as a condition of receiving the means of subsistence

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recalls the Elizabethan Poor Laws, which made poverty relief for many groups conditional on

laboring (McIntosh, 2005). This approach rejects the idea of a guaranteed social minimum,

which Rawls deems a central requirement of a just basic structure (Rawls, 2001: 126–30).

Nonetheless, a Rawlsian view indicates that WISE models and strategies are desirable in cases

where WISEs have a demonstrable advantage in satisfying rights claims that institutions struggle

to fulfill on their own.

This account also helps us to understand what distinguishes WISEs from other models

associated with social enterprise, such as the practice of buy-one-give-one ("BOGO"). BOGO

models donate a product unit (such as shoes or eyeglasses) to a disadvantaged individual (often

in the Global South) for each unit purchased by a consumer able to pay the retail price (often in

the Global North). These models face criticism for perpetuating social inequalities and

undermining apparel markets and self-governance in lower-income countries, by taking business

away from local apparel manufacturers, depressing job growth, subordinating beneficiaries, and

reducing tax revenue (Frazer, 2008; London, 2014; Jost, 2016). From a Rawlsian standpoint,

such practices are thoroughly questionable for both perpetuating unjust conditions and hindering

the development of just institutions. These observations remind us that social enterprise can

easily fail to satisfy duties of justice and is not justice-promoting simply by definition. And this

is as should be, in our view: to build normative criteria into an empirical definition of social

enterprise risks over-politicizing empirical research and inhibiting nuanced normative appraisal.

Supplementing just institutions. As just discussed, fortifying just institutions may

sometimes require creative combinations of social and market elements. Here, we note that this

understanding of the Rawlsian perspective can also support organizing that uses market means to

support more particularistic ethical commitments. Consider the Sundance Film Festival (Martin

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& Osberg, 2007), which seeks to expand opportunities for film production and consumption, and SEKEM, a social enterprise focusing on biodynamic agriculture in Egypt that runs initiatives for (e.g.) educational, scientific, and religious pursuits (Rimac, Mair, & Battilana, 2012). The connection to justice here may at first seem obscure, as these efforts are not heavily redistributive. Yet Rawls considers it a critical matter of justice for individuals to be able to exercise their basic liberties and pursue their conceptions of the good under conditions of fair equality of opportunity. Rawls is aware that the market, even when regulated by principles of justice, may respond to some preferences better than others and may not provide all the goods and opportunities that people desire to produce or consume (Rawls, 1999: 249-51). For instance, conventional firms may not find it profitable to finance and display a large volume of experimental films. At the same time, Rawls's work highlights the challenges of using the coercive power of the state to support the pursuit of different communities' conceptions of the good. Some people may prefer to produce or consume independent and experimental cinema; others may not. As Rawls writes, "There is no more justification for using the state apparatus to compel some citizens to pay for unwanted benefits that others desire than there is to force them to reimburse others for their private expenses" (Rawls, 1999: 250). A natural solution, therefore, is to encourage private organizations that provide those goods which traditional markets fail to provide but are challenging for states to provide on a fair basis (Lechterman, 2022: 65-7). By offering new ways of combining different forms and strategies of organizing, a social enterprise like Sundance offers mechanisms for promoting this important dimension of fairness.

As discussed above, blending purposes and strategies is neither necessary nor appropriate in all cases. However, the current discussion observes that ensuring fair equality of opportunity may sometimes benefit from the forms and strategies of organizing that social enterprise offers.

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Our view suggests that, from a normative standpoint, blending business with a mission of cultural, religious, or artistic enrichment is an entirely appropriate purpose of social enterprise. This insight is relevant for theoretical and empirical research that insists that the enterprise must be strongly redistributive to count as "social" (Kroeger & Weber, 2014).

Duty 2: Facilitating Transitions to Just Institutions

The foregoing subsection explored the role social enterprise might fill in helping to realize principles of social justice against a background of favorable institutional conditions. When and where such arrangements already exist, social enterprises can fill lingering gaps and expand the supply of valuable options for affiliation, labor, and consumption. Another possibility comes from contemplating the role social enterprise can assume where just institutions are undeveloped, unstable, or compromised.

For Rawls, profound institutional injustice comes in two main varieties, which Simmons classifies as deliberate and unfortunate (Simmons, 2010: 12–18). Deliberate institutional injustice arises when those who select or administer policies do so in bad faith. Unfortunate institutional injustice arises when a society lacks the resources to effectively regulate the basic structure, due to (e.g.) poverty, war, natural disasters, or technological deficits. When institutions lack the support or the capacity necessary for fully realizing the demands of justice, these demands may fall partially upon private organizations and individuals. But the way these demands fall is not direct. Organizations and individuals do not simply inherit institutional responsibilities, full stop. Rawls is adamant that private attempts to compensate for institutional injustice face a Sisyphean task (Rawls, 1993: 257–88). At the same time, directing all efforts at institutional reform contains its own risks, as institutional reform is a long-term and uncertain

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project, whose benefits, if or when they materialize, offer little or nothing to people who are suffering now (Cordelli, 2016; Berkey, 2018). Recent readings of Rawls address this dilemma by proposing a transitional approach that balances efforts at relieving the symptoms of injustice with the long-term aim of a just basic structure (Simmons, 2010; Hussain, 2012; Gilabert, 2017; Barrett, 2020). This includes reforming institutional defects and fostering conditions in which just institutions can take root. How might the specific features of social enterprise be leveraged to navigate this tradeoff? We suggest that the organizational flexibility of social enterprise enables it to *demonstrate just alternatives* in economic arrangements and market design*,* while its ability to harness market forces enables it to *incentivize accountability* of governmental and market actors.

Demonstrating just institutional alternatives: economic arrangements. When the basic structure is unjust, individuals lack the bargaining power to demand fair treatment in the labor market. Oppressive working conditions are a predictable consequence, where employment is precarious, and steep inequalities in compensation and authority separate workers from senior managers. Many social enterprises seek to redress this by piloting cooperative ownership and management structures that flatten hierarchies, encourage deliberation, and share burdens and profits more equitably (Rothschild, 2009). Fair trade initiatives—such as FLO International and Fair Trade USA—respond to similar challenges in a different context. Pervasive inequities in global supply chains can lead to oppressive conditions for agricultural producers and materials manufacturers (Bartley & Child, 2014; Reinecke, Donaghey, Wilkinson, & Wood, 2018). Many social enterprises seek to redress this by committing to paying suppliers above-market prices in exchange for fairer treatment of their workers.

Social enterprises of both kinds face enduring criticisms. Arguably, the root causes of

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workplace injustice and unfair trade are not located at the organizational level but at the level of

institutions. Efforts to compensate for these failures are piecemeal and of limited efficacy. Worst

of all, as paying above-market prices reduces an organization's capacity to hire more workers or

purchase more supplies, these initiatives may end up harming intended beneficiaries by putting

them out of work entirely (Haight, 2011).

A Rawlsian perspective suggests that social enterprises carrying out these initiatives can

nonetheless have an important role in fostering transitional justice. This perspective sees social

enterprises centered on workplace justice (such as worker-owned cooperatives) as enactments of

public protest that draw attention to the failure of basic structural institutions to create fair

working conditions, as well as proof-of-concept that fairness and productivity can be allies.

Taking a transitional justice lens suggests that the point of workplace justice initiatives is not

only to improve equity among a firm's stakeholders but also to critique reigning economic

institutions and to demonstrate the viability of alternatives. Similarly, the transitional justice

perspective suggests that fair-trade initiatives cannot satisfy their duties of justice by the benefits

they bring to producers alone. Rather, justice is promoted when their work can be seen as

protesting the general unfairness in global trade and the need for institutional reform to set things

right. This perspective shifts attention from the direct and immediate effects of these initiatives

on individuals and towards their indirect and longer-term effects on the basic structure.

This argument only applies insofar as social enterprises in these areas engage in practices

that are consistent with the aim of reforming economic institutions. Most social enterprises

focused on workplace justice and fair trade do not generally treat justice in the workplace

fairness in international trade as matters of taste, like ice cream flavors. Rather, they seek a world

where all workplaces and all trade operate on fair terms. A social enterprise that acted otherwise

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in word or deed, such as by categorically opposing treaties to establish minimum standards for

labor or trade, would be failing to discharge its natural duty of justice, at least in this way.

Demonstrating just institutional alternatives: market design. While a Rawlsian

perspective does not suggest that markets are an appropriate mechanism for producing and

distributing all goods, it does suggest that markets are a reasonable mechanism for organizing

many areas of economic activity when suitably regulated by principles of justice (Rawls, 1999:

238–42). Another way that social enterprises might discharge duties of transitional justice is by

structuring and expanding access to markets for marginalized populations (Mair, Martí, &

Ventresca, 2012; Thornton, Gonas, & Lohrke, 2015). Conventional business firms often find it

disadvantageous to market products to impoverished regions despite latent demand. As a result,

these regions either depend on donations or forego important necessities or conveniences. Social

enterprises that deliver high-quality but low-profit consumer appliances in India (Bauer, 2011),

electricity in Sierra Leone (Munro et al., 2016), or waste management in Bangladesh (Seelos &

Mair, 2007) to individuals who lack reliable access to them foster the creation of sustainable

markets for these goods. Their efforts can pique consumer interest, erect initial infrastructure,

cultivate supply chains, and catch the eye of investors.

For instance, the EnviroFit cookstove was initially introduced in 2007 as an affordable

and healthier alternative to open-fire cooking in the Global South (Bauer, 2011). Within a few

years, it helped spur a competitive market for safe and affordable cooking appliances, which

includes global firms like Philips (Subramanian, 2014). Alternatively, consider the example of

Greyston Bakery, whose open hiring model seeks to make employment more accessible to

workers missing conventional markers of employability, such as educational degrees and

reference letters (Pirson and Livne-Tarandach, 2020). The virtues of this model caught the

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attention of major firms like the Body Shop, which have integrated it across their operations.

While these initiatives may have positive effects on their initial beneficiaries, what ultimately promotes justice from a Rawlsian perspective is their indirect effects on broader market conditions. In some cases, succeeding in this way may threaten the market position of the social enterprise, forcing a change in strategy or even dissolution. As we discuss further below, this perspective reveals that social enterprises' tendencies toward mission drift and transience, which are common sources of criticism in the literature, may sometimes be sources of strength from the standpoint of justice. Once a competitive market matures, and the original need for social enterprises like EnviroFit or Greystone disappears, a shift in strategy or dissolution might better support the demands of justice.

Clearly, this argument will not apply to social enterprises that engage in behaviors that are inconsistent with encouraging more equitable market institutions, such as by seeking an endowment to operate indefinitely or taking steps to resist or discourage competition. Such organizations would be failing to discharge their natural duty of justice, at least in this way (though, conceivably, they might satisfy it in others).

Incentivizing just institutions: government accountability. A transitional justice perspective also indicates a role for social enterprise in encouraging institutional reform through indirect incentives. Consider microcreditors, which seek to respond to the lack of access to capital in poor regions by offering individuals small loans. Once heralded as one of the most promising solutions to global poverty (Banerjee et al., 2015), microfinance has since come under scrutiny for its varied track record, exploitative tendencies, and unintended consequences (Butt, 2015). Evidence of the benefits of microfinance remains mixed, as such initiatives rarely reach the poorest individuals, and default rates remain high. Initiatives that seek to profit from the

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satisfaction of individuals' basic needs may often be exploitative by taking advantage of their desperate circumstances to extract unfair contractual terms. Pressure to repay debts has led to alarming stories of depression and suicide. Nonetheless, under the right conditions, such initiatives may encourage transitional justice through more indirect mechanisms. Even if the direct benefits of microcredit are limited to the lower-middle class, rather than the very poorest, these benefits can positively affect the lives of the very poorest. As Ronzoni and Valentini argue, the minority of individuals who do benefit from microcredit are likely to acquire an enhanced position to mobilize politically and to hold institutions accountable (Ronzoni & Valentini, 2015). To earn the support of this growing bloc, officials must rein in corruption and improve the supply of public goods. But the value of increased institutional accountability also redounds to the very poorest, who likewise stand to benefit from the rule of law and the expanded supply of public goods. Thus, whether or not microfinance can be justified as a direct solution to poverty, a transitional-justice perspective sees potential in microfinance as an indirect solution to injustice that works through the basic structure.

This argument indicates that social enterprises can discharge their natural duty of justice when strengthening government accountability is a foreseeable byproduct of their activities. Where strengthening government accountability is not a foreseeable byproduct, social enterprises may be failing to discharge their natural duty of justice in this way (though some may be able to satisfy it in other ways).

Incentivizing just institutions: market accountability. Finally, competition from social enterprises might perform an important disciplining effect on conventional markets. Traditional firms that encounter competition from social enterprises offering higher quality or lower price goods face pressure to justify their profit margins and to reconsider business practices that result

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in obvious injustices (Galle, 2013). The introduction of cooperatives into the funeral industry in

Québec offering affordable funeral services led commercial providers to cut prices and helped to

reduce inequalities in access to funeral services (Audebrand & Barros, 2018: 9). Similarly, the

emergence of social enterprise models into a field dominated by charities might threaten

incumbents who have made a business out of convincing donors that a valuable service is not

sustainable through sales revenue. Competition from social enterprise rivals may pressure

underperforming incumbents to seek improvements in quality or access.

To be sure, the competitive pressure that social enterprises place on traditional firms and

charities also has its drawbacks. While some charities may certainly benefit from pressure to

adopt alternative revenue streams, profitable goals and strategies may be inappropriate or

inefficacious for the provision of certain goods. Pressure on healthcare charities in Scotland from

social enterprise rivals has resulted in reductions of care quality and access (Henderson, Reilly,

Moyes, & Whittam, 2018). For-profit firms under pressure from social enterprises may be

tempted to respond by ethics washing, i.e., by conveying the impression of serving social justice

without actually investing in it (Voinea & Uszkai, 2020); or they may parachute cavalierly into

sensitive domains where their efforts do more harm than good (MacAskill, 2015). Thus, social

enterprises that seek to compete with conventional firms or charities may not always succeed in

satisfying their natural duty of justice through this mechanism.

Discussion

This article seeks to clarify the possible contributions of social enterprise to social justice

by leveraging insights from Rawls's political philosophy. We introduced institutional capacity as

a construct implicit in Rawls that indicates pathways for organizations to serve as agents of

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social justice. Institutional capacity refers to the ability of institutional arrangements to realize

and maintain fair terms of cooperation at the societal level. Examining social enterprises through

this lens led us to explore how social enterprises can contribute to social justice in different

institutional contexts—and why this might be normatively desirable. They can fortify existing

just institutions and facilitate transitions to just institutions when and where they are missing,

unstable, or compromised. We proposed complementing and supplementing as two mechanisms

that allow social enterprises to fulfill the role of fortifying just institutions. We proposed that

social enterprises can facilitate transitions to just institutions through mechanisms of

demonstration and incentivization. They can demonstrate alternatives to economic arrangements

and market design, and they can act in ways that incentivize greater accountability for

governments and markets alike. See again Figure 1 for a summary of these claims.

Clarifying the Role of Social Enterprise in Society

A central objective of this article is to highlight the relevance of political philosophy for

organizational research. Although aspects of our theory apply to organizations more broadly, we

deliberately focused on the study of social enterprise as a phenomenon in further need of

theorizing and as a research area and field of practice characterized by conceptual ambiguity

(Chliova, Mair & Vernis, 2020) and empirical variety (Mair, 2020). Our view helps scholars to

bring society back into theorizing and to reconcile competing ideological frames. Political

philosophy helps to justify and appraise the work of social enterprise, but, as we have suggested,

it is equally helpful for reflecting on how social enterprises work and with what consequences. In

our case, the duties and mechanisms we identify explain how social enterprise can contribute to

social justice and deepen our understanding of how it directly and indirectly affects macro-

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institutional arrangements. This social justice lens allows debate to advance beyond

overworked—and normatively charged—arguments about the role of social enterprise as fixes

for market and government "failure" (Weisbrod, 1975). It sees social enterprises as occupying a

nuanced and multifaceted role in relation to institutions: filling temporary voids and weaknesses

in institutional arrangements (Mair & Martí, 2009), as well as serving as institutional reformers

and partners. Thus, normative theory complements and extends attempts to theorize social

enterprise from positive perspectives (Santos, 2012; Galle, 2013; Thornton, Gonas, & Lohrke,

2015).

Additionally, the normative arguments advanced in this article provide a basis for

reconciling enthusiasm about social enterprise with persistent challenges. Organizational

theorists have long worried that the blending of disparate goals leads to a clash of institutional

logics (Thornton, Ocasio & Lounsbury, 2012; Besharov & Smith, 2014), resulting in internal

conflict (Pache & Santos, 2010), mission drift (Ebrahim, Battilana, & Mair, 2014), or

organizational collapse (Tracey, Phillips, & Jarvis 2011). However, warnings about

organizational instability make the most sense if organizational constancy and survival can be

defended as worthwhile goals. One implication of our argument is that an important role of

social enterprises is transitional, rather than indefinite. As a result, mission drift or organizational

failure may sometimes be innocuous or even beneficial consequences for society. This insight

responds to the recent call from organizational scholars for "upstream" research on

organizational missions by offering a macro-level account of organizational roles (Varendh-

Mansson, Wry, & Szafarz, 2020; Grimes, Williams, & Zhao, 2020).

Another source of apprehension comes from critical social theorists, who denounce social

enterprise for privatizing essential matters of public concern and commodifying goods—like

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education and care-giving—that demand non-market modes of provision (Dey & Steyaert, 2012; Giridharadas, 2018; Spicer, Kay, & Ganz, 2019). A puzzle for this line of critique is that support for social enterprise is not limited to neoliberal apologists: varieties of social enterprise have long occupied a central role in social-democratic reform blueprints (Rothschild, 2009; Wright, 2010; Unger, 2015). By proposing a more nuanced conception of the role of social enterprise, our argument supplies a way to reconcile these contradictory viewpoints. Our account portrays privatization and commodification as objectionable when they are inconsistent with fortifying just institutions and fostering transitions to just institutions. However, in the context of social enterprise, private measures and profitable activity can also be normatively desirable when they complement, supplement, or facilitate progress toward just institutional arrangements.

Advancing Institutional Perspectives on Social Enterprise

Our article and the Rawlsian perspective we adopt informs organizational research that specifically applies an institutional lens to study social enterprise, hybrid organizing, and innovative organizing more generally (Padgett & Powell, 2012) and to assess the role of organizations in society. First, our framework encourages scholars to complement the focus on combinations of organizing elements and hybridity at the organizational level (Pache & Santos, 2010; Battilana & Lee, 2014) with a focus on just institutions at the societal level. Future studies could expand the scope of research on social enterprise as hybrid organizing and explore, for example, how tradeoffs and conflicts resulting from incompatible logics entrenched in organizational structures and practices facilitate or hinder institutional capacity as portrayed in this article. Second, our findings inform organizational research that investigates how formal and informal institutions affect the prevalence and legitimacy of social enterprise. Researchers have

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built on institutional economics, cultural theory, and varieties-of-capitalism theory to examine

how institutional context affects social enterprise (Stephan, Uhlaner, & Stride, 2015; Kerlin,

2010; Kibler et al., 2018). The framework we put forward in this article, which distinguishes

between just and unjust conditions, helps to diagnose different manifestations of injustice and

adds nuance to existing understandings of the relationship between social enterprise and its

institutional contexts. Our findings provide impetus for research on how social enterprise affects

institutions at multiple levels. Research in this tradition has shown that addressing social

problems that are often deeply embedded in local institutional arrangements results in altering

local institutional conditions (Mair, Martí, & Venstresca, 2012; Venkataraman et al., 2016). The

framework introduced here can help to expand inquiry to include how transformation efforts at

the local level effect change at the level of the basic structure of a society.

The arguments and conceptual framework introduced in this article also inform and

contribute to institutional perspectives in organizational studies more broadly. Dominant

institutional perspectives in organizational and management theory view organizations as caught

in traps of embedded agency (Battilana & D'Aunno, 2009), institutional complexity (Pache &

Santos, 2010; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Pache & Santos,

2021), and competing logics (Besharov & Smith, 2014). Studies associated with these

perspectives have highlighted how the plurality of institutional logics and values in society

complicate organizational life, shape organizational identity, and hamper organizational

effectiveness (e.g., Lounsbury, Steele, Wang, & Toubiana, 2021). By contrast, the perspective

we articulate provides a basis for assessing competing institutional logics, by helping to prioritize

amongst competing institutional demands and evaluating the normative force of those demands.

It treats value pluralism not as a regrettable contingency that organizations must suffer grimly

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but as a normative ideal that creates the very conditions for organizational flourishing. As

alluded in the previous section, our perspective also questions implicit commitments in

organization studies to mission persistence and organizational survival as overriding goals. This

account thus enables a shift from the current focus on organizations as victims of institutional

pressures toward questions of how organizations might actively support a just institutional

ecosystem.

Our framework can guide future research interested in how social justice is enhanced or

compromised by different pathways of institutional change or by the emergence, crossing, and

transition of organizational forms. In addition, considering social justice as a primary

responsibility of institutions can help to expose unintended or undesired consequences of

organizational activity directed at changing systems (Mair & Seelos, 2021) or positive social

change (Stephan et al., 2016) and encourage empirical studies engaging literatures on

institutional entrepreneurship (Battilana, Leca & Boxenbaum, 2009), institutional work (Suddaby

& Lawrence, 2006), and institutional change (Micelotta, Lounsbury & Greenwood, 2017) to

more explicitly examine unintended and undesired consequences.

The concept of institutional capacity we introduced is relevant to future research both

theoretically and analytically. While the term itself does not appear in Rawls and has no

commonly accepted or predominant definition, from a Rawlsian perspective, institutional

capacity can be conceptualized as the ability of institutions to realize and maintain fair terms of

cooperation. Our study helps to theorize and empirically assess how organizations can both

strengthen and weaken institutional capacity. Although we specifically focus on social

enterprises in this article, future work might examine and compare the contributions to

institutional capacity from other forms of organizing, including hybrids, innovative

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organizations, nonprofits, and firms (e.g., Brakman Reiser, 2010; Rawhouser, Cummings & Newbert, 2019), and how conventional firms and nonprofits respond to pressure from social enterprise rivals through the mechanisms we have theorized.

Finally, our study offers insights for practice. Practitioners have long struggled with how to conceptualize and measure performance and impact. Our study invites funders, investors, regulators, managers, and beneficiaries to consider, and further operationalize, institutional capacity as an object of performance assessment. This approach would direct assessment to place greater emphasis on the indirect, longer-term, and wider effects of organizing activities on institutions and their abilities to promote and maintain conditions of social justice. Such an approach would also speak directly to growing interest among social entrepreneurs, investors, and funders in notions of system change as a replacement for or complement to improvements in individual wellbeing (Mair & Seelos, 2021; Seelos, 2020).

Conclusion

Organizing that combines social and market elements in different ways and degrees continues to generate excitement among theorists and professionals. Whether and how these trends can be justified and appraised remains an urgent topic of research. Many have seen social enterprise as a promising response to social injustice, but a failure to interrogate and defend normative assumptions limits further progress on this and related topics. We have sought to meet this challenge head-on by extending ideas from the Rawlsian tradition, which offers particular insight into the relationship between organizing and its institutional setting. Seen through this lens, social enterprises can be graded against their success in promoting institutional capacity by fortifying existing just institutions and fostering transitions to just institutions in contexts where

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they are missing, weak, or compromised. We have explored how this account connects to

ongoing debates in positive theory and broadens discussions on a range of topics.

Our account comes with certain limitations. It represents an original interpretation of a

Rawlsian perspective that draws on major themes in Rawls and several developments in work by

others influenced by his views. Yet, Rawls's work is expansive and can give rise to numerous

conflicting interpretations depending on the elements one chooses to highlight and how one fills

in gaps and resolves conflicting ideas. Alternative ways of assembling Rawlsian ideas may find a

different role for social enterprise—or none at all. Interpretations aside, some readers may also

reject core premises of Rawlsian theory that make institutions central to justice. Prominent critics

allege that Rawls's institutional division of labor offers a utopian blueprint that makes the best

the enemy of the good (Williams, 2005; Sen, 2009). From this standpoint, persistent injustice

requires entities of all kinds to seek feasible improvements wherever they can. Such a view

would assign social enterprises a duty to promote justice directly rather than self-consciously

work with and through institutions, as we have proposed. Nonetheless, the most feasible paths

are those that least offend the rich and powerful, which may leave the most pernicious sources of

inequality in place (Giridharadas, 2018). A search for feasible local improvements may easily

undermine broader or longer-term gains, as when local development projects succeed at the cost

of decimating fledgling public health and education ministries (Deaton, 2015; Wenar, 2011).

Abandoning ideals, therefore, risks throwing away the compass that guides us through the

inevitable tensions and tradeoffs between different reform objectives. The interpretation of the

natural duty of justice that we develop in this article seeks to acknowledge the demands of

feasibility without forsaking the ideal of just societies undergirded by just institutions. This

position is not without its challenges. But we think it at least deserves further consideration.

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TABLES & FIGURES

Table 1: Perspectives on the duties of social enterprises

Primary value	Capabilities	Pluralism	Deliberation	Institutional Capacity
Duty	Social enterprise should close gaps in individual wellbeing	Social enterprise should pursue multiple goals to respect diverse ethical viewpoints of stakeholders	Social enterprise should deliberate with stakeholders to identify common aims	Social enterprise should advance institutional capacity by fortifying just institutions and fostering transitions to just institutions
Level of analysis	Organization	Organization	Organization	Society
Associated organizational theorists	Cornelius et al., 2008; Kroeger & Weber, 2014	Mitchell et al., 2016	Scherer & Palazzo, 2007; Ferraro, 2018	Current article
Philosophical inspirations	Nussbaum & Sen, 1993	Aristotle, 2014; Galston, 2002	Habermas, 1996	Rawls, 1993, 1999, 2001

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3 Figure 1. *How Social Enterprises Can Foster Institutional Capacity*
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Institutional Context	Institutional Conditions	Social Enterprise Mechanisms	Empirical Referents	Roles for Organizations
Imperfect justice	Gaps in rights fulfillment for hard-to-serve populations	Complementing	Certain WISEs	Fortify just institutions
	Limited options for art, culture, religion, research	Supplementing	Religiously-affiliated businesses; arts/culture social enterprises	
Severe injustice	Injustice in labor relations or trade rules	Demonstrating alternative economic arrangements	Fair trade collectives; worker-owned cooperatives	Facilitate transitions to just institutions
	Underdeveloped markets for essential private goods	Demonstrating alternative market designs	EnviroFit cook stoves	
	Public corruption; political exclusion; undersupply of public goods	Incentivizing government accountability	Certain microcreditors	
	Consumer exploitation; negative externalities	Incentivizing market accountability	Cooperative funeral services	

Institutional Capacity

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Institutional Capacity