

Abstract

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Title of thesis: Value-based Approach for Assessing Social Impact within Creative Social Enterprises in Latvia.

The **Thesis is written** in English and consists of an introduction, 4 parts, conclusions and proposals. Amount of work is 197 088 characters, 74 pages, including 8 pictures, 3 tables, 0 formulas. The list of used literature and sources includes: 7 sources in Latvian, 68 English language. Added to work 3 Annexes.

The main results of the Thesis: Based on theoretical and empirical studies, it was concluded that social impact planning and assessment is a multifaceted and hybrid process, requiring tailored approaches and methodologies to capture the scope of the generated impact of creative social enterprises. The social impact assessment serves both accountability and organizational learning purposes, encompassing a wide range of approaches and methods for capturing the generated impact for internal and external purposes. The creative social enterprises are unique due to their blend of the cultural and creative sector with the social enterprise field, positioning these organizations as unique research objects where the creative (cultural) aspiration realization is met with ensuring business viability and the social mission. The thesis reveals the social impact planning and assessment process as a conceptual model designed to guide these organizations toward more purposeful and structured social impact assessment.

Bibliographic description of the Thesis: Kalēja A. (2024). *Value-based Approach for Assessing Social Impact within Creative Social Enterprises in Latvia*. Master's Thesis. Riga: Latvian Academy of Culture and Riga Technical University. p. 111.

Keywords: Social impact assessment, value-based approach, theory of change, creative social enterprise, social entrepreneurship, cultural and creative industries

Introduction

The arts, cultural and creative industries (further CCI) contribute not only to the individual and social life but also have gained economic relevance, adapting to market-led factors. The focus on social enterprises (further SE) in arts and CCI, in the context of this work, referred to as creative social enterprises (further CSE), is crucial as these organizations encompass economic-oriented focus as well as societal roles and goals, raising unique challenges in sustaining their business while pursuing social missions. In arts and culture, SEs are specified as organizations that articulate artistic and aesthetic dimensions with economic ones, aiming at reformulating social and production relations.¹ In order to sustain their economic goals and mission, organizations have to be accountable for their actions and able to justify both social and financial performance. The topicality arises from the challenge of assessing the impact and value of cultural goods, the arts, and creative professions, particularly for CSEs.

In the context of this research, the topicality of impact assessment for CSEs is explored by focusing on such organizations in Latvia that have been granted SE status and are engaged in business activities within the CCI. Social impact assessment following particular guidelines is a mandatory activity for organizations with SE status, as proposed by the Latvian Ministry of Welfare and Social Enterprise Law.² However, the ongoing challenge of measuring and communicating the overall social impact created remains pertinent for many organizations due to various types of SEs, a lack of a united measurement system, and an absence of motivation or capacity of these organizations.³ SEs in Latvia are also conducting activities within the creative industries sector. According to the Latvian Social Enterprise Monitor for the year 2021/2022, one of the most common business sectors is related to arts, entertainment, and recreation, constituting a total of 12, 2% of business activities connected to this working area

¹ Ferreira, S. et. al. (2023). Social enterprises in culture and the arts: institutional trajectories of hybridisation in the Portuguese changing cultural mix. *International Journal of Cultural Policy*. Vol. 29, Issue 7, pp. 929. [accessed 24.01.2024]. Available at: doi: 10.1080/10286632.2022.2144843.

² Social Enterprise Law, Section no. 2 (2018) [online]. Adopted by Cabinet Order no 212, Latvijas Vēstnesis, 212, website Likumi.lv [accessed 18 February 2024]. Available at: <https://likumi.lv/ta/id/294484>

³ Creative Social Entrepreneurship in the Baltic Sea Region report (2019-2021). Support tools and legal system for the creative social entrepreneurship sector in Latvia, Sweden and Georgia – a comparative analysis. pp.7. [accessed 11.01.2024] Available at: https://developvalmiera.lv/wp-content/uploads/2021/11/CSE-Baltic-Comparative-analysis_2021_FINAL.pdf

that requires even closer attention to the problematic of evaluating arts and social aspects for these types of organizations.⁴

This work introduces the multifaceted nature of social impact assessment and the complexities of impact assessment practices for CSEs by exploring social impact planning and assessment approaches from the social entrepreneurship field and theoretical valuation approaches of arts and culture from cultural economics. Particular emphasis is placed on Arjo Klamers' proposed value-based approach (further VBA), which serves as a theoretical framework for understanding the connection between cultural and creative activities and social impact assessment since the CSEs' main goal is to carry out the artistic and societal values that contribute to local communities and social cohesion.⁵ Therefore, it is essential to explore the CSEs' goals, the scope of activities, and the operational nature to provide insight into the challenges these organizations face in justifying their actions and to help improve the impact planning and assessment process to capture the changes and generate impact. Furthermore, a comprehensive approach tailored to the unique characteristics of CSEs in their impact planning and assessment would enhance the recognition of their contributions to important societal processes.

Research problem: In social entrepreneurship, considerable emphasis is placed on assessment systems that seek to determine the economic value of a particular intervention, project, or organizational performance, leaving social value as a complex aspect to assess and standardize. Additionally, there has been a lack of attention spent on social impact assessment considering CSE. The complexity arises from the distinctive character of CSE, which strives for cultural and creative aspirations whilst reaching its social mission and ensuring economic viability. Consequently, it is necessary to reexamine existing assessment approaches and methodologies to develop a more comprehensive conceptual outlook on CSE social impact planning and assessment, considering its unique attributes.

Main research question: How can social impact planning and assessment within CSEs be developed and enhanced?

Research aim: To explore the theoretical perspectives on valuation problems, social impact assessment frameworks, and perspectives of CSEs for building a comprehensive model on CSE impact planning and assessment process based on its organizational characteristics.

⁴ The European Social Enterprise Monitor report. (2021 – 2022). Latvian Social Enterprise Monitor. pp. 7. [accessed 24.01.2024]. Available at: <https://sua.lv/wp-content/uploads/2022/11/latvian-social-enterprise-monitor.pdf>.

⁵ Klamer, Arjo (2017). *Doing the Right Thing: A Value-Based Economy*. London: Ubiquity Press.

Research objectives:

1. Investigate the conceptual perspectives and approaches to assessment in arts and culture.
2. Establish the definition of CSE and impact assessment.
3. Explore social impact planning and assessment approaches and methodologies.
4. Investigate the approaches and methodologies contributing to enhancing the social impact planning and assessment process for CSE.
5. Examine the financial and social performance of CSE in Latvia and analyze the impact planning and assessment approaches employed.
6. Develop a conceptual model for CSE impact planning and assessment based on its organizational characteristics.

The first chapter of the theoretical part of the research provides an overview of perspectives on the valuation of arts and culture. It uses E. Dekkers' proposed framework of three approaches – the art and commerce approach, the economics of the arts approach, and the valuation approach – to provide a discussion on cultural and economic value interconnectivity and perspectives on how the cultural and economic value of arts and cultural products can be captured and assessed. Further, the discussion introduces A. Klamers' VBA, which considers the cultural and social value and aspects of cultural goods, considering valuation as shared and societal practice. The second chapter of the theoretical part considers the theoretical foundations of building the CSE concept by introducing the multi-goal nature and hybrid institutional logic of these organizations by J. R. Wells and the value creation aspect by F. M Santos. Furthermore, the social impact definition is provided based on C. Clark's notion of value chain and accountability and principles of the theory of change (further TOC) for impact planning and assessment by A. Ebrahim. E. Barinaga's pragmatic approach is presented to elaborate on the concept of the assessment process as performative in nature, emphasizing value creation in the assessment process. This approach aligns with the principles of the aforementioned VBA, serving as a practical methodology in impact assessment. The empirical study employs a qualitative research approach by implementing content analysis to examine the CSEs in Latvia by illustrating the regulatory and legal framework of the social entrepreneurship field, further focusing on case analysis by giving an overview of the financial and social performance of the organizations based on annual financial statements and social impact activity reports. Additionally, semi-structured interviews with organizations are conducted to illustrate the viewpoints and attitudes towards navigating the multi-goal nature of the organization and

examine employed impact assessment approaches and practices. To discover the potential of creative social entrepreneurship development in Latvia and the social impact assessment problematic and opportunities, the expert interview with Regita Zeiļa, director of SEAL, is conducted.

The solutions and development part introduces the impact planning and assessment model derived from the theoretical foundations of the TOC and a VBA for CSEs that can be adaptable to specific organizations' needs. The model serves as guidance for CSE in recognizing the important aspects essential in shaping the practices and process of impact planning and assessment.

This research has certain limitations related to the adapted research design employing a qualitative approach in data collection and analysis. Additional quantitative research methods would allow for a wider and deeper scope of creative social enterprise impact assessment process capturing. This research focuses on CSEs, which are the SEs *de jure*, not taking into account the cultural and creative organizations that work as SEs *de facto*.

Masters' thesis developed within the project "Cultural and creative ecosystem of Latvia as a resource of resilience and sustainability" / CERS (No. VPP-MM-LKRVA-2023/1-0001) is funded by the Ministry of Culture of the Republic of Latvia in the framework of the State Research Programme "Latvian Culture – a Resource for National Development" (2023–2026). The State Research Programme is administered by the Latvian Council of Science.

Solutions and development perspective part

4. Social impact planning and assessment model for creative social enterprises

This chapter concerns the theoretical foundations on the valuation of arts and culture, social impact planning principles, and insights from the experiences of CSE to develop impact planning and assessment approaches to capture better the value created by cultural products and activities and the social changes made in society. It is essential to construct a model for understanding and maximizing social impact and produced changes of cultural goods to ensure that CSE has an adaptable social impact planning and assessment approach for their needs. While the interviews indicated that entrepreneurs don't formally assess social impact and implement strategies, their described practices and approaches suggest otherwise. A theoretical model could help identify these processes and shape them to improve the learning, assessment, and reporting processes for CSEs. The word "model" in this research is used to describe and explain the way of planning and assessing social impact for CSEs.

4.1. Impact planning framework for creative social enterprises

Social impact assessment theoretical considerations and practical implications depend very much on the scope and specifics of each organization, its capacities, and its operational level. Therefore, there is always a need for adjustable practices and strategies in impact assessment planning and implementation. Given the unique nature of CSEs and their need to integrate creative, social, and economic goals, it is essential to develop a strategy and assessment approach where the principles of planning and capturing the changes can be applied practically on different organizational levels and capacities to capture the change. The key benefits of this model for CSEs are the ability to reflect, learn, and improve their operations, effectively capturing their impact. Additionally, in the context of CCI where the sectors have continuously strived to demonstrate their impact and contribution – particularly in terms of attracting investment, securing funding, and gaining political recognition – acknowledgment and improvement on the individual – organization levels are crucial. As Marjelle Vermeulen states, "As long as the cultural sector does not fully understand what works to contribute to social issues, what is most effective in solving these social issues, how these processes work, and how the social impact can best be measured, the impact of the cultural sector remains

unclear.”¹⁶⁰ Although the focus of this study is on cultural and creative organizations that are social enterprises *de jure*, the model can be applied to organizations that have not acquired the legal status of SE but whose operation *de facto* complies with the principles of social entrepreneurship.

Social impact planning and assessment can be used for different purposes. To bridge the gap on perceptions that social impact assessment is only a reporting tool to prove the generated impact, it can also be a tool for improvement. It can be used for organizational learning, communication purposes and implementing new innovative solutions. Social impact construction and assessment is a process, and to understand the generated impact first, there is a need to understand the process of planning the impact. Figure 4.1. consists of the main elements that are crucial for the impact planning process, serving as guidance and a series of steps in building the assessment plan.

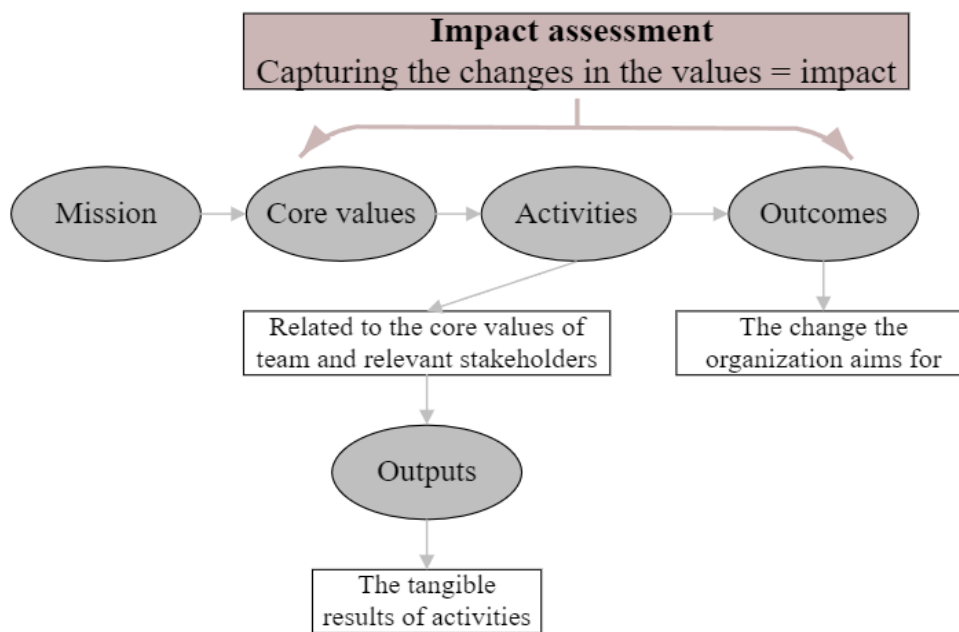


Figure 4.1. Impact planning framework for creative social enterprises (Source: author, 2024)

Social impact planning is a valuable asset the organization can generate and use for multiple purposes while also being aware of the diverse issues and directions in which the organization aims to progress. Based on the principles of TOC and VBA, with reflexivity and value definition in impact planning, CSE can improve its internal operation, align its activities

¹⁶⁰ Vermeulen, M., Maas K. (2021). Building Legitimacy and Learning Lessons: A Framework for Cultural Organizations to Manage and Measure the Social Impact of Their Activities. *The Journal of Arts Management, Law, and Society*. Vol. 51, Issue 2, pp. 100. [accessed 14.05.2024] Available at <https://doi.org/10.1080/10632921.2020.1851839>

that are directed to its mission, and better communicate its impact to stakeholders, especially for attacking the funding.

Mission. The core element is the mission, which drives organizations' activities. The organizations actively pursue their mission, and having a clear sense of mission is very crucial. According to TOC principles, the first prerequisite anticipates the definition of the main objective the project or program is implemented towards. A clear understanding of the purpose of the organization and the work it does is the foundation of effective organizational activities toward resolving social issues. Additionally, the mission helps to clarify the long-term impact the organization wants to achieve in the long term, providing positive changes to its target audience or overall society.

Core values. The next element is the core value definition, based on the theoretical foundations of the VBA approach. The CSEs' creative and social endeavors are directed toward realizing their set values. Considering that the changes that CSEs bring out are often intangible, CSEs tend to define the impact based on experiences and construct them as changes in behaviors and attitudes. Incorporating the perspective of values in impact planning enables CSEs to deliberate on how and which activities are designed to achieve specific values. This principle includes a strong stakeholder presence in defining the core values for the core team of CSE and what the important values for their target audience are. The core values can be set for both internal purposes and external purposes to track the changes both internally, within the organization and externally in society resulting from its activities.

Activities. The next principle is activity identification, which provides the strategic foundation for how the CSE would achieve the outcomes that lead to desired change. The activities are, for example, certain project implementation, initiatives, programs, and content creation – essentially, the tasks the CSEs are setting for themselves and describing in their activity reports. The activity – outcome relationship shows the connection between what an organization does (activities) and what it aims for (outcomes).¹⁶¹ By clearly setting the activities, CSE can better implement and approach the assessment process more strategically.

Outputs. Outputs are crucial evidence of tangible results of activities. There is a possibility that sometimes outputs or the results of activities (e.g., number of visitors, products, or events) are presented as the achieved changes or impact. Still, the real impact or change that needs to be captured is in the impacted stakeholders through the intervention of CSEs and their

¹⁶¹ Belcher, M. B., Davel, R., Claus, R. (2021). A refined method for theory-based evaluation of the societal impacts of research. *MethodsX*. Vol. 7, 100788. pp. 8. [accessed 20.05.2024] Available at <https://doi.org/10.1016/j.mex.2020.100788>

activities. Outputs can be beneficial for tracking the progress of implemented activities, programs, or initiatives by tracking the reach of the events or production volume so, called deliverables, and the overall performance of the organization towards set outcomes. The results can be used for accountability reasons in the form of activity reports that are mandatory to account for what is achieved. For instance, providing a report or summary of organized events or delivered services is an effective way to offer concrete evidence.

Outcomes. Outcomes are the changes the CSE wants to achieve, such as changes in the stakeholder behaviors, experiences, and values engaging in the services or products by the CSEs. CSEs are crucial agents of change, influencing stakeholders through their interventions. The impact assessment process helps to evaluate whether the outcomes are aligned with core values and if there is a change in values, thus indicating an impact.

Multi-goal nature. As discussed in Chapter 2.1., CSEs encompass a multi-goal nature by striving to implement the activities and conduct the business in three directions – creative (cultural), social, and economic. Unlike the widely acknowledged duality nature of SE of social and economic goals, in the context of this research, CSEs are considered to have an additional creative (cultural) goal. Therefore, it is essential to acknowledge the three-goal aspects in impact planning and assessment framework. The CSE should align all the previous principles within the multi-goal nature lens, considering how each aspect can contribute to goal achievement. From a strategic perspective and for the organization's internal purposes, the mission, value definition, and activities should be defined in the context of each goal. When defining the mission, the organization can articulate its key objectives in the creative (cultural), social, and economic aspects. Similarly, core values can be aligned with each goal. The activity planning can be structured according to each goal, considering what activities would foster creativity, artistic, and cultural expression, address social issues the organization aims to solve and ensure financial sustainability. This additional perspective helps CSE practitioners and the core team to reassess their business activities across all three aspects, providing valuable insights into how they can achieve a sustainable business model that successfully fulfills their social mission while pursuing their creative aspirations.

Impact planning provides guidance in exploring whether the organizations' set activities are effective and aligned with set values and designed toward mission achievement. It is also a tool for stronger stakeholder involvement, providing valuable insights, and developing strategies to achieve better the intended changes and the impact for their target audience. At the organizational level, impact planning improves internal communication and ensures that the team understands the purpose and direction of their activities. The three-goal

perspective helps review and think about their activities and organizational structure on a broader organizational level. Ultimately, impact planning can be used for communication purposes to share the organization's story of how its activities strive to bring about positive changes in society.

4.2. Impact assessment process framework for creative social enterprises

Impact planning helps to set the narrative on how the organization wants to approach the impact and capture change. The assessment part is crucial for setting the activities to measure how successfully and to what extent the mission is fulfilled. As the CSEs have a hybrid organizational structure and operational approaches, the assessment process also has a hybrid approach combining various methodologies and tools to capture and communicate the scope of the impact. To practically assess and communicate the impact, several stages are involved in the impact assessment process.

Defining impact metrics. After defining the outcomes or changes the CSE strives for, the impact metrics must be set to measure the identified outcomes. As CSEs are dedicated to creating different values with their activities, the impact metrics can be used to assess the impact of various values. Based on VBA theoretical foundations, it is essential that metrics reflect the defined core values of the organization and the stakeholders. Integrating value-based metrics, for example, community well-being, sense of belonging, or identity of a certain place, can help to assess better the cultural and social dimensions of CSE that relate to personal and societal groups of values.¹⁶² Metrics help to capture the alignment between what stakeholders value and what they experience and measure progress toward achieving the outcomes. Moreover, tailored metrics can effectively capture the specific outcomes of the CSE based on stakeholder perspectives.

Data collection and analysis. Organizations can use various data collection methods by being present and observing or interviewing the visitors or other direct beneficiaries of their activities or conducting surveys or questionnaires to gather data over different time periods. As CSEs are operating with subjectivity and cultural experience generating, the most common approach in data collection is a qualitative approach, which involves observations, focus group

¹⁶² Petrova, L., Klamer, A., Kiss, D. (2017). The Value-Based Approach (VBA) to evaluate the knowledge and network spillovers of the Rotterdam Unlimited Festival. pp. 11. [accessed 25.05.2024]. Available at: https://www.researchgate.net/publication/316664640_The_ValueBased_Approach_VBA_to_evaluate_the_knowledge_and_network_spillovers_of_the_Rotterdam_Unlimited_Festival

discussions, or even artistic expression – such as communal art piece making on documenting the different experiences of visitors.¹⁶³ Nevertheless, financial and operational data is also needed to assess the current financial indicators and build future scenario predictions for resource allocation in achieving the desired outcomes. The approach to data collection should be flexible enough to gather the relevant viewpoints, experiences, and attitudes of the audience. Therefore, various combinations of methods can be used. Data analysis is an integral component in the assessment process, which helps to identify the shifts in values by categorizing the data based on previously identified core values and impact metrics, therefore unveiling the changes in the values and, consequently, the impact.

Impact communication. The essential and concluding stage of impact assessment is impact communication, which informs and accounts for the generated impact. An important aspect of impact communication is narrative creation and storytelling. As CSE practitioners tend to build their understanding of the impact based on their personal experiences and intuitive sense, using narratives can better illustrate the generated impact of stakeholders' values. Additionally, storytelling can better transfer the messages to different stakeholders and audiences. Essentially, the impact assessment process can be viewed as a product in the form of a plan or proposal.¹⁶⁴ The product and its formats can be altered for different purposes and different stakeholders and communicated through various channels, for example, in digital communication through social media platforms.

The uniting and central aspect of impact planning and assessment is **stakeholder engagement**. As discussed before, stakeholder engagement is a crucial element not only in the impact planning process but also in impact assessment. Just as important is involving stakeholders in core value definition; equally relevant is their engagement in impact metric definition and feedback gathering. In designing effective impact metrics, stakeholder involvement can help ensure that the relevant changes are not overlooked in building the impact assessment process, making accurate judgments about who is affected and how by the CSE's activities.¹⁶⁵ Moreover, impact planning and assessment should be perceived as collaborative processes where stakeholders actively participate in influencing the outcomes and have control over the impact. Additionally, community participation can create an opportunity for

¹⁶³ Azevedo, M. (2016). *The evaluation of the social impacts of culture : culture, arts and development*. Master's thesis. Paris: Université Panthéon-Sorbonne. pp. 52.

¹⁶⁴ Van Es, M., Guijt, I., Vogel, I. (2015). *Theory of change thinking in practice: A stepwise approach*. Hague: Hivos People unlimited. pp. 75. [accessed 25 May 2024] Available at https://hivos.org/assets/2020/10/hivos_toc_guidelines.pdf

¹⁶⁵ Nicholls, A., Nicholls, J., Paton, R. (2015). Measuring social impact. From *Social Finance*. Alex Nicholls, Rob Paton, Jed Emerson, scientific editors. Oxford: Oxford University Press. pp. 264.

meaningful engagement rather than a mere formality for regulatory purposes, enhancing the social impact assessment process and participation in further project and initiative development.¹⁶⁶ In other words, if the target beneficiaries or relevant stakeholders are involved in discussions and integrated into solution-seeking activities and processes to achieve social goals with CSE, there is a greater chance of creating and capturing a positive social impact.

The proposed conceptual model for the impact planning and assessment process (see Figure 4.2.) provides an overview of the essential aspects and dimensions that need to be considered for CSE to build its legitimacy through accountability, organizational learning, and improvement. As CSEs produce cultural goods and provide services, their impact often appears intangible and difficult to measure according to formal impact and economic valuation approaches. The model combining the principles of TOC and VBA approaches helps to build a common understanding of the purpose, core values, and strategies of the organization with the collaboration of the core team of the organization and relevant stakeholders.

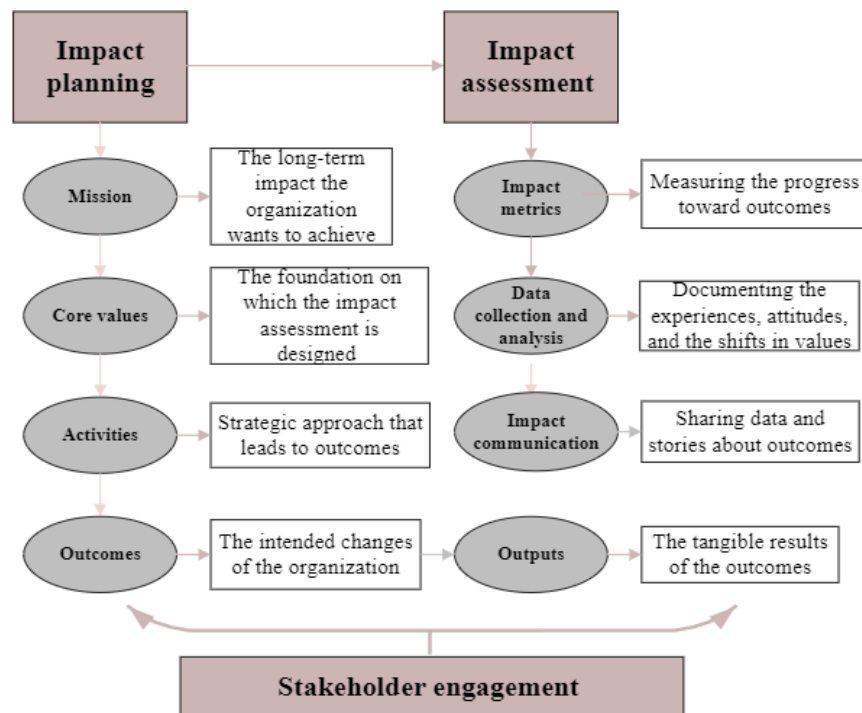


Figure 4.2. Impact planning and assessment model for creative social enterprises (Source: author, 2024)

Moreover, the model incorporates the pragmatic approach perspective (see Chapter 2.3.), where the planning and assessment process itself creates value through the means of mutual sharing of perspectives, experiences, learning processes, and communication to guide

¹⁶⁶ Burdett, T. (2024). Community engagement, public participation and social impact assessment. From *Handbook of Social Impact Assessment and Management*. Frank Vanclay, Ana Maria Esteves, scientific editors. Cheltenham: Edward Elgar Publishing Limited. pp. 315-316.

the organizational processes and activities toward the intended changes and impact the organization wants to achieve. This way, the inclusive and reflective process is ensured by supporting the dynamic environment of the CSEs. The underlying logic chain of the TOC provides a structured pathway to impact, but VBA ensures that in this pathway, each phase is aligned with the core values of the organization, creating a more significant process for all included. Stakeholder engagement ensures that the strategy toward the changes the organization wants to achieve resonates with the relevant stakeholders and beneficiaries of the social mission.

This model ensures not only the guidance of CSEs toward effective assessment, communication of impact, and adaptation to changing conditions but also enhances economic viability by optimizing resource use. It ensures long-term sustainability in which the CSEs continuously refine their processes, improving efficiency and effectiveness over time. This allows for reaching different stakeholders and justifying different rationales, providing opportunities for much clearer communication regarding government support and potential investor attraction. This is an important aspect in contributing to financial sustainability for CSEs based on the financial performance analysis in Chapter 3.3.

By applying the multi-goal perspective, an organization can consider the generated impact in terms of creative (cultural), social, and economic aspects. Integrating these dimensions into the strategic foundation allows the organization to understand how effectively it operates in all these areas.

This model does not provide concrete metrics or categories for measurement; these are up to the organization's specific needs. It outlines the structured pathway determining the planning and assessment process toward justifying the CSE and helping the organization to revise numerous aspects, including organization priorities, resource administration, stakeholder relationships, and management. The main purpose is to provide guidance points for impact planning and assessment, aiming to capture the complexities of this process and help organizations implement these practices on a project or organizational level.

Concluding remarks

This research examines theoretical approaches to arts valuation and social impact assessment, particularly for SEs connected to CCI, defined in this research as CSEs. This research adds to the academic literature concerned with the social impact of the CCI sector, using the perspective of CSEs, who are formally SEs but still essential contributors to the generated impact of the sector. The particular emphasis in this work was on exploring the CSE concept, examining its unique attributes, and illustrating the social impact assessment problem and relevance for these organizations in proving their legitimacy and improving their operational performance. The theoretical part focuses on social impact assessment approaches derived from social entrepreneurship literature and the VBA derived from cultural economics studies to propose a more comprehensive outlook on the social impact planning and assessment process for CSEs.

In the empirical study, the research adopted a qualitative approach to examine the perspectives of the CSE practitioners on managing the multi-goal nature of the organization and viewpoints on the social impact assessment process and practices within their organizations. The primary data was obtained and analyzed by conducting semi-structured interviews with four organizations. These interviews aimed to explore the operational specifics, attitudes, and practices of impact planning and assessment approaches for CSEs, providing a clearer understanding of how to enhance the impact assessment for these organizations. Additionally, an interview with the director of SEAL, Regita Zeiļa, was conducted to discuss the strategies for promoting the development of social entrepreneurship among creative and cultural organizations and to enhance the understanding of social impact planning and assessment among the organizations. The secondary research was implemented by providing content analysis, adapting the institutional approach to illustrate the social entrepreneurship and assessment rhetoric in Latvia, and depicting the focus points and directions discussed in the political documents considering the SE definition, operational scope, and accountability practices within the legal framework. Secondly, the financial analysis was conducted to illustrate the financial performance of three CSEs operating in different fields of CCI, demonstrating the economic aspects and challenges in sustaining the organization with various funding sources for their operations. Thirdly, the activity report analysis was conducted to discover the accountability problem for these organizations, depicting how and with what methods CSEs are justifying their impact and creating changes to maintain their SE status.

The aim of the research was to explore the theoretical perspectives on valuation problems, social impact assessment frameworks, and CSE perspectives to propose a conceptual model for CSE impact planning and assessment based on its organizational characteristics. The research aim and proposed research tasks are considered to be achieved. Based on the examined theoretical foundations and the derived data from empirical research, it can be concluded that CSEs demand a hybrid impact planning and assessment approach to account for the generated impact and use the process for organizational learning and improvements. The CSEs are dynamic and reflexive in their impact assessment process. Therefore, the proposed model is designed to consider the unique characteristics and specifics of these organizations, combining approaches to better reflect the generated impact of the cultural goods, capture the value created by the CSEs, and build on the strategic methods for planning the impact assessment recognized in the field of social entrepreneurship.

Future research in the field of social impact planning and assessment, especially for CSEs, should consider more longitudinal data collection to explore the long-term social impact of these organizations. This would consequently contribute to establishing frameworks for capturing the long-term impact of cultural goods on society. In addition, future research should explore the possibilities for more accurately capturing the economic impacts of CSEs by employing economic assessment methods.

Conclusions and suggestions

Conclusions

1. Social entrepreneurship in CCI requires considering perspectives on the valuation of arts and cultural goods, which surpasses traditional economic principle application and proposes innovative approaches to capture the values inherent in creative practices.
2. The VBA provides a more holistic approach to the valuation discourse by using the perspective of valorization as a social and collaborative process where value recognition and, therefore, assessment have to be shared.
3. The defining characteristic of CSEs, distinguishing them from other SEs, is their multi-goal nature, where creative (cultural), economic, and social goals must be achieved and balanced. Therefore, social impact planning and assessment approaches that consider multiple dimensions of CSE are essential for promoting social impact assessment for these organizations in the academic field.
4. The social impact assessment literature lacks a hybrid assessment adapted for the unique needs of CSEs to justify the intangible aspects of produced cultural goods and services.
5. The social entrepreneurship field in Latvia is heavily focused on WISEs, and according to the expert interview, cross-sectoral collaboration is essential for wider recognition and legitimization of CSEs on the political level.
6. The impact assessment practices for CSEs for impact accountability mostly stay at a formal level, such as mandatory activity reporting for the Ministry of Welfare. However, their described practices and viewpoints on impact planning and assessment indicate a reflexive and intuitive approach that often is not captured in formal formats, adapting known social impact assessment theories or approaches from the academic field.
7. The empirical study reveals that CSEs are influenced by diverse stakeholders and ambiguity around social impact assessment related to the various sources of financial support and conflicting priorities between impact assessment and organizational goals.
8. Applying the TOC and VBA to social impact planning and assessment for CSEs provides a comprehensive approach to capturing the produced changes, ensuring the collaborative process for enhancing the organization's accountability and facilitating learning.
9. The demand for justification of social impact from different stakeholders and organizations' views of its contribution to achieving social mission makes impact planning and assessment an essential part of the SE. This process is crucial for understanding the

intended purpose, method application for assessment, and value generation and capture as the central aspect that affects everyone involved in the process.

10. The impact planning and assessment model for CSEs introduces a strategic approach that can help organizations learn and manage their activities. It also includes the engagement aspect, which is essential in building the trust of the different stakeholders and communicating the generated impact to a wider audience, legitimizing the organizations' position as essential contributors to social change.

Suggestions

1. On a political level, targeted cooperation between the cultural and creative sectors and the social entrepreneurship sector is necessary to promote recognition, relevance, and strategic policy development for the CSE field.
2. The Ministry of Welfare, in cooperation with the Ministry of Culture, must monitor and collect comprehensive data on the performance of CCI organizations working as SEs, both *de facto* and *de jure*, to promote an understanding of the scale and significance of these organizations' operations.
3. The Ministry of Welfare and Ministry of Culture should implement educational activities and communication campaigns about CSEs to promote their potential and recognition in the market.
4. In impact assessment reporting, a more adaptable approach should be ensured, considering the different operational scales, sizes, and capacities of SEs, especially considering the field of activity for organizations such as CSEs.
5. The Ministry of Welfare and Ministry of Culture, in cooperation with the development finance institution "Altum," should develop grant support programs to help nascent CSEs promote their turnover and ensure long-term economic viability to sustain the business.
6. The Ministry of Welfare and Ministry of Finance should ensure additional financial support for mentoring and educational programs that support and build the capacity of CSEs in their impact planning and assessment process.
7. Cooperation between researchers and organizations should be encouraged to foster collaborations in impact assessment and communication by jointly creating projects that emphasize conducting social impact assessments.