EVALUATING CULTURAL ENTREPRENEURSHIP OUTCOMES: SROI REVIEW OF COTTON CRAFT WOMEN'S GROUP

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Abstract - This article explores the use of Social Return on Investment (SROI) as a tool to measure the outcomes of cultural entrepreneurship programs, focusing on the "Chu Hug" Cotton Craft Women's Group in Khemarat District, UbonRatchathani, Thailand. The SROI method was employed to quantify the social, economic, and environmental impacts of activities conducted under the Area-based Cultural Economy Development Project (*2021-2024).* Data were collected using a mixed-methods approach, including focus groups, questionnaires, and interviews with key stakeholders. The findings highlight significant outcomes, such as increased revenue, enhanced community pride, and better health outcomes for participants. The study calculated an SROI ratio of $2.388for every $*1* invested, demonstrating the value generated by cultural enterprises. These results emphasize the potential of cultural entrepreneurship to drive sustainable development in rural areas, supporting policy frameworks for enhancing the monitoring and evaluation of social impacts.

Keywords - SROI (Social Return on Investment), Cultural Entrepreneurship, Program Outcome, Cotton Craft

I. INTRODUCTION

Cultural and creative entrepreneurs have been seen as key agents of the development and revitalization of rural and remote areas (Pitti, 2019). The interest in cultural entrepreneurship has been increasing since the 2000s.Rural cultural entrepreneurship could function as a helping hand for the revitalization of rural areas.

This issue lead to increases of rural female cultural entrepreneurs in Thailand. Cultural entrepreneurship can be defined as the specific activity of establishing cultural businesses and bringing to market cultural and creative products and services that encompass a cultural value and also have the potential to generate financial revenues.

To ensure the sustainability of cultural enterprises, the government plans to enhance its monitoring and evaluation through financial assessment. Social Return on Investment: SROImethod is a concept used to measure the economic return on investment by quantifying the social added value of cultural enterprises, encompassing both tangible and intangible benefits.

Presently, SROI technique is a globally recognized method for assessing the value of outcomes from social investments(Seow, She and Radzuan, 2021). Unlike traditional Cost-Benefit Analysis, SROI incorporates a broader spectrum of change, considering social, environmental, and economic impacts with measurable indicators. First documented in the early 2000s by the Roberts Enterprise Development Fund (REDF) in the USA and tested by the New Economics Foundation (NEF) in 2004(NEF, 2004). The SROI technique emphasizes measuring a broader concept of how change is created and valued. It calculates a benefit-to-cost ratio by assigning monetary values to social, economic, and environmental costs and benefits (Nicholls, Lawlor and Neitzert, 2012; W

illiams, 2020). This approach involves engaging various stakeholders in decision-making and considering the social impact. The theoretical foundation of SROI is based on three key theories: (1) the grounded theory, (2) the theory of stakeholder, and (3) the theory of change.

SROI analysis involves six stages base on the seven principles: identifying key stakeholders, mapping outcomes, evidencing outcomes, establishing impact, calculating the SROI and reporting, using and embedding the report (Nicholls, Lawlor and Neitzert. 2012).SROI is a framework that involves the following 6 steps: (1) mapping outcomes, (2) evidencing outcomes, (3) valuing outcomes, (4) setting up an impact map, (5) calculating the SROI ratio, and (6) reporting and using the results to improve practice (Suryani et al., 2022).

This article utilizes the SROI method to measure the social impact generated by the research project on Social Capital under the Area-based Cultural Economy Development Project in Khemarat District, UbonRatchathani province, from May 2021 to November 2022. The focus of this study is the social impact resulting from the development of the Potential

of Cultural Entrepreneurs activities, measured using the SROI technique from May 2021 to May 2025. Focusing on the Cotton Craft Women's Groups, name "Chu Hug" Group." The SROI method is chosen for its ability to standardize intervention outcomes by converting them into monetary values.

SROI can incorporate various outcomes, including: (1) Social Outcomes: impacts primarily on individuals. (2) Economic Outcomes: results that lead to increased income for individuals or communities. (3) Environmental Outcomes: effects on the environment. (4) Community Regeneration Outcomes: broader impacts on community revitalization.

II. METHOD AND ANALYSIS STUDY DESIGN

This study employed an SROI methodology incorporating a mixed-methods approach (focus groups, questionnaires, semi-structured interviews, and online chats) for ex-post evaluation of the Area-based Cultural Economy Development Project (2021-2024).

The six stages of the SROI method, which represent current prevailing practice in the UK social impact sector(Nicholls, Lawlor and Neitzert, 2012), were adapted into a framework suitable for the cultural enterprise case, summarized in Table 1 and detailed below.

III. RESULT AND DISCUSSION

A. Stakeholder Identification

Stakeholder involvement is essential for SROI, as they provide valuable insights into the outcomes they value most. Table 1 details the identified stakeholders and the reasons for their inclusion or exclusion from the SROI analysis

Stakeholder	Include in SROI?	Reason for Inclusion/Exclusion
Woman's weaving group (leader and members) Role: Program beneficiaries who weaving cotton	Yes	Direct benefit from the program. Vital in order to identify key outcomes. All member weaving group can provide key information and details on the changes that have been achieved for them (face-to-face interview and focus group).
Government: Provincial Cultural Office Role: Internal stakeholder, Partner Organizations	Where possible	Their feedback can fulfills the element of materiality.
Local people (people usually wear cotton fabric) Role: Program beneficiaries who consume cotton fabric produced by the women weaving Group	Yes	The community fulfills the element of materiality because they are the beneficiaries of implementation (face-to-face interview and focus group).
Community leader Role: Supporters of programs, playing a crucial role in facilitating the execution of activities.	Yes	Can identify change and attribution (face-to-face interview and focus group).
Consumer/Tourist Role: Individuals who have purchased or plan to purchase products and services.	No	Based on stakeholders can notdescribe identify change and attribution.
Funder Role: The initiators, drivers, and program donors.	No	To maintain a manageable scope, commissioners and funders were excluded from this study, but they may be included in future evaluations.
Researcher Role: Implementation and facilitating activities' programs.	Yes	Can identify change. Face-to-face interviews. Also consulted at times when we required additional information for the Forecast SROI.

Table 1 Details on the identified stakeholders

Stakeholders	Outcome	Indicator	Number	Value ($)	Attribution (%)	Drop off (%)	Present Value of Outcome ($) ($t_0$-$t_3$)@ i=3.5%
Woman's weaving group	- Revenue increase	Average marginal profit of indigo fabric	30 pieces	20.14	50	30	738.07
	- Pride of Indigo fabric	Average marginal profit of scraps fabric	500 pieces	1.74	75	30	531.38
		Average marginal profit of special event	4 times	226.45	75	30	553.24
	- Happiness (due to improved health outcomes, to stop feeling lonely)	A reduction in health-related expenses for members of the women's group.	5 persons	10.47	30	30	153.48
Weaving group and community	- The group is widely known as a tourist attraction.	Increased Number of Tourists/Special Event Audience	12 times	174.42	50	30	1,491.45
Leader of Women's Group	- Increased confidence in business management	Opportunity Cost of training attended.	1 group	100.29	30	30	171.51
The male member	- Change in attitude	Value of cotton thread (tie-dye) call "mee" in Thai	6 pieces	4.36	0	30	63.91
Community - Local people (Residents)	- Community a better place to live Better relationship)	Opportunity Cost of participation together	41 time	1.09	80	30	21.84
	Improve of the community image (Pride of community)	- Average of donations from Museum Visitors	12 months	14.53	70	30	127.79
Note: Deadweight and Displacement = 0%							

Table 1Indicators to confirm outcomes have been achieved

B. Mapping the Outcome of Each Stakeholder, Setting Indicators and SROI Results

Having identified the relevant stakeholders, it is crucial to establish the Theory of Change (TOC) by understanding the relationships between inputs, outputs, and outcomes. This study aims to understand how the project impacts stakeholders' lives. To present the TOC, the SROI approach begins with an impact map, which demonstrates that stakeholders provide resources (Inputs) to implement activities (Outputs), resulting in changes outcomes) for the beneficiaries.

In this study, the mapping outcomes were primarily derived from focus group discussions and interview results. Table 1 presents the partial logical model and the elements of the TOC on which the study is based on stakeholder opinion and raw data.

C. Discount Rate

Discount Rate for outcomes where benefits extend beyond one year, a discount rate of 3.5% was used to calculate the present value of these outcomes (Corvo, Pastore, Mastrodascio, and Cepiku, 2022). This discounting approach acknowledges that while the skills gained will not be forgotten, they may evolve, leading to the application of a discount.

To ensure the value accurately reflects the impact of the intervention and adheres to the principle of "do not overclaim," several adjustments were made to the SROI calculations. These adjustments, expressed as percentage reductions, were applied to each outcome. Deadweight was set at zero since no outcomes would have occurred without the intervention. Similarly, displacement was also zero, indicating that no other activities or services were replaced by the intervention.

Attribution accounted for contributions from other agencies, as discussions with stakeholders revealed that some individuals received assistance from other agencies, though in contexts distinct from this intervention. Finally, drop-off adjustments addressed outcomes that would not be sustained, reflecting variations in stakeholder opinions regarding the durability of the impacts.

The SROI for the above is calculated as follows:

$$\text{SROI} = \frac{\text{Net pressent value of outcome}}{\text{Net pressent value of investment}}$$

$$\text{SROI}_{t_0-t_3} = \frac{3{,}724.87}{1{,}559.88} = 2.388$$

This shows that for every $1 spent on implementation development of the Potential of Cultural Entrepreneurs "Chu hug" group provides a social return of $2.388

When performing SROI calculations, it is not advisable to compare the results with those of other courses. The methodologies, limitations, assumptions, and valuations used in each analysis can vary significantly.

IV. CONCLUSION

This study highlights the critical role of cultural entrepreneurship in driving sustainable development in rural areas, focusing on the Chu Hug Cotton Craft Women's Group. By employing the Social Return on Investment (SROI) method, the research effectively quantified the social, economic, and community impacts generated by the initiative. The calculated SROI ratio of $2.388per $ 1 invested demonstrates the substantial value of the program, validating its effectiveness in enhancing economic opportunities, promoting community pride, and improving individual well-being.

The results emphasize the importance of participatory approaches in identifying and assessing outcomes, as diverse stakeholder perspectives provided a holistic understanding of the intervention's impact. Adjustments to the SROI calculations, including considerations for attribution, and drop-off, ensured that the findings accurately reflected the intervention's contributions.

While the study underscores the potential of SROI as a tool for evaluating the social value of cultural entrepreneurship, it also acknowledges its limitations, particularly in assigning monetary values to intangible benefits and capturing long-term outcomes. Future research should focus on longitudinal studies to better understand the sustainability of such impacts and explore the scalability of similar initiatives in other cultural contexts.

In conclusion, this research provides compelling evidence of the transformative potential of cultural entrepreneurship to foster economic resilience, strengthen social cohesion, and revitalize rural communities. These insights serve as valuable guidance for policymakers, practitioners, and stakeholders aiming to implement impactful and sustainable community-based programs.

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