

## SOCIAL RETURN ON INVESTMENT FOR COMMUNITY-BASED ENTERPRISE IN SURABAYA CITY

ALUISIUS HERY PRATONO  
SUYANTO

DEDDY MARCIANO  
*Universitas Surabaya, Indonesia*

CHRISTIAN ZURBRÜGG  
*Eawag, Switzerland*

**Abstract:** This study aims to examine the social impact of a community-based enterprise model in Surabaya City. The analysis focuses on grass-root communities and highlights some technical challenges in order to develop a meta-theory with the intention of examining the underlying assumptions of the social return on investment. The social impact analysis is based on a social return on investment (SROI) approach, which involves community participation through focus group discussions. To avoid complexity, this study focuses on one year's activities, which attributed monetary values to the social impact. It is argued in this study that the green and clean activities provide a return of 1.23 on the investment. This result demonstrates how the community-based social enterprise is feasible in achieving appropriate support. First, this study focuses on the community perspective during the observed time. The communities may experience different levels of capability and resources that contribute to the achievement of the programme. Secondly, there is a lack of literature that could provide financial analysis and there is no common accepted method for measuring the value of the social benefits. Beyond the SROI computation, this study highlights some technical challenges and misconceptions involved in measuring the social return on investment (SROI). Although there is considerable information available about the conceptual framework of SROI, there is great variability in how SROI is applied across interventions. This makes robust and consistent comparisons across social ventures difficult, while rendering the validity of SROI measures vulnerable to being contested.

**Keywords:** Social return on investment; social enterprise; community-based waste management.