

Module 1

Introduction to Social Entrepreneurship

Lesson 1



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Learning Outcomes

After completing the Module, you should be able to:

LO1: Contextualise social enterprises within the labor market and then have more confidence on your knowledge on the subject matter -- Comprehension and understanding

LO2: Have the ability to integrate, reflect, evaluate and manage the received information searched for from various sources to synthesise it and formulate by describing and performing on your own terms.

LO3 : Raise awareness among other people about the concept of social entrepreneurship and those values linked to it -- Explain and demonstrate



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What is a social enterprise?

A **social enterprise (SE from now on)** is made up of people with **social and/or environmental concerns** that **seek to improve them or solve them** by selling innovated products or services.

To keep the social enterprise running, **they also seek economic growth**. So they reconcile economic profit with social and environmental profit.



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What is a social enterprise?

Producing does not imply generating only commercial gains (economical). It also has to produce social profit (for the Community, vulnerable people, the environment, etc.), increase the personal welfare and the development of social justice, as well as the environmental protection. Therefore an ES seeks double results; Promoting social change as well as making profits from the product or service the SE offers.

A social Enterprise also takes care of its employees. It creates stable work with decent salaries, a distribution of responsibilities among the workforce, and it procures a nice environment. All this enriches the employees.

Enterprise with purpose

Social enterprises are purpose-driven organisations that trade to deliver social and environmental impact



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What is a social enterprise?

A SE aims to be self-sufficient economically, by the revenues they get through the sales of the products or services they offer. However, the economical gains of a social Enterprise are not distributed among stockholders (the owner/s of the enterprise). They are reinvested in the project and that way they generate a major social impact.

Many social enterprises have acquired a business structure making the best of it for the economical gains while they procure for the social and environmental changes. In the 70's, the first definition of a social Enterprise was “a democratic organisation, independent, with a social objective, and running within the standards of environmental protection”. This definition is currently valid.

A social enterprise can work in many different fields such as: finances, social labor, cultural inclusion, elderly support, low cost medical services (health services), new educational methodologies (education), alternative energies, environment, fair trade, or the sales of a variety of products



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What is a social entrepreneur?

A social entrepreneur, according to Ashoka criteria (see webgraphy) should have the following profile:

- a.** Entrepreneurship motivation, as a motor to change society. Not giving fish, not teaching how to fish but changing the fishing industry
- b.** Focus in one area and a problem within this area. For example, a courier service enterprise where the messengers are people with intellectual disabilities. This SE provides work for these people, which has a social impact, and have an economic benefit.
- c.** Knowledge. Entrepreneurs study their field of action (the people, the institutions, the technology) to make the best project.
- d.** Experimentation (ideas). An entrepreneur tests and experiments with different ideas until she/he finds the one to dedicate herself/himself for it will bring social benefits as well as economic ones. She/he has had to learn how to provoke a structural social change. She/he wants to change society and fight during decades.



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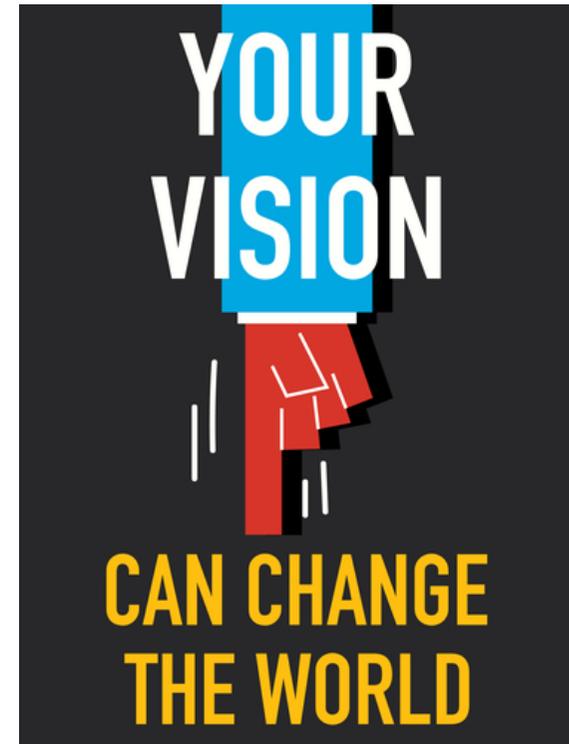
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What is a social entrepreneur?

e. How. She/he asks himself/herself many questions in order to provoke the social change he/she is seeking in the field he/she has chosen. For example: How - what do I have to do in order to reach its objective? How do I make the pieces to fit? How will I solve this problem, and the following?

Three elements that a social entrepreneur should have are :

- a. Creativity (innovative solutions) to establish objectives and solving problems. **Innovation** is one of the key points.
- b. Vocation. It is the internal driving force. This brings along leadership; that is, knowing how to administer (manage), knowing how to do what is necessary in order to carry out the project. They do not take a rest until they have provoked a social change.
- c. Have an ethical code so people trust them.

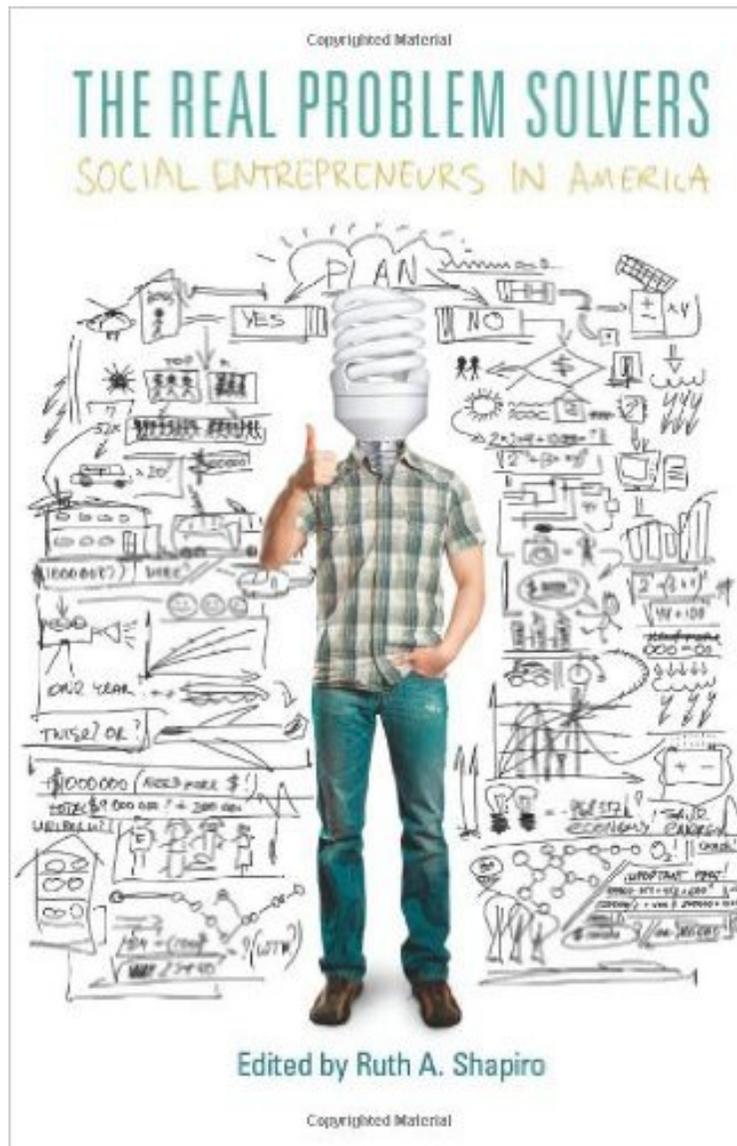


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What is a social entrepreneur?



It's important that a social entrepreneurs know how to disseminate the social change he/she wants to promote in order to have a large sector of the population believing also in it and therefore help to achieve the social change (see Module 4)

The European Commission supports the creation and eases the way for the creation of social enterprises. Local public administrations are adopting measures as well to ease the way to training, guidance and funding for the creation of social enterprises.

This eases the way to social entrepreneurs and enables the creation of employment.



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What is social innovation?

It is a new solution to a social problem, or the introduction of something new into something that already exists that improves it. New or improved products or services, new improved processes or forms of organisations. New ways of social performances in very different areas of society, searching for new solutions to societal problems and challenges. More effective, more efficient, more sustainable, and more fair. *Social innovation contributes with answers to the whole of society and not only to some individual*
(Murray, R)



For Murray, social innovation means new ideas (products, services and models) that satisfy social and environmental needs. It also creates new collaborative relations. This way, there can be a transference of ideas among entrepreneurs; new experiences can be known and replicate the model in other contexts.

An example of social innovation is **online volunteering**, a free service launched in 2000 where individuals from all over the world contribute to the needs of development of Non-profit organisations with social and environmental aims, as well as public institutions.

Social entrepreneurs must incorporate social innovation within their projects and work.

How does a social enterprise differ from a normal private business?



Traditional economy does not satisfy the environmental, personal and social expectatives. With the neoliberal policies and the capitalist economic model, the Well fare state has started to be dismantled. Here, social enterprises have seen a niche of opportunity to emerge in order to fill in those needs that the Well fare state has left behind, to improve the local and community well fare, the social inclusion, and the gender perspective as a moral and ethical responsibility



Social enterprise: its main aim is social/ environmental change. It produces innovative solutions to social problems; while it looks for economical sustainability; and uses business tools and principles for its management. A social enterprise reinvest their profits to the mission of the organisation as opposed to a traditional enterprise.



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How does a social enterprise differ from a normal private business?

Social enterprises also tend to create strategic alliances. We live in a changing and competitive world where it is better to establish collaboration in order to get more economical profit and to adapt better to the changing reality. They also sum up expertise, know-how and sharing experiences, in a non-competitive way.

Private business organisation: is an individual or group of people that collaborate to achieve commercial goals. For example, sell products or services to generate revenue and earnings. Most business organisations are formed to earn income for owners and stakeholders. Success depends on making more profit for the owners of the business. Some of them don't take into account the negative impacts that the actions they carry out might have upon society or the environment.

So although both types of enterprises have a business mission, values, objectives and strategies, one does it only to make profit (private business) while the other one does it to improve society (social enterprise)



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