

INTRODUCTION TO SOCIAL ENTREPRENEURSHIP IN EUROPEAN SCHOOLS



ETCO

EMPOWERING TEACHER COMPETENCE
TO PROMOTE SOCIAL ENTREPRENEURSHIP
IN EUROPEAN SCHOOLS

WHAT IS SOCIAL ENTREPRENEURSHIP?



I.M.PANAGIOTOPOULOS SCHOOL

since 1891

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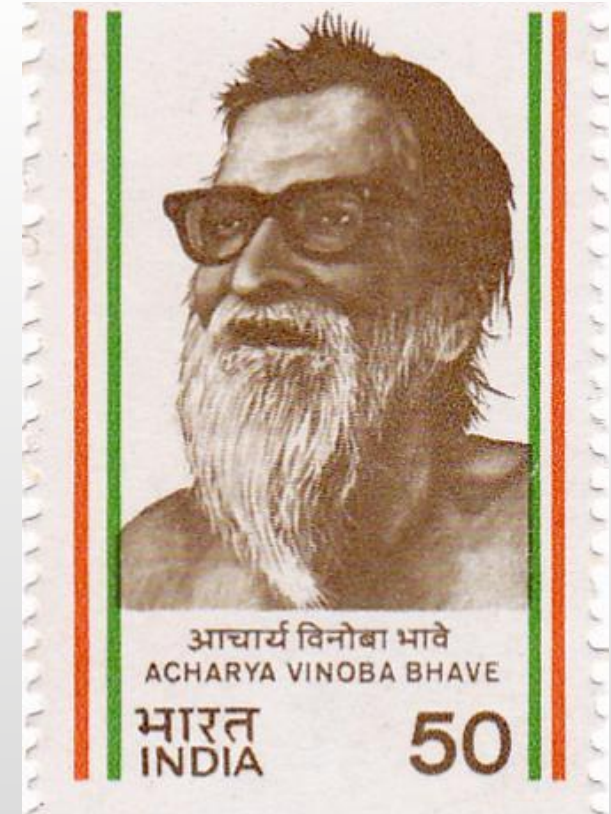
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HISTORY OF SOCIAL ENTREPRENEURSHIP

- Social entrepreneurship is a term that gained popularity in the 1960s but its usage can be found throughout history. The idea of applying entrepreneurial ideas to solving social problems or bringing positive change in society emerged strongly from the 19th century onwards.
- Among those who first practiced social entrepreneurship ideals we find:

VINOBA BHAVE

The spiritual successor of Mahatma Gandhi and founder of India's Land Gift Movement that helped relocate land to untouchables.



FLORENCE NIGHTINGALE

A trailblazing figure in nursing who greatly affected 19th- and 20th-century policies on medical care and laid the foundations for the first school of nurses.



MARIA MONTESSORI

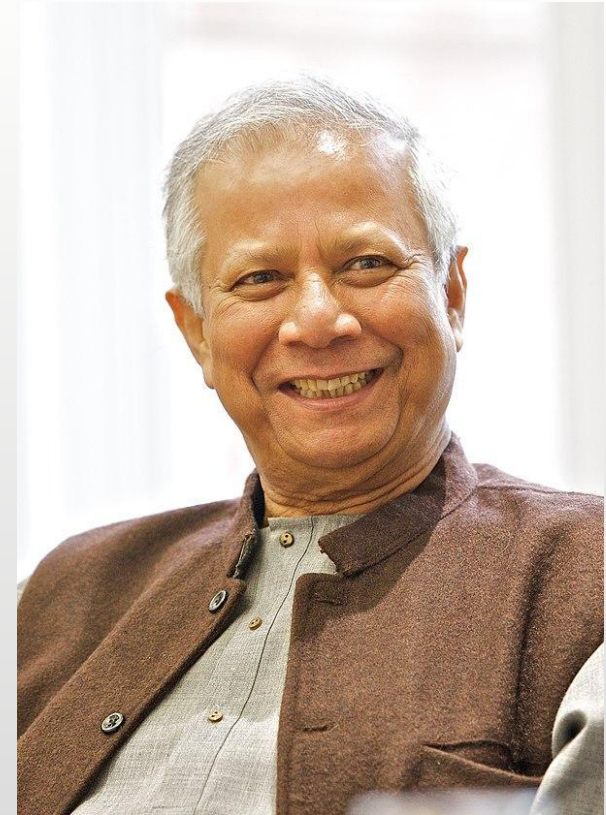
A pioneer in education who developed the Montessori approach to early education in children.



MUHAMMAD YUNUS

Social entrepreneurship was popularized in the 1960s after the establishment of *Grameen Bank* by Muhammad Yunus. The bank tried to address the issue of people living below poverty line launching the now famous policies of microfinance and microcredit.

Yunus came to believe that very small loans could make a real difference to a poor person. While traditional banks did not want to make tiny loans at reasonable interest to the poor due to high risk of default, Yunus believed that, given the chance, the poor will repay the money and hence microcredit was a viable business model.



SOCIAL ENTREPRENEURSHIP TODAY

In the past few years social entrepreneurship has grown along with the attention paid to sustainability:

- The subject is included as a separate branch of management courses,
- Social ventures are thought by many as the most viable answer to a plethora of social problems,
- World class graduates give up lucrative jobs to work and contribute to society,
- Comprises a separate academic field with researchers publishing findings on its efficacy in alleviating poverty and other social problems.

AN ALTERNATIVE ENTREPRENEURIAL ECOSYSTEM

- **Social entrepreneurship:** Businesses oriented at solving social problems.
- **Socially responsible investing (SRI):** investing money in companies and funds that have positive social impacts.
- **Environmental, social, and governance investing (ESG):** Socially conscious investors screen potential new investments for environmental, social, and governance criteria. How does a company perform as a steward of nature? How it manages relationships with employees, suppliers, customers, and the communities where it operates? How does it treat its company's leadership, compensate its executives, and approach audits, internal controls, and shareholder rights?

SOME FACTS ABOUT SOCIAL ENTREPRENEURSHIP IN EUROPE

- During the last decade, most European countries developed legal frameworks to regulate and facilitate the operation of social enterprises.
- Financial support to social enterprises in the form of tax exemptions, varies by country.
- The number of social enterprises cannot be estimated because of the many definitions in place for social entrepreneurship, it seems that their number varies from tens of thousands in countries like Belgium, France, Italy and Germany to a few hundred in countries like Croatia and Cyprus. The highest number of SEs per million is found in Italy.
- The number of people employed in SEs varies from over a million (France, Italy) to less than five hundred (Montenegro)

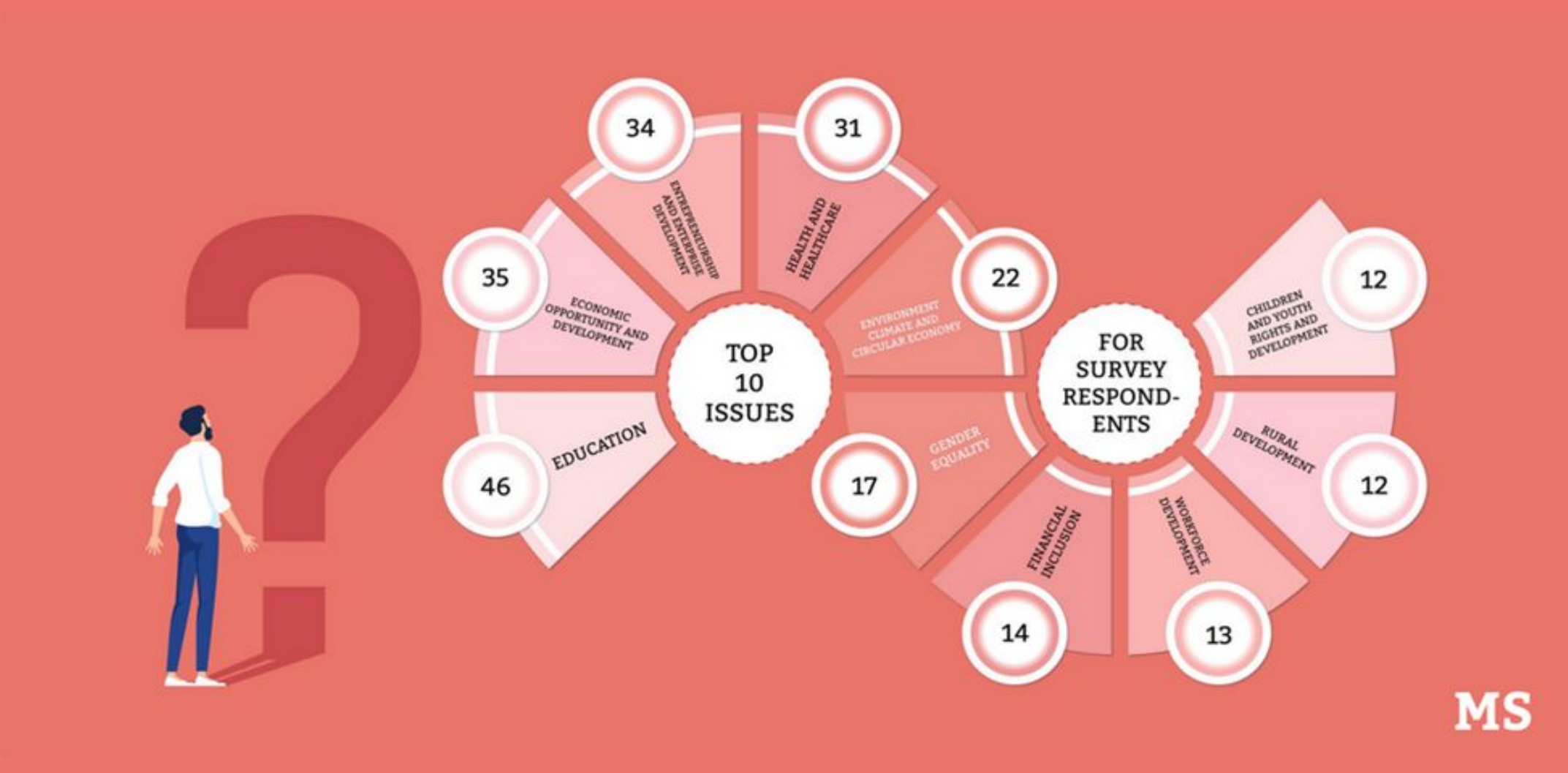
SOCIAL ENTREPRENEURSHIP AS A TOPIC OF ACADEMIC INQUIRY

- There is a growing body of research on social entrepreneurship and the impact of SEs.
- Research has found that social entrepreneurship can be a powerful mechanism to confront poverty, empower women, catalyze social transformation, foster inclusive growth in subsistence marketplaces, and bring about institutional change.
- However research so far has been largely case-study based, focusing on successful SEs. This leaves many questions unanswered related to the factors that can enhance or obstruct the ability of SEs to make a difference. For example, do SEs perform better in some setting rather than others? Do they work better in some parts of the world than others? Can they address global issues effectively? In which cases can they be more effective than other actors such as public services?

DEFINING SOCIAL ENTREPRENEURSHIP

1. Social entrepreneurship is the venture of starting a business in order to solve a social problem and create positive change.
2. Social entrepreneurship is the process of recognizing and resourcefully pursuing opportunities to create social value, oftentimes by innovating products, providing employment or education, disrupting an industry, or taking a new approach to failing methodologies.

SOCIAL PROBLEMS



AN ANALYTIC DEFINITION

Social entrepreneurship may involve a combination of:

- identifying a **stable but inherently unjust equilibrium** that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own,
- identifying an **opportunity in this unjust equilibrium**, developing a social value proposition, and bringing to bear inspiration, creativity and direct action to challenge the stable equilibrium, and
- forging a **new, stable equilibrium** that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future (Martin and Osberg 2007)

BILL DRAYTON

'Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the entire fishing industry'.

THE PIONEER OF
SOCIAL
ENTREPRENEURSHIP



Bill Drayton

Founder of Ashoka, Top 10 Greatest Social Entrepreneurs,
recognized as America's 25 Best Leaders by US News and World Report

*Social entrepreneurs are not content just to give a fish or
teach how to fish. They will not rest until they have
revolutionized the fishing industry.*

ENTREPRENEURS AND SOCIAL ENTREPRENEURS

Entrepreneurs and social entrepreneurs alike are strongly motivated by the opportunity they identify and pursue that vision relentlessly.

The social entrepreneur, however:

- does not necessarily seek to create profit, but aims at social impact,
- does not come up with a value proposition that assumes a market can pay for the innovation in hope of profit but articulates a value proposition that targets a neglected, or highly disadvantaged population that lacks the power to achieve change by itself.

This does not mean that social entrepreneurs cannot form value propositions that include profit-making and thus **social enterprises may be either profit or nonprofit organisations.**



In a classic and idealized definition Dees considers the social entrepreneur as ‘a change agent who works through a mission to create social value and the search for new opportunities to achieve that mission. Where others see problems, social entrepreneurs see opportunities. The will to innovate is part of the entrepreneurs’ modus operandi, and it should not be understood as a sudden explosion of creativity, but as a continuous process of exploration and learning. Furthermore, entrepreneurs tend to have a high tolerance for ambiguity and learn to manage the risks associated with it. They see failure as a learning opportunity and act responsibly, using scarce resources efficiently, calculating risks so as to reduce the harm that will result from failure’ (Dees 2001).

NON-PROFIT, SOCIAL ENTERPRISES AND SOCIAL SERVICES

- A non-profit organization acquires money from fundraising, donations and government support and the money goes straight back into their cause.
- A social enterprise usually maintains the goal of generating a profit. While the business intends to create social impact, it exists as a commercial business and generates income by selling a product or service.
- A social service agency or organization seeks to help underprivileged groups but they rarely break out of their limited frame: Their impact remains constrained they cannot easily create replicators and they are not likely to lead to a new superior equilibrium.



TRIPLE BOTTOM LINE

Generally, socially enterprises strive for success in three main areas that matter the most:

- *People, Planet, Profit.*

A company will have a healthy triple bottom line when they are taking measures to:

- Ensure the well-being of customers and all stakeholders,
- Minimize their footprint by paying close attention to resources and consumption,
- Grow profit margins.



IMPACT BASED BUSINESS MODELS

- **Awareness and cause model:** A social enterprise that seeks to raise awareness and to get people involved in a cause.

Love Your Melon raises awareness to childhood cancers. The company followed the one-for-one social entrepreneurship model in which one beanie was donated to a child battling cancer for every beanie sold. Initially a nonprofit organization, transitioned to for-profit in 2016. Today, 50% of the company's net profits are donated to charitable causes to fight pediatric cancer.

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- **Hiring model:** A social enterprise which hires someone who doesn't have access to employment.

Anchal Project is a nonprofit that uses design and collaboration to provide economic opportunities for marginalized women to empower themselves through the creation of sustainable products, holistic programs, and global market access.

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- **One-for-one model:** A social enterprise which gives one product free for every product bought.

TOMS, providing shoes for children in need, has expanded their giving model to include access to safe drinking water, eye surgery, bullying prevention and safe births, FIGS medical equipment.

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- **Environmental model:** A social enterprise which makes a significant positive impact on the environment.

Grain4Grain is a FoodTech startup which developed a patent pending process that dries and mills byproducts, specifically brewers spent grain, into a low carb, high protein flour.

SUCCESSFUL SOCIAL ENTERPRISES

- The founder and manager of *Grameen Bank*, Muhammad Yunus is a contemporary social entrepreneur who has been awarded a Nobel Peace Prize for his venture in the year 2006. The venture has been continuously growing and benefiting a large section of the society providing small loans to poor or excluded individuals.
- *Rang*, established in 2008, is as an online platform from where rural and urban poor in India can access micro-credits with an interest rate of as low as 2 percent per annum. Lenders from all across the country can directly lend money to borrowers, track investments and receive regular payments online.

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- *Easy Solar* creates a range of solar-powered lighting on affordable financing plans for Sierra Leone citizens with no electricity.
 - Many social ventures invest in advancing technological innovation. From apps for mental wellness to digital farming, mobile banking, HealthTech and microfinancing, technology enables social impact by improving accessibility and well-being. For example, mobile apps that speak to the needs of particular communities are of particular interest to many social enterprises. Such apps may provide the ability to alert local authorities on infrastructure damages, or may enable individuals to report infractions committed by city officials or even law enforcement thus giving a voice to the community through technology.

RELEVANT INSTITUTES AND ORGANISATIONS

- **Ashoka:** Founded in 1981, Ashoka is the largest network of social enterprises. It identifies and supports social entrepreneurs, and mobilizes a global community that embraces these new frameworks to build an "everyone a changemaker world."
- **The Skoll Foundation:** Founded by Jeff Skoll, the first president of EBAY, it supports social enterprises and highlights their work by establishing partnerships with media outlets and institutes such as the Sundance Institute.

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- **Echoing Green:** A non-profit organization that operates in social sector investing for over 25 years.
 - **Schwab Foundation for Social Entrepreneurship:** Its main purpose is to promote social innovation, does not give grants but addresses issues and provides platforms at the country, global and regional levels.
 - **Omidyar Network:** Established in 2004, the Network is a philanthrocapitalist investment firm that fosters economic advancement. With a network of for-profit companies, the network encourages participation in the areas of government transparency, microfinance, social media and property rights.
 - **Startsomegood** is a social for-profit enterprise which helps social innovators with their crowdfunding campaigns.

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