

EVROPSKÁ UNIE Evropské strukturální a investiční fondy Operační program Výzkum, vývoj a vzdělávání



## 3P0644 SOCIAL ENTREPRENEURSHIP INTRODUCTION

ING. JANA MÜLLEROVÁ

#### SOCIAL ENTREPRENEURSHIP

The aim is to solve societal problems in an economically sustainable way and with maximum positive impact on the environment

## SOCIAL ENTREPRENEURSHIP

Social entrepreneurship differs from traditional forms of entrepreneurship in that the primary goal of the social venture is to address social problems and needs that are as yet unmet. The driving force of such ventures is social value creation.

(Beugré, Constant: Social Entrepreneurship 2017)

#### TERMS AND RELATIONS

SOCIAL ECONOMY

SOCIAL ENTREPRENEURSHIP

SOCIAL ENTERPRISE

INTEGRATIVE SOCIAL ENTERPRISE

SOCIAL ENTREPRENEUR

**SOCIAL INNOVATION** 

## **SOCIAL ECONOMY**

public sector

market sector

non-profit/civic sector

Social sector = non-profit sector and cooperatives, + social enterprises

social sector - "includes private entities, independent of the state, carrying out economic activities while pursuing social and environmental objectives"

TESSEA, Report 2018, p. 6

## SOCIAL ECONOMY EUROPE

ONLINE, DOSTUPNÉ HTTPS://WWW.SOCIALECONOMY.EU.ORG

#### [SOCIAL ECONOMY]

The social economy is made up of a diversity of enterprises and organisations such as cooperatives, mutuals, associations, foundations and social enterprises among other forms that can be specific to each country.

They are united around the values of: primacy of people and the social objective over capital, democratic governance, solidarity and the reinvestment of most profits to carry out sustainable development objectives.

## SHARED PRINCIPLES AND COMMON CHARACTERISTICS OF SOCIAL ECONOMY

- Primacy of people and of the social objective over capital
- Democratic control by the membership I
- Voluntary and open membership
- The combination of the interest of members/user and/ society (general interest)
- The defense and application of the principles of solidarity and responsibility
- Autonomous management and independence from public authorities
- Reinvestment of the essential surplus to carry out sustainable development objectives, services of interest to members or of general interest

SEE Charter online https://www.socialeconomy.eu.org/wp-content/uploads/2020/04/2019-updated-Social-Economy-Charter.pdf

"Social economy enterprises and organisations are economic and social actors active in all the economic sectors. They are characterized principally by their aims and by their distinctive model. Currently, Social Economy represents a different type of entrepreneurship, a different type of organisation.

Social Economy is formed of: cooperatives, mutual societies, foundations, associations, paritarian institutions, as well as newer forms like social enterprises.,

SEE Charter online https://www.socialeconomy.eu.org/wp-content/uploads/2020/04/2019-updated-Social-Economy-Charter.pdf

"There are 2 million social economy enterprises and organisations in the European Union, representing 10% of all the European enterprises. More than 11 million, about 6% of total employment, work for social economy enterprises. "

SEE Charter online https://www.socialeconomy.eu.org/wp-content/uploads/2020/04/2019-updated-Social-Economy-Charter.pdf

# CHARACTERISTICS OF S.E. ENTITIES FOR CZECH CONDITIONS

- fulfilling a public benefit objective
- democratic decision-making
- promoting citizens' initiative
- independence from public or private institutions
- a different way of dealing with profit
- consideration of envi aspects
- meeting local needs as a priority
- using local resources as a priority

Source: Tessea, Report 2018, p. 8

#### **SOCIAL INOVATION**

- "Social innovation refers to the design and implementation of new solutions that imply conceptual, process, product, or organisational change, which ultimately aim to improve the welfare and wellbeing of individuals and communities.
- Many initiatives undertaken by the social economy and by the civil society have proven to be innovative in dealing with socio-economic and environmental problems, while contributing to economic development. To fully tap the potential of social innovation, an enabling policy framework is needed to support public, non-profit and private actors to co-construct and implement socially innovative solutions and thereby contribute to address socio-economic issues, build stronger territorial resilience and better respond to future shocks."

OECD https://www.oecd.org/regional/leed/social-innovation.htm

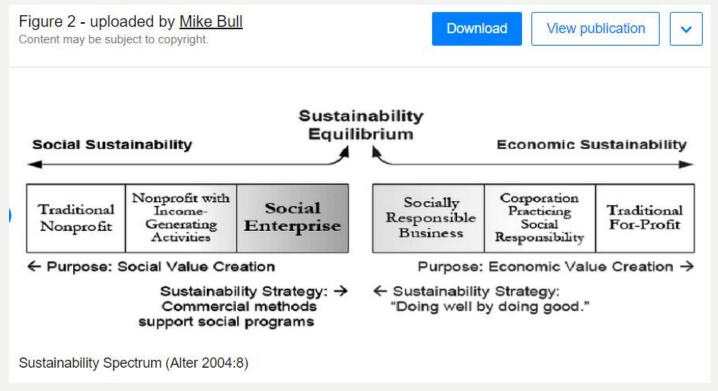
#### **SOCIAL INOVATION**

- The best construct for understanding and producing lasting social change
- A novel solution to a social problem that is more effective, sustainable

#### FOR PROFIT OR NON PROFIT?

- Non-profit organisation
- Social entrepreneurship
- Profit organisations with CSR
- Profit organisation

#### FOR PROFIT - NON PROFIT



Source: Researchgate online

https://www.researchgate.net/figure/Sustainability-Spectrum-Alter-

20048 fig2 274256625

## SOCIAL IMPACT AND SOCIAL CHANGE

Social problem

Solution of SE

Social impact and change

impact purpose unique value problem solution unfair customer advantage segments proposition key metrics channels cost structure revenue

Zdroj: https://sociall eancanvas.co m/static/pdf/s lc.pdf

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## SEVEN PRINCIPLES OF SOCIAL BUSINESS MOHAMMAD YUNUSS

- Business objective will be to overcome poverty, or one or more problems (such as education, health, technology access, and environment) which threaten people and society; not profit maximization.
- Financial and economic sustainability
- Investors get back their investment amount only. No dividend is given beyond investment money
- When investment amount is paid back, company profit stays with the company for expansion and improvement
- Gender sensitive and environmentally conscious
- Workforce gets market wage with better working conditions
- ...do it with joy

Source: https://www.muhammadyunus.org/post/363/seven-principles-of-social-business

# SOCIAL ENTREPRENEURSHIP - TESSEA

Social entrepreneurship is business activity that benefits society and the environment. Social entrepreneurship plays an important role in local development and often creates employment opportunities for people with health, social or cultural disadvantages. Profits are largely used to further develop the social enterprise. Making a profit is just as important for a social enterprise as increasing public benefit.

Source: TESSEA online https://tessea.cz/cz/socialnipodnikani/definice-tessea

## **SOCIAL ENTERPRISE - TESSEA**

A social enterprise, as defined by TESSEA, is a "social enterprise entity", i.e. a legal entity established under private law or a part thereof or a natural person that meets the principles of a social enterprise. A social enterprise pursues a public benefit objective that is formulated in the founding documents. It is founded and developed on the concept of the so-called triple benefit - economic, social and environmental.

Source: TESSEA, online https://tessea.cz/cz/socialnipodnikani/definice-tessea

## INTEGRATIVE SOCIAL ENTERPRISE

An integrative social enterprise is defined as a "social enterprise entity", i.e. a legal entity established under private law or a natural person that meets the principles of an integrative social enterprise. An integrative social enterprise pursues the public benefit objective of employing and socially integrating people disadvantaged in the labour market, and this objective is formulated in the founding documents. It is founded and developed on the concept of the socalled triple benefit - economic, social and environmental.

Source: Tessea, online: https://tessea.cz/cz/socialnipodnikani/definice-tessea

#### ENVIRONMENTAL SOCIAL ENTERPRISE

The company exists to fulfil a socially beneficial objective, which is to solve a specific environmental problem and to employ and socially integrate disadvantaged people in the labour market. An environmental problem is defined as a problem caused by human activity with negative consequences for the environment. The activity of an **environmental social enterprise** is a means of remedying these negative consequences.

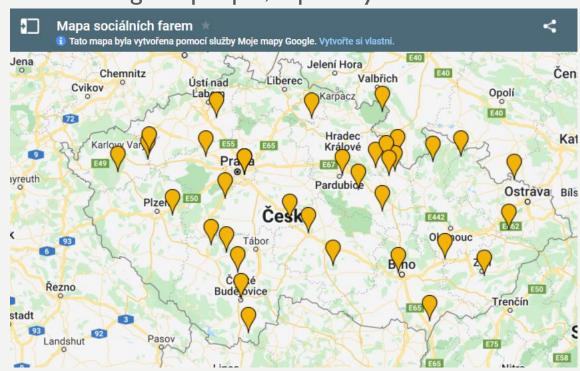
(for ESF, OP Employment purposes)

## **SOCIAL AGRICULTURE**

"The mission of social agriculture is not only the production and sale of agricultural products, but also: the possibility of offering new jobs on farms, providing social services, educational activities and carrying out various types of therapies for a wide range of people, especially those with

health and social disadvantages."

The definition and map from: https://ceske-socialnipodnikani.cz/socialnipodnikani/temata/socialni-zemedelstvi



# THE PRINCIPLES OF SOCIAL ENTREPRENEURSH

- 0a) Public benefit objective is formulated in the founding documents and fulfilled through specific activities.
- Ia) Carrying out an activity that benefits society or a specific group of (disadvantaged) people.
- 1b) Participation of employees and members in the direction of the enterprise.2a) Any profits used preferably for the development of the social enterprise and/or to fulfil public benefit objectives
- 2b) Independence (autonomy) in managerial decision-making and management from external founders or founders.
- 2c) At least a minimum share of revenues from the sale of products and services in total revenues.
- 2d) Ability to manage economic risks ...
- 3c) Consideration of environmental aspects of production and consumption.
- 3d) Cooperation of the social enterprise with local subjects

Source: TESSEA, Principy a indikátory, online https://tessea.cz/cz/socialnipodnikani/definice-tessea

#### **INDICATORS**

- A total of 19 indicators are set for the general social enterprise, of which 8 are mandatory.
- The enterprise should meet all mandatory indicators and more than 80% of the total, i.e. at least 16 indicators, to qualify as a social enterprise.
- For an integrative social enterprise, a total of 20 indicators are set, of which 10 are mandatory.
- The enterprise should meet all mandatory and more than 80% overall, i.e. at least 16 indicators, to qualify as an integrative social.

Source: TESSEA, Principy a indikátory, online https://tessea.cz/cz/socialnipodnikani/definice-tessea

# THE ADVANTAGES OF SOCIAL ENTRENEURSHIP

- Opportunity to find innovative solutions to problems
- Ability to combine revenues with funding from grants, subsidies and donations
- Greater sustainability of social solutions through the ability to generate their own income

Source: TESSEA, Zpráva 2018, str. 9

#### **SOCIAL PROBLEMS**

- Discrimination
- Lack of critical thinking and digital literacy
- Poverty
- Family crisis
- Waste management
- Social inequality single mothers, disadvantaged people
- Lack of Financial Literacy
- Poor Housing affordability for young people
- The financial value and prestige of a profession often does not reflect its social contribution
- Homelessness
- Fast Fashion, fashion industry ...

# CAUSAL CHAIN OF THE SOCIAL PROBLEM

CAUSES of the problem

CONSEQUENCIES of the problem

Based on https://ashokacee.org/czech/wpcontent/uploads/sites/5/2018/03/So cial-Reporting-Standard\_CZ.pdf

## SDG



Source:WHO, https://www.euro.who.int/en/health-topics/health-policy/sustainable-development-goals-sdgs/targets-of-other-sustainable-development-goals-directly-linked-to-health

# EXAMPLES OF SOCIAL ENTREPRENEURSHIP

IN THE CZECH REPUBLIC

## MALAI.ECO/



#### ABOUT OUR TECHNOLOGY

The expression 'one man's trash is another man's treasure' really encapsulates the story behind Malai. Everything starts with coconuts. We work alongside Southern India's coconut farmers and processing units who...



#### **ABOUT OUR STORY**

Malai started as a research project of two people: Susmith - a product designer and maker from Kerala (a province in the South of India); Zuzana - a material researcher...

Continue reading →



#### MALAI MATERIAL

Malai – (noun) a newly developed material made from entirely organic and sustainable bacterial cellulose, grown on agricultural waste sourced from the coconut industry in Southern India. We work with...

Continue reading →

**CYRKL** 



## Waste2Resource Marketplace

Find out how to turn your waste into wealth. Your company can exchange any excess materials waste or products.



Source: https://cyrkl.com/en/

#### Fair & Bio Coffee Roasters

#### WHAT IS UNIQUE ABOUT US?

We are a cooperative social enterprise that employs the disadvantaged and roasts fair trade organic coffee. We are the first cooperative coffee roasting plant in the Czech Republic. We promote social, environmental and economic sustainability. Supporting the local economy, communities and decent work are important issues for us – both globally and in the Czech Republic.

Zdroj: https://www.fair-bio.cz/en-2/





Zdroj: https://dotglasses.org/

NILMORE

Q Ženy v Muži v Náš příběh v

#### About Us

Nilmore® makes your products circular and sustainable thanks to new innovative cPLA material gained from renewable resources. Be zero waste, climate-friendly and fossil free.

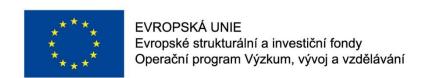
cPLA material is 100 % recyclable and its carbon footprint is 86 % lower in comparison to polyester and the water footprint is 98 % lower in comparison to cotton. Once the products are worn out they can be returned via Nilmore® Circular System and then fully recycled to new products. Again and again...

That means you can create and buy new products without ever having to use new resources. Let your textile change lives.

Zdroj: https://www.nilmore.com/english

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