

Module 2

From Traditional to Social Entrepreneurship



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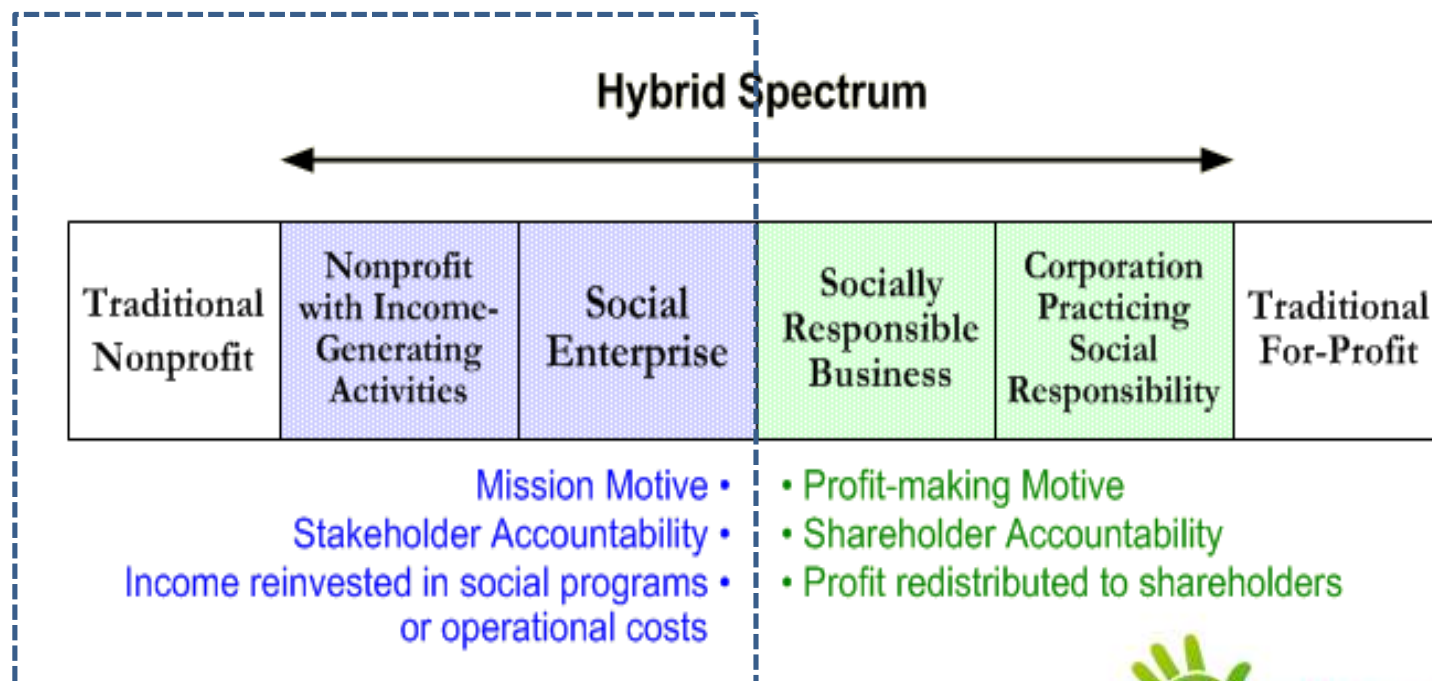
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Partners



The hybrid spectrum of enterprises



Social enterprises vs. NGOs

Social enterprises and NGOs are **not the same!**

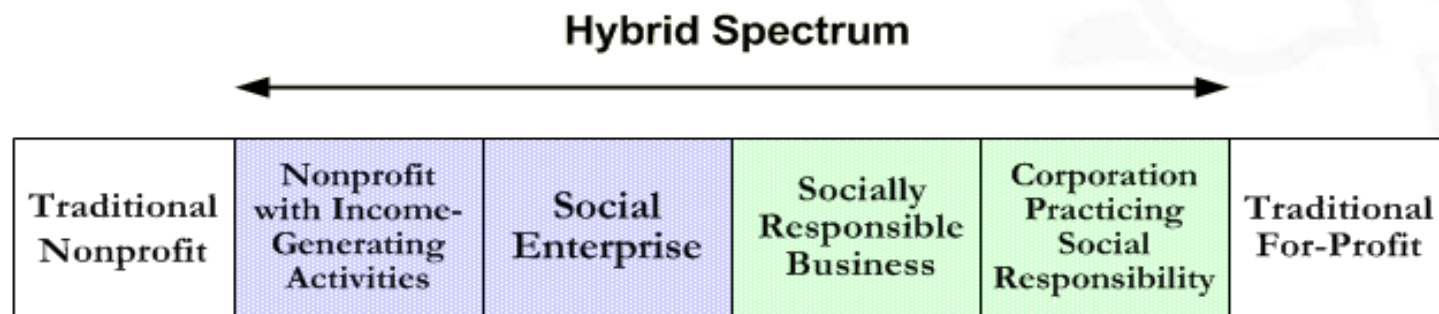
Both want to tackle social or environmental issues but the biggest difference is the *Revenue Model!*



Source/Watch the video

(2.10')

Traditional Non-profit



- Mission Motive •
Stakeholder Accountability •
Income reinvested in social programs •
or operational costs

- Profit-making Motive
• Shareholder Accountability
• Profit redistributed to shareholders

They serve social mission without selling products/services or without revenues from operating activity



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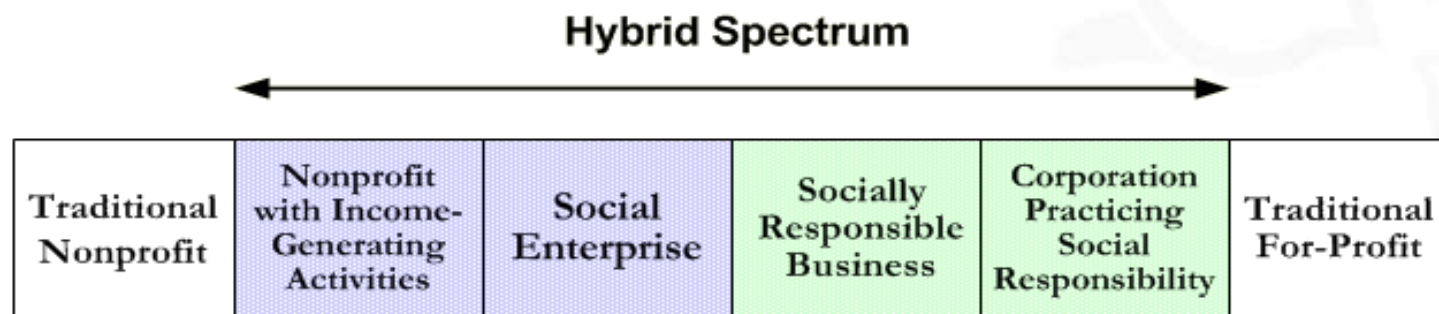
Example 1: Medicines Sans Frontieres

- Providing healthcare services
- Impact: social (healthcare)
- Place: France
- Geographical coverage: international
- [Video 1](#) (3,12 min)

Example 2: CoderDojo

- Programming clubs for young people
- Impact: social (education)
- Place: Ireland
- Geographical coverage: international
- [Video 1](#) (3,12 min)

Nonprofit with Income-Generating Activities



Mission Motive •
Stakeholder Accountability •
Income reinvested in social programs •
or operational costs

• Profit-making Motive
• Shareholder Accountability
• Profit redistributed to shareholders

They serve social mission by selling products/services or with revenues from operating activity

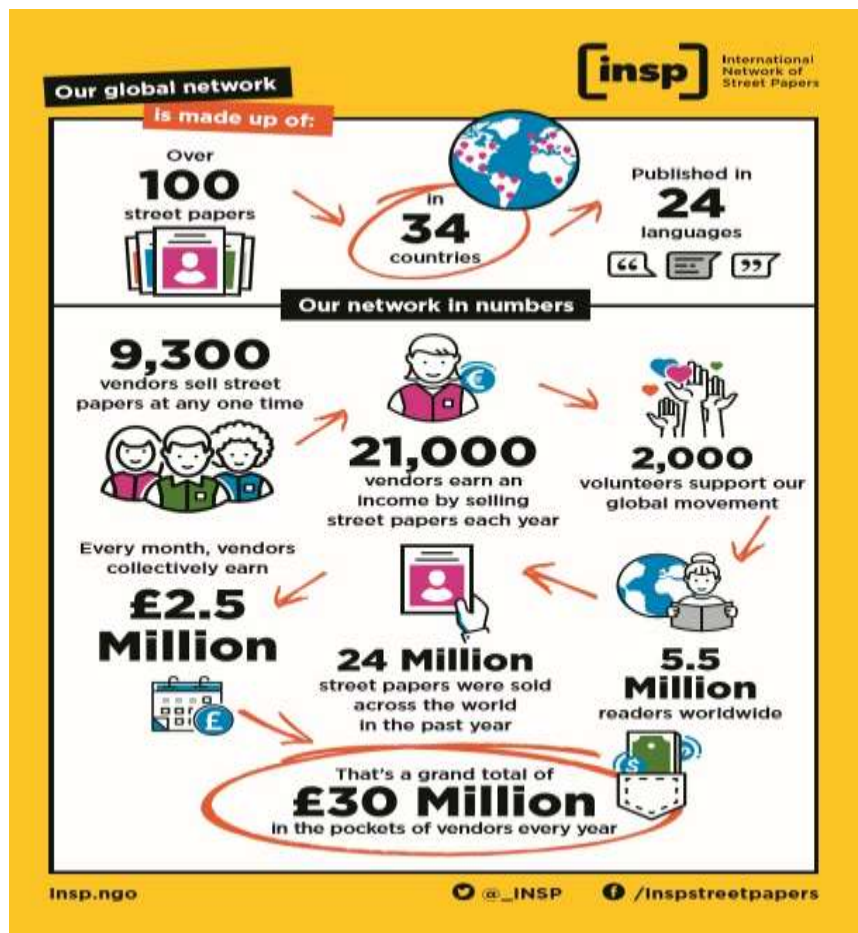


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Nonprofit with Income-Generating Activities



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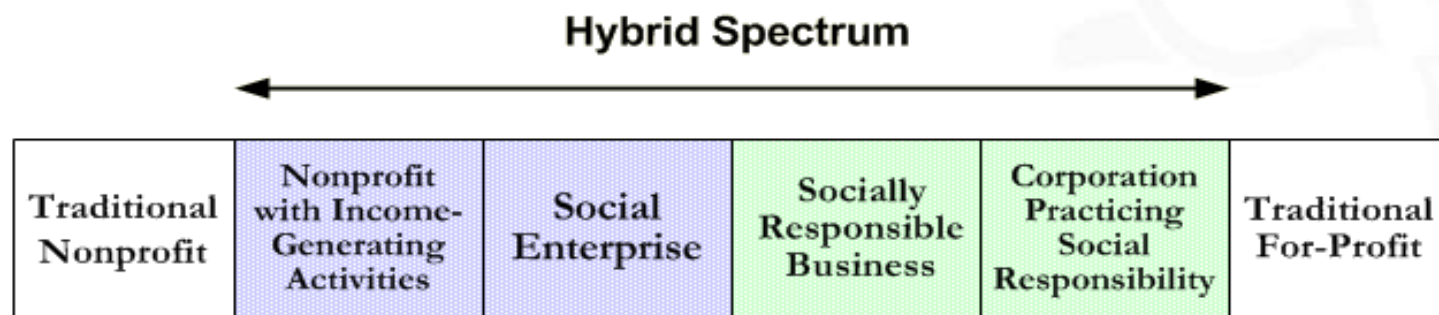


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Example 3: INSP

- Selling street magazines
- Impact: social (employability, inclusion)
- Place: UK
- Geographical coverage: international
- [Video 1](#) (5,36 min)

Social Enterprise



- Mission Motive •
- Stakeholder Accountability •
- Income reinvested in social programs or operational costs •
- Profit-making Motive •
- Shareholder Accountability •
- Profit redistributed to shareholders •

Commercial organizations with specific social or environmental objectives as primary purpose.



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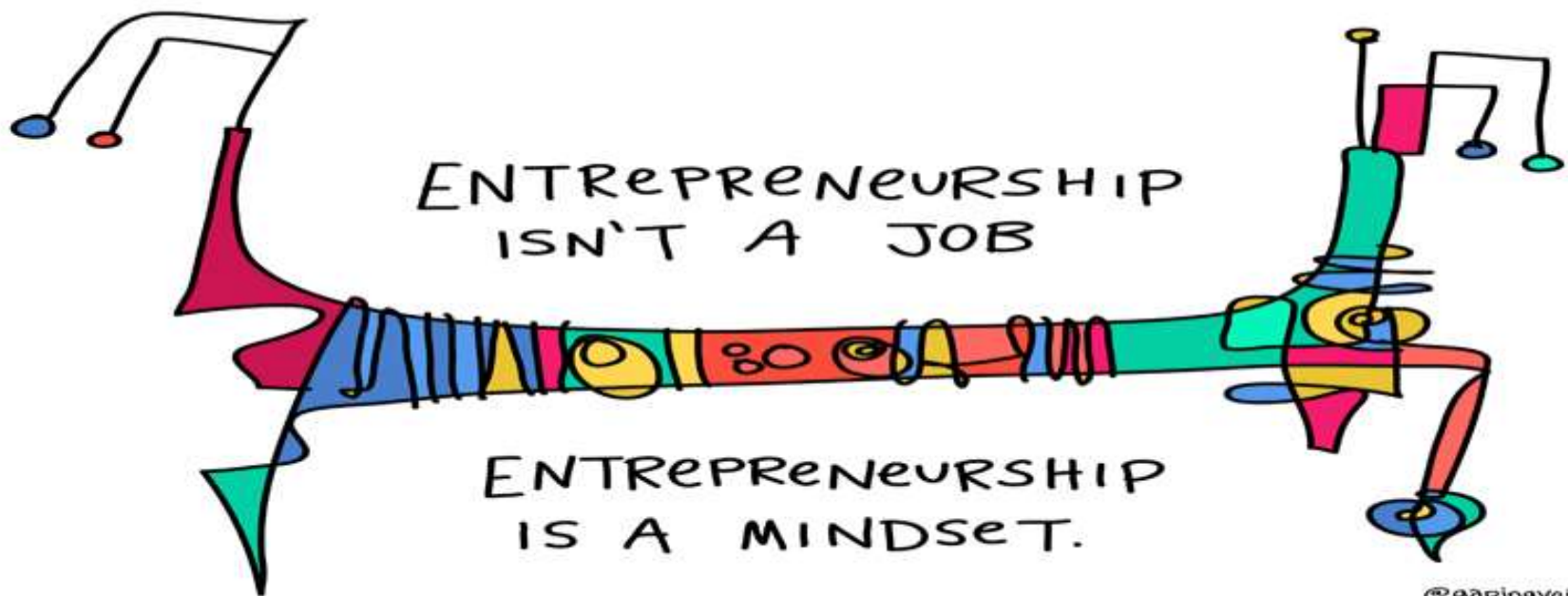
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Example 4: Impact hub

- Hub for social entrepreneurship
- Impact: social (employability)
- Place: Greece
- Geographical coverage: local
- [Video 1](#) (3,12 min)

Example 5: Buffalo

- Bicycles for African rural areas
- Impact: green and social
- Place: USA
- Geographical coverage: international
- [Video 1](#) (3,12 min)



@gapingvoid

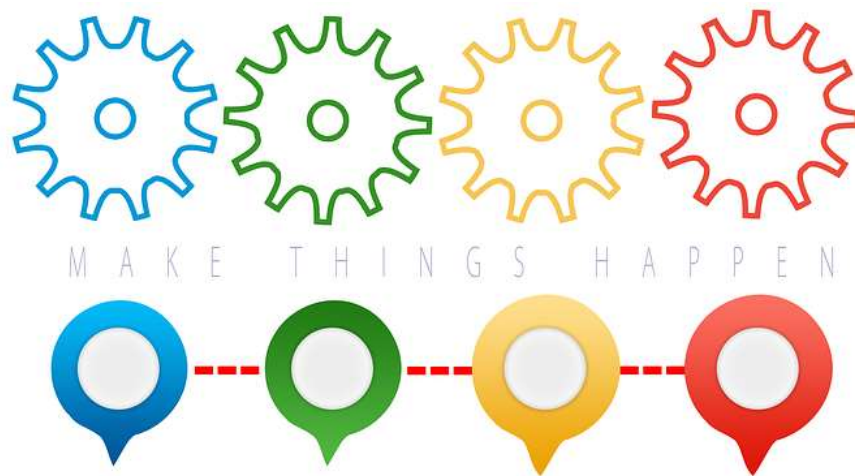


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Entrepreneurship is a process of creating something different with value, devoting time and effort, adopting financial, psychological and social risks and taking the benefits in terms of money and personal satisfaction.



Entrepreneurship

New value to something existing

(combining existing ideas or knowledge)



Entrepreneurship

Value to something new

(new idea or new knowledge)



CUSTOMIZE YOUR OWN SWIMSUIT



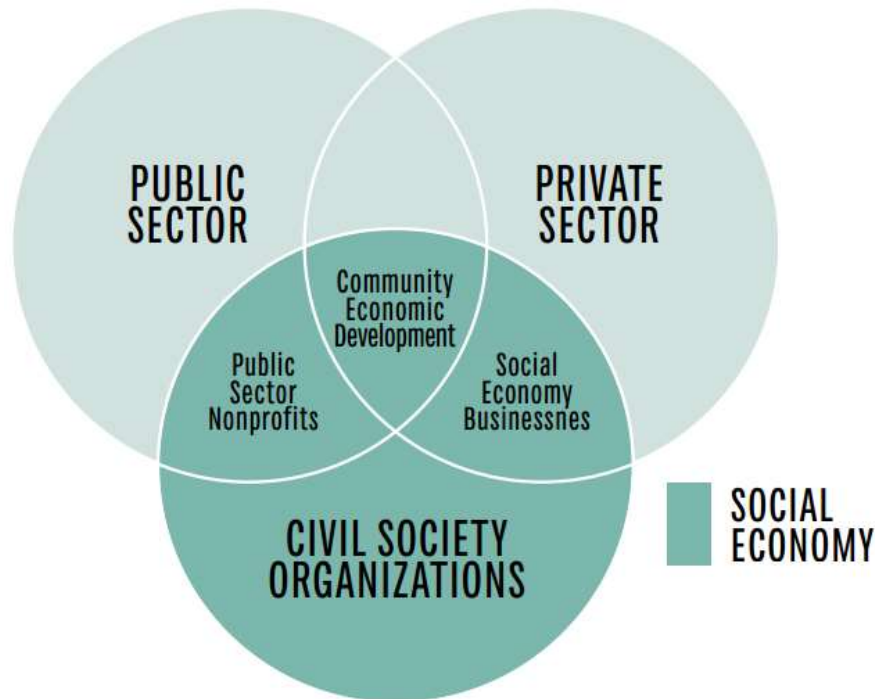
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Social Entrepreneurship

Alternative way of enterprising, based on the Social Economy Sector



Source: <https://seontario.org/social-enterprise-in-ontario/>

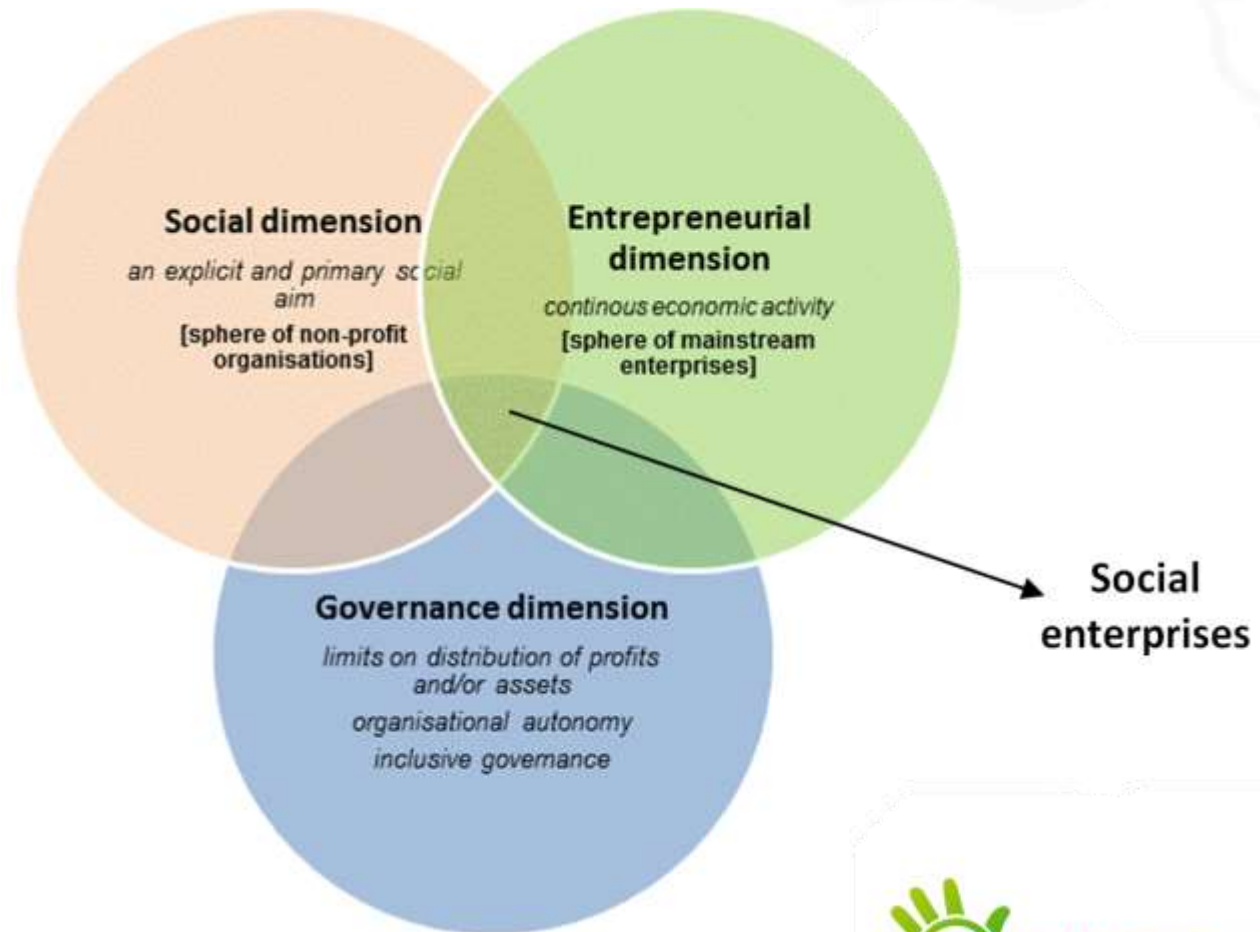


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Social Entrepreneurship



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Social Entrepreneurship

- **Green-environmental entrepreneurship** (Actions protecting the nature and the environment)
- **Social Innovation** (New solutions to social problems)
- **Philanthropy**
- **Non-profit Organizations**
- **Sustainability** (Production standards for efficiency in human and natural resources)
- **Corporate Social Responsibility – Ethics**
- **Social Justice** (International actions for poverty, unemployment and social inclusion)

Social innovations are new ideas that meet social needs, create social relationships and form new collaborations. These innovations can be products, services or models addressing unmet needs more effectively.

The European Commission's objective is to encourage market uptake of innovative solutions and stimulate employment.

What is a social enterprise?

- Social Entrepreneurs believe **it is possible to make a profit while doing good for the world**
- Business decisions are based on **social impact and financial gain**
- Social Enterprises have the power to turn **community's passion initiatives into social change**

Source/Watch the video

(2.16')

What is social entrepreneurship?

- Social Entrepreneurship is a creative approach to **Business, Social Engagement** and **Social Services**
- **Profit is reinvested** in the business or in achieving social goals (job creation, social inclusion, cultural needs, healthcare, environmental protection, etc)
- A Social Enterprise uses business as a **means of social change**

Source/Watch the video

(2,02')

Visual thinking: who are social enterprises?

- Social Enterprises bring together **Economic Sustainability, Social Impact** and **Environmental Sustainability**
- **Conditions for social enterprises to succeed:**
 - A capable entrepreneur
 - A motivated team
 - A clear entrepreneurial model
 - Clear measurable social impact

Source/Watch the video

(4.51')

Statistics



Social Economy in Europe

SOCIAL ECONOMY IN EUROPE

represents

10% Of EU Companies

employing more than

11
million



= about **6%**
of employment

- 2 million enterprises (10% of 20 million in total)
- 600.000 new ventures (30% of 2 million in total)
- 11 million employees (6% of 185 million in total)

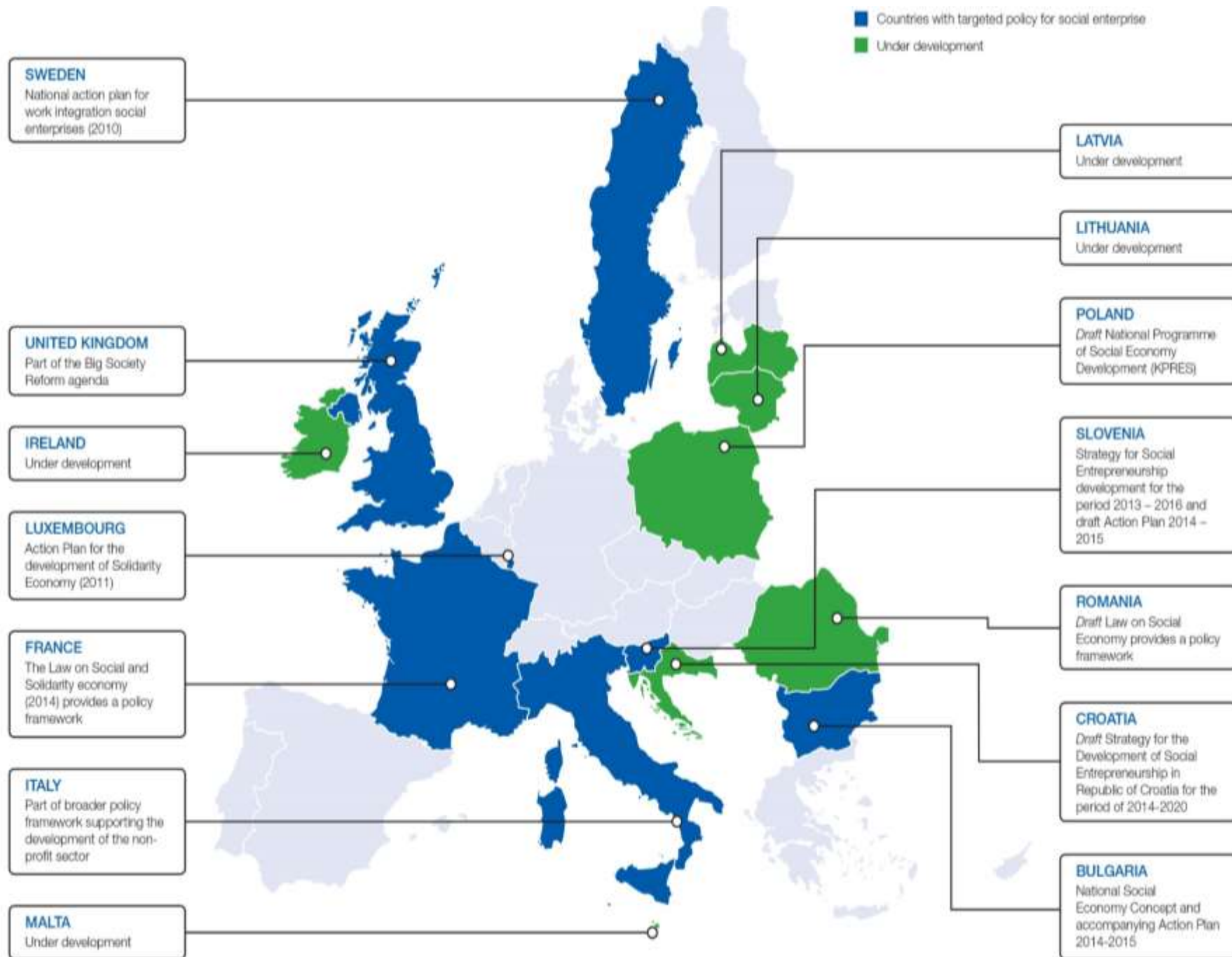
Source: European Commission 2011



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Source: A map of social enterprises and their eco-systems in Europe, European Commission 2014

Social Economy in Europe

- Legislation
- Revenues
- Constraints



Source: European Commission 2014



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Legislation

➤ Great Variety

- Association and institutions with income-generating activities
- Cooperatives
- Enterprises with social objectives
- Tailor-made legal forms



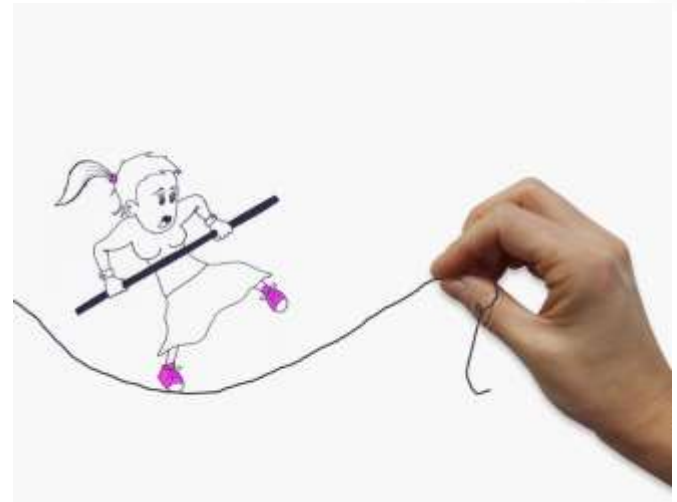
Revenues

- Governmental contracts
- Subsidies
- Revenues from commercial activity
- Member fees, donations
- Revenues from non-commercial activity
(i.e., rentals, volunteering, donations in kind)



Constraints

- Legal context and definition
- Require specialized services for scaling up
- Infrastructure
- Access to markets
- Access to funding
- Lack of impact measurement tool

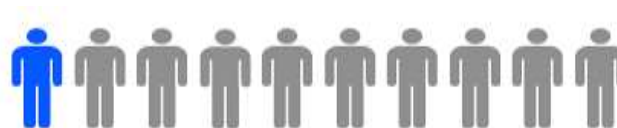


Social Entrepreneurs

(aged 18-64)

➤ Asia and Africa

- Social (11%)
- Commercial



➤ Europe

- Social (25%)
- Commercial



➤ USA and Australia

- Social (25%)
- Commercial



Source: Global Entrepreneurship Monitor 2015

Social Entrepreneurial Activity (SEA)... globally

- Individuals with higher levels of education are more likely to engage in SEA
- The closer an individual is to “retirement age” the less likely he/she is to start a social venture. People aged 25-34 and 35-44 have the highest propensity of being involved in SEA.
- Developing countries: simultaneous social and commercial entrepreneurship is on average higher
- Wealthy countries: social entrepreneurship is a side activity (not a full-time job)

National Reports



- Greece
- Portugal
- Ireland
- Spain
- Austria

Greece



- Law of 'Social Economy and Social Entrepreneurship' after 2011 (4019/2011, 4430/2016)
- Recent mapping of the social sector in a formal way
- ~ 4.000 NGOs - volunteering is low (0.5% of adult population)
- Greece lacks a formal long-term education policy for the NGO sector

Portugal



- In 2013, third sector was composed of 61.268 organizations
 - ~ 2.8% of GVA
 - ~ 5.2% of total employment
- Volunteering rate ~ 12%
 - Employees are perceived as "professional volunteers"
- Main challenges: lack of information, support and leadership training

Ireland



- Extremely diverse non-profit sector representing 10% of all organizations
 - ~ €10b annual turnover and ~ €750m fundraising
 - ~150,000 paid employees and ~ 560.000 volunteers
- Main challenges: reliance on state funding, lack of strategic planning, regulation and supporting infrastructure

Spain



- Third sector is a key player in the social and economic development
- Based on a third sector study of 222 Spanish NGOs:
 - 25.986 employees
 - 67.680 volunteers
 - 1.403.614 members-collaborators

Austria

- NGOs are a big employer and they offer services not available otherwise
- NGOs mostly depend on volunteer work
- No official and legal definitions for NGOs
- Limited funds available

Any
Questions



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