

UNIVERSITÄT
HEIDELBERG



CSI

Centrum für soziale Investitionen und Innovationen
Centre for Social Investment

Social Entrepreneursh ip Introduction

October 6th, 2017

Martin Hölz, M.A. (modified by V. Hyánek)

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- **Introducing**

<https://www.youtube.com/watch?v=shbcHtvqHus>

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**A new
fish in
the
water
?**



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**.what is social
entrepreneurshi
p all about?**

Working on and solving social problems...

- **... with innovative ideas.** So is social entrepreneurship the research and development department of society?
- **... with entrepreneurial, often market-based approaches:** So does social entrepreneurship overcome market failure?
- **... in many thematic fields:** education, social services, care taking, environment, green energy, economic development on a regional scale, fairtrade etc. So does one size fit all?

The European Union s point of view:

- **...an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders.**

It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives.

It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.

https://ec.europa.eu/growth/sectors/social-economy_en

https://ec.europa.eu/growth/sectors/social-economy/enterprises_en

The Commission uses the term 'social enterprise' to cover the following types of business:

- Those for who the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation
- Those whose profits are mainly reinvested to achieve this social objective
- Those where the method of organisation or the ownership system reflects the enterprise's mission, using democratic or participatory principles or focusing on social justice
- There is no single legal form for social enterprises. Many social enterprises operate in the form of social cooperatives, some registered as private companies limited by guarantee, some are mutual, and a lot of them are non-profit distributing organisations like provident

- **Work integration - training and integration of people with disabilities and unemployed people**
- **Personal social services - health, well-being and medical care, professional training, education, health services, childcare services, services for elderly people, or aid for disadvantaged people**
- **Local development of disadvantaged areas - social enterprises in remote rural areas, neighbourhood development/rehabilitation schemes in urban areas, development aid and development cooperation with third countries**
- **Other - including recycling, environmental protection, sports, arts, culture or historical preservation, science, research and innovation, consumer protection and amateur sports**



The European Union s point of view:

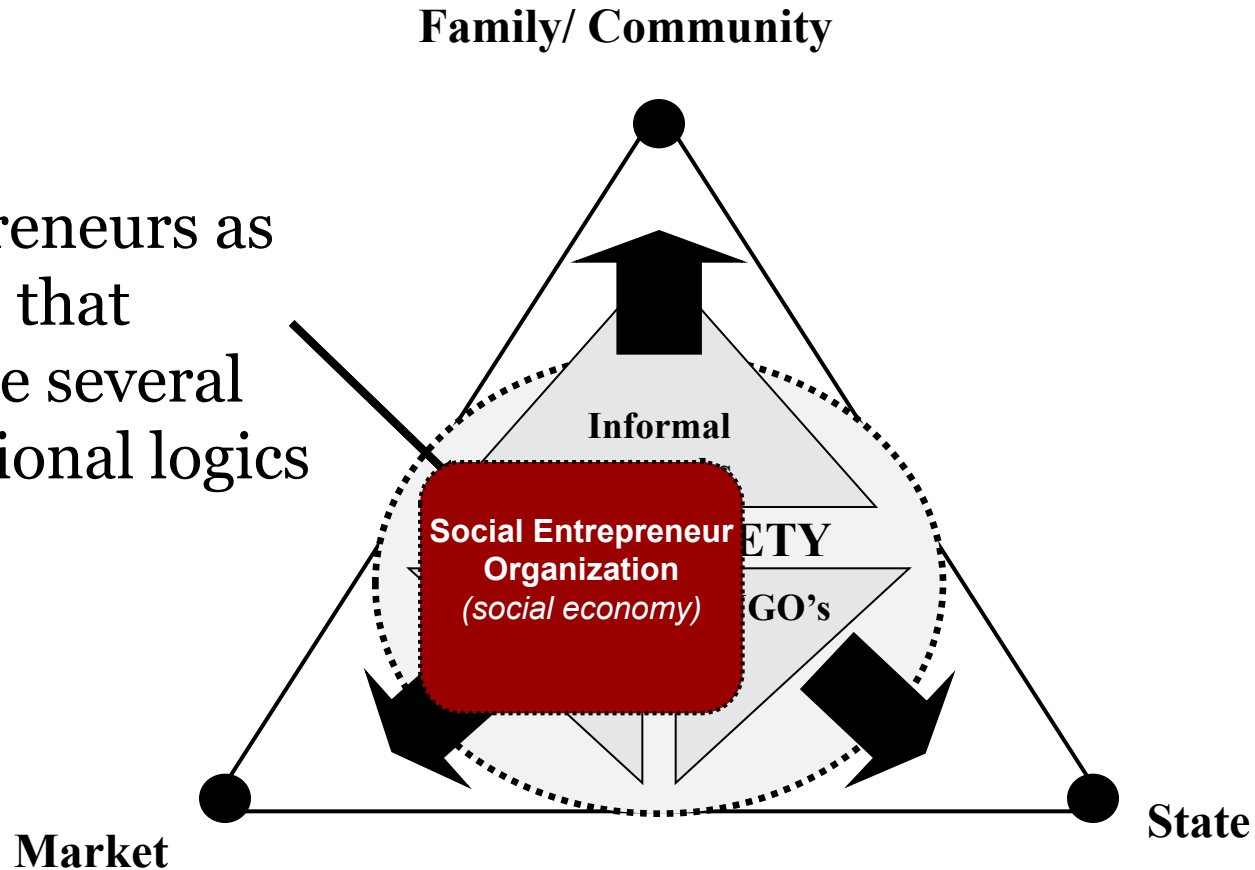
What is Social Enterprise?

<https://www.youtube.com/watch?v=5PKBL4C4TJQ>

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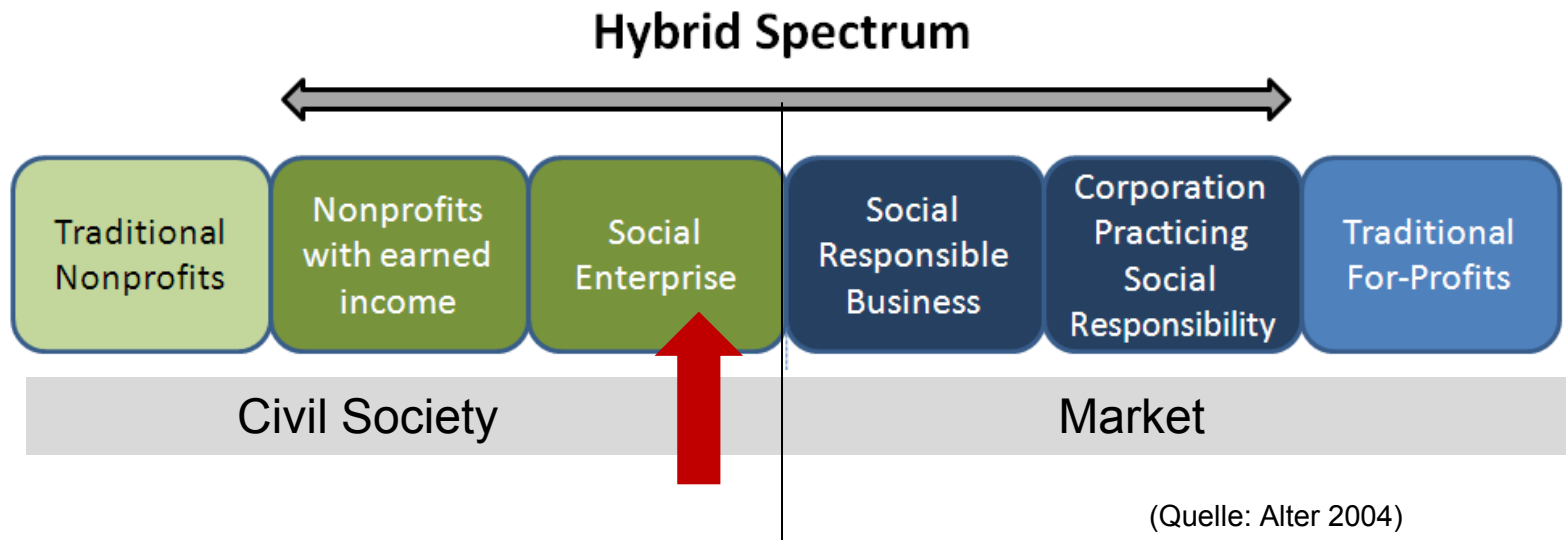
Market? State? Civil Society?

Social
Entrepreneurs as
hybrids that
combine several
institutional logics



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Market? State? Civil Society?



- **...the social economy has emerged from the economic and financial crisis largely unscathed. Today, the sector provides paid employment to 6.3% of the working population in the EU-28, compared to 6.5% in 2012...**

http://www.ciriec.ulg.ac.be/wp-content/uploads/2017/10/RecentEvolutionsSEinEU_Study2017.pdf

-
- **...activities undertaken by Social Economy entities have a much broader context, namely the building of both participatory democracy and social capital. This applies in a special way to the Member States, which have joined the EU since 2004. Most of them were until 1989/1990 socialist countries under the domination of the Soviet Union with non-existing or very limited activities by civil society.**
 - **...while the paid employment rate in the social economy is 6.3% in the EU as a whole, the same rate in the "new" Member States amounts to an average of 2.5%**
 - http://www.ciriec.ulg.ac.be/wp-content/uploads/2017/10/RecentEvolutionsSEinEU_Study2017.pdf

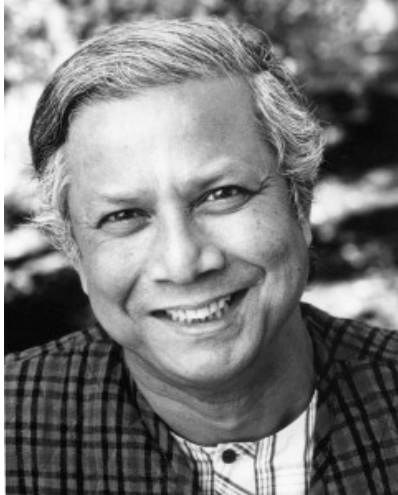
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.overlapping semantics

Social entrepreneur

Social entrepreneurship

**Social entrepreneurship
organization**



Quelle: moralheroes.org

Muhammad Yunus
Grameen



Quelle: arbeiterkind.de

Katja Urbatsch
Arbeiterkind.de



Quelle: entrepreneurship.de

Anderas Heinecke
Dialog im Dunkeln

A list to distinguished social entrepreneurs:

Germany: <http://germany.ashoka.org/fellows>

International: <https://www.ashoka.org/fellows> ;
<http://www.schwabfound.org/entrepreneurs>

15 Social Entrepreneurs and Their Crazy Ideas

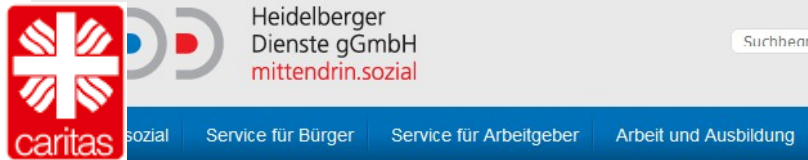
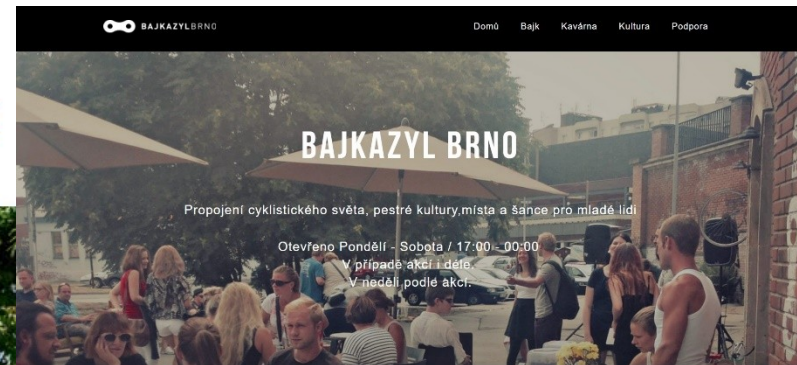
<https://www.youtube.com/watch?v=nIXKcpgPP6M>

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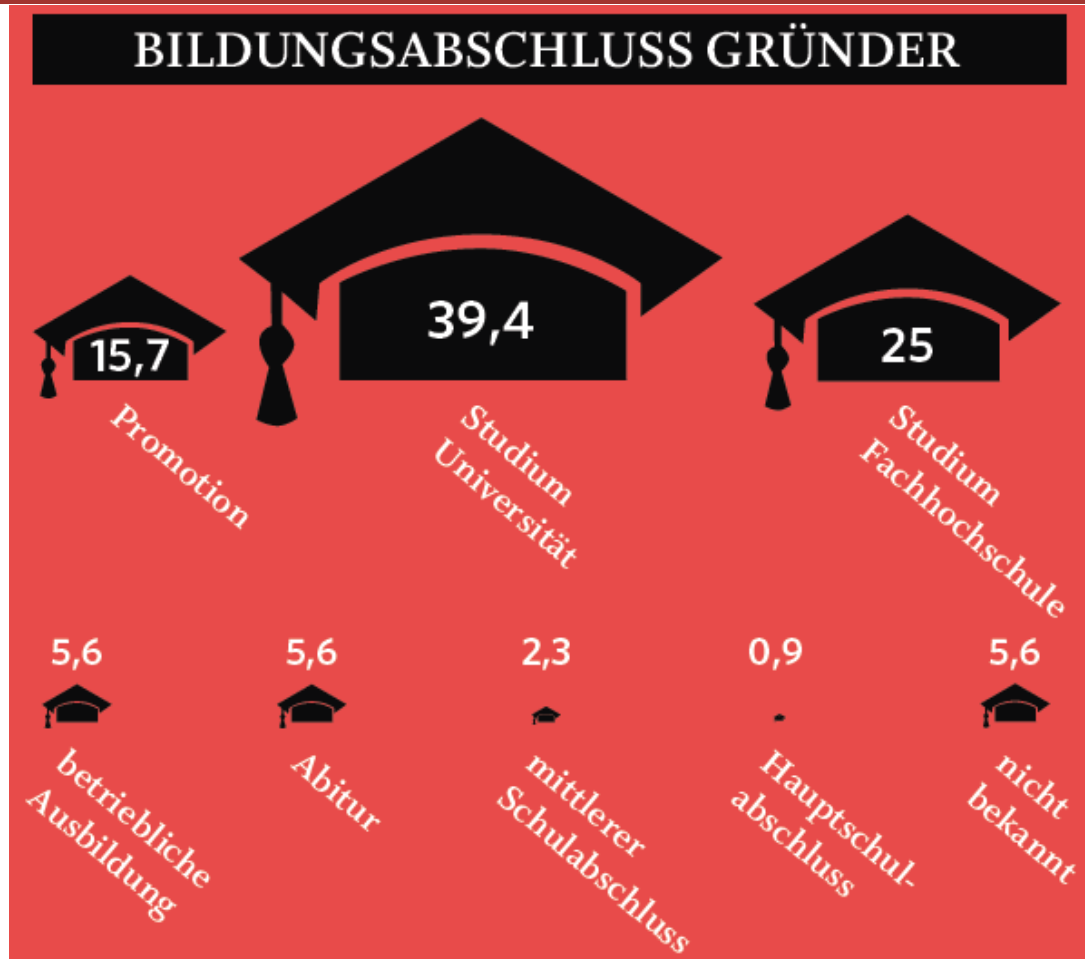
... and some „unknown“ examples:

Entrepreneurial ideas and incentives in the social service sector, by municipalities, by cooperatives:

→ **Bias in the media: only few social entrepreneurs with a high „glamour“ are in the focus**



An elite phenomena?



(Quelle: MEFOSE Studie (Jansen et al. 2013), Grafik erschienen in Enorm, Wirtschaft für den Menschen)

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**.new or
fossils?**

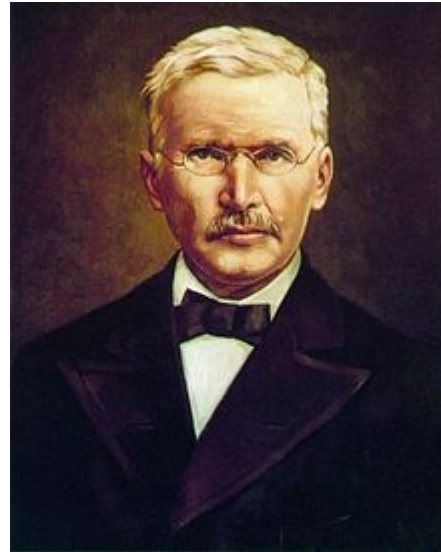




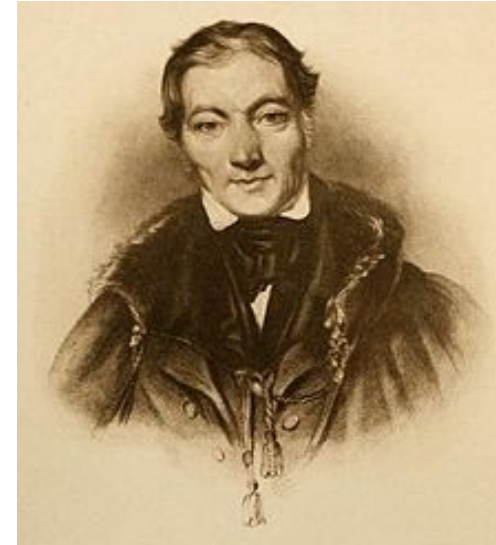
Maria Montessori,
1870 - 1952; physician,
founder of Montessori
educational institutions



Florence Nightingale,
1820 - 1910; nurse, founder of
modern nursing



**Friedrich Wilhelm
Raiffeisen** 1818 - 1888;
official, micro credit,
cooperative bank system



Robert Owen,
1771-1858; entrepreneur and co-
founder of cooperative system

Social Entrepreneurs are not a new phenomenon

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How does it



Verbavoice (München) Direct SE approach of value creation



- Field of activity:* services for hearing-impaired people
- Approach:* providing mobile, ICT-based interpreters services that allows hearing-impaired to participate in society (education, events, public authorities, media)
- Income structure:* service fees via *public social service systems*; growth capital from impact investment fund
- Legal form:* limited liability company (GmbH)



Dialogue in the Dark / Dialogue Social Enterprise

Direct-indirect SE approach of value creation



Field of activity: Work integration for visually-impaired people; awareness enhancement

Approach: Visually impaired people serve as guides or coaches in public exhibitions and team building and leadership workshops in the dark; *international franchise system*

Income structure: service fees, consultancy fees for franchisees, license payments, donations

Legal form: limited liability company, association

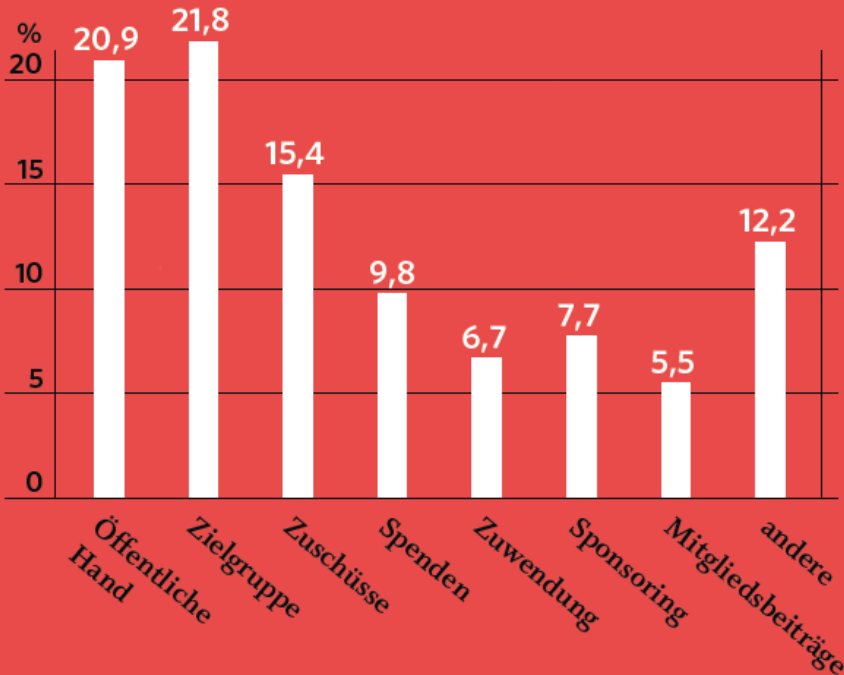


Regionalwert AG **Indirect SE approach of value creation**



<i>Field of activity:</i>	Regional agricultural / economic development
<i>Approach:</i>	Local shareholders invest in fund; fund facilitates local value chains by buying and leasing farms and related businesses and emphasize social and ecological production conditions
<i>Income structure:</i>	Rents, equity interest
<i>Legal form:</i>	public company / stock corporation

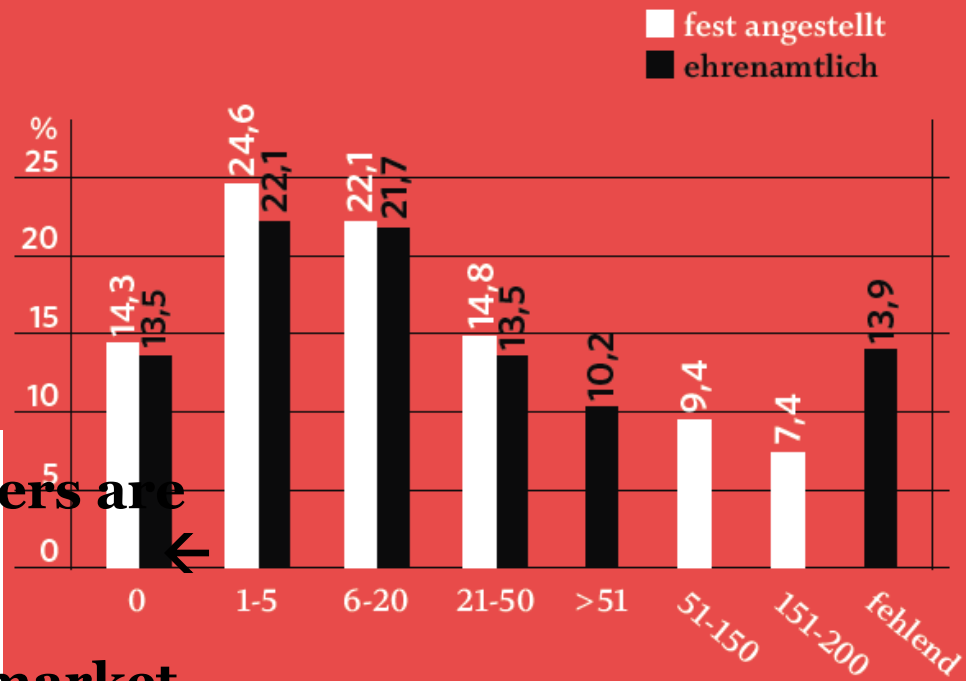
FINANZIERUNG



→ Hybrid financing (revenues, grants, subsidies, etc.)

→ Varies over time

MITARBEITER



Volunteering and volunteers are often mobilized

Only seldom SE resolves market failure

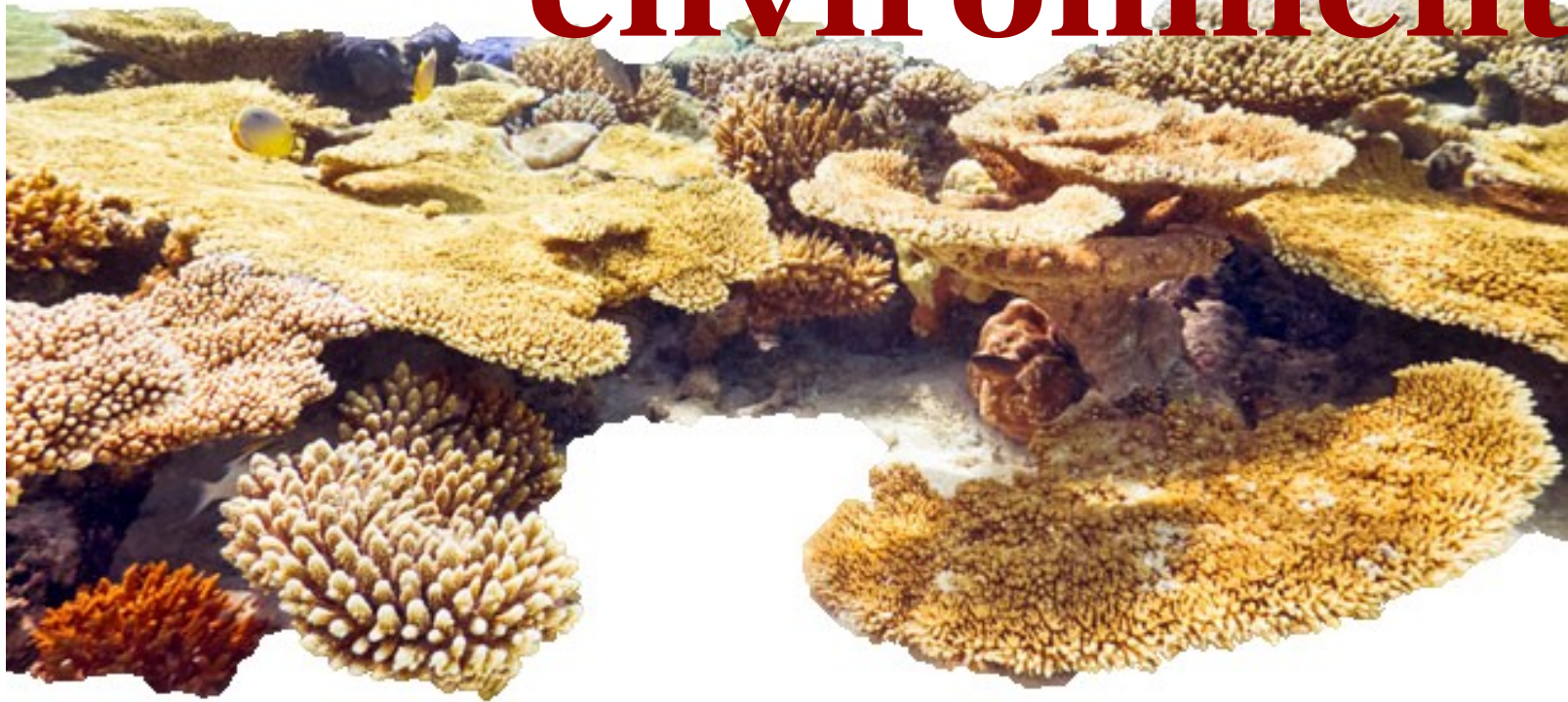
Optional:

5 Keys to Success For Social Entrepreneurs: Lluís Pareras at TEDxBasel

<https://www.youtube.com/watch?v=PI8c5ooHfWs>

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...and the environment

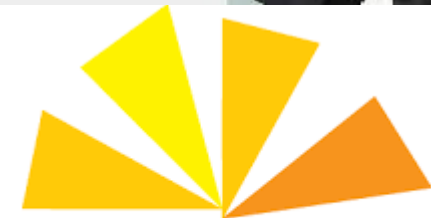


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Eco system - promotion agencies



ASHOKA *Everyone a Changemaker*



**SCHWAB FOUNDATION FOR
SOCIAL ENTREPRENEURSHIP**

IMPACT HUB GLOBAL COMMUNITY
 Search Impact Hub MEM

WHAT IS IMPACT HUB INSIDE IMPACT HUB WHERE ARE IMPACT HUBS OPEN AN IMPACT HUB

SOCIAL IMPACT LAB
 UNTERNEHMEN ANGEBOT N

CO-WORKING, EVENTS UND NETZWERK

DAS PROJEKT
"Labor für Diakonisches Unternehmertum" (LaDU) **LaDU**
 Entscheidung am 20.03.15 in der Evangelischen Hochschule in Darmstadt
 Die Mission Leben und die Evangelische Hochschule Darmstadt zeichneten am 20. März 2015 die Gewinnerkonzepte des Labors für Diakonisches Unternehmertum (LaDU) aus und belohnten die Teilnehmenden. [Weitere Informationen](#)

SozialunternehmerInnen IHRE MEINUNG ZÄHLT!
Social Entrepreneurs HAVE YOUR SAY!
Entrepreneurs Sociaux PRÉNEZ LA PAROLE !
 Strasburg 16-17 Jan. 2014
 → <http://ec.europa.eu/social-entrepreneurs>

#SocEntEU

v.l. Dietmar Motzer, Hannah Sander und Axel Rothstein, Tanja Scherer und Petra Heinz, Pfr. Dr. Klaus Bartl

Networking and support: hubs, labs, moocs, etc

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Eco system – financial support



INVESTITIONSANSATZ SOCIAL IMI



BONVENTURE ANGEBOT PROJEKTE NETZWERK SERVICE PRESSE



„100% BARRIEREFREIHEIT FÜR MENSCHEN MIT HÖRBEHINDERUNG“

FASE

SOZIALUNTERNEHMEN INVESTOREN ÜBER UNS AKTUELLES KONTAKT english



WIR BAUEN DIE BRÜCKE ZWISCHEN SOZIALUNTERNEHMEN UND INVESTOREN

nture und Stiftung für Verantwortung



Ermöglicht jugendlichen Gewalttätern den Abschied von menschenverachtenden Ideologien
Violence Prevention Network e.V., Berlin

Financing: Social Investemt Funds, Foundations, Fellowship Programmes

- adapted to specific needs (e.g. duration until break even, due to innovation

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Eco system – education and research



Social
Entrepreneurship
Akademie

STANFORD
BUSINESS
SCHOOL OF
GRADUATE

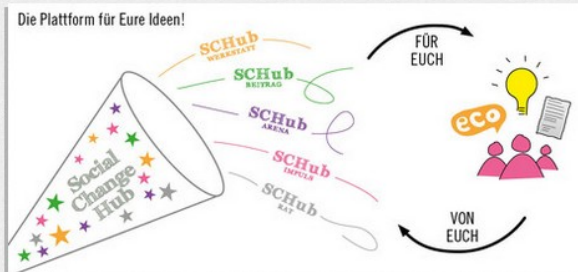
Center for Social Innovation

Sozialun-
ternehmer

EXPERT



SOCIAL CHANGE HUB -
ANSCHUB FÜR EURE IDEEN!



Welcome | Who takes part? | Benefits | Outline | Oxford experience | Dates and fees | How to apply

Oxford Impact Investing Programme

Developing the next generation of investors to deliver social, environmental and financial returns

Education: universities, private or non-profit institutes
(from student to executive level)

Policy:

EU Level:

http://ec.europa.eu/internal_market/social_business/index_de.htm

Single Market Act – Social Business Initiative

National Level:

<http://www.bmwi.de/DE/Mediathek/publikationen,did=714908.html>

Engagement Strategy of National German Government

› The potential of social entrepreneurs and social

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**...where is the
catch?**



- **What does „social“ mean?** → is subject to societal negotiation processes
- **Impact and scaling:** How influential are social entrepreneurship organizations in huge social service markets? How is it possible for good approaches to be spread?
- **Trade offs between social and economic goals:** where do they emerge / how are they tackled and solved?

Selection of problems (financing, surroundings, organizational development)

- **High local rooting with complex stakeholder structures:** How is it possible to replicate / transfer this into different contexts?
- **Lack of qualified staff and professionals:** specific demands for and in social entrepreneurship organizations, low salaries, entrepreneurial risk
- **Status Quo preference and competitive thinking:** established actors in administration and welfare state organizations might be reluctant towards / avoid change

Problems of financing

- *Structural barriers of connectivity to public funding and social security systems*, as social entrepreneurs act across sector boundaries and often support preventive work
- *Limited offers on the free capital market* barrier for non-profit organizations
- *Lack of broad share or competition* among impact investors
- *Buereaucratic barriers* regarding applications, reporting and monitoring
- *„Fear of contact“* between social and economic sector

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. further

readings



Alter, K. (2004). Social enterprise typology. Virtue Venures (Vol. 2004). Virtue Ventures LLC.

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Achleiter, A.K. & Spiess-Knafl, W. (2010). Social Entrepreneurship. Eine Einführung für Studenten. TU München, <http://socent.e-learning.imb-uni-augsburg.de/files/Social%20Entrepreneurship.%20Eine%20Einf%C3%BChrung.pdf>

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