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**ENTREPRENEURSHIP AND
SOCIAL ECONOMY GROUP**

THINK SOCIAL ACT BUSINESS



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“I’m encouraging young people to become social business entrepreneurs and contribute to the world, rather than just making money. Making money is no fun. Contributing to and changing the world is a lot more fun.”

Muhammad Yunus, Social Entrepreneur¹

“Whenever I see a problem, I start a business”.

Social Entrepreneurship is part of the third sector of the economy, the Social Economy that lies between the private and public economic sectors. Social Entrepreneurship has become known over the last decade in Europe and globally, and through its ever-growing implementation for sustainable innovative businesses. Social and Solidarity Economy is defined all the economic activities that are based on an alternative form of organization production, distribution, consumption and reinvestment, based on the principles of democracy, the equality, solidarity, cooperation, as well as respect for people and the environment. In order to improve understanding of Social Entrepreneurship, the concept of a social enterprise must be differentiated from a conventional, formal, profit - making enterprise.

The role of Social Entrepreneurship is to create social capital, through the social value of the enterprise (the positive demand from the society served by the products and services of the enterprise, the funding and the social impact of the business that make it necessary at local, national and international level), 30% of this capital is the operating expenses of the company² while 70% goes to the social purpose for which the enterprise was founded and operates. If Social Entrepreneurship does not serve this purpose, it ceases its existence. The objectives, the vision and the purpose of the business vary according to the capabilities of its members (founders, registered members, volunteers, other employees, accountants, lawyers, business consultants, etc.) as well as the needs of the social group and the state. Thus,

¹ Muhammad Yunus was awarded the Nobel Peace Prize for founding the Grameen Bank and pioneering the concepts of microcredit and microfinance

² Operating expenses: transport costs, rent, costs of sales, depreciation, interest, wages, etc.



depending on the needs of each country and the era, social enterprises cover needs such as: poverty, malnutrition, environmental - economic crisis, support vulnerable groups (mentally ill, abused women, disabled people, prisoners, unemployed etc).

It becomes clear that, the greater the deficiencies of a country, city, continent, union, the greater the need for the creation of social enterprises operating to fill these needs that governments, NGOs, charities and other organizations are unable to do.

The profile of Social Entrepreneur

It is understandable that the distinction of a conventional enterprise from a social one is that the social enterprise is not intended to profit, but to produce constantly social value and to be efficient in covering social and chronic problems. The Social Entrepreneur saves money for capital reinvestment, not for private capital, s/he is socially conscientious, observant, finds a problem in society, and thinks what s/he can do to improve or reduce the existing situation and promotes the general interest. “A Social Entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a Social Entrepreneur focuses on creating social capital. Thus, the main aim of Social Entrepreneurship is to further social and environmental goals” (Ashoka, n.d.). Social Entrepreneurs are not only the expressers, but also the initiators of society. Through their social action, entrepreneurs show kindness, purity and awareness of the citizens, who could no longer be oblivious to the problems of the state and the world and applied their thoughts.

In the EU-27 but also in the world (China, Australia, America, Africa), Social Entrepreneurship appears in dozens of forms, and the political power of each place has set specific tactics for empowering them. Particularly in low-welfare states, there is a gradual increase in social enterprises with many tax breaks and economic exemptions



as the law lays down.

“The world now requires everyone to be a changemaker”

The tasks of a social enterprise are no different from the process of any kind of business. Thus, similarly to an ‘ordinary’ business, the social enterprise attempts to resolve shortcomings, assess the risk in the event of bankruptcy and builds its social marketing. In order to build a social enterprise, there must be a business idea (business proposal) that has a social impact. The greater the social impact, the greater is the expansion of the services or product.

In the context of the “Europe 2020” strategy, which is a set of objectives for improving economic and environmental conditions in Europe (for example in regards to unemployment, poverty, development, education, nature, etc.), social enterprises are acting as salvation to the challenges that EU Member States are trying to manage. In particular, many social enterprises, in cooperation with civil society organizations, non-profit, non-governmental and voluntary organizations, were able to alleviate the refugee issue to a certain extent by offering shelter, food, funds and essential necessities to refugee families when European municipalities were not able.

In addition, social enterprises create jobs for unemployed and give them the opportunity to grow in specialized fields or as entrepreneurs of other social enterprises via venture capitals, angels investors or crowdfunding.

Social Enterprises around the World

It is worth mentioning some examples of successful social enterprises. The following examples represent three cases of social enterprises around the world: Ghana, Greece and the United Kingdom.



The Trashy Bags.

In 2007, five environmental visionaries created an innovative company, “The Trashy Bags” in Ghana. Trashy Bags collects various types of waste (sachets, plastics, etc.) and creates an industry by selling handbags from this material. Usually, this material would have, under other conditions, end up in open landfills.

Ghana is dealing with an extensive trash problem. Thanks to this social enterprise, the environmental problem (infections, diseases) shows a significant decline at the local level. Additionally, it provides for a case study and a good practice for others to copy, to become inspired and to create similar ventures. The workers collect the waste material, clean and design new patterns in a traditional way and style (wax and batik). This way they can sew different parts together while still promoting their traditional fashion. This concept (creating something new from something old) has broad them great attention from all over the way. Each year, the company recycles millions of plastic pieces and has dozens of products and bags for every use (backpacks, hats, wallets, handbags, etc.). The members of the company are made up of workers and volunteers, and for the creation of a bag they need a lot of kilos of scraps that cost only little money.



Compared to the average monthly salary in Ghana, the company has created optimal wage standards. Through this social and environmental entrepreneurship, the company raise awareness not only countries of Africa but also Europe and other countries for the usefulness of circular economy and zero waste initiatives, as well as the responsible human attitude towards the environment, citizens health security and innovative initiatives to create jobs.



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Boroume: Saving Food – Saving Lives

In January 2012, a viable social enterprise was established in Greece using surplus food and offering it to those in need. This social enterprise is called “Boroume” (Eng.: We can). Its action has gained a rapid success, because of the country's needs in regards to the high unemployment rate and other effects of the Eurozone crisis, as well as the challenges of the migration wave.

Boroume’s social action is to raise awareness of expiration dates and other food safety labels, such as the “best before”. Thus, it prevent large quantities of edible food from landing in the trash and to upcycle it in order to provide food for those in need, while at the same time creating jobs. Every day, thousands of kilos of food are donated by the business via the cooperation with other communicative entities and collaborators. Thus, the business communicates with recipients of food (municipalities, counties, individuals), is informed by the food donors about the quantities (hotels, restaurants, bakeries), and is able to strengthen specific areas in need. The company's staff consists of qualified volunteers. Also, they increase awareness among schoolchildren regarding the issues of food waste, volunteering and giving.



International Network of Street Papers (INSP)

In 1994, an international network of independent newspapers and magazines was launched in the United Kingdom with homeless and unemployed small business vendors in the urban centers. During the last two decades, the company has supported hundreds of thousands of people, by making them feel productive and proud of their business action. The stakeholders



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(homeless and unemployed) buy the magazine at a very low price and sell it for a higher price. At the end they can reinvest into buying new magazines at the lower price and are able to live on the profit. At the same time the company offers training, resources and counseling. The business collaborates with many local groups and NGOs in order to counteract and eradicate part of the poverty at local, national and international level.



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