

Social entrepreneurship: Challenges and opportunities

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The world we live in: Global shift-a sinking old world

The socio-economic structure of our societies undergoes a radical shift. What we call globalization seems to follow a path beyond the will of those that promoted it in the first place. The Third World is no longer such. China, India, Brazil and a number of other countries have emerged as the new industrial centers of the world.

The consequences for Europe are of a historic magnitude. 350 billion fall in EU-27 private investment in 2007-2011, larger than any previous decline in absolute terms says McKinsey's study.

So, after the flight of industry now follows the flight of capital. Resources move out to the new emerging economic powers, leaving behind states that struggle for maintaining balanced budgets, tax levels, services, declining public infrastructures, shrinking welfare states. The fear of deindustrialization has become the new talk in Brussels, Washington, London, Paris, Rome, Athens.

If globalization marks the dawn of a new beyond-the-west era, new developments are taking place on the ground. According to Berith Wikström:

- Approximately 70 per cent of young entrepreneurs want to start businesses with others.
- Cooperative entrepreneurship is growing markedly faster than joint stock companies. It has doubled in size over the course of a decade in terms of turnover and employment.
- Cooperative company management boards are approximately three times more gender-equal than joint stock companies.

Recent studies by ILO and CECOP show that social cooperatives are more resilient to the crisis. And there are many reasons for this. Focusing on their social goal rather the return of capital, social economy organizations are more willing to support their employment. Relations among their members permit them to take decisions that are friendlier to their employees. Trust between social enterprises, their "customers" and their local communities means that the latter are willing to support them amidst crisis.

Moreover, other socio-economic developments pose both challenges and opportunities. The blow that consumer culture has suffered is one of them. Consumerism, for many decades now, has cultivated a certain type

of idiotic human behavior, that tends to promote individuation, choice, narcissism, megalomania, out- of- space behavior, contempt for the local, adoration of youthfulness, impeccability, success. Consumerism was the means to built one's identity, and the consequences on empathy, proximity, solidarity neighborhoods and regions, people that didn't manage "to make it", have been devastating. Consumerism and globalization have had the same results: working through certain networks they tend to boost nodes of their networks and disregard – regarding resources, identity, social and financial capital, production- whatever doesn't "connect" with their networks.

The promise of social economy

Yet, even before the crisis, people's attitudes have been changing. And not only people's attitudes. Today we hear more talk, even from global institutions that what is needed is "targeted activism on the micro-economic level". There are even papers on the need to "return to the artisanal production". OECD is promoting programmes for SMEs and local development and within these programmes social economy organizations have a prominent role.

Countries with high levels of social trust show the best economic development and the best results in human development indexes. The fact of people trusting one-another, that is cultivating social capital, is music for social economy's ears.

Strengthening local identities, local activities and local social cohesion through care, education, culture, sports, and, why not, reindustrialization, local production of seeds and food, local transportation, has been social economy's strategic advantage.

Although one would expect that social economy's socio-cultural basis has been with the weakening of collective institutions, the fact is that it has stepped forward to cover the space for activities that demand proximity and non material values. In times where investment on public infrastructure tends to decrease due to the financial constraints, where Europe's population ages, social services are of an urgent nature, social economy is the way forward. It has come to supplement scarce public resources.

Today, social enterprises are tackling chronic social problems, ranging from healthcare delivery in sub-Saharan Africa to agricultural transformation in East Asia and public-school funding in the United States. They work in close collaboration with local communities, promoting innovations. They cultivate synergistic partnerships and networking with governments, companies, and traditional charities. Now is the time to provide solutions to the question of how to invigorate local communities by bringing back their productive capacities, self-sustainability, and autarky.

What is needed for social economy's development

The development of the social economy is impeded by:

- A fragmentation of its initiatives and actions at all levels
- Lack of critical mass and sustainability
- Suffering from low levels of skills and capacity, and little attraction to talented people
- Limited understanding of social economy and social entrepreneurship in the public administration and the general public
- A lack of recognition of its value in public opinion and policy makers
- The absence of winning stories, role models and champions for social enterprise development as well as the inability to communicate and disseminate its success stories
- Absence of cultivation of the social entrepreneurial spirit in education and in the private sector
- An overburdened focus of its activities on services, lack of diversification

We should not ask, for the time being, from social economy more than it can deliver. Social economy is not the new model economy that will supplant every other activity.

Social economy is an economic sector that has as its main objectives to promote social goals, be it the inclusion of disadvantaged people to market, the provision of services to people that badly need them, the reinvigoration of local economy. Social economy's advantageous resources are its ethical values, solidarity, empathy, compassion, volunteerism, local networks, trust, social capital.

One of the most crucial features of social enterprises, is the fact that they are clearly socially impact oriented. And this is a feature that we should build upon. We should build upon it our discourse, the social economy discourse.

For this is the feature that provides social enterprises with the motive to play a crucial role in actions for:

- integrating disadvantaged groups in working life, thus combating social exclusion
- delivering personal services thus compensating for personal assistance which families, friends and the state are no longer providing;
- community development and social innovation, addressing local needs creating new sources for local income, through tackling issues related e.g. education and training, tourism & transport; food production and distribution, energy efficiency and environment, etc.

And it is the promotion of this feature that we can use as our main argument regarding the provision of resources from the state, the regions, local communities, civil society.

It is this feature that can convince charities and foundations that, in our era, this is the way to provide philanthropy, to help your fellow citizens through acts of philanthropy. Even big business, gradually, seem to be persuaded that helping social economy, eventually it is also of interest to them.

It is this feature that can persuade governments to provide concessions and public contracts for works of public interest that states cannot provide anymore due to scarce public resources or due to inability. For social enterprises, social economy organizations, embedded as they are to the true needs of society, have, should and must have a more efficient and effective way to provide such services.

For this purpose it is crucial that social enterprises can demonstrate with transparency and be accountable to stakeholders, workers, customers and investors their economic and social achievements, through establishing a solid method of measuring and reporting social impact.

This is not to say that other elements are not crucial for social economy's development. An enabling and favourable legal and administrative framework could play a significant role. This is the case for instance in Greece both with the creation of KOISPE (Law 2716/199) and the creation of KOINSEP (Law 4019/2011).

In addition to the aforementioned elements, the creation of an “enabling ecosystem” –as it is the new word in the European Union jargon- needs some other certain elements.

Financial support. This could take the form of grants, special loans or other financial instruments. Given the fact that in many cases the people who set up social enterprises are not experienced in the use of such instruments, we should promote the development of social funds.

Linked to these funds, are services that are much needed from social enterprises. These services range from advisory, training and business development services to support for the start-up, development and growth of social enterprises.

Yet, we should not forget that the most important actions that social economy's organization should promote are networks and partnerships between civil society organizations, other social economy's organizations and the local people. Let me provide an example. Due to the crisis in Greece have sprung many initiatives that seek to bridge producers of agricultural goods with local consumers. This has taken place in order to avoid mediators. Out of these initiatives, a number of “Social groceries”

have been developed uniting thus in a network producers and consumers. We should never forget that networking, at least in the Greek case, is one disadvantage that has impeded the development of social economy. We should not forget that networking has positive effects on learning, on promoting new partnerships and networking, on promoting joint action and exploiting synergies, on creating new markets, new value chains, sharing of good practices and bringing in new customers.

The future

We know that for social economy to thrive we need never to forget that social enterprises, are, among other things, enterprises. That is, they need to cultivate technical and managerial skills. They need to invest both in their personnel as well as their infrastructure. They should take care to maintain a balance between their employees that come from disadvantage groups and the rest of the staff. They should seek market niches. They should take care of the entrepreneurial risks. They should diversify their activities. They must maintain high quality to the services that they provide and to the goods that they sell.

But most of all, social economy's organizations should focus and develop their comparative advantage: that is,

- the focus for the promotion of social goals
- their commitment to a cooperative and democratic spirit of work
- the focus primarily to human needs rather to capital needs
- the fact that they on the basis of valuing cooperation, solidarity, care for sustainability, commitment to community development
- the fact that they promote sustainable economic development at local and regional level, strengthening social cohesion and care for the most vulnerable parts of society

The future needs new values (or re-discovery of old values), new innovative thinking, new roles. Social firms, social enterprises, social economy's organizations are well suited to explore all these due to the fact that they combine, they cultivate, passion, cooperative spirit and solidarity and devotion to social impact.

And through these we need to mobilize all: governments, civil society, local people, and other entities such as private sector, local authorities, social partners. We need to mobilize public support. For social economy not only has a long history but also a long future. For today, crisis will liberate values such as solidarity, independence, local sustainability, social justice, that consumerism and globalization have "covered". And social economy is well positioned to explore these values, for a sustainable, just and decent future.