**SOCIAL ENTREPRENEURSHIP**

This is the creation of innovative enterprises to make positive and sustainable impact on society or the environment. It involves one taking up something that he/she loves to do and turning it into a project that benefits the community and create meaning in his/her own life.

SALIENT FEATURES OF SOCIAL ENTREPRENEURSHIP

1. Decision making power is not based on ownership.
2. There is limited distribution of profits and minimum amount of paid work.
3. There is a formulated mission to create and sustain social value and benefit the communities.
4. There is participatory and collective nature involving various stake holders.
5. It is characterized by changing opportunities lying in the hands of every individual.
6. There is engagement in innovation, adaptation and learning.

OBJECTIVES OF SOCIAL ENTREPRENEURSHIP

1. To improve living standards of people by creating new jobs.
2. To generate new goods and services.
3. To activate citizens’ participation at all levels.
4. To nurture democratic processes.
5. To integrate new-comers, marginal groups, immigrants and vulnerable groups of the population.
6. To develop intercultural competence.
7. To create wealth through investments.
8. To improve the image of the local areas.
9. To use regional resources in a creative and effective manner.
10. To empower to change their lives and to get motivated.

**Who is a social entrepreneur?**

This is someone who recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to make social change. Social entrepreneurs are individuals with innovative solutions to society’s most pressing problems.

**N.B** :

Social entrepreneurs are commonly associated with the voluntary and non-profit sectors, but this need not to preclude making a profit. Business entrepreneur measure performance in profit return while social entrepreneurs assess success in terms of social impact.

CHARACTERISTICS OF SOCIAL ENTREPRENEURS

1. Personal leadership. Social entrepreneurs lead by example. They have an ability to influence other people.
2. Ethical and principle centered. Social entrepreneurs are principle centred in the sense that they make decisions on rules and values.
3. Goal oriented and visionary. Social entrepreneurs start with a positive vision and then set attainable goals to reach that vision.
4. Good listeners. Social entrepreneurs listen to people’s ideas and comments to learn from their mistakes. This allows them to improve their performance.
5. Risk takers. Social entrepreneurs take moderate risks that have a reasonable chance of success. They try to lessen risk by involving many other people.
6. Empowering. Social entrepreneurs believe in an use the potential of the people they help.
7. Advocators. Social entrepreneurs speak up and take action for what they believe is right even if there is opposition.
8. Optimistic and flexible. Social entrepreneurs tolerate uncertainty. Despite changes, they are positive and determined to succeed.

**What are social enterprises?**

Social enterprises are businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community rather than being driven by the need to maximize profits for shareholders and owners.

CHARACTERISTICS OF SOCIAL ENTERPRISES

* + They have clear stated objectives that benefit the community.
  + They have developed creative ways to work together with a strong volunteer base.
  + They use trading activities to achieve goals and financial self-sufficiency.
  + They strive towards equality of opportunity and encourage diversity in their volunteers and paid staff team.
  + They use entrepreneurial skills of the private sector to fulfill a strong social mission.
  + The governance and structure of the organization is based on equal participation by the work force and stakeholders rather than fulfilling shareholders’ demands.
  + There is a clear set of ground rules or constitution for how the organization operates.
  + Everyone is valued in the organization and this demonstration by the behavior of the stakeholders.
  + The organization strives towards honesty, integrity, humanity and enthusiasm for a positive difference in the community.
  + Effective communication systems are important for keeping everyone informed and consulted.

TYPES OF SOCIAL ENTERPRISES

1. **Non-profit**

This is an enterprise that does not make financial profits from delivering its goods and services and relies on donations for funding.

1. **For profit**

This is an enterprise that sells its products for profits but focuses on creating sustainable positive impact.

1. Hybrid social enterprises

This is an enterprise which mixes non-profit and for profit strategies.

Examples of social enterprises in Uganda include micro finance organizations, schools, hotels, e.t.c. Social enterprises have a “triple bottom line” i.e to impact on society, create profit and impact on the environment. The short form for triple bottom line, i.e people, profit and planet (3Ps).

MERITS OF SOCIAL ENTERPRISES

1. Social enterprises have the ability to raise capital at below market rates due to the ethical investment industry.
2. The labour costs are below average as staff seems willingly to work for below market rates in support of the values of social enterprises.
3. They offer many ways of contributing to solving world’s social and environmental problems.
4. It is easier for social enterprises to access publicity.
5. They enhance creativity and innovativeness of individuals.
6. They empower individuals to make positive contribution in their communities.

COMPARISON BETWEEN SOCIAL ENTERPRISES AND BUSINESS ENTERPRISES

|  |  |
| --- | --- |
| **SOCIAL ENTERPRISES** | **BUSINESS ENTERPRISES** |
| 1. End goal is sustainable impact. 2. Seeks to achieve long-term results. 3. It is a combination of non-profit, for profit and hybrid forms of business. 4. There is social and environmental benefits for communities. 5. Aim to serve the vulnerable, disadvantages and under-served      1. There is empowerment for partners in development.      1. The impact is social, environmental and economic development | * End goal is profit maximization. * Aims at short-term/immediate results. * It is purely for profit form of business. * There is profit or money returns for private investors.      * The target market served is only potential customers. * Offers superior services that meet customer needs. * The impact is production of new goods and services. |

STEPS INVOLVED IN BECOMING A SOCIAL ENTREPRENEUR

1. Discovering vision, passion and skills. This involves one discovering where he/she wants to be in future, what he/she loves to do and she/he is good at doing.
2. Identifying opportunities in the community. This involves spotting opportunities for social entrepreneurship from the community for instance, social investment funds, foundations, e.t.c.
3. Matching the vision with community opportunity.
4. Acting and spreading change.

DEVELOPING GOALS AND STEPS FROM A VISION

In developing goals from the vision, one should start at the top level and move down the levels to action steps. In moving from each level to another, one should decrease the difficulty of the task and time it would take to achieve the task as shown below;

|  |
| --- |
|  |

(Perfect mental Vision

picture of the future)

Achieved after

(

long

-

term

long

-

term

one or more

goal 1

goal 2

years)

(

Achieved

short

-

term

short

-

term

short

-

term

in days,

goal 1

goal 2

goal 3

weeks or

months)

|  |  |  |
| --- | --- | --- |
| Action A | cti | on |
| step 3 s | tep | 4 |

(Achieved Action in several step 2

A

ction

st

ep 1

hours)

CHARACTERISTICS OF GOOD GOALS

Good goals should be;

1. Specific
2. Measurable
3. Achievable
4. Realistic
5. Time bound
6. Challenging
7. Inspiring

CHARACTERISTICS OF GOOD ACTION STEPS

Good action steps should;

1. Produce a clear impact
2. Have clear start and end times
3. Measure results or actions
4. Be simple
5. Be in logical order
6. Further the progress towards achieving a goal.

**SOCIAL ENTERPRISE PLANNING**

Identifying personal preference is the first step in planning a social enterprise. The planning must include clearly identified threats and opportunities in the community.

STRUCTURE OF A SOCIAL ENTERPRISE PLAN.

1. Introduction
   * Title
   * Vision statement
   * Summary of enterprise
2. Theory of change
   * Explanation of vision
   * Impact
   * Outcomes
   * Activities
   * inputs
3. The opportunity
   * Impact area
   * Current reality research
   * Impact potential
4. The innovation
   * Root cause analysis
   * Solution/product description
   * Innovation mix
5. Management and operations
   * Management roles and responsibilities
   * Delivery of products and operation of activities
   * Timeline
   * Strategic partners - Impact on society
   * Impact on environment
6. Sustainability
   * Budget
   * Start up funding strategy
   * Renewal of resources/profit making
   * Profit management

WAYS TO MAKE A SOCIAL IMPACT IN THE COMMUNITY

1. Making the world a better place.
2. Increasing the quality of life of others.
3. Turning a wrong into right
4. Preventing the end of something good.

SOCIAL ENTERPRISE OPPORTUNITY IDENTIFICATION

Opportunities are not things in the world waiting to be found. Social entrepreneurs must use their creativity, research and innovations to create enterprise opportunities. Opportunities change as the world changes. One can expect opportunities one identifies to develop as he/she develops.

Opportunity identification is not a one-time process but should be repeated to uncover new and different opportunities.

**THE THEORY OF CHANGE**

The theory of change concept is unique from other processes where one starts with a plan and work his/her way through the plan. One should start with the end goal ( for instance, to end poverty, educate children, e.t.c) and then work his/her way backwards to accomplish one’s theory of change.

* Vision. It is a long term ultimate goal.

* Impact

One should determine the long-term results of his/her activities and know how the results lead to the accomplishment of the vision. Does it address the root cause or support something related to the vision that is necessary for its achievement? For instance, increasing farmers’ technology which leads to better crops that are part of the achievements of the vision to end hunger.

* Outcomes

This involves one understanding the direct results of his/her activities. It is important for one to be able to measure the outcomes. For instance, the number of children educated, the number of people employed, e.t.c.

* Activities

This is what one directly does. It involves activities that one’s enterprise does to achieve an impact, for instance, training children, hosting a water sanitation workshop, cleaning a community, e.t.c.

* Inputs

This is what one puts in to achieve the vision. It includes all the resources needed to accomplish the project. These can be natural resources, (for instance, land, water, trees) technological resources (for instance computers), human resources (people), financial resources (money), or information resources (knowledge).

Example of theory or change (Refer to text by NCDC, page 134)

THREATS TO COMMUNITY DEVELOPMENT

1. Dependency

Dependency is a state of needing to rely on somebody or something for help or support especially financial support. This is caused by ignorance and inequality.

Ignorance refers to lack of information or knowledge.

Inequality is when one group has different wealth, privileges, rights, status and opportunities compared to others.

Without similar conditions and information, community members become dependent on those with information and power to know what is right and make decisions.

1. Discrimination

This involves unfair treatment of one person or group usually because judgments about their place and family of birth, age, religion, gender, income level, or physical and mental ability.

This leads to apathy where people do not care to change things and feel powerless to do so. It also prevents the entire community from development by excluding certain groups or individuals.

1. Dishonest

This is the basis for corruption and exploitation.

Corruption is when who are in charge of community resources abuse their power and position to redirect the resources to themselves or their partners for private benefit.

Exploitation is to take selfish or unfair advantages of a person or situation for personal gain. If individuals benefit privately, then the community as a whole cannot access those resources for development.

STRATEGIES OF SOCIAL ENTERPRISES

There are many ways for social entrepreneurs to positively impact community development.

The following are the three most common strategies for community development that are used by social entrepreneurs around the world.

1. Increasing access to goods and services.

Basic goods and services include food, health services, housing, waste management and education.

1. Increasing knowledge through education and awareness.

Without education and awareness, people can be left behind, taken advantage of or ill prepared to live in and understand the dangers and opportunities of their environment, for instance, increased awareness of diseases such as HIV/AIDS give people the knowledge to avoid transmission, recognize the symptoms and seek proper treatment.

MARKETING SOCIAL ENTERPRISE PRODUCTS

This involves using materials available to create a product that either solves a need in the community or appeals to the needs of the customers. To sell the product, the following are the 3 options for marketing or sales strategies.

Marketing

Made specially for you

High quality

Conscious buyers

One can describe the

one can explain

some people care if

product as unique and

how the product

t

he product is

tailored to fit the needs

is better than

environmental, if

of a target group

similar products

sales go to help

orphans, or

if your

product

is

locally

made

ENVIRONMENTAL THREATS

Social entrepreneurs turn threats facing society and environment into opportunities to make profits and conserve the environment, for instance, energy efficient stove social enterprise.

Energy efficient stoves produce less smoke and improve health of families and communities. They help to prevent deforestation and conserve the environment.

NATURAL RESOURCES

A natural resource is something important for people’s survival/needs which is available from the earth in a limited quantity, for instance petrol, minerals, forests, lakes, e.t.c.

COMMON ENVIRONMENTAL THREATS CAUSED BY UNSUSTAINABLE USE OF

RESOURCES

* 1. Deforestation
  2. Pollution (air, water, sound)
  3. Land degradation/loss of soil fertility
  4. Displacement of people, animals, insects/loss of biodiversity
  5. Destruction of wetlands
  6. Depletion/exhaustion of non-renewable resources such as minerals.
  7. Overexploitation of resources, for instance over fishing, overgrazing.
  8. Vibrations that weaken buildings by causing cracks, for instance from stone quarries.
  9. Global warming as a result of destruction of the ozone layer.
  10. Poor health as a result of water logging
  11. Moral decay
  12. Accidents
  13. Loss of environmental/natural beauty as a result of waste materials.

WAYS OF REDUCING ENVIRONMENTAL THREATS CAUSED BY UNSUSTAINABLE

USE OF RESOURCES

1. Through setting environmental standards to be observed by businesses.

1. By recycling of used products.

1. Through undertaking compulsory environment impact assessment of all new businesses.

1. Through conserving sources of raw materials, for instance by reforestation.

1. By looking for alternative packaging materials such as paper bags that can easily decompose and save the environment.

1. Through ensuring proper garbage disposal.

1. By conserving the soil through terracing, planting of trees mulching, e.t.c

1. Through treating of industrial wastes.

1. Through looking for alternative sources of energy, for instance, use of electricity, biogas to reduce deforestation.

1. By avoiding use of chemicals which are dangerous to plants, animals and human life.

1. By using silent machines and tools, for instance, silent generators.

1. By compensating those who may have been displaced from their respective home areas.

1. By providing workers working in businesses that discharge gases and exhaust fumes with protective equipment like masks to minimize health risks.

**CLIMATE CHANGE AND GLOBAL WARMING**

Climate is a pressing environmental threat caused by increasing amount of carbondioxide and other gases in the atmosphere.

Global warming is an increase in the temperature of the planet (earth).

EFFECTS OF CLIMATE CHANGE

1. Melting of glaciers in mountainous areas of Uganda causing rivers to increase in size and change course which leads to loss of farm land and displacement of people (Eco-refugees).

1. Changing the pattern of seasons. As the rainy season in Uganda changes, farmers are found to lead an uncertain life style. Farmers lose crops, adapt to new crops and are encouraged to migrate to urban areas. This negative effect on farmers causes food prices to increase which affects the entire population.

1. Causing extinction of species which cannot survive the changing temperatures. Species go extinct or relocate, biodiversity lost and tourism affected which causes the economy to lose.

1. Changing vegetation belts from forests to savannahs, and savannahs to deserts cause people to migrate to areas with better growing conditions or into cities and slums. Hence people are able to produce low yields for income and food prices increase.

WAYS OF SAVING NATURAL RESOURCES

Resources can be saved using the 4 Rs, i.e;

1. Reduce

This involves increasing the amount of natural resources used, for instance, save fire wood and charcoal by using energy efficient stoves.

1. Re-use

This involves finding alternative ways to use natural resources in new ways or to increase the life of natural resources. For instance, filling plastic bottles with mud and using them to build a house.

1. Recycle

It involves collecting natural resources or waste that would be thrown away or burned and bringing them to a recycling facility in order to turn it into a new product. For instance, collecting plastic bottles and selling them to a recycling facility.

1. Repair

This involves finding a way to repair and use a product again or natural resource that is broken instead of wasting it. For instance, if a bicycle instead of throwing it away, convert it into a machine that can create electricity.

SUSTAINABILITY OF SOCIAL ENTERPRISES

Sustainability can be financial sustainability, i.e ability of the enterprise to finance itself or impact sustainability, i.e the ability of the impact to continue and be long lasting without putting in more resources or efforts.

This is the most important element distinguishing a social enterprise from a charity enterprise. This is because charity enterprises are often dependent on the good will of wealthy individuals to fund their work.

Again the mission of social and environmental improvement is the most essential part of a social enterprise which makes it different from a business enterprise. All businesses as long as they make profits are sustainable and can use the profits for expansion.

However creating a private profit for the people owning the enterprise is not a social mission.

Social enterprises cannot usually be sustainable as business enterprises. For a social enterprise, the social mission is the most important goal and profit is only important if it helps to sustain the achievement of the social mission.

INNOVATION IN SOCIAL ENTERPRISES

Social innovation refers to establishing new better ways to accomplish a social mission. It involves social entrepreneurs being creative in applying an existing idea in a new way or new situation.

**N.B**:

1. Innovation is about action, not simply having an idea. It is about results.
2. Innovation involves change.

1. Innovation must be seen as an improvement in the eyes of at least some of the people not affected. Otherwise one may just call it a mistake.

1. Innovation involves/takes forms, i.e one changing what he/she is doing where he/she is doing it, with who, how, e.t.c.

IMPACT ASSESSMENT FOR A SOCIAL ENTERPRISE

* Measuring impact in a social enterprise is the equivalent of measuring profit in traditional for profit business. Profits help a business entrepreneur to know when he/she is being successful. Likewise impact assessment indicates what is working out and what is not working out for a social enterprise.

* It provides a valuable opportunity for social entrepreneurs to listen to the people they work with which is a necessary step to solving a problem. Asking questions and listening through surveys or face to face interviews which clients give a chance to social entrepreneurs to understand how effective or ineffective about their enterprises.

OPPORTUNITIES FOR SOCIAL ENTREPRENEURSHIP (Local and global opportunities)

1. Social investment funds

These are from various sources, i.e from donations of wealthy individuals, corporations and banks. They are similar to business investment funds in that money given is paid back over time. They differ from regular investment funds because they generally expect less or no returns on the money invested in the enterprise.

1. Foundations

Foundations generally give grants (money which is not paid back). They distribute new start-up grants for new social enterprises.

1. Community based organizations.

NGOs and local opportunities. CBOs (Community Based Organisations) and NGOs are organizations which do not earn profits but have a social mission. They aim to improve social and economic conditions in whatever way they can by providing opportunities for funding, employment, partnership, e.t.c.

1. Governments and embassies. Governments often provide policies, grants, technological support and other incentives to support people who are working to positively impact society and environment. Foreign embassies also set aside funding for ‘local solutions to local problems’.

1. Social entrepreneurship as a career option.

Social entrepreneurs face unlimited opportunities for creating a better world in which to live. In countries with high unemployment levels, it is a promising career option for youth who do not want to join the long line of job seekers. Nowadays there are new courses, on-line resources and job opportunities for social entrepreneurs.

IMPORTANCE OF SOCIAL ENTREPRENEURSHIP

1. It creates sustainable impact on society and environment by addressing root cause instead of creating short term solutions.
2. Social enterprises are leaders in innovation and therefore have wide spread effects on the way people live and work.
3. Social entrepreneurship if practiced by many people, it leads to more sustainable infrastructural development.
4. Social entrepreneurs are transformative forces, i.e people with new ideas to major problems.
5. It integrates new comers, marginal groups, immigrants, vulnerable groups of the population.
6. It helps in using regional resources in a creative and effective manner.
7. It empowers people to change their lives and to get motivated.
8. It improves the image of local areas.

1. It helps in creating wealth through reinvestments and generation of investments.
2. It helps in activating citizens’ participation in decision making at all levels.
3. It helps in developing intercultural competence.