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## AGENDA

- Introduction
- Some basics
  - Sustainability
  - SDGs and the planetary boundaries
  - Social Business vs. Social Media
- Impact through ...
  - Social Media
  - Social Business

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## SOCIAL MEDIA

*The social web consists of*

- web based applications which
  - are made for humans
  - support the exchange of information as well as the maintenance of relations
  - are within the context of a society as well as a common context
- – the data which arise from this
- – the relation between the humans which use these applications.<sup>5</sup>  
(Ebersbacher et al 2011: 35)

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# SOCIAL NETWORKING BARRIERS

Table 2 Diffusion Barriers for Applications on the Internet

Technological	Legal	User specific	Provider specific
<ul style="list-style-type: none"> <li>critical mass</li> <li>lack of network coverage</li> <li>infrastructure</li> <li>capacity</li> <li>security of payment</li> </ul>	<ul style="list-style-type: none"> <li>data privacy</li> <li>data security</li> <li>authenticity of data</li> <li>copyright</li> <li>international statutory provisions</li> <li>legal transaction rules</li> </ul>	<ul style="list-style-type: none"> <li>acceptance</li> <li>costs</li> <li>access                             <ul style="list-style-type: none"> <li>physical?</li> <li>net literacy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>service offer</li> <li>mode of payment</li> <li>structure of distribution</li> <li>degree of usability</li> </ul>

Source: Debatz and Müller (1996: 267)




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# SOCIAL MEDIA AND SOCIAL BUSINESS

## SOCIAL BUSINESS

- A form to run an organization
- Social target + business model
- Defined by Mission

## SOCIAL MEDIA

- A technology
- Grass roots and
- Eventually a tool
  - A Knife can kill someone or save lives ...




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# SOCIAL MEDIA CAN ...

## CAN ...

- Strengthen social relationships
  - Strengthen social revolutions
- Disseminate results
- Create first awareness
- increase transparency
- Diminish distance based access problems
- Increase accessibility of information / communication
- Add on other media and communication

## CAN NOT ...

- Build trust
- Build relationships
- Build capacities
- Change power structures
- Properly educate people
- Replace other media and communication




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# DIGITAL COMMANDEOR

- Created a manual for spreading message about youth work
- <https://commandeor.codecvzw.eu>



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# GROUP ASSIGNMENT

- Read your part of the manual
- Prepare the content for the rest of the team in a 10 minutes session



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# SOCIAL BUSINESS

- Rethinking Economy
  - Economy for the common good
  - Manfred Max-Neef
- Circular Economy
- Social Business Types



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# INTRO VIDEO

how we can step by step change the current system.

GEMEINWOHL ÖKONOMIE

[https://www.youtube.com/watch?v=r92Cg\\_iv\\_GM](https://www.youtube.com/watch?v=r92Cg_iv_GM)

monon: YouLEAD

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# CGE: CONSUMER PERSPECTIVE

800 – 1000 points

600 – 799 points

400 – 599 points

200 – 399 points

0 – 199 points

MARKETEASING 2013/MBC 4.0.1

616 puntos 61,6%

Empresa pionera de la ECONOMÍA DEL BIEN COMÚN con Balance auditado

monon: YouLEAD

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# COMMON GOOD MATRIX

STAKEHOLDER	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
<b>A1 SUPPLIERS</b>	A1 Human dignity in the supply chain	A2 Solidarity and social justice in the supply chain	A3 Environmental sustainability in the supply chain	A4 Transparency and co-determination in the supply chain
<b>B OWNERS, LEADERS AND FINANCIAL SERVICE PROVIDERS</b>	B1 Ethical position in relation to financial resources	B2 Social position in relation to financial resources	B3 Use of funds in relation to the environment	B4 Ownership and co-determination
<b>C EMPLOYEES</b>	C1 Human dignity in the workplace and working environment	C2 Self-determined working arrangements	C3 Environmentally friendly behaviour of staff	C4 Co-determination and transparency within the organisation
<b>D CUSTOMERS AND BUSINESS PARTNERS</b>	D1 Ethical customer solutions	D2 Cooperation and solidarity with other companies	D3 Impact on the environment of the use and disposal of products and services	D4 Customer participation and product transparency
<b>E SOCIAL ENVIRONMENT</b>	E1 Purpose of products and services and their effects on society	E2 Contribution to the community	E3 Reduction of environmental impact	E4 Social co-determination and transparency

monon: YouLEAD

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**WE CAN'T SUSTAIN THIS 'TAKE-MAKE-DISPOSE' MODEL – WHAT'S THE SOLUTION?**



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**WHAT WOULD HAVE TO CHANGE TO MAKE RECYCLING WORK BETTER?**



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**WHAT WOULD HAVE TO CHANGE TO ALLOW FOR USING LESS TO BE OK?**



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## COULD LONGER LASTING PRODUCTS WORK? HOW?



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## WHAT WOULD WE HAVE TO CHANGE TO MAKE EFFICIENCY REALLY HELPFUL?



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## GREEN: WHAT DOES THE DESTINATION LOOK LIKE?



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# HOW CAN WE CHANGE THINGS TO MAKE OUR NEWEST MEMBERS OF THE HUMAN RACE



monon... YouLEAD

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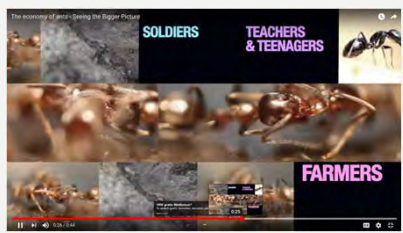
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# WHAT ARE THE RULES [FOR BENIGN PRODUCTION]?



monon... YouLEAD

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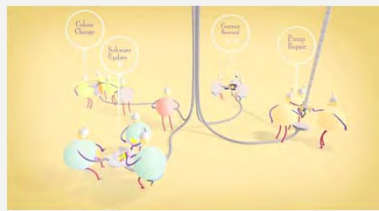
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# FROM CONSUMER TO USER



monon... YouLEAD

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# WHAT IS SOCIAL BUSINESS

- Social Business part of Social Entrepreneurship
- A very young academic field (~ 30 years)
- No common definition
  - Impact investment vs. Responsible business
  - „change agents in the social sector ....“ (Dees, 1998)
- Some of the repeating elements
  - Profit secondary / a means
  - Mission driven
  - Environment / humans are central
  - Engaging in innovation
  - Acting boldly without being limited by resources

With adaptations from Huybrechts & Nicholls: *Social Entrepreneurship: Definitions, Drivers, Challenges* in *Social Entrepreneurship and Business*, Volkmann, Tokarski Ernst (Eds.), 2014, Springer  
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# SOCIAL BUSINESS

EXHIBIT 2 | Social Businesses Are at the Intersection of Nonprofit and Business Sectors

	NGO	Business- inspired NGO	Social Business	Balanced social-profit business <sup>1</sup>	Business
Primary objective	Social impact	Social impact	Social impact	Social impact and commercial success	Commercial success
Products / services priced for sale	X	✓	✓	✓	✓
	N/A	Price < Costs	Price = Costs <sup>2</sup>	Price > Costs	Price > Costs
Business model	Maximizes social impact	Maximizes social impact	Maximizes social impact	Maximizes social impact	Ensures social standards
	Funded through donations	Partially funded through donations	Financially self-sustainable	Maximizes profitability	Maximizes profitability

Source: BCG analysis.  
<sup>1</sup>These include legal entities such as B-corporations (benefit corporations) in the U.S.; Patagonia is one example.  
<sup>2</sup>At least over the long term.

monon: 

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# YUNUS'S 7 PRINCIPLES

- Known for Micro-Financing
- several books on Social Business:
  - Creating a World Without Poverty
- Established Grameen Family Social Businesses



monon: 

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## WHAT IS SOCIAL BUSINESS

- Delimitation against other concepts
  - CSR
  - NGO (gemeinnütziger Verein) / business inspired NGO
  - Microfinance



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## NOT CSR

### BUSINESS & CSR

- Separated approach
- Social impact as topping
- Easier to implement
- Impact investment (dividend)

### SOCIAL BUSINESS

- Integrated approach
- Social Impact as System
- Complex to implement
- Only Principle is revolving



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## NOT NGO / BUSINESS INSPIRED GNO

### NGO

- Financially not sustainable
  - dependent on donations
  - dependent on governmental funds
- No sales of anything

### BUSINESS INSPIRED NGO

- Having sales
  - Not sufficient to cover operative costs
- Else than this same like NGO



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## ZAHRA – 3 TYPES

Social Bricoleur	Social Constructivist	Social Engineers
Local level	Construct & introduce changes	Fracturing existing system
Improvise solutions	Scaleable systemic solutions	Sometimes Subversive & illegal
Hard to research	Lack in institutions	Making problems public

monon: YouLEAD

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## BUSINESS PROGRAM INTEGRATION

Social Programs + Enterprise Activities	Social Programs + Enterprise Activities	Social Programs + Enterprise Activities
Career Disha Nepal QMILK Netzwerk	VHS Bhaktapur VAUDE	Sarangi Restaurant Caritas – Schenk eine Ziege

monon: YouLEAD

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## ALTER'S MODELS

The diagram illustrates several models of Social Enterprise interaction:

- Model 1:** Social Enterprise (containing Target Population and Members) interacts with an External Market.
- Model 2:** Social Enterprise interacts with Target Population and Market.
- Model 3:** Social Enterprise interacts with Target Population and Market.
- Model 4:** Social Enterprise interacts with Target Population and Market.
- Model 5:** Social Enterprise interacts with Target Population and Market.
- Model 6:** Social Enterprise interacts with Target Population and Market.
- Model 7:** Social Enterprise interacts with Target Population and Market.
- Model 8:** Social Enterprise interacts with Target Population and Market.

monon: YouLEAD

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# RESPONSIBLE BUSINESS

VAUDE

GÖTTIN DES GLÜCKS



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# CASE STUDIES

- Please attach your case study to the board if it is an social/environmentally responsible business



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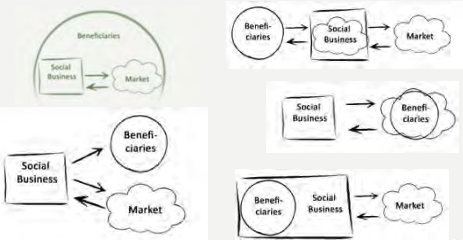
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# MERGING ALTER'S APPROACH AND CGE



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## TYPE A – CUSTOMER ORIENTED

monon: Social Programs + Enterprise Activities YouLEAD

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## DESIRABLE ACHIEVEMENTS

- Products meets fundamental human needs (Max-Need)
- Product designed environmentally friendly
- Product contributes to the sustainable development goals
- Products made for / accessible to disadvantages customers
- Pricing and distribution environmentally & socially friendly
- Ethical communication & product information system
- Cooperation with businesses from the same field

monon: YouLEAD

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## WHAT CAN BE SOLVED THROUGH TYPE A

- Access to basic commodities which improve live
  - Requires willingness to pay (no merit goods)
  - Requires ability to pay (financial stability of beneficiary)
- Where do commodity serve the fundamental human needs

monon: YouLEAD

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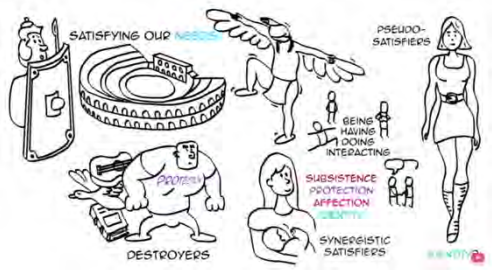
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# SATISFIERS



monon:

<https://www.youtube.com/watch?v=71811066>




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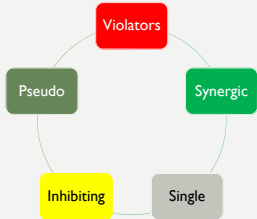
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# SATISFIERS



monon:




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# VIOLATORS

Supp. Satisfier	Targeted need	Impairs
Arms race	Protection	Subsistence, Affection, participation
Censorship	Protection	Creation, identity, freedom
Bureaucracy	Protection	Understanding, Affection, Participation, Creation, Identity, Freedom



monon:




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## PSEUDO-SATISFIERS

Supp. Satisfier	Need
Stereotypes	Understanding
Prostitution	Affection
Charity	Subsistence
Fashion & Fads	Identity
Soft drinks*	Subsistence




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## INHIBITING

Supposed Satisfiers	Need met	Inhibited needs
Paternalism	Protection	Understanding, Participation, Freedom, Identity
Authoritarian Classroom	Understanding	Participation, Creation, Identity
Commercial Television	Leisure	Understanding, Creation, Identity




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## SINGLE SATISFIERS

Satisfier	Need
Curative Medicine	Subsistence
Insurance System	Protection
Ballot	Participation
Sports Spectacles	Leisure
Nationality	Identity
Guided Tours	Leisure
Gifts	Affection




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## SYNERGETIC SATISFIERS

Satisfier	Primary Need	Stimulated Needs
Breastfeeding	Subsistence	Affection, Protection, Identity
Educational Games	Leisure	Understanding, Creation
Self-managed food production	Subsistence	Understanding, Participation, Creation, Identity, Freedom
Direct Democracy	Participation	Protection, Understanding, Identity, Freedom




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## SATISFIERS AND TYPE A SOCIAL BUSINESS



- A Social Business should not have ANY
  - Violators
  - Pseudo-satisfiers
  - Inhibiting satisfiers
- Ideally a Social Business has a majority of synergetic satisfiers




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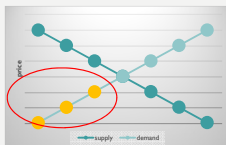
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## LIMITATION / RISKS



- Does the customer "demand" your product / service or is it a merit good?
  - Awareness Campaigns
  - Drug rehabilitation
  - Basic health care
- Are you able to produce cheaper than others without a lack in quality?
- Was the need served through the field of "social norms" (Ariely) before?
  - If yes: what will change if you commodify it?




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# A - CUSTOMER ORIENTED EXAMPLES

**KARNALI MITERI UDHYOG**



**BIKES AND RAILS**






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# TYPE A RESTAURANT

**MODALITIES**

- Serves breakfast and lunch for free to poor
- Serves dinner at night for paying clients
- Overlapping Type E?
  - No because it is integrated

**ROBIN HOOD RESTAURANT MADRID**






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# TYPE B – EMPLOYMENT ORIENTED





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## EMPLOYING "SOCIALLY"

- Work as means to fulfil fundamental human needs
  - Not only subsistence
  - Creation
  - Identity
  - ....
- Give meaning to people
- The context matters
  - Social security system
  - Degree of poverty
  - public perception






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## MEASURING THE IMPACT

- Scale of employment
  - Measure in: Full time employment in percentage of affected people reached
- Investment vs. salary
  - Ratio (no benchmark yet)






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## WHAT CAN BE SOLVED THROUGH IT

- People with disabilities
  - different infrastructure
- Employing hard to employ groups:
  - Competitiveness? → Precht
- Bring employment to "dead" regions
  - Market access?
- Work as dignity / empowerment and not just means
  - Internal structures






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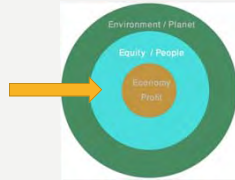
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## DESIRABLE ACHIEVEMENTS

- Employee-oriented organization structure
- Payment perceived as fair and ensures good life (working poor)
- Fair income distribution
- Fair working time distribution
- Encourage ecological behaviour and healthy lifestyle of employees
- Democracy & transparency



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## LIMITATIONS / RISKS

- Which product can be produced?
  - Can you compete with machine production?
- High investment in making employees productive
  - Initial training
  - Special equipment
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## B – EMPLOYMENT ORIENTED EXAMPLES

JOB FACTORY



SEEING HANDS



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# TYPE B RESTAURANT

**METHOD**

- Employs blind people
- Guest experiences blindness

**DIALOGUE IN THE DARK**

monon: **YouLEAD**

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# TYPE C – SUPPLIER ORIENTED

Social Programs + Enterprise Activities

monon: **YouLEAD**

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# WHAT CAN BE SOLVED THROUGH IT

- Improving competition of small scale producers
  - Agriculture
  - Handicrafts
- Promote Regions / Rural Areas
  - Overlapping Type D / type A
- Reduce transaction
  - Create direct links
  - Product information instead of advertisement
- Make supply chains transparent

monon: **YouLEAD**

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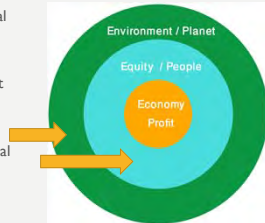
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## DESIRABLE ACHIEVEMENTS

- Regional, ecological and social aspects and alternatives are considered
- Active examination of impact of procured product & services
- Basic structure for conditional pricing




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## EXCURSION: TRANSACTION COSTS

"In order to carry out a market transaction it is necessary to discover who it is that one wishes to deal with, to inform people that one wishes to deal and on what terms, to conduct negotiations leading up to a bargain, to draw up the contract, to undertake the inspection needed to make sure that the terms of the contract are being observed, and so on."

Coase, 1961




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## EXCURSION: PRINCIPLE AGENT THEORY

### ASSUMPTION

- In market transactions
- Principles hire agents to perform an activity
- Information is asymmetrical
  - Agents have insider knowledge
- Principle as well as agent act in self-interest
  - Hidden agenda

### CONSEQUENCES

- Principle not optimally participating in market transactions
  - To little payment for suppliers
  - To high prices for clients
  - Unnecessary / wrong products for clients
- No transaction
  - Lower welfare for all




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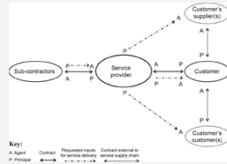
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## PRINCIPLE-AGENT-THEORY IN TYPE C SB



- Small suppliers have high transaction costs (Coase)
- Suppliers therefore require intermediaries to access the market
- Those intermediaries are the agents
- Intermediaries often have a monopoly (i.e. cafe mafia)
- Customers do not have a choice of intermediaries
  - Fair electronics
  - Big five in food




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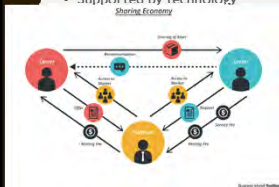
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## SPECIAL CASES OF TYPE C



### SHARING ECONOMY

- Supplier = individuals
- Supported by technology



### COOPERATIVES

- Suppliers = members = customers
- Democratic structure
- Local proximity
  - Knowing each other personally




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## LIMITS AND OVERLAPPING

### TYPE A – CUSTOMER ORIENTED

- In comparison
- Focuses more on the impact on the supply side of the chain (in case of conflict)

### WITH TYPE D - ENVIRONMENTAL

- In comparison
- More focus on the




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# C – SUPPLIER ORIENTED EXAMPLES

**FAIR PHONE**



**FOOD COOPS**






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# RESTAURANT TYPE C

**METHODOLOGY**

- Cook only with local ingredients
  - Not even olive oil, lime or anything else ...
- Cooking according to the harvesting calendar
  - Winter ... work with
- The whole animal / vegetable is eaten
  - Not only the filet or the root
- They know every supplier in person

**NOBELHART & SCHMUTZIG**



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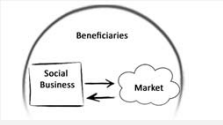
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# TYPE D – ENVIRONMENT ORIENTED











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## WHAT CAN BE SOLVED THROUGH IT

- Reduce the footprint of a type of product / service
- Encourage more environmentally friendly behaviour




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## LIFE CYCLE ASSESSMENT




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## DESIRABLE ACHIEVEMENTS

- Producing goods and services more environmentally friendly
- Encourage environmentally friendly behaviour of employees
- Product design cradle-to-cradle
- Sufficiency-active design for ecological use
- Active communication of environmental aspects to customers




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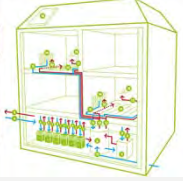
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## D – ENVIRONMENTALLY ORIENTED EXAMPLES





**CLOUD & HEAT**



**LIVIN FARMS**



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## TYPE D RESTAURANT

**METHODOLOGY**

- Heating and cooking with local wood
- Local organic food
- Member of the zerofoodprint network

**FLOUR + WATER**






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## TYPE E – SERVICE SUBSIDIZATION MODEL





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## DESIRABLE OUTCOMES



- Enterprise existing for the sake of subsidizing social activities
- All profit is
  - Reinvested or
  - Invested in social project
- High transparency and democratic elements to include the beneficiaries



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## LIMITATION / RISKS



- Integration of mission in business
- Transparency of financial flows
- Limitation
  - Subsidization = profit (100 % ?)
  - Social operations need to run from the profit
  - Small scale social projects
    - One time investments (i.e. new school building)
    - No or low fixed cost (i.e. club work)



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## E: SERVICE SUBSIDIZATION EXAMPLES



**HIGHER GROUND  
(TRAFFICKING)**



**DHARMA DOO (VARIOUS  
PROJECTS)**



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## TYPE E - RESTAURANT

### METHODOLOGY

- Vegetarian Restaurant
- Tourist Center of Nepal
- Has Sarangi Music performance
- All profit goes to develop the Ghandarba Community

SARANGI RESTAURANT,  
KATHMANDU



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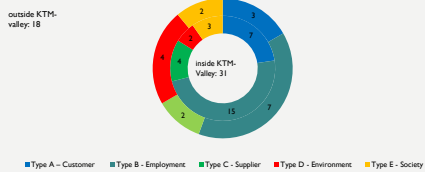
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## TENTATIVE DISTRIBUTION OF SOCIAL BUSINESSES IN NEPAL

Tentative distribution of Social Business in Nepal



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## GROUP EXERCISE

- Gather in groups of four and try to brainstorm min. 1 example for each social business type mentioned + 1 example for a social responsible business



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