

SOCIAL ENTREPRENEURSHIP *and* ENVIRONMENTAL SUSTAINABILITY



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The purpose of this module:

- To understand key concepts of social and green entrepreneurship
- To identify the connection between social entrepreneurship and environmental sustainability
- To recognize the principles of social entrepreneurship within environmental sustainability

INTRODUCTION TO SOCIAL ENTREPRENEURSHIP

Social entrepreneurship definition: To understand how social entrepreneurship solves social issues using business modules.

Business based on social, environmental, and economic sustainability principles, where created profit/extra income is invested, in its entirety or in most part, to benefit the community.

The definition has two concepts. In the first part, social entrepreneurship is connected to the three dimensions of sustainability, which led to an often-used new term in the literature “triple bottom line”. The second part introduces a new demand: most of the profit in social entrepreneurship has to benefit the community.

Social and social-based entrepreneurship are synonyms. Croatia used both terms for a long time, but the term social entrepreneurship prevailed in the end. According to the strategic development of social entrepreneurship in the Republic of Croatia from 2015 until 2020, “the term social entrepreneurship was implemented which encompassed all business practices with a social cause relating to the term social entrepreneurship which can have a connotation of exclusive engagement in the social sphere”.

Croatia has no legal framework for social enterprises, so they are registered as associations, trading companies, and social cooperatives and institutions.

Social entrepreneurship represents doing business led primarily by social goals and creating a positive social and environmental impact.

Social entrepreneurship can significantly contribute to reaching strategic goals, especially social cohesion, fighting against poverty and increased employment, creating new products, competitiveness, resource preservation, appreciation of heritage and biodiversity, and improving the quality of life through doing business for social wellbeing.

Social entrepreneurship is a concept that drives the creation of economic and social values by creating new values and social changes that satisfy the needs and offer employment to social categories that are marginalised and difficult to employ.

An innovative and creative entrepreneurial model for solving social and ecological issues is used to encourage sustainable development and employment that benefits the wider social community.

Social entrepreneurship sets the foundation for social changes and often satisfies the community's needs through member participation.

Unlike traditional entrepreneurship, the profit made in such a model is reinvested into the community or is used to implement other programmes and goals that contribute to improving living conditions, preserving the environment, and sustainable development.

GREEN ENTREPRENEURSHIP

The definition of green entrepreneurship: To introduce oneself to entrepreneurship focused on sustainability and reducing a negative environmental impact.

Green entrepreneurship is a business approach that focuses on reducing the negative environmental impact. The goal is to achieve sustainability through innovative practices and technologies that reduce ecological footprint. Green companies often seek ways to reduce resource consumption, encourage renewable energy sources, recycle materials, and produce eco-friendly products and services. In this context, considering economic, ecological, and social factors, sustainability plays an important role in long-term business.

Nine basic principles are crucial for the sustainable development of green entrepreneurship that support each other and complement each other (principles are listed based on OECD):

- Respecting and taking care of the community. The success and growth of a company should be based on respect, care, and investing in society and the community. The community's quality of life now and in the future should constantly be improved and not put in danger or jeopardise by doing business in an unethical way.
- Improving the quality of life. The economic growth and the growth of the society is crucial for ensuring dignified lives. Economic growth is part of development, however, it cannot be the sole goal. Although set goals differ, some are universal. Those are long and healthy lives, resource availability necessary for a dignified life, education, political freedom, and human rights.
- The protection of diversity and vitality of the Earth. Development should be based on the protection of the Earth and nature. To achieve that, it is necessary to do the following:
 - improve and protect the systems for maintaining life (processes that purify the air, shape the climate, encourage soil regeneration, regeneration, and purifying water)
 - ensure the sustainability of renewable resources (that includes forests, soil, water, pastures, rainforests, and fresh and saltwater ecosystems)
 - protect the biodiversity (protection of all animals and plants)
- Minimalising the depletion of the nonrenewable resource. Oil, gas, coal, and minerals are energy sources that cannot be renewed and used sustainably. The only option is to extend their lifespan by recycling and decreasing their depletion.
- To respect the limits of acceptable capacity of the Earth. In some parts of the world, the capacity for using resources and energy is significantly higher than the legal limit. That is influenced by the number of people, amount of energy used, food, production of goods, and other materials that people use and misuse.
- Changes in personal actions and attitude. People must see for themselves that their actions and decisions affect the surrounding environment. To achieve a positive change, it is necessary to enable people quality sources of information and introduce and inform them of activities that can be done to improve the current state.
- Enabling communities to care about their environment. Communities and local groups present the most simple channels people can use to express their concerns and take measures to create a more stable, sustainable environment. To do that, they need authorization, knowledge, and power.

- Creating a national framework for integration of development and protection. For a society to progress rationally, it should have a database of information and knowledge, a legal and institutional framework, and consistent economic and social politics.
- Global alliance. Global sustainability is possible only if all participants (countries, alliances, and individuals) are willing to take on responsibility and change their current ways. Everyone can benefit from global sustainability only if there is a strong alliance among all countries with the common goal of environmental protection.

The first four principles represent the ethical foundation necessary to achieve the following five principles that give the direction where they should go.

Green entrepreneurship practices: To identify the key practices, such as recycling, using renewable energy sources, and reducing carbon footprint.

Key practices of green entrepreneurship include various strategies and initiatives that companies implement to reduce the negative environmental impact. Some of the examples of key practices of green entrepreneurship that are recognized and implemented are:

- **Using renewable energy sources:** Companies are switching to renewable energy sources such as the Sun, wind, and water to reduce greenhouse gas emissions and dependency on fossil fuels.
- **Energy efficiency:** Implementation of energy-efficient technologies and practices within business operations to reduce energy consumption. That can include using energy-efficient appliances, improving insulation, and using smart systems for energy management.
- **Sustainable production:** Integration of sustainable practices in a production process to reduce the emission of waste, using resources, and the ecological footprint of a product. That can include recycling, reusing materials, and using ecologically friendly materials.
- **Green products and services:** Development and offer of products and services that impact the environment less, such as ecologically friendly products, products made from sustainable materials or services that promote sustainability.

- **Social responsibility to the employees and the community:** Including social responsibility in the business, fair working conditions, support to the local community, and investments in education and training programmes.
- **Transparency and reporting on sustainability:** Regular reporting on the ecological and social performances of a company to increase transparency and responsibility to shareholders.
- **Green innovations:** Encouraging research and innovation development that promotes sustainability, including new technologies, products, and business models.
- **Sustainable logistics and chain of supply:** Optimising logistical processes, reducing greenhouse gas emissions in transportation and promoting sustainable practices in the chain of supply.

These practices represent several examples of how companies can integrate sustainability into their business and contribute to environmental protection. Implementing these practices often results in long-term benefits for the companies, society, and the planet.

THE CONNECTION BETWEEN SOCIAL ENTREPRENEURSHIP AND ENVIRONMENTAL SUSTAINABILITY

Overlapping of interests: To understand how entrepreneurs can positively impact the environment by integrating sustainable practices in solving social issues.

The connection between social entrepreneurship and environmental sustainability often comes from their joint effort to impact society, community, and the environment in a positive way. Several key aspects of the connection between social entrepreneurship and environmental sustainability are integrating social and ecological goals. Social entrepreneurship often recognizes the importance of preserving the environment as a key element of long-term well-being. Companies that have social and ecological goals, try to create sustainable solutions that encourage social fairness and environmental protection. An innovative approach to sustainability is one of the aspects where social enterprises often apply these approaches to solve social issues, and, simultaneously, recognize the importance of environmental protection. That can include developing ecologically friendly products or services that contribute to social goals. Sustainable employment and supporting the communities where social enterprises offer sustainable jobs often contribute to strengthening local communities.

Environmental protection can be crucial in preserving the resources and the quality of life in the communities. Education and raising awareness in which social enterprises play a role in education and raising awareness in communities on the importance of environmental protection. Companies encourage social responsibility for the environment through educational programmes. The inclusion of marginalized groups in sustainable initiatives is how social entrepreneurship can offer sustainable opportunities for employment and the inclusion of marginalised groups positively impacts society. Sustainable employment contributes to social fairness and balance in a society. Promoting responsible practices in a chain of supply in which social enterprises represent environmental standards in their chains of supply encourages sustainable practices among their partners and suppliers. Raising awareness on sustainable needs of a community where social enterprises often develop programmes that reflect the specific needs of a community. Integrating ecological solutions in these programmes can improve the quality of life of a community and contribute to the greater good.

Through these practices, social entrepreneurship reaches social impact and contributes to the protection of the environment, creating synergy between social fairness and ecological sustainability. This connection represents the foundations for a holistic approach to business that supports the people and the planet.

- Entrepreneurs can integrate sustainable practices in solving social issues, positively impacting the environment by applying different strategies and approaches. Several key ways in which entrepreneurs can achieve that are by developing sustainable products or services that have a lower ecological footprint and solve social issues. That can include products made from recycled materials, products made with lower energy consumption or services that encourage sustainable practices. Implementing sustainable practices in production processes to reduce emissions, resource consumption and a negative impact on the environment are going down. Entrepreneurs can encourage suppliers to implement sustainable practices. Switching to renewable energy sources for business operations. Using solar panels, wind turbines, and other renewable energy sources helps to reduce gas emissions and encourages sustainable practices. The implementation of employee training programmes to educate them on sustainable practices and encourage them to participate in initiatives that support social goals and environmental protection. Including social responsibility in the foundations of business strategy. This includes fair working conditions, fair salaries and support to the local community to improve social justice and environmental sustainability. Consumers' education on ecological and social benefits of products or services. Sustainable marketing, transparency and communication with customers can encourage responsible customer decisions. Encouraging innovation that supports sustainable practices.

This includes investing in research and developing new technologies or business models that positively impact the environment. Cooperation with local authorities, nongovernmental organisations and other participants to work together on solving social issues and promoting environmental sustainability. Regular reporting on social and ecological performances to increase transparency and responsibility to participants.

Integrating sustainable practices in business contributes to social goals and benefits the companies in the long run, which, in turn, positively impacts the environment and society.

- Examples of successful projects: to study examples of companies that combine social entrepreneurship with green practices.

THE PRINCIPLES OF SOCIAL ENTREPRENEURSHIP WITHIN ENVIRONMENTAL SUSTAINABILITY

Sustainability as the key principle: To recognize sustainability as the key principle of social entrepreneurship within environmental protection.

Sustainability represents the heart of social entrepreneurship, consuming every aspect of business to impact the environment positively. Within environmental protection, sustainability in social entrepreneurship reflects a long-term dedication to preserving natural resources, minimising ecological footprint, and building a society that is in balance with the environment.

Social entrepreneurs who set sustainability as the key principle recognize a deeper connection between society and nature. Their business models are not limited to creating profit; they are based on making changes that encourage balance among social, economic, and environmental factors.

Sustainability in social entrepreneurship is not limited to superficial adaptations and “greenwashing” business, it is deeply rooted in the company’s identity. That refers to implementing innovative practices that reduce the negative impact on the environment, raising awareness and education on ecological questions, and encouraging cooperation with partners who share the same values on sustainable business.

Sustainability in social entrepreneurship challenges entrepreneurs to face the challenges and opportunities that environmental protection brings. That can include developing new technologies, adapting production processes to reduce greenhouse gas emissions, and questioning consumer habits to reduce a negative impact.

Sustainability makes a business responsible to the environment and creates bridges to communities, strengthening the bond between people and the planet. It sets the standard for ethical and responsible business. It attracts customers and builds a sustainable community by believing that entrepreneurship has a positive impact on society and the environment.

Several lessons from case studies can be applied to further development of social companies in sustainable development.

Primary value has shown to be a significant starting point for social innovations and socio-entrepreneurial activities connected to sustainable development. They are among the first ones to do business in a socially innovative way in certain areas of sustainable development. Therefore, it is not unusual that some case studies have authenticity and transparency as key values. Many of them try to replace the type of social capitalism we have in Croatian society and see themselves as starting points of wider transformation.

Resources consumption. Financing takes various forms such as market financing and other types of organisations whose financing and logistics are mostly hybrid. Financial obstacles include a lack of resources and capital for entrepreneurial activities, and problems of project financing for civil society organisations, such as complex financial administration, late payments, and similar. There are other administrative obstacles, like over-complicated bureaucracy and administrative rigidity.

Process innovativity. Innovative features can be found in the way of doing business or in business models. They perceive their innovation in a process way, through business models or business rule models, and then through innovative product features.

- Innovative strategies: To develop innovative strategies that integrate social entrepreneurship with an emphasis on environmental sustainability.

Integrating social entrepreneurship with an emphasis on environmental sustainability requires the development of deeply rooted and innovative strategies. The key is to recognize the complexity of connections among society, economy, and the environment and build an all-around approach that solves social issues and encourages environmental protection.

The holistic approach includes creating business models that are profitable and proactive in solving ecological issues. Innovative strategies include technological innovation such as smart technologies, artificial intelligence, or blockchain to optimise resources and improve ecological efficiency.

It is important to establish a connection and partnerships with organisations, research institutions and other social entrepreneurs to work together on solving social and ecological challenges. Education and raising awareness on ecological issues play a crucial role by encouraging changes in behaviour and supporting sustainable practices. Innovative strategies must be adaptable and dynamic, enabling fast adaptation to new environmental challenges. Social entrepreneurship can positively impact the environment by developing products and services emphasising longevity, recycling or using sustainable materials. Finally, sustainable success in a social enterprise demands creating innovative strategies that suit current challenges and set the standard for ethical and responsible business, achieving social and ecological changes.

THE CONNECTION BETWEEN SOCIAL AND GREEN ENTREPRENEURSHIP

Social and green entrepreneurship share a common goal – to impact society and environment positively. Integrating these two approaches results in the creation of sustainable business models that encourage social justice and ecological sustainability. Both forms often apply innovative practices to solve social issues and minimise the negative impact on the environment. Sustainable technologies, renewable energy sources and circular economy can be key elements of these practices. Connecting social and green entrepreneurship often includes a holistic approach to business which encompasses social, economic, and ecological dimensions. A business that cares for the community recognises the importance of environmental protection. Both forms often cooperate with various participants, including local communities, nongovernmental organizations and government agencies to achieve maximum positive impact.

Maintaining the environment and sustainability in social entrepreneurship:

- **Sustainable production:** integrating sustainable practices in the production processes to reduce greenhouse gas emissions, and resource consumption and produce minimum waste.
- **Socially responsible business:** Ensuring fair working conditions, fair salaries and encouraging sustainable employment to support local communities.

- **Education and raising awareness:** Creating educational programmes that encourage awareness of environmental protection among employees and in a wider community.
- **Innovation in products and services:** Developing products and services that have a lower ecological footprint, use renewable energy sources, or encourage sustainable practices among users.
- **Transparency and reporting:** regular reporting on social and ecological performances to increase transparency and responsibility to participants.

What can the young do:

- **Education:** Actively educate themselves on the concepts of social and green entrepreneurship and the importance of sustainability. Understanding these topics is crucial for making informed decisions.
- **Supporting local initiatives:** encouraging and supporting local social and green initiatives. Participation in volunteer activities that promote sustainability in your community.
- **Changing consumer habits:** supporting products and services that positively impact society and the environment.
- **Active participation:** Participating in discussions, events and projects that encourage social entrepreneurship and sustainability.
- **Strengthening the community:** Working with peers to create initiatives that promote sustainability and solve social challenges in our surroundings.

CASE STUDIES AND DISCUSSION

- **Analysis of successful projects:** To study case studies of successful social enterprises that achieve environmental sustainability.
- **Discussion on challenges and opportunities:** To talk about challenges and opportunities that appear when connecting social entrepreneurship and environmental sustainability:

CONCLUSION

Sustainability as imperative: To emphasise the importance of sustainability as an imperative in contemporary business and how social entrepreneurship can play a key part in achieving those goals.

In contemporary business, the importance of sustainability within social entrepreneurship comes from adapting business practices to align with social and ecological challenges. Sustainability becomes a crucial component of ethical and responsible business, and social entrepreneurship becomes an exceptionally relevant model for achieving those goals. Social entrepreneurship emphasises solving social issues and inequality. Sustainability in this context signifies creating business models that promote social justice, respect human rights and encourage solidarity within the community. Business models focused on social entrepreneurship often encourage economic sustainability on a local level. Sustainable business practices enable preserving jobs, strengthening the local economy, and contributing to the community's general well-being. Apart from social aspects, sustainability in social entrepreneurship includes caring about the environment. Initiatives such as using renewable energy sources, reducing greenhouse gas emissions, and fair resource management become crucial for reducing ecological footprint. Social entrepreneurship that focuses on sustainability does not think about current challenges but plans long-term. Business models with a sustainable approach have a vision that recognizes the need for change that will benefit the social and ecological goals in the long run. Social entrepreneurship encourages innovation and developing new practices that solve social issues and set standards for responsible business. Sustainable practices become a source of innovation that can inspire traditional sectors. Social entrepreneurship has the potential to encourage changes in consumer habits. Entrepreneurs can motivate consumers to select sustainable options by offering products and services with positive social and ecological impact. Sustainability in social entrepreneurship refers to social responsibility and transparency. Businesses that practice sustainability commit to transparent reporting on social and ecological performances by building relations with the participants.

In contemporary business, what is emphasised is sustainability for long-term success. Sustainability reflects an ethical approach to the environment and society and is crucial to achieving a balance between economic profit, social justice, and environmental protection. Social entrepreneurship represents a key component in achieving those goals. It focuses on creating a positive social impact while minimising negative ecological consequences.

Sustainability as the imperative in business sets the foundation for responsible entrepreneurship that recognises the connection between the company's prosperity, the well-being of the community, and resource preservation. Social entrepreneurship can encourage innovative practices, cooperation with the participants, and a holistic approach to business that supports sustainable transformation. Sustainability should be an essential part of business strategies, it should build a positive relationship with the environment and set the foundation for social responsibility that crosses barriers of conventional business. That confirms the role of social entrepreneurship as the beginning of the change to socially responsible and ecologically aware business models, which contribute to achieving a more sustainable and inclusive society.

Activities:

- Group discussion on integrating social and green entrepreneurship.
- Analysis and presentation of case studies on successful projects that simultaneously achieve social and ecological goals.
- **Simulation of social entrepreneurship:** Simulation of social entrepreneurship where young people will have a chance to develop ideas for business models whose goal will be to solve social issues. That encourages them to think about sustainable practices and their influence on the environment.
- **Sustainability in practice:** Field visit to local social entrepreneurs that deal with sustainable business. The young can directly communicate with entrepreneurs, hear their stories, and learn how to integrate sustainability into their business.
- **Recycling and creativity:** The goal is to encourage young people to think about recycling materials in a workshop. Let them create artistic or functional objects using recycled materials, emphasising the importance of waste reduction.
- **Green innovation:** Brainstorming sessions to develop innovative ideas that could encourage sustainability in their communities. Focusing on solutions that combine social benefit and positive impact on the environment.
- **Young people can learn about the concept of social entrepreneurship and sustainability in a fun way by using interactive games and quizzes.** That can include questions on innovative projects, environmental protection, and social challenges.
- **Socially responsible design:** product workshops: The emphasis can be on creating products that positively impact the community and the environment in workshops on socially responsible design.

- **Organising workshops on a sustainable diet** where the young can learn about the importance of choosing local and seasonal produce, reducing food waste, and the effect of dietary habits on the environment.
- **Inviting guests**, including young social entrepreneurs and experts from the sustainability field to panel discussions. The young will have a chance to hear real stories on the influence of social entrepreneurship and sustainability.

These activities will help the young to gain knowledge on sustainability and social entrepreneurship, they will develop cooperation skills, creativity skills, and being socially responsible. The activities should encourage thinking about how their actions can contribute to a more sustainable world, motivating them to actively participate in creating a positive impact on society and the environment.