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## **SOCIAL ENTREPRENEURSHIP – THE MUCH-NEEDED ACCELERATOR OF THE MODERN “GREEN” ECONOMY**

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**ABSTRACT:** Global environmental issues such including but not limited to air pollution, global warming, depletion of natural resources, waste disposal, and deforestation, have taken their toll on society. In North Macedonia, centralization of the population and its socio-economic status, complemented with low environmental awareness, have contributed to the increase of these issues and raised red flags for environmental calamity, reducing the quality of life of its citizens. The need for people-centered and evidence-based environmental policies and on-the-ground activities tackling these issues has been highlighted as a prerequisite for development of a healthier living environment, thus improving the quality of life. To tackle these environmental issues, practical and policy solutions are needed. As a nascent concept, social entrepreneurship has enormous potential to accelerate this transition toward sustainable development. This is a people-centered approach that includes undertaking business activities and adopting business models to achieve social change, in creating a better and healthier environment for all. This approach also provides a platform for connecting “green issues” with other social issues tackled within this sector.

This research utilizes qualitative methodology combined with document analysis and case studies, to respond to the question “What can environmental organizations and social enterprises do to tackle environmental issues and contribute to development of a modern “green” economy?”. The available evidence indicate that the lack of implementation of policies and laws, among other shortcomings, contribute to the affliction of the environment, diminishing the green economy. Existing traditional structures are not equipped to support organizations in their endeavors towards transformational change, and toward a paradigm shift of the conventional mindset as one of the preconditions for sustainable development. Facilitating the sustainability of future business activities that contribute to the green economy will be a new engine of growth and a net generator of decent jobs.

**KEYWORDS:** *social entrepreneurship, social enterprises, green economy, green growth, sustainable development, policy, conducive environment*

## INTRODUCTION

The past two decades have been marked by global effort towards achieving sustainable development. The numerous changes in the way of life have taken their toll on people's wellbeing and society overall. The financial and global crises have contributed to an increase in people's vulnerabilities and pushed millions of people into poverty. Additionally, there is an environmental crisis encompassing issues with the on-going food, water, energy and climate changes (UNEP, 2008).

The world began searching for solutions to these challenges, thus a vision document was drafted at the United Nations Conference on Sustainable Development titled 'Future We Want', to renew the states' "commitment to sustainable development and to ensure the promotion of an economically, socially and environmentally sustainable future for our planet and for present and future generations" (UN, 2012, p.1). The UN has also affirmed the need of different models, types, instruments and tools to achieve sustainable development.

Meanwhile, in the past several years, a new concept has emerged in public discourses related to sustainability and national development that could help improve the quality of life of the people i.e. 'green economy'. The UN defines green economy as "low carbon, resource efficient and socially inclusive. In a green economy, growth in employment and income are driven by public and private investment into such economic activities, infrastructure and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency, and prevention of the loss of biodiversity and ecosystem services." (UN, 2012, p.2).

A conducive environment is required to make the transition to a green economy. Such environment includes development

of strategies, policies and legal infrastructure, capacity building, development of economic instruments, subsidies and incentives, and new business models that would aid the transition.

This is where social entrepreneurship comes in - a new business model that uses economic activities to provide resources for the organization to achieve its value-based social mission. Social entrepreneurship emerged as a vehicle for change from a vacuum within society and has contributed to the creation of organizations that are focused on addressing prevailing societal and environmental issues created and defined by various circumstances, conditions and/or crises. As a novel concept, it supports the design, development, innovation and promotion of sector regulations and assistance for policymakers to facilitate the transition process toward green economies and support green growth.

Currently, social entrepreneurship is viewed as one of the main contributors to a green economy. Social enterprises working and contributing toward the improvement of the environment are called green (social) enterprises practicing green (social) entrepreneurship (O'Neill & Gibbs, 2016).

However, the limited in-depth qualitative empirical research with green entrepreneurs and enterprises has resulted in a lack of data from a practical point of view, given that the green entrepreneurs conduct activities that are improving the environment while facing political, legal, institutional and financial challenges (O'Neill & Gibbs, 2016).

In this paper, we answer the existing need for qualitative data on social entrepreneurship's relation to green economy, and individual activities within broader concepts such as the green economy, by highlighting three case studies developed through data gathered by utilizing in-

depth interviews. We analyse and showcase three practical positive examples of green entrepreneurs and organizations/enterprises, their contribution, faced challenges and accomplished results.

## **METHODOLOGY**

### **Method**

For the purpose of this research a qualitative methodological approach is utilized. Three case studies on different local, geographical and urban vs. rural levels are selected to showcase the relation between social entrepreneurship and the green economy, by utilizing in-depth interviews with enterprise founders.

### **Sample**

The literature indicates that in case study research, there may be just one or two units of analysis. Also, “the choice of case studies has to be selected according to criteria relevant to the research” (Bryman, 2012, p.12).

The criteria for selection of case studies were based on the globally accepted definitions for green economy and social entrepreneurship. Consequently, the organizations have to be resource efficient and socially inclusive, to contribute to the prevention of the loss of biodiversity and ecosystem services, and to have a social mission and to reinvest their revenues in activities towards attainment of that mission.

Apart from the cases selected by applying the aforementioned criteria relevant to the research, we have also chosen the people-participants in the case study based on the criterion - high position in the organization, since we needed an individual who can provide us with information regarding the mission, challenges faced and the strategy or plan for the future.

To highlight the potential of social entrepreneurship as an accelerator of the modern green economy, we have interviewed the founders of the three social enterprises: Treebanks, Mama Organa and Macedonian Honey. These enterprises have met the criteria on individual and organizational level as organizations/social enterprises working and contributing to the green economy.

These are exemplifying cases in which “the objective is to capture the circumstances and conditions of an everyday or commonplace situation” (Yin, 2009, p. 48). Thus, these cases were chosen because they portrayed a broader category they fall under.

### **Analysis**

In this paper we have conducted a thematic analysis. The themes were selected based on the criteria for selection of case studies i.e. the definition for green economy and social entrepreneurship. The in-depth interviews were recorded as audio files and then transcribed in computer software Microsoft Word. Then, the themes and subthemes were coded and analyzed using the Text Analysis Markup System (TAMS), a qualitative coding and analysis program, mostly known as TAMS Analyzer. The program offered various possibilities for connecting the themes and subthemes but also to include the notes from the field and during the interviews.

Two central themes were constructed – social entrepreneurship and green economy, and subthemes related to the set criteria. The themes and subthemes were coded as the initial step of the analysis. Then, patterns across data were identified and the connections between the work of the social enterprises and the green economy. The last step was drawing conclusions from the data and discussing the results.

## LIMITATIONS

*There are three main limitations to this paper.*

The first limitation is the timing of the conducted research. The data collection has started in the last week of February 2020 which was suitable for this research, but no one foresaw that in March 2020 a quarantine will be placed in the country, which reduced our possibilities for conducting in-depth interviews. However, we mitigated this issue by focusing the research on the connection between social entrepreneurship and green economy, the potential of social enterprises to be accelerators for development of green economy, and by focusing on in-depth analysis of three prominent cases and their contribution in the fields.

The second and third limitation are a more common issue among the critiques of qualitative research – the issues of replication of the research and generalization. These issues were addressed by placing the focus on the organizational practice, rather than on the individual's perception. Some of the data about the organization is public knowledge and can be confirmed through a variety of sources by using the triangulation method. The data was confirmed and a picture of their work and contribution to the green economy was provided.

## SOCIAL ENTREPRENEURSHIP CONNECTION TO GREEN ECONOMY

The term green economy emerged as a potential answer to the recurring environmental, financial and economic crises (Bina, 2013). The uncertain recovery of the global economy has contributed to the inclusion of many international organizations, including the UN, to foster green economy to reduce environmental degradation. With the development of new ways in production processes, without scaring the environment, coun-

tries can follow the green economy recommendations and facilitate sustainable economic development (Lukas, 2015).

In addition, the global investments in fossil fuels instead of green economy, including renewable energy, carbon-free and other, have brought about many global crises related to food, climate change, energy and finance. The United Nations Environmental Program has labelled this as an era of capital misallocation (UNEP, 2012).

The Green Economy Report argues that the current economic model of providing goods and services, under the assumption that we are wasting environmental resources and contributing to the destruction of the planet, cannot continue. Thus, we need to change the economic paradigm and the economic developments that will take place in the future (UNEP, 2011).

The green economy is closely related to achieving sustainable development and eradicating poverty, which is also the main goal of the UN Sustainable Development Goals. The transition to green economy requires reform of the international institutions for sustainable development. However, the lack of leadership to facilitate and scale the transition remains the biggest challenge (UNEP, 2011).

Therefore, the transformation of the world's investments, production processes and its understanding have to change. The extraction of natural resources from the planet for economic growth has to be challenged to foster change. The role of the governments and institutions is crucial for shaping the markets and the economy overall. The need for public policies, subsidies and strategies can change the structure of the economy (Steiner, 2012).

Civil society also has a big role to play, since it has to be a part of the transfor-

mational change by providing an economic answer that can survive such times of crises and contribute to the process on many levels (Steiner, 2012).

In the past couple of decades, civil society organizations have been engaged in development and promotion of a new economic model that could help governments change the way of how business is conducted by involving the organizations in undertaking economic activities to provide resources for attainment of their social mission. Thus, the emergence of social entrepreneurship.

As a nascent concept, social entrepreneurship has enormous potential to accelerate this transition toward green economy and, consequently, toward sustainable development. An economic model that has a people-centered approach focused on creating a better and healthier environment for all.

## **DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN NORTH MACEDONIA**

In North Macedonia, social entrepreneurship is still in its beginning and has been a subject of public and governmental discourse, drawing attention of the public, private and civil sector. In 2016, the government pledged to adopt a legal framework on social entrepreneurship to foster its development, with focus on facilitating access to labor market for socially vulnerable categories of citizens. A year later, the Minister of Labor and Social Policy stated that the focus of the legislation should be put on adopting a broader approach, including provision of social services as one of the domains in which social entrepreneurship should provide support (Chichevaliev, 2019a).

However, the turbulent political situation in the country has taken its toll on the development of social entrepreneurship. The sector has been slowly developing despite the lack of governmental and

institutional recognition, political will, legal identity, supporting infrastructure, funding and access to market (Chichevaliev, 2019b).

Besides the unfavorable environment in which social enterprises operate, there are several social enterprises that have adopted a green economy approach to their work.

In this paper, we review three social enterprises to showcase the connection between social entrepreneurship and green economy, and the potential of the sector to contribute to the transformational change from fossil fuel to green economy.

### **The case of Treebanks**

Treebanks is a social enterprise with a social mission to contribute to forestation in deforested places by producing treebanks of millions of trees around the world. It was registered in early 2019 and, within a year, it has succeeded to make waves throughout the green sector. Treebanks is a resource efficient enterprise, since its concept and work are based on partnering with travel companies and websites such as Booking.com, Kiwi.com, Agoda and others, to arrange trips from which they receive a commission from their partners. The revenue is then reinvested in their social mission by procuring tree seedlings. They are also a socially inclusive enterprise, given that most of the people in the enterprise are engaged on a voluntary basis and anyone can involve themselves in their forestation activities (Treebanks, 2020).

Planting actions are a core activity. When enough trees are ready to be planted, the organization reaches out mainly to local governments in some of the nation's most deforested regions. Volunteers from the general public are mobilized by means of targeted and planned outreach, and the action is organized jointly with the municipality.

*“Our idea behind the planting actions is to educate the volunteers on tree planting, the proper method on how to plant trees, and what the trees mean on local and global scale. To get volunteers, we contact the local NGOs, scout and sport organizations to participate in the planting actions. For the first planting action, we had volunteers from Ploca climbing club – Radovish, some U.S. citizens working for Peace Corps Macedonia and locals that were interested and willing to participate. Even before the start, we felt the positive energy despite the cloudy weather and the possibility for rain.”*  
– founder of Treebanks

With these activities they are preventing the loss of biodiversity and improving the environmental ecosystem by contributing to the fight against pollution and CO<sub>2</sub> on the long run (Treebanks, 2020). Their concept is simple and can be replicated all over the world. Currently, they have organized several planting actions and have planted approximately 1700 trees in four different locations.

They have chosen planting trees as their main activity because trees promote water filtration, thus benefiting the water quality and reducing storm water management costs; trees absorb carbon, thus combating climate change and reducing the overall concentration of greenhouse gases in the atmosphere; and because trees are natural air conditioners and they conserve energy.

The locations for planting trees are made available by the local authorities and institutions considering the season, the place and the regional needs. This is a good example of collaboration between social enterprises and local authorities contributing to the benefit of all.

*“We started planting in Macedonia because it has been bleeding from pollution. Our goal is to create a framework that will be reused on other locations”* – founder of Treebanks.

## The case of Mama Organa

Mama Organa is a social enterprise that produces organic fertilizers from food waste. Their mission is to create value through proper processing of food waste. Through their work they contribute to raising awareness about climate change, reducing food waste, developing organic soil fertilizer and providing jobs for single mothers and victims of domestic violence.

Mama Organa is a resource efficient social enterprise, since it uses food leftovers that would otherwise pollute the environment, to produce their product and then sell it to create revenues.

*“Food in perfectly good condition is left at the green markets and store shelves, so reducing the food loses before they become waste should be a priority for all of us. But, when this fails, we offer an innovative solution.”* – founder of Mama Organa.

They are selling their organic fertilizers to farmers and urban gardeners, which helps them grow healthy and pesticide-free products. They use the profit to provide jobs for single mothers and help victims of domestic violence, which also makes them a socially inclusive enterprise that reinvests their profits in a social cause that contributes to achieving their social mission.

*“One in seven people in Macedonia lives in poverty and goes to bed hungry every day. As much as 30% of these people are children under the age of 8, mostly coming from single-parent families.”* – founder of Mama Organa.

Their activities prevent the loss of biodiversity and the environmental ecosystem by reproducing the food waste into usable and healthy fertilizer to grow organic food. The process cycle is environmentally friendly which makes Mama Organa a great example of an enterprise focused on green economy.

*“More than 35% of all the food meant to be eaten ends up at the landfill, polluting. When decomposing, it releases Methane and CO<sub>2</sub>, Green House Gasses responsible for climate change. Besides this, food waste creates enormous costs – only for its transportation the city of Skopje is spending more than 8 million euros per year.”* – founder of Mama Organa.

### The case of Macedonian Honey

Macedonian Honey was founded in 2015 with a mission to shift the paradigm from focusing on the amount of honey received from bees toward protecting, strengthening and healing honeybee colonies. Two main products are ensuring sustainability of the enterprise, which are further diversified in order to engage more people and broaden its footprint: produced raw honey, which is mostly exported, and their own ElleHive. The two are co-dependent: the ElleHive is a new beehive system that is made without artificial materials, conforms to the natural habits of the bees and makes the work of the beekeeper easier; while the resulting raw honey is made free of any chemicals, antibiotics, pesticides or other pollutants.

*“We created a system of activities alongside developing our own beekeeping equipment that allow bees to use their own coded defensive mechanisms to fight predators and ward off diseases. Following these activities, the bees are returned to the colony where they create honey in surplus and are far more resilient to existing threats, thus contributing to more sustainable local eco-systems.”* – co-founder of Macedonian Honey.

The enterprise is active in raising awareness within target groups about the importance of honeybees in the planet's eco-systems and about different benefits of raw honey. They also offer educational lectures, thus additionally giving back to the community. The concept of Inter-

national Bee Station is developed around the ElleHive innovation.

*“The International Bee Station is for those that view beekeeping as an operation that has the wellbeing of bees and nature as a whole. We offer an opportunity to “buy” a bee station that will be built on a new location where bees can flourish. The Slovak Embassy is the first international organization that participates in this program, supporting three ElleHives, a total of more than 300,000 bees at the peak of the season, and with a positive impact on biodiversity on 2100 hectares.”* – co-founder of Macedonian Honey.

At present, the enterprise has beehive sets at 5 different locations in the same region, which cover an area of more than 10000 hectares and prevent loss of biodiversity. Through its work, Macedonian Honey directly supports the survival of the honeybees, enhances eco-system sustainability, facilitates rural development and economic growth, and introduces utilization of digital technologies in a mostly traditional field of work.

Macedonian Honey is also a socially inclusive enterprise. Its International Bee Station is open for everyone who wants to learn about biodiversity, climate change and its effects on the planet.

Their resources are reinvested in scaling of the enterprise and development of bio products that protect the bee ecosystem and contribute to the overall biodiversity.

These three social enterprises were finalists at international competitions for social impact awards in various categories. In 2019, two of them became award winning enterprises for their environmental impact.

## DISCUSSION

Sustainable development provides the needed context for green growth and green economy by including the concept

of values and by fostering the necessary conditions for innovation, investment and competition. As an economy in which economic growth and environmental responsibility work together in a mutually reinforcing fashion, green economy supports progress on social development, simultaneously improving human well-being and social equity, and significantly reducing environmental risks and ecological scarcities (UNEP, 2010). This strategic approach proposes that the green economy, which provides economic development without eroding a country's natural assets, is particularly necessary in developing countries where ecosystem goods and services are a large component of their livelihoods (SEED Initiative, 2012).

In that context, social entrepreneurs and enterprises have been perceived as change agents who employ entrepreneurial means for providing systemic solutions to social and environmental problems (Partzsch & Ziegler, 2011) while also ensuring their own survival and sustainability (Mair & Marti, 2006). Regardless of the form they have (civil society organizations (CSOs), small, micro and medium-sized enterprises (SMMEs), or other legal form depending on national regulations) it is only natural for social enterprises to encompass green enterprises that share, implement and promote green and eco ideas and values.

The three positive examples showcased in this paper are social enterprises that contribute to reducing pollution and combating climate change on one hand, and raise awareness about saving the environment and promote social inclusion on the other. They showcase a green economy solution at its best. On a global level, the continued global warming and economic volatility are the hosts of the political and economic crises that are present in the world today (UNDP, 2012). The price that the world pays due

to economic uncertainty, global warming and extreme weather is astronomical. The CO<sub>2</sub> emissions that are considered a "business-as-usual" scenario is no longer acceptable. For instance, by 2030, U.S. energy-related CO<sub>2</sub> emissions will amount to 6.9 billion metric tons, which correlates to the sequence of global temperature increase in the last decade since, it is connected to the accelerated increase of concentrations of greenhouse gases (UNDP, 2012; Green Energy Intelligence Report, 2019).

The analyzed cases are combating the deterioration of the biodiversity and the emissions of greenhouse gases, and their success on national and regional level has emphasized these social enterprises as change-makers in the environmental ecosystem integrating green economy and fostering green growth.

However, integration of green economy and fostering green growth is impossible without the support from international organizations, governments and institutions, and the business sector. Conducive environment is needed to facilitate development of social entrepreneurship as a one of the main contributors and a much-needed accelerator to the transformational change to green economy.

## CONCLUSION

The latest developments have demonstrated that diminishing the biodiversity and contributing to climate change affect the world's political, economic and social systems and, consequently, have severe effects on our quality of life. The evidence show that the existing economy models have to change. Investing in the fossil fuel economy is no longer sustainable and acceptable, and the time is ripe for transformational change toward green economy and green growth.



The emergence of social entrepreneurship as an economic model has the potential to facilitate this transformation. Investing in and utilizing enterprises that use their revenues to combat the contemporary environmental challenges while fostering social change is the new way to go. The presented cases illustrate the potential that social entrepreneurship has and its effects on different levels. They showcase the impact of social enterprises on a micro scale, as well as acknowledges their large potential, replicability and scalability on much bigger levels.

To fulfil their potential as change-makers, social enterprises need supporting

infrastructure, on all levels and inclusion of all stakeholders. This is both a global and a national challenge, with approaches that will have to vary on many diverse sets of preconditions. Providing support based on good practices and lessons learnt on local level helps make data-based decisions and supports the creation of a conducive environment in which social enterprises thrive and produce economic, social and environmental impact that would pave the way to global economic transition.

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