



SOFIMUN
Sofia International Model United Nations

Edition: 1/2008
Period: 20-27 July 2008
Location: Sofia, Bulgaria

Website: www.sofimun.org
Forum: www.forum.sofimun.org
Media space: www.press.sofimun.org
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COMMITTEE:
ECONOMIC AND SOCIAL COUNCIL

CHAIRPERSON:
ALBENA GELEVA & ELLIE FOGARTY

**TOPIC: (A) – SOCIAL
ENTREPRENEURSHIP**

BACKGROUND GUIDE





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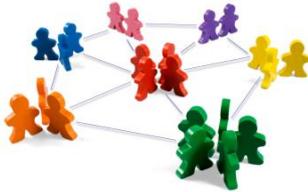
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Topic A: Social entrepreneurship - summary



The term social entrepreneurship refers to 'the rapidly growing number of organisations that have created models for efficiently catering to basic human needs that existing markets and institutions have failed to satisfy.' Social entrepreneurship as a practice, however, combines the resourcefulness of traditional entrepreneurship (the practice of starting new businesses or organisations, or revitalising those already in existence to take advantage of new opportunities) with social consciousness and a desire to change society.

Social entrepreneurship involves both the establishment and operation of organisations which function in a socially acceptable and sustainable fashion, and which contribute to sustainable development and increased corporate social responsibility.

Topic A: Social entrepreneurship – background guide

As Christian Seelos and Johanna Mair have stated, businesses and corporations exist for, and generate profit from, providing services and products which meet the needs and requirements of consumers. However, as the World Bank has observed, low income earners and citizens of developing countries continue to struggle to attain quality services and products, particularly those relating to health and education, at an affordable price. As corporations are established for the purpose of generating profits to shareholders, providing affordable services and products to citizens in developing nations is often not commercial advantageous, deterring corporations from establishing themselves in developing nations, and compounding the difficulty faced by the poor in accessing necessary services.



'Social entrepreneurship' is an emerging form of business practice which uses innovative strategies to ensure that poor citizens can have access to affordable services and products. Although there is no international consensus on a definition or theory for social entrepreneurship, it is generally accepted that social entrepreneurship creates new models for business practice which have the dual aims of providing services and products which cater to basic human needs, while also ensuring that these products and services can be provided in a sustainable fashion.

In order to meet their dual goals of provision of products and services, and sustainable development, social entrepreneurship combine the resourcefulness of traditional entrepreneurship, and the social consciousness of not-for-profit organisations. Like traditional entrepreneurs, social entrepreneurs identify potential business opportunities and either establish new businesses, or revitalise existing ones, in order to take advantage of the identified opportunity. However, although generation of economic value is one objective of social entrepreneurship, unlike traditional entrepreneurship, it is not the primary objective. Like not-for-profit organisations, the primary



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objective of socially entrepreneurial projects is the generation of 'social value', or successfully addressing a social problem to create a positive social outcome.

Socially entrepreneurial projects have been established in a number of countries, both in the developing world to directly assist local communities, and in developed nations, from which assistance can be provided to citizens in developing countries. Many have related to providing food, health care and education to citizens, as well as empowering women to establish their own businesses.

An example of a social enterprise which has been established in a developed nation to assist third world citizen's is the US organisation, OneWorld Health, which operates to develop drugs for developing nations which are not profitable for other pharmaceutical companies to develop. An example of a business which reinvests in its own country is Sekem in Egypt, a multi-business firm which seeks to create economic, social and cultural value, and reinvests much of its profits into Egyptian social institutions such as schools and medical centres. Perhaps the paradigmatic example of social entrepreneurship however, is the Grameen Bank. Established by Nobel Peace Prize Laureate Muhammad Yunus, the Bank is the forerunner in provision of micro-credit, providing credit to poor Bangladeshi citizens who possess skills and viable business plans, but who would otherwise be precluded from securing loans due to their circumstances of entrenched poverty. The Grameen Bank gives loans only to the landless poor, makes an effort to provide capital to women, and depends on social contracting and commitment to other members of the borrower's village to secure the loan.



In establishing these projects, each founder identified areas in which there was a social need, for example, for access to pharmaceuticals, education, or loans to establish businesses to generate income, and have devised unique business strategies to address these social needs.

International Involvement:

Promoting social entrepreneurship is an important duty for the international community, as it offers a viable and effective route through which the basic human needs of poor citizens can be addressed. Furthermore, as the dual goals of social entrepreneurship (providing access to health care, education and food, as well as promoting sustainable development), overlap with many of the United Nations eight Millennium Development Goals (MDGs), social entrepreneurship offers an alternate route through which the MDGs can be achieved. Finally, many of the projects which are established by social entrepreneurs seek to address problems facing citizens of developing nations at a grass roots level, independent of governments. Social entrepreneurship consequently has considerable potential for ensuring citizens are directly involved in the implementation of projects designed for their benefit, and overcomes the risk of corruption which can be associated with major, governmentally administered aid projects.

In order for social entrepreneurship to contribute to global sustainable development, and the achievement of the MDGs, support from governments and the international community is essential.



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The international community has a duty to encourage social entrepreneurs to devise strategies for addressing social inequality and to provide poorer citizens with necessary products and services. It also has a responsibility for offering governmental and economic support for projects, and potentially regulating social entrepreneurship if required.



Delegates on the SOFIMUN 2008 ECOSOC will be required to discuss how social entrepreneurship can be promoted in the international community. The absence of an internationally agreed definition of social entrepreneurship has been identified as one hindrance to the proliferation of socially entrepreneurial projects across the world. The Committee will primarily need to devise a resolution containing an internationally agreed definition of social entrepreneurship. Secondly, the Committee will also be responsible for creating an international strategy for promoting social entrepreneurship, and seeking and encouraging investment from governments and international institutions, such as the

World Bank and International Monetary Fund, in the businesses and projects of social entrepreneurs as an alternative to major aid projects. The possibility of creating incentive for corporations to invest in socially entrepreneurial projects, for example, through offering tax incentives or undertaking joint projects as part of commitments to corporate social responsibility, could also be discussed..



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Suggested Reading and Additional Sources

Topic A: Social entrepreneurship

A glossary of terms relating to social entrepreneurship

<http://www.socialent.org/pdfs/GLOSSARY.pdf>

Basic background on social entrepreneurship

<http://ebbf.org/fileadmin/pdfs/EBBF-SocialEntrepreneurship-Intro.pdf>

An Indian organisation promoting social entrepreneurship.

www.csim.org

A new stock exchange for 'green' and sustainable companies

www.greensx.com

United Nations Millennium Goals

<http://www.un.org/millenniumgoals/>

Program offered by the United Nations University on social entrepreneurship

<http://www.la.unu.edu/>

Article addressing the need for a resolved definition of social entrepreneurship.

http://www.skollfoundation.org/media/skoll_docs/2007SP_feature_martinosberg.pdf

Website relating to social entrepreneurship

<http://www.socialedge.org/>