

Introduction

Social Entrepreneurship for Sustainable Solutions

Introduction to Sustainable Entrepreneurship Circular economy concepts

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STUDY IN LAPLAND

on the Arctic
Circle



EUROPE • FINLAND



Lapland– a region in Finland



Introduction to the assignment

BUILDING A CLIMATE ACTION START-UP

How we work?

- ✓ **Build knowledge.** First, we need to establish the foundation of the concepts of Sustainable Development Goals (SDGs) and Climate Action, to understand social and sustainable entrepreneurship, its significance, and their interplay with SDG 13 on Climate Action.
- ✓ **Follow roadmap.** Following the step-by-step roadmap one creates a Climate Action-focused businesses. The methodology offers practical tools to help to develop start-ups that address challenges related to climate change.
- ✓ **Use tools.** In each part of the innovation journey one is introduced to the method or tool, with defined learning goals and workbooks that help in the development process.

Course teamwork challenge

- Develop sustainable social entrepreneurship start-up idea aiming to address societal or environment challenges
- Sustainable and social entrepreneurship business model – “make a dollar and make an impact”
- Environmental, socio cultural and economic sustainability factors need to be taken into account in your business model
- The solution should include a sustainable social value propositions
- Thus the start-up company should be financially viable while solving societal or environment related problems

Following provided guidelines (Padlet board and SECA guide)

Schedule and assignments

Monday 11.08

- Introduction and theory
- **Assignment 1.**
- Independent learning via open Moodle and completing **Workbook : Solving societal challenges with innovative solutions – individually by midnight 12.08)**

Wednesday 13.08

- **Assignment 2.**
- Guided workshop – working on the challenge following the steps of SECA guide methodology
- **(PADLET board steps – in groups – all 8 tasks returned on Padlet by midnight 20.08)**

Further teamwork during 2 weeks as self-organized work in groups

FINAL Assignment: recorded video pitch on sustainable business idea to be presented on 21.08

Let's start the learning journey!

Your first task!

Learn individually what is Sustainable Social Entrepreneurship in Open Moodle Course: Part I Social business innovation 5 ECTS | Lapinkampus Open Moodle

<https://openmoodle.eoppimispalvelut.fi/>

Enroll via Lapland University of Applied Sciences, Password: 12345

At the end of MODULE 2. Social innovation and Sustainable Entrepreneurship 1 ECTS complete the Workbook Template **Solving societal challenges with innovative solutions and submit to Moodle by 12.8, 23.59 (midnight)**

Open Moodle instructions

- 1. **CREATE ACCOUNT** to OpenMoodle <https://openmoodle.eoppimispalvelut.fi/> and login to environment via Lapland University of Applied Sciences.
- 2. **Search for course** (using Basic course search on a left menu) with name **Part I Social business innovation**. <https://openmoodle.eoppimispalvelut.fi/course/view.php?id=539>
- 3. **Login to course workspace as a student with self-enrollment key 12345**
- Complete the task and Return the individual task in Open Moodle return box individually.
- Note: you are expected to complete the task in Moodle only for **Module 2** (not Module 1). But please read entire material – for Module 1 and 2.
- [**MODULE 2. Social innovation and Sustainable Entrepreneurship 1ETCS**](#) complete the Workbook Template **Solving societal challenges with innovative solutions and submit to Moodle by 23.59 (midnight)**

Introduction to the theory: Social and sustainable business Circular economy

Sustainability definition

- Sustainability is the practice of meeting the needs of the present without compromising the ability of future generations to meet their own needs. It emphasizes the importance of responsible resource use, environmental preservation, and equitable development to ensure a better future for all. (UN, 1987).



SDGs – sustainable development goals



Sustainability transformation

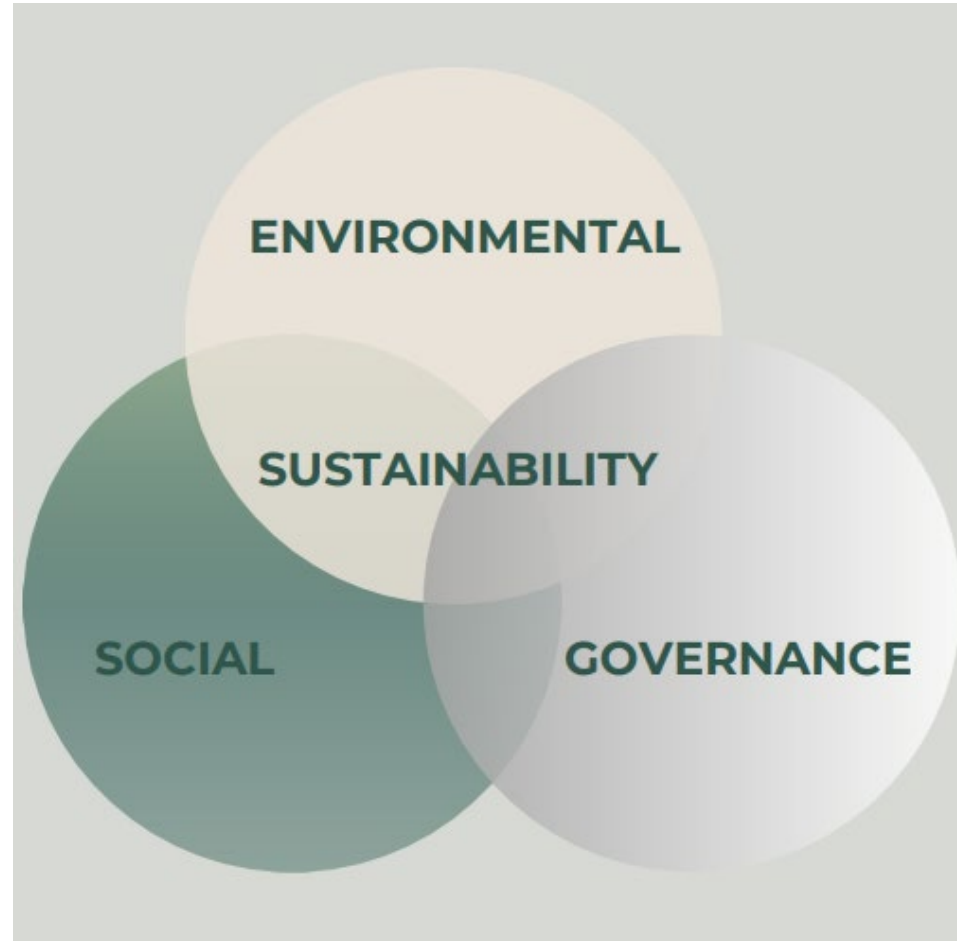
- Sustainability transformations are “fundamental, **system-wide reorganization** across **technological, economic and social** factors, including **paradigms, goals and values**, needed for the conservation and sustainable use of biodiversity, long-term human wellbeing and sustainable development” *(Horcea-Milcu et al. 2023)*

Climate Action

- **SDG #13 Climate Action** is a call to take an urgent action to combat the climate change and its impact. In 2015 the United Nations designed 17 Goals as a call to action to end poverty and protect the planet. These Sustainable Development Goals (SDGs) are meant to ensure that by 2030 everyone around the world can enjoy peace and prosperity.



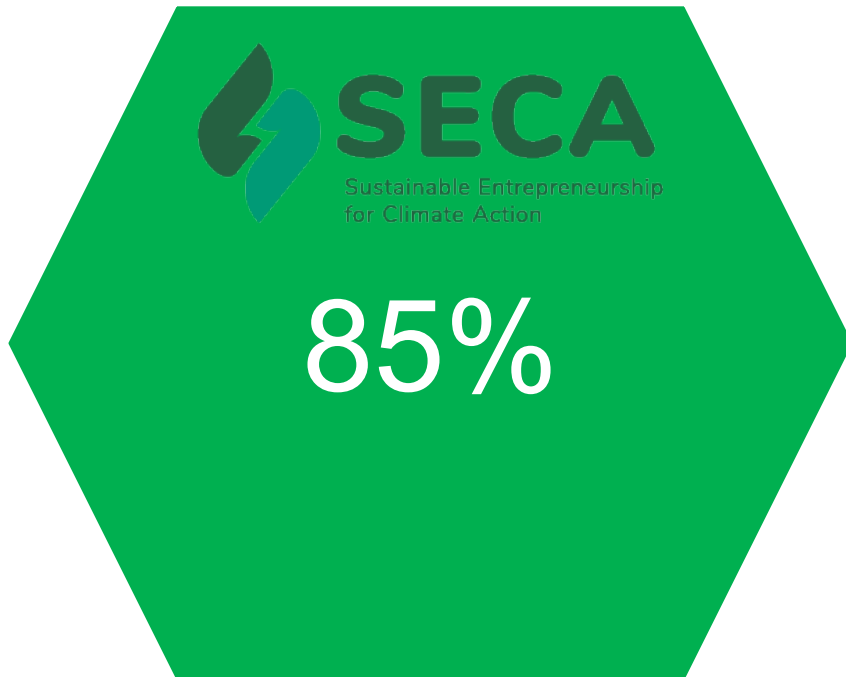
ESG concept



Climate change and its impact on the Arctic



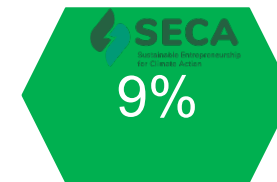
Awareness on Sustainable Business



Sustainability



Sustainable
business

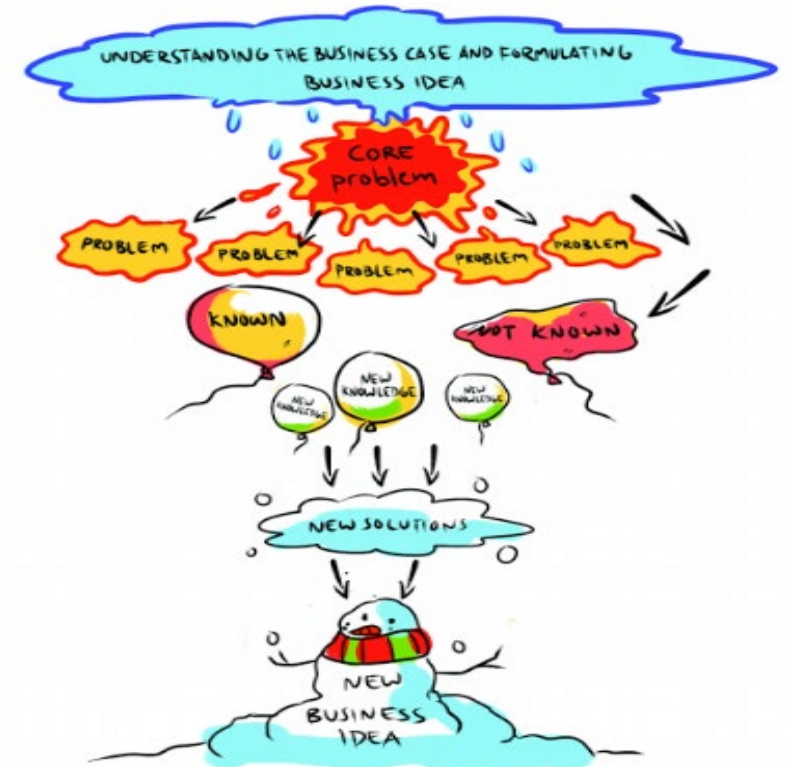


Sustainable
business models



Climate Action – a source for innovation

- Purposeful search for innovative opportunity: problem-solution method
- Creative approach to sustainable solutions
- Sustainable value creation
- Problem-solution method



Entrepreneurship

Entrepreneurship is the process of creating, developing, and running a **new business** or venture, typically to address a need or **opportunity** in the market.

It involves taking **risks**, being **innovative**, and using resources to generate profit or achieve growth.



Picture: www.rawpixel.com

Entrepreneurship vs Sustainable Entrepreneurship

Traditional entrepreneurship

- Focus on generating economic value
- ideation, opportunity recognition
- business planning
- Marketing
- financial management
- and growth strategies .

Sustainability education and entrepreneurship education are often separated

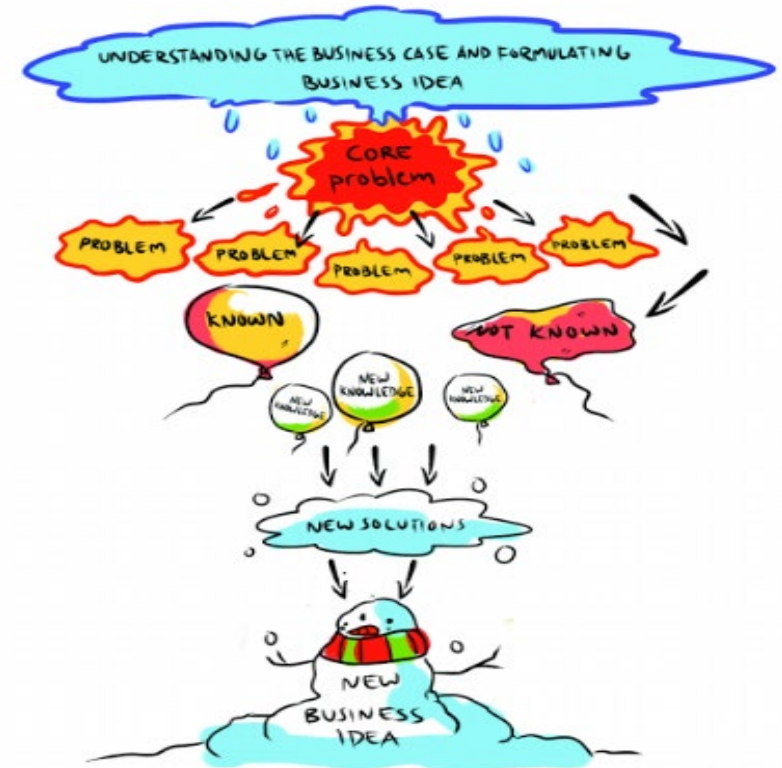
Sustainable entrepreneurship

- Focus on generating sustainable value
- Minimizing environmental footprints
- Addressing SDGs and climate change
- addressing societal challenges
- interconnected between economic, environmental, and social dimensions
- holistic and responsible approach
- eco-innovations

Entrepreneurship – systemic innovation

Entrepreneurship is not just about starting a business but about the pursuit of opportunity through systematic innovation” P.Drucker

- Purposeful search for innovative opportunity
- Creative approach to sustainable solutions
- Sustainable value creation
- Problem-solution method



Arkko-Saukkonen, A. and Krastiņa, A., 2016. Creative Steps 2.0: Step by Step Guidelines to Business Idea.

Sustainability through Social entrepreneurship (SE)

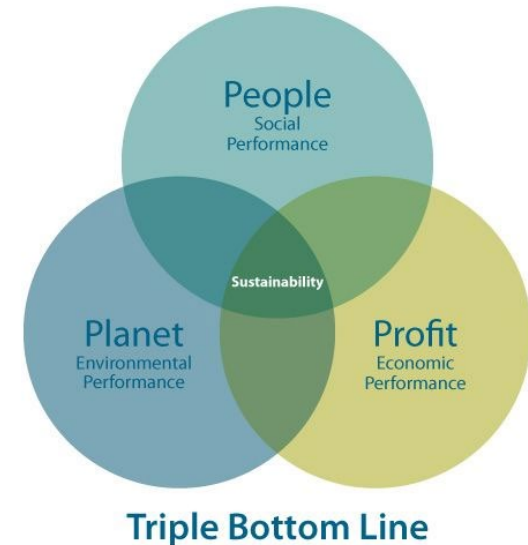
Social entrepreneurship as an initiative that aims to identify and address **societal challenges** through **innovative** and **sustainable business models**. Social entrepreneurship is also about identifying social and environmental problems, addressing them with innovative approaches, using entrepreneurial methods (*Kummitha&Majumdar, 2015*).

What is social enterprise?

- Social enterprises combine **societal goals** with an **entrepreneurial spirit**.
- Focus on achieving wider social, environmental or community **impact**.
- Main objective is to have a **social impact** rather than make a **profit** for their owners or shareholders
 - the social or societal objective of the common good is the reason for the **commercial activity**, often in the form of a high level of social innovation
 - **profits** are mainly **reinvested** to achieve this social impact

Social and sustainable entrepreneurship are deeply interconnected

- Both concepts - social and sustainable entrepreneurship aim to **create positive impacts** beyond profit, focusing on **long-term benefits** for society and the environment
- Both embrace the **triple bottom line approach**, which measures success based on social (people), environmental (planet), and economic (profit) outcomes
- They strive to balance these three pillars, ensuring that business practices **benefit society** and the environment without sacrificing **financial viability**
- Together, they represent a powerful movement towards a more equitable and **sustainable future**

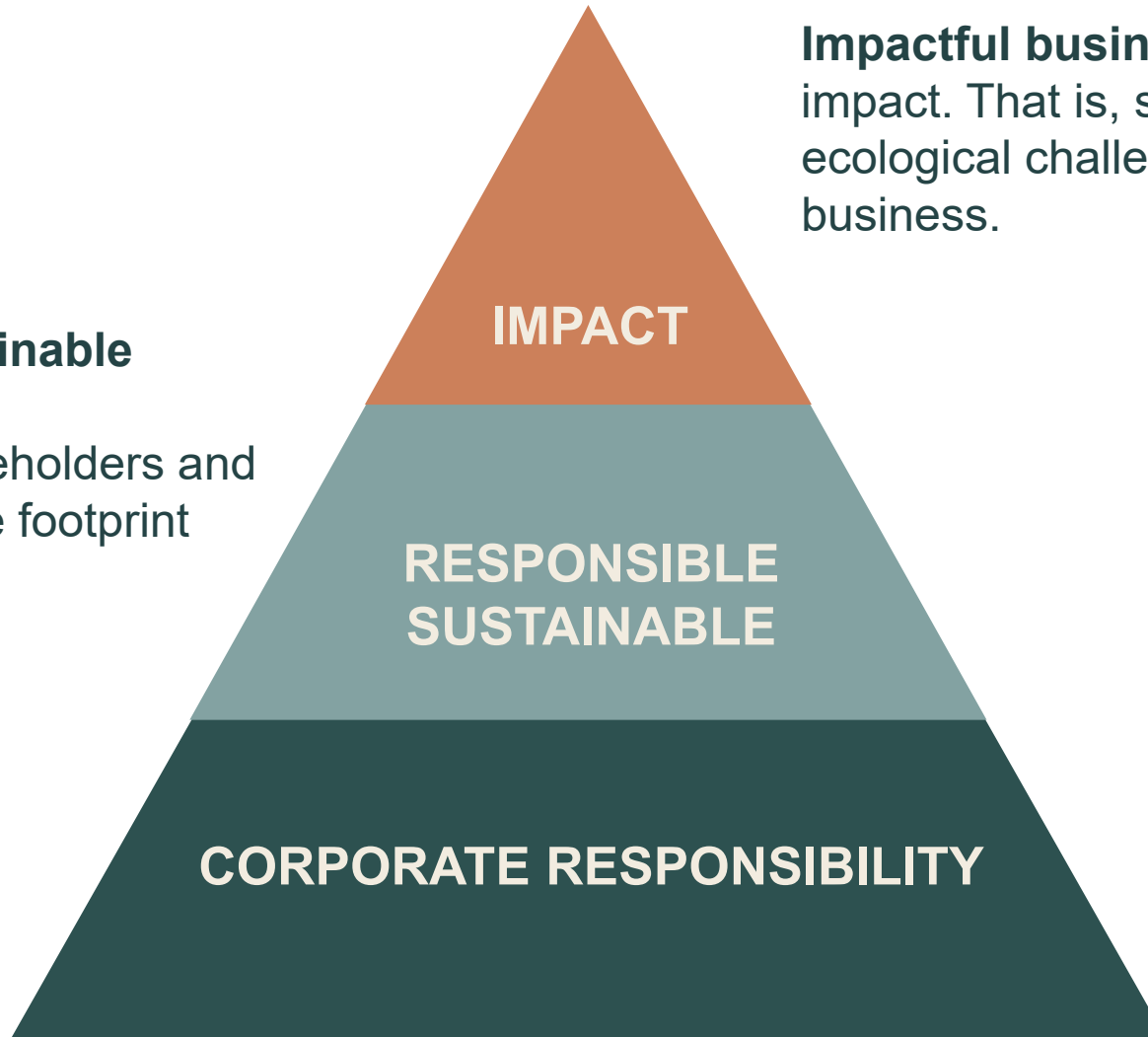


conversations.marketing-partners.com
Picture: <https://inchainge.com/>

Responsible, sustainable and impactful business

Responsible and sustainable business =

Delivers benefits to stakeholders and
Wants to leave a positive footprint
in society.



Impactful business = Aims for significant impact. That is, solutions to societal and ecological challenges. Impact is at the core of business.

Corporate responsibility =
Reduces the harm it
causes. Complies with the law
and acts. In accordance with
good governance.

Where do I get an idea?



Mission of SE

Social change, social transformation, and social impact are brought by social entrepreneurs (*Wang 2022*).



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The rise of social entrepreneurship

- Reason for the rise of social entrepreneurship - sustainability demand
 - The growing need and preference for products, services, and business practices that do not deplete natural resources or harm the environment
 - Consumers, investors, governments, and NGOs pushing for greener, more ethical choices.
 - Social issues across societies, including poverty, inequality, and unemployment, education access, healthcare, and environmental degradation etc. need solutions

SE-rs - passion and impact driven

Passion for a social mission with the discipline and innovation of entrepreneurship



Forms of social entrepreneurship

- Private and third-sector operators and they use the majority of their profits to realize the goals according to their organization mission.
- The **entrepreneurial dimension separates** social enterprises from the public sector as well as from traditional non-profit organisations. Unlike traditional non-profit organisations, which typically rely primarily on donations and grants, social enterprises engage in **market exchanges**.
- A social enterprise is **not limited to any form of company**, it can be, in addition to a limited company, for example a cooperative or a foundation or association engaged in business or an NGO.
- SE rely on a mix of resources: voluntary work, donations and grants in addition to earned incomes

Young generation in focus

- Ecological, social and societal effectiveness is strongly present in **young people's business ideas** and entrepreneurial identity
- Young people want to **make an impact**, do **meaningful work**, **solve social problems** and be **useful to their environment, community** and others
- In order for young people to feel that, entrepreneurship offers the means to build a better society, we must be able to answer young people's questions and **offer tools** for influence. (ARVO)



SE examples



Picture: <https://www.toogoodtogo.com/>

Mobile app dedicated to reducing food waste by allowing users to purchase surplus food from restaurants, bakeries, and supermarkets

Reusable packaging service for online retailers, aiming to reduce waste from single-use packaging. Customers can return the packaging through regular postal services to be reused, contributing to a circular economy



Picture: <https://www.repack.com/>
LAPIN AMK
Lapland University of Applied Sciences

SE as emerging concept

- Social business is **seen as a sustainable** and scalable **approach** to **solving global issues**
- Social entrepreneurship is **bridging the gap between traditional business and charity**
- **Shift in paradigm** - traditional businesses will increasingly **adopt social enterprise principles**, integrating social and environmental goals into their core strategies.
- SE increasingly play a critical role in addressing climate change and environmental degradation through innovative, sustainable practices
- SDGs - **shift** towards more **responsible** and **sustainable** business
- **Momentum** for social enterprises

Introduction to circular economy concept

Global trend – no business as usual



More than 91% of what we take from the earth is wasted.

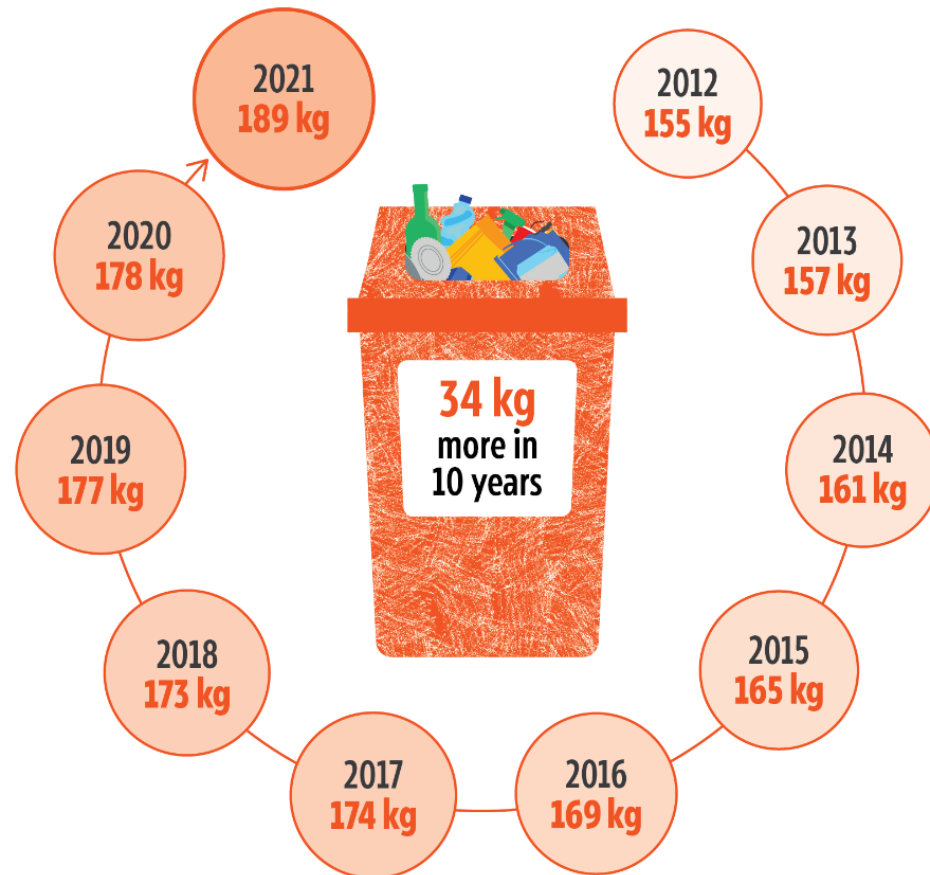
**HALF A TRILLION
TONNES OF VIRGIN
MATERIALS, OUR
WORLD IS ONLY 8.6%
CIRCULAR.**

Circularity Gap Report 2024

<https://www.circularity-gap.world/>

Packaging waste in the EU

Kilograms per person

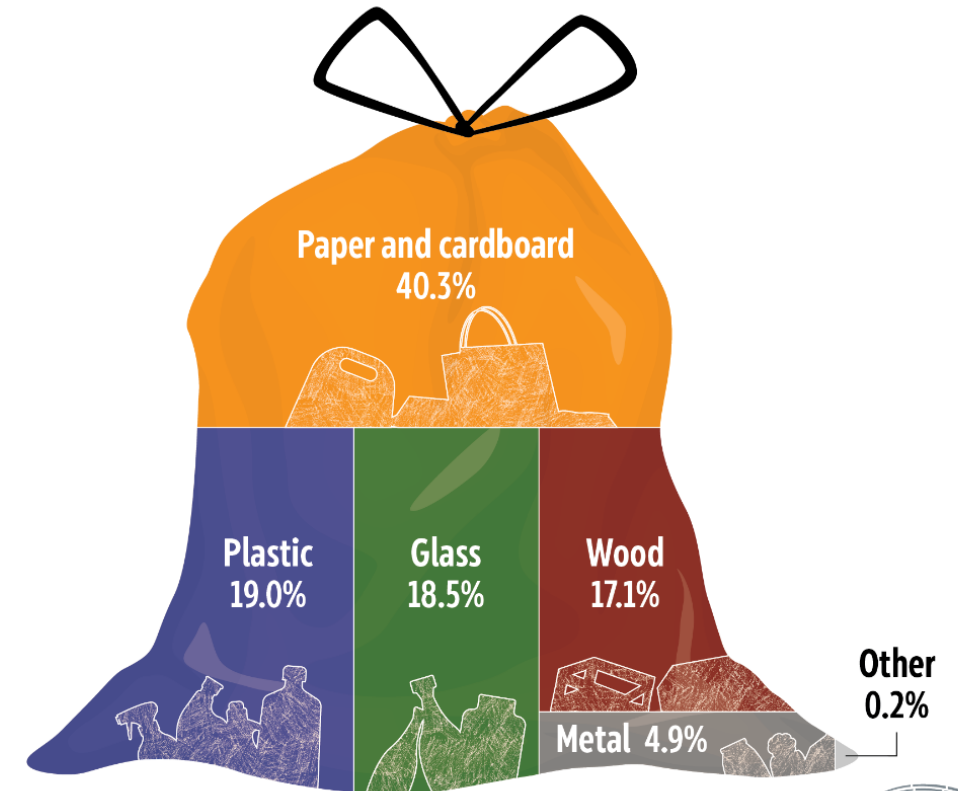


Source: Eurostat [env_waspac] · most recent data available (2021)



Packaging waste generated in the EU by packaging material

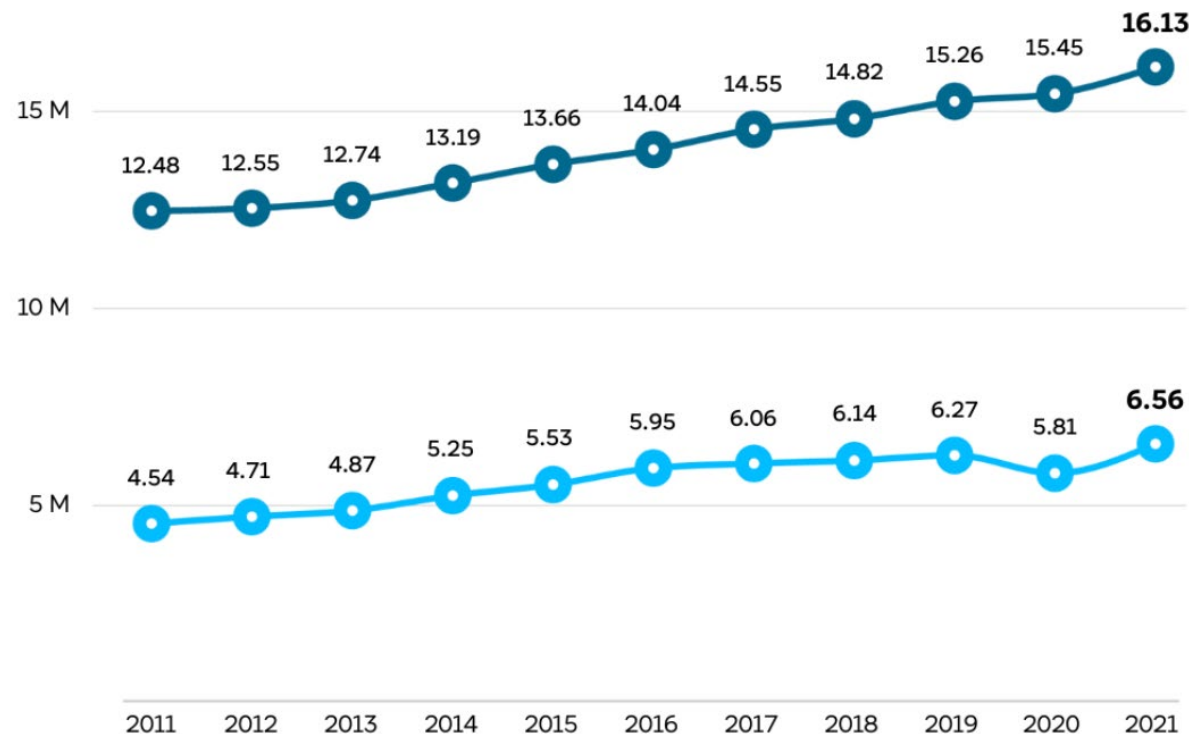
84 million tonnes in 2021



Source: Eurostat [env_waspac] · most recent data available (2021)



Plastic waste produced and recycled in the EU, in million tonnes (2011-2021)



In 2021, each person living in the EU generated **36.1** kilos of plastic packaging waste on average. Out of these, about **14.7** kilos per person were recycled. Between 2010 and 2021, the volume of plastic packaging waste generated per inhabitant increased by about **29%** (+8.1 kilos per person). (Eurostat)

Source: Eurostat [env_waspac] · most recent data available (2021)

<https://www.europarl.europa.eu/topics/en/topic/circular-economy>

TEXTILE PRODUCTION

Global textile fibre production has almost doubled:



from
58 million tonnes
in 2000

to
109 million tonnes
in 2020

and is projected to grow to
145 million tonnes
by 2030

Source: European Environment Agency (ETC-CE Report 2023/5)



Only 1%

of used clothes are recycled into new clothes

The new EU strategy includes new ecodesign requirements for textiles, clearer information, **a Digital Product Passport** and calls companies to take responsibility and act to minimise their carbon and environmental footprints.

Circular Economy definition

The circular economy – an economy that is *restorative and regenerative by design*. In a circular economy economic activity builds and rebuilds overall system health.

Ellen MacArthur Foundation

Circular economy is a concept, based on the principle of *decoupling value creation from resource consumption*. To move away from the so-called *linear mindset*, where value creation is based on the 'take-make-use-dispose' dogma. *CircitNorden project*

Economic system that uses a systemic approach to maintain a circular flow of resources, by recovering, retaining or adding to their value, while contributing to sustainable development (ISO 59004)

- CE is based on three principles:
- **Eliminate waste and pollution**
- **Circulate products and materials**
- **Regenerate nature**

Linear vs Circular

LINEAR ECONOMY

Materials in a **Linear Economy** create waste after use.



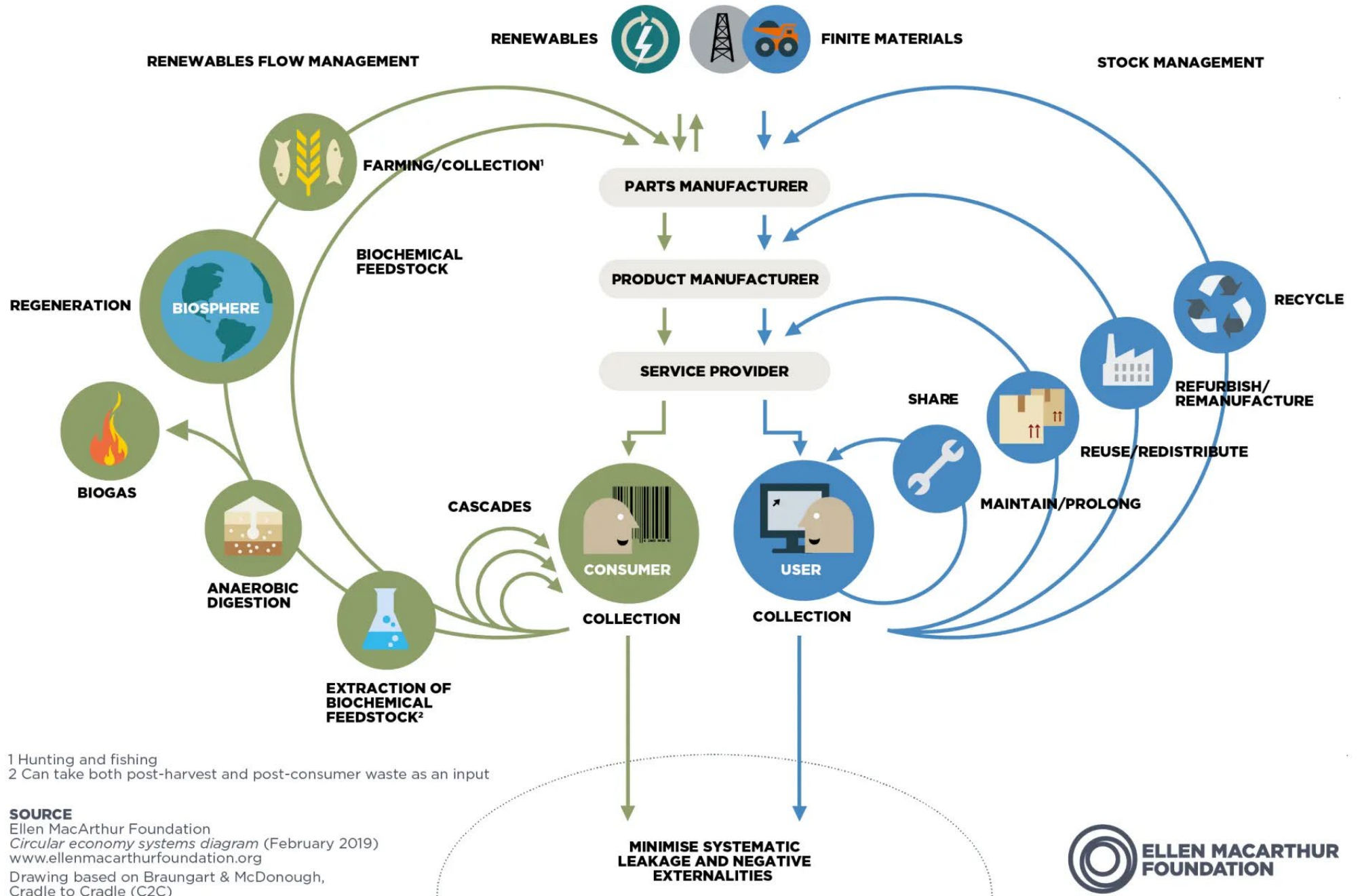
VS.

CIRCULAR ECONOMY

Materials in a **Circular Economy** are collected and reused after each use.



The butterfly diagram: visualising the circular economy



Source: <https://www.ellenmacarthurfoundation.org/circular-economy-diagram>

EU Taxonomy for sustainable activities

Regulatory frameworks

‘Circular economy’ means an economic system whereby the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy

A European Green Deal

Striving to be the first climate-neutral continent

ESRS and CSRD



Greenhouse gas emissions are reduced by at least 55% by 2030 (compared to 1990 levels)



There are no net emissions of greenhouse gases by 2050



The EU society is fully adapted to the unavoidable impacts of climate change by 2050



The EU's natural capital is protected, conserved and enhanced



The health and wellbeing of citizens from environment-related risks and impacts is protected



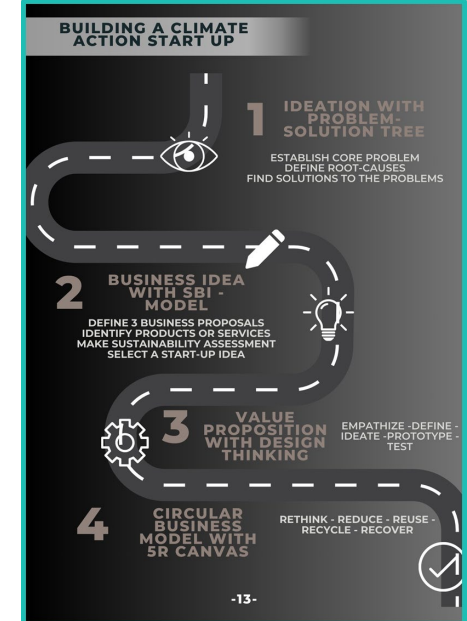
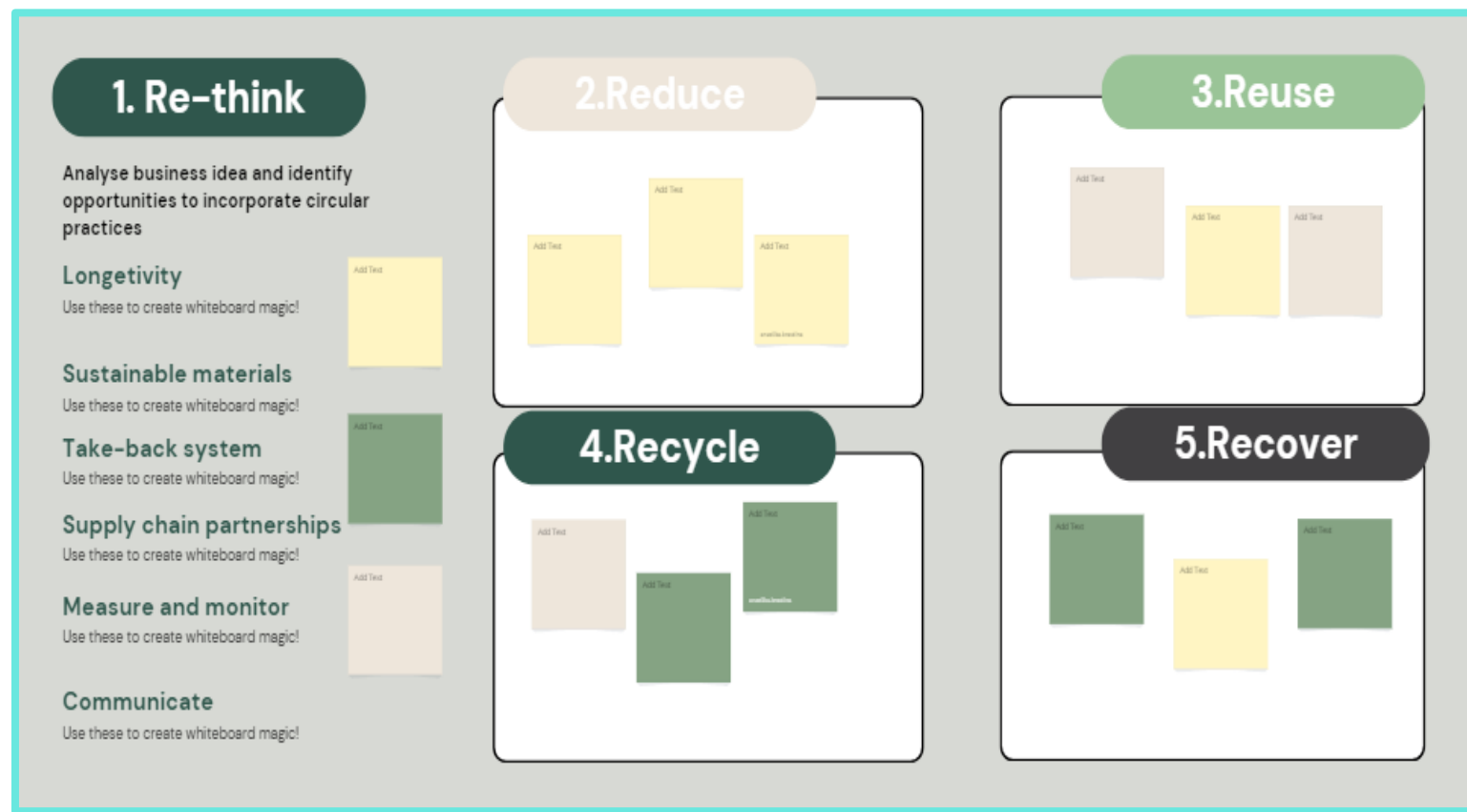
No person and no place is left behind

https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en



'R' strategies or principles

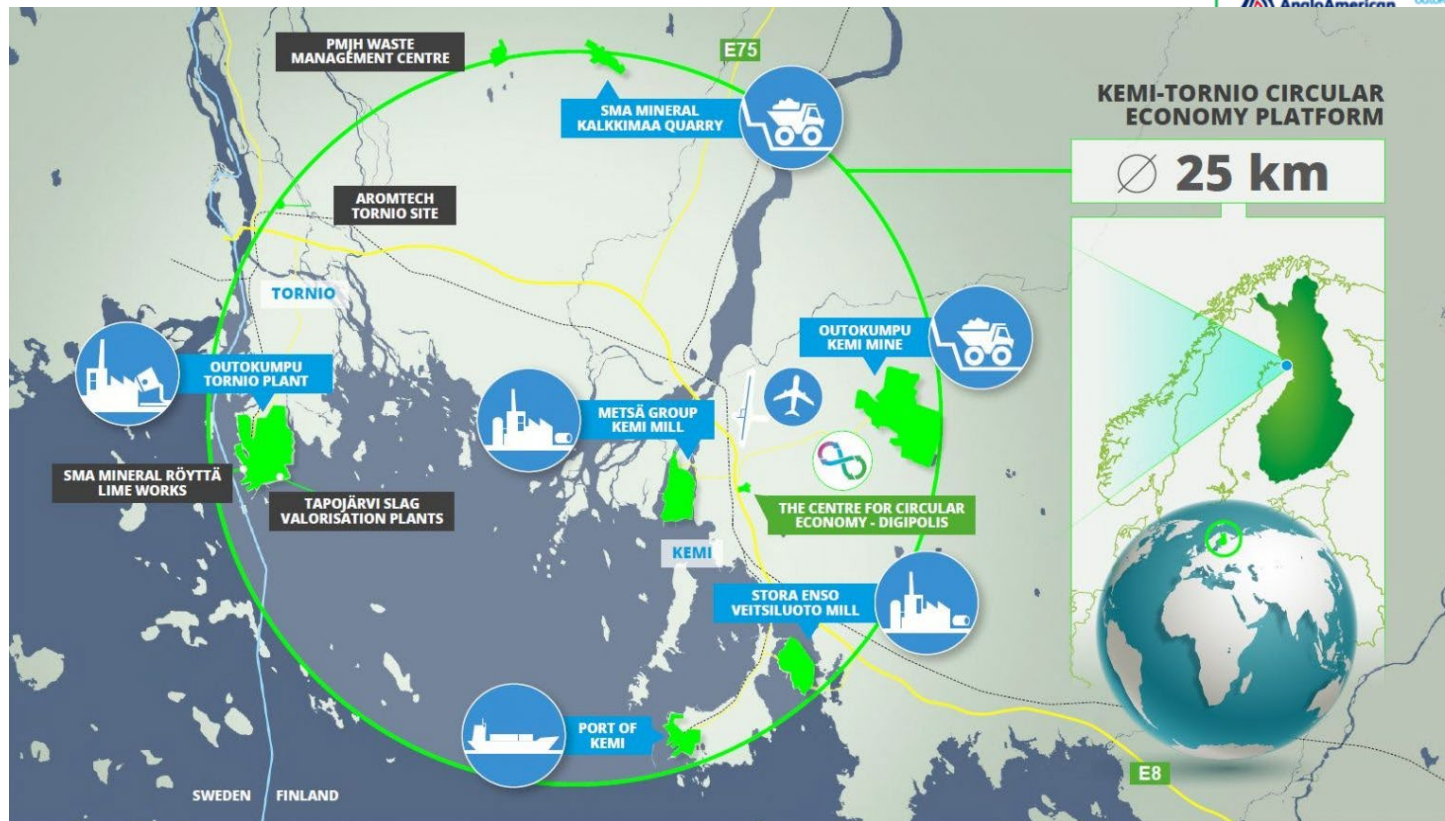
Circular Business Model



Source: Krastina, A., Nawrath, L. and Bruksle, I., 2023. Sustainable Entrepreneurship for Climate Action: Digital Handbook on How to Innovate Sustainable Start-Ups and Businesses for Climate Action.

Ecosystem for circularity of the Arctic Industry

Kemi-Tornio Industrial park network



Outokumpu- 90% recycled material content in stainless steel

<https://youtu.be/V2UVDNZv2Ks>

Circular principles are about addressing **inefficiencies** of business models

Inefficiency

Illustrative examples from manufacturing companies

UNSUSTAINABLE MATERIALS

Volvo uses **one third recycled materials** in new trucks and designs them for recycling so that 90% can be recycled
Wärtsilä applies a **modular engine design** to enable increased commonality and backward compatibility of parts

UNDERUTILISED CAPACITIES

Caterpillar acquired Yardclub, a **platform facilitating equipment sharing**

PREMATURE PRODUCT LIVES

Bosch operates **remanufacturing** chains for high-quality components to ensure a high fraction stays in its loops
The Schneider Electric Circuit Breaker Retrofit-program **modernises and updates** electrical distribution centres
Konecranes provides a Lifecycle Care-program that includes consultation services, **modernisation & maintenance**

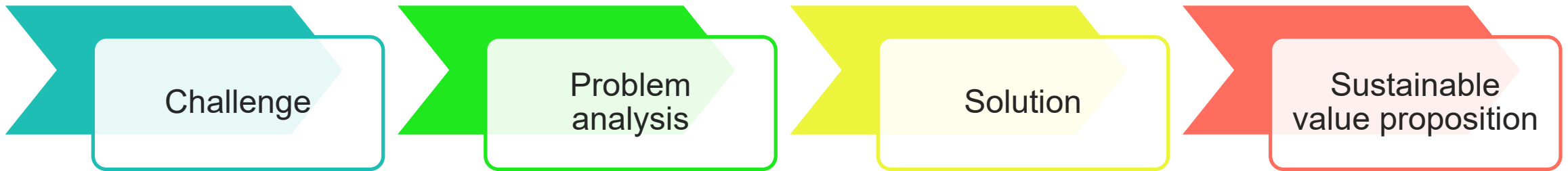
WASTED END-OF-LIFE VALUE

GM recycles 84% of its worldwide manufacturing waste and has **111 landfill-free facilities**
Maersk introduced a Cradle-to-Cradle Passport for vessels, a **database listing the material composition** of the main parts of the ship, enabling better recycling of materials and parts

UNEXPLOITED CUSTOMER ENGAGEMENTS

Michelin offers **tire as a service** (pay per mile) and sensor-based data analytics for predictive maintenance
Philips has several contracts signed for providing **light as a service** on a pay-per-lux basis or monthly subscription

Building a social start up through project based step-by-step approach



Methodology – step-by-step to business idea: SECA GUIDE



Social Business Challenge

Problem Solution model

The work begins by
defining and analyzing

PROBLEM



Photo: Annett Pée, www.mimosa-arctica.com

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Kuvat: https://www.facebook.com/YIEproject/photos/?ref=page_internal

Building a Climate Action Start-up

I Ideation with **problem-solution** tree

II **Business idea** with SBI - model

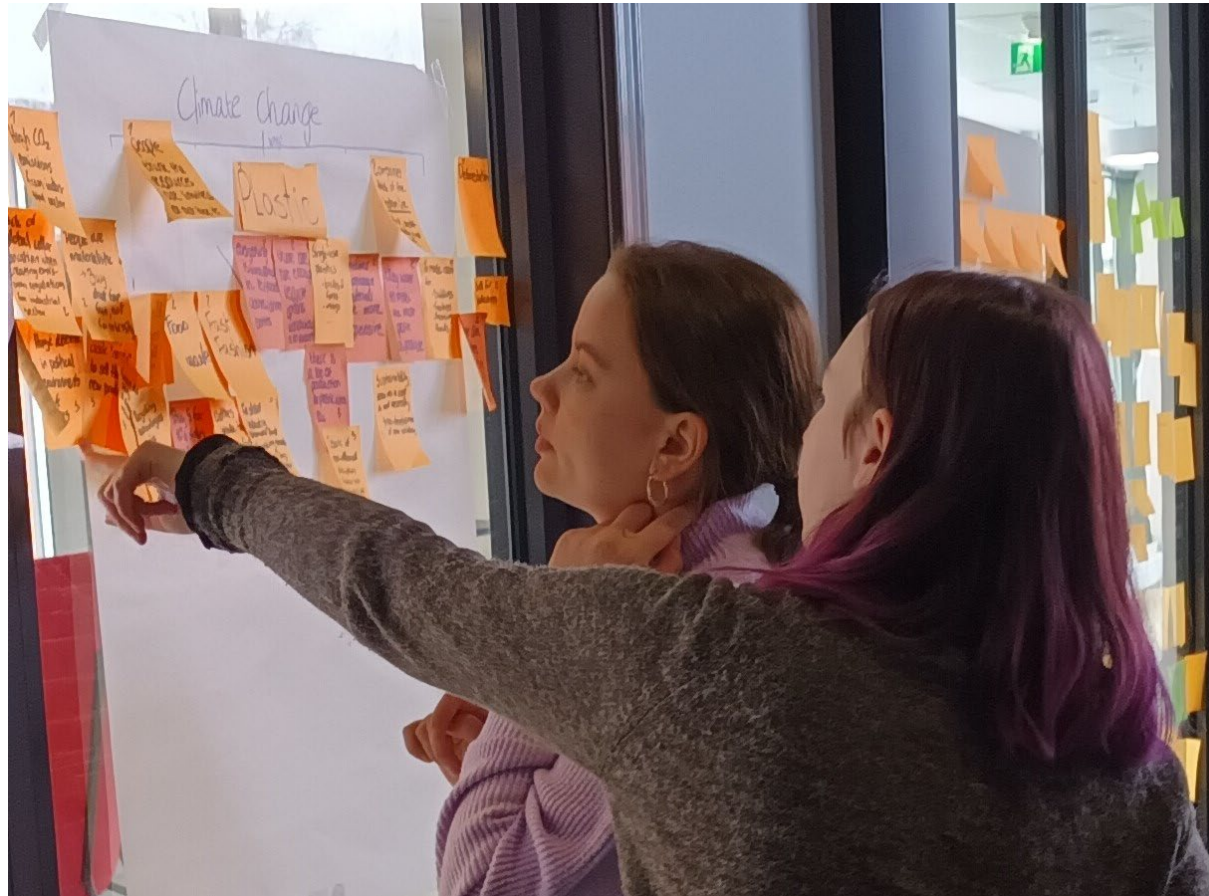
III Sustainable **Value propositions**

IV **Circular Business Model**

BUILDING A CLIMATE ACTION START UP



Let's take action!



Literature

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- Case example Selfair shop: <https://selfair.de/>
- UN on social entrepreneurship <https://sdgs.un.org/>