



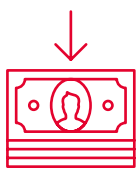
# Women's Social Entrepreneurship in HUNGARY

Addressing social issues with new creativity and innovation

**Women social entrepreneurs in Hungary are pushing back against traditional gender stereotypes as they make a place for themselves at the head of the country's emerging social business sector**

**SNAPSHOT\***

*\*Out of 16 women surveyed*



**40,000€**  
Average yearly revenue (with huge variances).



Average length of operation of a woman's social enterprise is **5,5 YEARS**



The majority of women social entrepreneurs have care responsibilities



On average **2/3** of the profit is reinvested into the social mission



On average **80%** of income is market-based revenue



**7 full-time jobs** are generated by women-led social enterprises on average

**KEY FINDINGS**

"I dreamed of establishing missing social services in Hungary in a sustainable way."

As Fruzsina Benkő

FOUNDER OF THE INDAHUSE PROGRAM  
*(a social enterprise supporting the Roma community)*

**ECOSYSTEM**

• Several hundred social enterprises in Hungary; no legal format or national strategy for the sector • More women leading social enterprises than men

**SECTORS**

• Diverse sectors including Health & Social Work, Arts & Recreation, Manufacturing, Professional Services & Education

**MISSIONS**

• Issues tackled are diverse, ranging from the exclusion of mothers from the labour market, to disability, to unhealthy products or environmental damage

**MOTIVATIONS**

• Women driven by desire to tackle social issues they experience first-hand in their environment

**BARRIERS**

• Both genders: underdeveloped eco-system, lack of dedicated financial sources • Women: caring responsibilities, less labour market experience, less time, weaker professional network

**GENDER**

• Women social entrepreneurs contribute significantly to women's empowerment in the country

**IMPACT**

• Generation of a dignified income, job creation, provision of basic services and/or visibility to marginalised people, provision of healthy or environmentally friendly products or services

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## BACKGROUND

# SOCIAL ENTERPRISE IN HUNGARY

### **Ecosystem<sup>1</sup>**

The social enterprise sector is not developed in the country yet, although interest from the potential social entrepreneurs' side is noticeably increasing. The main reason for the underdeveloped sector is the lack of a supporting ecosystem, rather than the lack of interest from the side of potential practitioners. There is no national strategy to develop the sector, not even a department or working group within the governmental structure. Moreover, there have been only rare examples of active stakeholders from different sectors. There is only one intermediary organisation dedicated to supporting social enterprises (NESsT) and there is only one corporation (Citibank) putting social entrepreneurship into the centre of its CSR (corporate social responsibility) strategy.

### **Legal Format**

There is no special legal entity format for social enterprises in the country; they operate in various forms, such as foundation, association, social cooperative, non-profit company or for-profit company. For many years, the governmental policy considered only social cooperatives as social enterprises and launched big EU co-financed programmes to establish this particular legal entity. These programmes did not result in enough real entrepreneurial activity, as many of them did not have viable business models. However, based on the available information it can be expected that this focus solely on social cooperatives will change in the 2014-2020 EU programming period.

### **Size of Sector**

There are different estimations for the number of social enterprises in the country, most of them using a number of different legal formats (NGOs, cooperatives, non-profit companies), as basis for the calculations. The highest estimation is approximately 3,000 but according to NESsT, based on the real content of the entity, it is not more than several hundred.

Most of the social enterprises are rather small in Hungary. Exceptions are organisations generating employment for disabled people on a bigger scale, typically not in a very innovative way, often with some state or local government involvement. These are also the oldest social enterprises in the country. The innovative grassroots organisations are relatively new and small. They are able to reach a fewer number of marginalised people, but generate deeper impact on the lives of their beneficiaries.

### **Activities**

As far as activities are concerned, most of the sectors are covered by social enterprises. The only underrepresented sector is technology, which is a problem as it is more or less the only sector in Hungary for which private financing sources are available.

### **Barriers**

The lack of dedicated financial sources is one of the main problems of social enterprises in Hungary. Stakeholders expect important changes regarding this issue during the EU 2014-2020 programming period. According to the plans, this time financing will be available based on a wider definition, but concrete conditions have not yet been published.

<sup>1</sup>Based on information available as of May 2015

## CASE STUDY



### Hellóanyu! Mother Centre

Orsi Lipták (a mother of three) experienced a wall ascending between her previous and current life after giving birth to her first baby. Her roles, her activities, her hobbies, the people she met and held connection with changed. It was a completely new life, but full of barriers: at that time smoking in cafes was still allowed and so-called “family friendly” places generally offered playing areas for little ones in dark back rooms that were hardly appropriate for small children. She often felt isolated and locked up in her own apartment and restricted in doing her everyday errands.

Orsi was happy to be a mother, but she wished there were spaces and communities where she could feel comfortable both as a person in her own right, and as a mother of small children. Orsi began to read about raising children, she visited children’s programmes, and also participated in a course on how to run a private nursery. She grew more and more inspired, and started a blog about family friendly places and programmes in the city (minipest).

As the years went by, a little group of mothers formed a community around Orsi. They helped each other, organised joint programmes, and shared responsibilities to give each other free, private time for themselves. They soon started to dream of an ideal place that would both provide a playground for children, as well as a pleasant area for women to meet each other. In 2010, they founded together a social cooperative called Family Friendly City. This organisation launched the Hellóanyu! café in the downtown of Budapest in early 2015, supported by the Norwegian Fund and NESsT.

This café has many things to offer: it is a place where children can play in the same open area, a space where women can meet and chat with their friends and enjoy healthy meals. Women can participate in yoga classes together with their kids and enjoy handicraft courses. Additionally, women can also join programmes designed to help mothers cope with their new life situation, or they can participate in trainings that support mothers to return back to work or launch their own businesses.

# WOMEN SOCIAL ENTREPRENEURS



## Motivations

### Personal Experience with a Social Issue

Women social entrepreneurs are very strongly motivated by first-hand experience with critical social issues in their personal or professional life.

Orsi Lipták, founder of the Hellóanyu! Social Cooperative, an organisation that operates a mother-friendly café and community space, noted *“I had a personal shock, when I had my first child 12 years ago. I found myself completely excluded from the society.”* Similarly, Erika Schenk, founder of Esőemberekért Association was motivated to start her organisation, which offers complex services to young people living with autism, based on first-hand experiences. *“I had a teenager son with autism and I had to organize his adult life”,* she explains.

### Awareness of a Social Issue

Other women are acutely aware of a specific social need, and seek to provide a solution.

As Fruzsina Benkő, founder of the InDaHouse Program - to support the Roma community in a small village in Northern Hungary - observed: *“I dreamed of establishing missing social services in Hungary in a sustainable way.”*

According to Erika Kármán, founder of Szatyor Association which makes healthy, local, organic food available for people living in the city, *“The issue is that environmentally friendly and conscious solutions and ideas must be available to everyone in the society.”*

Andrea Mészáros, founder of the Kék Madár Foundation, which is focused on services for disabled people explained : *“I saw a great example in the Netherlands and I was sure, I wanted to create something similar in Hungary.”*

Women entrepreneurs are not even always aware of the fact that what they are planning or operating is a social enterprise. As Fruzsina Benkő related,

*“I did not even know that the category social enterprise existed. A friend told me that what I was planning was actually called social enterprise.”*

A main reason why women are more likely to launch a social enterprise in Hungary is that they are usually much closer than men to social issues (like caring for children, elderly people or disabled persons; education; or the provision of food or care products for a community) both in their private and professional life.



## Barriers

It can be said that women have no particular difficulties compared to men starting a social enterprise, moreover, it can be even easier for them in a number of cases as they have stronger motivation. But later in the scaling phase, they usually face similar difficulties as traditional women entrepreneurs, such as difficulties accessing financial sources and business networks, as well as a lack of time to develop the social enterprise.

*"It was not always easy to believe, that we would have the necessary resources to build a professional business from a hobby enterprise"* observed Rozi Váczi, founder of Matyodesign, a social enterprise that saves the famous matyó embroidery culture and provides a dignified income opportunity to women living in a small and isolated village.

Erika Varga of Romani Design (a social enterprise that works against racism with the tools of fashion) concurred, noting

*"It was difficult to get donors. And even if we got financial sources, they did not cover important elements, like the preparatory work with long-term unemployed people."*



## Gender and Social Entrepreneurship

In Hungary, there are still negative stereotypes against women, especially in the business world. This can make women feel uncomfortable being in the spotlight, which can lead to a negative impact on the development of the social enterprise.

Sometimes they might also feel that their enterprise is not taken seriously, just because it is operated by a woman and because it also has a social goal. As Tímea Kádár, founder of Szállás Másképp (a social enterprise focused on rural tourism) noted, *"Sometimes I felt – especially within the classic, men-dominated start-up world –, that having other viewpoints beyond profit is a kind of shame."*

On the other hand, many women think they are more persistent compared to male entrepreneurs.

*"I think, coming up with a creative answer for the economic crisis and being persistent in the implementation is connected to the fact, that I am a woman"*

stated Füsün Ipek, founder of Balkántangó, a social enterprise dedicated to environmental issues, especially upcycling. Rozi Váczi of Matyodesign concurred: *"I have three brothers, and I am sure, if they had established Matyodesign, the business would not have achieved so much."*

### Gender Equality

In many cases gender equality is the main mission of a woman-led social enterprise from the beginning. Orsi Lipták, founder of Hellóanyu! explains the mission of her organisation, stating, *"We would like to make it possible, that mothers keep or even update their labour market related skills."* Rozi Váczi of Matyodesign also highlighted the impact her work has on gender equality, noting that *"27 women get income in my social enterprise"* while Erika Varga of Romani Design states that *"empowering Roma women is especially important for me."*

However, this focus on women and gender equality is not always understood or welcomed by Hungarian society. Szilvia Varró, founder of X Communication Centre which is the first and only communication agency in Hungary whose main mission is seeking to generate social change observed: *"Gender equality has always been a core issue of my social communication agency. Our youth project, Hello90! also works against gender stereotypes. It is not a popular mission among our clients and donors,*

*though. In most of the cases we carry out such campaigns pro bono."*

In other cases, gender equality becomes a more important factor after starting the business. Owners realise that their mission has a positive impact on women's lives even if the direct goal was not gender-related. Women's life will be easier, if disabled youth are able to live an independent life, if there are healthy options instead of chemical-based personal and home care products for families, or there is income generation opportunity locally, even in a small village. As Erika Schenk (Esőemberekért Association) notes, *"We realised, we support not only the young people with autism within the families, but also their mothers."*



## Support

In Hungary, only a few initiatives exist which support even traditional women-led enterprises and there is no dedicated programme for women social entrepreneurs. Nevertheless NESsT, the only social enterprise catalyst in the country, incubates mainly social enterprises led by women, as the sector is dominated by such organisations anyway. If a woman is consciously planning a social enterprise, she might contact NESsT for potential support. However if she just plans an enterprise without being aware that it is a social one, she might contact the very few initiatives for female entrepreneurs (like Association of Hungarian Business Women, Association of Hungarian Women Entrepreneurs and Dobbantó development program for female entrepreneurs).

A woman social entrepreneur also might try to get financial support from the few general sources available for non-technology start-ups. But in many cases they just start alone without any help, even without support from their families. Ági Vida, founder of Gazdagmami, (a social enterprise supporting women to start their own business) relates:

*"Mothers are still often discouraged by their families regarding establishing their own businesses."*



# SOCIAL IMPACT OF WOMEN-LED ENTERPRISE

The social impact of women-led enterprises in Hungary is significant. Within their communities and on a national level, women have affected significant social change. They have facilitated the recycling of tons of materials, provided meeting and connection opportunities for hundreds of mothers, helped small villages start to recover from deprivation, helped youth become more open and tolerant, assisted hundreds of women in starting a successful business and gaining an independent income, and provided a dignified life for disabled people and their families.

In most of these cases we can also speak about social innovation, as balancing between business success and social impact require a lot of creativity and innovation within an unsupportive ecosystem.



jobs focusing on the abilities of their beneficiaries and provide a meaningful job for them. Working in a restaurant meant that employees could meet with lots of people and they could select from a wide variety of tasks and jobs to be done.

### An Impactful Social Enterprise

The restaurant was opened in 2007, and since then it has been continuously developing and expanding. Currently they provide dignified jobs for 17 disabled individuals, and altogether they have provided working opportunities for 30 beneficiaries. They sell 180 portions a day, meaning 180 guests experience every day the professionalism, high quality work and value generated by the staff. The salary they are able to provide is above the average of the sector in that county, and in addition they also provide beneficiaries with additional services, like day care for children or financial education. As a result, their staff gains access to an independent and sustainable life.

*Éva - one of their staff - has hearing and speech impairment and works in the kitchen preparing the food every day. A few years ago she was completely isolated from the community, and very rarely left her home. Now she has a driving license and a fully independent life.*

## Ízlelő Family Friendly Restaurant

Andrea Mészáros sought to create a workplace where disabled people could showcase their talent and willpower, a place where everyone could see how much more capable people with disabilities can be if they are given the chance to prove it. So, she opened a restaurant called Ízlelő in Szekszárd.

### How it All Started

Andrea founded Kék Madár Foundation in 1997 with her friends which specialised in labour market services to help people with disabilities in Tolna County, and offered several services for disabled people (like a day care centre). As they were successful in winning grants, they were able to develop and grow, but it meant also left a high level of dependency on this funding. Eventually, they came up with a new strategy for self-financing: open a social enterprise. This way, the profit of the enterprise could provide revenue for the foundation, and also they could use it as a reserve fund to ensure sustainability. But what kind of social enterprise?

### The Birth of an Idea

Many years ago Andrea had visited a restaurant in the Netherlands employing disabled staff, and as she imagined creating her social enterprise in Hungary, she remembered this model. This business idea was appealing and could also serve the core goals of the foundation. They could create

**Last year** the restaurant was the first one in Tolna County to receive the “Hungarian Tourism Quality Award”, which is the highest and most prestigious honour in the sector. On a societal level, this also meant that the professional gastronomy industry acknowledged the disabled community in Hungary, an enormous gain for Hungarian social inclusion.



# Recommendations for Policy Makers

- \*Develop a national strategy for the sector – based on the recommendations of the European Union and the experiences of the most advanced countries
- \*Increase the visibility of both women’s entrepreneurship and social entrepreneurship
- \*Incorporate women’s approaches and best practices into the national social enterprise strategy
- \*Provide a regulatory framework for a supportive ecosystem:
  - To ensure financial sources (both, public sources, as well as private actors)
  - To generate a market for women social entrepreneurs (through both a supportive public procurement system and encouraging the private sector to do business with social enterprises)
- \*Support women entrepreneurship in general (access to financial sources, business knowledge and professional networks), which will contribute to the strengthening of the social enterprise sector

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## ABOUT THE PROJECT

This mini-report is based on primary empirical data gathered by Anna Horvath from February to May 2015 in Hungary, on behalf of European Women’s Lobby. Data was gathered via desk research, in-depth semi-structured interviews with 11 informants using feminist interview methods, and an internet survey available in Hungarian and English, taken by 16 respondents.

These findings are part of a 1-year pilot study initiated by the European Women’s Lobby entitled WEstart: Mapping Women’s Social Entrepreneurship in Europe. Focusing on 10 European countries, WEstart seeks to gain a better understanding of the situation and state of play of women’s social entrepreneurship in Europe.

For more details about WEstart visit:

[www.womenlobby.org](http://www.womenlobby.org)  
 or [www.WEstartEurope.org](http://www.WEstartEurope.org)

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