



Women's Social Entrepreneurship in



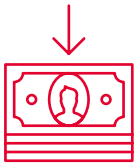
SPAIN

Empowering, including and educating marginalised groups

Driven by first-hand experience with marginalisation in their communities, women in Spain are using social enterprise to fight for social justice

SNAPSHOT*

*Out of 16 women surveyed



The majority of women surveyed earn an annual revenue of **less than 30,000€**



Average length of operation of a woman's social enterprise is **3 YEARS**



The **MAJORITY** of women social entrepreneurs do **NOT** have care responsibilities



90% of the profits are reinvested back into the organisation's social mission (by the majority of women social entrepreneurs)



For **1/3** of women surveyed over **90%** of income is market-based revenue



1-2 full-time jobs & **4** part-time jobs are generated by women-led social enterprises on average

"Running a social enterprise creates empowerment at different levels"

WEstart survey respondent
(anonymous)



KEY FINDINGS

ECOSYSTEM

- Approximately 8,000 social enterprises in Spain
- Various legal formats including Social Initiative Cooperatives, Sheltered Employment Centres, Work Integration Social Enterprises (WISE), Non-profit (foundations and associations) and mainstream enterprises

SECTORS

- Education, Health & Social Work, Agriculture, Technical, Scientific and Professional Services, Industry and Construction

MISSIONS

- Inclusion of marginalised groups, education, diversity inclusion, women's empowerment

MOTIVATIONS

- Personal experience with a social issue, responding to an unmet need in the community, seeking to make a specific social impact

BARRIERS

- Lack of funding available, lack of access to finance
- Not enough time to devote to social enterprise activities
- Lack of visibility

GENDER

Women social entrepreneurs:

- Contribute to women's empowerment in the country
- Manage their social enterprise in a more participatory and collaborative manner
- Perceive themselves to be more connected to, and have more passion for their social mission
- The majority do not have care responsibilities

IMPACT

- The majority measure social impact
- The majority seek individual or small group impact

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SOCIAL ENTERPRISE IN SPAIN

Ecosystem

The specific concept of “social enterprise” is still fairly new in Spain, and remains somewhat unknown in places outside the four main predominant regions where most activities are found: Cataluña, Madrid, Andalucía and the Basque Country. However the country “has a long tradition of social economy (more generally): co-operatives, voluntary bodies, foundations as well as other not-for-profit organisations have taken part in income-generating activities for social rather than commercial purposes for years” (Alvarez, 2014).

History

Spain’s history of social economy can be traced back to the 1800s. Mutual relief societies, or “sociedades de socorro mutuo”—societies which collectively respond to issues and needs such as unemployment and health insurance—emerged in the nineteenth century as an early version of a social security system (Alvarez, 2014).

In the 1970s, as the country transitioned to democracy and also faced a major industrial crisis, resulting in high unemployment, unemployed workers came together to worker cooperatives (“sociedades laborales”) and worker-owned enterprises. In the 1980s, work integration social enterprises (WISE) were introduced, targeting either socially excluded people, or people with disabilities. During the 1990s, the notion of social economy became more well-developed, resulting in “the formation of the National Institute for the Promotion of social economy (Instituto Nacional de Fomento de la Economía Social (INFES)” (Alvarez, 2014). Spain’s major piece of legislation on social economy was passed in 2011.

National Policy

Legislation relating to the social economy began during the 1970s, with the promotion of cooperatives included in the 1978 national Constitution. The Minister of Labour and Social Security published a White Paper on social economy in 1992, during the same time as INFES (see previous section) was established. During these years the legal form of social initiative cooperatives (National Law 27/1999) was introduced. In 2011, the Law on Social Economy was passed; during this year the Spanish Parliament created a sub-Commission on social economy, however it has since been dismantled (Alvarez, 2014).

At an institutional level, the Ministry of Labour and Social Security within the central government has a Directorate General (DG) dedicated to social economy which is tasked with “promoting legislative and public plans of support for the social economy, as well as of designing the supporting schemes and programmes for enterprises pertaining to the social economy” (Alvarez, 2014).

Regionally, “all Autonomous Communities have departments dealing with social economy and entrepreneurial issues; the Autonomous Communities have also exclusive competences in some crucial issues related to social economy, such as cooperatives and mutualities.” (Alvarez, 2014).

Legal Format

Spain has several institutionalised forms of social enterprise. They are as follows:

- **Social initiative cooperatives** under National law 27/1999. Cooperatives have been quite important for social movements in Spain. Several social enterprises have adopted these models. However, cooperatives have an important disadvantage as they usually have more difficulty attracting investment from external sources, therefore they tend to generate capital through their members.
- **Sheltered Employment Centres** (Law 13/1982)- “These centres were established by Law 13/1982 of Social Integration of Disabled People. They carry out productive work and participate in trade operations, and aim at providing a remunerated position and adequate personal and social services for its impaired workers (who need to constitute at least 70 per cent of their staff)” (Alvarez, 2014).
- **Work integration social enterprises (WISE)**, (Law 44/2007)- “WISE are typically set up as foundations or associations. In their employment structure they are to have above 30 per cent of workers in the work integration process during the first three years of activities of a given entity with this share rising to 50 per cent from the fourth year onwards” (Alvarez, 2014).
- **Non-profit structures such as associations** - In Spain associations do not need to have any initial capital to start and the process is quite simple. However, associations are not declared to have a “social purpose” for the first three years after they have been founded and must prove that they are supporting a local social cause. In this interim period, they are not given any tax benefits in relation to their activity.
- **Mainstream enterprises and limited companies** have a common legal format with tighter criteria. Often social entrepreneurs have no advantages in comparison with for-profit ventures, other than explicitly mentioning their social aims as a form of “soft activism”.

Size of the Sector

The available estimate of social economy produced by CEPES suggests that there were 44,500 of social enterprises as of 2013. However, estimation where EU operational criteria were applied based on the CEPES statistics suggest a much lower number of around 8,000 (excluding social initiative cooperatives).

The size of social enterprise in Spain varies in function of funding accessibility and availability, with foundations and more traditional NGOs ranging on average 30 employees, while smaller enterprises have less than 10 employees. The age of organisations also varies, as most interviewees mentioned that high taxes and difficult laws pose barriers for starting the business under a legal format and may need to operate under different formats until then. Most social entrepreneurs working under a private legal company status considered themselves to be at a starting or the beginning phase of the project.

Activities

Traditionally, Spanish social enterprises span over a diverse area of industry and social services, yet there is a growing trend towards addressing societal change, namely unemployment and training. In recent years, as a result of the large number of immigrants that have come during the economic crisis, Spain has seen a rise of organisations whose activities address social inclusion and work-integration.

CASE STUDY



Apuntadas

Rosa Escandell and Cristina Perez are the founders of the social enterprise, Apuntadas, (“In Stiches”) a manufacturing and textile company that works with women at risk of social exclusion. The company started out as a non-profit association which ran training workshops for vulnerable women in textile production, with the goal of giving them marketable skills and producing high-quality products.

After several years as a non-profit, in 2011 the founders wanted to achieve an even greater social impact, and decided to join up with the Juan Peran-Pikolinos Foundation, which has a strong background in business, to become a social enterprise.

Cristina mentions that even after their business was running and was breaking even, they found the need to continue developing themselves and looking to be more innovative in the field. For this reason they obtained the GOTS (Global Organic Textile Standard) certification, which is one of the most recognised standards based on strict processing of manufacturing in the entire production cycle for clothing manufactured with organic fibers. In fact, since they are one of the few that have obtained this certification, their business now also includes a consultancy branch where they support other organisations to share the worldwide renowned standards of their work. They state:

“You always need to seek to be the best and first in the things you do, even if you’re social, you have to be at the level of what companies are doing, and be better than them”.

Since 2008, Apuntadas has trained 286 women in textile production. Since 2011, 25 women have accessed a labour market contract via the company, and 13 women have been able to enter the labour market on their own.



SOCIAL IMPACT OF WOMEN-LED ENTERPRISE

The majority of women surveyed and interviewed indicated that they measure social impact, though they are in various stages of this process. One woman notes, *“It is in our plans, but being in the early stages of the project we have not begun to measure. (When we do) we will consider quantitative and qualitative indicators.”* Another entrepreneur relates, *“For now we do satisfaction surveys with the participants in our programmes. We have designed an evaluation system to improve capabilities of participants on the basis of perceptions using Likert scales that we will begin to undertake this year.”*

For other entrepreneurs, social impact is more anecdotal. One surveyed respondent shares, *“people who try our products and use them regularly improve their health and correct many problems related to allergens and toxic substances which are found in conventional cosmetics, non-organic food, etc.”*

Overall, women social entrepreneurs look to achieve social impact for individuals or specific groups of people, which corresponds to their motivations being located in a personal experience with a social issue or need.

Economically, many women interviewed measure success by having enough money to pay everything and then a little extra. Again, this corresponds to the fact that the majority are bringing in an income of less than 30,000 euros a year. However, the personal satisfaction and feeling of empowerment experienced by women social entrepreneurs is high.



Motivations

Personal Experiences,
Unmet Needs,

Social Impacts

Women social entrepreneurs often experience a very clear calling, and feel a strong commitment to what they do. In the Spanish context, fewer social entrepreneurs become entrepreneurs out of an economic need, but more often, because they have experienced a particular social issue or need in their community first-hand, and are driven to fill this gap. As such, the missions of Spanish women social entrepreneurs are often focused on efforts to empower, include and educate marginalised groups. As one entrepreneur explained when describing her mission, *"I'm giving visibility and voice to women with autism and Asperger syndrome in my country"*.

The specific focus on the inclusion of marginalised people generates a great deal of satisfaction amongst women leading social enterprises. As one entrepreneur relates,

"Considering my strong personal commitment to social inclusion, the fact that I am able to apply this in (my personal) business project gives me an enormous amount of satisfaction. I am aware that the benefits of our work will spread throughout the community and have a resonating effect amongst vulnerable groups."

Social entrepreneurship lets you take on a concrete project in which you can realise your social aspirations, and your desire to create something positive in your environment."

Income Generation, Personal Growth

In some cases, women saw the possibility of it being a win-win situation, in that they could follow their calling and also provide additional income for their family. Additionally, some women social entrepreneurs become entrepreneurs to grow as professionals with their own schedules and in order to accommodate a family life as they felt "the system" was unsuitable for their personal needs. Interviewees noted that Spanish working hours in particular are extremely unaccommodating for work-life balance as they range from 9:00-14:00 and 16:00-20:00.

However, the WEstart survey revealed that less than 25% of women social entrepreneurs sustain their household entirely from the income of their social enterprise. Additionally, over half of the respondents reported an annual income of less than 10,000 euros, and a third of the total respondents are bringing in between 10,000 and 30,000 euros. As such, it appears that for the majority of women social entrepreneurs, the additional income generation, while welcome, is less of a motivating factor than the desire to have a specific social impact.



Barriers

National Barriers

Despite strong motivation and passion, Spain is still lagging behind in producing successful social enterprises (led by either sex) compared to other European countries. There are several reasons for this. Firstly, there is a wide gap between the emerging workforce: while Spain currently has the most educated group of youth, the possibilities of finding paid work within the country are hard. Young people with the skills to become entrepreneurs are finding work elsewhere which is resulting in a "brain drain". Most interviewees mentioned finding adequate "human resources" to be one of the largest problems they face in expanding their organisations.

Secondly, university programmes are lagging behind in their curricula as they are not developing the skills and competencies that are necessary to become social entrepreneurs. These skills include: empathy, critical thinking and a long term vision. Thirdly, investors are not yet willing to take the necessary risks to support entrepreneurs and shift their mindset into a more "long term sustainable capital" formats. Finally, the government has less and less money for subsidies and support for innovative projects.

Barriers Specific to Women

In addition to the aforementioned barriers, women specifically face barriers related to finance and gender discrimination.

Most women find finance, or access to finance to be their biggest hurdle during the whole process. While this is a problem for all social entrepreneurs, it is specifically applicable to women, who face subtle gender discrimination, and societal gender biases at all levels of their journey with social entrepreneurship. As one woman describes,

"I feel it is important to point out that most of the current projects I have come into contact with are led by men, a fact which, to me, confirms the declining support for women, and the gender biases present within the collective imagination of the society... all the way from the education system to the state."

"This results in far more social and psychological barriers for women when it comes to undertaking a social enterprise."

In Spain, many institutions are male-dominated; not only banks and lending organisations, but also in many cases, the family. As one entrepreneur noted,

"my father and brothers were/are entrepreneurs but when I wanted to become one none took me seriously"

in my family context. Now my company is paying my expenses so I feel able to do anything!"

In Spain, lack of access to credit is a major obstacle for social entrepreneurs of both sexes, and many rely on the support of their friends and family in finding start-up capital. When both banks and families show gender bias, women are at a specific disadvantage.

Women are more likely to encounter skepticism by potential suppliers, clients and business partners and have to be more persistent to demonstrate their knowledge, skills and capacities. Spanish entrepreneur Fiona Capdevila explains: *"At some point I felt I had to take a course, as everybody was telling me I needed to take the next step in my business. I was encouraged to move away from the 100% experimental stage and move into management."*

She joined free courses offered to entrepreneurs. However she felt the courses took away her energy and she wondered if creative people should have a different path or format for doing business. The courses left her feeling more powerless as *"they were highlighting everything she did not know and disconnected her from the passion of her original venture"*. In a way, implicit obstacles in the ecosystem whilst offering support to access finance, information, mentoring and networks, there appears to be an underlying assumption that women lack credibility to build a thriving business (Bruni et. al, 2005: 19).



Gender and Social Entrepreneurship

Gender Equality

Amongst Spanish women social entrepreneurs, the topic of gender equality is experienced in drastically different ways depending on whether the women come from rural or urban areas. Women from rural realities have strong inherited cultural beliefs on what the life of women should look

like; "sacrifice" is understood as being a cornerstone of womanhood. Women seem to "compete" for who sacrifices more, and are sometimes judged for not "sacrificing enough".

Meanwhile women from urban environments perceive that they have much more gender equality, in fact, many mentioned that gender, or more specifically gender discrimination, is a factor they rarely took into account or which they perceived had not hindered their activity. Most women from urban areas considered themselves equal to men in opportunities and achieving success in their social enterprise.

However, the research revealed that some women became more aware of gender inequality as they undertook the process of starting and running a social enterprise, and began to personally experience how their gender affected their access to resources, and how they were perceived as business-owners.

As one entrepreneur grimly noted, *"It's worse than I thought."* Another concurred, stating, *"Inequality has become more evident."*

Regardless of their original perception of gender equality or inequality, 92 percent of surveyed women ultimately feel they are contributing to gender equality with their social enterprise. This extremely high number reveals that even for those who do not feel personally affected by gender discrimination, they are aware that their involvement in social enterprise is having a larger positive effect on gender relations within the society.

Women's Empowerment

Keeping in line with the aforementioned statistics, research revealed that women social entrepreneurs are more sensitive to gender issues and willing to support other women in their path. Over ninety percent of surveyed women felt they are empowering women with their social enterprise, and implicitly, or explicitly, women created policies and governance within the enterprise that supported other women. Additionally, over ninety percent of surveyed

entrepreneurs felt that starting and leading a social enterprise has empowered them as women.

As one entrepreneur observed, *"I believe that (running a social enterprise) creates empowerment at different levels. On a professional level, it allows you to be able to implement new knowledge, skills etc. On a personal level, it brings self-realisation, as you take part in a creative and constructive process in which you have a relevant role. Socially, you become recognised as someone who is brave, who has "dared" to start a business, and therefore you received recognition for your courage, for the personal challenge you have undertaken."*

Learning curves in social entrepreneurship are long and difficult. This path stimulates great personal growth and maturity for the women involved, who learn to perceive the reality and possibilities under a different light, and build very strong self-confidence and endurance.



Recommendations for Policy Makers

*Create more standardised impact measurements as a necessary precondition to building the social investment markets

*Demonstrate a firm commitment to social enterprise via concrete political action at the national level

*Include social criteria in public procurement

*Increase the amount of financing available to social enterprises, and take measures to improve the accessibility of this financing

*Establish a certification and/or labelling scheme for social enterprises

*Take measures to increase the accessibility of credit, especially for women (currently many women social entrepreneurs count on friends and family for start-up capital in the absence of access to credit)

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Personal interviews featured with the following social entrepreneurs:

Alice Fauveau / Alicia Carpo / Aurelie Salvaire / Fiona Capdevila / Isabella Raymond / Maite Canton / Mari Cruz / Marta Fernandez / Veronica Recanati

ABOUT THE PROJECT

This mini-report is based on primary empirical data gathered by Elena Rodriguez Blanco from May to July 2015 in Spain, on behalf of European Women's Lobby. Data was gathered via desk research, in-depth semi-structured interviews with 10 informants using feminist interview methods, and an internet survey available in Spanish and English which was 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
or www.WEstartEurope.org

PHOTO CREDITS

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