

Eixo Temático: Inovação e Sustentabilidade

**THE CREATION OF SOCIAL ENTERPRISES TO INCREASE THE ECONOMIC
AUTONOMY OF NGOS: AN ANALYSIS IN CEARÁ**

**A CRIAÇÃO DE SOLIDARIEDADE EMPRESAS PARA AUMENTAR A
AUTONOMIA ECONÔMICA DAS ONGS : UMA ANÁLISE NO CEARÁ**

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ABSTRACT

Social Entrepreneurship and social enterprises are directly related to notion of taking advantage of entrepreneurial skills and features to obtain social value (Dees, 1998; Austin et al., 2006; Peredo and McLean, 2006). These burgeoning phenomena have become increasingly popular among scholars and practitioners of the field in the past two decades (Kulothungan, 2010; Borzaga and Galera, 2012). Thus, in order to widen the understanding about social entrepreneurship and social enterprises this teaching case focuses on how two traditional not-for-profit organizations started social enterprises to obtain greater financial autonomy. The examples conveyed and compared in this work come from the state of Ceará, located in the Brazilian northeast. They target different audiences and offer services in distinct sectors, but are comparable in this work once both organizations have started social enterprises for reasons that might be considered analogous. The main goal and contribution of this teaching case, to be used with groups studying sustainability, innovation and entrepreneurship, is to advance in the discussion regarding social entrepreneurship and social enterprises as well as to enrich the comprehension about these rising phenomena.

Keywords: Social entrepreneurship; social enterprises; NGOs; Ceará; Brazil

RESUMO

Empreendedorismo social e empresas sociais estão diretamente relacionados à noção de aproveitar as competências empresariais e recursos para a obtenção de valor social (Dees, 1998; Austin et al, 2006;. Peredo e McLean, 2006). Esses fenômenos crescentes tornaram-se cada vez mais popular entre os estudiosos e profissionais do campo nas últimas duas décadas (Kulothungan, 2010; Borzaga e Galera, 2012). Assim, a fim de ampliar o entendimento sobre empreendedorismo social e das empresas sociais Este caso de ensino se concentra em como duas tradicionais organizações não-lucrativas começou empresas sociais para obter uma maior autonomia financeira. Os exemplos transmitida e comparados neste trabalho vêm do Estado do Ceará, localizada no nordeste brasileiro. Eles têm como alvo diferentes públicos e oferecer serviços em setores distintos, mas são comparáveis neste trabalho uma vez que ambas as organizações começaram a empresas sociais por razões que poderiam ser consideradas análogas. O principal objetivo e contribuição deste caso de ensino, para ser usado com grupos que estudam a sustentabilidade, inovação e empreendedorismo, é avançar na discussão sobre empreendedorismo e sociais das empresas sociais, bem como para enriquecer a compreensão sobre esses fenômenos crescentes.

Palavras-chave: Empreendedorismo Social; empresas sociais; ONGs; Ceará; Brasil

1. SOCIAL ENTERPRISES

Over the years, a trend that has been spreading in both developed and developing worlds is acknowledging entrepreneurship as a possible avenue to the solution of different social problems (Bacq and Janssen, 2011). The scientific and practitioner communities have been engaging in ways to explain and to use entrepreneurship somehow to solve different societal issues (Acs and Audretsch, 2003; McGrath, 2003).

Hereafter, for definitional purposes, we consider as entrepreneurship the capability of identifying and generating business opportunities, tackling them in trying to create value (Bruyat and Julien, 2011). The notion of value here, nevertheless, will not be strictly monetary, given that we aim at approaching the generation of **social value**. In this sense, social value is the generation of means to bring about the improvement of well-being, the promotion of equality or the empowerment of individuals who are in a vulnerable social condition (Dees, 1998; Austin et al., 2006; Peredo and McLean, 2006).

Thus, this teaching case's intention is to focus on **Social Entrepreneurship** (SE) as it is directly connected with the idea of using entrepreneurial skills and features to obtain the social value. Although it has been more broadly discussed by society since the 1980s, social entrepreneurship can be taken as a completely new trend. It tracked to the efforts of individuals such as Florence Nightingale and, currently, to organizations like Ashoka (Choi and Majumdar, 2014).

Social entrepreneurial organizations or social enterprises might be described as ones aiming at a social mission, thus, generating social value. These organizations intend to change realities by addressing to a social demand that has not been tackled by neither the State nor the private sector. The reasons for this lack of presence might be related the efficiency seeking of public expenditure for the former, or the lack of interest in possible meagre profit accumulation possibilities in the case of the latter (Kulothungan, 2010; Borzaga and Galera, 2012).

These new organizational models are proposed trying to suggest that through the provision of good and services, it would be possible to tackle social demands (or needs). Besides social, economic value would also be built in order to ensure financial sustainability for those endeavours, reducing their dependence and frailty as well as granting their continuity. Moreover, an important feature for social enterprises is the commitment in engaging different stakeholders, attempting to actually take into account all actors intertwining the organization (Rajput and Chopra, 2014).

On this subject, Borzaga, Depedri and Galera (2012) state that social enterprise; social businesses and social entrepreneur refer to initiatives searching for social value creation via the private utilization and management of human and financial resources. The force to devise those resources would come from trading in market or quasi-market contexts.

In addition, the participation of social entrepreneurs is linked with trying to meet the needs that have not been addressed, in as much as the ability to see opportunities and confront challenges even under conditions of limited resources characterize these individuals. In this regard, social entrepreneurs may also be identified as innovators, designing and propelling social innovations and processes of social change (Swedberg, 2009; Zigler, 2010; Bacq and Janssen, 2011).

Furthermore, to give an example of social demand or social need; one may observe the basic healthcare provision, a social right endowed by the Brazilian constitution (Brazil, 1998). This right, unfortunately, might be included in the hall of necessities to be tackled by social enterprises. This affirmation is underpinned on the fact that Brazilian healthcare system was supposed to be one universal and of quality, to serve all population meticulously. A gap in supplying this basic social welfare service can be clearly witnessed, and such fact provides space to ventures trying to answer this problem. Social enterprises, then, might be taken into account as a way to undertake this demand, which is not being fulfilled by neither the State nor the private sector.

Another instance of social need is outlined in the Brazilian drylands, more specifically in the northeast region. Family farmers have been facing historical problems not only due to the social inequalities in the region, but also to the lack of technical and managerial assistance they need to improve their crops. Thus, in order to reach better life conditions, their children have migrated from the communities to big cities stress the problem of rural exodus. This work also intends to show how the hybrid action of traditional NGOs, which have been running social enterprises to fulfill pressing social needs as suggested by Seelos and Mair (2005) or Mair and Martí (2006).

This commitment to address to social needs through social entrepreneurial organizations might also tackle another need regarding traditional not-for-profit organizations (hereby named NGOs) trying to attain to a social mission. These initiatives are, most of the times, financially supported by the concession of governmental grants or by donations from the private sector. This kind of funding is constrained in both amount and duration. Therefore, efficiency and responsiveness processes as well as creativity presented by the model of social enterprise might be beneficial for NGOs as well (Alter, 2007; Lyne, 2012).

Considering the aspects put forward so far, this teaching case hopes to present how NGOs in Ceará have been taking advantage of the benefits related to starting a social enterprise. The NGOs presented here have been existing for a considerable time, and as their leaders realized that some obstacles could only be overcome if they had an independent source of income, these organizations engaged into new initiatives in order to ensure the fulfilment of their social mission.

As it will be seen in the case, these social enterprises have been enabling not only these organizations to reach their original objectives, but also have allowed to employ new methods, which have made possible the emergence of new opportunities within and outside the parent NGOs.

Actually, the teaching case presented here intends to show not only one, but two examples of NGOs that created social enterprises to overcome the hurdles they had realized while carrying out their activities. The first one, as previously shown, is *Saúde* Health Centre started by the NGO IPREDE as another source of revenues; and *Fundo Veredas* initiated by the NGO ADEL focusing on providing an easy credit line to young entrepreneurs who has undergone their the course provided by the aforementioned NGO.

2. THE SOCIAL ENTERPRISE *CLÍNICA SAÚDE* (IPREDE)

According to the institution's website, the *Instituto da Primeira Infância* (IPREDE – Institute for the First Childhood, in Portuguese) was founded in 1986. It was first named as Institute for the Prevention of Malnutrition and Exceptionality. This not-for-profit organization was started by a group of social entrepreneurs from Ceará, a state located in the Brazilian north-east. Their social mission at the time was to prevent and treat child malnutrition as well as to deal with related illnesses caused by this condition.

“The necessity of giving away food to 1,200 children or more is already very difficult, very painful. We spend today 15 tons of food per month, four to five tons of milk, which is the most expensive. Nowadays, we spend 450 cans of milk a day. An enormous quantity, but the acknowledgement of what really leads to malnutrition is even a greater suffering. The WHO qualifies hunger as the biggest suffering an individual, a human being can undergo, but the consequence of what occurs in the childhood, when the brain in the first childhood, in its first six years of life, translates into the future in smaller possibilities, low life quality because of that, even when the child weight is fully recovered. The damage is already done.” (Sullivan Mota, M.D., President of IPREDE)

In the 1980s, in Ceará, there used to be a social context wherein only 100 from every 1,000 babies who were born reached their first birthday. Furthermore, 30% of malnourished children faced the sequels of such perverse condition. Over the years, however, the situation has been improving, once child malnutrition index is now residual, between 6% and 7% and the mortality rate has dropped to below 20 from each one thousand births. This fact urged for the institution to evolve in its mission.

Throughout time, IPREDE has changed its aim in the sense of preventing and looking after not only malnutrition, but also trying to tackle other social problems that have been a sort of fuel for children to end up in such way. Therefore, children's families, but most especially their mothers, have also been a target audience of the NGO through training courses and labour-related capacitation projects.

“When a process to stimulate development was established, we noticed that these children arrive here with a development deficit due to starvation, these are children who are below the poverty line. They live in misery. And just giving food is not enough to take the family away from misery. We started another step, in which IPREDE obliged itself to create a path beyond the child. A path for the family in here. And this path is a female one, because the investment is primarily on the mother”. (Sullivan Mota, M.D., President of IPREDE)

Thus, IPREDE has been modifying its services to become a reference centre for the first childhood period; a space of production, teaching and promotion of this theme. The Institute has been developing programs and projects in articulation with other sectors of society. The focus is still fighting malnutrition and developing children throughout first childhood as well as the generation and dissemination of academic and technical knowledge. Furthermore, from the experience acquired over the years, it also aims at producing and promoting culture and art as an instrument to empower and raise awareness in the audience they deal with.

In this sense, IPREDE has now been working with children's families through an array of programs and activities focused on mothers/caretakers together with the children so the latter may overcome their weight problems and walk towards a healthy childhood in psychosocial and physiological terms. Therefore, the Institute has been deploying strategies related to strengthening the quality of interaction within families as well as knowledge concerning child nutrition.

The Saúde Popular Clinic was idealized by IPREDE managers and started being built in 2012 an effort to diminish the reliance the NGO had on governmental grants and donations coming from individuals or companies. Over the years, these two sources of revenue became more scarce, thus, it became necessary for IPREDE to start offering some kind of service that could be traded somehow in the so-called “market”.

“I wanted to say that today we don't receive more donations, they have been decreasing. That donation was much higher because the person thought to have the need to perform that. For charity reasons, let's say so. The relationship has professionalized, stabilized. It has become social responsibility. And that created rules. I saw this entity receiving money from the government per month, not specifying where it should be used. Today, the relationship with the first sector is done by selling a service, where you earn exactly for the service provided. And we have to develop a service to receive money from SUS. It is a business relationship. I serve one thousand children an amount of times, so, I receive for it. If I didn't serve, I get nothing”. (Sullivan Mota, M.D., President of IPREDE)

“In fact, IPREDE, as the big manager of the service provided to children, through its president, saw the need to have certain “Independence” from the public system. It was the moment the idea of the clinic came up, having in sight that the market in Brazil and in our state is ascending. Before being a popular clinic this is a social project, a social enterprise. It was born from the need IPREDE realized to have a source of revenue inside IPREDE itself”. (Edson Matias, Managing Director of the Social Enterprise *Saúde* Popular Clinic)

This professionalization, however, did not happen all of sudden. Through time, to receive governmental funding, for example, the organization needed to attain to standardized procedures in order to receive money from the Sistema Único de Saúde (SUS – Universal Health System in Portuguese). The State required from the NGO determined accountability processes to ensure the money invested was actually being spent as it should.

Furthermore, analogously to what Borzaga and Galera (2012) stated, the private sector did not donate in the traditional way as it used to, concerning philanthropical reasons, amount and duration of donations. The contributions started being due to some sort of “investment” the private company was doing within IPREDE, as its president affirms:

“And we started from there, what kind of return there was for who invested there? It’s very diversified. Who is our investor? Our client. They receive the service the clinic offers, a countermeasure. Another investor is the professional, whether it be the doctor, the speech therapist, the physiotherapist, the psychologist in the clinic. He or she gets part of what is paid for that service. General rule, he gets two thirds of what is paid by the customer and IPREDE gets one third. In other words, the investor with his work, his equipment to do ultra-sound exams, mammograms, he receives what he invested”. (Sullivan Mota, M.D., President of IPREDE)

Thus, in order to decrease such dependence, as previously asserted, the group of social entrepreneurs who manage IPREDE led by Sullivan Mota initiated fund-raising campaigns to purchase the building where the clinic is now located. In addition, a business model was established to grant that medical professionals from different backgrounds would jump into the proposal put forward by IPREDE. The focus was not only to mobilize these individuals with the social mission, which is still an important driver, but also to show these professionals that the model was indeed good and profitable for all parts.

Before the Clinic started being built, though, the identification of opportunities was initiated. Once many of the people who work directly and indirectly with IPREDE come from the healthcare sector, the team of social entrepreneurs saw the emerging market for clinics that charge lower prices for medical services such as consultations and simple examinations as one likely to be prolific if it received investments, this kind of health centres are called popular clinics.

“In the clinic, what is the opportunity? The market. The whole country, I believe even worldwide... but the entire Brazil is suffering with the impossibility for the majority to have a health insurance plan. Only 22% of our population today has insurance. And the biggest part of people covered by the SUS doesn’t want to go through the great difficulty to wait, the discomfort, which is not even to be spoken now”. (Sullivan Mota, M.D., President of IPREDE)

IPREDE’s popular clinic, *Saúde*, began its operations in March 2013. Presently, the clinic provides its customers with fourteen medical specialties such as paediatric care, cardiology and psychological services. In addition, the health center also offers eight different kinds of examinations like ultra-sound, mammography and even certain complex laboratorial exams.

At determined weekends, the clinic has worked as part of IPREDE structure to fulfil its social mission to provide children with better healthcare. Vaccination campaigns happened aiming at immunizing children, but adults have also been offered the opportunity to get vaccinations against hepatitis type B, as their promotional leaflet shows. This initiative, besides being in alignment with the social service the parent NGO provides, might also be interpreted as a marketing strategy to advertise about the clinic's work.

Therefore, IPREDE as an NGO has been using the model provided to boost its efforts and reduce its dependence on traditional forms of funding that have been serving as sources of revenue for NGOs, namely governmental grants and donations from the private sector. The organization has not only been professionalizing its services, in the sense of being more cost-efficient, but also has changed its business model so it can provide services to a demanding market, which is strongly related to its social mission.

Nevertheless, the next section brings another example of NGO that has been addressing to important social needs in the Brazilian northeast, but more precisely in the rural semiarid region of the state. In order to reach its goals and generate social value the following organization has started a social enterprise, which has ensured fulfilling its mission besides providing an extra source of revenue to the NGO.

3. THE SOCIAL ENTERPRISE *FUNDO VEREDAS* (ADEL)

The *Agência de Desenvolvimento Econômico Local* (ADEL – Agency of Local Development in Portuguese) is a not-for-profit organization located in the Brazilian municipality of Pentecoste in the state of Ceará. The city is situated around 90 km from Fortaleza, the state's capital city. A group of young people coming from the region founded ADEL in 2007. As they were graduating from university, decided to go back to their municipality and create an organization through which they could contribute with the local development, fulfilling the needs of the local youth and family farmers, not only in Pentecoste, but also in the surrounding cities.

The NGO offers many benefits to its customers such as technical advice, microcredit, training and project management for small enterprises. ADEL's **mission** is to promote sustainable rural businesses through courses and by providing support to family agriculture and youth entrepreneurship. The organization's **vision** is to become an enabler for those communities, so they might be able to develop endogenously. Thus, it emphasizes sustainable family agriculture as well as makes possible the creation of social capital, contributing for youngsters to stay in their rural communities.

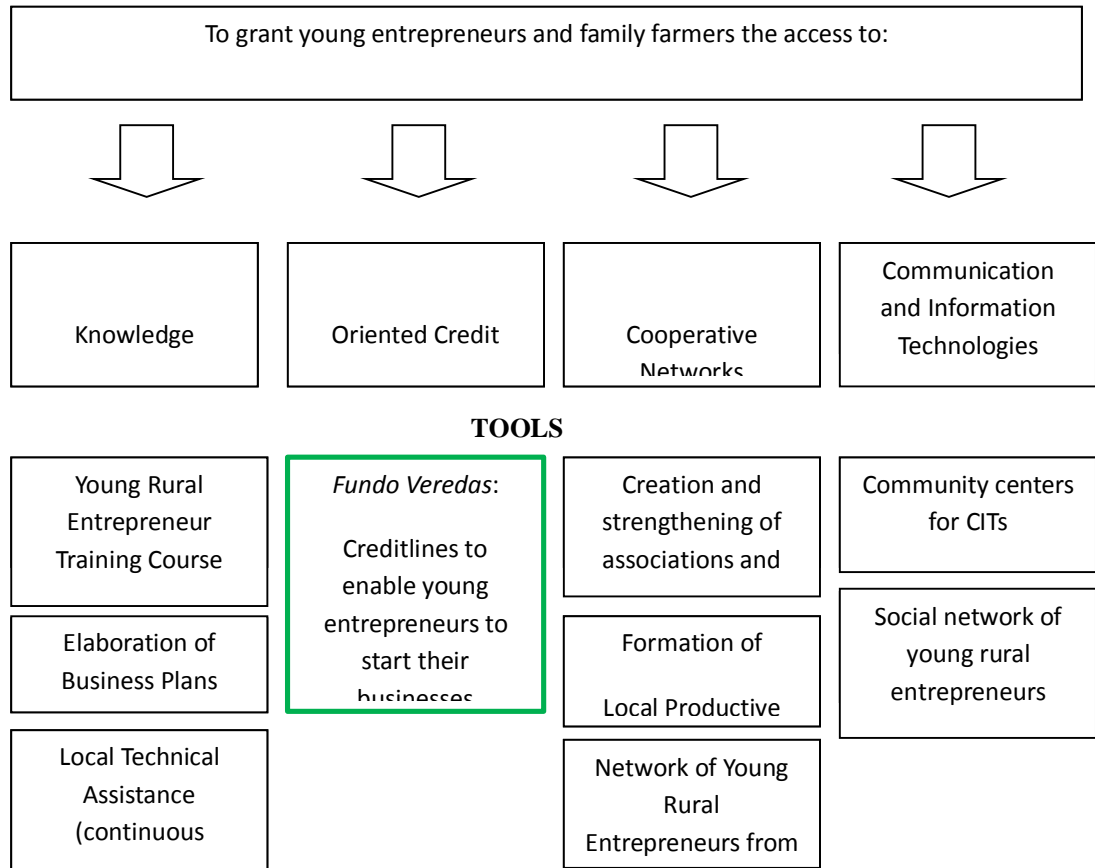
Some of the challenges faced by ADEL in the context wherein it operates are: family farmers with little or no knowledge about management practices and productive techniques; low competitiveness from the local market; precarious infrastructure, which means low-quality production as well as reduced productive and managerial efficiency; individualized production with small productivity and profitability; youth migration to urban centers (rural exodus).

Two main programs are comprised within ADEL: the *Programa Jovem Empreendedor Rural* (PJER – Young Entrepreneur Program in Portuguese), an initiative aiming at educating youngsters so they can start their own businesses. The bottom line here is fighting against rural exodus and promoting local development. The second program, *Programa Soluções Rurais* (Rural Solutions Program in Portuguese) intends to organize family farmers so they might aggregate value to their activities and to the productive chain they belong, thus, increasing both productivity and profitability in the region.

ADEL's activities serve young people from 16 to 32 years-old and family farmers living in 42 rural communities in the state of Ceará. According to its Executive Director, by the end of 2013, ADEL was working with approximately 320 youngsters and 400 farmers located in Vale do Curu and Aracatiáçu, two territories situated in Ceará (Souza and Silva Filho, 2014).

Figure 1 depicts how the strategy employed by ADEL is structured in order to offer assistance to their target audience.

Figure 1: ADEL's strategy to support young entrepreneurs and family farmers.



Source: ADEL's leaflet (2012)

As it is possible to see in Figure 1, among the initiatives promoted by ADEL, there is the offer of credit lines through another social entrepreneurial initiative named Fundo Veredas, which started as an exclusive fund to help youngsters to develop and improve their businesses.

Fundo Veredas was created based on the frustration caused by credit access constraints from the government to fund juvenile enterprises. When the activities from the PJER were started, ADEL believed in the possibility of easy access to Young PRONAF, a funding modality within the National Program of Family Agriculture, which foments this type of initiative. Nevertheless, the challenge faced turned out to be greater than expected.

The training offered by ADEL through PJER has the goal to advise young people about management practices and business opportunities in their own communities. The applicants participate in a selective process to become part of the Program, which picks 30 students to start a class. The approved ones undergo a training course on entrepreneurship, about which they have lectures and, later, apply the knowledge obtained when they return to their communities. By the end of this course, a business plan regarding the enterprise they would like to create must be presented. Once the business plan is approved, the graduate must access the credit needed to carry out the plan.

“Who pays for the training today are the partners? The program today is funded by the Criança Esperança and the Itau Bank. The youngster, he does not pay for anything, everything is free. Transportation, food, housing, didactic material, everything. There is a cost there, per capita, just to give you an idea, of around R\$ 5,000 [US\$1,805] per

youngster. So, in average, we spend R\$ 150,000 [US\$ 54,151] with the Program. The technical advice is also free; it is ADEL together with its partners who pay.” (Wagner Gomes, ADEL’s Executive Director, 2013)

When ADEL graduated its first PJER class in 2011, none of the benefitted could access the Young PRONAF credit line, such fact made the NGO reconsider how to fund these businesses.

“Then I went through the training and in 2011, I finished, but I couldn’t get credit, I couldn’t get credit to start my project, the PRONAF, which is an official credit line because of the documents. But I couldn’t, I tried, tried, but then I think of making me a CV and send to a factory here to get my money and then set up my own business”. (Neto Ribeiro, young rural entrepreneur, 2014)

“From the twenty-eight youngsters who had left the first class, none could access the Young PRONAF, which is a public policy oriented to the rural youth and does not work, not only here in Ceará, not only here in the Northeast, it is in the entire Brazil, there are many flaws”. (Aurigelly Alves, Coordinator of the Young Rural Entrepreneur Program, 2014)

Facing the feeling of frustration caused to the NGO members and the youngster who sought funding, ADEL perceived the necessity to create its own credit fund and to offer the support needed to the young entrepreneurs benefitted by PJER. Thus, some pilot-models were conceived and tested until reaching the creation of **Fundo Veredas**.

“Well, it is not enough to graduate the guy, to give the knowledge, to generate in him expectations, of planning, create his own life project, his business and when he leaves the training, if he does not have the money, it nullifies everything he saw and did until then. Because he leaves the training and cannot start the business, he goes after where the money is for him to support and continue his projects. That is where we created and started to think about Fundo Veredas, because then we would have more control. Maybe we didn’t have enough money to lend to all youngsters, but we could walk much more, have more control over the Program, the indicators, the results, over what is thought and taken as an external indicator that would be the number of access to the Programs. So the first innovation comes from there, we complemented PJER, the training, with the credit. Moreover, the results started to appear, when we began to finance the projects from youngsters through Veredas we soared from zero to twenty-five projects, in other words, from zero, we passed to twenty-five youngsters supported, with business implemented”. (Aurigelly Alves, Coordinator of the Young Rural Entrepreneur Program, 2014)

In 2012, ADEL was awarded with R\$ 200,000 (US\$ 72,202) once it got the first place in the Generosity Awards sponsored by the Globo Publisher. The NGO was considered the best initiative that has been contributing with the common good. Hence, through establishing partnerships and due to the prize received, Fundo Veredas was created. This initiative made possible PJER graduates to access the credit they needed to implement their businesses.

“So the Fundo Veredas was actually an strategy to open these businesses, today it has three credit lines: there is the ‘seed-credit’ for young entrepreneurs who are starting their businesses, today they can access individually from R\$3,500 [US\$ 1,263] to R\$ 8,000 [US\$ 2,888]. After six months, in average, they start paying it back, the waiting period before paying is from six months to one year, and they have 2 or three years to pay off. Today the Fundo is managed by ADEL, it has a management council, this management council is together with the Young Rural Entrepreneur council, with the Network of Young Rural Entrepreneurs, which makes the strategic policies to the Fund, strategic decisions are taken together, by the Network’s management council,

each municipality has its representative.” (Wagner Gomes, ADEL’s Executive Director, 2013)

“Then I talked to some friends of mine, then they went to talk to people from ADEL, then they found that I could be one of the first youngsters to receive the credit to start the movement and give an example to the others. Then they lent me the money, from the Fundo Veredas, the first Fundo Veredas, in which conditions the credit was a little higher. They lent me R\$ 6,500 [US\$ 2,346] to chicken farming and R\$ 1,300 [US\$ 469] to bee farming, R\$ 7,800 [US\$ 2,815] in total or almost R\$ 8,000 [US\$ 2,888], and I invested in these two activities. I bought the bee box and made the barn to raise the chickens. Bee farming is the most profitable, because of the low investment you make and the little time you dedicate to the activity, so its profits are better, but chicken farming profits are annual, you develop the activity, work all year and at once you take all the production and it ends there. So I thought in two activities, one that could be more profitable and another that might give me faster returns, because I was in a difficult situation, I needed to earn faster, then I invested in chicken farming that in four months starts returning the investment made and I developed this activity. After I got better, I started closing deals with the City Hall that nobody supplied, few people supplied the City Hall, and then I closed the deals with the City Hall to supply them.” (Neto Ribeiro, young rural entrepreneur, 2014)

“In the Fundo, today, we have more or less 180 to 220 thousand reals [US\$ 65,900 to US\$ 79,400]. And the proposal is that, in less than two years, we put one million and a half reals in this credit fund, this new ADEL’s social enterprise.” (Wagner Gomes, ADEL’s Executive Director, 2013)

In 2014, ADEL created the award *A Nova Cara do Sertão* (The Drylands’ New Face in Portuguese) in order to acknowledge initiatives from young rural entrepreneurs that had been benefitted by PJER and Fundo Veredas. The first winner was Giliard Gama, a twenty-eight year-old inhabitant of a rural district called Serrota in Pentecoste. This young man is son and grandson of farmers who chose to stay working with agriculture like his parents and, in 2012, took part in PJER. He decided to invest in the production of coconuts with his father, after obtaining funding from Fundo Veredas. According to what is highlighted in the award’s blog, Giliard set up an irrigation system via microsprinklers, which not only saves water, but also allows improving the plantation itself, increasing productivity. “I am very happy for winning the prize, and I share it with the seven finalists, all youth from PJER as well as with ADEL’s team who represents the Drylands’ New Face”.

Regarding the rural youth, the formation and implementation of these small enterprises enables to address to rural exodus. Thus, it emerges an alternative to the old perspective in which the only way to ensure employment and a better life would be to move to big urban centers and to work in the industrial, the civil construction or related sectors. Fundo Veredas’ establishment enable to turn into reality the aspirations of many people. It is emphasized that in the semiarid, values considered worthless in other contexts might ensure the permanence of its inhabitants in their homelands, besides granting effective improvements in life quality for these individuals and contributing for the development of municipalities and communities.

4. STEPS FOR DISCUSSION

Facing the context introduced until this point, this teaching case proposes some questions for reflection. Such questions do not have the objective to exhaust the discussion about

the issue, but to instigate the emergence of further inquiries. The focus is that possible relationships between the organizations operating in similar contexts to the ones presented here and the need to create social enterprises in order to serve customers in a more accessible way and, at the same time, ensure economic sustainability for those NGOs. In this sense, it is believed that the following steps are valid to begin the debate, although they can be complemented in as much as the discussion evolves.

STEPS	SUGGESTIONS
Step 1: Understanding social enterprise as a concept	<p>In this initial step, the facilitator discusses the concept of social enterprise starting from the review presented in the beginning of the case. The article below is recommended as a previous reading to enrich the discussion:</p> <p>COMINI, G.; BARKI, E.; AGUIAR, L. T. A. Three-pronged approach to social business: a Brazilian multi-case analysis. Revista de Administração. São Paulo, v.47, n.3, p.385-397, jul./ago/set. 2012.</p>
Step 2: Analysing the cases under the perspective of social enterprises	<p>In this step, once the concept of social enterprise have already been discussed, the facilitator motivates to continue talking about the issue, connecting it with the cases presented.</p> <ul style="list-style-type: none"> - What is the relationship between the creation of social enterprises and the economic sustainability of organization like IPREDE and ADEL? - What are the benefits and challenges in the implementation of social enterprises as the ones introduced in the cases?
Step 3: Videos about the NGOs	<p>The facilitator show the following videos so students might have visual references about the NGOs mentioned:</p> <p>“Get to know IPREDE”: https://www.youtube.com/watch?v=auVwJi_Ie5s</p> <p>“Get to know ADEL – An action from Globo Network”: http://globo.v.globo.com/rede-globo/acao/v/acao-05072014-adel-integra/3471341/</p>
Step 4: Reflections on what was learnt	<p>To conclude the study application, the facilitator instigates the group to present the reflections that emerged by exploring the cases.</p>
COMPLEMENTARY INFORMATION ABOUT THE CASES	
<p>Aiming at offering a broader and better comprehension about the cases presented and due to the limitation of pages for this work, some media are conveyed in order to enable the access of complementary information about IPREDE, ADEL, their initiatives and the social enterprises these NGOs have established.</p> <ul style="list-style-type: none"> • IPREDE – Clínica Saúde <p>Site: http://www.iprede.org.br/ Facebook: Clínica Saúde Iprede</p>	

- **Adel – Fundo Veredas**

Site: <http://www.adel.org.br/>

Blog: <http://blogdaadel.blogspot.com.br/>

Facebook: <https://www.facebook.com/adelceara>

5. TEACHING OBJECTIVES AND INDICATIONS

The cases presented in this discussion are indicated for courses that approach topics related to sustainability, entrepreneurship and innovation. The goal would be to discuss new alternatives for the development and professionalization of initiatives performed by organizations similar to ADEL and IPREDE.

These cases have the objective to introduce practical examples of alternatives considering the economic sustainability of organizations such as the ones shown here. Furthermore, this work has the goal to evidence the importance of the constant search for innovation focusing on facing economic problems on behalf of social causes. Finally, it is sought to strengthen and deepen into discussions surrounding social enterprises and their benefits for all stakeholders involved.

6. DATA SOURCES

The information offered about the cases were collected through semi-structured interviews in 2013 and 2014. Those interviews were performed in the cities of Fortaleza and Pente-coste in Ceará. The interviewees fully authorized the insertion of their speeches in the text and quotes comprising this case.

7. FINAL REMARKS

The discussions surrounding the relevance of social enterprises as fulfillers of needs that have been scarcely granted by public institutions and the importance of creating such endeavours as sources of revenue to non-governmental organizations, for example, have been and can be widened given the economic sustainability obtained through these initiatives.

The cases studied conveyed the discussion about the aforementioned alternative, and the benefits reached from such, may contribute with scaling up companies aiming to serve both organizational and social demands. Thus, improving well-being for beneficiaries and enhancing the economic security of its parent NGO, what is highlighted in the cases.

In the Brazilian context, in which there is an increasing number of NGOs and where, historically, there has been a lack of State presence to fulfill basic social needs, it is believed that amplifying the discussion on new entrepreneurial formats able to address to these gaps is of great relevance. In a scenario that alternatives to the traditional model of organization emerge on a daily basis, oriented essentially to business, it is fundamental that Management courses incorporate discussions about novel organizational models attempting to solve social needs and, at the same time, to address to a consuming market.

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