



BUCHAREST | ROMANIA | 2019

Investment on scalable business models for promoting social economy



UNIVERSITAT
POLITÈCNICA
DE VALÈNCIA

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Index

Introduction

Objectives

Startup business development

Investment on social startups

Impact and results

Conclusions

Index



Introduction

Objectives

Startup business development

Investment on social startups

Impact and results

Conclusions

Index

Introduction

Objectives

Startup business development

Investment on social startups

Impact and results

Conclusions

Index

Introduction

Objectives

Startup business development

Investment on social startups

Impact and results

Conclusions

Index

Introduction

Objectives

Startup business development

Investment on social startups

Impact and results

Conclusions

Index

Introduction

Objectives

Startup business development

Investment on social startups

Impact and results

Conclusions

Index

Introduction

Objectives

Startup business development

Investment on social startups

Impact and results

Conclusions



Introduction

Social economy ...

... “is the **set of private, formally-organised enterprises**, with autonomy of decision and freedom of membership, created to meet their members ‘need through the market by producing goods and providing services, insurance and finance, where **decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member**”.

European Economic and Social Committee

Social economy ...

... “refers to all type of economic and social activities that are constituted in different legal forms between the boundaries of the private and public sector”.

Arpinte, 2015

Social economy ...

... “refers to all type of economic and social activities that are constituted in different legal forms between the boundaries of the private and public sector”.

Arpinte, 2015

Cooperatives

Mutual societies

Foundations

Non-profit associations

Social enterprises

...



Objectives

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To study the recent evolution of the social economy through the emergence of new organizations known as 'startups'

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1. Different **challenges** and the **concept** of 'startup'

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2. The **investment** on these scalable business models

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1. Different **challenges** and the **concept** of 'startup'
2. The **investment** on these scalable business models
3. Social and environmental **impact** encouraged by startups



Startup business development

Startup business development

“The social economy represents nearly **10% of world employment** as well as nearly **10% of world GDP** [...]”

“[...] Almost a **third of the world's population** is connected with the **enterprises** and **organizations**”

Andreck, G. 2007

On this context, there is a recent business model: **startups**

What are startups?

Newly created business organizations

Generally associated with innovation and development of ICT

Distinguished by their risk and potential

Oriented to mass sales

In search of scalable and replicable business models

Startup business development

Some examples were ...





Investment on social startups

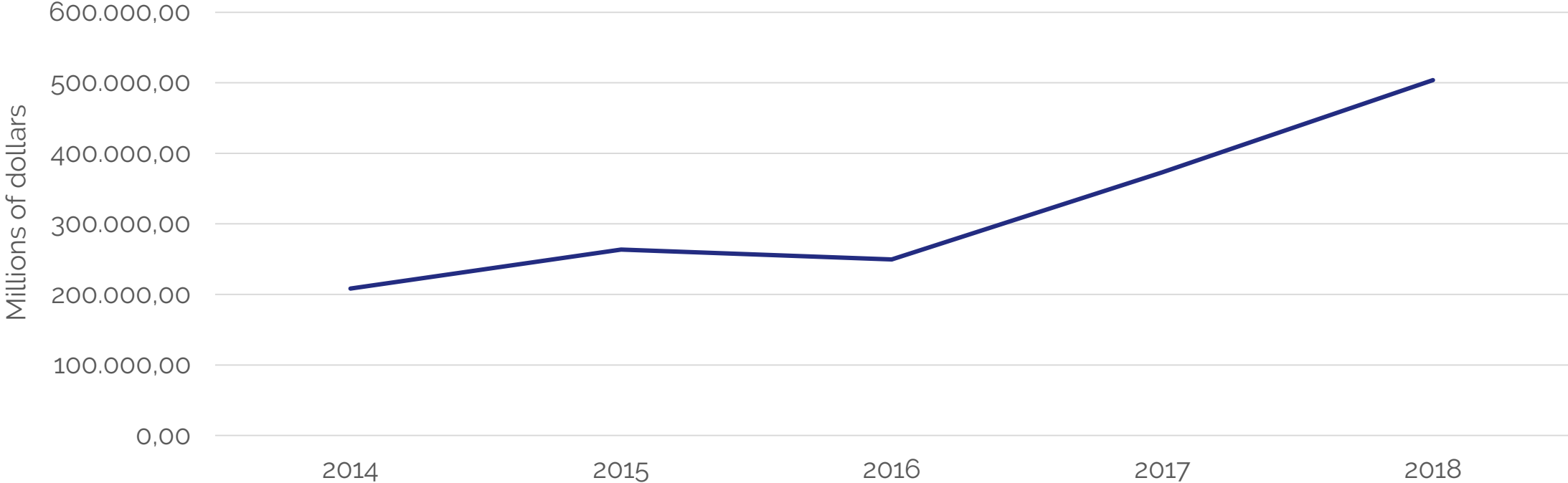
Investment on social startups

Encouraged by the profitability of these organizations and the economic growth, numerous figures and entities have been developed:

- FFF (Friends, Family and Founders)
- Crowdfunding
- Public bodies
- Venture capital entities
- Business angels
- Accelerators and incubators

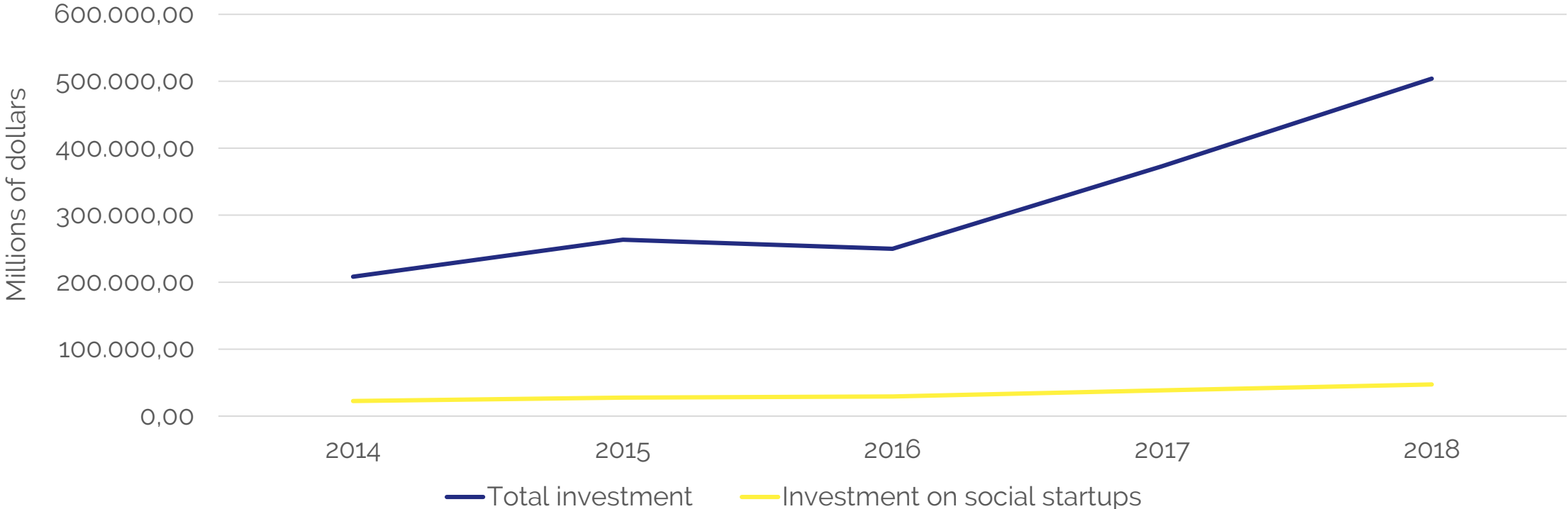
Investment on social startups

Investment on startups during 2014-2018



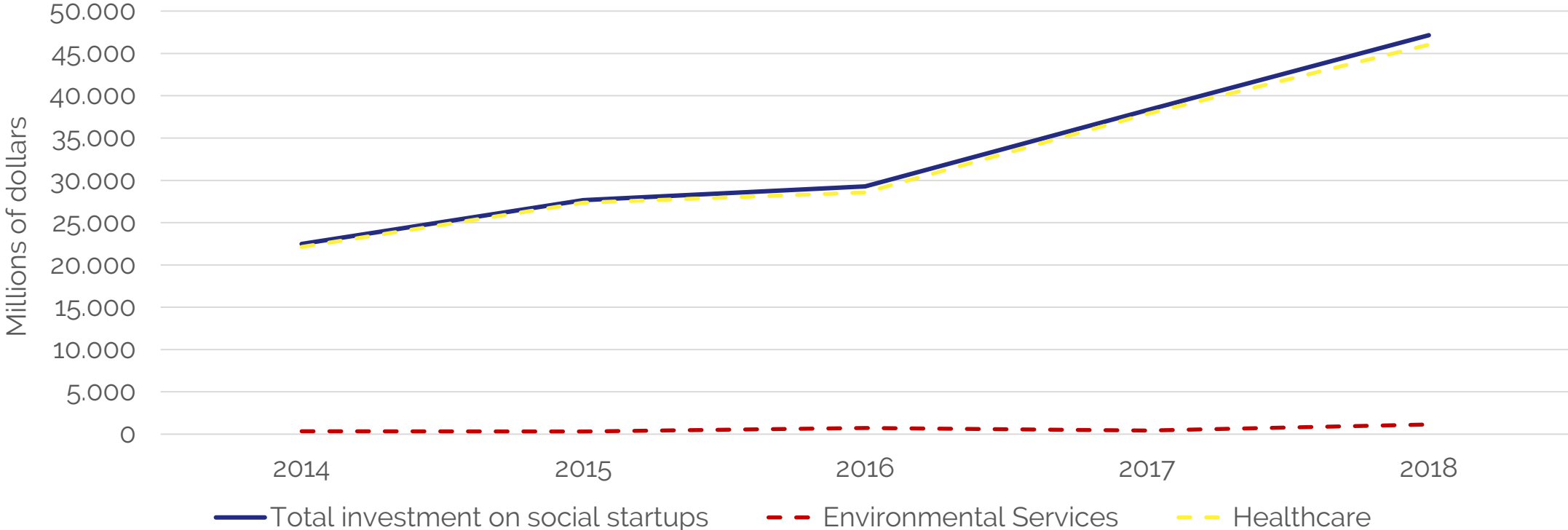
Investment on social startups

Total investment and investment on social startups during 2014-2018



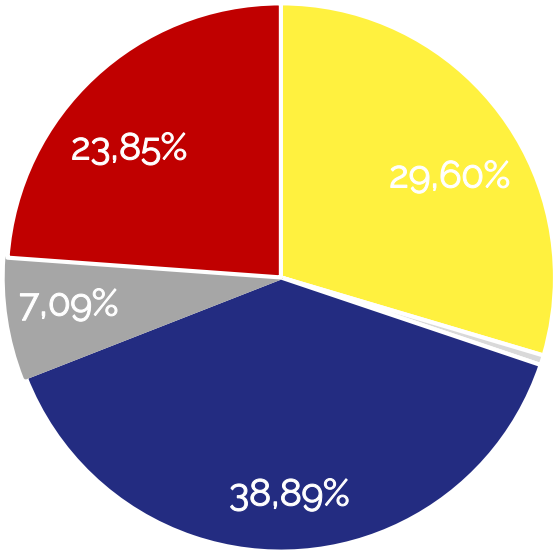
Investment on social startups

Investment on social startups during 2014-2018



Investment on social startups

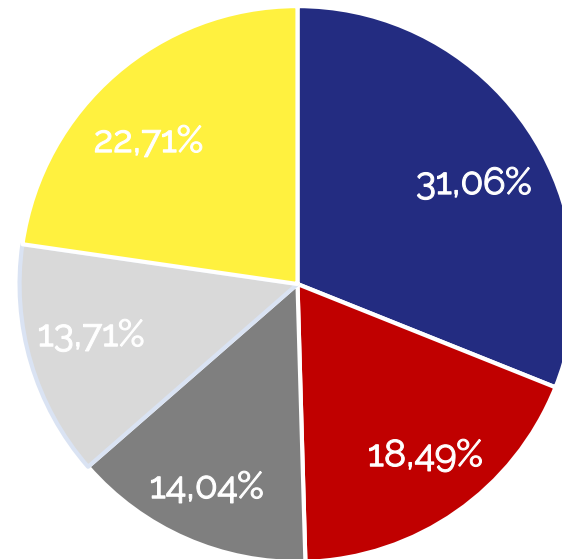
Investment on environmental services and equipment (2018)



- Environmental & Energy Consulting
- Recycling
- Solid Waste
- Hazardous Waste Services
- Remediation & Environmental Cleanup

Investment on social startups

Investment on healthcare services (2018)



- Biotechnology
- Drug Development
- Medical Devices & Equipment
- Medical Facilities & Services
- Rest



Impact and results

Startups created in line with the SDG:



Sustainable Development Goals specified on the 2030 Agenda adopted by the United Nations

DONATIONMATCH



It streamlines donations between companies and non-profit organizations

It aims at:

- Enhancing product placement opportunities for companies at school and charity events
- Helping to non-profit missions around the world
- Achieving donations goals through impactful organization

DONATIONMATCH



It streamlines donations between companies and non-profit organizations

To date, the startup has facilitated 51,96 million of dollars in donations

\$51,958,443 IN DONATIONS FACILITATED



From: www.donationmatch.com

HANDISCOVER



The first community-based holiday accommodation-booking website, dedicated to people with physical disabilities

It aims at:

- Attending people with special needs and disabilities
- Making an accessible world for all people

HANDISCOVER



The first community-based holiday accommodation-booking website, dedicated to people with physical disabilities

How mobile are you?

With these Icons, Handiscover helps you find accommodations that really suit your needs.



You can walk and can handle going up a few stairs.

The accommodation is not fully accessible, and requires a maximum of 15 steps (1 floor up) to reach it or to manoeuvre within it.



You can only handle one step at a time.

The accommodation is quite accessible but not up to the latest accessibility standards. It can suit for example wheelchair users able to climb a stair/threshold of up to 15 cm (6 inches) at a time. See detailed accessibility description in respective ad to make your decision.



You need a fully accessible accommodation.

The accommodation has accessible bathrooms and toilets, as well as wide door widths. You will not face more than eventual small thresholds of a maximum of 3 cm (1 inch), and the accommodation will accommodate wheelchair users. See detailed accessibility description in respective ad to make your decision.

From: www.handiscover.com

KIRON



It provides education for refugees and disadvantaged locals through digital solutions

It aims at:

- Enabling and facilitating access to higher education and successful learning to all people around the world
- Improving their living standard
- Providing academic and job-related opportunities for refugees

KIRON



It provides education for refugees and disadvantaged locals through digital solutions

They offer a **vary of programs**, in collaboration with different entities (universities, public bodies and other companies)

In less than three years, they have been **awarded** with more than fifteen prizes, by UNESCO and other public bodies

TRINE



Crowd-funding platform to enable people all around the world to support solar energy projects

It aims at:

- Alleviating energy scarcity in poor communities
- Improving their living standard
- Mitigating CO2 emissions

TRINE

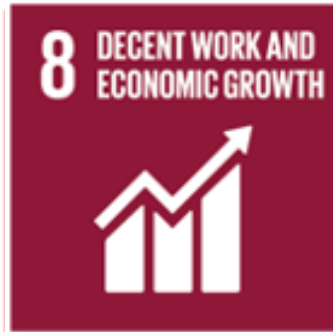


Crowd-funding platform to enable people all around the world to support solar energy projects

Through the United Nations Development Programme, it is expected to:

- Give 300.000 people access to clean and affordable energy
- Mitigate approximately 84.000 tons of CO₂ emissions

AID:TECH



It is a platform committed to provide enterprise-level solutions through Blockchain technology & Digital Identity

It aims at:

- Addressing international non-governmental organizations, charities, government and corporates
- Solving some of the largest obstacles in global development, including legal identity, financial inclusion and corruption
- Managing data securely and privately

AID:TECH



It is a platform committed to provide enterprise-level solutions through Blockchain technology & Digital Identity

They have managed different projects, some of them focused on humanitarian aid, with these results:



\$10,000 Donated To 100 Syrian Refugee Families



All 500 Vouchers Redeemed



Partnered With Local Supermarket in Tripoli, North Lebanon



20 Fraudulent Vouchers Created. All Failed At Point-Of-Sale



Distributed 500 Intelligent Vouchers Worth \$20 Each



All Transactions Monitored In Real Time By Irish Red Cross



10 Minutes To Train Cashiers To Understand Simple Solution



Participating Refugee Families Expressed Great Satisfaction

From: v3aid.technology

Impact and results

These are **some of the many examples** of social startups that have recently emerged (as well as KAITIAKI, SECOND HOME, ESOLIDAR, APONOMY, KINDARA, GIRLTANK, among others)

All of them have in **common** that ...

- They have been **created** during the last **five years**
- They use **technology** in their services
- They are **scalable business models**, capable of growing potentially
- They have received **investment** by different organisms and forms (FFF, crowdfunding, business angels, venture capitals, accelerators and incubators, public bodies, ...)



Conclussions

- Social economy is enhanced by different **private and formally-organised entities**
- There have emerged new organizations capable of growing exponentially, known as **startups**.
- There is an increase of startups that have purely **social objectives**, in line with the SDG.

- The total **investment** on startups has significantly increased in the last five years.
- The funds received for **healthcare startups** occupies the third position of the total investment
- It is highlighted the funding received by **biotechnology** and **drugs development** startups
- Through the **investment** in startups, social economy practices are gaining **greater recognition**, by promoting **social awareness** and the **development of social, cultural, economic and financial activities**

CIRIEC

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Thank you



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