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How Social Business Initiatives Can Be Implemented in the UAE in the Academic and Private Sector

Background

New initiatives aimed at educating, empowering and inspiring Emirati youth to build a better future for the UAE are needed to create a more diversified, knowledge-based and sustainable economy. According to the strategic goals of H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the United Arab Emirates (UAE) and Ruler of Dubai, his UAE Vision 2021 seeks to harness the full potential of National human capital by maximizing the participation of Emiratis in higher education, encouraging entrepreneurship and developing more sustainable economic models.

Currently the majority of working Emiratis are in government sector jobs. Less than 5% of Emiratis are working in the private sector due to a number of social and cultural factors. Social Business Earth (SBE) aims to educate and train Emiratis, especially women, in the field of social entrepreneurship, allowing them to develop innovative and sustainable businesses that solve social and environmental issues. The goal of this initiative is to enhance the overall national development of the UAE and grow the economy through the creation of more private sector jobs for nationals while solving local social problems. For some Emiratis entering the work force is an option. SBE's workshops will allow students of UAE universities to participate in opportunities to develop new skills and achieve personal levels of satisfaction and growth while doing good.

According to Article 23 of the UAE Constitution "education is the engine of national development". Through a series of participatory workshops, conferences and collaborative events in partnership with local universities in the UAE to integrate social business into the teaching, research and practice, Social Business Earth offers Emiratis the chance to build their own capacity and develop their own solutions to local problems through a financially sustainable and creative approach to business.

Social Business Earth seeks to develop a program to raise awareness of social business, build the capacity of skilled Emiratis, and create a strong and sustainable community development in the United Arab Emirates. We propose a collaboration to promote and implement the social business concept, identify social business opportunities, train Emirati social business entrepreneurs and launch at least three successful social businesses in the UAE in the first year of the program.

SBE is an international consulting and advisory service organization based in Lugano, Switzerland, and established to address and solve society's most urgent problems through the creation of sustainable business models. SBE's goal is to develop new social businesses that will benefit the poor and the disadvantaged on a local and global level, acting as a social business incubator and providing capacity building and training to support social entrepreneurs. SBE assists entrepreneurs in writing their social business plan, defining their strategy, and accessing seed capital. Incubating services can last from six months up to two/three years depending on the project. SBE was established under Swiss law as an organization of social utility that does not distribute dividends with full tax exemption.

Context

The positive impact of capitalism is undeniable: it has primarily contributed to “technological innovation, scientific discovery, and educational and social progress" (M. Yunus, 2007). Unfortunately the benefits of capitalism are not equally distributed among the global population. This can create a problem of disparity that social business can address by providing equal opportunities to social entrepreneurs willing to improve their well-being and that of society. Our current global consciousness demands a new way of thinking and developing instruments that will bring prosperity, social welfare and cohesion. Social business is one such instrument, integrating innovative business practices and substantial contributions to prosperity.

The social business concept was first defined by Nobel Peace laureate, Prof. Muhammad Yunus, as a non-dividend company that is created to address and solve a social problem. Investors in a social business have the option to gradually recoup the money invested, but do not take, desire or expect any dividend beyond that point. Once the original capital has been recouped by the investors, profits are reinvested within the company to expand its outreach and increase the social impact. The purpose of a social business is purely to achieve one or more social objectives in sectors such as healthcare, access to education, poverty alleviation, environment, housing, climate urgency etc. whilst the company must cover all costs and be financially sustainable. With the Emiratization Program we intend to bring social and environmental impact through the social businesses we will launch in the UAE. We will select social business ideas created by university students that have the highest potential and can be scaled in the future, extending the socio-economic changes to the wider community in the UAE.
Governments and public institutions strive to provide common goods such as education, wealth, fresh air quality, knowledge, housing, access to water, etc. and to solve social issues. However, the public and social sectors are not always capable of meeting all social needs. Through this project SBE aims to spread and implement the social business model in the UAE, creating a more diversified economy lead by skilled Emiratis who will be trained during our workshops and coaching sessions.

Social businesses can operate effectively focusing on a bottom-up approach that addresses local challenges and solves them through practical and innovative business solutions. They rely on financial independence and long term sustainability.

Since its inception SBE has worked on similar projects and offered training to hundreds of students at Bachelor and Master levels in universities around the world.

Social business has emerged as an active area of practice within the last two decades and it is adopted by many for-profit and non-profit organizations alike – from educational institutions to businesses. However, this innovative sector has yet to thrive in the UAE. Our goal is to educate Emiratis in social business through our program in order to increase the sustainability, effectiveness and efficiency of the local economy.

Despite individual and isolated efforts in the region, real momentum and meaningful results require adequate awareness, education, networking and aggregated initiatives. In practice, social entrepreneurship faces obstacles, such as the lack of dedicated support programs and the lack of professional managerial structures.

SBE's Emiratization Program has several objectives, among them the transfer of a developed innovative learning model that will address specific needs of entrepreneurs and will reflect practical needs for end users. In addition, the program aims to increase the number of social enterprises in the region and create a strong network among social entrepreneurs.

SBE will mobilize highly qualified experts and local mentors in order to provide extra support to the social entrepreneurs and achieve all outcomes.

How Corporate Responsibility of Private Sector Companies Can Engage in Social Business

All private and public organizations in any region of the globe, be they of modest or large size, have the potential to cover a crucial role in developing an inclusive economic system that allows people to benefit from equal opportunities. In order to unleash this potential, as a company, entrepreneur, public entity or NGO, you have the opportunity to participate in the creation of financially sustainable social businesses.
Your contribution to the expansion of this pioneering economic model will allow you to play an active role in solving society's most urgent problems, leveraging on the know-how gained by your company through its involvement in social business.

To better understand your company's role in social business, it would be useful to ask the following questions:

- How can the services, products, or core business/mission of my company be utilized to solve an urgent social or environmental problem in a particular region?

- What are the resources my company could contribute to social businesses through Corporate Responsibility?

Social business and Corporate Responsibility (CR) share common aspects. In particular, both utilize funds to contribute to the interests of all stakeholders while taking an active role in addressing social and environmental problems.
A common approach to CR is corporate philanthropy implemented through monetary donations and technical support to local and global non-profit organizations and communities. Generally, donations are in areas such as the arts, education, healthcare, social welfare, and the environment. An increasing number of corporate organizations consider a philanthropy-based approach not helpful for developing the necessary professional skills of local populations. A social business-based approach increases the opportunities of a more sustainable development.
As Yunus stated: "While there is nothing wrong with donations, charity and traditional corporate social responsibility, their effect is too often a single-shot affair. The poor have to wait until the donors come around again. It generates dependency on the donor community and it doesn't build economies in underdeveloped countries, which face multiple problems. Neither governments nor charities from other nations can solve these problems. A combination of capitalism, with business leaders helping the poor to establish their own businesses, would work better. This is social business."

Getting involved in social businesses through a one-time and self-sustainable investment can be highly beneficial for your company for the following reasons:

- Your company is able to leverage on the business know-how acquired by starting a social business whilst promoting CR activities and generating social impact;

- Your investment in social business, compared to other traditional CR activities such as donations, requires a one-time outlay thanks to the self-sustainability of this economic model;

- The engagement of your company in social business projects provides an important benefit to its organizational culture, offering the employees the possibility to identify themselves more strongly with the core values of the firm.

Unlike traditional charity-based organizations, a successful social business can be financially self-sustainable, with credit to the structure designed to offer a specific product or service for an urgent need. A consistent offer of products and services on the market allows a social business, not only to have a positive and long lasting social impact, but also to be commercially viable and recoup its initial capital to the investors.
By operating in such a way, social businesses can significantly empower disadvantaged populations, allowing the people to take an active and constructive role in their own lives and progressively build a future. In addition, the financial independence and sustainability of social businesses can lead to greater accountability and efficiency, maximizing the social impact of the investment.

Conclusion

As responsible and conscious citizens who look at the world beyond our comfort zone and our cozy bubble which includes ourselves, our family and friends, we can address the issue of poverty as well as other socio-economic challenges through innovation and a multi-dimensional approach. Social business and social entrepreneurship are sustainable and innovative models that need to be developed in the UAE. Creativity, compassion, a business-oriented mind and the drive to change the world into a more dignified place for everyone are the main traits of a social entrepreneur. Creating new social businesses allows people to apply their skills constructively and produce a concrete result that will have a long-term benefit on others. All of us carry the seeds of selflessness and selfishness in our consciousness. Today's capitalism is based mainly on our seed of selfishness leaving little room for our selflessness to express itself. Social business is the chance for our selfless seed to manifest itself.

Most of society's problems are caused by lack of awareness and education. We can contribute significantly to changing the world, in particular by working with academic institutions and having regular contact with students, and by involving the private sector in social business. Company CR can adopt social business models as a new approach to invest funds for the common good. The moment our awareness grows our perspective also widens, thus our focus can shift more easily and naturally from ourselves to others, becoming more inclusive. Inspiring individuals and companies to tackle a social problem through sustainable economic models is an effective method to transform the inadequacies of capitalism. Social business reconciles innovation, creativity and new sustainable models into one single tool to tackle the world's most pressing problems.

However, finding a solution to a specific social or environmental problem is not very constructive without having experienced it first-hand and having done a feasibility study on the issue. Even if the social problem is in Dubai or another part of the UAE, social

entrepreneurs should visit communities and talk to people who are experiencing socio-economic issues such as poverty. Asking questions and listening to the challenges they are facing in their daily life is crucial in the development of a social business. Only by communicating directly with people who live in difficult situations can we really learn from them and be inspired to come up with the most effective and useful solution. Nowadays thanks to the use of technology we can be anywhere at any time but the importance of field work and direct communication with people should not be underestimated.

By sharing resources with our partners, we will be able to increase and strengthen social impact in the UAE. We aim to identify viable social business opportunities and support their implementation in the region with the support of the academic, private and public sector. We encourage those of you who are interested to get involved to take the first step towards a more sustainable world and work with us. Thank you.