

Social enterprise development in a disadvantaged community

MÁRTON GOSZTONYI* 

Asia-Europe Institute, Universiti Malaya, Kuala Lumpur, Malaysia

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ABSTRACT

This paper presents a nearly ten-year-long process of covering the history of social enterprise development in a small village in Borsod-Abaúj-Zemplén County, Hungary. The paper covers the hermeneutical interpretation of the process, the role and relationship between the community and the social enterprise developer, the process of development work, and how university education complements this process. The case study provides insights into the theory of community planning, the methodology of social-enterprise development and the issue of empowerment.

KEYWORDS

social enterprise development, empowerment, participatory development

JEL

P31, L32, O10, O35

1. INTRODUCTION

Social-enterprise development is gaining increasing attention in Central and Eastern Europe. At the same time, we find just a few examples when this development process is supplemented by a university course. In Hungary, social enterprise development is in a very peripheral position. It has no formal social institutions, no professional training and very few resources available to develop social enterprises. University education is also experiencing a growing crisis in Hungary.

* Corresponding author. E-mail: gosztonyi.marton@gmail.com

Practical education in universities rarely steps outside of the university walls. Hence, students often feel deprived of the appropriate skills and knowledge, and their work's social impact is questionable in several cases (Drótos 2020). The case study in this paper presents the development story of social enterprises, which was implemented in a small, economically disadvantaged village. Later in the process, a social design university course from Moholy-Nagy University of Art and Design (MOME) was embedded in the process. However, in order to obtain an accurate picture of how such an education could have been imparted, we need to go back about 20 years, as the university course itself was embedded in a 20-year-long process of local participatory-based community and four-year-long social enterprise development.

The concept of social enterprises (SEs) needs to be clarified to understand the development process. There is no clear definition of social enterprises in the literature as theorists focus on different aspects of the concept. The social enterprise literature is in dialogue with the field of traditional business research, which has shown tremendous growth since the 1980s (Malerba – McKelvey 2019). However, classical business research studies treat businesses in a primarily homogeneous manner and are usually preoccupied with focusing on the individual (entrepreneur) and the economic aspects of a business (Galindo et al. 2019). Therefore, social enterprise theorists have aimed at new aspects for their analysis, as social enterprises cannot be analysed solely by economic growth and economic indicators (see Denning – Dunham 2010; Austin et al. 2006; Castano et al. 2016; Doran et al. 2018; Aeeni et al. 2019; Stoica et al. 2020). As a consequence of this, several other additional factors have been included in the definition of social enterprise, with particular reference to innovation (Galindo – Méndez 2014; Ferreira et al. 2017; Mazzarol – Reboud 2017; Schmitz et al. 2017; Betts et al. 2018; Medeiros et al. 2020), the role of institutions and the socio-economic context (Acemoglu – Robinson 2008; Acs et al. 2018; Boudreaux et al. 2019; Elert – Henrekson 2017), the role of human capital (Autio – Acs 2010; Capelleras et al. 2019) and the social-entrepreneurial spirit (Galindo – Méndez 2014). Based on these concepts, the often-used definitions refer to the fact that social enterprises apply business and market-based skills in the non-profit sector (Reis 1999; Thompson et al. 2000). The definitions of social enterprise also unanimously define SEs as businesses whose aim is to create social value, social profit or democratic solidarity (Zadek – Thake 1997; Laville – Eynaud 2019). In addition, definitions also emphasise the role of innovation and sustainability within the SEs (Defourny – Nyssens 2010). Thus, these definitions define SEs as being born in response to the current unstable environmental, social and economic challenges (Middermann et al. 2020). In these critical works, social enterprises emerge as innovative approaches, wherein entrepreneurs develop new products or services, open new markets and introduce new innovations promoting social and economic sustainability (Brooks 2009; Capelleras et al. 2019; Miller et al. 2012; Miska et al. 2013; Nga – Shamuganathan 2010). Another theoretical direction derives from the motivations of the entrepreneur or community as well as his/her/their responses to the local social context. As a result, social enterprises are interpreted as having the ability to include and prioritise social contribution and social value (Duncan 2009; Brieger – DeClerq 2019). In this context, the motivations of the social entrepreneur are linked to social or ideological goals and compassion (Miller et al. 2012; Petrovskava – Mirakyan 2018). This theoretical direction has the key elements if we would like to distinguish between a social entrepreneur and a commercial entrepreneur in Hungary. Going far beyond altruism, the social entrepreneur perceives a socially or ideologically grounded opportunity and makes a market-based societal response to it. Subsequently, she/he acts as an entrepreneur to broaden the opportunities of local communities (Miller et al. 2012).



Thus, social entrepreneurs are highly value-oriented individuals or groups who create social change by starting a business (Certo – Miller 2008; Zahra et al. 2009; Newth 2018). Thus, a social enterprise seeks to remove social inequalities resulting from systemic social oppression and state dysfunction by starting an enterprise (Korsgaard – Anderson 2011; Lee – Jones 2015). All of this presupposes a strong critical commitment, social sensitivity and systemic critical thinking, i.e., a critical perception of contextual social and economic factors and the ability to change them (Yitshaki – Kropp 2016; Hockerts 2017; Hu et al. 2020; Dickel et al. 2020). In summary, social enterprises can be defined through two dimensions: the economic and the social dimensions. The economic dimension includes: a continuous activity producing goods and/or selling services, a high degree of autonomy, a significant level of economic risk, and a minimum amount of paid work, while the social dimension incorporates five criteria: an explicit aim to benefit the community, an initiative launched by a group of citizens, the decision-making power not based on capital ownership; a participatory nature, which involves various parties affected by the activity, and a limited profit distribution (Defourny – Nyssens, 2010).

However, these theoretical boundaries are often blurred in practice. Hence, it is important to clarify that social enterprises are also fundamentally practical tools. Even if it is not a panacea, it is one of the many development tools that, when used properly, can broaden the economic and social opportunities of disadvantaged individuals, families, households, or communities. It can also be devastating if it goes through a wrong process or becomes a namesake of a social enterprise. For example, it is a common practice in Hungary to label enterprises operating in disadvantaged areas and providing employment opportunities for the local inhabitants as social enterprises. The economic role of these businesses is undeniable, but their social value is questionable. The way how a social enterprise becomes a development tool is through the implementation of its empowerment aspects. Through the social business development process, participants can experience the concepts of self-determination, self-government, ownership, decision-making, planning and taking action in a market and socially based context. That is why a business can only be called a social enterprise if it is controlled by disadvantaged individuals, groups, or communities from the development of the idea through ownership, management, and decision-making ergo throughout the whole development process. In this case, a process can emerge wherein the enterprise itself is only a shell, a secondary factor in the process of empowering people.

This also sheds light on why it is important to distinguish between social enterprise development and enterprise development. There is a wide range of business development in Hungary, but just a very few of them are aimed at empowering disadvantaged communities. One of the reasons is that there is no education in Hungary for social enterprise developers. As a result, Hungarian development professionals have acquired their professional skills through the ‘trial and error’ method. The ‘trial and error’ method is an extremely stressful and dangerous process for the community the self-made social developer is working with. Because an ill-founded development process can easily place participants in a worse position than they were before the process started or in addition to the already existing repressive system, it can create another parallel power system based on exploitation and strong subordination. Therefore, taking responsibility and ensuring the proper transfer of experience must be an important part of the social enterprise development work.

However, beyond the shortage of well-trained professionals, another reason why social enterprise development in disadvantaged areas is not common in Hungary is the complexity of



the economic and social environment wherein these social enterprises should survive. Disadvantaged groups in Hungary live in often inaccessible, multiple disadvantaged settlements that can be characterised by low economic performance and low local solvent demand. Furthermore, given the fact that, in Hungary, the entrepreneurial propensity is low among the entire population – even among those living in turbulent regions (Birkner et al. 2009; Hofmeister Tóth et al., 2015) – and failure rates of nascent businesses are high (Gubik et al. 2018), it is not surprising that in areas where the economic context is much less favourable, social enterprises are rare white ravens.

However, this case study is about just such white ravens. The paper presents the processes and development context through which these social enterprises were created, as well as how a university later became involved in this process.

2. METHODOLOGY AND THE CONTEXT OF THE SETTLEMENT

The paper uses a case study methodology, which is an appropriate method to report on social and educational developments (Basseby 1999). Its goal is not to achieve objectivity per se (Forester 1999), but rather to understand the process itself. This is in line with the process-focussed development work, which is essentially focusing on the ‘how’: how do we set a goal together? If we set a goal together, how will we achieve it? What will happen after we make it happen? Would it have been better if we had not done anything? etc. However, it is very difficult to report on the ‘how’ and on the action itself because the actors are also continuous and active shapers and interpreters of the reality of the process. For this reason, according to Van Wynsberghe and Khan (2007), case study is not a method but rather a transparent paradigmatic heuristic, which allows the unit of analysis to be defined using a detailed and contextual, as well as time and space-bound, description and immersion. It allows the reader to focus on finding or creating a unit of analysis, as it provides an opportunity to experience the feeling of ‘being there’ by providing a detailed, contextualised analysis of a ‘case in action’ (MacDonald – Walker 1977).

Eckstein (2002) uses the heuristic term to describe the importance of the author of the case study’s point of view, which refers to an application or an analytical induction aimed at discovering the essence of a case. Thus, I would like to clarify that I was part of the process as a social enterprise developer and university lecturer. Like so many developers in Hungary, I did not study the profession of social enterprise development within an institutional framework either. My experiences stem from a long learning process during which I worked in social enterprise development incubators in the United States and the United Kingdom, and I integrated these experiences into Hungary. Over the years, I have worked as a social enterprise developer in several disadvantaged small villages in Hungary. However, due to the lack of an institutional system and resources, I mostly did this as a volunteer, sometimes coordinating and managing a current local project as an ‘ancillary’ activity. Thus, the uncertainty and slow flow of the process was inherently coded into the events as the social enterprise development process was never a part of a project or a program that had indicators or deadlines which had to be fulfilled. Thus, this case study is not a description of a program or project but rather a snapshot of a variable process lasting several years. It is also important to note that the development sector has an already established vocabulary (bottom-up development, community building, community involvement, empowerment, balancing power hierarchies, long-term development,



resilience, etc.), which theoretically outlines the right path for development to follow. However, due to the blurring of these words, their overuse and their different interpretations, it is usually difficult to decipher the texts about the social development processes, whether they really achieve these goals or rather they are just the projections of the social enterprise developer (Cambron et al., 2019). As a result, I avoid using these terminologies in the paper and instead focus on the description of the process itself. However, with all this, I know that I do not avoid the problem of giving an objective interpretation to the process.

The case study describes a process that took place in a small settlement that has 186 inhabitants in Borsod-Abaúj-Zemplén County, in the Northeast of Hungary (KSH 2020). In the settlement, all the unfavourable socio-economic situations which characterised a village in a disadvantaged Hungarian area could be found. It has a high unemployment rate (65%) (KSH 2011), and most of the employed work as public workers. It has insufficient access to public services, there is no health service in the village, and the residents have to go to the neighbouring village to see a doctor who provides appointments every two weeks for three hours. There is no school in the settlement either. The students attend a segregated primary school in the neighbouring village. It has inadequate transportation services; a long-distance bus stops only three times a day in the village, and beyond that, the village has no other transportation service. The village has been led by the same mayor since 1989, who is the wealthiest resident of the village and the sole owner of the surrounding lands. The local government is non-cooperative and disinterested in implementing new social developments; its purpose is primarily to maintain the local status quo, in which capital and opportunities are concentrated in the hands of a very few while the greater part of the village remains impoverished. Around 30% of the village's inhabitants belong to the Roma ethnicity, although official statistics show only a lower proportion (17.3%) (KSH 2011). Although a Roma self-government operates in the settlement beyond the legal minimum, the municipality does not cooperate with the organisation. However, it is important to note that, despite all these negative factors, the village had a much better position from a social-economic point of view than the surrounding villages. The village still has the ability to retain inhabitants; as a result, a small proportion of wealthy inhabitants still live in the settlement, and the number of families living in deep poverty is much lower when compared to the surrounding settlements. Both Roma and non-Roma middle classes are present, and there are no segregated areas in the village either. There are historical reasons for this situation – the village was always considered a wealthier village in the area – but this situation is also due to the work of the local community group.

The role of the local community group is outstandingly important in the development of the village. This group has around 30 members, 90% of them are Roma inhabitants from the village, and the other 10% are Roma people from the surrounding villages. This group was organised 20–25 years ago by L.,¹ who has been a local resident and the informal leader of the group ever since. Members of the group are connected to each other not only through strong kinship and friendship ties but also through strong economic ties, as well as many years of local community work experiences, common residence, and shared memories. This self-organised group is the engine of local social development. As a result of the group's continuous community and

¹L. is an anonymised Hungarian name. L. is a self-made community developer who organises and manages a cohesive community group in the village.



educational developments, projects and programmes have taken place in the village in the last 20 years, resulting in several close contacts with non-village communities, social developers, and supporters. Despite the fact that the group has done excellent work for the village for many years, the local government sees them as a rival, so they do not cooperate with the group. The group formed a formal NGO fifteen years ago and a formal social cooperative seven years ago. The group has a strong hierarchy centred around L., who also has the most responsibility and shouldered the burden of fundraising and the ongoing exploration of opportunities and resources. This hierarchical group dynamics led to several conflicts over the years because, in many cases, it led to the exact opposite of what the group wanted to achieve or to a deterioration in the quality of work. The hierarchical operation has often hampered the flow of information. It has often been trapped in a centralised and narrow circle, from which, in many cases, untraceable and unspoken decisions were made, often split irregularly. In addition, multiple conflict situations have been caused by economic dependence within the group, as the boss-subordinate relationship embedded in the ties of friends and relatives is quite difficult to manage properly.

I met the group 15 years ago; since then, we have implemented many social development projects and programs together, and even though we have become friends over the years, my role was primarily facilitator and social developer in the group, until the time when the group started to create social enterprises. From then on, I visited the village weekly, where I lived as a local resident.

3. SOCIAL ENTERPRISE DEVELOPMENT AND UNIVERSITY COOPERATION

In 2016, in one of our group conversations, L. started to describe that they had decided to start social enterprises. Although we had been talking about this in smaller and larger circles in the village for several years, I would place this conversation as the actual starting point. The initial phase of development then included myriad discussions and planning about social enterprises. Our meetings usually took place in the Rommama house in the village, which functioned as a community place for the group. From a practical point of view, the meetings always followed a similar choreography: L. and I facilitated the gatherings, in which the participants worked together and individually in a training form.

The first business we worked on and which kept recurring over the years was the community house and apartment-restaurant, where we organised our meetings, i.e., the Rommama house. The story of the Rommama house goes back a long way, it was created by a project-based development, and over the years, it became a community house and a Roma apartment-restaurant. In reality, it carries out several intervening functions simultaneously; it is an apartment-restaurant based on local Roma gastronomy, the cooperative's office, a meeting and training venue, also a local community house and finally, a source of employment for local inhabitants. However, notably, the restaurant – the market-based service of the house – has never become truly profitable over the years. The restaurant's revenue has always been heavily dependent on other projects' revenues, which is due to the fact that the restaurant never had a consistent business model, and the idea did not go through proper market validation. Furthermore, a planned marketing activity was not part of the operation of the business either, so apart from a few Facebook pages with little outreach, the word that such a restaurant operated



in the village spread only through a very small circle. Solvent demand was recruited mostly through L.'s network of contacts, in a hectic way. However, every year, the house was able to get to a break-even point, in addition to providing occasional jobs for an increasing number of residents. Despite these facts, the entire community consistently saw greater potential in it than the house could ever achieve, and the business itself had tremendous emotional value within the community, as it was the result of many years of hard work.

Thus, it is no coincidence that this is where the planning started. In the first stage, we outlined the business model, which was implemented within the framework of the Business Model Canvas (BMC) training. BMC is perhaps the best-known and most widely used business model-making tool designed by Osterwalder and Pigneur (2010). With the use of BMC, participants can visualise the elements of their business model, the potential relationships involved in their business, and the impact on business value creation (Joyce – Paquin 2016). Although the training material had already been developed for BMC training, it was heavily reworked in our social enterprise development process. Each separate model segment consisted of a separate training task based on common participatory based thinking as well as a common training activity. We also supplemented the BMC with a specific expenditure and income planning and market research section, which proved to be very useful later. The BMC method made it achievable to get a transparent and concise picture for validation of the business idea, and we were able to use it later as a guide in our pitches or when we had to create an entire business plan. This structured training was what we followed for the planning of each business.

During the BMC design of the Rommama house, it quickly became clear that neither the value proposition nor the customer segments, channels, customer relationships, budget, or basic services were precisely planned and thought through. We started the process by creating these. Subsequently, after creating a larger context, we then diversified the services. All of these new services were able to generate additional revenue for the restaurant, but in the end, they were never fully integrated into the business. This was because, immediately after the initial turbulent and positive results, countless new business ideas emerged from the group, which proved to be more valid than the restaurant itself. Thus, restaurant development functioned as a catalyst for ideas, helping the community to start brainstorming and embarking on more valid and sustainable ideas for the local market. From then on, we worked in mixed groups, whether we were planning at an individual, household, or group level. Participation in the process was determined by ownership of idea, so those were involved (as individuals or as a group) in the social enterprise development process who came up with the business idea.

Consequently, we launched new accommodation services; this business idea was based on the ideas of three families. In this business development process, we created the necessary steps based on the BMC and started marketing activities related to the business to validate the idea. However, in the end, only one family got into the process and really started the accommodation business. It is important to note this trend, which indicates that there is a huge gap between the design of a business and its actual implementation. It really takes a lot more determination and challenge to implement the business than just planning it. The future entrepreneur must experience many positive patterns to believe that he or she can succeed, be able to open a business and have the entrepreneurial attitude needed to achieve it. The accommodation service was designed in a way that no initial capital was required to start and implement it. Hence, there was very little risk if the business failed. As the local accommodation service was implemented within the family home and it was linked to the local restaurant service as well as a number of



other services that kept the purchasing power within the village, these facts mitigated the potential financial damage resulting from a possible failure. Fortunately, the business was successful, the family that started the service welcomed many guests, but after two years, they realised that it did not suit them to let their guests into their own living space. Therefore, they would have liked to expand their business by renovating a detached house in the village. However, by then, the COVID-19 pandemic had broken out, so the service was shut down indefinitely without any financial loss.

It was very rare to have an idea like providing accommodation that could be started without initial capital. Therefore, the business development processes have been accompanied by a constant search for initial capital. We took part in several domestic and international business competitions, got numerous unrealised offers, attended several investor meetings and gave countless pitches, which made it completely clear to us that the biggest challenge is to get initial capital. None of the members of the group had sufficient initial capital to start a business, and no one was able to take the necessary bank loans in the absence of adequate collateral. Gaining initial capital for a business is a long, risky and extremely energy-consuming process in all respects. In the case of social enterprises, this is no different. However, when compared to the start-up ecosystem or the ecosystem of classic enterprises, in the case of social enterprises, a negligible resource demand option is available, both domestically and internationally. True, the volume of competition is also smaller than in other segments. Of course, our search for seed capital was not completely fruitless. For a local 'taxi' company idea aimed to alleviate local transport anomalies, even if we could not get enough money to start realising the whole business idea, we could buy an eight-year-old car with which we were able to start the business. We received this seed money because we won the semi-final in a competition and thus could participate in an international business final competition. Furthermore, two private donors contributed to the realisation of our local grocery store idea – which tried to remedy the lack of a locally available food service – and the pub and community space idea – which was a community-based idea based on our development work in a neighbouring village.

Due to the limited availability of capital, during our planning, we positively validated only the ideas which seemed sustainable even with minimal initial capital and operating costs. In the rarest of cases, a valid idea such as accommodation was created, which could be started on the basis of almost zero capital. In most cases, as in the case of starting any business, it would have been necessary to raise between 3 and 5 million HUF (EUR 7,000–12,000) capital, which, in the business development context, meant a very small volume of initial capital. However, even this was not available either. Because of the difficult economic context during the process, countless ideas failed at various points: some failed because of a lack of demand, some because of the lack of determination by the owner of the idea, and some because of the lack of capital that would have been required to implement the ideas. Furthermore, some faced an inadequacy of resource allocation or high market entry costs. An important lesson learnt from the process of idea generation and validation is that it was primarily the local services that we could validate mostly, rather than the creation of products. This was mainly due to the lack of local services in the village and its neighbouring settlements. Although local solvent demand was very low in volume, even basic services were not available to many families in the area. As a result, several business ideas were aimed to solve the local service shortages (for example, transport companies, taxi companies, grocery stores, etc.). Furthermore, a small service company requires less initial capital, and its initial operating costs are lower than those of businesses that create physical



products. In addition, the sale of services on the local market solves the problem that the cost of shipping actually consumes the profits themselves. For this reason, we faced a multi-segment challenge during each business development, wherein we aimed to create services for the local market that only needed basic expertise (because the entrepreneurs did not have any professional qualifications), used a small but scalable volume in the development of services and also started the business with minimal initial capital. In the contemporary economic and social conditions, I sometimes think of it as a solid miracle that we could open businesses at all!

In addition to the many failed ideas, we were able to implement two businesses, a local pub and a local grocery store. Based on the idea of the local community, the closed pub in a neighbouring village re-opened. A wealthy resident from the neighbouring city joined the implementation and provided the initial capital for this business. After this, we tried to get in touch with him repeatedly, but he closed all communication routes with us. He operated the place for about half a year, after which it went bankrupt. This was due to the fact that although he knew our plans, he did not take into account the additional services, collaborations and functions without which it would be impossible to make such a business financially sustainable. In half a year, he had managed to carry out all the activities, which led to his fast-paced failure. The poor treatment of employees due to a lack of leadership skills, the implementation of unplanned development in the wrong direction and poor investment decisions led to a very rapid failure of the pub. To create a viable business together, we tried numerous times to contact him, but that never materialised beyond some promises.

Although an important and successful development was the local grocery store, the actualisation of this store was also preceded by a long process of planning based on market surveys. The capital was provided by a private donor in the form of an interest-free loan, which the store was able to repay in 11 months. The store has been operating profitably since its opening, despite the fact that before the opening day, the local government had put up a sign in front of the store prohibiting customers from parking their vehicles, thus making it almost impossible to operate the store. The grocery store works according to a policy, which stores stock of quality goods and does not offer products at a huge rate of profit compared to other grocery stores in the area. The design of the prices is tailored to match the solvency of low-income residents. The store has continued to operate in an uninterrupted way during the pandemic and even carried out a food donation campaign during COVID-19. It was able to control the price rise caused by the pandemic without having to raise prices significantly. All of this has created an accessible and sustainable business, which is owned and managed by a local resident, provides employment opportunities for local inhabitants, and provides services to the local community.

We had several ideas that came very close to realisation or were even started, such as the transport service between Budapest and Miskolc, or the idea of an accommodation business, or the taxi service. These plans/businesses were included in our collaboration with Moholy-Nagy University of Art and Design (MOME), which was a very promising chapter in our business development. Between 2018 and 2020, the community group built a social design course with the teachers and students of MOME. We started this process by first organising a one-week summer camp for children aged 12–14 from the village and the surrounding settlements. The concept and the programmes of the camp were co-created along with teachers from MOME and with the community group. The summer camp was open to MOME students, and to our great delight, the course was filled very quickly. The students lived with local families for seven days, ate at the Rommama Restaurant and took part in or facilitated the programmes. The summer



camp hosted design, graphic, textile, STEAM and photo-video workshops. Prior to the summer camp, the students were educated about the context of the families and the development processes that had already taken place in the village so far by MOME's teachers and community members. Such an educational occasion was essential for students to know about informal local rules and life situations they would encounter during the programme and to be able to interpret the decision-making situations of families and children.

The summer camp was a huge success. We received countless positive feedback, both from the residents of the village and also from the university students. Building on the positive results, we again jointly designed a university course wherein students worked with villagers who were already at a highly advanced stage in validating their entrepreneurial ideas. Thus, we were able to start the Social Design course at the university. As part of this course, social entrepreneurs and students jointly identified problems related to entrepreneurship, which they sought to resolve together through design tools during the semester. As MOME is an art university, we did not involve the university students in the specific business planning, as they did not have any economic and business development experience. The groups of students and entrepreneurs mostly defined design, object creation and communication tasks that students could work on together with the entrepreneurs. Students from any major could apply for the course, resulting in a very diverse student community. The course itself began with a presentation of the context of the specific village at the university campus in Budapest. Students were also introduced to the concepts of cumulative disadvantage, Roma history, social design, design thinking and community planning. The classes were also attended by the villagers through Zoom. This was followed by a three-day long training in the village, wherein students formed teams, built trustworthy relationships and selected which social enterprise they would like to work with during the semester. Next, using training methodology, they framed the problem and set goals together with the social entrepreneurs. This provided the framework for a semester of joint work. Returning to Budapest, students received briefings on a weekly basis. During these sessions, the groups showed what they had accomplished with their tasks so far and received feedback on their work. The students had numerous Zoom discussions, during which they designed and thought together with social entrepreneurs. At the end of the course, we were able to take the students to the village once again for a three-day long training, where they finalised their semester work and presented it to the village.

As a result of this university course, social businesses were enriched by several design and communication elements, just to name a few: logos and full brandings were created, the social media communication interfaces of the businesses were enhanced, internal and external design elements, as well as professional photo and video materials were created. The students learned about how economic development can be implemented in a disadvantaged community, obtained a first-hand experience of the methodology of community-based planning, and learned about the dilemmas of empowerment and development based on local needs. The course helped the students to understand how a social entrepreneur thinks, and they gained first-hand experience on how sustainable and people-centred design could be implemented. The course created numerous strong ties between the villagers and the students, which persisted for several years after the end of the course.

Thus, this collaboration with a university offered new processes, energy, ideas and relationships to the community and also to the social entrepreneurs. We planned to continue the process in the long run; however, following the outbreak of the COVID-19 pandemic, physical



presence was no longer feasible. Although we tried to shift the course to a completely online mode, which had its own benefits, physical presence was felt to be a necessary foundation for such collaborative learning. Thus, in the absence of this option, we decided to suspend the course. It is important to emphasise that in addition to the countless advantages created by the cooperation with the university, there were areas that posed a challenge during the implementation. One such challenge was that university students rotated every semester due to the university course structure. This made it difficult to develop deep, trusting relationships because there was only a short time available to develop them, and the local community had to get to know new students every semester. As a result, we made participation affordable for former students every semester, and in several cases, individual thesis works were started, which ensured the presence of the given student in the village in the longer term.

In summary, the social enterprise development process spanning approximately four years has resulted in many social entrepreneurship ideas. Although it must be taken into account that those became viable ideas which offered services that meet the needs of the local market, could be started on a small scale and be scaled further up, only needed basic skills and knowledge, and could be implemented with zero or small initial capital investment and operating costs. A university course can also bring fresh energies, ideas and collaborations to the process, especially if the university provides a partnership with the community, and this can create a win-win situation for both parties. In this case, university students can create products together with entrepreneurs to strengthen their enterprises. It is also important to emphasise that the university course can be embedded in multi-year development work within a low-income community. However, cooperation with both the university and social enterprise development must be based on a community participation process, which creates an opportunity for an empowering process where low-income families are empowered to change their difficult economic conditions.

4. CONCLUSION

In this paper, I have presented the story of social enterprise development in a village in Borsod-Abaúj-Zemplén County, as well as how a university course was embedded in this process. The paper could be summed up with a short question: is this all that has been achieved in so many years: lots of ideas and a few concrete businesses? My answer to this is: yes, although, on the one hand, I have just focused on the major points of the story, on the other hand, I consider it worthwhile to peel off the fake, glamorous cover of the social enterprise developments and try to describe what actually happened instead of glossing it over with the terminology of development. Today in Hungary, disadvantaged communities and low-income families are in an extremely difficult situation, wherein empowerment programmes will not excel or provide an immediate, magical solution. The intergenerational disadvantages can be mitigated, but the process will involve a lot of failures, effort, time and joint thinking, and in some places, it can also spark the possibility of change. The economic, regional, educational, health, and capital disadvantages that our society has created can only be mitigated after a very long time.

However, it can also be seen that the social enterprise development process can empower low-income people and works as a development tool to reduce poverty. It is always worth keeping in mind that starting a business in Hungary is not only risky for low-income families,



but it is also a huge challenge for those living in a more fortunate financial situation. It is always a long and energy-intensive, uncertain process. In the case of disadvantaged settlements, this process is even more difficult. This case study is not without limitations. It would be important to supplement our results with quantitative research, which can allow further, comparative research. As a result of this, we can get answers to many questions (the impact of development on the surrounding settlements, the identification of long-term changes, comparison with other university programs' impact etc.) that require a more thorough investigation.

The social enterprise tool has also made it possible to empower low-income families. Furthermore, social enterprise as a tool has made it possible to realise a partnership-based development and capacity-building collaboration among university students and low-income Roma residents of a small, disadvantaged village in Hungary. Our experience shows that viable social business ideas offer services that meet the needs of the local market, can be implemented with zero or small initial capital, and do not need more than basic skills and knowledge in the creation of their services. The community participation-based process must also be an integral part of the process. Even if it takes many years, it also creates a situation where social business is not the only goal, but rather empowering low-income people, who can change their difficult economic conditions. In a resource – and service-deficient environment, low-income families can use social entrepreneurship to get a step closer to escaping the often hopeless state of disadvantaged situations. Nonetheless, social enterprise development is not a panacea for all ills, and a number of conditions must be met at the same time in order to create a business. Precisely because of this, if broadening the opportunities of low-income families appears as an important value for society, it would thus require an intuitional training of social enterprise developers, a socially and environmentally sensitive ecosystem wherein the fact that low-income households create, own and manage businesses are valued, and also resources, opportunities and ongoing participation-based mentoring are allocated to these processes. Under these conditions, the social enterprise sector can be strengthened and provide sustainable opportunities for low-income families.

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