

## **Postgraduate degree program in social business as a new knowledge tool in entrepreneurship and social impact**

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### ***Abstract***

*Inside the new theories and learning models, we can identify social business as a valuable tool to develop entrepreneurial skills focused on solving social problems effectively and profitably, and also create innovative solutions that generate a positive impact on community.*

*A social business arises with the purpose of solving a social problem using the market system; It is created on a non-profit basis. Even so, the business model is sustainable, guaranteeing its operability. Social businesses combine social and economic objectives, seeking to generate a positive impact on society and the environment. They emerge as an alternative to the traditional way of doing business.*

*The following paper aims to explore the concept of social business, its importance and how a postgraduate degree in social business can be useful for those entrepreneurs looking to develop skills and knowledge within this innovative area.*

**Keywords:** *Social business; entrepreneurship; teaching.*

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## **1. Introduction**

This new innovative approach has come to change the way in which businesses are conceived and the role they can develop in society, since companies no longer focus only on maximizing profits and recovering their investment, but from the beginning they are born with a different conception: a positive social impact. Among the motivations for the creation of this type of business is to contribute to solving challenges such as poverty, inequality, environmental, among others.

At a time where traditional economic theories and structures have not been sufficient to generate satisfactory answers to today's social problems, it is necessary to rethink from the academic field, the assumptions, objectives, scope, and tools to address these challenges. Therefore, it is pertinent that the Autonomous University of Baja California (UABC) offers highly specialized programs that address these issues, such as a Master's and Doctorate program in Social Business (MDNS). This project contributes to the efforts of the university to offer programs immersed in the local, national, and international avant-garde.

The academic background of the MDNS program has its origin in the performance of social linkage and innovation that the UABC has carried out through the Faculty of Economics and International Relations (FEyRI) since 1999 with the emergence of the Program of Research, Assistance and Teaching of Micro and Small Enterprises (PIADMyPE), followed by the Center for Research, Assistance and Teaching of Micro and Small Enterprises (CIADMyPE) and now with the UABC-Yunus Center for Social Business and Wellbeing project, an organization dependent on the FEyRI.

These microenterprise training programs are developed as a collaborative public policy between the local government and the university to promote formal entrepreneurship, help microentrepreneurs in vulnerable contexts and thus improve the country's welfare prospects. It is recognized as an innovative model of assistance to provide non-financial services to microentrepreneurs where university professors and trainees collaborate (Mungaray Lagarda, Osorio Novela, & Ramirez Angulo, 2021)

This institutional effort becomes increasingly relevant and necessary as we look at the increase in the population living in poverty, either measured by income or by access to basic goods such as food, education, health and infrastructure, by which is an issue of concern for various actors in society, both globally and at national, regional or local level (Chavez Nungaray & Hernandez Gomez, 2015).

## **2. Social business as a new model of entrepreneurship with social impact**

Neoclassical firm theory focuses on the concept that firms have a primary goal, which is to maximize their profits which leads to the long-term largest market share. There is an

emphasized responsibility towards shareholders, considering that innovation is a key factor within the process. And it is under these conditions, through which it is established that the only rational objective pursued by the firm is to maximize its profits (Morales Sánchez, 2009). Unlike traditional firms, which focus on maximizing their profits and long-term growth, social businesses consider social objective as a fundamental aspect of their business model.

This innovative approach has led to a new way of understanding the role of firms in society and has prompted the creation of a new theoretical model that focuses on sustainability, innovation, and social responsibility. This theoretical model recognizes that firms can and should be agents of positive change in society and that economic sustainability and positive social impact are not mutually exclusive.

International evidence shows that the motivations of firms, individuals and entrepreneurship are more complex, diverse, and transcendental than what dominant theories propose. Firms can allocate part of their resources for philanthropic actions, community improvements or finance foundations that do not pursue any profit. On the other hand, there are social activists, community leaders, politicians or academics who put the common interest before individual interest (Yunus, 2013).

Muhammad Yunus, an economist and university professor, founded Grameen Bank in Bangladesh. The Grameen Bank, also known as the "bank of the poor" is a pioneering microfinance institution in the field of social entrepreneurship that aims to reduce poverty in Bangladesh (De Diego Rábago, 2018). Since the structure of the financial system was designed to extend credit only to people with purchasing power, this limited the options of vulnerable people to start a business that would help their livelihood. In 2006, Muhammad Yunus was awarded the Nobel Peace Prize for this project.

Within Yunus' philosophy a social business can be Type I or Type II. Type I refers to a business where investors reinvest their profits to try to solve a social problem; while Type II are businesses that arise from need, also known as subsistence enterprises (microenterprises), businesses that have the purpose of providing income to people who are in a situation of poverty. In this sense, in the first case, it is the nature of the products, services, or operating systems of the business that creates social benefit. This kind of social business might provide food, housing, health care, education, or other worthwhile goods to help the poor. With the second type of social business, goods or service produced might or might not create a social benefit. The social benefit created by this kind of company comes from its ownership. Because the ownership of shares of the business belongs to the poor or disadvantaged, any financial benefit generated by the company's operations will go to help those in need (Yunus, 2013).

Social business are managed under seven principles: try to improve society as the main objective and not to generate profits, be financially profitable, respect the environment, investors recover their investment and the surplus is used to finance innovation and business development, employees receive competitive salaries and share the spirit of goodwill (Yunus, 2010).

In Mexico, social businesses have gained ground in recent years to address social and environmental challenges in the country; on issues such as access to education, rural development, employment, and environmental sustainability (Rubalcava de León & Zerón Félix, 2020).

Both social and traditional businesses have their strengths and weaknesses, however, social businesses offer unique advantages compared to traditional businesses, such as its focus on sustainability, social problem solving, its fusion with the community and social and environmental responsibility. These models can be an effective way to achieve long-term change.

Importantly, social businesses also face unique challenges, such as balancing their social and economic goals and the need for financing. That is why it becomes a topic of interest that social entrepreneurs receive training and formal instruction that allow them to further raise their chances of success.

### **3. Master and PhD in Social Business**

The Master's and Doctorate program in Social Business is proposed as a space to link the concepts of financial and economic sustainability used by traditional businesses, but now applied to self-sustainable businesses and projects, which do not pursue monetary benefits, but to solve some social problem.

The professionalizing nature of the MDNS program allows to identify, disseminate, and replicate the best practices, local, national, and international, of the actors that already implement actions and have experience, from the private or public sector, such as activists, community or social leaders, non-governmental organizations and public agencies of all levels focused on social and economic development. At the same time, it provides its students with the technical and theoretical tools for the identification, diagnosis, design, implementation, and evaluation of a social business, while incorporating strategic concepts into decision-making.

The objective of the programs is to train professionals of the highest level who are interested in detecting, analyzing and developing projects associated with social businesses, which contribute to mitigate problems of education, food, health and well-being of society, through

entrepreneurial and solidarity activities, contributing to the improvement of the quality of people and the community.

Therefore, the profile of the student who is sought to enter the program must have as main characteristics a sensitivity to social problems and an interest in contributing to the formation of knowledge, which allows him from this motivation to design, manage and develop innovative strategies applied to the operation of a social business.

The Master's and Doctorate program is designed with a duration of two years and three years respectively. The evaluation system is based on objectives and contribution to the graduation profile; therefore, the evidence of a result is required to infer that the student has achieved the objectives that have been established in the syllabus proposed in the program. Within this syllabus are the compulsory and optional subjects, presentation of progress of the social business project, stays and intervention, as well as any other academic activity endorsed by the holder of the subject or the Social Business Project Committee.

It is expected that the stays and professional intervention will preferably be in local areas of Baja California and contribute on the student's work in the area they define together with their terminal project tutor. Those who receive them within the different sectors in these stays and professional interventions are called operational collaborators, who work through systemic frameworks the active participation of the learning topics seen in class.

MDNS program will be characterized by strengthening in the students the professionalizing tasks applied in the framework of the two and four seminars that contemplate the curriculum of the master's and doctorate, respectively, which give rise to the realization of a semester colloquium of advances of terminal works, where the students are evaluated by committees of experts.

The curriculum of the master's degree privileges the practical and operational approach, while the doctorate emphasizes, in addition to the previous ones, the analytical-comparative sense; both totally aimed at solving social problems. A substantive difference with respect to other programs is that it offers a balance in topics and contents both in theory and in tools for measuring and evaluating impact.

Studying a postgraduate degree in social business can be useful for those looking to develop specific skills and knowledge in this field. Develop training in issues of social responsibility, sustainability and social innovation that allow students to have a broader perspective on the role of companies in society; without neglecting the business tools needed to create and manage successful social businesses.

The curriculum of the master's degree includes one year of subjects and one year of stays and professional intervention. The subjects that students take are development problems,

quantitative methods, methods of social intervention, resource management, solidarity economy, social cost-benefit analysis and leadership and management.

In the case of the doctorate, the first year is of subjects and the next two correspond to stays and professional intervention. The subjects they take are studies of development problems, quantitative and qualitative methods, social business project seminars.

#### **4. Social projects as a result of postgraduate degree in Social Business**

Within the MDNS program, there has been the opportunity to train professionals who can create innovative business solutions that address social and environmental problems of utmost importance, as well as a management and development.

- **Hopetruck: cooking up new stories:** This social business project aims to reintegrate young people who have been in conflict with the law or who are at risk, through a business model that consists of a training process in the gastronomic area, when they conclude they can practice for a period of three months in a Food Truck to later be placed in different allied companies after an evaluation, thus achieving their social and labor reintegration.
- **CUALLI: Solutions for the financial sustainability of Healthcare Centers in Baja California:** The aim of this social business is to provide biodegradable cleaning products to social care centers in marginalized regions to facilitate their access to essential hygiene products. At the same time, landfill centers are installed, which do not generate waste where these centers will receive the necessary inputs and tools through cross-subsidy consignment.
- **Moon Jams: A Business Model for Sustainable Community Development:** Business model focused on the integral recovery of artisanal food processing to promote sustainable community development in the High Mountains Region of Veracruz. This project seeks to identify artisanal food processing owned by the community to which value can be added and are potentially marketable. It also seeks to link with community agents who have resources to develop processes efficiently.
- **Route 2:** Civil Association that supports, empowers, and encourages young women in their personal development through workshops focused on mental health along with an art therapy methodology, in turn, the importance of the subject is promoted in schools. The objective is to promote in the community the importance of taking care of their mental health, their personal and professional development in young people, creating a link with specialized people.

## **5. Conclusions**

The opening of a professionalizing graduate program provides the opportunity to acquire knowledge within a real context, to study the phenomena within their conjuncture. Likewise, it is a reality that there are no postgraduate programs in social business in the region, so presenting an offer in this regard would contribute to the development of local, regional, national, and international research, which allow the creation of strategies and consequently improve the quality of life of vulnerable sectors.

The creation of this program provides useful information and research and serve as a means of linking projects for priority sectors to be supported by the university. In this way, research would be provided in favor of the neediest social sectors, focused on increasing the quality of life of the population in poverty.

In this way, the MDNS program represents for the state of Baja California and the region an important project in terms of linkage, research, application, and professionalization, by generating highly trained human resources that can respond to the most preponderant social problems of the region. As an academic project, it has the task of continuing to bear fruit in applied science of high impact in the field of economic and regional development, specialized in social business, through the collection and analysis of data and information collected from primary sources, to produce quality and innovative specialized academic materials.

By continuing to support and foster the growth of social businesses, we can contribute to a fairer and more sustainable future for all. The opening of a postgraduate course with these characteristics would bring several benefits to the university, including the competitive advantage over other universities, since no other offers it, which would strengthen the leadership of the UABC nationally and internationally, and would pay for the sense of solidarity and social responsibility that has always characterized our excellent university.

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