The contributions of social networks for the consolidation of social enterprises

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Abstract

In a globalized world, in which connections are part of everyday life of society and business, more and more the business world becomes dynamic and constantly creates new ways of doing business. In the third sector, social entrepreneurship has already conquered its space and relies on social networks to strengthen in the market and often maintain its sustainability. By social networks is meant the union of organizations with common ideas to achieve their goals. This research aims to understand how social networks contribute to the consolidation of a social enterprise. A case study was carried out at the Bairro da Juventude social enterprise, located in the city of Criciúma – State of Santa Catarina, Brazil. This research is applied and with the inductive method. Their approach is qualitative and the objectives are descriptive and exploratory. The data collection was a semi-structured instrument of open questions, using the technique of in-depth interview applied to administrative managers and the psychosocial sector of the institution. The conclusions that emerged from this study were that social networks are a fundamental instrument for the consolidation of social enterprises, since finding partners that help in reaching the goal of a social organization is important for the excellence of the institution, as well as for the transformation of social realities.

Keywords: Third sector. Social business. Social transformation.
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Intercompany relations had been thoroughly used in organizational environments, which caused that many changes in organizational relations transform many processes, such as in production management, logistics management, among others (OLAVE; AMATO NETO, 2001). Castells (2003) corroborated with the discussion and states that the convergences between new technologies, as well as the new organizational logic coming up over the last years, are a trigger for this new information economy.

The acknowledgement of these social networks as an important organizational tool has begun some decades ago, yet individuals are involved in social networks since the early days of humankind (MARTELETO, 2001). In a social network, each organism integrating it has its role and its cultural identity, which forms a consistent and homogeneous whole (TOMAÉL; ALCARÁ; CHIARA, 2005). However, it is important to mention that social networks and social medias are still confused in common sense.

This study adopts the concept of social medias as a group of independent organisms that unite their ideas and resources towards the fulfillment of common goals and values (MARTELETO, 2001), and yet as “[...] a non-linear, decentralized, flexible, dynamic, without defined boundaries and self-organized, is established by horizontal cooperation relations” (TOMAÉL; ALCARÁ; CHIARA, 2005, p. 94). In the case of social enterprises, this reality is even more specific, once the intra and intercompany relations serve to consolidate the enterprise and allow that more people can be served at a lower cost.

Borzaga (2012) realizes social enterprises as unique organizations, in which groups of people work and coordinate the activities aiming to fulfill society’s needs. At the same logic thinking, other authors also bring the concept of companies and social businesses, mentioning that these kinds of institution aim to solve social dilemmas with efficiency and sustainable development, applying strategies and market criterion (COMINI; BARKI; AGUIAR, 2012; KARNANI, 2007; YOUNG; LECY, 2012).

With the objective of contributing with the social entrepreneurship and social networks literature, this study aims to understand how social networks contribute to the consolidation of the social enterprise called Bairro da Juventude (in free translation: Youth Neighborhood). Based on the above considerations, some questions arise and orientate the present study: how is the interface between social entrepreneurship and social networks? How social networks contribute to consolidate social enterprises? The investigation strategy used is the study case within the institution itself.

The Bairro da Juventude dos Padres Rogacionistas (Youth Neighborhood of the Rogationist Priests) was created in 1949, on the initiative of the Rotary Club of Criciúma, a city located in the State of Santa Catarina (SC). The institution was called SCAN – Criciúma Society of Support to People in Need – and served as a boarding school until 1975, when the priest, responsible to maintain, coordinate and organize the Institution, decided to give it to community leaderships at that time. The leaders decided to establish a Committee, which elected the first Advisory Board in charge of managing the Institution. This Council remains until nowadays. Motivated by the responsibility and commitment to social causes, the Bairro da Juventude found Support in the business and community environment of Criciúma and region. This allowed the
institution to grow, as well as the development of human capital by means of education (BAIRRO DA JUVENTUDE, 2016).

Along its history, the Institution has always aimed to draw innovative roads, offering to the community of the extreme part of the Southern region of Santa Catarina an inclusive policy towards social responsibility and guided by the defense, protection and promotion of childhood and young people rights, considered by them the driving force to maintain quality of education. Nowadays the Bairro da Juventude serves around 1,500 students in the region and renders mobility services with buses owned by the Institution that circulate by over 80 neighborhoods of Criciúma – State of Santa Catarina, besides other near municipalities (BAIRRO DA JUVENTUDE, 2016). Nowadays, Bairro da Juventude takes hundreds of actions, of various kinds, which provide education and child and Young people care services, aiming to provide social inclusion and assuring the full exercise of citizenship by means of solidary education, culture, sports and professionalization. Besides basic education, Bairro da Juventude supports other 450 young people in vocational courses such as a) car mechanics; b) Electronics maintenance Electrician; c) computer programmer; d) general mechanics; e) baker and pastry chef; and f) industrial kitchen.

Social Media

When the word "networks" is mentioned, a direct link to tangled wires is possible. These wires interlock themselves and form a net, linked by many ties (LOIOLA; MOURA, 1997). According to Castells (1999) the interorganizational networks are established by means of existing relationships among organizations, varying in complexity and contexts. In social entrepreneurship, among other factors, local development is strengthened with the help of relationships firmed between proponents of such organizations and local actors that are influent and/or active in their localities.

Scherer-Warren (2006) highlights that networks approximate many social actors. This allows a dialogue among organizations, even when these organizations have distinct interests. According to Pereira and Verdu (2015) different networks plays a different role or interaction level for each need of the organization. Scherer-Warren (2006) also states that social networks allow the transposition of territorial boundaries, as far as they transit between public and private sectors.

To Ribeiro and Bastos (2011) social networks are represented by a group of actors that relate among themselves, in structures directing much information flows. Such relations are composed by "knots" and "bonds", which Alejandro and Norman (2005) define: the "knots" are the common objects linking actors towards a goal, and "bonds" are the links between two actors, which create information flows.

According to Granovetter (1973), the so-called social networks can be perceived in relations or existing bonds between institutional actors, being these networks that are stronger or not, depending on time, intimacy and reciprocity levels maintained among their actors. In social sciences, Colonimos (1995) highlights that social relations can occur between many actors and according to Souza (1995) the links between these actors are efficient ways of stimulating local development.

Hansen (1995) defines entrepreneurial social networks as relationship bonds, which show relations with other institutions with groups of companies and people. The
author stresses that these interactions are dynamic and in continuous evolution and growth, as entrepreneurs tend to gain credibility along the process. To Scherer-Warren (1999) the interorganizational networks work as a kind of strategy for collective action, which aim the generation of social transformation.

As already mentioned, this study adopts the concept of social networks from Marteleteo, (2001) and Tomaé, Alcará and Chiara (2005). They emphasize the function of such networks for the development of social businesses, as far as they help to consolidate the enterprise.

Transparency is one of the credibility factors for social businesses (OLIVEIRA, 2004). This increases confidence relations and partners loyalty. In the context of the existing relations between network actors, this partner’s loyalty is also discussed by, Silva and Cândido (2000), as far as the objective of networks interaction is the increase of partnerships and consequent viability of the projects proposed.

Among the ties or interinstitutional relations, Uzzi (1997) highlights that the kinds of relation kept among the elements of networks are also responsible for the access to opportunities. Borges (2011) states that the more contacts and networks are formed by the entrepreneur, bigger are the possibility of raising resources, such as funding sources in species and intellectual capital, as well as exchange of favors among the people integrating the networks. To Castilla et al. (2000), the content exchanged among these networks are mostly informational, which represents common interests, friendship and reliability levels. Social networks are more and more placed in people's reality and day-by-day life, which becomes an increasing process of using this means to communicate and carry many activities.

The role played by social networks is stressed in the development and rational utilization of the resources available. The bonds established among the people integrating a network go beyond specific actions and seek comprehensive, broad solutions (ADION, 2003). That is, the actions developed by the actors of these social networks aim at promoting economic or social changes. Thus, interorganizational relations, mentioned in this study, configure the network as an environment that promotes information sharing and resources, aiming to facilitate efforts towards common projects (BALESTRIN; VARGAS, 2004). The main goal in the case of social entrepreneurship is generating social transformation.

In the case of social businesses, networks in general play a relevant role with respect to the feasibility of enterprises, which contributed to the success of these institutions (SILVA; MOURA; JUNQUEIRA, 2015). Besides, it serves as a means of fundraising of different sources, the social businesses can, by means of networks, to disclose the services provided as well as information about the actions taken to help building up credibility before the community.

Junqueira (2006) contributes to the discussion by stating that social networks are defined as strategic forms of – and for – social institutions, again, stating that the networks commonly used by society are a way to share information and knowledge among groups, people and organizations. This interface offers the possibility to create actions of innovation by the organizations, aiming the promotion of social transformation, in which knowledge, information, experiences and resources are shared and form a large solidarity bond. Zancan, Santos and Campos (2011, p. 83) acknowledge the “interorganizational importance as an organizational way to facilitate the process of
innovation”, thus, the networks kept among different institutions follow structural standards.

Therefore, the interaction between social networks and social entrepreneurship is crucial to the process of generating new enterprises that aim to change reality in social and economic aspects (GREVE; SALAFF, 2003). Thus, social networks help in the process of creation and during the development of social businesses, bringing benefits from relationship networks constituted by funds raising and different funding sources, which also contributes to develop institutions’ credibility from the ease of transparency of enterprises that social networks offer to the society (BIRLEY, 1985).

**Methodology**

This is an applied research, once it will be able to generate knowledge of practical application, with the objective of understanding the interfaces between social entrepreneurship and social networks to consolidate a social business. For this purpose, the study applied the inductive method, as the empirical object was analyzed under the theoretical point of view of social entrepreneurship and social networks, that is, in a first moment theoretical constructs of the subject approached were analyzed to obtain formal conclusions around the empirical object.

This study is qualitative and the objectives of the research are descriptive and exploratory. The strategy adopted was the study case, as its empirical object is a social assistance institution, having as design to deeply understand the contributions from social networks for the consolidation of this institution, considering their unique and essential features. In-depth interviews with data collection, bibliographical and documentary analysis were used as a tool for data collection.

Regarding in-depth interviews, administrative managers and the psychosocial sector of the institution were interviewed, which resulted in 4 hours, 52 minutes and 08 seconds of recording. In order to achieve better clarity of the profile of the interviewees and maintain them anonymous, Table 1 shows this information in a summarized manner.

**Table 1 – Profile of the interviewees**

<table>
<thead>
<tr>
<th>FICTITIOUS NAME</th>
<th>POSITION</th>
<th>GENDER</th>
<th>YEARS OF SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>E01</td>
<td>Direction</td>
<td>Male</td>
<td>26 years</td>
</tr>
<tr>
<td>E02</td>
<td>Direction</td>
<td>Female</td>
<td>35 years</td>
</tr>
<tr>
<td>E03</td>
<td>Coordination</td>
<td>Female</td>
<td>10 years</td>
</tr>
<tr>
<td>E04</td>
<td>Psychologist</td>
<td>Female</td>
<td>3 years</td>
</tr>
<tr>
<td>E05</td>
<td>Psychologist</td>
<td>Female</td>
<td>2 years</td>
</tr>
<tr>
<td>E06</td>
<td>Psychologist</td>
<td>Female</td>
<td>6 years</td>
</tr>
<tr>
<td>E07</td>
<td>Social Worker</td>
<td>Female</td>
<td>11 years</td>
</tr>
</tbody>
</table>

SOURCE: Own research and processing
Two semi structured schedule of open questions were used in the interviews, being one with questions related to management and the other with questions focused on psychosocial sector.

**Bairro da Juventude: historical aspects**

At the end of the 1940s, the city of Criciúma was growing due to the ascension of coal mining, which attracted new residents to the city in search for work. However, not all workers got a job or assistance from public policies, or something that could fulfill their needs. This culminated in a mendicant children scenario in the streets. Such scenario was considered a “social shame” to the richer classes composed by local business people and communitarian leaderships, which promptly mobilized together to transform this scenario (MIRANDA; SELAU, 2003).

Criciúma Rotary Club was founded in 1948 and took the mission of solving this social problem. Thus, in 1949, SCAN was created, inspired in the European model of nursing homes, in which a family received a house in order to adopt 10 orphan children. The model, in its turn, was not suitable to Brazilian reality, but served as an initial guiding to the Project and, thus, to suit it to what in the future would become an excellence model, according to Miranda and Selau (2003).

After positive and negative moments with reference to the management of SCAN, plus the institutionalization of the rogationist congregation in the city by the year of 1954, the Rotary Club gave the management of the enterprise to priests, which promptly changed the name of the institution to *Bairro da Juventude dos Padres Rogacionistas*. Until the year of 1975 the institution served as a boarding school, however, again due to difficulties in management, the rogationist priests gave the administration of *Bairro da Juventude* for the society of Criciuma, which continued the institution’s work (MIRANDA; SELAU, 2003).

Although the national context was of economic crisis in the 1990s, this was the period of greater growth of the institution, because a number of agreements were observed. Thus, more children were assisted, the infrastructure underwent expansion, among other actions created and executed by *Bairro da Juventude* (MIRANDA; SELAU, 2003). Following this increase flow, in 2006 the institution has observed the need to reformulate their strategic planning, counting on the voluntary consultancy of university professors and renowned entrepreneurs of the region. The objective was to be best positioned in the market and, as a consequence, succeed in the process of fundraising, aiming to be an institutional reference in delivering services to children in social vulnerability situation.

**Institutional profile**

Yet *Bairro da Juventude dos Padres Rogacionistas* is an institution of social assistance, it is also configured as a social business due to its impact in social transformation. Therefore, *Bairro da Juventude* needs a focused, excellent management in order to achieve their mission of “promoting and providing social transformation, by means of integral formation and social assistance, with humane educational process-
es to children, teenagers, young adults and their families” (BAIRRO DA JUVENTUDE, 2016).

The [Youth] neighborhood works with basic social protection. It is the promotion and prevention in order to strengthen ties, when we identify some situation of violence and forward the situation. Do we identify these situations? Yes, we do. But not all children suffered some type of violence [...] We forward, but the Neighborhood is not a violated rights agency, in this case we have to forward it to the CREAS [Specialized Social Assistance Reference Center], or to the guardianship council. We cannot treat these questions only here, internally (E07, 2016) [Emphasis added].

Bairro da Juventude is considered a small business according to the classification of the National Bank for Economic and Social Development - BNDES (2016), once their annual gross income is over BRL 2.4 million, maximum amount to an enterprise to be considered as a small business, and has an annual gross income below BRL 16 million, maximum amount for the category. Besides the annual gross income, the institution is considered a small business because of the number of people assisted: 1,500 people between the ages of 04 months and 18 years, also by the almost 230 employees.

Another factor of great relevance is the number of neighborhoods in social vulnerability situation attended in Criciúma and other neighboring municipalities. It is important to mention that Bairro da Juventude covers social vulnerability in its many perspectives, for instance, if a child needs to be home alone, even for a couple of hours, in a vulnerable neighborhood, this child is considered under risk. So, this factor characterizes itself as a situation of vulnerability, which needs to be attended by the institution. Besides, according to Bairro da Juventude:

Social vulnerability is when a child is exposed to some situation of risk [...] and there is the economic vulnerability, which is related to income, social vulnerability and due to the fact that [Youth] neighborhood serves mostly the vulnerable territories, they are exposed to situations of risk, such as drug use or a possible situation of sexual abuse. This does not mean that they did not suffer, that they used [drugs] and that they do not experience it in their families, but are exposed to these situations because they would access them some place around (E07, 2016) [Emphasis added].

Aiming the excellence of service delivering, in 2003 the organizational chart was updated and a directorship position was eliminated. The two remaining directors were supposed to optimize the activities and perform them more effectively. Nowadays the directors are focused on internal administration and external partnerships, aiming the improvement of strategic management towards competitive advantage. They count on the general coordination to bridge the direction and internal operation, that is, the general coordination Works as “eyes” to technical and executive directors, once these positions cannot handle all internal issues due to the great demand for partnerships, fundraising, among other top management activities.
Nevertheless, it is important to mention that the management of *Bairro da Juventude* is a private partnership with public purposes, so, they need to follow two paths: 1) to focus on fundraising, by open notices or by partnerships with other institutions; and 2) structuring internal management by defining the amount of money needed to provide an increasingly better service. Both paths seek to improve the service provided to children, young adults and their families in order to increasingly enhance social transformation, even that the institution needs to be continuously innovating and growing.

The [Youth] neighborhood has the objective of strengthening family bonds, and we are always trying to bring families here and talking to them about the importance of accompanying the child, the teenager, because we believe that is crucial. The family has their responsibility, so as the institutions. We are constantly working on sharing responsibilities [...] However, in the same way we call people to serious things, we also call them to have fun, to play, to a party or other (E07, 2016) [Emphasis added].

Currently the institution is undergoing another process of strategic restructuring with the support of private consulting firms specialized in third sector organizations. The excellence of the management of *Bairro da Juventude* is assigned to the continuous and intensive strategic planning studied and incorporated by the entire team. The major challenge is to be a pioneer in this aspect in Brazil and worldwide and still keep on continuously seeking and creating a market. The next step is to bring the beneficiary into the institution’s deliberative council, through shareholders meetings.

The interfaces between social networks and social entrepreneurship at Bairro da Juventude

*Bairro da Juventude*, for its consolidation and development, has an extensive social network, having partners of various types. As this study is proposed to analyze only two sectors of the institution, management and psychosocial, the analysis and discussion of the social networks focused on these areas, not corresponding necessarily, to all networks built and kept by the institution. Therefore, the strategy follows the logic of Brown and Duguid (2001), which state that the development does not come from a vision focused on the ultimate goal, but then when one perceives who is around and can direct the organization to an even greater development.

*Bairro da Juventude* and the municipal government consolidated a strong network. As *Bairro da Juventude* is a social work institution, the documents necessary to start and maintain a school would not be possible. This partnership is, consequently, an essential part of the existing social network, being responsible for the ability of *Bairro da Juventude* to provide educational service.

Besides this social network, *Bairro da Juventude* has a broad social network and counts on various partners so that their services can be developed with excellence, seeking to transform the reality of as many people as possible, as related by E04 (2016):
We try to be integrated to provide the more overcoming of unfavorable conditions, right? **Maybe we are not able to immediately change reality**, but can make this family able to overcome this condition [...] Even [name of a person] made some recent works like that, with the network, a nice job, so we as a sector seek partnerships with the network in this sense of being allied, of expanding our field of action. Because, this way, **we can go as far as we can, and when we are together, we can go further** (E04, 2016) [Emphasis added].

Because it is a social assistance institution, *Bairro da Juventude* protects its assisted people in an integrated way. Although the children are daily inside the institution, due to the function of the school and the activities offered in the opposite shift, *Bairro da Juventude*, besides providing basic education service and developing social-educational activities, is concerned with the psychosocial problems faced by the children and their families, seeking to maintain their health, food safety, among other issues involving the safety and well-being of each child and his or her family.

We, as psychosocial sector, **seek to do the more integrated work possible**, for instance, we have a family that [...] many pregnancies, history of disabilities, so we talk to this health unit [from the neighborhood where this person lives] to give some guidance to thus family. We have already searched for some guidance or even sterilization for this mother, with the help of the health unit; so **we end up expanding our field of action as psychologists and social workers**; we also look for the network. We have brought partners, too (E04, 2016) [Emphasis added].

*Bairro da Juventude* understands the importance of social networks and, more importantly, seeks these networks. The institution recognizes that, alone, it is not possible to provide the services or perform them with the current excellence.

As an institution, in some moments, if we want to give this full time attention, **we got to be humble and understand that we need this network**. By this intersectoriality, we try to perform these actions **to contemplate as fully as possible**, right? An action that can be portrayed not only here inside, but that portray a territory, for instance, as the partnership with CRAS, sometimes we have to perform some actions with CREAS, we got to be close to the guardianship council, we had to perform some actions with the public prosecution (E04, 2016) [Emphasis added].

As the *Bairro da Juventude* works with basic social protection, a partnership with the Social Assistance Reference Centers – CRAS and with the Specialized Social Assistance Reference Centers – CREAS of the municipalities attended, as well as the Public Prosecution and Guardianship Councils, is necessary. This partnership is important for the cases in which the child’s safety is compromised and specialized intervention is required. Besides these partnerships that contribute to the wellbeing of children and their families, the institution should count on the financial support of a network of partners.
In order to financially sustain their mission of social transformation, *Bairro da Juventude* seeks to carry out many other actions, such as campaigns, covenants and partnerships in communities. These practices aim to sustain the programs developed by the enterprise aiming the continuous development of the institution and the opportunity to offer a quality service to the beneficiaries. Among many actions, the “Friends of Bairro da Juventude” campaign is a movement in which the companies use “a seal on industrialized and/or commercialized products and services, aimed at channeling resources, based on the minimum wage” (BAIRRO DA JUVENTUDE, 2016), which involves over 100 partner companies.

Most fundraising is related to companies. The campaign “Turn Your Debt into Credit” mobilizes employees of companies in the region to contribute directly to the benefit of *Bairro* through the monthly debt of a donation on their payroll. More than involving the community and the business environment of the region as a means of fundraising for social transformation, *Bairro da Juventude* motivates other countries in this action. The campaign “Long Distance Adoption”, with the support of the Rogationist Congregation, allows that citizens of Switzerland and Italy can sponsor a child, contributing to the progress of the programs and activities developed, besides promoting the work of *Bairro* abroad.

"Sports and Leisure” Project offers many sports activities, such as soccer, volleyball, tennis, table tennis, chess and judo, in order to bring the student closer to the world of sports and provide the opportunity to this children discover their proficiencies and difficulties. The project serves 200 children and teenagers, between the ages of six and sixteen. Besides the sports variety, the project offers pedagogical support, informatics, food and cultural workshops.

Corporate bodies also participate contributing “in the amount of up to 1% of the total annual tax without any burden to the company, as long as it has basis of calculation for the actual profit” (BAIRRO DA JUVENTUDE, 2016). In the case of “individuals persons who complete their complete income tax return can donate 6% of the income tax due” (BAIRRO DA JUVENTUDE, 2016).

A great partnership between *Bairro da Juventude* and Nestlé, develops the “Nestlé Nourishing Healthy Children” program since 2012, with actions aimed at the health and well-being of children, through guidelines on healthy eating and targeted care for young people and children who are outside the ideal curve (low weight, overweight and obesity).

This wide social network, composed of various partners, can be explained by two factors: i) the need to contribute to the cause for which the institution undertakes; and, ii) the transparency with which management is carried out. We already have some accountability practices, with all the partners. For example, we make a *feijoada* here, with four partner companies sponsoring the event. At the end of the event, we do all the accountability: revenues, number of people, expenditures paid by the company, what was not paid by the company, do you understand? So this creates a very transparent relation, besides the loyalty relation (E01, 2016) [Emphasis added].

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1 Typical food that has beans and pork
Final considerations

Both social entrepreneurship and social networks are relatively new subjects in the literature, however, they already exist in the empirical environment and have been complementary for decades, as indicated the object of this study. In practice, one theory does not overlap the other: they are complementary and contribute to consolidate each other. For instance, social entrepreneurship, in order to achieve their mission of social transformation, counts on the important help of social networks that, in their turn, find their space to consolidate and develop themselves in social entrepreneurship.

Bairro da Juventude, since its genesis, shows how social networks were important to keep the institution solid and present in the market. In its formation, the Rotary Club was the main network creator to consolidate the enterprise, enabled the support of community and regional businesses. Along the years, for fundraising purposes, the businesses remained as important partners in the maintenance of the institution. In the last decades, partnerships with other institutions that provide similar services, as well as healthcare practitioners, set an important aid network to the psychosocial sector.

Yet social networks are set as strong partners of Bairro da Juventude in creating and keeping these networks, the institution makes major efforts to be popular and gained the confidence of partners. Frequently appearing in the local media is necessary to show seriousness and outcomes of the work, as well as participating in networking events and visits to partner companies.

Still, one can understand that social networks are an important tool to consolidate social businesses, once finding partners to help in the accomplishment of a social organization goal is important to maintain the excellence of the institution, as well as to the transformation of social realities.

References


