

The socio-ecological transformation – how can it succeed?

The socio-ecological transformation is on everyone's lips and yet it seems to burn everywhere. To counteract this, we need the socio-ecological transformation of our economic system, which has already begun, but which is not progressing fast enough. The beginning of this lies in a change in teaching – and in the promotion of social entrepreneurship.

In the face of all the crises of our time, it is imperative that we accelerate the socio-ecological transformation. A first starting point must be teaching, because the underlying problem of today's crises lies in a global economic system that puts the interests of the individual ahead of the interests of the general public and rewards selfish behavior.

Debunking the Fairy Tale of Benevolent Selfishness

For a long time, the maxim was that if everyone follows their own interests, welfare for all will be maximized at the same time – as Adam Smith characterized it with the idea of the "invisible hand". This fundamental misconception has persisted for a long time. Milton Friedman, a famous economist, said in 1970 that business should be all about profit. But there were also other critical scientific voices, such as Garrett Hardin, who in his famous essay "The Tragedy of Commons" theoretically deduced that the reckless use of commons leads to overuse and ultimately destroys it. He and Elinor Ostrom have shown ways to avoid this. In addition, the Club of Rome showed very early in model calculations what happens when we exhaust the Earth or the planetary boundaries, and we have done so. Nevertheless, self-interest is still drummed into the minds of pupils and students as the supreme principle of action in the economy – a fundamental error in thinking that is both wrong and harmful to the common good.

The common good as a good luck charm

But there is another way. This is demonstrated by the professor of economics and social entrepreneur Muhammad Yunus, who received the Nobel Peace Prize for founding his not for profit Grameen Bank. In his books, he often criticizes the one-dimensional image of the human being, which is still part of teaching in our faculties and subsequently becomes the thought pattern of many managers. In total, he has founded over 50 social enterprises worldwide. His conclusion: It is much more satisfying and fulfilling to use one's energy not only for one's own

livelihood, but also for the common good. "If I make money for myself, I am happy. If I make other people happy, I am super happy, you can do both", Yunus says.

It is important to mention this, because many managers seem to have no concept that it is more fortunate to combine one's own actions with the common good – as it is much more in line with human nature. The one-dimensional image of economics, on the other hand, generates a lot of suffering on the individual as well as on the social level!

Young people as social entrepreneurs – without risk

In view of this, Yunus offers young people an opportunity to gain their first entrepreneurial experience without risks, and to do so in the interests of the common good. To this end, he has launched the "3zeroclubs". Here, young people (12-35 years old) join together in groups of five each and then dedicate themselves to a social or ecological problem in an entrepreneurial way. 3zero stands for 0 poverty, 0 unemployment, and 0 CO2 emissions – a "3zero world" is his vision for the future.

Many universities have also established a "Yunus Social Business Centre". There are already more than a hundred such institutes worldwide.

Stronger support for social entrepreneurs

As a rule, students want to get as good a degree as possible in order to then apply for jobs in large companies. However, today's education system is not really entrepreneurship-friendly. Students are so busy with their schedules and cramming for exams that few seriously consider trying their hand at being a founder. In this respect, too, universities would have to fundamentally rethink their education if they want to contribute to more students becoming entrepreneurs or social entrepreneurs.

Moreover, not only the education, but also the economic system itself is designed to favor the wrong behaviors: selfish behavior is rewarded, altruistic behavior is not sufficiently encouraged. Social entrepreneurs, who also deal with environmental issues, must therefore be given more support. Although there are already many funding programs for start-ups, they is not enough financial support. At the last "Social Enterprise World Forum" in Amsterdam, some social entrepreneurs on the podium said when asked how the state could best support them: financially! After all, social entrepreneurs compete with other traditional companies in

the market with their offer and services, but in doing so they also try to solve a social or environmental problem and use their profits to do so.

Successful social enterprises

Successful social enterprises that already exist include, for example, the aforementioned "Grameen Bank" in Bangladesh, a microfinance bank for women; the same system has also been replicated in other countries, such as „Grameen America“ in the United States; the energy company "Grameen Shakti" in Bangladesh or the German social enterprise "Africa Greentec", which is dedicated to energy supply in Africa.

In the European Union, there are a large number of organisations that are considered to be part of the "social economy". This includes cooperatives, non-profit organisations, associations and social enterprises. Social enterprises account for 10% of all EU enterprises. These social enterprises are characterized above all by the fact that they pursue a social mission and reinvest the majority of their profits in it. If we are serious about socio-ecological transformation, we would have to increase this share considerably or turn the social screws in such a way that there are many more start-ups in the field of social entrepreneurship.

Setting the legal course

It would be conceivable, for example, to introduce the legal form "social business" as a new European legal form and to recognize it as "non-profit" under tax law. This would give social entrepreneurs the opportunity to receive money from foundations as well, and the gap to the foundation sector would be closed. In addition, one could think about a European social stock exchange, where all these social businesses could be listed.

All in all, we don't have a knowledge problem, but an implementation problem. We have already found solutions for most of the social or ecological problems (some of which I have compiled on www.sbi.wiki). Since the socio-ecological transformation is about speed, social entrepreneurs now need a lot of money and political support as soon as possible. The beginnings have been made: Last year, the Federal Government launched a "National Strategy for Social Innovations and Enterprises". The Social Entrepreneurship Network Germany (SEND) is also one of the actors promoting social entrepreneurship in Germany. Last but not least, the World Economic Forum has launched the "Rise Ahead Pledge" initiative to encourage companies to invest more in social innovations.

Info box:

Professor Muhammad Yunus was awarded the Nobel Peace Prize in 2006 for founding the Grameen Bank. The not for profit bank has lifted millions of women in Bangladesh out of poverty by providing them with microloans without collateral. The repayment rate is well over 90 percent. The women start their own business with these loans and thus generate income with which they repay the loan to the bank. Microcredits have fallen into disrepute in some cases when profit-oriented actors wanted to make money from them. Yunus' Grameen system, however, is designed solely to lift women out of poverty and has already been exported to other countries such as the USA (Grameen America). Legal proceedings against him have been ongoing for several years. He was sentenced to prison a few weeks ago, which he did not (yet) have to serve after posting bail (as of March 2024); further court dates will follow shortly. There is an international appeal by more than 240 well-known personalities who stand up for Muhammad Yunus to the Prime Minister:

<https://protectyunus.wordpress.com/2024/01/28/global-leaders-renew-call-for-justice-for-professor-yunus/>

Amnesty International criticized the trial as politically motivated and a travesty of justice.

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