

## Part 2

**Read the article on 'Social Enterprises' in the Insert Booklet, Part 2, Pages 4-5 and answer Questions 11 - 25.**

### Social Enterprises on the Rise

If you are feeling unmotivated at work or wondering whether you are on the right track of life, working for a social enterprise can be an answer to rekindle your passion at work and become part of a team to make a positive change to the world.

So what are social enterprises like? The term 'Social Enterprise' refers to an important new movement in business and entrepreneurship. Let's take it this way — it is a type of business that exists to raise the standard of living conditions or better the community. Its social mission can vary ranging from providing safe drinking water for the poor, introducing innovative educational tools for students in remote areas to creating jobs for the unemployed.

The concept of a social enterprise was developed in the UK in the late 1970s to counter the traditional commercial enterprises. Social enterprises exist at the intersection of the private and voluntary sectors. They seek to balance activities that provide financial benefits with social goals such as providing housing to low-income families or job training. Although profits are not the primary motivation behind a social enterprise, revenue still plays an essential role in the sustainability of the venture. In fact, sustainable revenue differentiates a social enterprise from a traditional charity that relies on outside funding in the form of donations or grants to achieve its social mission.

This does not mean that social enterprises cannot be highly profitable. In fact, a social enterprise is expected to trade or sell products or services like any other business – and that is how it makes money. Social enterprises can sell anything that a typical business offers. Like any other business, it will only make money if its product or service is of good quality, in demand, professionally delivered and priced so they can make a profit. However, unlike typical business, their priority is the reinvestment of profits into their social mission rather than payouts to shareholders. A successful social enterprise is one that balances the tension between upholding the social mission of their organization and maximizing the productivity of their business venture to ensure sustainability.

Social enterprises are founded to solve a range of social needs and often vary in their models. In general, there are three common approaches which are the innovative model, the employment model and the give-back model. Solar Sister is an example of a company that directly addresses a social need through innovative products. The company brings clean energy technology to even the most remote communities in rural Africa. An example for the employment model is Faire Collection which is a social enterprise that hires artisans in the developing world with fair wages to create jewellery and sell to international markets. One of the globally known brands that pursues the give-back model is TOMS which is committed to giving a pair of new shoes to a child in need when a pair of its shoes is sold.

For some social enterprising companies, especially those running the employment model, the priority of their recruitment is given to those who are from at-risk sections of the

community. Examples of these people are long-term unemployed workers and those who have worked in jobs where they were informally paid. The social enterprise may seek to provide a living wage, which in most cities is above the minimum wage. Another interesting fact is that at least 25% of all businesses are run by women. In 2013, the People's Business Report suggested that 91% of social enterprises currently boast at least one female director on their team.

If reading up to this and you find yourself interested in the concepts behind social enterprises, you are not alone as many people have been considering the same career path. One of the good reasons you can give to yourself is that you receive more than a paycheck as an accolade to your hard work. As a team member, you will be able to explore multiple roles which means different responsibilities. So, it is a great opportunity to maximize your potential and learn to be flexible when things do not turn up as expected. You will also be surprised to find yourself working among people with very diverse profiles. At a community-driven company, you will be working with people from different socio economic, educational and cultural backgrounds, fused by a common mission. And this is not what you would normally find in standard corporate jobs.

*adjusted from 'Social Enterprise' by Adam Barone, 'Social Enterprises – what's it like working for one of them?' by Laura Silverman, and 'What Is A Social Enterprise? A Simple Definition & 3 Examples' by The Good Trade*

**Part 2**

Read the article on 'Social Enterprises' in the Insert Booklet, Part 2, Pages 4-5 and answer Questions 11 - 25.

**Questions 11 - 20**

Answer the following questions. For each question write no more than **THREE** words that must be taken from one point in the text. **DO NOT** write full sentences.

- 11 What kind of emotion may encourage people to think of working for a social enterprise?  
.....(1)
- 12 What do social enterprises seek to achieve together with their social goals?  
.....(1)
- 13 What makes a social enterprise different from a traditional charity ?  
.....(1)
- 14 Who are the priority to receive the profits from normal businesses?  
.....(1)
- 15 Why do social enterprises need to maximize the productivity of their business?  
.....(1)
- 16 How many approaches are common among social enterprises?  
.....(1)
- 17 Which company employs skilled workers to create jewellery?  
.....(1)
- 18 Which group of people will be the priority for some enterprises when hiring new employees ?  
.....(1)

**19** What do employees in a social enterprise tend to explore to maximize their potential ?  
.....(1)

**20** What kind of profile would be found among the colleagues in a social enterprise?  
.....(1)

**(Total for Questions 11 - 20 = 10 marks)**

### Questions 21 -25

**Indicate your answers to the questions below by marking a cross for the correct answer ☒. If you change your mind about an answer, put a line through the box-☒ and then indicate your new answer with a cross ☒.**

**21** Social enterprises aim to... (1)

- A** make profits within the community they operate.
- B** increase the productivity for local people.
- C** help people to have a better life.
- D** train local people to run business.

**22** What is true about a traditional charity ? (1)

- A** It is not different from a social enterprise.
- B** It has a long history.
- C** It is more reliable than a social enterprise.
- D** It depends on donations to operate.

**23** What is true about social enterprises ? (1)

- A** Their profits are mostly reinvested to make more money for the business.
- B** They have to make sure that their products are good enough to make profits.
- C** They cannot set the price of their product very high.
- D** People are willing to buy their products and services regardless of the quality.

**24** What happens when a customer buys a pair of shoes from TOMS? (1)

- A** The customer can choose to donate the shoes to those in need.
- B** A new pair of shoes will be given back to the customers later.
- C** The company donate a new pair of shoes to an underprivileged child.
- D** A poor child will be given this pair of shoes after they have been worn.

**25** What is true about employment in some social enterprises? (1)

- A** .They hire those who lack jobs and may pay higher than the minimum wage
- B** They prefer female than males employees.
- C** It is risky to recruit those who have not worked for a long time.
- D** The priority is put in those who seek for a new career path.

---

**(Total for Questions 21 - 25 = 5 marks)**

**TOTAL FOR PART 2 = 15 MARKS**