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Social entrepreneurship as a new business model. The case of refugee integration

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ABSTRACT

The aim of this paper is to analyse the definition of the new 'buzzword' of Social Business in general, as well as to analyse its contribution to the refugee integration and touch upon their challenges and barriers they encounter. In the past few years, Austria has witnessed a massive increase in the number of asylum-seeking refugees, which has sparked a heated debate about the methods of their integration process. Politicians have proposed several measures, still problems such as social inclusion or effective and targeted integration into the labor market have remained untouched. In order to answer the research questions, this study applies the qualitative method and is based on both primary and secondary data. The data is gathered from 10 interviews of social businesses in the field of refugee integration in Austria. Based upon this finding, it is of the utmost importance that social businesses garner the attention of the government and policies which should support their creation and development.

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1. Introduction

Triggered by civil wars, violence, poverty, climate change, and persecution in countries like Syria and other parts of the Middle East, millions of people are forced to leave their homes and seek asylum status in Turkey, Lebanon, and Jordan, but also in various countries all over Europe. The total number of refugees in 2017 was estimated to have been 65.6 million worldwide. Figures demonstrate that more than half of all refugees came from countries such as Syria, Afghanistan, and Somalia (UNHCR, 2017).

Caught unprepared for large streams of migration, Europe has had to deal with a variety of policy issues ranging from humanitarian aid, border control, human trafficking, integration, education, European neighborhood policies, disputes between member countries of the EU common law concerning asylum, borders, and immigration (Techau, 2015). Even though the Austrian government has already undertaken numerous efforts to enable successful integration, such as the 50-Point-Plan (Europe Integration Foreign Affairs, 2017) according to the statistics (Expertenrat für

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Integration, 2018), a high number of refugees are still unemployed and have difficulties to access further education or learn German – all of which are requested conditions that complicate the integration process and produce gaps which cannot completely be filled by government incentives.

One solution to this crisis may lie in social businesses. In the past years, social enterprises that consider themselves sustainable and have economic, social, and environmental goals, have been looking for solutions in the field of integration (Barraket, 2007). By doing so, they have become role models for the future. Social businesses, such as ‘I am Refugee’, ‘Refugees Code’ and ‘More Than One Perspective’, to name a few, have been concentrating on the fields of language, housing, access to the labor market and understanding Austrian culture, all of which ease the refugees’ preparation for a successful life in Austria and support their integration process (The Guardian, 2018).

Notwithstanding the above developments, social enterprises are confronted with several barriers (Austin et al., 2006). A lack of specialist business development services as well as supportive legislative frameworks hampers the effect of social businesses and creates challenges to their development. Access to financial means and the absence of common mechanisms for measuring and demonstrating impacts are other examples of preventing social business from becoming a successful business model (Certo & Miller, 2008).

As social entrepreneurship projects are important in reducing refugees’ dependency on government support and their ability to promote sustainable living, it is highly important to provide an environment, where social businesses can succeed and fulfill their mission (Katzenstein & Chrispin, 2011).

While some research examining the motivational factors and challenges social business face has been undertaken (Hynes, 2009), little is known about social businesses and their contribution in refugee integration in Austria.

Due to the lack of studies and the recent emergence of social organizations in Austria, this paper aims to examine the importance of social businesses in the field of refugee integration by analysing their contributions as well as identify the main barriers and challenges.

2. Terminology of social business

The concept of social business was first introduced in 2006 by the Nobel Peace Prize winner, Muhammad Yunus. One of his most famous projects is the Grameen Bank which focuses on granting microloans to poor people in Bangladesh. Yunus views social business as a visionary new model for capitalism, created and designed to address a social problem (Yunus & Weber, 2010). It is his belief that the concept of social business is motivated by serving customers in the developing world through the provision of goods or services (Defourny & Nyssens, 2012).

In his work, Yunus describes seven principles for social business:

- The main objective is to overcome poverty and address other problems in the field of education, health, technology access, and environment. It is important that the business goal should not be profit maximization.

- Financial and economic stability should be one of the priorities of the business.
- Investors only get their invested money back, there are no dividends involved in the business.
- Companies' profits should stay within the company and be reinvested with the goal of expansion.
- A social business should be gender sensitive and environmentally conscious.
- The workforce gets the market wage with better working conditions
- It is important to run the business with joy (Yunus, 2018).

Even though the idea of social business has emerged fairly recently, social enterprise or social entrepreneurs, which are often used as a synonym to social business, are not a new concept (Mair, 2006).

The idea of social entrepreneurship was born in the mid-1970s out of the third sector, as a result of civil society's reaction to the economic crisis and the difficulties of the Welfare State. The third sector contains socio-economic initiatives which belong neither to the traditional private for-profit sector nor to the public sector (Mair, 2006).

Social entrepreneurial organizations are considered to be a sub-division of the third sector and focus on establishing a process in the spirit of a social enterprise and a reflection of a new trend of business (Defourny & Nyssens, 2012).

The origins of social entrepreneurship not only stem from different concepts but are also defined differently depending on the geographical region.

During the 20th century, the 'non-profit-sector' approach was well-spread in the US, using business activities for creating jobs for disadvantaged people. While in Europe, the approach of 'social economy' which brings together co-operatives, mutual societies, and associations was typically used and implemented by the European Union's institutions (Defourny & Nyssens, 2012).

This concept was especially true in Austria in the 1970s, when the first social organizations emerged. During this time, the Austrian Ministry of Labor and Social Affairs launched the program 'Aktion 8.000' where the main goal was to create jobs in the areas of social services, cultural and environmental activities. As a result, more than 50.000 long-term unemployed people benefitted from this program. Under the name 'Work Integration Social Enterprise' (WISEs), the organization offered a service to unemployed people and in 1996, was renamed the Public Integration Allowance. A few years later, the name changed for a third time to the Labor Market Service (Leichsenring, 2001).

Despite the terminology of social entrepreneurship being fairly well characterized by different organizational models and geographical areas over many years, in academic terms, Social Entrepreneurship as such is still a very young field. Some researchers even refer to it as a 'phase of excitement' and also interpret the vague definition of social entrepreneurship as an opportunity for them to contribute to its understanding (Mair, 2006). On the other hand, some scholars argue that the lack of a generally accepted definition amongst researchers might be the reason for hindering its advancement. Harding describes the meaning of social enterprise as a concept that 'covers everything' (Harding, 2004).

One of the most commonly accepted definitions was provided by Dees (1998). He describes social entrepreneurs as change agents in the social sector as they:

- ‘Adopt a mission to create and sustain social value (not just private value),
- Recognize and relentlessly pursue new opportunities to serve that mission,
- Engage in a process of continuous innovation, adaptation, and learning,
- Act boldly without being limited by resources currently in hand, and
- Exhibit heightened accountability to the constituencies served and for the outcomes created’

A good depiction of the core concept of a social entrepreneur is provided. They describe a social entrepreneur as someone who implements innovative solutions in the field of social needs by identifying them as opportunities – the same definition can be found for entrepreneurs who look for business opportunities.

While several other authors discuss the definition of social entrepreneurship in more detail (Mair, 2006), Nicholls and Cho focus on the three dimensions of social entrepreneurship: sociality, innovation, and market orientation.

The dimension of sociality means to describe the main goal of social entrepreneurship, which is mainly to increase the social instead of financial impact. The dimension of innovation defines the ‘new approach’ of dealing with social issues and meeting social goals. Market orientation, as a third dimension implies that social entrepreneurs employ business approaches and methods in order to achieve their social mission in the most effective way. This description is also supported by Chell who sees the entrepreneurial element as a part of its sustainability.

Another synonym commonly found in the literature is the ‘social enterprise’. As in the case of social entrepreneurship, a common definition does not exist. In order to illustrate the differences between a social enterprise and other organizations such as charities or traditional businesses, a social spectrum model was introduced by Dees (1998). According to Dees, charities, as organizations, are mainly responsible for creating social value. They are mostly mission-driven, funded by donations and grants, and rely on voluntary work. On the other side of the spectrum lie traditional businesses, which are primarily market-driven and established on the basis of market-rate capital. An organization placed in the spectrum between the two described poles is what Dees classifies as a social enterprise (Dees, 1998).

3. Applying the concept of social business to refugee settings

Despite the collaboration of international aid organizations and the Austrian government to identify factors of impact measurement in refugee integration, there are still numerous areas with room for improvement. Throughout Austria, serious issues connected to inclusion and the acceptance of diversity still exist. Social entrepreneurs who focus on the better integration of refugees in Austria have been implementing various projects aimed at reducing the refugees’ dependency on foreign aid and their ability to promote sustainable living.

The following description represents randomly selected social businesses as well as projects operating in Austria within the field of integration.

A high unemployment rate is one of the biggest issues cited in discussions concerning the refugee policy. Recent statistics from the Public Employment Service in Austria show that in 2018, over 30.000 refugees were registered as unemployed (Höller, 2018). Social businesses such as Refugeeswork have been concentrating on making refugees' potential accessible to the labor market. Furthermore, in the long-term they aim to break down the negative stereotypes towards refugees and create equal chances for migrants in the labor market (Refugeeswork, 2018).

Another issue facing social businesses is the fact that, even when refugees succeed in finding a job, they often end up working either part-time or working in a field unrelated to their previous educational and professional experience (Wong, 2018). This results in a significant negative impact on both sides: refugees (as they are unable to use their talent and abilities) as well as the economy (the right people are in the wrong places). The importance of having guidance and one-to-one coaching has been underscored by another social business, namely More Than One Perspective (MTOP). Here, the refugees can obtain one-on-one coaching sessions and attend networking events as well as advanced training programs that grant opportunities for many refugees to access jobs suitable to their skill set. Thanks to their efforts, over 80% of MTOP associates successfully managed to find an appropriate job in the labor market (MTOP, 2018).

Fleeing to Austria and establishing a new life therein is a common challenge for many of the refugees. Language barriers, cultural differences, and a lack of knowledge of the procedures in Austria hinder refugees from effectively integrating into the labor market to stay financial sustainable. Magdas Hotel is an international and multilingual social business. According to its motto 'stay open-minded', Magdas Hotel currently employs 14 individuals of different nationalities. Magdas Hotel is based on a concept whose sole purpose is not just maximizing profit. Its goal is to use an entrepreneurial approach to achieve a social impact (magdas Hotel, 2018).

Another social business initiative is run by the team of 'the connection' – it concentrates on three important principles: workshops, German courses, and a buddy-system. In the workshops, refugees have the possibility to gain valuable information about career opportunities through motivational workshops. Furthermore, they can obtain additional private lessons in school subjects such as math and foreign languages. The idea of the buddy-systems allows many young refugees to bond with locals and speak about their career desires and opportunities. For young refugees in particular, the buddy system represents an ideal opportunity to talk about important issues with someone outside their families and, by doing so, look at their situation from a new perspective. The locals have the possibility to share their experiences and create a valuable network for the refugees (The Connection, 2018).

Furthermore, many social businesses concentrate on providing services via online platforms. I am Refugee is an example of such a concept. The platform offers the opportunity to connect persons interested in helping refugees to integrate better. Coaching, tutoring, or simply being a buddy for a new refugee is possible thanks to their website (I Am Refugee, 2018).

However, language and buddy programs are not the only examples essential to integration that social entrepreneurs focus on. Cooking courses, building one's own business, or programming courses are offered by social businesses. A coding school, which is in the heart of Vienna, offers refugees free courses on developing coding and software development skills, which help them acquire the necessary skills to work in the IT sector (Refugees Code, 2018).

While a lot of emphasis is placed on refugees' integration into the labor market, physical health, and rehabilitation, the mental state of children is often overlooked. When issues are ignored, the problem itself intensifies and can have a continuous effect throughout the rest of a child's life (UNHCR, 2018).

To address this shortcoming, TeachforAustria has set a valuable milestone in the field of education concerning equal opportunities and integration. TeachforAustria developed a concept of sending well educated young 'Fellows' to teach in at risk schools, where the possibility of children dropping out of school is very high. Young graduates from different academic fields and diverse professional experience can therefore enrich everyday school life (Teach for Austria, 2018).

4. Methodology

The research objective of this paper is to identify the challenges of social businesses in supporting refugee integration. This part concentrates on giving an overview of the methodology used to analyse the research question. The rationale for the chosen method and the method of how the data was gathered will also be evaluated. Furthermore, a description of the sample is provided.

4.1. Design

To investigate the challenges of social entrepreneurs in Austria, the paper executes secondary and primary data collections. For the collection of primary data, a qualitative method was used. It was regarded as useful, as it enables to approach in-depth analysis of a defined phenomenon.

The qualitative in-depth interview was chosen as a method, which enabled grasping the field of social entrepreneurs in more detail and gaining additional information together with its backgrounds and justifications (Berger-Grabner, 2013).

4.2. Sample

The ten social entrepreneurs who participated in the interviews worked in organizations focused on refugee integration. The participants were either founders, co-founders or supported and worked for a social business as such. The interviewees were between 25 and 65 years old and had at least 2-5 years of experience in the field of social entrepreneurs. To ensure anonymity, the participants used generic names such as Participant1, Participant2 and so on. Although the numbers were randomly assigned and met the anonymity conditions, differentiating social organizations was still possible. The following table shows the date of the interview, name

Table 1. Overview of interviewees.

Date	Name	Position	Social organization
30.11.2018	Participant1	Founder	I am refugee
05.12.2018	Participant2	Employee	More than one perspective
06.12.2018	Participant3	Founder	Kattunfabrik
11.12.2018	Participant4	Employee	Socialbusiness1
12.12.2018	Participant5	Co-Founder	Theaterflucht
16.12.2018	Participant6	Founder	Topfreisen
17.12.2018	Participant7	Founder	New Austrian Coding School
17.12.2018	Participant8	Founder	Habibi&Hawara
19.12.2018	Participant9	Founder	Open Piano for Refugees
21.12.2018	Participant10	Founder	Teach4Austria

Source: own representation.

and position of the participant, as well as the associated social organization. Organizations which did not wish to be mentioned in this paper were marked as ‘socialbusiness1’. All ten organizations were not related to one another. On request of some interviewees the word ‘social organization’ is used on purpose instead of social business. (Table 1)

4.3. Procedure

The interviewees were sourced via a Google search using key words such as ‘Social Business for refugees’ and ‘Austria’. Following this search, not just the owner or founder of the social business were contacted, but also its employees. Social media, such as Facebook and LinkedIn also served as a source of recruiting interviewees.

Furthermore, the search was expanded through contacting organizations and incubators of social businesses in Austria, such as the Social Impact Award, the Coca Cola Foundations, and Ashoka, as well as NGOs such as Caritas and Diakonie.

Social entrepreneurs who fulfilled the inclusion criteria for participation in the interview were asked via e-mail to participate in the interview. The inclusion criteria were: social entrepreneurs in the field of refugee integration. The exclusion criteria included businesses which were not seen as social projects or whose primary goals were chiefly profit-based rather than around social impact. Social businesses that did not concentrate on refugee integration served as a further exclusion criteria.

The e-mail correspondence included a brief description of the project and the research questions and the personal motivation for researching this topic. Interviewees were invited to voluntarily contribute and were not forced or manipulated to participate in the process in any way.

The interviews started at the end of November and lasted until the end of December 2018. They mainly occurred on-site but occasionally were carried out via Skype. Each interview lasted between 30 and 60 minutes. Interviews were undertaken in English, or, at the request of the interviewee, were conducted in German and later translated into English.

Prior to commencing the interviews, the interviewees were asked to give their permission to audio-record the interview. To ensure confidentiality, participants were

requested to sign a declaration of consent where they also had the possibility to give permission to use their organization's name in this paper.

Each of the ten interviews was carried out individually to avoid any kind of bias. The same questions were asked to each of the interviewees used for comparative purposes.

During the interview, it was important to keep the questions open, so that the interviewee had the possibility to express his or her opinion widely and at length.

Additionally, an interview guideline was used, which helped to keep the focus on the research topic, but still allowed for related and interesting elements to arise during the interviews.

The introduction began with a quick overview of the topic and the research questions. After the introduction, the interviewee was asked to introduce himself/herself as well as their position within the social organization. In the introduction section, interviewees were also asked to define the concepts of social business and social impact.

The second part of the interview concentrated on their contribution to refugee integration, their challenges as well as their opinion on government assistance.

During the interview, paraphrasing was used to check whether the information was understood correctly, so that any misunderstandings or inconsistencies could be avoided. Even though the respondents were also available after the interview for further questions, additional interviews were not conducted.

All ten interviews were audio recorded and later transcribed to allow necessary coding and evaluation.

4.4. Data analysis

The purpose of data analysis is to transform the collected data into observations and findings (Patton, 2015). While in quantitative research there is a range of standardized ways of analyzing data, the situation is different in qualitative research. Even though a variety of analysis strategies exist, no clear rules are provided on how the data should be in this form of research (Mehmetoglu, 2016). However, according to Mehmetoglu (2016), data analysis can be done in two steps, namely data processing and data transformation.

While data processing is based on encoding, indexing, sorting, and retrieving the data, which can be done either manually or using software tools, data transformation is undertaken by interpreting the data and using secondary data in advance, to ensure a correct interpretation (Mehmetoglu, 2016). Many different analytical approaches exist for both data processing as well as data transformation (Yin, 2015).

The analytical part of this study is based on qualitative content analysis according to Mayring (2010), which, due to its theory and rule-based methodology, is suited for the evaluation of the expert interviews presented in this paper. Mayring divides such qualitative data analysis into four phases: 1) conducting the interviews, 2) transcribing the interviews 3) coding the texts (categorization and generalization of the content), and 4) interpretation.

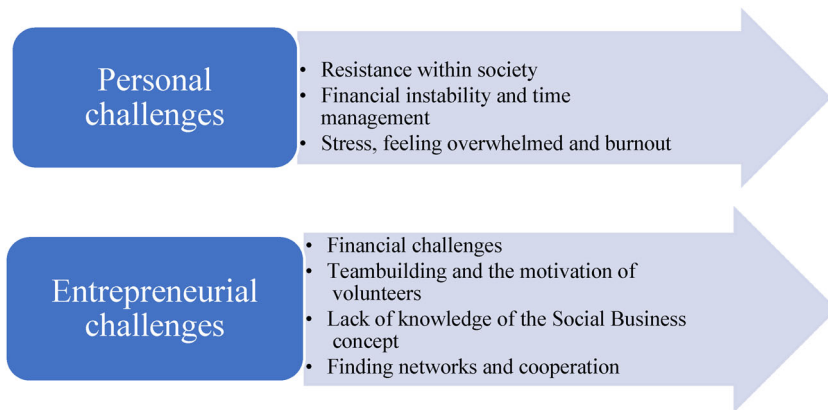


Figure 1. Challenges of social entrepreneurs.

Source: own representation

5. Results and discussion

According to the findings, the challenges of social entrepreneurs can be divided into personal and entrepreneurial ones (Figure 1).

In the following subheadings the challenges are described in detail.

5.1. Personal challenges

Even though the challenges of both social and traditional businesses may be similar (Smith et al., 2014), results suggest that a social business that deals with refugee integration and tackling issues in education, housing, and labor market integration, additionally face other challenges in delivering a social value, social return, and social impact.

5.1.1. Resistance within society

Social businesses are strongly driven by their mission to create a social value, bring change into society in the areas where it is needed, and achieve their social mission (Doherty et al., 2009). However, when implementing the idea in real life, social entrepreneurs are met with resistance. Participant11 reflected: *‘I had people doubting my plan, they doubted that I will succeed’*. The data suggests that almost every social project faced this challenge.

The findings moreover show that when starting to execute an idea, networking, and collaborations with other institutions, the government or other companies are of high importance, especially at the beginning of the startup phase. Yet the findings suggest that participants experience a strong unwillingness from the counterparts to join or to support social projects, anticipating that social entrepreneurs won’t achieve any results and won’t be able to provide any proof of making a social impact.

The lack of faith about the success of a social business, as well as resilience, often results from the current political situation and bears great significance on the positioning of the social entrepreneurs who put measures in the field of refugee integration. Results of this study support the literature, in the sense that anti-immigration

parties have gained popularity and therefore enhanced the negative representation of refugees in the media, which in turn manipulates locals' attitudes toward them. Participant8 confirmed: *'The picture of our target group is very much framed by the newspapers and is depending on current politics'*. Considering this fact, the attitude towards social businesses aiming to enforce integration is not improving.

5.1.2. Financial instability and time management

Launching a social business can be overwhelming and frightening, especially when only limited financial means are provided. Results show that participants sometimes found themselves in a situation in which they had two jobs simultaneously: one regular job, and then a second job of establishing a social business. Some of the participants found themselves giving up their jobs to concentrate on the execution of the social initiative completely. Combining their availability and financial means proved to be almost impossible without any additional funding or donations. As stated by Participant1: *'First I tried to reduce my working hours down to 20 hours per week and spend the rest of my time working on the social project. ... after a while we realized we are not getting any funding, so we decided we just go for donations'*.

According to the findings, many of the social businesses struggled to find time for team meetings, planning a business concept, and writing a business plan. Nevertheless, the participants of the study revealed that their contribution was always connected to a feeling of self-fulfillment. Participant5 described: *'The challenge is always time and money. We struggle every year getting the team together, but after the project we know that we have to do it next year again because it is rewarding'*. Witnessing the positive effects of their work and seeing how people are helped motivates social entrepreneurs to swim against the current and find motivation to improve their projects.

5.1.3. Stress, feeling overwhelmed and burnout

Within the literature, social entrepreneurs are described as value-oriented opportunists who create social change by establishing an enterprise. They are motivated by the wish to change society due to their discomfort with the status quo (Certo & Miller, 2008). When building a social business and focusing on social values, an entrepreneurial approach is necessary, to establish a 'for-profit enterprise' which can serve the community and tackle the target issues in a scalable, more sustainable way long term (Roper & Cheney, 2005).

The data suggest that the intense challenge of creating relevant social value while promoting and establishing an entrepreneurial culture was a challenging barrier for some. Also, a sense of needing to be in several places at once caused a high level of stress amongst participants. Participant9 reflected: *'The biggest challenge is to take over as many roles as you can, because you don't have so many resources available'*.

Results from the study outline the high level of responsibility that falls upon the shoulders of social entrepreneurs, who report a need to have knowledge in a wide range of business topics, including accounting, marketing, and team leadership.

Furthermore, it was found that the importance of learning how to keep a proper work-life balance was mentioned and remains a challenge for many social entrepreneurs in this field.

5.2. Entrepreneurial challenges

This chapter discusses the challenges the participants of the survey encountered when setting up their social projects to contribute to successful refugee integration.

5.2.1. Financial challenges

Study participants reported funding as one of the most challenging issues concerning the establishment and sustainment of the social start-up. Results also revealed that it can take up to six months until the project receives the funding.

According to Haugh and Kitson (2007), as most funding comes from the government, their support plays an important role in the advancement of social enterprises. Two out of the ten participants had received government funding. They stated that it is not quite objective and receiving it entails having a good network of contacts, which social businesses usually do not have, especially due to their legal recognition in their early stages. Participant7 reflected: *'The first few months we were working totally without money, and even after we had some success it was still very hard to get any funding because we didn't have any contacts'*.

Another difficulty when seeking appropriate investment arises from the fact that investors of a traditional business are accustomed to seeing rapid and scalable growth, which is very difficult for social entrepreneurs to deliver. For this reason, many investors doubt their success and do not invest.

When receiving money from an investor, social entrepreneurs invest a significant amount of their working hours into documenting the results and impact, which is usually time-consuming and may restrain the flexibility of the entrepreneur.

The complexity and importance of measuring the success of social business is confirmed in the literature. Knowing what has been achieved and discovering 'blind spots' where improvements should be made is a crucial point for every business. To ensure a long-term social impact and existence of a social business, it is of paramount importance to translate social entrepreneurs' objectives and visions into a workable business strategy, which would allow effective measurement and achieving a social vision (Darby & Jenkins, 2006).

The participants of the study pointed out that they are already working on suitable measurement tools, which unfortunately remain complex. While some of the participants stated that a standardized framework would be a big help and would ease the entrepreneurs process of measuring their success, others claimed that the measurement framework should be designed by each business individually as it is extremely case-specific.

'I am not sure whether it is good or bad to have a standardized impact measurement. There might be some pros and cons. What I see today is that it is a lot of work, and I am not sure if you can quantify the whole impact in one number. I think for

some cases, measuring the impact is clear but I can imagine in some cases it's almost impossible' (Participant7).

Some of the participants stated that they didn't know at what time points the impact should be measured.

5.2.2. Teambuilding and the motivation of volunteers

Employees, in addition to a good team in general, are a key resource as they enable a social entrepreneur to achieve success in the vision and remain sustainable. The success of the social project is also being able to attract and retain the correct blend of complementary skills (Imperatori & Ruta, 2006).

Participant8 confirmed: *'The key success was the diversity in the team. We have found people who believed or believe that we want to make something useful'*.

Even though this aspect has been supported by the findings of this study, retaining, and motivating employees is not always an easy task.

As social businesses are usually dependent on volunteers at the beginning of the business, the lack of financial resources and job security have been a challenge for the interviewees. While it proved easy for the social entrepreneurs to find volunteers with good skills and insights at the beginning, the most challenging issue was to build a sustainable team after the establishment of the project with little or no funding. As the project began to grow, social entrepreneurs relied not only on volunteer work, but were searching for skilled and passionate contributors, who could dedicate themselves full-time to the social project. Motivating, or sometimes begging volunteers to stay, was described as a huge challenge as it took up a lot of the participants energy, when instead they should have been focused on a strategy and execution of their activities. Participant1 reflected: *'Even though we were lucky to have some volunteers working for us, at the same time it drains your energy because you find yourself running after people the whole time. This is something that definitely concern Social Business, because in a normal business you get paid'*.

Retaining employees, as well as motivating them to support the idea after it has been established remains a challenging issue for most social entrepreneurs. This is in accordance with the literature, which states that loyalty and commitment of the employees or volunteers serve as a key success factor for a social business to exist, yet at the same time they impose one of the higher barriers for social entrepreneurs to overcome (Bornstein, 2004). The findings of this study also support this claim.

5.2.3. Lack of knowledge of the social business concept

Most of the participants originated from a social side rather than entrepreneurial or economical. Considering this, they stated that one of the biggest challenges to deal with was their lack of knowledge of how to set up a business. While some of the participants studied economy and already had a theoretical basis, building a social enterprise in real life proved to be a significant challenge. Participant7 made this point: *'I studied economics, but it is totally different to find a company in reality, with all the contacts, finding business partners, selling etc.'*

Matters such as building a team, finding appropriate legal forms, as well as accounting or leadership were completely new for most of the participants of the

study. For those who concentrated on tackling the issue of refugee integration through digitalization having the technical knowledge to build a website, for example, was another burden that they needed to overcome.

A further challenge related to a lack of field-specific knowledge. For example, social entrepreneurs who had started a business in the culinary field had to learn the rules of hygiene regulations, terms of employment, and the minimum legal requirements of having a restaurant. Participant6, who has started a social business as a catering company narrated: *'You have to grow your personality and your skills very fast because otherwise you are gone before you even start. For me the most difficult part is the business part because my background is in social work and I needed to get familiar with numbers, balances and the question how to run the business overall'*.

Other companies which focused on the educational sector faced legal and administrative requirements in schools, such as the conditions of employment of young fellows who are by profession, not teachers. Participant11 summarized his experience: *'We have to study careful what is possible for our fellows and what is not. For example, we had to learn whether our fellows are allowed to teach alone, what should they get paid. It revealed that in each district they are paid differently, so for us it was important, that they get paid the same, doesn't matter in which district they work. This takes a lot of effort'*.

A lack of knowledge about the target group, which mainly comprises refugees, was also mentioned as a challenge. Cultural differences including different values and the language barrier may fuel this challenge.

Because social businesses are not legally recognized, the challenge to find an appropriate legal form for the business was described as another challenge. While some social businesses which participated in the study quickly decided about being an association or limited liability company, the legal environment and institutional architecture as well as existing legalities are not as conducive to social businesses as they should be, and this presented a further challenge for social entrepreneurs.

Therefore, knowing the business format is crucial for social entrepreneurs as it facilitates the achievement of the vision of the business and provides a framework on how their businesses should work. Furthermore, it can help the participants of the project to position themselves correctly and receive needed institutional and financial support to ensure the long-term sustainable existence of their mission.

Another finding was that social entrepreneurs who are a lot more focused on their philanthropic mission rather than the long-term existence of their idea often forget about sustainable financial stability. Moreover, feedback from participants in the study also indicated that they were less comfortable with creating social value and making profit at the same time.

However, the lack of knowledge about financial management is a distinct disadvantage as the participants acknowledged that the biggest obstacle, they had to overcome was money. This finding is not surprising, as it has been theorized that altruistic intentions guide the actions of social entrepreneurs rather than the desire to amass personal wealth (Christopoulos & Vogl, 2015). Other participants of the study confirmed the theoretical approach of social businesses and agreed that extrinsic

rewards – specifically money – are essential in conquering potential obstacles and allowing the creation and success of a social project.

5.2.4. Finding networks and cooperation

From an external point of view, the cooperation with institutions, other social enterprises, and the government is important for social businesses as it provides access to further markets, target group information, and possible funding sources (Shaw & Carter, 2007). Findings from the study show that a lack of an appropriate network, or cooperation between social businesses and companies, may hinder the success of the social businesses. Participant1 reflected: *‘It would be great to have an office where you could talk to government and receive the necessary connections, depending on what your business needs’.*

This kind of cooperation is fundamental for social projects which concentrate on labor market integration. In addition to providing programs for refugees, such as language and orientation courses, social businesses help find refugees an appropriate job according to their profile. A closer network with companies, as well as participation in this kind of networking, can increase the chances of placement. Participant2 who is working in the field of labor market integration reflected: *‘Connecting our social business with other companies would be really helpful because we spend a lot of times finding the connections. Government has all these connections so if they would help us with that it would be very helpful’.*

The literature reviewed contained information on further advantages of a functioning network. According to Thompson, social enterprises that work closely with the government and other companies, receive funding, donations, bank loans, or even skilled employees easier when the transparency of the social business and a regular exchange of information is provided (Thompson et al., 2000).

Participation in networks can also increase the exposure of social projects to broader external stakeholder such as agencies, which might be helpful when it comes to measuring the impact of social businesses (Shaw & Carter, 2007). This was also confirmed by the participants of the study. Furthermore, the findings discovered that a network could improve and increase awareness of society and the government about the concept and values behind social businesses.

6. Conclusion

The aim of this study was to gain a deeper understanding of the concept of social business as well as to map social businesses or projects in Austria that contribute to refugee integration. Therefore, the intention was to understand the barriers that participants in that field encounter, as well as the specific government assistance offered for social entrepreneurs in Austria to assist them in achieving their mission.

This chapter details the main findings of the research questions and provides recommendations on how the government could support social businesses in Austria. It illustrates the limitations of the study and provides suggestions for future research.

An increase in the number of political conflicts around the world, and in turn, the associated refugee crisis, represents a major challenge for various countries including

Austria, explicitly the integration of thousands of people. While the government has taken some measures to address integration challenges, many fields that constitute an important part of successful integration remain untouched. These gaps have been recognized by social businesses which, in turn, have established social projects in the fields of language, housing, and labor market integration – all of which have contributed to better refugee integration in the country.

Even though the number of asylum seekers declined in 2018, current trends show that the majority of asylum seekers registered today are expected to stay longer. Their quick and efficient integration is, therefore, an important prerequisite to ensure the sustainability of the refugee policy and, above all, is important for the long-term social cohesion of a country.

This fact illustrates an urgent need for action in the field of integration, which was taken by the government in 2010, when the ‘National Action Plan for Integration (NAP.I) was presented. The literature describes a wide range of analyses concerning the measures that are being taken and contains criticism of potential gaps. One of the main points of criticism describes the use of ‘integration’ as a more political term for assimilation. The law against headscarves and the budget cuts for German language courses or tested minimum income are more indicative of assimilation, which often complicates the integration of refugees

A lack of German knowledge complicates refugees’ access to the labour market and social integration, which are important for full integration into society.

However, these gaps are being recognized by several social businesses in Austria which aim to foster integration from both the side of the refugees and the local community. It was found that integration should be supported from both sides: refugees have to be willing to integrate, but the local community has to be willing to accept them as well.

Through various initiatives, social businesses aim to fill this gap by giving refugees easier access to the labor market. Special attention is also paid to the initiatives in the field of housing and orientation, as well as learning the German language, as they serve as bridges to successful integration. Additionally, great value is placed on integrating refugees into society, helping them to understand the culture and the values in Austria, as well as provide the same opportunities for education.

Although social businesses are valuable contributors to refugee integration, they face many challenges and barriers, hindering them from establishing and maintaining such a project and pursuing their mission. The challenges and barriers of social entrepreneurs in Austria can be divided into two categories: personal and entrepreneurial.

The personal challenges include resistance within society, which is especially noted at the beginning of the project. The general public’s lack of awareness of the goals of social businesses results in a lack of trust, as they often do not know why such businesses exist in the first place. These challenges are especially harmful when social entrepreneurs try to seek funding, find volunteers, or even when they first register the company.

As many social entrepreneurs cannot afford to make a living from the social business, at least at the beginning, they usually juggle two jobs. The lack of time and

financing is often a challenge to staying loyal to the objectives and driving the social business forward.

Being pressured to combine skills and act as a social entrepreneur can prove to be very difficult. As some social entrepreneurs lack an economic background, they find it difficult to adapt to the new world of business and deliver the required knowledge in regard to accounting, establishing, and leading a company. As a result, many social entrepreneurs suffer from stress or even burnout syndrome. Entrepreneurial challenges, on the other hand, include solving financial hardship and motivating volunteers in addition to engaging in teambuilding exercises. Furthermore, a lack of a coherent network and cooperation with already established social businesses or commercial entrepreneurs makes it difficult to represent themselves among the entrepreneurs or integrate and provide the refugees with jobs in various companies.

Finding a balance between the two issues, with the goal of achieving business success, sustainability, and the determined social objectives, are challenges social businesses very often face. Further, creating and measuring social value are not mutually exclusive.

A widespread lack of understanding of social business concepts makes it difficult to access possible financial resources and establish a position in society. By not perceiving the right role, they usually receive a negative connotation, hindering them from attracting potential investors or employees, which therefore leads to their short-term existence.

7. Implications

Given the central role of social entrepreneurs as contributors to refugee integration, the findings uncovered that there is hardly any government support for social businesses. In many cases social projects did not receive any financial support or proper attention from the government.

Social businesses are highly motivated to achieve their mission, help integrate thousands of the refugees into society, which as a matter of fact relieves government expenditure in the long run and ensures better cohabitation.

The findings showed that helping to promote a culture of social entrepreneurship and a positive attitude towards the integration of refugees can be a preliminary step towards social enterprise creation and its long-term existence.

Awareness concerning social businesses can be raised by establishing courses at university, which would focus on the definition of social businesses and their importance today. Providing summer camps for young people would also help to generate and exchange ideas.

Financial sustainability was highlighted as one of the most important success factors for every social business. Support should be provided for all stages of their life cycle to ensure efficiency. Developing better access to sources of financial assistance as well as the inclusion of objective criteria in the assessment of the social enterprise should be improved.

The creation of a coherent networking system between the social and commercial entrepreneurs would allow an exchange on entrepreneurial topics, as well as social

ones, and would strengthen the idea of using an entrepreneurial approach to tackle social issues.

In order to assist social entrepreneurs in expanding their business, there is an urgent need to provide them with a coherent and holistic legal framework. This would help provide the clarity which policy makers, investors and society need.

Another important success factor is having appropriate work space. Findings show that many social businesses are in need of office space in which to ensure teamwork and cooperation with other stakeholders.

Adopting a coherent and holistic framework for social businesses is a challenge the Austrian government must tackle. Not only the policies, but the policy processes are of high importance to maximize the social and economic impact. It may be concluded that the key to success is the close cooperation between social businesses and the government.

8. Limitations

The findings of this study cannot be taken as gospel as only ten participants who were a part of a social project were interviewed. Furthermore, the participants that were interviewed for the study were participants working in the field of refugee integration. Due to the small sample size, caution must be applied as the findings might not be transferable to other social businesses.

The results might also not be applicable in countries other than Austria. Another possible limitation is the language the interviews were conducted in. Three out of ten interviews were conducted in German, due to the wish of the interviewees and thus some information may have been lost or misinterpreted during the translation process.

9. Future Research

Discussions about the impact and the importance of social businesses in Austria in the field of refugee integration will continue to play a central role in the future.

This study highlighted that a lack of awareness regarding social businesses does exist in Austria, however this study only focused only on social entrepreneurs who were associated with social projects or businesses. Future research could investigate the public's opinion and their various views about traditional and social businesses. Understanding diverse views can provide better insight on how to support social entrepreneurs.

In addition to managers, it would be of great interest to interview other participants of a social project, such as volunteers or employees in order to deepen the understanding of issues and barriers inside the organizations.

Another important area in need of research is the correlation between the motivation of the people starting a social business and its success. Furthermore, it would be interesting to find out whether different motivational factors affect the success of social entrepreneurs differently.

Disclosure statement

No potential conflict of interest was reported by the authors.

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