

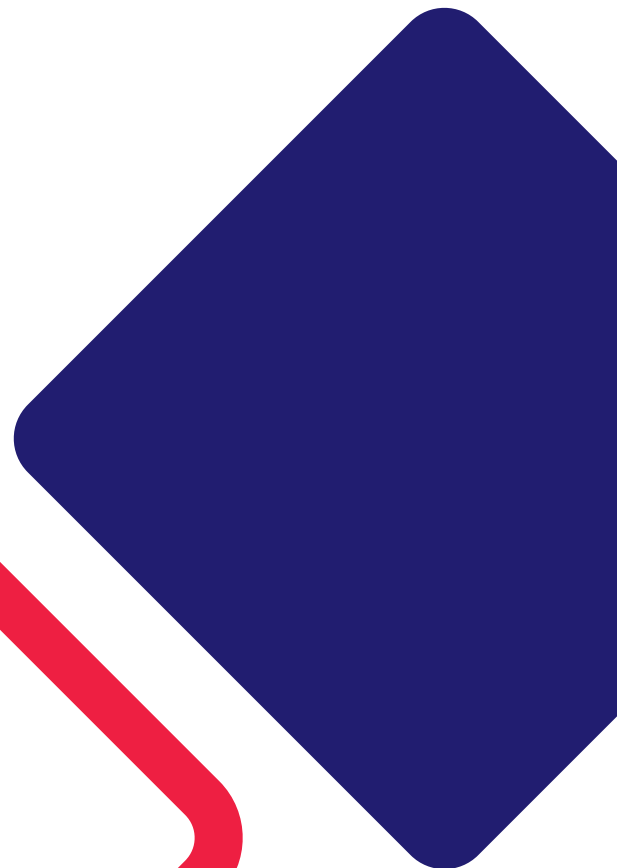
Social Enterprise in Mexico: Higher Education & Beyond

October 2021



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Introduction

Social enterprises address social and environmental problems by developing innovative solutions to improve communities, societies and the lives of individuals.

This report draws on the British Council's previous work to support social enterprise globally. The Thomson Reuters Foundation's 2019 research on the 'Best Country to be a Social Entrepreneur' ranked Mexico last (43rd), a drop of 15 places from its 2016 position of 28th overall. This drop was based on worsening conditions for accessing non-financial business support (a key area that higher education institutions can assist with), as well as deteriorating sales to the public. However, Mexico does perform well in the involvement of youth in social enterprise, ranking 9th in this area and illustrating how a key resource (i.e. students) could

be utilised to support growth. Understanding the social enterprise ecosystem in Mexico, and the role of higher education institutions, creates an opportunity for promoting, more broadly, social entrepreneurship and social innovation in the country and improving the ecosystem opportunities in the country. This research report outlines findings from an online survey and semi-structured interviews conducted between December 2020 and March 2021.



Key Takeaways

Definitional Ambiguity

Mexico needs more clarity in defining social enterprise nationally, especially with regards to policy and regulation, whilst higher education institutions could also develop their own definitions for social enterprise to support understanding/engagement.

Policy and Funding

There remains a lack of policy frameworks to support social enterprise nationally (despite the work of INAES). Locally, policy efficacy varies depending on the locality. Acknowledged positive policy frameworks include: Fondos Federales para la Investigación (CONACyT) (Federal Research Funding); Sembrando Vida (Sowing Life) and the wider Programa Bienestar; and Apoyo a Mujeres Emprendedoras (Support for Female Entrepreneurs).



Curriculum for Social Enterprise

The quality of social enterprise curricula is generally viewed as average/poor, with some notable pockets of excellence (e.g. Instituto Tecnológico y de Estudios Superiores de Monterrey; National Autonomous University of Mexico). A greater focus on practical, place-based learning is required, with enhanced community and private/third sector engagement in courses.

Opportunities for Scale

Direct support for social enterprises through incubation, business/start-up competitions, networking, and corporate/CSR partnerships provide significant opportunities for scale. Community engagement also offers a key benefit to students and the institutions themselves, especially if courses and social enterprise work can be better focused around the compulsory volunteering that forms student's studies in Mexico.

Recommendations

Definitional Issues:

Effort should be made nationally and locally (through universities) to develop a common definition for social enterprise that enables stakeholders to understand the process for creating, scaling and funding social enterprise organisations.

Enhanced Policy Frameworks

There needs to be enhanced policy support from central government for social enterprise, as well as greater guidance for local government as to how they can support social enterprise growth.

Improving Community Links/Awareness

The mandatory policy in Mexican higher education curriculum focused on student volunteering provides a significant opportunity. Universities should ensure that a significant proportion of volunteering is allocated to supporting the social enterprise sector as part of a shift towards 'changemaker' type curricula.

Funding

Non-government funding is critical for social entrepreneurs at present; in the current climate, it is difficult to access funding to scale-up. Universities should seek to work with the private and NGO sectors to ensure that funding streams are available for programmes that support the social enterprise sector.

New, Place-based Social Enterprise Curriculum

There needs to be more place-based learning in Mexican higher education, especially regarding the social enterprise sector. Such approaches to learning align well with the enhanced focus on community engagement discussed above.



Intra Higher Education Collaborations

There is a need for greater inter-higher education institution collaborations in Mexico and internationally. Globally, partnerships with other universities or NGOs can enhance the rate of change in Mexico. Nationally/locally, the sharing of knowledge and resources would also help to create social value.

Methodological Approach

The research focused on six key objectives:

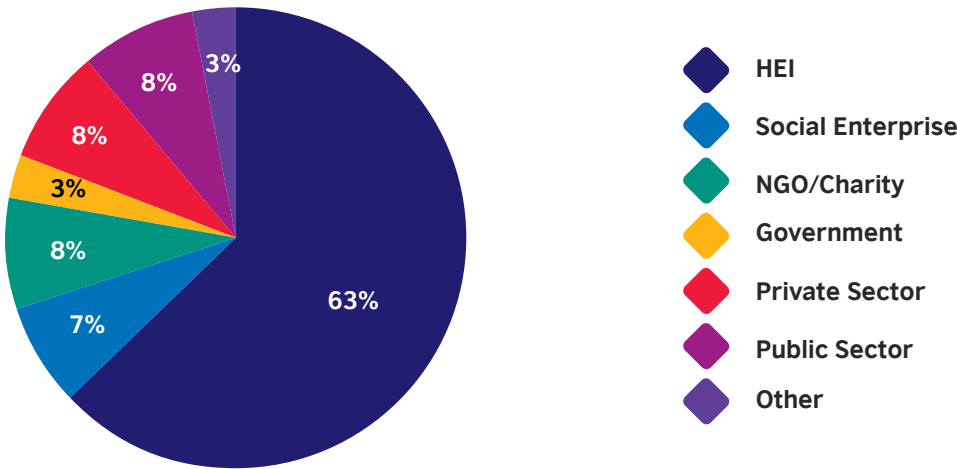
1. Update the status of higher education institutions' contributions to social enterprise initiatives in Mexico, as well as their participation on international/multinational collaborations.
2. Identify higher education institutional/ higher education-system policy innovations designed to open spaces for Universities or Research Centres to integrate social enterprise as a strategy to engage with non-higher education communities.
3. Determine how higher education institutions are prioritising financial, technical, physical and human resources, as well as networks, knowledge and expertise to consolidate their participation in social enterprise -related programmes and activities.
4. Analyse higher education institution best practice in assessing the impact of social enterprise activity, from the academic perspective (students, staff) and from the external community engagement perspective.
5. Identify relevant challenges for higher education institutions to actively participate in the promotion of social value, with a focus on social enterprise from an institutional perspective.
6. Better understand the role that universities and research centres can play in the promotion of social enterprise by innovating in their own structures and institutional priorities.

The research followed six stages outlined in Figure 1. A total of 73 participants engaged with the online survey, whilst 37 participants also participated in semi-structured interviews. The sample breakdown for the survey is provided in Figure 2.

Figure 1. Sequential Research Plan

| | |
|---|---|
| 1 | <p>In-depth Literature Review</p> <ul style="list-style-type: none"> • Explore global, Latin American and Mexican literature in relation to social enterprise and higher education |
| 2 | <p>Participant semi-structured Interviews (Single/Group) (N=37)</p> <ul style="list-style-type: none"> • Explore perceptions of multi-stakeholder groups on the social enterprise ecosystem |
| 3 | <p>Online Survey (N=73)</p> <ul style="list-style-type: none"> • Statistical analysis of survey data • Thematic analysis of interview data |
| 4 | <p>Data Analysis</p> <ul style="list-style-type: none"> • Explore perceptions of multi-stakeholder groups on the social enterprise ecosystem |
| 5 | <p>Triangulation of Data</p> <ul style="list-style-type: none"> • Triangulation of quant/qual data into cohesive analytical discussion on social enterprise and higher education |
| 6 | <p>Develop Report & Recommendations</p> <ul style="list-style-type: none"> • Report findings and recommendations for improving HE engagement with SE ecosystem |

Figure 2. Respondent Organisational Types



Through the analysis of the interviews, six themes were identified. See Figure 3.

Figure 3. Themes from the interviews



Definition and Ecosystem

Interview participants discussed the variation in definitions of social enterprise in Mexico, identifying approaches to defining social enterprise and the challenges in expanding the social enterprise ecosystem without a common definition.

“

... we're lacking any sort of... certainty around how it's defined fiscally, how it's defined legally... In terms of how we in the sector - our understanding, which is kind of different, is there are businesses that have oriented their purpose for attaining or responding to social challenges. However, this definition, it's big and it's not necessarily shared because there's no common framework. (N07 – social enterprise)

However, some of the participants suggested that there should be a common definition for social enterprise.

“

I think we need to create a common language about what is social entrepreneurship. This is very important... we believe that social enterprise is non-profitable. Because if you don't have this definition in a common way you can't create a regulation, tax incentives or programmes and you can't measure your results. (N02 – social enterprise)

Literature on social enterprise in Mexico showed that the term social enterprise had been merged with terms such as 'social entrepreneurship' or 'social economy' (British Council, 2016). This creates ambiguity around the term social enterprise, with participants noting that not having a common definition or common language causes debate among stakeholders. Most interview participants stated that one of the main issues in creating a sustainable social enterprise ecosystem in Mexico is the lack of a common definition. Stakeholders suggested that they do not have an official definition and that creates 'chaos' (N11– Higher Education Institution).



Governmental Policies

The literature shows that social innovation and enterprise initiatives in higher education institutions have been supported by local government; however, wider support for social enterprise was limited.



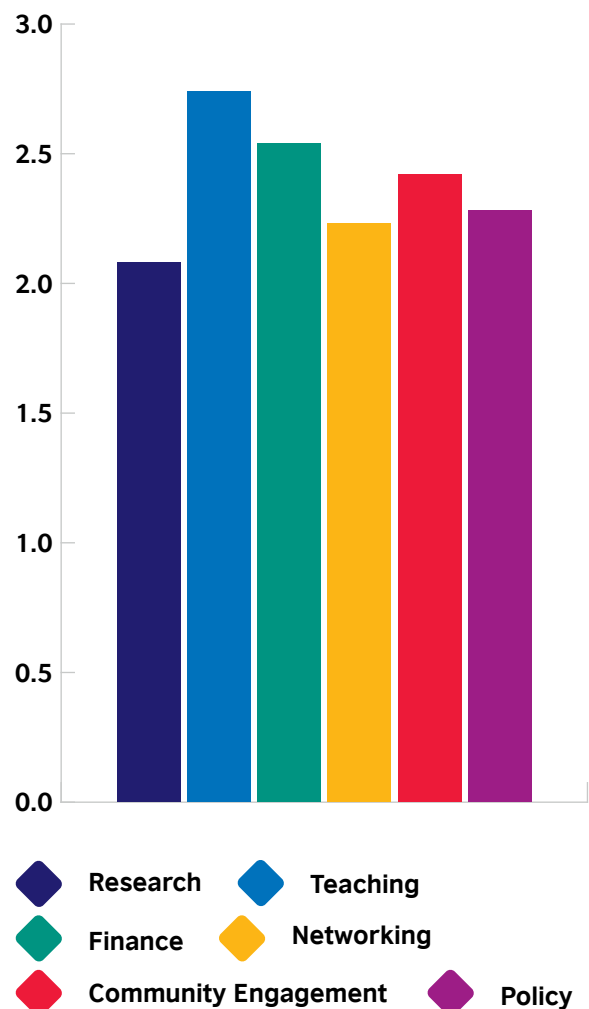
They [local governments] have had some grants or funds and connect with the people (...) we have a very high activity of entrepreneurial activities because we have a lot of enterprises, big enterprises here. (N13 – higher education institution)

The National Development Plan 2019-2024 that promotes the social economy in Mexico do not offer direct guidance on social enterprise. The survey also indicated that the stakeholders did not think that government policies were supportive of social entrepreneurship. The respondents were asked to rate how well they thought the government supported social enterprise in Mexico across six areas (policy, community engagement, networking, finance, teaching and research). This support was rated on a five-point Likert scale ranging from 1 (Very Low Support) to 5 (Very High Support). Figure 4 shows that government support across the six key areas was rated average, albeit community engagement, networking and teaching were viewed more positively.

The following three policies were identified, whilst the work of the Instituto Nacional De La Economia Social (INAES) (The National Institute of Social Economy of Mexico)¹ was also acknowledged:

- Fondos Federales para la Investigación (CONACyT)² (Federal Research Funding)
- Sembrando Vida (Sowing Life) and the wider Programa Bienestar³
- Apoyo a Mujeres Emprendedoras (Support for Female Entrepreneurs)⁴

Figure 4. Government support for social enterprise



1 <https://www.gob.mx/inaes>

2 <https://www.conacyt.gob.mx/>

3 <https://www.gob.mx/bienestar>

4 Albeit technically this is not social enterprise specific.

Higher Education

Some universities have embedded social entrepreneurship as a mandatory module in their curriculum, allowing students from all disciplines to develop knowledge on social entrepreneurship. Participants stated that the social entrepreneurship modules were viewed positively by students and that there were different routes for social entrepreneurship following completion of the module. Furthermore, participants believed that these courses allowed their students to understand social enterprise, empathise with small businesses and that there is a growing demand for such courses.



In the third semester we have the entrepreneurial subject. And all students of all careers take this subject - from business careers to psychological career... And then from the fourth semester... they can participate in the Start-Up Maker Programme. Its voluntary - if they want to continue their entrepreneurial idea they can continue with the support of the Start-Up Centre. (N19 – higher education institution)

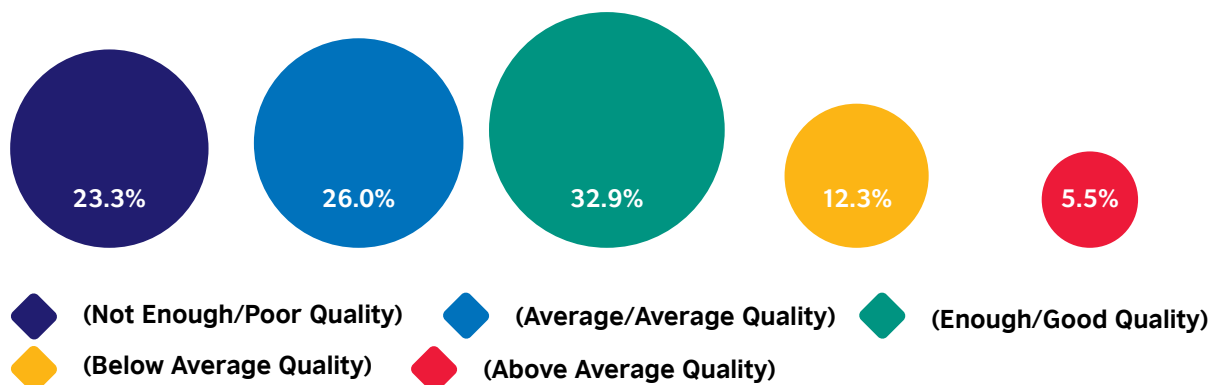
Participants also stated that there is a barrier to the emergence of these courses, which is the lack of connection of the course to real-life entrepreneurship (theory versus marketplace).



There is not sufficient curriculum no, but high quality yes, because the real challenges to entrepreneurs are in the market when they are selling their products, their services. And sometimes the schools, the universities have the knowledge, they know the methodology, the tools, but the schools don't have the experience in the market and the links with the social ecosystem and it's important to create this balance. (N08 – social enterprise)

Results from the survey (Figure 5) also reveal that there was a below average perception of the curricula available, with 82.2 per cent rating it as average or poor. Respondents were asked about the breadth and quality of curricula in Mexican Higher Education Institutions in relation to social enterprise on a five-point Likert scale ranging from 1 (Not Enough and Poor Quality) to 5 (Enough and High Quality).

Figure 5. Mexican higher education curriculum for social enterprise



Partnership and Collaboration

Partnership and collaboration were core aspects of developing the social enterprise ecosystem in Mexico, with participants discussing the benefits of programmes such as Ashoka U.



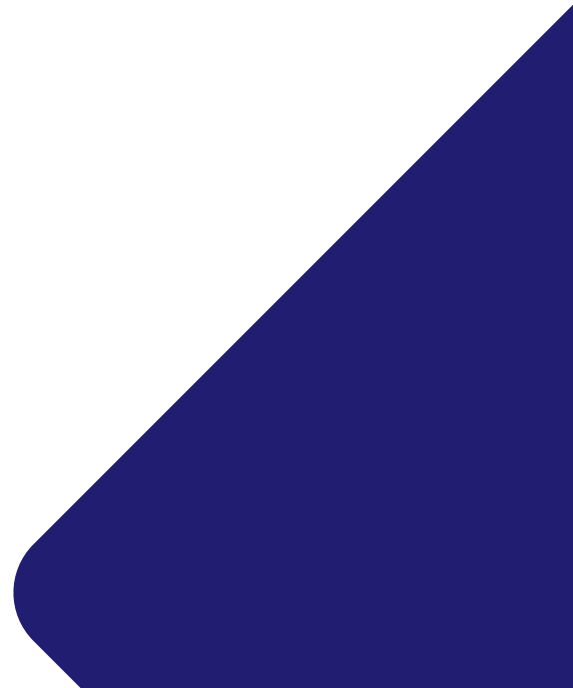
We also have a Changemaker Campus from Ashoka U... in 2011 they were certified as the first Changemaker Campus in Mexico and Latin America. They have the Change Centre, so this physical place that you can see actually in this picture ... There are about 600 students participating in the Change Centre since 2011; more than 50 social entrepreneurship projects. In 2017 the Campus was recertified as a Changemaker Campus and we had 13 Changemaker Festivals. (N06 – Higher Education Institution)

Higher education institutions promote partnership approaches through the creation of university networks. These partnership approaches enable stakeholders to connect, with one participant explaining that partnership approaches mean that most people in the ecosystem already know each other and work together. Most participants believed that the collaboration among different actors was the key to growing the ecosystem.



I think the most important strength is the collaboration between different actors. Our strength is Mexico City. We have 13 actors, not just three actors because they say, ‘We’re three but we need more people to boost our collaborations’. So, they decided to call other universities, they are working with four different universities in Mexico City, seven social enterprises at least and three different Ministries of Mexico City. So, you have a big knowledge with, I think, 13 or 14 different actors. And all the actors are working together in order to get the same goals. (N24 – Government)

These partnerships and collaborations can be internationally or within Mexico itself, but will become increasingly important with the growth of impact based global university rankings (i.e. Times Higher Education Impact Rankings) and the United Nations Sustainable Development Goals, both of which have partnerships at their core (SDG17).





Opportunities for Expansion

Mexico is diverse and multi-cultural with opportunities for developing and expanding the social enterprise ecosystem discussed by participants, with COVID-19 providing barriers to growth, but also opportunities:



...Mexico is an incredibly diverse country, multi-cultural. It's a very complex landscape in terms of how the communities change in terms of values, mentalities, all across Mexico.....Even in times of COVID and restrictions and everything, those types of entrepreneurships have the ability to bring value to both the community and, for example, the tourist that finds it. (N07 – social enterprise)

Support for early stage enterprises were often linked to universities (or partnerships with universities) with programmes such as Tiger Tank, Ashoka U and the Social Transformation Lab contributing to the social enterprise ecosystem:



We have a boot camp and we also give Seed Capital of up to \$25,000. I think that the main focus of their work is that we do this in a collaborative way; we understand that [organisation] and [university] have a limited reach and that we like to collaborate with other stakeholders from the ecosystem.... within [an] Award we have an alliance with Ashoka Mexico, Central America and the Caribbean and they host social entrepreneurs boot camp (N10 – private sector)

The Sustainable Development Goals were explored in the survey in relation to the key Goals for Mexico. Figure 6 outlines this data. The data analysis reveals that, from the perspective of the respondents, the top three Sustainable Development Goal needs for Mexico were Poverty and Quality Education (both 14.6 per cent), and Health and Wellbeing (11.9 per cent), accounting for 41.1 per cent of all selections.

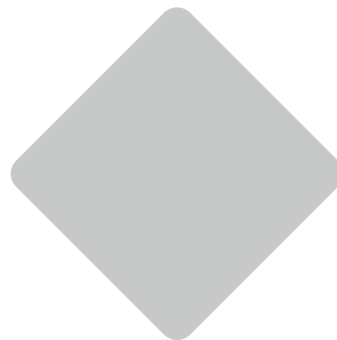
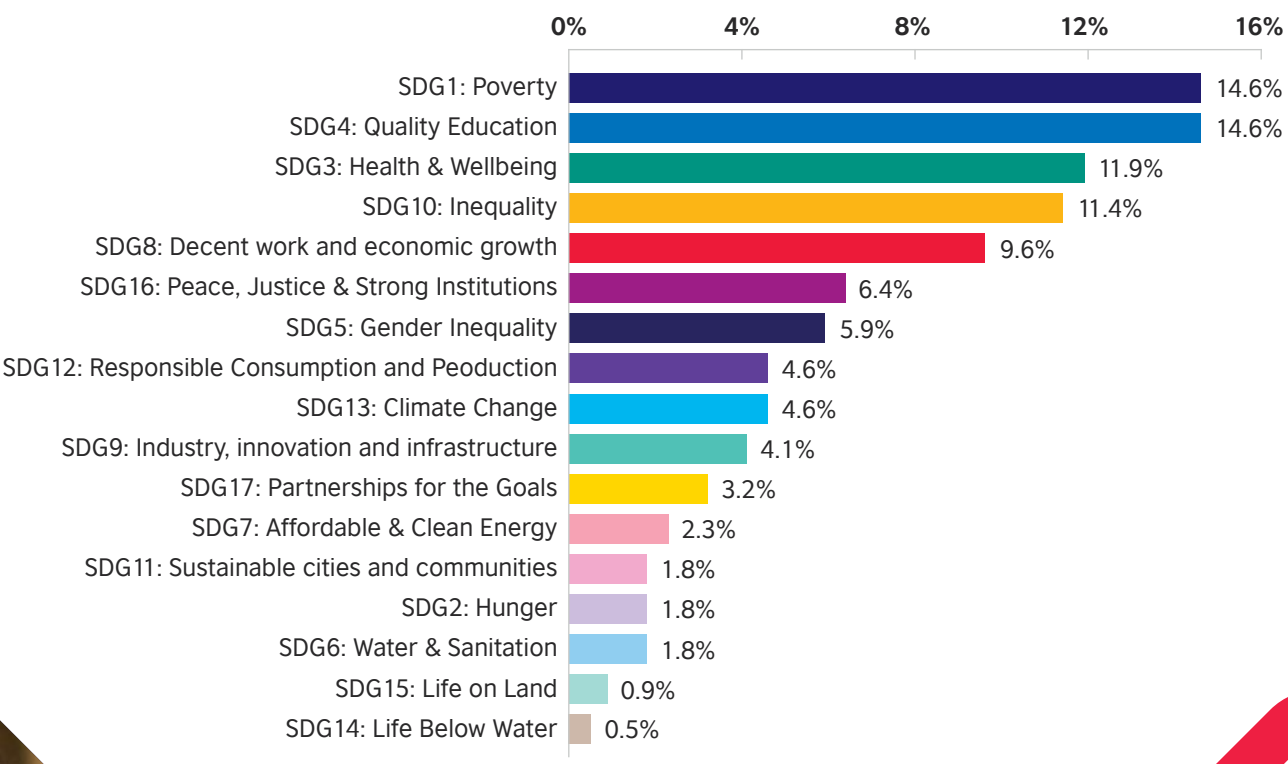


Figure 6. SDGs in Mexico



Community Engagement

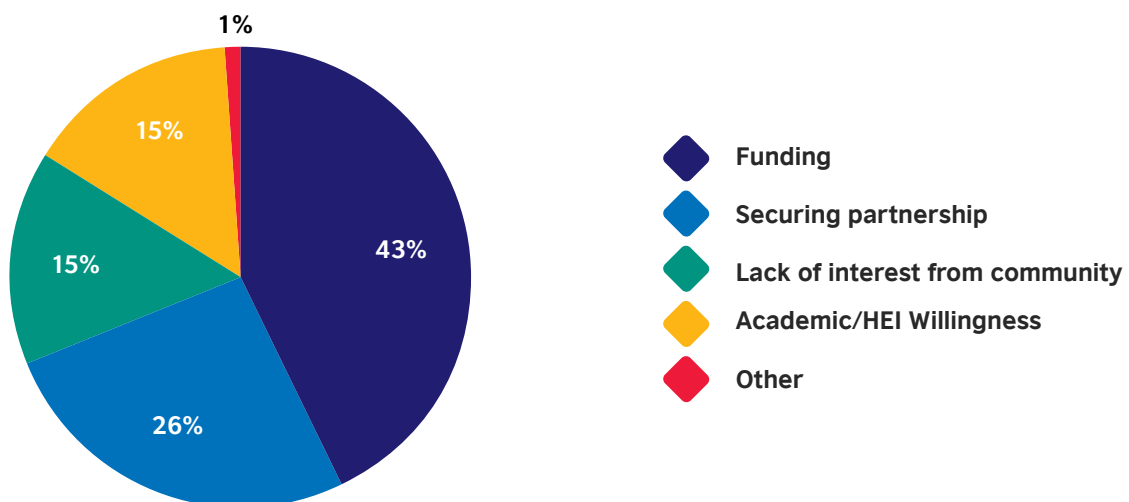
Some universities' courses focus on helping the community and innovating ideas that would support underrepresented communities at both national and global levels. Students were viewed as great innovators who could develop novel solutions to social/environmental problems, whilst at the same time understanding more deeply inequality in Mexico.

“

It's interesting also because also they [students] understand social problems. They are very closed sometimes because they are city people, young city people. They always have been - not all but most of them living in cities. So, when they think and do something in the countryside, for example, rural towns, they change their vision and realise that we have many conditions in Mexico. There's inequality and there's a very different way of life. (N21- higher education institution)

Mexican higher education institutions play a central role in promoting social and economic change. Indeed, the Dirección General de Planeación y Programación Secretaría de Educación Pública (2012) noted that students complete 400 – 600 hours of community work, with an estimated 374.4 million hours completed by 780,000 students each year. This community work requirement can form an important part of any curriculum development or even extra-curricular activities for students centred on social enterprise. Community engagement was also explored with the survey participants in order to understand the main challenges experienced (Figure 7). The participants identified that funding (42.5 per cent) and securing partnerships (26.0 per cent) were the most common barriers, albeit community interest and academic/higher education institution willingness (both 15.1 per cent) were also significant factors.

Figure 7. Barriers to Community Engagement





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www.britishcouncil.org