

Teaching notes

Libertees Project: Economic and social insertion for women deprived of their liberty

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Abstract

Objective: This teaching case aims to stimulate discussion on some of the main dilemmas and difficulties related to social entrepreneurship. **Dilemma:** Based on the account of the entrepreneurial process of Libertees Clothing, students will have the opportunity to reflect on the entrepreneurial process with a social bias and debate the entrepreneurial dilemma of balancing social objectives with business profitability. **Originality:** The teaching strategy consists in enabling the student to learn, firstly, the characterization of a social enterprise and how the entrepreneurial process of social bias is distinguished from its economic counterpart. **Relevance:** The case inquiries into the tensions existing in the daily operation of the venture, which must balance social aspirations with the objectives of economic-financial sustainability of the organization.

Keywords: Teaching case. Social entrepreneurship. Social purpose. Economic-financial sustainability. Incarcerated women.

Projeto Libertees: Inserção econômica e social para mulheres privadas de liberdade

Resumo

Objetivo: Este caso de ensino tem por objetivo estimular a discussão sobre alguns dos principais dilemas e dificuldades relacionados ao empreendedorismo social. **Dilema:** A partir do relato do processo empreendedor da confecção Libertees, os alunos terão oportunidade de refletir sobre o processo empreendedor de viés social e debater o dilema empreendedor de equilibrar os objetivos sociais com a rentabilidade do negócio. **Originalidade:** A estratégia de ensino consiste em possibilitar ao estudante aprender, em primeiro lugar, a caracterização de um empreendimento social e como o processo empreendedor de viés social distingue-se de sua contraparte econômica. **Relevância:** O caso indaga sobre as tensões existentes na operação diária do empreendimento, que deverá equilibrar as aspirações sociais com os objetivos de sustentabilidade econômico-financeira da organização.

Palavras-chave: Caso de Ensino. Empreendedorismo Social. Objetivo Social. Sustentabilidade financeira. Mulheres privadas de liberdade.

TEACHING NOTES

Learning objectives

This teaching case aims to stimulate discussion on some of the main dilemmas and difficulties related to social entrepreneurship. This case study can be used in undergraduate and postgraduate courses in entrepreneurship, sustainability and innovation, social business, among others. The main dilemma that should guide the discussion of the case concerns the need to manage the social objectives and the profitability of the business, listing all its operational and strategic difficulties. Understanding these apparently conflicting objectives should stimulate the students' creativity and help them think of alternatives that make businesses of this nature viable, contributing to strengthen strategies that increase the social impact and, at the same time, be financially rewarding.

Protagonists and sources of information

Marcella and Daniela, owners of Liberteas, are the protagonists of the case. The data for its elaboration was obtained from semi-structured interviews carried out between December/2021 and February/2022. Additionally, the owners provided documents, releases and photographic records related to the enterprise. Claudia, Marcella's cousin, is a fictitious name, but a real character in the reported teaching case.

Didactic-pedagogical guidance for case discussion

In order to get the most out of the case, it is recommended that the teacher hold a theoretical discussion beforehand, relating the concepts discussed during the case - social entrepreneurship and economic-financial sustainability. Some recommended readings for this purpose are Battilana and Lee (2014); Dees (2001); Mair and Marti (2006); Vasconcelos et al. (2021) and Zahra et al. (2009). Moreover, it is also suggested a presentation of social representatives who can address the Brazilian prison system, in addition to testimonials from actors from the clothing and/or fashion sector. The access to such testimonials can be facilitated through digital tools and directed to students before the execution of the activity. The goal is to have in hand, previously, considerations about the variables of the national context relevant to the understanding of the case. Additionally, we suggest the prior reading of reports and other information gathered by institutions linked to the Brazilian textile sector and the national prison system, such as those summarized in the next section.

After the presentation and discussion of the theoretical foundations, it is suggested that the facilitator organize the room into groups and allocate at least 20 minutes for reading - if the students have not read previously - and 15 minutes for the groups to discuss the issues in the case.

At the end of the group discussion, the teacher should organize the plenary, allocating about 60 minutes for the consolidation of the answers to the questions. The closing should take place in the remaining 25 minutes.

Opening of the discussion

Initial activity: building the case synthesis (20 minutes)

As an introduction to the case and subsequent questions, it is recommended that students prepare a mind map and a brief timeline, where all the events of the case are summarized. For the elaboration of the mind map, it is suggested that students answer questions such as: who are the main characters of the case presented? What is their main problem? What were the main challenges they faced? Were they solved? If yes, how? How did these challenges impact the development of the enterprise?

For a better contextualization of the mind map and its transposition to the timeline, it is also suggested that the facilitator seeks, in general terms, to identify the national socioeconomic situation over the last decade. It should be remembered that Liberteas' entrepreneurial process began in 2013. How might these factors have influenced the operation of the venture under study? What direct and indirect consequences could be perceived during the reading?

Question 1

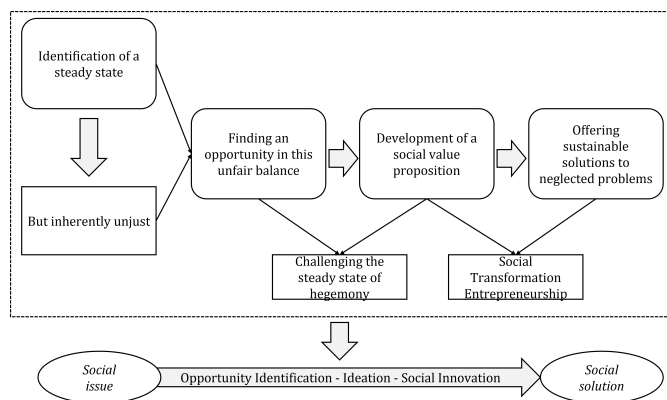
Identification of individual motivations and goals or building social businesses (20 minutes)

Social Entrepreneurship [SE] refers to businesses that unite economic value with social value (Mair & Marti, 2009). The act of social entrepreneurship is highly influenced by the individual values of the entrepreneurs, who observe the gaps left by governmental and philanthropic actions that have not succeeded in significantly minimizing social problems (Dees, 1998). In this way, SE helps to promote local development and can be seen as a driver of economic, social and family development, mitigating unemployment and social exclusion. Although the actions of the social entrepreneur are initially local - community, group, region -, they have the potential to stimulate broader changes and improvements (Zahra et al., 2009), based on the empowerment of the community.

In order to understand how SE occurs and the relationships arising from this process, Vasconcelos et al. (2021) proposed the following model as shown in Figure 5.

Figure 5

Social entrepreneurship process



Note: Vasconcelos et al. (2021, p. 342).

According to the authors, SE starts with the identification of social problems, going through the recognition of a context classified as stable but clearly unfair. This enables the identification of opportunities for action, on which social value initiatives are developed and which can become sustainable solutions for neglected problems. The social value propositions resulting from the identification of opportunities challenge the stable state of hegemony, generating social transformation.

In this sense, the SE can be analyzed from the following aspects: the opportunity, which is inherently related to a social problem; the innovation, a characteristic present in the entrepreneur and that is usually associated with the combination of different resources; the economic value, which relates to the ability of the venture to maintain its operations, pay its employees and partners and honor its commitments; the social value, which comprises the added welfare and quality of life of individuals who are targets of the initiatives and sustainable development, which corresponds to the steps towards social transformations (Vasconcelos et al., 2021).

Considering the theory presented above, it is proposed that students identify and analyze the motivations and objectives of Liberteas, based on the SE process presented.

In relation to the information presented during the description of the case, the moments that can represent each of the aspects listed are highlighted. In relation to the opportunity and the inherent social problem, it is highlighted the female incarceration and the structural failures that are present in the prison system - legislation, forms of work, invisibility, etc. -, reported during the case. The so-called invisibility was, for example, an intrinsic factor to the prison system that caused surprise in both entrepreneurs, since they had no knowledge of the functioning of the operations within a prison unit.

About innovation, it is possible to mention the use of illustrations idealized and made by women in prison in the T-shirts marketed by Liberteas. In addition, the characteristic of sustainable fashion is highlighted, which has also become one of the differentials of the enterprise in relation to conventional fashion. The manufacture of ecological bags and reusable masks are examples of the sustainable aspect that the brand has carried with it throughout its journey.

The economic value, on the other hand, seems to portray the great difficulty of the venture to date. Despite having respectable numbers as a social aspect, Liberteas still faces difficulties in terms of the economic and financial sustainability of the business. At times, when it seemed to be able to overcome barriers and acquire considerable financial results, new difficulties were imposed, as in the termination of contracts and cancellation of orders after the beginning of the Covid-19 pandemic.

In relation to the social value, Liberteas has demonstrated to have a great impact, especially in relation to women deprived of liberty. Actions such as the sewing of fashion-related products, the use of illustrations on the brand's T-shirts and the runaway - in which women in prison were the protagonists doing the catwalk - have also demonstrated this. In addition, the enterprise aims for an even greater impact, highlighting the planning for the inclusion of women inmates of the prison system in its operation.

In the case of sustainable development, Liberteas operates on several fronts, such as the possibility of engagement and support in the effective reintroduction of the convicted individual to society - which, in the long run, may reflect in lower incarceration rates -, female empowerment, by giving visibility to female convicts; their economic insertion, since they are given the opportunity to generate income on several fronts, including those required by Law 7.210/1984, and, in the future, the generation of income after they are reintroduced to society. It is noteworthy, finally, the environmental aspect of the enterprise, since it is positioned in counterpoint to conventional fashion, recognized for questionable strategies regarding the employment of labor and non-responsible consumption.

Question 2

Analysis and development of strategies to enable the business and increase social impact (30 minutes)

Social impact is central to social enterprises, and their measurement and evaluation is considered fundamental, which has demonstrated competence, credibility, and legitimacy to form partnerships and obtain investments (Pereira Murad et al., 2020). Nevertheless, assessing social impact is challenging for those involved (Mair & Marti, 2009) since one must translate and metrify results that are not only economic but also social and environmental, without the proper support from pertinent legislation or specialized agencies (Pereira Murad et al., 2020). Thus, the tension between financial and social objectives emerges as a major challenge for social entrepreneurs (Dacin et al., 2010; Zahra et al., 2009). Such dynamics occur precisely because of the hybrid nature of the organization, which must respond to different audiences internally and externally (Battilana & Lee, 2014).

Battilana & Lee (2014) postulate that hybrid organizations will be the result of multiple organizational identities, including the commercial perspective and a social counterpart. Also, according to the authors, the organization hybridism may be visualized from five dimensions: (i) organizational activities; (ii) workforce composition; (iii) organizational design; (iv) inter-organizational relationships and, finally, (v) culture.

Objectively speaking, the organizational activities dimension reflects how integrated the social mission is with the company's core activity. The workforce composition refers to the alignment of the identity of individuals and the organization, reflecting in the selection of employees, who should develop specific skills or even unlearn habits. The organization design, on its turn, deals with the organizational structure, control systems and governance - the place where tensions are experienced. To this end, it is observed the integration, for example, between units and departments, so that they do not have different objectives, in addition to control and incentive systems that reflect the hybrid nature of the organization. Inter-organizational relationships, in turn, demonstrate the hybrid nature of the institutional relationships that social businesses have, interacting with society and the market. Specifically, relationships with financial capital providers stand out. Finally, organizational culture refers to the environment, where values and behavioral norms will be shared, generating an image of the individuals who collaborate with the venture (Battilana & Lee, 2014).

In the case of the second question, it is proposed that the discussion becomes more flexible, focusing on the development of strategies that may be viable and, at the same time, have social characteristics. Therefore, we propose:

- a) Identify aspects in Liberteas trajectory that highlight the five dimensions discussed above - organizational activities, workforce composition, organizational design, inter-organizational relationships and organizational culture. In your opinion, is Liberteas currently a hybrid organization? At what points was the tension between commercial and social aspects most evident?

Organizational activities: the venture began from the personal experience of the entrepreneur, who decided to start a new professional activity; since the beginning of Liberteas, the focus has always been on manufacturing activities; the making of T-shirts came from opportunities within the venture itself; the T-shirts are made directly by the target audience whose social gain is intended; the venture's activities overflow into new socio-environmental gains, such as the economic insertion of women reintegrated into society and environmental sustainability.

Workforce composition: the venture’s operation is carried out by the target audience of the social gains that the venture provides; the venture’s corporate structure is composed of two female entrepreneurs who empathize with the social venture’s target audience; the female entrepreneurs have experience and skills that can be used to enhance social projects.

Organization design: the enterprise currently lacks a defined design, which can directly affect the tensions between social and commercial precepts. This point needs to be reviewed, since without the establishment of this dimension, the organization may not only be ineffectively recognized as a hybrid enterprise, but it will also favor the emergence of new tensions.

Interorganizational relationships: the venture relates to several actors in the clothing and apparel sector, including institutional partners. It is also worth mentioning the actors that performed directly in structuring the venture - accelerators. However, this dimension still lacks actors that could help the venture to access robust financial capital, as well as other partners that could behave strategically in the financing of various social projects.

Culture: in relation to culture, it is noteworthy that Liberteas significantly represents its partners, who seem to pass on their values to the organization’s activities. It was cited, for example, the fact that one of the partners led the company in a solitary manner, in addition to leading the entry of the new partner who also quickly established her skills as the central structure of the venture’s operation. Regarding women in prison - who collaborate with the enterprise as labor and are also beneficiaries of the social impacts - their actions are also closely linked to the operation and values of the enterprise.

- b) Imagine yourself in the place of the entrepreneurs: which strategies could be cited that would increase the social impact of the organization, while maintaining the financial sustainability of the enterprise? Cite at least one strategy for each of the five dimensions discussed above.

At this point, it is proposed that students put themselves in the shoes of the entrepreneurs. The general context can sometimes seem discouraging, but new opportunities appear on the horizon. With the data that was previously discussed, it is suggested that students develop strategies that allow the organization to be recognized as a hybrid enterprise, mitigating tensions between social and financial aspects.

The question aims at the students’ analysis, and it is recommended that suggestions be based on relevant data and arguments. To better direct the strategies that will be discussed, we recommend some questions that may be relevant for ameliorating the answers: Does the sale of products via the internet conflict with Liberteas’ social precepts? What about the participation in conventional fashion events? What would be the best formatting of the T-shirt/clothing production and sales teams? Can all positions be occupied by women in a state of deprivation of liberty? Which departments should be part of Liberteas today? How could the structure of the organization provide access to external financial resources? What financial resources should be raised by women entrepreneurs? Are there organic and/or sustainable ways to raise them? Is funding, in monetary terms, the only alternative? Do the entrepreneurs currently represent the organization faithfully? On what levels does this relationship bring benefits and/or difficulties?

Finally, as a way to minimize the difficulties of social businesses, such as the integration of social and financial objectives while maintaining the need to generate impact, the entrepreneurs of Liberteas have made efforts to strengthen ties with institutes that support social businesses, such as the Renner Institute and other organizations that value these initiatives. In addition, new attempts for improvement of the enterprise structure are underway. In

this case, contacts and partnerships with management specialists have been established in order to improve planning and control activities, as well as the hiring of external labor to supply strategic jobs, such as in the sales sector. Operationally, the enterprise currently makes use of physical space in an environment suitable for the promotion and marketing of manufactured goods, The local operation is integrated with the virtual store, which remains as one of the company’s sales channels.

Case Study

This teaching notes is an integral part of the case study.

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Conflict of interest statement

The authors declare that there is no conflict of interest.

Authors’ statement of individual contributions

Roles	Contributions			
	do Carmo Rios C.C.	Moreira Silva J.P.	Siffert P.V.	Guimarães L. de O.
Conceptualization	■	■	■	■
Methodology	■	■	■	■
Software		N.A.		
Validation	■			■
Formal analysis	■	■	■	
Investigation	■	■	■	
Resources	■	■		■
Data Curation	■	■	■	■
Writing - Original Draf	■	■	■	
Writing - Review & Editing		■		■
Visualization	■	■	■	■
Supervision				■
Project administration		■		■
Funding acquisition	■	■		■

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