

A NEW KIND OF SOCIAL ENTREPRENEURSHIP IN PUERTO RICO: “MUJERES AYUDANDO A MADRES”

Elizabeth Robles, University of Puerto Rico

ABSTRACT

How can a “doula”, be the originator of such a creative business that combines a nonprofit organization with three profitable micro businesses and in addition, be a socially responsible organization? “Mujeres Ayudando a Madres” (women helping mothers) is a Puerto Rican nonprofit organization whose goal is to support women in the childbearing stage and promote a constructive culture based on the physical and psychological health of families. Vanessa Caldari, a midwife and a certified “doula” (a trained labor support person), created it. The mission of “Mujeres Ayudando a Madres” is to promote the rights, education and wellbeing of women during their pregnancy. Its integrated hybrid model produces both social value and commercial revenue through a single, unified strategy. The purpose of this case study is to present a nonprofit organization with a social responsibility mission and describe its hybrid model. This model is an alternative for nonprofit organizations to be self-sustainable. During this era of increasing cutbacks government funding, the hybrid model helps organizations to survive and grow.

JEL: M1, M14

KEYWORDS: Social Entrepreneurship, Hybrid Model, Social Enterprise, Social Responsibility

INTRODUCTION

How can a “doula” be the originator of such a creative business that combines a nonprofit organization with three profitable micro businesses and in addition, be a socially responsible organization? “Mujeres Ayudando a Madres” (women helping mothers) is a Puerto Rican nonprofit organization whose goal is to support women in the childbearing stage and to promote a constructive culture based on the physical and psychological health of families. Vanessa Caldari, a midwife and a certified “doula” (a trained child labor support person) is the founder of “Mujeres Ayudando a Madres” (MAM). The mission of MAM is to promote the rights, education and wellbeing of women during their pregnancy. Its integrated hybrid model produces both social value and commercial revenue through a single, unified strategy.

The purpose of this case study is to present a nonprofit organization with a social responsibility mission and describe its hybrid model. This model is an alternative for nonprofit organizations to be self-sustainable. During this era of increasing cutbacks in government funding, the hybrid model helps organizations to survive and grow. In the global marketplace, non-profit organizations play new, emergent and influential roles. They act as policy advisers to governments, strategy advisers to corporations, thought leaders for public opinion, and catalysts for action by bankers, investors, suppliers, customers, and even religious organizations.

There is a concurrent evolution in the form, purpose and role of the for-profit and non-profit sectors (Alexander, 2000). This evolution creates a blurring of boundaries between them such that a new vocabulary becomes necessary to recognize a hybrid form. These hybrid forms defy traditional categorizations employed by organizational theorists. On one section, there are some non-profit organizations adopting the practices of a for-profit firm. On another section, there are some for-profit companies operating according to social and environmental sustainability agendas (Hoffman et al., 2010).

The phenomenon of hybrid organizations emerges at a time when the role of the state as the principal agent of environmental governance is declining and other alternatives such as market and voluntary mechanisms are proliferating (Hoffman et al., 2010). Research on hybrid organizations is notably lacking, and has primarily focused on the topics of Corporate Social Responsibility (CSR) or social entrepreneurship (Battilana, 2012, Hoffman et al., 2010). Due to its growing importance, hybrid organizations offer an interesting empirical domain for study, one that will produce an ongoing stream of research.

The organization of the article is as follows. The first section describes the relevant literature review of nonprofit organizations and social entrepreneurship. The next sections present MAM's philosophy, Doula's Benefits, MAM's Model, and concluding comments.

LITERATURE REVIEW

Nonprofit Sector

The nonprofit sector is large, growing, important and challenging! The nonprofit sector is surprisingly large and has tended to grow faster than the private sector, and even more so internationally (Wing et al., 2008). Nonprofit organizations provide more than 8% of all jobs in society, more than 28% of all American adults volunteer in the nonprofit sector. This sector is anchored by a number of large nonprofit entities taking in more than \$4 billion a year (Andreasen and Kotler, 2008). In the last decade, nonprofits grew in number by more than 28%, and public charities grew by more than 50% - reaching the point where, in 2006, there were more than an estimated 1.5 million nonprofits in the United States alone (Wing et al., 2008). Estimates by the Independent Sector of full-time, part-time and volunteer employment in nonprofit organizations found it to approximate 10% of all workers. In 2006, nonprofit groups contributed more than \$666-billion to the U.S. economy through their activities and its wages and salaries totaled \$489.4 billion (Wing et al., 2008). Other research indicates that the global international civil society sector comprises a \$1.3 trillion industry and equates to the seventh largest world economy (Andreasen and Kotler, 2008).

According to Andreasen and Kotler (2008), three theories justify why society needs nonprofit organizations. Public Goods Theory argues that they exist to provide services the government does not; Contract Failure Theory focuses on the concept that nonprofits can provide certain services that should not be in the commercial sector – such as day care; and, Subsidy Theory, which says that government directs what nonprofits offer through tax breaks and funding.

The role nonprofit organizations have in society can be characterized as evolving through four stages tied, in part, back to these theories (Andreasen and Kotler, 2008). These stages are: a voluntary/civic model where citizens band together to provide services the government does not; philanthropic patronage by the wealthy; a rights and entitlements model where groups serving the public interest claim a share of public taxation funds; and the Competitive market stage where nonprofits must compete with each other in the marketplace of donor support.

A New King of Social Entrepreneurship

In light of diminishing funding from traditional sources and increased competition for these scarce resources the non-profit sector is facing intensifying demands for improved effectiveness and sustainability (Hoffman et al., 2010). Social entrepreneurship is a new phenomenon that emerges as a response to the complex needs of society (Zietlow, 2002). Over the last few years, the concept of social entrepreneurship has been rapidly emerging in the private, public and non-profit sectors, and interest in social entrepreneurship continues to grow (Jiao, 2011).

According to Zahra et al. (2008), four key factors fuel the globalization of social entrepreneurship. These factors are global wealth disparity; movement of corporate social responsibility; market, institutional and state failures; and technological advances and shared responsibility. Jiao (2011) adds two additional reasons why social entrepreneurship emerges in the society. First, social entrepreneurship can help non-profit organizations to operate with innovative approaches to solve social problems. Therefore, when traditional resources continually reduce and competition for these common resources becomes fierce, it is necessary for non-profit organizations to employ business professional operations and marketing techniques to improve efficiency in products and services to serve better the community. The second factor that Jiao (2011) describes is that the actual conditions in the market call for an alliance between corporate and non-profit organizations and cooperation among different components in society to make steps toward a better life. Due to the increasing social problems, corporations need to respond positively and take responsibilities in the social sector. Such reaction will encourage social entrepreneurship activities by corporate and non-profit organizations, which will enhance both business value and have a positive social impact.

Innovation or the creation of something new, rather than simply the replication of existing enterprises or practices (Noruzi et al., 2010) characterizes a social entrepreneurship. The social problem addressed is the core driver for social entrepreneurship to exist. The particular organizational form a social enterprise takes should be a decision based on which format would most effectively mobilize the resources needed to address that problem (Noruzi et al, 2010). Examples of social entrepreneurship can be found within or can span the nonprofit, business, or governmental sectors.

According to Noruzi et al. (2010), social entrepreneurship refers to innovative activity with a social objective in the for-profit area, such as either in social-purpose commercial ventures or in corporate social entrepreneurship. It could also be in the nonprofit sector, or across sectors, such as hybrid structural forms, which mix for-profit and nonprofit approaches. A common denominator across all definitions of social entrepreneurship is the fact that the underlying drive for social entrepreneurship is to create social value, rather than personal and shareholder wealth.

Martin and Osberg (2007) define three components that distinguished social entrepreneurship. The first component is an ability to identify "a stable but inherently unjust equilibrium that causes exclusion, marginalization, or suffering of a segment of humanity." The second component is an ability to identify an opportunity in this unjust equilibrium and develop a social value proposition. The third component is willingness to take action in order to forge "a new, stable equilibrium that releases rapped potential or alleviates the suffering of the targeted group . . . and even the society at large," (Martin and Osberg, 2007, p. 2).

Abu-Saifan, S. (2012) states that social entrepreneurs operate within the boundaries of two business strategies: (1). Non-profit with earned income strategies: a social enterprise performing hybrid social and commercial entrepreneurial activity to achieve self-sufficiency. In this matter, a social entrepreneur operates an organization that is both social and commercial; revenues and profits generated are used only to further improve the delivery of social values. (2). For-profit with mission-driven strategies: a social-purpose business performing social and commercial entrepreneurial activities simultaneously to achieve sustainability. In this matter, a social entrepreneur operates an organization that is both social and commercial; the organization is financially independent and the founders and investors can benefit from personal monetary return.

Makhlouf (2011) asserts that social entrepreneurship starts with an entrepreneur who has a novel idea, an innovative product or service, a creative approach to solving a perceived problem, a new business model, and/or a previously untried approach to product or service delivery. This new business model is the hybrid organization.

Traditional business models are no longer adequate to address the social and environmental problems of our day (Alexander, 2000; Draper, 2005). According to Hoffman et al. (2010), hybrid organizations call for mission-centered business models that employ market tactics to address social and environmental issues. Hybrids create and diffuse positive social change within the social and environmental contexts they operate (Hoffman et al., 2010).

The phenomenon of hybrid organizations is emerging at a time when the role of the state as the principal agent of environmental governance is declining and “private alternatives” (e.g. market and voluntary mechanisms) are proliferating (Pärenson, 2011, Hoffman et al., 2010). Nonprofit organizations, trade unions, religious groups, corporations and a host of other entities have emerged to develop sustainability solutions that have import for national competitiveness, global development and trade flows. Within this context, there is a concurrent evolution in the purpose, form and role of the for-profit and non-profit sectors (Hoffman et al., 2010, Krlev, 2011).

MAM

Mam’s Philosophy

Vannesa Caldari founded “Mujeres Ayudando a Madres” (MAM) in 2007 with the purpose of empowering mothers during pregnancy. The MAM center was officially open to the public in the year 2010. The idea of having a center like MAM was born from the Sisterhood of Midwives of Puerto Rico (Hermandad de Parteras de Puerto Rico) to which Caldari belongs and represents the Latin American and Caribbean Network for the Humanization of Labor and Birth in Puerto Rico. Although Caldari’s educational background is in nursing, she is a perinatal educator who works as a midwife and a doula. Through her work, she saw the need of many pregnant women to receive education and support through their pregnancies, especially women of limited economic resources.

MAM pursues the doula’s philosophy of personal empowerment of the mother. The mission of MAM is “to promote the rights, the education and the wellbeing of women during their pregnancy.” The purpose of the center is to empower women during their pregnancy and postpartum stages. As an organization, MAM aims to educate Puerto Rico’s society to see that pregnancy has the potential to be an event that positively changes the life of a woman. It promotes the humane care of women during maternity.

MAM channels efforts to reduce the cesarean rate, to increase the percentage of mothers who breastfeed, create better bonding between couples during the stage of motherhood, lower the rate of mistreatment of children with humanitarian teachings and warmth, and assist mothers in their reintegration into society after the childbirth. In addition, MAM creates awareness in the community about the proper management of health and physiology, which has shown to reduce morbidity and mortality in pregnancy, childbirth and postpartum. It educates and promotes family planning and parenting. MAM sees that by raising awareness, women make decisions that support their emotional, mental and physical health of their lives. This can prevent problems such as abuse, depression, and disease in women.

MAM wants every woman be armed with the knowledge they need to have a healthy pregnancy, childbirth and postpartum, full of positive memories. In summary, MAM meets the need that the community of Puerto Rico has to achieve lower rates of unnecessary cesarean operations, increase lactation, lower the number of domestic violence, lower government dependency and support low-income single mothers.

Doula’s Benefits

Doula care provides the following benefits: shorter labors, reduced need for pain medication, fewer episiotomies, cesarean sections and operative vaginal deliveries, better mother infant interaction, improved neonatal outcomes, improved breast-feeding rates, and greater maternal satisfaction (Stein,

Kennell and Fulcher (2004). Rohwer (2011) indicates that doula support increased teen mothers knowledge of the birth process, provided unbiased and nonjudgmental support and information, gave them confidence in their ability to give birth, and encouraged mothers to be proactive in communicating with their care providers. According to Mottl-Santiago et al. (2008), a hospital-based doula support program is strongly related to improved breastfeeding outcomes in an urban, multicultural setting. In addition, having doula support is significantly related to: (a) higher rates of breastfeeding intent and early initiation rates for all women, regardless of parity or provider with the exception of multiparous women with physician providers, and (b) lower rates of cesarean deliveries for primiparous (first birth) women with midwife providers.

In their study, Deitrick et al. (2008) states that doulas provide four kinds of support, including physical comfort, physical assistance, socio emotional support, and verbal support. Campbell et al. (2007) concludes in their study that labor support by a minimally trained female friend or relative, selected by the mother-to-be, enhances the postpartum well-being of nulliparous mothers and their infants, and is a low-cost alternative to professional doulas. Gilliland (2011) declares that doula care has the potential to enhance paternal involvement with labor support and increase satisfaction of fathers and mothers with their birth experience. In addition, it may have the potential to reduce a father's stress level during the birth experience by employing a variety of techniques, thus improving the quality of his experience.

Previous randomized controlled studies in several different settings demonstrate the positive effects of continuous labor support by an experienced woman (doula) for low-income women laboring without the support of family members (McGrath and Kennell, 2008). McGrath and Kennell (2008) conclude that the continuous presence of a doula during labor significantly decreased the likelihood of cesarean delivery and reduced the need for epidural analgesia for middle-class women, laboring with the support of their male partner.

Mam's Model

“Mujeres Ayudando a Madres” (MAM) offers childbirth educational seminars, doula and midwives certification courses. It has support groups for women that had lost a child, support groups for postpartum depression, breast feeding mothers and mothers with cesarean operations. In addition, it offers educational seminars of nutrition, health and parenting. MAM does not receive money from the government nor private sectors, nor any grants. The funds are raised from the certificate courses and the seminars given at the center.

MAM has the structure of being a nonprofit organization that is the umbrella of three other profit micro businesses. These micro businesses are the ones who support MAM paying the rent of the organization. The first micro business is a vegetarian restaurant called Cocobana Café owned by a young couple, Vanessa Díaz (also a doula and a former beneficiary) and her husband Manuel Collazo. The second micro business is called Natural Mama owned by Jennifer Rodríguez, a former beneficiary of MAM. The third microbusiness is called Paperdolls owned by Nacha Zurinaga, also a former beneficiary of MAM.

Originally, the clients of the three micro businesses were beneficiaries of MAM services, as pregnant mothers and mothers. Now their client base is changing, attracting additional market segments such as the local community and the public. This is the case of Cocobana Café that although it caters to MAM's beneficiaries, it is also serving the public from the local community. The mission of the restaurant is to provide healthy food to MAM's beneficiaries. Regarding Natural Mama, the products available are baby ring slings manufactured by Rodríguez, reusable cloth diapers, homeopathic products, and some donated articles that are sold to single mothers at reasonable low prices. The donated baby clothing is given to single mothers and mothers with no or low economic resources. Paperdolls sells women's apparel and accessories. None of these entrepreneurs has a formal business background or studies. In fact, only Mrs. Díaz has a bachelor degree and is in education.

The synergy around this model is that it provides flexibility to the three entrepreneurs, to have a job and to take care of their children while on the job. Their first job is to be mothers and take care of their children and then comes the business! According to Battilana et al. (2012), MAM's business model is called a hybrid business. This is a new business model created because of the recession. It is innovative in creating the resources needed to pay the bills and still has a social mission. The hybrid model uses product sales to fund its social mission, reducing dependence on donations, grants, and subsidies, as well as to scale up the organization. MAM's integrated hybrid model produces both social value and commercial revenue through a single, unified strategy.

During the last five years the increase in the number of hybrids results in part from social entrepreneurs' willingness to be less dependent on donations and subsidies, as well as from an increased interest in creating sustainable financial models in the wake of the 2007-08 financial crises (Battilana, 2012, Hoffman et al., 2010). The leaders of hybrid businesses must make deliberate cultural decisions to keep the mission on course while still making enough money to sustain their operations (Battilana, 2012). They must identify and communicate organizational values that strike a healthy balance between commitment to both social mission and effective operations. In addition, the selection, development, and management of employees who are capable of recognizing and pursuing social and economic value are equally important.

CONCLUDING COMMENTS

Social entrepreneurship is still emerging as an area for academic inquiry. There is a need to explore adequately its theoretical underpinnings. In addition, the need for contributions to theory and practice are pressing (Austin et al., 2006). During this era of constant cutbacks in government funding, the hybrid model helps organizations to survive and grow. This case study presents the case of "Mujeres Ayudando a Madres" (MAM), a nonprofit organization with a social responsibility mission and describes its hybrid model. This model is an alternative for nonprofit organizations to be self-sustainable.

According to Makhoulf (2011), a social entrepreneurship such as MAM has to establish external relations as well as the kind of management and operational systems that would allow them to function as a viable enterprise. In addition, these organizations have to build dedicated teams that believe in the mission, are committed to the cause, and have the skills needed to: build and maintain strong relations with all the external stakeholders, attract the resources required for the financial viability of the organization, and assist in the development and implementation of strategic and operational plans. Those external stakeholders include "constituents intended to benefit from the initiative (e.g. poor and marginalized people); resource providers, who offer financial, technical, or political resources; allies who help carry out programs; and actors who are targets of programs or campaigns" (Makhoulf, 2011, p. 7).

MAM needs a well-organized structure in order to succeed in the end. In addition, it needs a solid group of volunteers that stays in the organization for a long period. Presently it needs ample facilities to accommodate more clients/beneficiaries. The businesspersons need to be trained in management and business areas to be more effective with their selling and administrative strategies. In addition, the center needs to implement promotional strategies in order to increase the clients/beneficiaries base. For MAM much work lies ahead to continue creating social value, and maintaining it over time in a sustainable way. MAM is creating a path for others to replicate. Next year a MAM center will open in Colombia. All this is happening thanks to the idea of a "doula," a midwife, Vanessa Caldari, who has a social vision of empowering mothers in their pregnancies.

The limitations of the study are lack of literature on this topic, very few studies and no sound theories on the area of hybrid organizations. Further research could answer questions such as What is the impact of hybrid models on solving social problems. How many cases like MAM exist in Puerto Rico? What can we learn from them?

There is a need to develop public policy for social innovation, for creating alliances between the social entrepreneurs, the public sector and private companies. Social entrepreneurs use creating solutions to solve difficult social problems and are self-sustainable, but their number needs to increase. The private sectors and the government as well must use the lessons from social entrepreneurship. A good way to share ideas and spread best practice will be to develop a Social Entrepreneurs' Network. A first step could be to promote twinning agreements and partnerships between schemes in different parts of the country. It is important to encourage the development of supportive financial relationships among the government, the private sector and the social entrepreneurs.

The government, universities and private sector can join efforts to create a Center for Social Entrepreneurs, which would provide a physical presence and focus for meetings, conferences and courses. Most of all, the word should be spread to let the world know what good these hybrid organizations are doing, to their communities and their countries. "Mujeres Ayudando a Madres" is a successful social entrepreneurship that others can emulate to make a difference in this world!

REFERENCES

- Abu-Saifan, S. (2012). Social Entrepreneurship: Definition and Boundaries. *Technology Innovation Management Review*, (February), p. 22-27.
- Alexander, J. (2000). Adaptive strategies of nonprofit human service organizations in an era of evolution and new public management. *Nonprofit Management and Leadership*, 10(3), p. 287-303.
- Andreasen, A. R. and Kotler, P. R. (2008). *Strategic Marketing for Non-Profit Organizations*. Seventh Ed. Prentice Hall: Northwestern University, Illinois.
- Austin, J., Gutierrez, R., Ogliastri, E. and Reficco, R. (2006). Effective Management of Social Enterprises. *Cambridge, MA: David Rockefeller Center Series on Latin American Studies, Harvard University*.
- Battilana, J., Lee, M., Walker, J., Dorsey, C. (Summer 2012). In Search of the Hybrid Ideal. *Stanford Social Innovation Review*, vol. 10(3), p. 51-55.
- Campbell, Della; Scott, Kathryn D.; Klaus, Marshall H.; Falk, Michele. (2007). Female Relatives or Friends Trained as Labor Doulas: Outcomes at 6 to 8 Weeks Postpartum. *Birth: Issues in Perinatal Care*, Vol. 34(3, Sep), p. 220-227.
- Deitrick, L., Draves, M. and R. Patrick. (2008). Attitudes towards doula support during pregnancy by clients, doulas, and labor-and-delivery nurses: A case study from Tampa, Florida. *Human Organization*, vol. 67(4, winter), p. 397-406.
- Draper, L. (2005). Tapping overlooked sources of support for nonprofits. *Foundation News & Commentary*, 43(1), p. 27-32.
- Gilliland, A. L. (2011). A grounded theory model of effective labor support by doulas. *Dissertation Abstracts International: Section B: The Sciences and Engineering*, vol. 72(1-B), p. 593.
- Hoffman, A.J., Badiane, K.K., and Haigh, N. (2010). Hybrid Organizations as Agents of Positive Social Change: Bridging the For-Profit & Non-Profit Divide. Ross School of Business Working Paper. Working Paper No. 1149 Social Sciences Research Network Electronic Paper Collection: <http://ssrn.com/abstract=1675069>.

- Jiao, Hao. (2011). A conceptual model for social entrepreneurship directed toward social impact on society. *Social Enterprise Journal*, vol. 7(2), p. 130-149.
- Krlev, G. (2011) Mapping the area of Social Entrepreneurship: The Social Entrepreneurship Scheme. *Social Science Research Network working paper series*, (Jul).
- Makhlouf, Hany H. (First Quarter 2011). Social Entrepreneurship: Generating Solutions to Global Challenges. *International Journal of Management and Information Systems*, vol. 15(1), p. 1-8.
- Martin, R. L. and S. Osberg. (2007). Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*. Retrieved from [http://www.ssireview.org/articles/entrv/Social entrepreneurship the case for definition](http://www.ssireview.org/articles/entrv/Social%20entrepreneurship%20the%20case%20for%20definition).
- McGrath, S. K., Kennell, J. and H. Birth. (2008). A Randomized Controlled Trial of Continuous Labor Support for Middle-Class Couples: Effect on Cesarean Delivery Rates. *Issues in Perinatal Care*, vol. 35(2, June), p. 92-97.
- Mottl-Santiago, J., Walker, C., Ewan, J., Vragovic, O., Winder, S., and P. Stubblefield. (2008). A Hospital-Based Doula Program and Childbirth Outcomes in an Urban, Multicultural Setting. *Maternal & Child Health Journal*, vol. 12(3, May), p. 372-377.
- Noruzi, M. R., Westover, J. H., and G. R. Rahimi. (Jun 2010). An Exploration of Social Entrepreneurship in the Entrepreneurship Era. *Asian Social Science*, vol. 6(6), p. 3-10.
- Pärenson, T. (2011). The criteria for a solid impact evaluation in social entrepreneurship. *Society and Business Review*, vol. 6(1), p. 39-48.
- Rohwer, Shayna A. (2011). Information, kinship, and community: Perceptions of doula support by teen mothers through an evolutionary lens. *Dissertation Abstracts International Section A: Humanities and Social Sciences*, vol. 72(1-A), 262.
- Stein, M. T. Kenne, J. H., and A. Fulcher. (2004). Benefits of a Doula Present at the Birth of a Child. *Pediatrics*, Supplement Part 3 of three, vol. 114(Nov), p. 1488 -1491.
- Wing, K. T., Pollak, T. H. and Blackwood, A. (2008). *The Nonprofit Almanac*, The Urban Institute Press. Washington, DC.
- Zahra, S.A., Rawhouser, H.N., Bhawe, N., Neubaum, D.O. and Hayton, J.C. (2008). Globalization of social entrepreneurship opportunities. *Strategic Entrepreneurship Journal*, vol. 2(2), p. 117-31.
- Zietlow, J.T. (2002). .Releasing a new wave of social entrepreneurship. *Nonprofit Management and Leadership*, vol. 13(1), p. 85-90.

BIOGRAPHY

Dr. Elizabeth Robles is a marketing professor at the Management Department of the University of Puerto Rico. Her areas of research are consumer behavior, public relations, marketing in a noncapitalist system, fashion marketing, corporate social responsibility (CSR), and spirituality in the workplace. Dr. Robles has published her research in Marketing News, Forum Empresarial and Inter Metro Business Journal. She is available at elirobles@yahoo.com.