

NEW TRENDS IN THE CREATION AND MANAGEMENT OF SOCIAL ENTERPRISES: STUDY CASES (II)

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ESPIGOLADORS: Undertake a fight for successful food use

We give second chances to ugly fruits and vegetables,
and to beautiful people

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"We are grateful to Mireia Barba, president and director of the Espigoladors Foundation, for the information provided. Update made in July 2020."s



1. INTRODUCTION

Climate emergencies are a reality today. Young people see with their own eyes the effects that climate change has on the environment and its direct impact on the safety and health of people. Aware that environmental problems have their origins in an increasingly globalized model of production and consumption, which also entails many other social problems, young people have organized to call for a change to a model that accommodates all species of the planet and where life is put at the centre. There are many causes of climate change, which is why there are so many types of actions that need to be taken to reverse the effects. Curbing waste and food waste are some of them.

According to the Food and Agriculture Organization of the United Nations (FAO), food waste refers to those safe and nutritious foods initially intended for human consumption that are rejected or used alternatively (non-food) throughout of the food supply chain, from primary production to the final consumer. Food waste has a direct impact on the environment because when a food is discarded, it turns into waste all the elements used for its production, such as soil and water. In addition, it contributes to the emission of greenhouse gases; is estimated to cause 8% of these emissions globally.

Currently a third of the food produced in the world ends up in the trash. At the same time, in our country 23% of the population live in poverty, with difficulties in accessing healthy eating and job opportunities.

Espigoladors is a non-profit social economy organization working to turn this paradoxical situation upside down. It is a foundation that fights for the use of food while empowering people at risk of social exclusion in a transformative, participatory, inclusive and sustainable way.

The aim of this case is to familiarize students with the entrepreneurial process, as well as to highlight the main decisions and challenges faced by newly created organizations throughout their implementation, development and growth. Also, to make known the different legal forms and to work concepts like circular economy,

losses and food waste and social and environmental impact, that the case will allow to deepen in class.

The case is especially aimed at students in undergraduate and postgraduate programs in the social sciences, such as business administration and management and economics, for subjects related to entrepreneurship, strategic management and the management of non-profit organizations.

2. THE ESPIGOLADORS FOUNDATION - MISSION, VISION AND VALUES

Espigoladors is a non-profit social economy entity that aligns with the principles of the circular economy. It works with a triple-impact model to respond to three social challenges: **food loss and waste**, **lack of access to adequate**, healthy and nutritious food, and **lack of opportunities** for people at risk of social exclusion.

2.1. MISSION

Contribute to the fight against food loss and waste, raise public awareness of this problem and guarantee the right to healthy eating and job opportunities for vulnerable groups.

2.2. VISION

Develop a replicable and transferable model that impacts on the reduction of food losses and waste, improving access to adequate food for the entire population and the generation of employment for people at risk of social exclusion.

2.3. VALUES

Social transformation. Work from the will to contribute to the construction of a fairer, more supportive and inclusive society.

Innovation. Promote creativity and innovation in the design and development of our social action projects and initiatives.

Intercorporate. Encourage cooperation, synergies and the combination of efforts with other entities, public bodies and institutions to combat food waste.

Integrity. Guarantee rigor, independence and impartiality in their activities.

Professionalism. They base their work on technical efficiency with skilled and trained professionals for the projects they carry out.

2.4. SUSTAINABLE DEVELOPMENT OBJECTIVES

The Sustainable Development Goals (SDGs) were adopted in 2015 by all United Nations member states as a universal call to end poverty, protect the planet and ensure that all people can live in peace and prosperity by 2030. The United Nations Development Program (UNDP) is the main development agency of the United Nations and has a leading position in helping to implement the SDGs in about 170 countries and territories.

The SDGs are a list of 17 integrated objectives, as interventions in one area will affect the others, and therefore their balance will promote environmental, economic and social sustainability. At Espigoladors, they know it well. The SDGs 12 on Responsible Production and Consumption is one of the main objectives in their activity. Every year, a third of the food produced worldwide ends up being wasted somewhere in the food chain, before it reaches consumer dishes. The entity contributes to the use of food through harvesting in the fields in the primary sector and also through awareness-raising activities aimed at the general public. On the other hand, the brand of canned vegetables is im-perfect®, made from surplus and fruits and vegetables discarded for aesthetic reasons,

is representative of a model of sustainable production and circular economy that is committed to making the most of the resources.

Other objectives also benefit from its lines of work, such as 2-Zero Hunger and 3-Health and Welfare, for its contribution to guaranteeing a healthy diet for vulnerable groups, 8-Decent Work and Economic Growth and 10-Reduction of Inequalities, as the workshop is im-perfect® works as a space for training and employment for people at risk of social exclusion, and 13-Climate Action, as its fight against food loss and waste is directly linked to the fight against climate change. In this way, the integrated character of the SDGs is highlighted.

3. THE PROCESS OF ENTREPRENEURSHIP

3.1. THE ORIGIN OF THE ESPIGOLADORS

Espigolar (glean) was a traditional activity that was formerly carried out in the fields. People with few resources collected surplus in the farmers' fields, such as wheat spikes, nuts or olives, once they had already harvested and had their permission. At present, aggravated by the economic crisis, this practice of rural origin is also visible in the urban world: every day, in the streets of big cities around the world, we can see people with lack of resources stirring containers in search of surpluses in consumer society.

Inspired by this millennial practice and with the desire to recover and dignify the figure of the harvesters, in 2014 this initiative was created under the name of Espigoladors (Gleaners). The aim of the organization is to promote this activity as a strategy to reduce food losses and waste, facilitate access to adequate food for the entire population and promote social transformation. At the same time, it gives visibility to the work of the primary sector and raises awareness about the value of food.

3.2. TRAJECTORY

This section presents chronologically all the steps that have been followed by the entrepreneurs of Espigoladors, from the idea phase to today, to develop the business model they have today.

Espigoladors is a project conceived and founded by Mireia Barba, Jordi Bruna and Marina Pons and co-created by all the agents who have supported them from its constitution to this day. Mireia, president and current director, holds a diploma in Business Sciences and qualified as a Social Educator and has worked in a variety of sectors: banking, private enterprise and public administration (where she worked in economic promotion and advising companies and entrepreneurs). Mireia is the only entrepreneur who quit her job to devote herself 100% to the development of the project. Jordi Bruna is an economist and has more than 15 years of experience as an actuary. Marina Pons is a political scientist and has more than 10 years of experience as a consultant in public administration and the creation of knowledge networks.

The idea of the Espigoladors business model came as a result of the global economic crisis of 2008 when it became clear that basic needs such as food were not covered for everyone. At that time, Mireia, who on the one hand came from a family traditionally linked to the countryside and with a strong culture of not waste food, and on the other hand who had always had the desire to undertake an initiative that was social and sustainable, began to turn around this different idea that responded to the lack of access to healthy eating while generating job opportunities. It was informed about the problem of food loss and waste, the functioning and dynamics of the different links of the food chain, what social entities that worked with groups with difficulty accessing a basic diet and consulted different international models.

3.2.1. INCUBATION PHASE 2014

From the outset, Espigoladors has been on the move, training and informing itself, and using different mechanisms (support programs, tools) to receive advice and support from Torre Jussana or Barcelona Activa. In 2014, the idea of Espigoladors was selected in the social

entrepreneurship program of the Social Work La Caixa, with which it received 6 months of support to develop the business model and financial aid once it was created. The three entrepreneurs decided to create an association under the name of Espigoladors as they considered it the easiest, fastest and cheapest legal way to pilot a non-profit idea. In addition, they sought a legal way to approach the primary sector in a reliable way.

In the beginning, Espigoladors did not have funding or resources and it was the members who contributed hours of work, from home. At the time they did not consider other forms of funding such as crowdfunding platforms (which were not as well known as they are today) or grants as they first wanted to test the idea and check that it was viable. This first year they received financial support from “La Caixa” program and won other prizes such as the Atrápalo prize, with which they could finance the purchase of a second-hand van to start the pilot test.

This test began in August 2014, which, according to Mireia, was not a successful task but a learning task. It was developed detecting obstacles that had to overcome, as follows:

- Small local fruit shops were located around the house and it was asked if they were wasting food. A route was made to detect at what points food was wasted and how it could be recovered.
- Its public was identified: primary sector and food distribution companies. They were provided with a van and went to Mercabarna to explain their project to the different companies and producers who were there. They began to take the first steps to recover food in both, fields and warehouses of distribution companies.
- They contacted social entities through which to channelize these foods. They encountered different obstacles: some did not have cameras to hold food, others were locked up for holidays and others worked with volunteers and were not able to lend a hand in what Espigoladors needed.

- They looked for closed infrastructures such as schools (it was August) or convents (for being cool spaces with thick walls) to be able to transform food. They were not successful.
- They looked for underused kitchens and contacted many people and entities. They encountered the obstacle that Espigoladors did not have a fixed calendar to use the space, but needed it at the specific times when they had the food wasted, so it was very difficult for them to coordinate with the schedule of the kitchens.
- Finally the manager of Campos Estela left them a kitchen to do the pilot test where they cooked the first jams. They concluded that they needed to find a workshop to produce.
- In November, they found two external workshops in Terrassa and Caldes where they continued to test jam production.
- In December, they piloted the marketing of jams at a fair against food waste and held a lunch together with other organizations. The first prototypes were sold under the “es im-perfect®” brand.

Also that year, social networks were opened and it was promoted to apply for awards in both Barcelona and Madrid. Today, Espigoladors has a long curriculum of awards and recognitions that support the project and the organization.

The main challenge that the association had to face in the first year was to land the idea and do the pilot test to make it a reality.

3.2.2. BIRTH PHASE 2015

Once the model was piloted, a strategic committee was created in January 2015, as a body to help them make viable the idea they had already tested. They detected what their needs were (cuisine and product transformation, viability and business model, brand positioning, contact with the public administration of the departments of Agriculture or the Waste Agency of Catalonia) and contacted people who had experience and background in these matters. These people believed in the idea and participated in the strategic committee in a personal capacity. At Espigoladors, having a

strategic committee has helped them because it was made up of external people, with an unbiased vision, who bring their experience, they are people who believe in the idea and they are a support at all times.

In this first year of activity Espigoladors needed several spaces; office, production, a warehouse to store the product, etc. They were able to cover this need thanks to the creation of synergies and the support of different people and entities that gave them the spaces.

Two people were also hired and new lines were opened, some through calls, to develop new projects: awareness, education, cooking, advice, support for entrepreneurs and the peasantry, etc.

One of the strategic projects of the organization is to work with young people and boys and girls as they are the engine of change in society. That is why they wanted to influence schools by explaining what the right to a healthy diet is, what food losses and food waste are, and so on. In addition to doing this task from workshops, there was also a pilot test of the #elmenjarnoesllença Award, an award that is granted annually and which in 2019 celebrated its 5th edition. This is a competition for children and young people that aims to highlight their ideas and solutions to combat the problem of food losses and waste.

3.2.3. GROWTH PHASE 2016

In 2016, a person was hired to support the marketing of Espigoladors products and to promote the “es im-perfect®” brand. This is the first brand in Spain to sell quality products made from food surpluses in which groups at risk of social exclusion participate. The products are marketed in two ways. On the one hand, through the “es im-perfect®” brand and on the other through a distribution brand for producers, organizations and companies that want to reduce food losses and waste by diversifying the offer of their products and helping to make a positive social and environmental impact.

That year, work was also done to assess the social, environmental and economic impact. They have been testing the indicators for a year now after completing the pilot test and were able to better define the measurement, quantification, etc. To do so, however,

they had to do some investigation and research to learn how to evaluate, for example, the litres of water used. Espigoladors has always measured its impact and published the indicators with which it does so for transparency and has done so in a language understandable to all.

3.2.4. CLOSING THE CIRCLE OF THE MODEL 2017

Between 2016 and 2017 it was decided to locate Espigoladors in El Prat de Llobregat as a strategic location that allows them to be very close to the primary sector (they are next to the Baix Llobregat Agricultural Park and the producer fields of the different surrounding municipalities), the city of Barcelona and Mercabarna, the wholesale market of Barcelona. In addition, it is a municipality that is committed to the ESS (Social and Solidarity Economy). They found a space that they initially rented it but with time and the need to find a space where they could make their own workshop, the City council of El Prat de Llobregat, which was very interested in maintaining this initiative in their municipality, they were given the space they occupy to this day.

They settled specifically in the neighbourhood of Sant Cosme, a particularly vulnerable neighbourhood, with the intention of involving the residents of the neighbourhood by offering job opportunities to young people and adults, among others. Espigoladors works very actively with agents throughout the area, also contributing to the social revitalization of the neighbourhood.

Work on the workshop took place in 2017 and the first productions took place at the end of the year. They financed these works with soft interest loans, from individuals and organizations. They opted for this type of financing because they were looking for people who believed in their project beyond a loan with only an interest in economic benefit.

Espigoladors was presented with a great challenge to overcome the construction of a 370m² workshop, find the key person to lead it and become responsible for the workshop and the start-up.

With the start-up of the workshop, job placements began. It was a pilot test with 3-month recruitments. It worked and they reaffirmed that it made sense. At the same time, they learned a lot, were able to define the profile of people who needed at the workshop and developed a hiring protocol. The current hiring criteria is to do it for a longer time but up to a maximum of 1 year.

3.2.5. CONSOLIDATION OF THE MODEL 2018

In 2018, the workshop was launched in full swing and, as a result, the project was consolidated. The workshop became not only a work and production space but also an innovation laboratory for food use and a training and empowerment space for people in a vulnerable situation.

With the workshop underway, all the products of the “*es imperfect®*” brand were reformulated, to bring them closer to the definition of the brand. They reduced sugars, boosted fruit and vegetables and opened new product lines (sauces, creams and pâtés). They had the support of the team and external people and specialists to taste the new products and check their quality, flavours, texture, etc. These processes that were adapted professionalize the brand.

In addition, the design of the brand was changed and a brochure for the presentation of Espigoladors was added to the labels.

That year the model was strengthened, as it was done in previous years, from presenting the project to many people and entities and working together with many agents.

Also in 2018, the transformation of the Association into a Foundation was validated, a task that had been worked on since mid-2017. This change in legal form was made with the advice of a lawyer as part of an accompaniment program. The statutes were drafted and a board of trustees was formed consisting of four people from the strategic committee, which was dissolved, plus the three partners. The legal form of association had to evolve to strengthen the model and they hoped to be strong enough to form a Foundation.

3.2.6. AWARENESS AND SENSITIZATION RAISING 2019

Responding to food waste and loss is a job that must be done together and therefore requires collaboration from all citizens. It is necessary to create social awareness and make visible the problem so that finally a fruit or vegetable that has a different shape to the “normal” but with all its nutrients, is not ruled out. Since the beginning of Espigoladors, the project has placed its social purpose and the people at the centre. That is why currently a very important part of his work is the awareness and visibility of the problem.

Currently Espigoladors carries out workshops, training, educational projects, awareness campaigns and CSR activities, among others. They created a community under the label #jonollenço.

On the other hand, in 2019 a new person was hired to work the increase in sales of the products “es imperfect®”. The criteria they follow from Espigoladors is that their products are accessible to everyone. For this reason they established four distribution channels: retail (local shops: bakeries, delicatessen, fruit shops,...), hotels and restaurants (serving in bulk, sector that has allowed them to work on food waste), high consumption (supermarkets that were aligned with their principles, are currently in Bonpreu and Caprabo) and Christmas hampers. Entering large consumption was a great challenge as they had to show attractive a brand unknown to the general public and also, more expensive than the competition due to be handmade, without additives, without preservatives, etc.

That year they also conducted a pilot test of a new transformation service for producers. These provide the raw material and Espigoladors produces natural and handmade preserves and labelling, as well as together, work to reduce food waste and losses. The workshop is certified with CCPAE and so can make organic products, which is very attractive to farmers.

4. ESPIGOLADORS TODAY

4.1. BUSINESS MODEL

Currently the lines of work and action developed by Espigoladors to accomplish their mission are as follows:

Collection. They recover the fruit and vegetables that are discarded, either because of a drop in sales, for aesthetic reasons, because of surplus production or because the fruit is ripe and the consumer no longer buys it. Mainly from the primary sector. In 2019 alone they recovered 235,202kg of food, avoided 114,073kg of CO₂ emissions and saved 151 million litres of water.

Donation. They channel more than 90% of the food they collect to social entities and food distribution services near the collection area. Thus, they promote the right to healthy eating for the whole population through a model focused on empowerment, dignification, autonomy, strengthening community networks and participation.

They work in a network with 54 receiving social entities, both non-profit social entities and public administration. In 2019 alone, 744,806 servings of food were served, and 9,800 families benefited.

Transformation, labour insertion and marketing. In their workshop, they transform the rest of the recovered food into natural and handmade preserves and market them under the brand “es imperfect®”. In 2019 alone, they transformed 51,195 kg of food, offered 19 job and training opportunities and had 295 points of sale.

Awareness and education. They carry out various activities to generate social awareness towards food waste and other global challenges. Apart from awareness campaigns, they also run campaigns and actions for companies and advisory, research and innovation programmes. They also offer educational workshops for children and young people for food use and cooking workshops. In 2019 alone, they carried out 410 awareness-raising actions in which they had a total of 10,692 participants.

Inclusion. Throughout the process, receiving social entities and vulnerable people are integrated, promoting the dignity of people and generating employment and social opportunities.

4.2. INTERNAL ORGANIZATION

4.2.1. STRUCTURE

The Espigoladors Foundation is composed of several people who want to contribute to food use and who do so in various ways.

4.2.1.1. Workers

Currently Espigoladors is made up of 25 working people, 85% of whom are women and 15% men. These workers make up the 6 areas of work of the organization, spikes and volunteering; commercial; projects; administration and accounting; communication; and workshop.

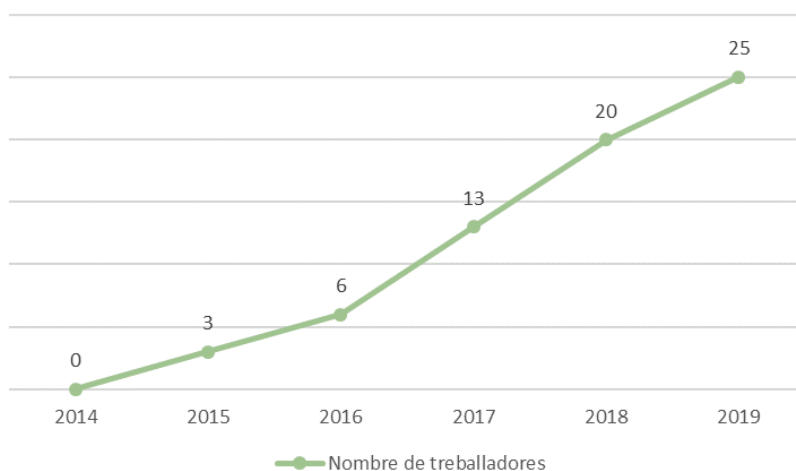


Figure 1. Evolution of the number of people contracted to Espigoladors.

Source: Espigoladors

4.2.1.2. Board of Trustees

As Espigoladors is a Foundation, its governing body is a Board of Trustees. It represents it and ensures that the foundational purpose is at its best. The Board of Trustees of Espigoladors is composed of a president, secretary, treasurer and 4 members. Espigoladors has a network of people and organizations that support at strategic times.

4.2.1.3. Volunteers

Apart from the people who work on a day-to-day life at the foundation, Espigoladors has 600 volunteers. These are citizens in general, both people derived from social services or users of distribution services as well as anyone else who wants to participate in this activity. Volunteering for Espigoladors means being part of a group with an identity that dignifies and at the same time encourages self-esteem and the generation of opportunities.

4.2.1.4. Producers

Producers has a network of producers with which they sign an agreement that allows them access to their fields in a regulated manner. There are 104 mainly in the area of the Baix Llobregat Agricultural Park, although from 2020 they also gleaning actions in the Tarragona countryside and the Maresme region.

4.2.2. SOCIAL AND ENVIRONMENTAL IMPACT

From Espigoladors they are aware of the importance of assessing the social and environmental impact of the actions they carry out. The evaluation of the impact and the results helps the entity to understand if its activities are contributing to solve the problem to which they respond. Espigoladors captures their results in figures in an annual activity report that allows them to record their contribution.

What Espigoladors most highlight of their work is that their root activity of collecting they bring citizens closer to the countryside and the primary world, make visible the work of the peasantry and highlight the value of food and the need to know where they come

from. With the experience gained throughout the development of the project and the provision of each area of the right people, for example with the entry into the entity of a person specialized in communication and graphic design, they have known how and where to communicate effectively. They currently communicate their impacts while carrying out awareness campaigns for people to consume locally, explaining the timing of fruits and vegetables.

4.3. AWARDS AND RECOGNITIONS

Since the beginning of its activity, Espigoladors has been recognized and awarded multiple times. It has received more than 10 awards from regional, national and European public institutions; and private entities in the quinquennial from 2014 to 2019. Among others, they have been winners of: *Mercabarna Awards* in the category of *Best Networking Initiative*, *Environment Award* of the Generalitat de Catalunya and *#Movethedate* contest in the food category of *The Global Footprint Network*. They have also been finalists of prizes such as the European EU Social Innovation Competition award of the European Commission.

All the awards and mentions have recognized their tasks in favour of the environment, innovation, entrepreneurship, volunteering, networking, environmental education and sustainability, among others.

Both for its short but intense trajectory, the impact of its actions and involvement in the territory, Espigoladors has become a benchmark in the field of food loss and waste and also of the social economy in Catalonia.

4.4. NETWORKING

According to Mireia, president of the Espigoladors Foundation, the secret of this entity has been to collaborate with many agents at every step, which is why she believes that today Espigoladors is not only of the 3 co-founders and the rest of 4 members of the Foundation but of all the people who have believed in the model.

So much so that one of the values of the organization is intercorporate. Since its inception it has been establishing relationships with different agents, building community and actively participating in various projects. It has worked in a network to develop its activities with public institutions, social entities, and with companies with which they share the desire to generate a social transformation.

4.5. POLITICAL IMPACT

The vocation of Espigoladors has always been the social transformation and therefore it is very important to include political impact among its actions. Since 2016 Espigoladors together with other private entities have worked together with public administrations to develop a proposal of law against food loss and waste. After many efforts, in March 2020 the Parliament of Catalonia approved the *Law on the Prevention of Food Loss and Waste in Catalonia*. This law that also regulates gleaning and affects all links in the food chain is very pioneering at European level. Espigoladors has managed from joint work with other agencies to transform this political and legal reality.

On the other hand, in 2019 Espigoladors has prepared commissioned by the Department of Agriculture, Livestock, Fisheries and Food, a guide of good practices for a safe glean and have made a diagnosis on the gleaning as a tool of social transformation and community dynamization under the name of “Re-glean: gleaning, a tool with transformative potential”. This, together with the other actions carried out, have recovered an activity that had disappeared and professionalized it.

5. ESPIGOLADORS LOOKING TO THE FUTURE

As we have seen previously Espigoladors works by inserting people at risk of social exclusion. It currently offers contracts of up to one year and these cannot be extendable because after a year they would have to become indefinite contracts. With the intention of being able to hire people for a longer time Espigoladors is currently working to constitute “es imperfect®” as an Insertion Company of the Espigoladors Foundation.

Regarding the structure of the organization, Espigoladors has been formed from three believers of social transformation through unique initiatives but without previous experience in the food sector. Espigoladors is currently looking to attract new talent to grow the team. They are looking for specialized profiles, people with a background in logistics, the food industry, etc.

Finally they also have plans to open a new workshop, they have already found the space but are looking to attract investors.

6. QUESTIONS

- Analyses the different legal forms that are in the social economy and interprets why Espigoladors has changed its legal form over time. What challenges do you think they will face as an Insertion Company?
- What is the circular economy and how would you justify that the Espigoladors model aligns with the principles of this economy?
- What tools exist to calculate the social impact of an entity?
- Do you think Espigoladors has been a success story for entrepreneurship? Because? How would you justify it?
- The aim of Espigoladors is for its model to be replicable and scalable to increase its impact. How would you replicate or scale the model of Espigoladors in the territory?

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Collaborating entities

