

Young Entrepreneurs Look to Sway State's Social Policy

By [Donatella Basdereff](#)

December 15, 2013



Englishman and HUB curator Andrew Grenfell handing out materials at a Moscow HUB pilot project launch.

You want to change the world through business. You live in Moscow. You have an unusual money-making idea that will also benefit society.

Where do you go?

Not long after launching their own entrepreneurial projects, three young Russian women and an Englishman found themselves asking the same question.

Each of them had independently discovered that many entrepreneurs across Russia were coming up with unusual projects to solve problems in their communities — a tour operator run by disabled people, a factory where blind people used their heightened sense of touch to weave string bags, and a farming cooperative for orphans.

But those ambitious, dynamic projects were often isolated and largely unknown beyond the regions where they operated, lacking a place where founders could meet, share solutions and find like-minded collaborators and investors.

So the three Russians — Anastasia Gulyavina, Yekaterina Khaletskai and Anastasia Markelova — along with Englishman Andrew Grenfell decided that they would give the projects such a meeting place.

A model for the meeting place already exists in other countries, and it is called Impact HUB. Now these four young entrepreneurs are bringing one to Moscow.

Defining itself as "part innovation lab, part business incubator, and part community center," the Impact HUB global network helps establish meeting spaces in cities for socially minded entrepreneurs from various industries to share their experiences and discuss smart solutions to problems in their local and national communities.

The concept is that "impact makers," or "hubbers," are given a chance to join a new breeding ground where they can find and work out ideas and solutions together. The focus is on creating companies that have a positive social effect while generating a financial return.

Launched in 2005 in London, the HUB has already expanded to more than 40 locations across six continents. Each hub builds its own headquarters and offers several membership packages according to entrepreneurs' needs, from unlimited access to office space, events and the community, to just visiting from time to time.

With the HUB successful all over Europe — HUB Odessa has already been open for almost two years — the founders of HUB Moscow felt it was time that Russia joined the party.

"The outside is missing out on the experience from this country," said Grenfell, a former local council adviser from southern England who two years ago set up a social enterprise volunteer program called the Russian Orphan Opportunity Fund. He serves as curator for Moscow HUB.

Gulyavina, events organizer for HUB Moscow, agreed, saying: "There are some very good ideas developed by social entrepreneurs. Citizens should know about it."

Since the Soviet collapse, Gulyavina said, Russians have had to set up social programs and find solutions on their own locally in order to make up for the state's deficiency, whether it be kindergartens or pensions.

But lacking a national infrastructure and communication between one another, these initiatives remain largely unknown outside local communities.

So, with the aim of changing this, the team got down to work last winter applying to the Impact HUB global network for the right to establish HUB Moscow. Since then, Impact HUB Moscow has organized several events and partnered with Internet giant Yandex as well as the Unreasonable Institute in Colorado, an umbrella group for entrepreneurs who create solutions to major social and environmental problems.

"The community is already out there waiting for it to happen," said Gulyavina, proudly noting that the HUB has topped 850 active followers on its Facebook page.

The launch campaign culminated in HUB's leading role in Russia's first international conference on social innovation and organization of its first Impact Day in Moscow in October. A sort of dress rehearsal for the HUB, the Impact Day saw Russian entrepreneurs meet one another and discuss each others' projects — ranging from a LinkedIn for social entrepreneurs to a self-funded book-bus that travels through the snow to deliver books to children.

Last week the HUB opened its pilot stage: For the next month, visitors to Moscow's Dostoevsky Library can view 10 projects that are seeking to attract investors. Meanwhile, the team is actively fundraising to launch the HUB officially sometime next spring.

But the new HUB is facing some difficulties. Contrary to expectations about Russia, dealing with local authorities has not been a major issue, although there is a real lack of legal structure for social entrepreneurs, the group's founders said. Russian law currently has no definition for "social enterprise" — there are just businesses and NGOs. This complication led the group to register as an NGO, rather than a business.

"The social goal is first," said Khaletskaya, adding that the organization is at pains to be completely apolitical.

Both steps are to some extent precautions to ensure the group does not run afoul of restrictions imposed on organizations mainly funded from abroad, which since 2012 have been obliged by law to register under the title of "foreign agents." The organization refuses any foreign funding.

Still, the notion of social entrepreneurship remains largely unknown among Russians.

"People at the beginning are confused when they try to understand the concept," Gulyavina said.

Even though this is a real long-term issue, it is not the team's main concern at the moment, she said, because they are "focusing on people who are already interested in the social focus" for fundraising, partnerships and communications.

Hinnerk Hansen, global managing director of the Impact HUB network, advises the Moscow HUB to present itself as an "impact maker" rather than a group of "social entrepreneurs" because it aims to include both nonprofit and for-profit organizations.

This "is probably the broadest and the clearest definition," he said.

Overall, the most concrete and, in the end, quite banal problem that the Moscow group is facing is the rent. Ranked as one of the most expensive cities in the world, Moscow can be inhospitable to newcomers whose key factors for success are the cost and location of their headquarters. Currently, the HUB's main focus in fundraising is for its future rent.

Indy Johar, co-founder and executive director for the Impact HUB Westminster in London, has faced a similar problem in the British capital, and he said a HUB's success relied on tailoring itself to its local economic reality, which in Russia is organized around large companies and not small- and medium-sized companies like in Britain. He said if the Moscow group could position itself as part of a larger "corporate sustainability process," it could

benefit from the CSR policies of bigger companies to help cope with rent and other financial costs.

Impact HUB Moscow's landing could be as successful as those in London, Vienna or Singapore. The Singapore group, set up in 2011, already has been able to have a direct impact on government decision-making, with government officials attending its meetings to seek inspiration for their policy planning, said Grace Sai, CEO and co-founder of the Singapore HUB.

"Impact HUB Moscow can be a very powerful force for the city and country within two years," she said.

She stressed that the Moscow group would need broad backing from Muscovites, social entrepreneurs, media and large companies to succeed.

Lingering questions aside, the Moscow HUB is already exciting some local entrepreneurs and entrepreneurs-to-be. "We have got experience in small areas, but entrepreneurship requires a lot of structure," said Marina Mikhailova, who participated in Impact Day in October. "The structure to connect people — that is what we need."

Donatella Basdereff is a writer for Student Reporter. Based in New York and Zurich, Student Reporter is a journalism incubator and online media outlet for business, economics and sustainability stories.

Contact the author at bizreporter@imedia.ru

Original url:

<https://www.themoscowtimes.com/2013/12/15/young-entrepreneurs-look-to-sway-states-social-policy-a30500>