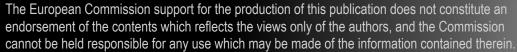
Vladimír Ledecký, the first social enterprise in Slovakia as a motivation for others



















### Good Practice 2 Hrhovské služby, s.r.o. - the first social enterprise in Slovakia as a motivation for others

#### **Highlights**

- Establishment of social enterprises in Slovakia.
- Hrhovské služby, s.r.o. the first example of social entrepreneurship in Slovakia.
- Support of social entrepreneurship in Slovakia by the state.
- Motivation for social entrepreneurship.





### 1. Vladimír Ledecký general information

- Name of entrepreneur: Vladimír Ledecký, at the time of founding the company (2005) the mayor of Spišský Hrhov, currently a member of the National Council of the Slovak Republic
- Company name: Hrhovské služby, s.r.o.
- Place: Spišský Hrhov, Levoča region, Slovak Republic
- Activities: Construction work, earthworks, mowing, wood chipping, road repair, wood production, production and sale of pallets, stone work, straw baling, building insulation, production and sale of pallets.

#### Contact information

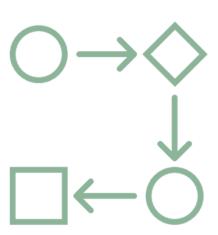
- Web: https://www.spisskyhrhov.sk/obec-2/organizacie-vobci/hrhovske-sluzby-sro-rsp/
- o email: vagnerova@spisskyhrhov.sk





## 2. How would you describe the process of setting up your social enterprise?





- At that time, I was the mayor of Spišský Hrhov and as a village we were preparing a development plan for the village.
- During the preparations of the plan, it was important that as many people as possible were involved. That's how we involved 70 people in it. One of the areas we started to address was 100% unemployment of the Roma population and the associated negative issues related to the excluded community.
- In order to solve the problem of the Roma community, we came up with the idea of starting a municipal company. It was clear to us that we would not employ everyone, but we knew that we had local resources that we could use and employ at least some of them. Then deal with school attendance, paying taxes, etc ...
- The main idea was the creation of jobs and the social inclusion of the Roma community in the life of the village.

# 3. What was the main competitive advantage that motivated your business idea?

- Another area that we wanted to address was to stabilize the population, to stop their outflow for work to other regions, as their number was rapidly decreasing in our country.
- Our advantage was that we had land, we could trade some of it.
  We started with the preparation of building plots, later with the construction of apartments.
- There were periods when we employed more than 100 employees, we prepared more than 500 building plots at affordable prices, so people from the region also started moving to our village. We supported the model of financing self-help construction of family houses. The population began to increase, people were starting to build houses.







# 4. What challenges did your business project face at the initial or later stage of development? How did you deal with them?

- At the time they registered our company as a social company, we already had a municipal company in which we employed disadvantaged citizens. We looked at whether they could make a living by themselves and, if so, we employed them. When we became a social enterprise, we received a contribution for them that we didn't use to receive before.
- From the beginning, our goal was to create jobs for hard-to-employ people and help the local community, not to make a profit.
- But always at the end of the year, we found out that we could also make a profit. Since it was a municipal company, we said that we would invest 100% of that profit. So we started planning more activities to develop the company. We had the technology and the people. We identified a number of local resources that we used later.
- We expanded our activities to include comprehensive construction activities, a bakery, a blacksmith's workshop, a shop with domestic products, which also supported regional producers, the outdoor swimming pool we operate, a distillery that was missing in the region, and a gym.

# 5. What kind of support did you receive from the public administration in founding the company (financial, mentoring, ...)?

We received support from the Canadian Institute. We were a municipality that was the first of the municipalities and perhaps also the first of the local governments in Slovakia to create a plan for the social and economic development of the municipality. During that period, we met with the organization Canadian Institute which was funded from foreign sources. We drew information from them about the development plan and information about how it works in the world. Although we could not finance the development plan through them, they offered us the opportunity to teach us to compile it and use it in our village. That's how we could start a municipal company.





# 6. Why did you decide to support (become a kind of mentor) the establishment of social enterprises in Slovakia? Why do you consider them important?

- There is a large part of underdeveloped regions in Slovakia. I see the opportunity to support and develop them through the establishment of social enterprises. The social enterprise in Hrhov was a positive example, a kind of engine for development and change. In addition, he managed to integrate the Roma community into the life of the village, which needs to be achieved also in other regions of Slovakia.
- The support for the establishment of a social enterprise is quite significant in Slovakia. Nonetheless, social enterprises are emerging very slowly, we currently have around 300 of them. We do not have leaders or social entrepreneurship managers.
- When other local governments got inspired by us, we began to deal with the fact that we could institutionalize social entrepreneurship in our country. This is how the law on social enterprises was created. Subsequently, a project financed from European sources was created, that gave rise to a structure in each regional city that supports the establishment of social enterprises. The problem is that it is made up of people who came from other projects. They are professionals, they can explain the law, but they still lack specific knowledge from practice. That is why I still see room for improvement in this particular area.

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