

SHORT FOOD SUPPLY CHAINS AS OPPORTUNITIES FOR HUNGARIAN PARAGASTRO SOCIAL ENTERPRISES

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In the recent years the alternative food networks gained a significant importance, mainly due to the need of consumers to get closer to the farmers both in terms of physical distance and in number of intermediaries. The concept of building a reliable food system tries to balance the mistrust in the industrialized food production that is dominating in the developed countries.

Social enterprises are enterprises pursuing primarily social objectives in business environment. In 2015, in Hungary more than 13.000 social enterprises were registered according to the statistics with many different social missions. However, the number of social enterprises in the catering sector is quite limited. The Hungarian para-gastro movement consists of 7 different organisations, operating in the catering sector and employing handicapped and/or disabled workforce.

Against this background, in our paper we would like to investigate the business models of Hungarian social enterprises in the catering sector, somehow connected and related to short food supply chains. To the best of our knowledge, currently only 3 companies fulfil all these criteria: Ízlelő Restaurant from Szekszárd, Hatpötytös Restaurant from Székesfehérvár and the Batyu-Téka from Miskolc.

In order to understand the business models of these three companies, we applied an expert interview based, qualitative approach. We also analysed the publicly available financial statements of them and calculate the most important (financial) ratios. Altogether we tried to analyse the role of direct sourcing, the niche market of local foods and obviously the advantages and the disadvantages of the social entrepreneurship.

Results show that currently the social enterprises requires (state) subsidy to survive, the average share of subsidies was 19-49% of the total income among the investigated companies. However, all have their unique way to pursue the survival and the level of commitment to short food supply chains is very

different. Altogether we could identify possible synergies where social gastro enterprises can benefit from direct sourcing.