

THE MAGDAS HOTEL

SECTOR
Inclusion of refugees in a social enterprise in the tourism sector

COUNTRY
Austria

LEAD ORGANISATION
Magdas Social Business was set up by Caritas Vienna, member of Caritas Europa, the network of Caritas organisations on the European continent

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DESCRIPTION

Magdas, a member organisation of Caritas Vienna, was founded in 2012 with the aim to create new job opportunities for people living in poverty who have lower chances of entering the job market.

Over the last few years, Austria and its capital Vienna, as well as many other cities in Europe, have experienced very significant increases in the number of people seeking refuge in its territory. Once settled there, refugees often face enormous difficulties in integrating into the labour market, for example because of a lack of proficiency in the language of the host country, or because of discrimination and unfair treatment. As a consequence, they face further problems in accessing housing, and often end up in situations of precariousness, including extreme poverty and social exclusion.

At the same time, however, there is a lack of qualified staff in the tourism industry in the region. Convinced that many refugees had the potential to work in this sector, Magdas realised that both issues could be addressed together.

The organisation developed the concept of a social business hotel run by refugees accompanied by experienced staff. The idea was that a hotel could easily become an engaging and motivating project that could bring together people with very different cultural, professional and social backgrounds.

The hotel, a former retirement home owned by Caritas, was designed through a co-creation process involving several companies, neighbours, refugees, and artists; for example, some of the

furniture was constructed from material that was reused, recycled and recovered during workshops with these groups. The Academy of Fine Arts was also involved in the project.

After nine months of intensive work, the Magdas Hotel could officially open on 14 February 2015. Its inauguration was received with extensive media coverage, as this was the first project of its kind in Austria and in the European Union as a whole. Numerous Austrian newspapers, but also well-known foreign news outlets such as the Guardian, NZZ, Die Zeit, Süddeutsche Zeitung, CNN, BBC and many more reported on the hotel and the innovative idea behind it.

The project is funded by loans from Caritas and Erste Bank; the bank took some convincing of the project's potential due to its innovative nature. Nevertheless, Magdas was able to demonstrate its expertise as a social business, and to show that they had developed a strict strategy and budgetary plan that would be adapted to the market situation every year.

A SOCIAL INVESTMENT APPROACH

As a social business, Magdas tries to solve both economic and social problems using entrepreneurial tools. The focus is not the maximisation of profit, but the maximisation of societal benefits, solidarity and openness.

By focusing on the skills, talents and motivation of refugees rather than seeing them as a burden upon their hosting country or municipality, Magdas has made an investment in the future. With this unique initiative, refugees are recognised by the population as people involved in the community's activities, and not as people relying on public aid.

Public money is saved in the short-term since the refugees no longer rely on benefits, and in the long-term, as these refugees will contribute to the Austrian economy in the years to come. In this regard, by cooperating with training institutions and the tourism industry, the Magdas Social Business is able to provide refugees with training that will serve them throughout their life.

MAIN ACHIEVEMENTS

The Magdas Hotel project has been an undeniable success. The hotel employs thirty people, out of which twenty are refugees. They come from sixteen different countries, including Nigeria, Guinea, Syria, Iran, and India. They also feature very different religious backgrounds, and there is a perfect gender balance among employees. All these people cooperate with one another, united by this common project, which sets an excellent example for other organisations.

In the year after its creation, approximately 22,000 guests stayed in the hotel, and were able to admire the skills, potential and ambition of the refugees working there.

Another significant achievement of the project is its public outreach. More than 100 articles in regional, national and international newspapers and magazines – both online and offline – have been published. This is important because it has already changed the perception of refugees among the public in a positive way.

About a thousand pupils and students, as well as staff from various companies, politicians and ordinary citizens have also visited the hotel to learn more about the project.

LOOKING FORWARD

Magdas has two main objectives for the future. The first is to ensure the financial sustainability of the Magdas Hotel in Vienna in the medium-term. To fulfil this goal, the staff are working hard to achieve an average booking rate of 75%, which is deemed sufficient to ensure that the business continues to prosper. The second objective is to develop a Magdas Social Franchise to facilitate the creation of other Madgas Hotels run by refugees throughout the EU. Magdas is therefore currently looking for new partners in other Member States.