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European overview on social economy

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Social economy, social enterprise and social entrepreneruship: synonims?

Social economy

A significant proportion of Europe's economy is intended to make profits for people other than investors or owners. Known as the 'social economy', it includes cooperatives, mutual societies, non-profit associations, foundations and social enterprises. They operate a very broad number of commercial activities, provide a wide range of products and services across the European single market and generate millions of jobs. Social enterprises are also the engine for social innovation.

Social enterprise

A social enterprise is an **operator** in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by **providing goods** and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.

Social entrepreneurship

The term 'social entrepreneurship' emerged in the 1990s in Anglo-Saxon countries. It covers a broad range of activities and initiatives, including social initiatives occurring in profit-seeking businesses, institutionalised entities explicitly pursuing a social goal, relations and practices that yield social benefits, entrepreneurial trends in non-profit organisations, and ventures developed within the public sector.







Social economy in Europe: the impact of the sector

2 million social economy enterprises in Europe

10% of all businesses in the EU

More than 11 million people work for social economy enterprises

About 6% of the EU's employees

Up to 160 million people in Europe are members of social economy enterprises

Source: Social economy in the EU, https://ec.europa.eu/growth/sectors/social-economy-eu-en







A common definition of social enterprise is possible?

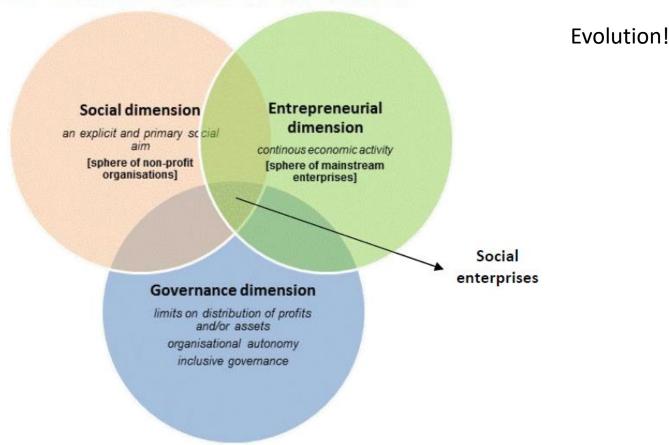
- An operator in the social economy whose main objective is to have a **social impact rather than make a profit for its owners or shareholders**.
- It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives.
- It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.
- Source: Social Business Initiative (SBI), 2011





A common definition of social enterprise is possible?

Figure ES1.1 The three dimensions of a social enterprise



Source: European Commission (Directorate-General for Employment, Social Affairs and Inclusion Directorate C Unit C2), A map of social enterprises and their eco-systems in Europe, 2016. P.VI







A common definition of social enterprise is possible?

Social economy enterprises have different legal forms and various objectives.

Social enterprises are present in almost every sector of the economy, serving the needs and interests of their communities and society.







Types of social enterprises in Europe

Four "historical" types: associations, mutuals, co-operatives and foundations.

New type: social enterprise





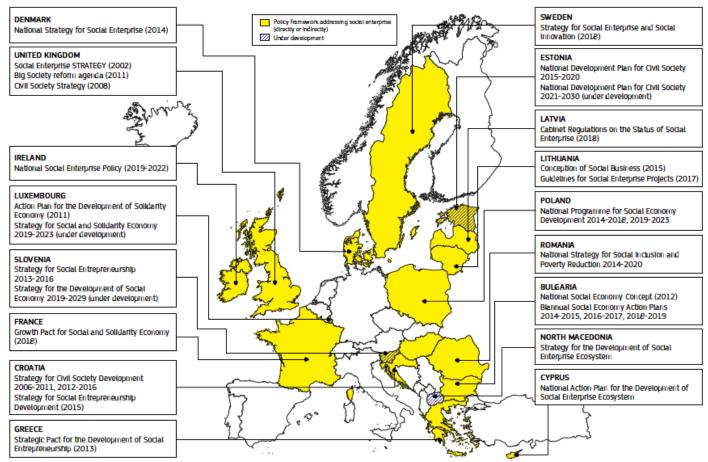


Types of social enterprises in Europe

Social enterprises and their ecosystems in Europe | Comparative synthesis report

Social enterprise ecosystems: comparative perspective | 55

Figure 3. Countries with policy frameworks targeting social enterprise



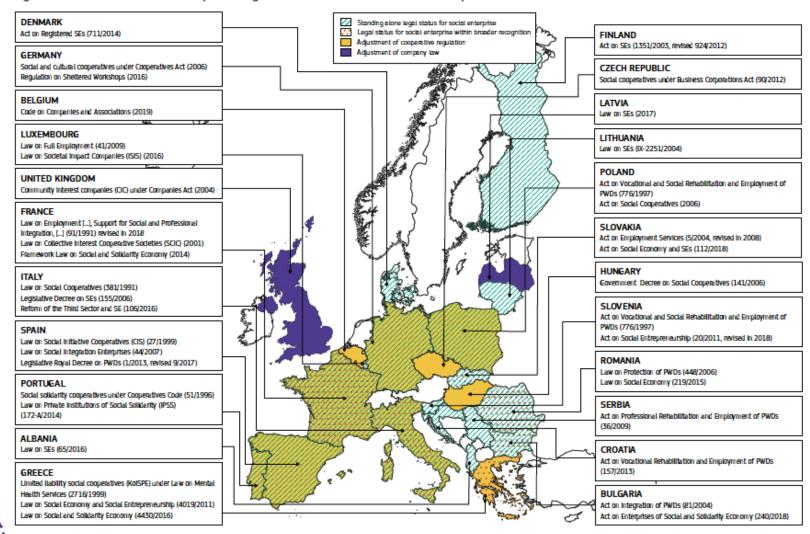






Types of social enterprises in Europe

Figure 4. Countries with laws on specific legal forms or statuses for social enterprises





in local communities



Legal framework

Social Business Initiative (2011)

- Access to finance
- Visibility
- Regulatory environment

Start-up and Scale-up initiative (2016)

- Access to Finance
- Access to markets
- Framework conditions
- New technologies and business models
- International agenda

EFSI Social impact instruments (2016)

- Important political signal
- EFSI resources are mobilised in building social finance markets

European Action plan for Social Economy







Legal framework: Social Business Initiative (2011)

The SBI is first time that a specific policy only for the promotion of the social enterprise was created.

Its aim was to enhance the development of the social enterprises model.

The SBI identified eleven main priorities under in three macro areas of intervention:

- 1. facilitating the access of the social enterprise to financing;
- 2. increase the visibility of social entrepreneurship and
- 3. improve the legal context.





Legal framework: European Action Plan for social economy (2020-2021)

Mission letter from President of European Commission Von Der Leyen to Commissioner for Jobs and Social Rights Nicolas Schmit: "European action plan for social economy is going to be created to enhance social innovation".

This action plan and its roadmap was also mentioned in the Communication of the EC "A Strong Social Europe For Just Transitions" in the section Creating more jobs.

The CE carrieda co-creation process of this plan with actors and stakeholders of the Social Economy field (Manheim).

The plan will be published in **December 2021.**











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THANK YOU! Questions?

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