



European  
Commission

SOCIAL ENTERPRISES  
AND THEIR ECOSYSTEMS  
IN EUROPE

**Comparative  
synthesis report**

Executive summary

This executive summary is part of the study "Social enterprises and their ecosystems in Europe". It summarises the comparative synthesis report describing the social enterprise landscape in Europe.

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Countries included in the three social enterprise mappings by the European Commission

No	Country	TYPE	2014	2016	2018-2020
1	Albania	Fiche	-	-	✓
2	Austria	Report	✓	-	✓
3	Belgium	Report	✓	✓	✓
4	Bulgaria	Report	✓	-	✓
5	Croatia	Report	✓	-	✓
6	Cyprus	Report	✓	-	✓
7	Czech Republic	Report	✓	-	✓
8	Denmark	Report	✓	-	✓
9	Estonia	Report	✓	-	✓
10	Finland	Report	✓	-	✓
11	France	Report	✓	✓	✓
12	Germany	Report	✓	-	✓
13	Greece	Report	✓	-	✓
14	Hungary	Report	✓	-	✓
15	Iceland	Fiche	-	-	✓
16	Ireland	Report	✓	✓	✓
17	Italy	Report	✓	✓	✓
18	Latvia	Report	✓	-	✓
19	Lithuania	Report	✓	-	✓
20	Luxembourg	Report	✓	-	✓
21	Malta	Report	✓	-	✓
22	Montenegro	Fiche	-	-	✓
23	The Netherlands	Report	✓	-	✓
24	North Macedonia	Fiche	-	-	✓
25	Norway	Fiche	-	-	✓
26	Poland	Report	✓	✓	✓
27	Portugal	Report	✓	-	✓
28	Romania	Report	✓	-	✓
29	Serbia	Fiche	-	-	✓
30	Slovakia	Report	✓	✓	✓
31	Slovenia	Report	✓	-	✓
32	Spain	Report	✓	✓	✓
33	Sweden	Report	✓	-	✓
34	Switzerland	Report	✓	-	-
35	Turkey	Fiche	-	-	✓
36	United Kingdom	Report	✓	-	✓



## Mapping social enterprises and their ecosystems in Europe

In recent years, social enterprises have increased progressively in size and relevance and have attracted significant interest from diverse stakeholders—including researchers, policymakers, public administrations, international institutions and financial intermediaries—in most European countries. Yet, social enterprises are less visible than their diffusion would warrant, and many stakeholders struggle to understand their nature.

To follow up its Social Business Initiative (SBI) and to strengthen the visibility and recognition of the social enterprise, the European Commission ordered a study to "map social enterprises and their ecosystems in Europe". The first study was published in stages over 2014 and 2015. The present mapping study updates the 2014-2015 study in light of the rapidly changing landscape. Moreover, it contributes to advancing the estimation of the overall number of organisations that can be understood as social enterprises and to identifying country commonalities and variations.

To accomplish these goals, the 2018-2020 mapping study has involved diverse actors: more than 70 researchers including national researchers, members of the advisory board and experts in specific fields such as statistics, and more than 750 stakeholders who contributed critical insights. This complex framework has enabled the updating of 28 country reports for EU Member States and the production of seven baseline country fiches for non-EU countries (Albania, Iceland, Montenegro, North Macedonia, Norway, Serbia and Turkey) for a total of 35 national reports. Additionally, it has allowed for the analysis of more than 100 concrete examples of good practices of social enterprises operating in diverse fields of general interest, and it has contributed to 50 exploratory case studies in 11 countries.

Various challenges have emerged during the study, particularly the strong country-specificity of the social enterprise phenomenon, which reflects diverse traditions and institutional contexts, and the rapidly evolving policy frameworks relevant for social enterprises in the diverse countries.

## Social enterprise borders and patterns of evolution

### Defining social enterprise

The starting point of the mapping study has been the adoption of a common conception of the social enterprise that draws on the definition endorsed by the European Commission through its Social Business Initiative. This definition was further operationalised building on three dimensions that distinguish social enterprises: the social dimension, the entrepreneurial dimension and the governance ownership dimension.

Based on this definition, social enterprises, in addition to showing the typical characteristics of all enterprises, must pursue an explicit social aim. This implies that the products supplied/activities run, must incorporate a social/public interest connotation. Additionally, social enterprises are expected to adopt inclusive governance models: this entails the engagement of different categories of stakeholders having relationships with the enterprise. Social enterprises, moreover, adopt a specific device—the non-profit distribution constraint—which is meant to ensure that the social aim pursued by the social enterprise is safeguarded and survives over time, beyond the engagement of its founders.

**Table 1. An attempt to operationalise the concept of social enterprise based on the SBI**

Main dimension	General definition	Minimum requirements
<b>Entrepreneurial/ economic dimension<sup>(1)</sup></b>	<p><b>Stable and continuous production of goods and services</b></p> <ul style="list-style-type: none"> <li>&gt; Revenues are generated mainly from both the direct sale of goods and services to private users or members and public contracts.</li> </ul> <p><b>(At least partial) use of production factors functioning in the monetary economy (paid labour, capital, assets)</b></p> <ul style="list-style-type: none"> <li>&gt; Although relying on both volunteers (especially in the start-up phase) and non-commercial resources, to become sustainable, SEs normally also use production factors that typically function in the monetary economy.</li> </ul>	SEs must be market-oriented (incidence of trading should be ideally above 25%).
<b>Social dimension</b>	<p><b>The aim pursued is explicitly social. The product supplied/activities run have a social/general interest connotation</b></p> <ul style="list-style-type: none"> <li>&gt; The types of services offered or activities run can vary significantly from place to place, depending on unmet needs arising at the local level or in some cases even in a global context.</li> </ul>	Primacy of social aim must be clearly established by national legislations, the statutes of SEs or other relevant documents.
<b>Inclusive governance- ownership dimension</b>	<p><b>Inclusive and participatory governance model</b></p> <ul style="list-style-type: none"> <li>&gt; All concerned stakeholders are involved, regardless of the legal form.</li> <li>&gt; The profit distribution constraint (especially on assets) guarantees that the enterprise's social purpose is safeguarded.</li> </ul>	The governance and/or organisational structure of SEs must ensure that the interests of all concerned stakeholders are duly represented in decision-making processes.



National definitions of social enterprise articulate the entrepreneurial, social and governance dimensions in different ways. Differences concern the types of activities defined as social (i.e., work integration, the delivery of health social services and/or the tackling of other societal challenges), the share of incomes that must be generated by market activities, and the degree to which and modalities whereby concerned stakeholders are expected to participate in decision-making processes.

At the same time, the degree of acceptance of the social enterprise concept varies to a significant extent across countries depending on the relevance of the phenomenon and its space of development, the existence of other similar and/or bordering concepts that may be more popular, and the share of organisations fulfilling the operational definition that self-recognise as social enterprises.

## Social enterprise drivers

Social enterprises have emerged mainly over the last two decades: they developed thanks to the interplay between bottom-up (namely community-led) and top-down (externally-driven) drivers, including European funding programmes, which have been an important factor in many countries, in particular the European Social Fund. Their space of development is thus shaped by solidarity values encouraging citizens to self-organise intertwined with specific public policies and public schemes. Four groups of countries can be identified (see table below).

**Table 2. Drivers and trends of social enterprises**

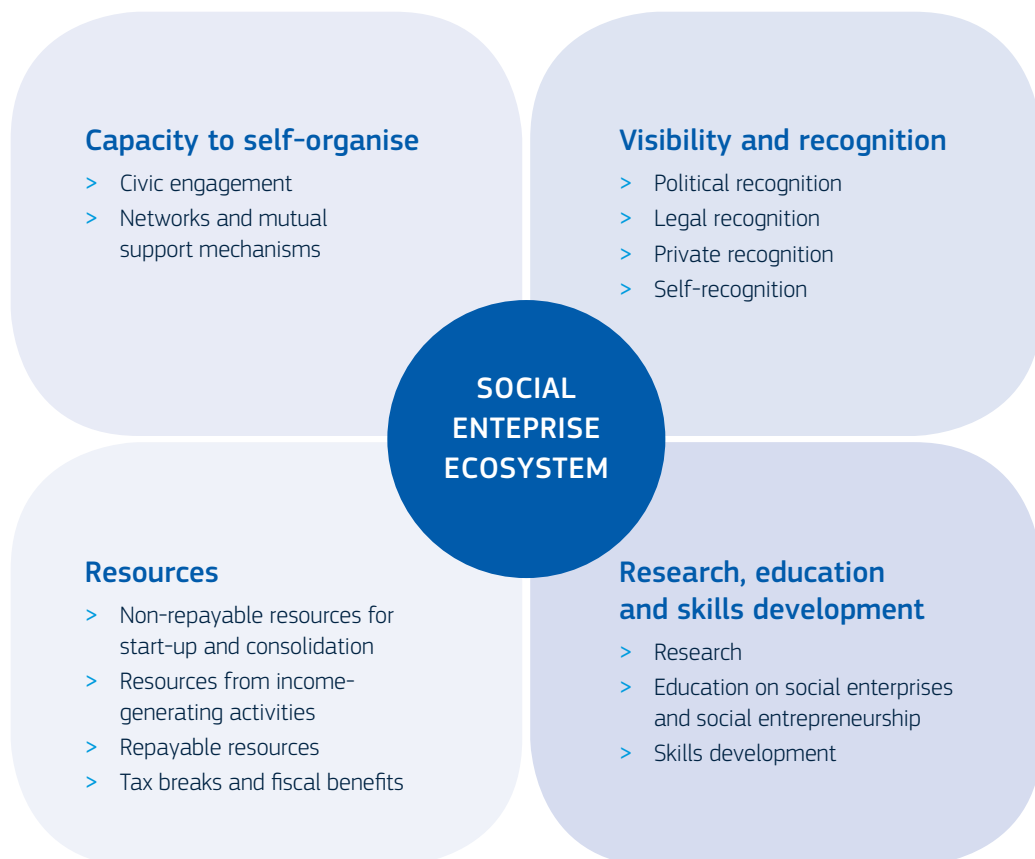
Type of welfare system	Main drivers boosting SE development	Examples of countries
Poor supply of welfare services by public providers and, traditionally, gaps in welfare delivery and strong civic engagement	<ul style="list-style-type: none"> <li>&gt; Bottom-up experimentation by groups of citizens of new services</li> <li>&gt; Consolidation of SEs thanks to public policies that have regularised social service delivery</li> </ul>	Greece, Ireland, Italy, Portugal, Spain
Extensive public supply of social services, increasingly contracted out to private providers	<ul style="list-style-type: none"> <li>&gt; Privatisation of social services</li> <li>&gt; Bottom-up dynamics</li> </ul>	Denmark, Finland, Norway, Sweden, United Kingdom
Extensive public and non-profit welfare structures, covering the majority of the needs of the population	<ul style="list-style-type: none"> <li>&gt; Public support system designed to support work integration</li> <li>&gt; Bottom-up emergence of SEs to address new needs</li> </ul>	Austria, Belgium, France, Germany, Netherlands
Welfare systems that have undergone drastic reforms, weak associative and cooperative tradition	<ul style="list-style-type: none"> <li>&gt; Public policies (start-up grants) specifically tailored to support WISEs</li> <li>&gt; Initiatives with philanthropic background and donors' programmes</li> </ul>	CEE and SEE countries

## Social enterprise ecosystems: comparative perspective

Country reports show that the numbers of social enterprises and people they employ are increasing progressively in most EU Member States. The demand for the services provided by social enterprises is growing, and the environment wherein social enterprises engage is progressively becoming more enabling. Overall, there is a correlation between the degree of recognition of social enterprise, institutionalisation, size and ease of access to finance.

However, the potential of social enterprise is still far from being fully harnessed, and there is significant room for improvement of the ecosystems in which social enterprises operate, notably with respect to the four pillars it builds upon, namely: (i) capacity to self-organise; (ii) visibility and recognition; (iii) resources; and (iv) research, education and skills development.

**Figure 1. Social enterprise ecosystem**



## Capacity to self-organise

The emergence of social enterprises is reinforced by the social and civic commitment of groups of citizens, who self-organise, often with few resources at their disposal, to address new needs and societal challenges. The consolidation and diffusion of social enterprises have been strengthened by social enterprise networks through advocacy, lobbying, training and capacity building, as well as through the design of mutual support mechanisms. EU networks have also been key in supporting the harmonisation and diffusion of good practices and tools.

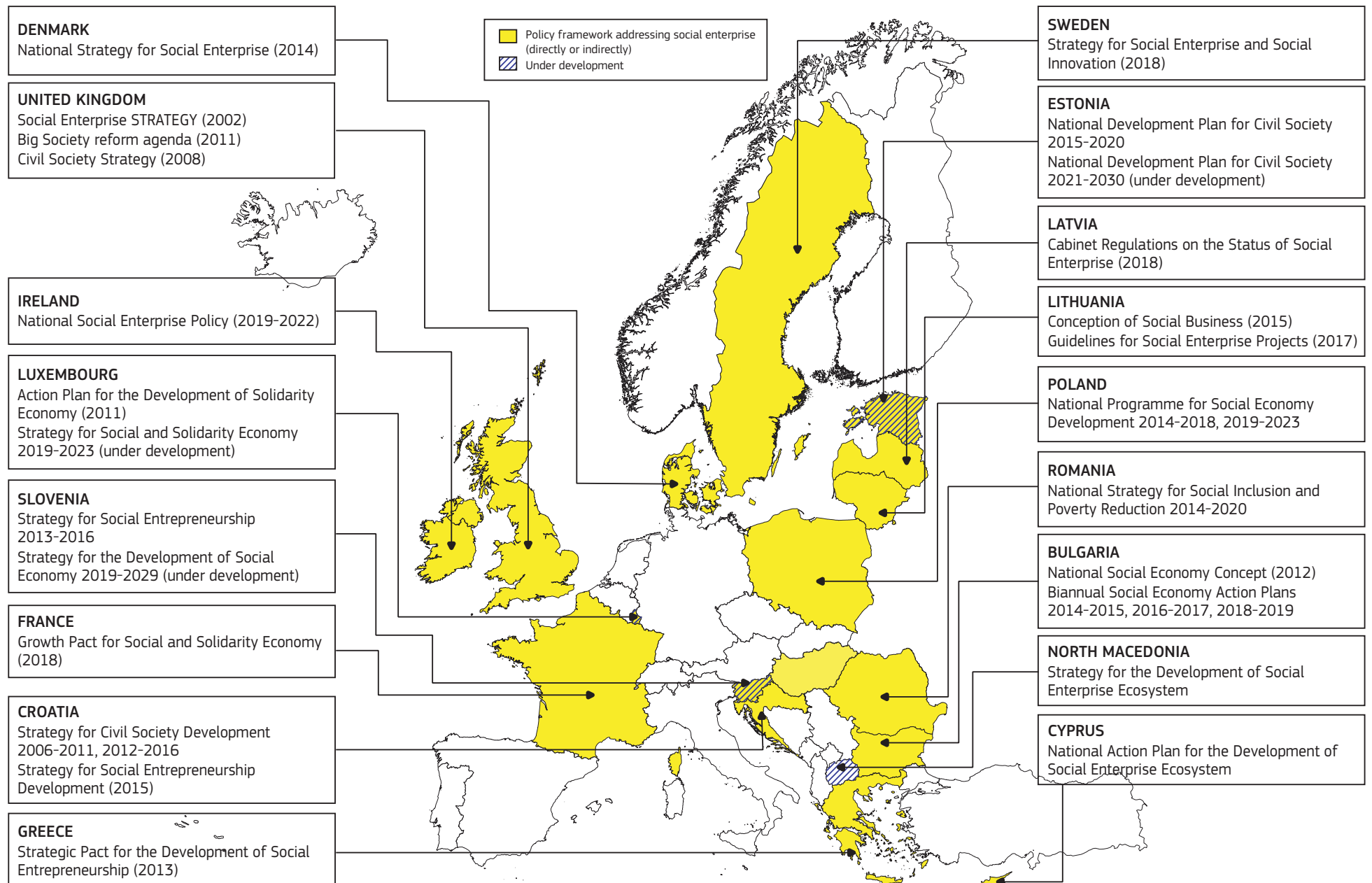
## Visibility and recognition

While being present in all countries mapped, social enterprises show diverse degrees of public and private, political and legal recognition.

Political recognition of social enterprises has increased in relevance especially after the launching of the SBI (Table 3). Social enterprises have been politically recognised in both EU Member States where social enterprises and other bordering phenomena have a long-lasting tradition and in countries where social enterprise is a recent trend.

The map below sheds light on the national strategies, action plans, national policies and concepts that have contributed to acknowledging and defining the social enterprise. Also highlighted are countries where policy frameworks addressing social enterprises are currently under development.

Figure 2. Countries with policy frameworks targeting social enterprise

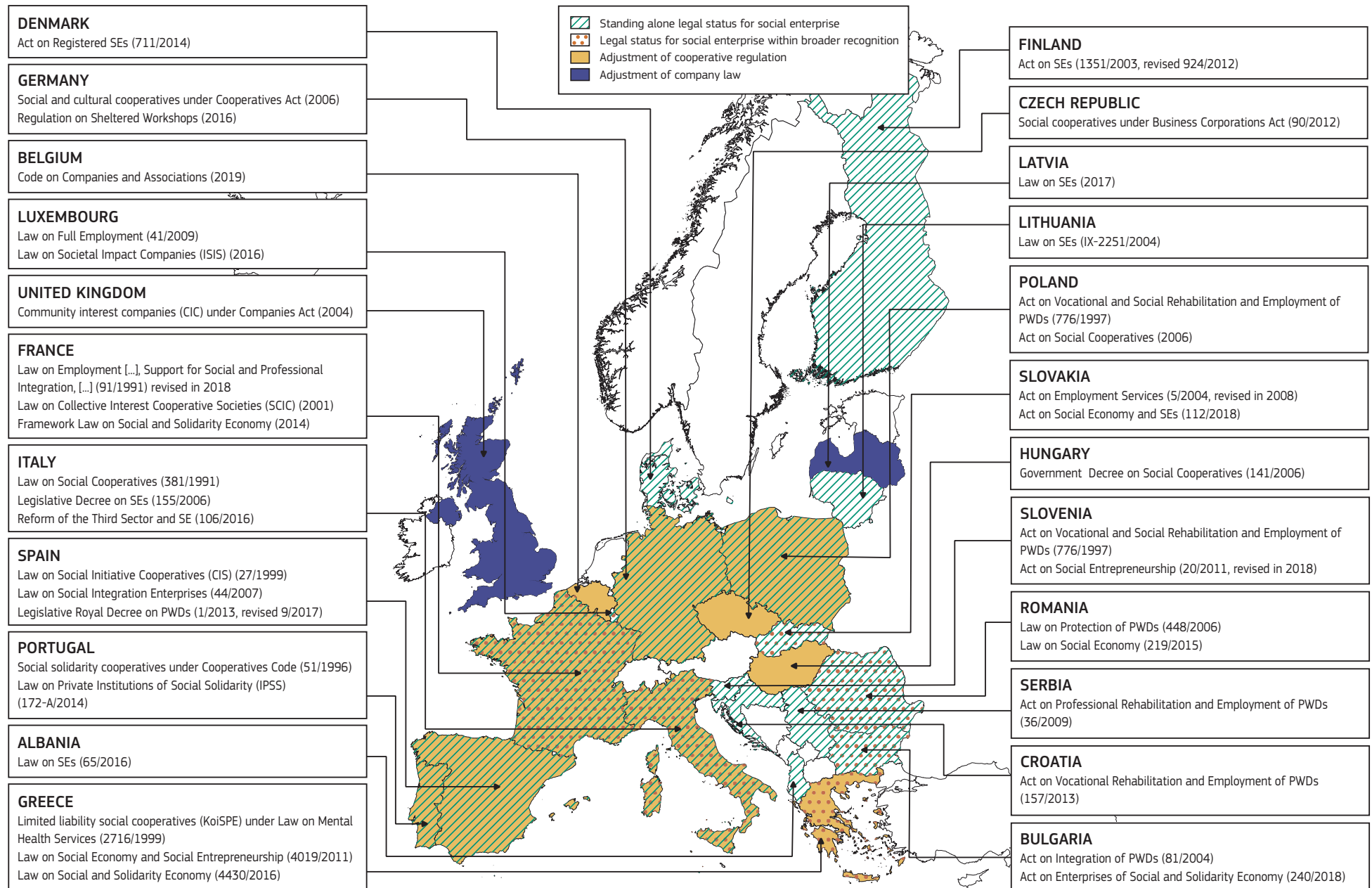


Legal recognition of social enterprise has been key in supporting social enterprise development on a wide scale. Two main paths have been followed, as outlined in the following map:

- > Adjustment of existing regulations: cooperative regulations (e.g., Greece, Italy and Portugal) and company laws (as in Latvia and the United Kingdom).
- > Introduction of a legal status/qualification/accreditation scheme for social enterprises allowing for different legal entities to qualify as social enterprise and conduct a wide set of general interest activities or specifically to facilitate work integration. In some cases, the introduction of a legal status has taken place within a broader recognition of the social economy, social and solidarity economy or the third sector (e.g., France, Romania and Slovakia).

However, the development of social enterprise does not necessarily require the adoption of specific legislation. Social enterprises can rely on existing legal frameworks. Countries such as Austria, Estonia, Germany, the Netherlands and Sweden have preferred not to introduce specific legislation, still a significant number of social enterprises operate in these countries and the situation continues to develop.

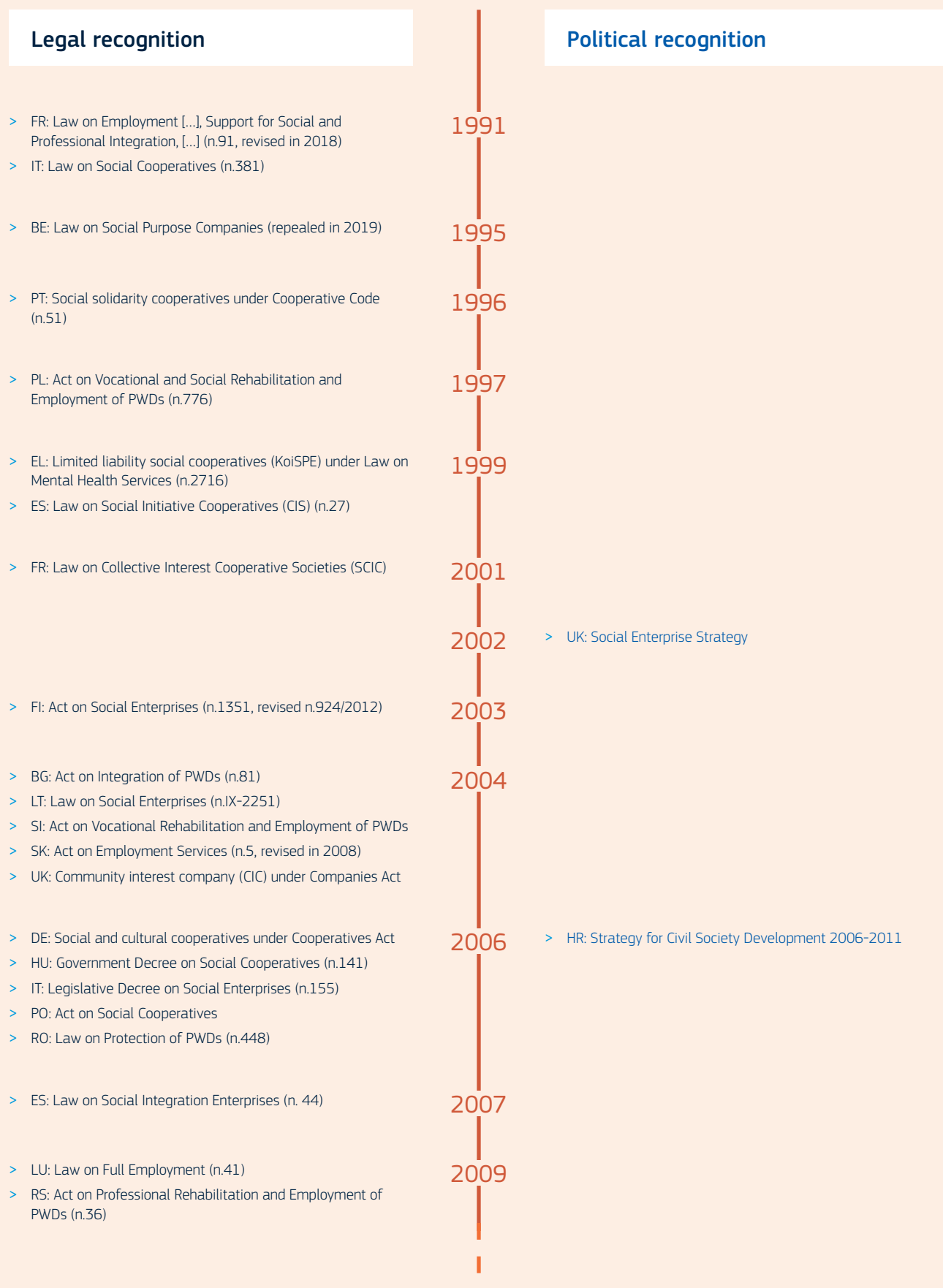
Figure 3. Countries with laws on specific legal forms or statuses for social enterprises



The legal acts that have contributed to defining and regulating the diverse types of social enterprises are presented chronologically in the table below. The timeframe between 1991 and 2001 was marked mainly by the introduction of new laws that adjusted cooperative regulations both to serve non-members and/or the community and to allow for the integration of disadvantaged people into work. Conversely, since 2001 a significant number of countries have opted for legislation introducing statuses that allow for the qualification of a wide set of organisations as social enterprises. A very recent trend is to recognise the social enterprise through framework laws acknowledging a wider phenomenon: the social economy, the social and solidarity economy or the third sector.

Figure 4. Timeline of social enterprise recognition

## Timeline of social enterprise recognition





## Timeline of social enterprise recognition



In addition to a public recognition system for social enterprises, some countries also employ a system of private marks, labels and certifications. These schemes are progressively achieving wider adoption in Austria, Finland, Germany, Poland and the United Kingdom. One reason behind the creation of private certification schemes is the willingness of the concerned enterprises to signal their specificity, given the lack of ad hoc laws and strategies designed for social enterprises or concrete incentives pushing social enterprises to register as such.

### Access to resources

Access to financial resources is of critical importance for social enterprises, as for all types of enterprises. Financial resources are needed to support the start-up and consolidation, as well as the continuity and growth, of social enterprise activities.

Access to financial resources is, however, more complex for social enterprises due to:

- > The specific nature of social enterprise: social enterprises in the start-up and capitalisation phases can hardly count on traditional funding channels, because they guarantee no or low returns on investments.
- > The specific types of goods/services delivered: social enterprises often sell their services to public authorities or address users who are not required/unable to pay. Public authorities do not always recognise the real value of the social services delivered by social enterprises and tend to rely on them in light of their capacity to keep costs low.

Unlike conventional enterprises, social enterprises can rely on private resources (human resources such as volunteers and financial resources such as donations) as well as public grants and fiscal advantages. The main obstacle faced by social enterprises, however, is safeguarding stable flows of resources to ensure adequate coverage of the needs of citizens. These flows are increasingly regulated by contracts.

Against the background of understanding the role, potential and impact of the diverse sources of funding social enterprises rely on, it is essential to distinguish among:

- > Non-repayable resources for start-up/consolidation: situations range from the availability of a large variety of coherent policy measures (e.g., the Netherlands and the United Kingdom) to a large variety of measures that are poorly coordinated (e.g., France) to very limited public support schemes altogether (e.g., the Czech Republic and Sweden). In most countries, measures in favour of starting up are more developed than measures for scaling, and the availability of resources is greater where effective systems designed to support entrepreneurship in general

are already in place (e.g., Germany, the Netherlands and the United Kingdom).

- > **Income-generating resources:** in all countries mapped, social enterprises rely on a mix of financial resources from different income-generating activities, which vary across countries. Public interaction modalities include contracted co-design, vouchers and personal budgets as well as public procurement as regulated by the EU public procurement rules that came into force in 2014, which offer new opportunities for social enterprises.
- > **Repayable resources:** country variations depend on the stage of development of social enterprises and on their planning capacity and financial readiness. Indeed, social enterprises are not yet "investor-ready" in most countries mapped. An additional difficulty results from the fact that repayable resources are mostly shaped according to a traditional investment rationale expecting high and short-term returns that social enterprises are unable to ensure.
- > **Fiscal breaks:** given their nature, social enterprises in most countries enjoy all those fiscal benefits (or at least many of them) already in place for non-profit organisations, social economy organisations and mainstream businesses. The most widespread fiscal benefit is corporate tax exemption on retained profits. Additional fiscal benefits granted to social enterprises include exemption from or reduced VAT rates, social insurance costs reduced or covered by subsidies, and tax reductions granted to private and/or institutional donors.

**Table 3. Main fiscal benefits granted to social enterprises**

Type of fiscal benefits	Yes, without limitations	Yes, with limitations	None available
<b>Corporate tax exemption on retained profits</b>	AT, DE, EL, FR, HU, IE, IT, LU, LV, MT, PL	BE, BG, CZ, ES, HR, LT, NL, PL, RO, SE, SI, SK, UK	CY, DK, EE, FI
<b>VAT exemption or reduced rate</b>	AT, BE, DE, FR, HU, IT, PL, PT	LU, SK	BG, CY, CZ, DK, EE, EL, ES, FI, HR, IE, LT, LV, MT, NL, RO, SE, SI, UK
<b>Social insurance costs reduced or covered by subsidies</b>	AT, BE, HR, SE	BG, EL, ES, FI, FR, IE, IT, LV, PL, PT, SI, SK	CY, CZ, DK, EE, DE, HU, LT, LU, MT, NL, RO, UK
<b>Tax reductions granted to private and/or institutional donors</b>	–	AT, BE, BG, CZ, DE, EE, ES, FR, HR, HU, IE, IT, LT, LU, LV, NL, PL, PT, SI, UK	CY, DK, FI, EL, MT, RO, SE, SK

## Research, education and skills development

Research on social enterprise emerged in Europe in the 1990s. Since then, social enterprise has continued to consolidate as a scientific research field, and it continues to attract new researchers with diverse disciplinary backgrounds.

Research has contributed to enhancing the visibility of social enterprise and related phenomena as well as to raising the awareness of citizens and policymakers about the relevance of such themes for society.

However, research remains rather fragmented, mainly descriptive and classificatory, and it often relies on definitions of social enterprise that differ from the EU operational definition.

A wide range of training and tools have emerged to address the lack of skills among social entrepreneurs. Nevertheless, many programmes tend to push social enterprises to mimic regular companies rather than to better exploit their competitive advantaged vis-à-vis conventional enterprises.

There is also an urgent need for capacity building and knowledge sharing among civil servants and bank officials, who may not always understand the key features of social enterprises and their needs.

## Social enterprise: size and legal types

### Measuring the size of social enterprises

Measuring the size of social enterprises has proved to be a very difficult task. Multiple factors make it almost impossible to provide a uniform and comprehensive picture of the dimensions of the social enterprise at European level. First, the availability of data sources and the quality of information contained therein differs to a great extent; second, the approach followed by national researchers in quantifying the size of the social enterprise in national contexts influenced the estimates considerably.

Overall, the number of estimated social enterprises ranges from tens of thousands in Belgium, France, Germany and Italy to a few hundred in Croatia and Cyprus, and the degree of reliability of data ranges also, from very high in Italy and high in Poland to very low in Cyprus. It is no coincidence that data tend to be more reliable where the social enterprise has been acknowledged and regulated.

Table 4. Estimated number and degree of acceptance of social enterprises<sup>1</sup>

Country	Year	Estimated number of SEs	Number of SEs per million inhabitants	Estimated number of employees	Degree of data reliability	SE concept use & acceptance
Albania	2018	379	132	2,000-2,500	Low	Low
Austria	2015	Approx. 1,535	Approx. 174	N.A.	Low	Low
Belgium	2017	18,004	1,530	572,914	Average	Average-High
Bulgaria	2015-2017	Approx. 3,700	Approx. 525	26,000	Average	Average
Croatia	2018	526	128	N.A.	Average	Average
Cyprus	2017	190	22	N.A.	Very low	Low
Czech Republic	2018	3,773	356	N.A.	Average	Average
Denmark	2018	411	71	N.A.	Low	Average
Estonia	2016	121	92	1,603	Average	Low
Finland	2018	1,181	214	Approx. 52,500	High	Average
France	2015-2017	Approx. 96,603	1,414	>1,187,249	Average	Average
Germany	2017	77,459	936	N.A.	Average	Low
Greece	2019	1,148	107	N.A.	High	Average
Hungary	2016	15,855	1,621	72,642	Average	Average
Iceland	2017	258	740	1,488	Low	Low
Ireland	2009	3,376	699	>25,000	Low	High
Italy	2017	102,461	1,694	894,800	Very high	Very high
Latvia	2018	Approx. 200	Approx. 103	N.A.	Average	Average
Lithuania	2016-2017	3,476	1,237	N.A.	Average	Average

(1) The overall methodology applied for this mapping exercise creates the greatest possible homogeneity among data sources. However, it should be noted that there could be country variations regarding the specific calculations made to identify the number of social enterprises and employees, mainly due to data (un)availability.

Country	Year	Estimated number of SEs	Number of SEs per million inhabitants	Estimated number of employees	Degree of data reliability	SE concept use & acceptance
Luxembourg	2017-2018	928	1,546	24,055	High	High
Malta	2018	31-62	65-130	N.A.	Low	Low
Montenegro	2018	150	241	< 500	Low	Low
Netherlands	2015-2016	5,000-6,000	290-350	65,000-80,000	Low	Low
North Macedonia	2013-2015	551	266	N.A.	Low	Low
Norway	2016	250	47	N.A.	Average	Low
Poland	2016-2019	29,535	768	428,700	High	Average
Portugal	2013	7,938	771	145,734	Average	Average
Romania	2015-2017	6,317	323	17,117	Average	Average
Serbia	2012	411	59	4,273	Average	Low
Slovakia	2014	3,737	687	N.A.	Low	Average
Slovenia	2017	1,393	674	15,063	Average	Average
Spain	2017	9,680	208	>91,500	High	High
Sweden	2009-2016	Approx. 3,000	Approx. 296	N.A.	Low	Low
Turkey	2016-2018	1,776	22	N.A.	Average	Low
United Kingdom	2007-2017	30,753	464	353,357	Very high	Very high

## Legal statuses and legal forms adopted by social enterprises

Depending on the national legal system and other contextual characteristics, social enterprises take a variety of legal and organisational forms in each country studied. These include *ad hoc* legal forms/statuses that have been designed specifically to further social enterprise growth (*ex lege* social enterprises) and legal forms not designed explicitly for social enterprises (e.g., associations, cooperatives and mutuals, foundations, conventional enterprises and specific types of non-profit organisations such as, for instance, *chitalishte* in Bulgaria), which can be used, albeit sometimes with

difficulty, for the purpose of running economic activities aimed at pursuing general interest aims.

Based on the national legal systems and public recognition enjoyed, social enterprises can be classified into five distinct groups. That said, the majority of social enterprises continue to use legal forms that are notably also used by organisations that are not conceived as social enterprises (sixth group).

**Table 5. Legal statuses and legal forms adopted by social enterprises**

Type of SE	Description	Legal form/status exclusively for SE	Countries
<b>Institutionalised SE</b>	Through a legal form designed specifically for SEs with a broad focus (different fields of activity of general interest)	Yes	Belgium, France, Germany, Greece, Italy, Latvia, Spain, United Kingdom
<b>Institutionalised SE</b>	Through a legal form designed specifically for SEs with a specific focus on work integration	Yes	Czech Republic, Greece, Hungary, Poland, Portugal
<b>Institutionalised SE</b>	Through an SE status (different fields of activity of general interest)	Yes	Bulgaria, Croatia, Denmark, France, Greece, Italy, Luxembourg, Portugal, Romania, Slovakia, Slovenia
<b>Institutionalised SE</b>	Through a WISE status	Yes	Albania, Austria, Belgium, <sup>(2)</sup> Bulgaria, Croatia, Finland, France, Germany, Lithuania, Luxembourg, Poland, Romania, Serbia, Slovakia, Slovenia, Spain
<b>Organisation with a public benefit status</b>	Status that relates to a tax-privileged organisation that exists for public benefit	No	Albania, <sup>(3)</sup> Austria, Bulgaria, Czech Republic, <sup>(4)</sup> Estonia, Finland, France, Germany, Hungary, Latvia, Malta, Netherlands, Poland, Romania, <sup>(5)</sup> Sweden, Turkey (non-exhaustive list)
<b>De facto SE</b>	Organisation that fulfils the criteria set by the EU operational definition of SE, but uses a legal form not specific to social enterprises (e.g., association, cooperative, conventional enterprise)	No	All countries

## Social enterprise in the landscape of organisational forms and welfare systems

### Social enterprise types vis-à-vis other organisational forms

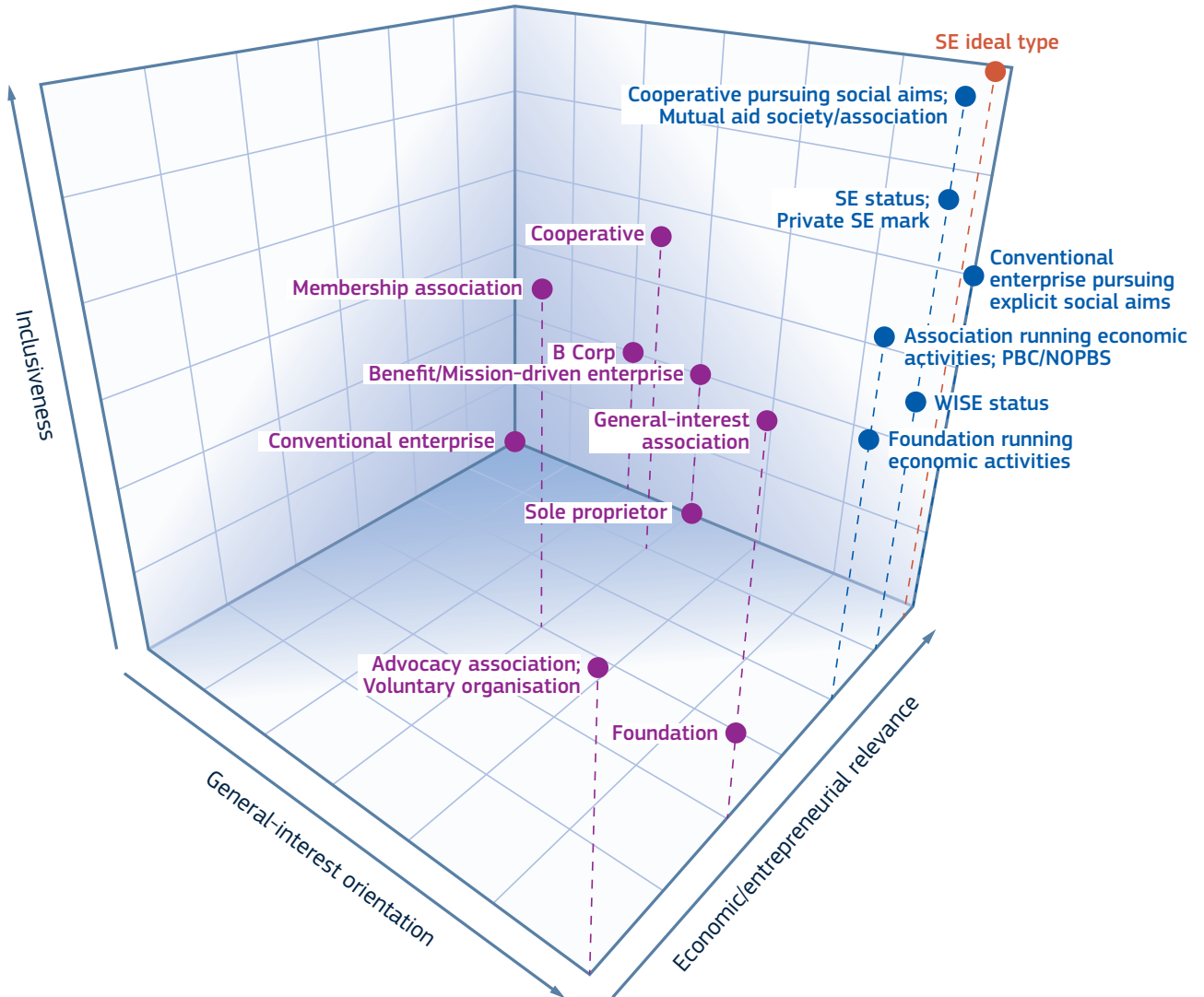
The three-dimensional diagram included below contributes to positioning the different organisational forms that operate in the countries mapped in relation to the three key dimensions (entrepreneurial, social and governance ownership) as well as vis-à-vis an ideal type, represented by the social enterprise concept as defined by the SBI. In the diagram, the ideal type coincides with the orange dot, positioned on the top right, which illustrates the strong social, entrepreneurial and inclusive orientation of the social enterprise ideal-type.

This diagram illustrates the borders between organisations that fulfil the EU operational definition and those that do not. Organisations denoted by the blue dot are conceived as social enterprises: their position in the diagram results from the interplay among the social, entrepreneurial and inclusive dimensions above a minimum value.

Organisations denoted by the violet dot are not conceived as social enterprises: this is the case, for instance, for associations that do not carry out economic activities, cooperatives that do not pursue general interest aims and conventional companies—including B Corporations—that have not institutionalised the pursuit of explicit social aims.



Figure 5. Organisational types and the three dimensions of the SBI definition



## Social enterprise vis-à-vis public policies and welfare systems

Depending on the country, social enterprises play a different role within the welfare system. Moreover, their role evolves as a result of the reforms undertaken.

In countries with a traditionally poor supply of welfare services by public providers and strong traditions of civic commitment, social enterprises initially emerged to fill gaps in welfare service delivery. In these Member States (e.g., Greece, Italy, Portugal, Spain), public authorities later decided to guarantee the provision of general interest services by financing and supporting social enterprises.

In those Member States (e.g., Denmark, Finland, Sweden, the United Kingdom) where the supply of welfare services has traditionally been public, the emergence of social enterprise has typically been intertwined with the transformation of the welfare systems. Key fields of engagement are those in which service delivery has been contracted out.

In countries with welfare systems under reform, social enterprises have emerged in a diversified spectrum of areas with a strong inclination to address the needs of disadvantaged and marginalised groups. This applies to a significant number of CEE countries.

Countries with extensive non-profit welfare structures already supported by public resources and covering the majority of the needs of the population have seen a shift of traditional non-profit organisations towards a stronger entrepreneurial stance (e.g., Austria, Germany and the Netherlands).

There are, moreover, a few countries where a social enterprise field is gradually emerging, including non-EU countries with severe poverty and high unemployment rates, where social enterprises tend to be disconnected from public policies (e.g., Albania, Malta, North Macedonia, Serbia, Turkey).

All in all, social enterprises are currently largely diversified in terms of types of general interest services delivered and target groups served. These diverse fields of activity of social enterprises can, however, be traced back to three main areas of focus:

- > health and social services;
- > work integration of disadvantaged persons; and
- > tackling other societal challenges.

## Trends, opportunities and challenges

Country reports corroborate that social enterprises exist in all the countries mapped and that they are growing in number and importance. They are mainly community-led and often originate from the social economy and use its typical organisational forms. A large and increasing share of the supply of general interest services are guaranteed by social enterprises often in partnership with local authorities. In addition, social enterprises directly contribute to creating thousands of jobs in general and for disadvantaged people in particular.

Independent of the degree of development of the social enterprise, the transversal reading of country reports sheds light on the importance of creating a balanced and consistent ecosystem that fully valorises the nature of social enterprises. From a financial perspective, stable flows of resources from income-generating activities are essential, and there is a need for capacity building at different levels to adequately train public administrations to exploit available funds and manage tenders, to familiarise public and bank officers with the nature of social enterprises and to support social enterprises in becoming investor-ready.

## Endnotes

- 1 The indicators of the entrepreneurial dimension identified in table 2 are proxies that are meant to capture both the entities that are full-fledged social enterprises and the organisations that are evolving towards a social enterprise model but are still in an embryonic stage of development. This implies the possibility of also considering under the social enterprise definition organisations that do not have paid staff but rely instead exclusively on volunteers. For the same reasons, organisations that draw on financial resources that cannot yet be fully regarded as market resources are also to be considered under the social enterprise definition. Examples include certain types of grants and membership fees that are paid against the delivery of specific services or are considered a condition for accessing services.
- 2 In Belgium, WISE accreditation schemes are regulated at regional level.
- 3 In Albania, the status is referred to as "non-profit organisations for public benefit".
- 4 In the Czech Republic, the special law on public benefit status had been in preparation but was never approved; the Income Tax Act 586/1992 in its update no. 344/2013 defines the (narrower) term "publicly beneficial taxpayer".
- 5 In Romania, the public benefit status is formal, with no fiscal advantages attached.

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