

# PACT FOR IMPACT

A GLOBAL ALLIANCE FOR A SOCIAL  
AND SOLIDARITY ECONOMY

---



## #4

Support for  
Social Entrepreneurship

---



# TABLE OF CONTENTS

<b>EDITORIAL</b> .....	<b>3</b>
<b>PREAMBLE</b> .....	<b>4</b>
<b>SYNTHESIS</b> .....	<b>5</b>
<b>INTRODUCTION</b> .....	<b>6</b>
<b>PART 1 - WHY SUPPORT SOCIAL ENTREPRENEURSHIP</b> .....	<b>7</b>
<b>PART 2 - WHAT IS THE STATE OF PLAY OF SOCIAL ENTREPRENEURSHIP</b> .....	<b>15</b>
<b>PART 3 - WHAT ISSUES TO SUPPORT SOCIAL ENTREPRENEURSHIP</b> .....	<b>23</b>
<b>PART 4 - WHAT LEVERS OF ACTION TO BUILD AN ENVIRONMENT CONDUCTIVE TO SOCIAL ENTREPRENEURSHIP</b> .....	<b>31</b>
<b>ANNEXES</b> .....	<b>41</b>
<b>THANKS TO CONTRIBUTORS</b> .....	<b>42</b>
<b>BIBLIOGRAPHY</b> .....	<b>42</b>

# EDITORIAL



« I strongly believe that social entrepreneurship ecosystems should be strengthened everywhere, in rural areas as well as in urban areas. These ecosystems need to be empowered by local capacities, resources and vision and must be ruled through a system of flat governance. Entrepreneurs and local governments should build policies and development programs in partnership. More particularly, I think South-South partnerships are needed to accelerate change through the development of local networks and the sharing of common stakes and perspectives. These processes will help the transition towards more sustainable ecosystems and ultimately a more sustainable world.»

Jeroo Billimoria  
Founder of Catalyst 2030

## PREAMBLE

### A. INTRODUCING PACT FOR IMPACT

Launched in 2019 at the initiative of France, PACT FOR IMPACT is a global alliance that aims to connect public institutions at the local, national, regional and international levels with actors who are committed to a more just and sustainable world. The Alliance aims to bring the Social and Solidarity Economy (SSE) to the heart of the international political agenda and to accelerate its deployment, by promoting the initiatives already in place.

### B. OBJECTIVES OF THE THEMATIC PROGRAMS

In line with the first discussions initiated within the International Leading Group on the Social and Solidarity Economy (GPIESS) and extended during the PACT FOR IMPACT meetings of 2019, the Alliance wished to launch a set of thematic programs to highlight the timely responses provided by the SSE to the Sustainable Development Goals.

These thematic programs aim to reveal mobilizable levers and propose concrete actions to support the development of the Social and Solidarity Economy (SSE) in response to the social and environmental challenges of the twenty-first century. These challenges have been defined by several **international cooperation frameworks** adopted by the United Nations, such as the 2030 Global Agenda for Sustainable Development setting out the 17 Sustainable Development Goals (SDGs), the Paris Agreement to combat climate change and the New Cities Agenda (Habitat III) aimed at the renewal of urban development. Through the deployment of these thematic programs, the PACT FOR IMPACT Alliance will make it possible to carry out a non-exhaustive **inventory of the actors and initiatives of social and environmental innovations at work** to meet these challenges, taking into account the diversity of local, national and regional contexts. It will thus seek to promote the diversity, value, impact and complementarity of the approaches carried out by ensuring that readers and actors are directed towards the resources available (toolboxes, technical and financial expertise, etc.) to inspire decision-makers and facilitate their reappropriation in the context of innovative public policies. Beyond this state of play, PACT FOR IMPACT's thematic programs will aim to put into perspective the issues faced by social and solidarity economy (SSE) actors to develop and increase their impact in response to social, economic and environmental challenges. They will make it possible to **identify the development levers to be activated or the obstacles to be**

**removed** in the context of measures to support the Social and Solidarity Economy. These avenues can inspire public actors who wish to design, accelerate and/or evaluate the actions implemented at the scale of their territory.

### C. PRESENTATION OF THE PRODUCTIONS OF EACH METHODOLOGICAL GUIDE, AND METHODOLOGY

The thematic programs of the PACT FOR IMPACT Alliance will lead to the development of several deliverables. On each program, will be developed:

- **A thematic guide** that will provide a preliminary working basis for the work of Alliance members. This guide, produced by the Permanent Secretariat of the Alliance based on a review of documentary resources and expert interviews (see list in annex), will present the main actors, initiatives, mechanisms and innovative tools existing to support the development or scaling up of social, economic, financial and environmental solutions on the given theme. Each guide will also propose analysis grids of the challenges of SSE development in response to the theme targeted in order to feed the discussions of the members of the Alliance and their partners or interlocutors.
- **Proposals for commitments** to inspire local, national, regional and international public institutions to implement **concrete and measurable actions** in favor of the Social and Solidarity Economy. These proposals will be co-constructed with the members of the PACT FOR IMPACT Alliance within the framework of working group n°2 «Coordination of thematic programs and monitoring of commitments». They will give rise to a call for commitment that will be relayed to public and private institutions at the local, national, regional and international levels.



## SYNTHESIS

Social entrepreneurship offers innovative and concrete solutions to unsolved or partially solved societal problems in many fields of activity (social action, health, culture, solidarity finance, food, fair trade, etc.), in complementarity with the actions carried out by the public authorities and traditional actors of solidarity.

Together with social innovation, it is a lever to achieve the 17 Sustainable Development Goals (SDGs) set by the United Nations 2030 Agenda by 2030, while generating new opportunities for jobs and socio-professional integration. The commitment of social enterprises also has a positive impact on the improvement of working conditions (equal pay, participation in governance, etc.).

While social entrepreneurship is developing rapidly around the world, it covers a very wide variety of practices and realities depending on geographical contexts. Thus, the ecosystems supporting social entrepreneurship vary according to their degree of structuring and maturity.

The challenge for governments, local authorities, policy makers, and economic stakeholders is therefore to promote public policies that are conducive to social entrepreneurship. This guide makes a state of the art of the different levers that can be mobilized, namely the following objectives and means:

- **Create an enabling institutional and legal framework.** Social enterprises need an ad hoc legal status and regulatory measures designed to enable them to achieve their social and economic objectives while seeking medium- and long-term sustainability in the market.
- **Provide sustainable financing in the form of tax incentives to attract investors, credit enhancement.** Set up diversified financing adapted to the different stages of their development, and an awareness of traditional donors are adapted to the specificities of social entrepreneurship.
- **Propose training offers that can be initial or continuous as well as formal or informal** (not delivered in a certifying framework) for social entrepreneurs and integrate social entrepreneurship into school and university curricula. Social entrepreneurs may need special training to hone their entrepreneurial and creative skills.
- **Cultivate a culture of social entrepreneurship and raise public awareness of the challenges of social entrepreneurship.**

- **Support the development of markets for social enterprise and provide training to enable public officials and social enterprises to manage tenders.** Procurement measures should be designed in such a way that social enterprises can consolidate their growth.

- **Support further research on social entrepreneurship.** Governments should support this research to assess the needs of entities in the sector. This research must be done in several areas: impact measurement, scaling-up, access to markets.

- **Set up programs to promote the culture and skills of social entrepreneurship.**

- **Promote networking** through a network of actors in the development of social entrepreneurship.

- **Assess the impact of social entrepreneurship.** This will require the identification of quantitative and qualitative measurement tools, including social return on investment calculations and balanced scorecards as well as a pedagogy adapted to the needs of each social entrepreneur in his territory of intervention

# INTRODUCTION: WHAT IS SOCIAL ENTREPRENEURSHIP?

By placing people at the heart of its activities, social entrepreneurship plays a major role in solving the major challenges facing our societies. It can be defined as “entrepreneurship that aims to provide innovative solutions to unresolved or partially solved social issues and problems.» Therefore, it often goes hand in hand with processes of social innovation that aim to improve the living conditions and well-being of individuals in a sustainable way. This guide therefore focuses on social entrepreneurship and entrepreneurship with a social and environmental impact (activities with a clear social and/or environmental purpose, whose economic model aims to ensure sustainability and whose internal organization reflects the social mission).

Although it is developing rapidly around the world, social entrepreneurship is a recent field of research that began in the 1980s. Over the past decade, it has attracted particular interest from policy makers, academics, practitioners, and the general public. However, in practice, social entrepreneurship has existed for a long time since many individuals, VSEs and SMEs offer products and services whose main objective is to have a beneficial impact on society without benefiting from a specific recognition or definition.

«Social entrepreneurship» covers plural realities according to geographical, cultural, social and economic contexts. While there is no universal definition, most networks of social entrepreneurs, institutions and support structures in the public or private sector agree on a number of common characteristics:

- **A social and/or environmental purpose:** Responding to social issues represents the explicit goal of social entrepreneurs, and their entire project is built around this objective. Social impact is not simply a consequence of their entrepreneurial activity – as is often the case for business entrepreneurs who create jobs (and therefore have a beneficial effect on society) by providing goods and services – but their main purpose. Social entrepreneurship thus aims to produce social change (whether radical or limited), and not to exploit a market opportunity that could ultimately have a social impact.
- **A model and economic profitability at the service of the social project:** in the case of social entrepreneurship, the creation of economic value is at the service of social objectives. Economic sustainability thus enables the social enterprise to fulfil the social mission.

- **Governance aligned with the objectives and social purpose of the company:** the social enterprise is managed in a responsible, transparent, and innovative way, in particular by involving workers, customers and stakeholders concerned by its activity. The decision-making process is not based on ownership of capital. The return on capital is limited, surpluses are put at the service of the people and the project, the salary scale is regulated.
- **The desired effects:** One of the major characteristics of social entrepreneurs is the desire to bring about systemic changes, either through progressive social impacts or radical social transformations by involving all stakeholders – employees, customers, suppliers, local communities and the environment – in the creation of social and economic value with the idea that each of them can benefit from it

Social entrepreneurship can take different forms:

- **It is both an individual and a collective phenomenon.** In fact, there are a few individual social entrepreneurs who stand out, many lesser-known individual entrepreneurs and many collective initiatives. These initiatives can come from social enterprises, which are often collectively owned and managed as cooperatives, but also from communities that can be considered collective entrepreneurial actors (Peredo and McLean, 2006).

- **It can intervene in different sectors:** Although many social entrepreneurship initiatives originate from the non-profit sector, the phenomenon of social entrepreneurship also affects other sectors: the for-profit sector (for-profit company achieving exceptional levels of social responsibility and a high level of social value creation) and the public sector (central and local authorities supporting or participating in measures and socially innovative programs, in partnership with other sectors);
- **It can emerge within an organization, as is the case in intrapreneurship** (when the company or organization leaves it to its employees to develop innovative economic projects internally, giving them wide freedom in the implementation of these projects) or outside the organization (in which case we speak of entrepreneurship)
- **It aims to bring about both radical and progressive social changes.**

## The Skoll Foundation

Jeff Skoll, founder of the Skoll Foundation: «The world is a vast and complicated place, and it needs each of us doing all we can to ensure a brighter tomorrow for future generations (...) I feel lucky to have been able to pursue my dreams and I hope that my contributions will in some small way lead to a sustainable world of peace and prosperity.» [4]

This guide aims to introduce the concept of social entrepreneurship and why it has a major transformative potential for society. It offers a non-exhaustive inventory of social entrepreneurship on different continents and puts into perspective the different needs and challenges of structuring ecosystems to support social entrepreneurs. Finally, this guide highlights the different levers of action to build an environment conducive to social entrepreneurship.

## Verbatims of large networks

### Ashoka

Bill Drayton, founder of Ashoka: «Social entrepreneurs are not content just to give a fish or to teach how to fish. They will not rest until they have revolutionized the fishing industry.» [1]

### Catalyst 2030

Jeroo Billimori, co-founder of Catalyst 2030: «We are a group of ‘forward-thinking’ social entrepreneurs who come together with humility but are committed to making a quantum leap to achieve the SDGs by 2030.» [2]

### Schwab Foundation for Social Entrepreneurship

Klaus Schwab, founder of the Schwab Foundation: «Entrepreneurship is the engine fueling innovation, employment generation and economic growth. Only by creating an environment where entrepreneurship can prosper and where entrepreneurs can try new ideas and empower others, can we ensure that many of the world’s issues will not go unaddressed.» [3]





1. TO WHAT EXTENT DOES  
SOCIAL ENTREPRENEURSHIP  
CONTRIBUTE TO THE DEVELOPMENT  
OF MORE SUSTAINABLE  
MODELS OF SOCIETY?

Social entrepreneurship contributes to providing answers to the development of more sustainable and supportive models of society by providing solutions to insufficiently or unaddressed societal problems. It thus acts as a lever for achieving the Sustainable Development Goals in addition to existing policies and initiatives (a) while having a positive impact on employment (b).

### A. A LEVER FOR ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Social entrepreneurs contribute to the achievement of the Sustainable Development Goals adopted within the framework of the United Nations 2030 Agenda, by directly providing solutions to societal problems (1) and by sustainably transforming the practices of development/social actors (2).

Indeed, they participate in the direct creation of services, products, or models adapted to the needs of vulnerable and/or disadvantaged populations in many sectors of activity such as food and agriculture, water sanitation, access to health, education and employment, transport, or environmental protection. Global social entrepreneurship support networks (COVID Alliance for Social Entrepreneurship, Catalyst 2030, Ashoka, etc.) help identify and promote innovative solutions implemented by social entrepreneurs in response to the SDGs.

**Examples of entrepreneurial initiatives** presented by Ashoka that contribute to the achievement of the Sustainable Development Goals (SDGs):

- **Riders for Health - Facilitating access to health by developing means of transport:** Andrea Coleman developed this organization that manages and maintains motorcycles and other vehicles on behalf of the ministries of health of eight countries in sub-Saharan Africa. This initiative delivers health workers who provide essential medical care in a reliable and cost-effective manner to rural communities far from health facilities. They now reach 21 million people who previously did not have access to basic medical care. [5] This initiative contributes to the achievement of SDG 3: Enable healthy lives for all and promote well-being for all at all ages.

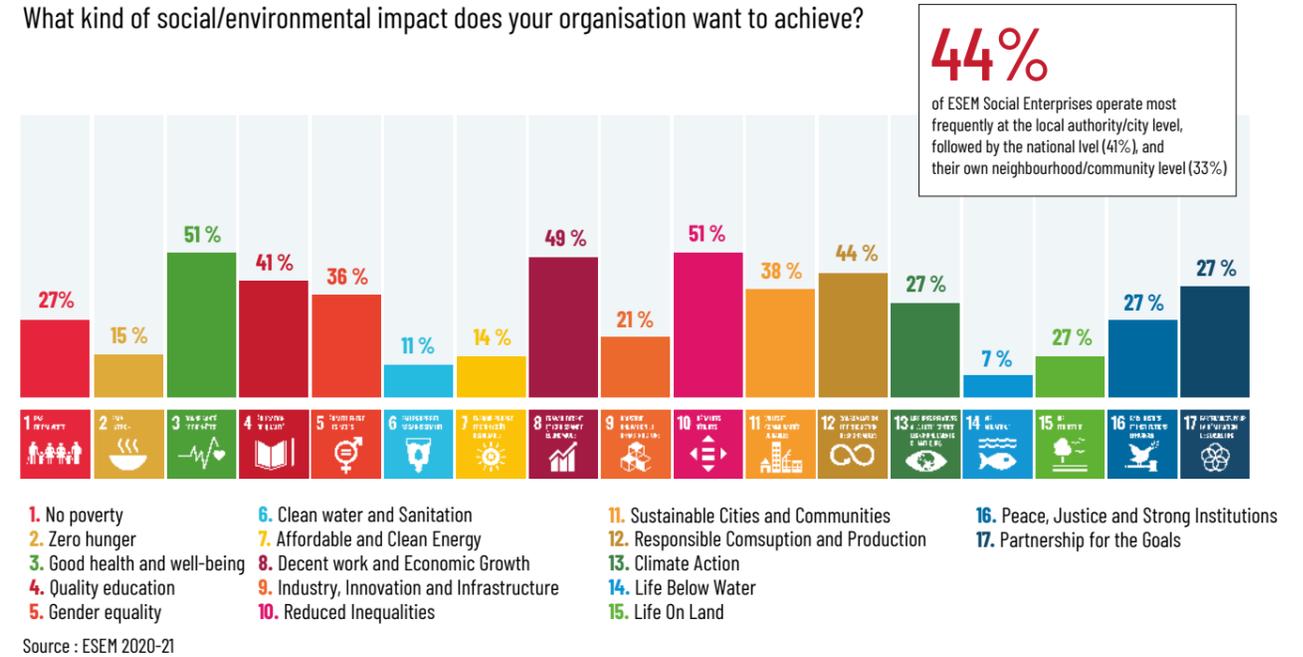
- **Water and Life - Bringing drinking water to urban slums:** Philippe de Roux has created a system that provides drinking water to 85% of families living in these areas at a low cost to both households and suppliers. His organization has created projects based on a sustainable

business model in major cities including the Philippines, Bangladesh and Ivory Coast. The model has allowed for a system that is 95% self-financing. [6] This initiative contributes to the achievement of SDG 6: Ensure access to sustainably managed water and sanitation services for all.

- **International Bridges to Justice:** Karen Tse works to eradicate torture in emerging democracies. Through training for court-appointed lawyers, and programs to support governments in structural reforms, Karen enables these democracies to continue their efforts in the area of the right to legal representation and protection against the misuse of the law. International Bridges to Justice currently includes a network of 55 justice actors in 37 countries. More than 30,000 individuals have benefited from an IBJ lawyer, and 22,000 new lawyers have been trained. In Cambodia alone between 2001 and 2012, the use of torture in police investigations, which was almost systematic, fell to a rate of less than 5% in cases managed by Karen's organization. [7] This initiative contributes to the achievement of SDG 16: Promote peaceful and inclusive societies for sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels.

However, the use of the SDGs as a frame of reference remains variable according to social entrepreneurs, which hinders the visibility of their actions among international cooperation actors. Some studies conducted at regional level make it possible to measure the positioning of social entrepreneurs vis-à-vis the SDGs, as well as the inclusion of their practices/solutions in relation to the 2030 Agenda. This is the case, for example, of the European Social Entrepreneurship Monitor (ESEM) deployed by the Euclid Network which shows that in 2020, only 39% of social enterprises from 8 European countries refer to the SDGs and 20% plan to do so soon to better communicate their impact.

What kind of social/environmental impact does your organisation want to achieve?



**Beyond their direct contribution to the SDGs, social entrepreneurs play a role in the continuous improvement of social policies through virtuous collaborations with local actors.** Their action is thus part of a collective dynamic of systemic change that involves all the organizations and expertise present at the territorial level. Social entrepreneurs contribute to the identification and qualification of the needs of vulnerable populations that are not addressed or remain insufficiently covered by existing schemes. In addition, they stimulate innovation by offering new services, products, consumption or production models that sustainably improve the living conditions and well-being of individuals in addition to existing solutions.

Social entrepreneurship participates in the creation of new economic activities in response to the local needs of vulnerable and/or disadvantaged communities. As a result, it generates new job opportunities, and improves working conditions and access to social protection for people who are often far from it.

### B. A LEVER FOR JOB CREATION AND IMPROVEMENT OF WORKING CONDITIONS

Social entrepreneurship is a promising path to professional integration for people traditionally far from the labor market (young people neither in employment nor in education or training, women, migrants or refugees, people with a low level of qualification, etc.) as well as in countries where the informal economy is particularly developed.

- **Youth:** The United Nations World Youth Report (2020) identifies social entrepreneurship as a lever for the development and economic empowerment of young people aged 16 to 24. It focuses on the issue of socio-professional integration of young people in a context where the UN employment rate of NEETS is particularly high (on average 30% for women versus 13% for men). The report estimates that 600 million jobs would need to be created over the next 15 years to meet the employment needs of young people. [8]

- **Women:** In a 2017 Policy Brief on Women's Entrepreneurship, the OECD highlights the increase in women's economic and social participation in the workplace over the past five decades, as well as the potential for developing women's entrepreneurship as a lever for women's economic empowerment.

- **Migrants and refugees:** In the 2018 «Policy Guide for Migrant and Refugee Entrepreneurship», UNCTAD, UNHCR, and IOM highlight the role of entrepreneurship as a lever for the integration of migrants and refugees, as well as the creation of social, economic and cultural value in their countries of origin and destination. Entrepreneurship can be an effective

means for the inclusion of migrants and refugees in local economies, sharing their knowledge and entrepreneurship and creating new market opportunities and transnational networks. Entrepreneurship can also be part of the long-term solutions needed to deal with the consequences of large movements of forcibly displaced people, in addition to the important measures put in place to deal with the immediate consequences of humanitarian crises.[9]

**Social entrepreneurship also improves working conditions and creates opportunities for vulnerable or disadvantaged groups.** According to an OECD report, the entrepreneurial nature of social enterprises empowers vulnerable workers, improves productivity and supports decent working conditions. Indeed, the use of inclusive governance models also promotes greater employee participation and «social dialogue», one of the four pillars of decent work defined by the ILO. [10] In particular, social and solidarity enterprises are often seen as having a role in creating employment opportunities for vulnerable or excluded groups. Indeed, social entrepreneurship allows them in particular:

- To acquire key skills for their socio-professional integration.
- To «remobilize» them in the event of professional failure (especially for NEETs).
- Acquire soft skills such as self-confidence, etc.

**HOW DOES SOCIAL ENTREPRENEURSHIP CONTRIBUTE TO THE DEVELOPMENT OF MORE SUSTAINABLE MODELS OF SOCIETY?**

**A FACTOR OF SOCIAL INNOVATION AT THE SERVICE OF THE SUSTAINABLE DEVELOPMENT GOALS**

**A FACTOR IN THE CONTINUOUS IMPROVEMENT OF PUBLIC POLICIES**

**A FACTOR IN THE CREATION OF DECENT JOBS, PARTICULARLY FOR THE MOST VULNERABLE GROUPS**

**PACT FOR IMPACT**  
A GLOBAL ALLIANCE FOR A SOCIAL AND INCLUSIVE ECONOMY





## 2. STATE OF PLAY OF THE SOCIAL ENTREPRENEURSHIP LANDSCAPE

Dynamic ecosystems have been formed to support the emergence and development of social entrepreneurship around the world. These ecosystems have different levels of maturity and structuring depending on local and regional contexts. This section presents a non-exhaustive overview of the main trends and dynamics in the different regions.

### A. IN EUROPE, A RISE IN SOCIAL ENTREPRENEURSHIP AT ALL LEVELS

Over the past two decades, social enterprises have grown in Europe both in terms of the number and size of enterprises. The European Commission's report on «Social enterprises and their ecosystems in Europe» carried out in the framework of the «European Union Program for Employment and Social Innovation» (EaSI, 2014-20) sets out the landscape of social enterprises in the 35 European countries. It estimates that the number of social enterprises ranges from several tens of thousands in Germany, Belgium, France or Italy, to a few hundred in Cyprus or Croatia. It confirms that social enterprises contribute directly to the creation of thousands of jobs, especially for disadvantaged people. The report notes that a significant and growing part of the provision of services of general interest is provided by social enterprises, often in partnership with local authorities. Overall, the environment in which social enterprises operate is gradually becoming more favorable to them. However, the potential of social enterprises is still far from being fully exploited, and there is significant room for improvement, particularly in relation to: (i) the ability of social enterprises to self-organize to meet social needs; (ii) the visibility and legal recognition of social enterprises at the national level; (iii) access to financial resources; and (iv) research, education and skills development.

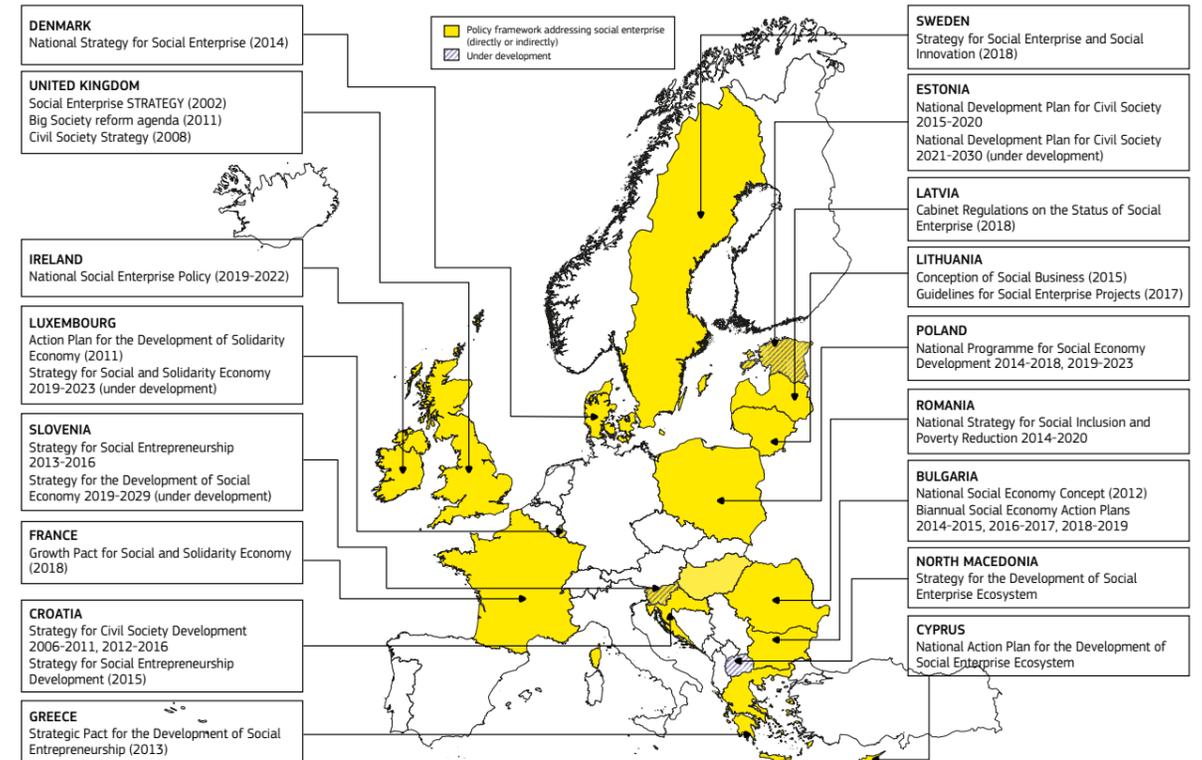
This panorama of social enterprises in Europe is based on a common approach and principles of social entrepreneurship (and social enterprises) at European level. Indeed, the «Regulation of the European Parliament and of the Council establishing an EU Agenda for Social Change and Innovation» (2011) defines social entrepreneurship as «any entrepreneurial activity with the following characteristics:

- **A social and/or environmental purpose:** a social enterprise is a social economy operator whose main objective is to have a social impact rather than to make profits for their owners or shareholders. It responds to a social, societal and/or environmental need that is poorly or poorly satisfied by the market. Its performance is measured by the positive social or environmental impact it creates.

- **Profitability at the service of the social project of the company:** a social enterprise uses its surpluses mainly to achieve its social objectives, the profitability of which becomes above all a means. It endeavors to ensure a fair distribution of surpluses, giving priority to the development of the business project.
- **Democratic governance:** A social enterprise is managed in a responsible, transparent and innovative manner, including by involving workers, customers and stakeholders concerned by its activity. The decision-making process is not based on the ownership of capital, the return on capital is limited, surpluses are put at the service of people and the project.».

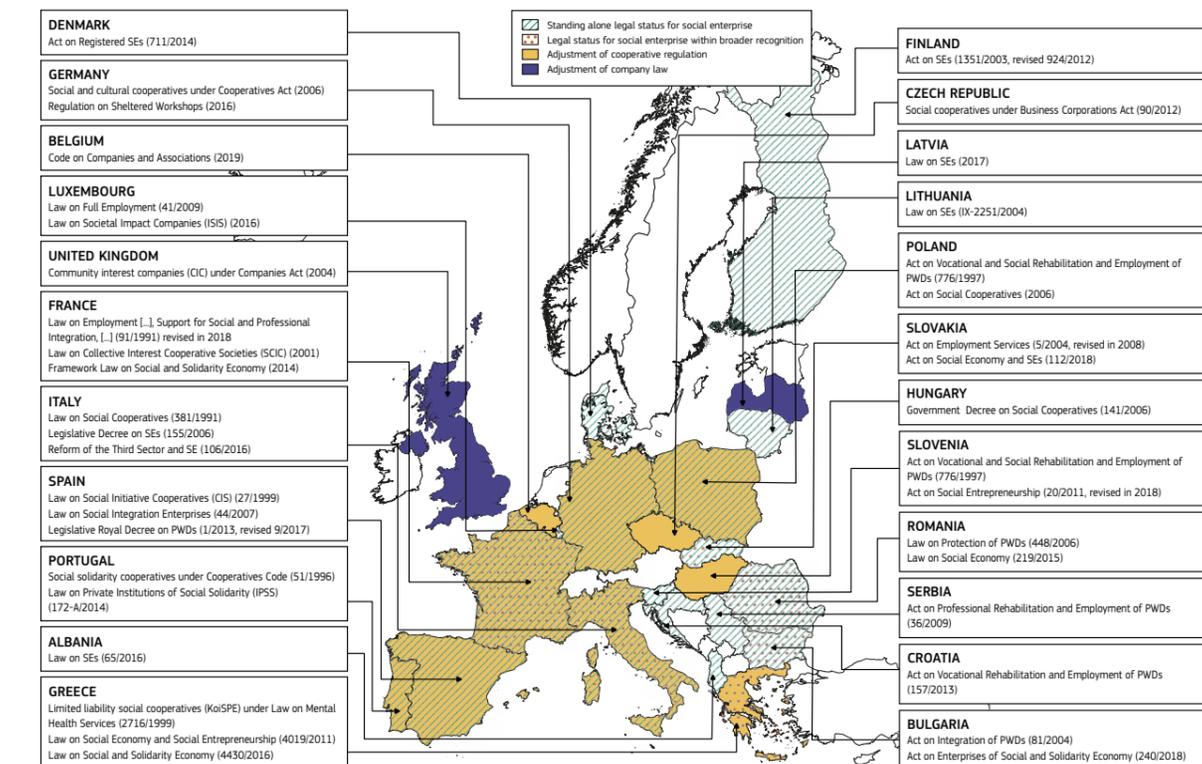
Support schemes for social enterprises have been set up at European level as part of the Social Business Initiative (SBI) adopted in 2011. The SBI's policy directions cover access to finance, market access, framework conditions, social innovation, technologies and new business models, and international relations. According to the SBI's 2020 review, this initiative has provided an improved institutional framework for the activities of social enterprises: although no new legal forms have been adopted at EU level, specific legal and policy frameworks have been jointly adopted in 16 EU Member States since 2011. Similarly, a European directive on public procurement was also adopted in 2014 and has since been transposed into national legislation. This Directive introduced specific social criteria for social enterprises and public procurement reserved for social enterprises, which have been important tools for improving market access for social enterprises. Finally, the analysis showed that the main contribution of the SBI was on the visibility of social enterprises in European and national programs.

### Countries with policy frameworks targeting social enterprise



Source : Social enterprises and their ecosystems in Europe. European Commission

### Countries with laws on specific legal forms or statuses for social enterprise



Source : Social enterprises and their ecosystems in Europe. European Commission

In **January 2020, the European Commission announced its intention to launch a new Social Economy Action Plan in 2021.** This new action plan aims to reduce all other administrative, legal and financial obstacles to their activities. It also aims to encourage the development of social economy organizations through the development of new technologies and to promote their access to public procurement. Some Member States have also made progress on proposals to encourage social and solidarity economy organizations. This is particularly the case for France, which has put in place a proposal on the mutual recognition of SSE organizations between Member States in order to encourage their development within the EU's internal market.

#### Examples of useful initiatives and resources:

- **European Social Enterprise Monitor (Euclid Network):** Euclid Network, in collaboration with its members and partners, has launched ESEM, the first social enterprise monitor at European level. The ESEM aims to fill the current data gap on social enterprises in order to inform decision-makers in government, civil society and the economy. 'ESEM collects participants' views on social entrepreneurship and makes them available to policy makers, government officials, investors, researchers etc. [11]
- **Report from the European Commission: Social enterprises and their ecosystems in Europe** [12].
- **Review of the European Commission's Social Business Initiative** [13]

### B. IN NORTH AMERICA, A PREVALENCE OF FOUNDATIONS AND INDIVIDUAL SOCIAL ENTREPRENEURSHIP

The social entrepreneurship sector has many peculiarities in North America, especially in the United States where the definition of social enterprises is very focused on non-profit organizations often called «Enterprising Non-Profits» and where the focus is on the «individual» social entrepreneur.

In the United States, American social enterprises represent about 3.5% of GDP and work in various fields: 20% generate impacts in the field of American economic development; 16% focus on employment development; 12% target energy and the environment; 11% are in education; and only 7% work internationally. [14] In addition, it should be noted that in the United States foundations that are part of the new venture philosophy play a major role in promoting and supporting social entrepreneurship. This is the case, for example, of the Skoll Foundation or the Schwab Foundation.

In Canada, social enterprises are defined as an «emerging dynamic business model that: (a) has social, environmental and/or cultural objectives; (b) operates in competitive markets; and c) reinvests the profits for the benefit of the community» Quebec had no less than 11,200 social economy enterprises that employed 220,000 employees in 2016. [15]

In Australia, no legal definition of social entrepreneurship has been adopted. However, some initiatives such as the Alliance of Social Enterprise Networks Australia (ASENA), testify to the political importance of social entrepreneurship in the country. The economic weight of social entrepreneurship in Australia is relatively large. Indeed, in 2010, there were about 20,000 social enterprises (34% in operation for 2 to 5 years) that represented 2 to 3% of Australian GDP [16].

#### Useful Resources:

##### North America

- OECD Report: Social Enterprises: A North American Perspective [17]
- Reflections on the evolving landscape of social enterprise in North America, Policy and Society [18].

##### Australia

- ASENA Report: Social Enterprise National Strategy [19]

### C. IN ASIA, AN INCREASINGLY IMPORTANT ECONOMIC WEIGHT FOR SOCIAL ENTREPRENEURSHIP

According to the Social and Development Entrepreneurship Program (SDEP) of the Asian Institute of Management-Asian Center for Entrepreneurship, social entrepreneurship involves 'the promotion and creation of enterprises or organizations that create wealth, with the intention of benefiting not only an individual or family, but also a defined constituency, sector or community, usually involving the general public or marginalized sectors of the society'.

There are many elements to this description of social entrepreneurship. First, it focuses on the study of wealth creation for development purposes. In this sense, it excludes development initiatives that do not involve wealth creation. Second, it does not include all wealth creation initiatives, especially those of commercial enterprises whose main raison d'être is to generate profits for the enrichment of a few individuals or their families. The main stakeholders in social entrepreneurship are the marginalized sectors of society.

**In addition, the economic weight of social entrepreneurship has changed significantly in Asia over the past decade.** Indeed, in South Korea – in 2016, social enterprises employed 39,195 workers, or 1.5% of total employment. In 2016, for example, the British Council listed 448,000 in Pakistan, 150,000 in Bangladesh and 2,000,000 in India [20].

#### Useful Resources:

- ISEA-Oxfam Poverty Reduction and Women Economic Leadership Report: Roles, Potentials and Challenges of Social Enterprises in Developing Countries in Asia [21]
- Inter-American Development Bank- The Japan Research Institute: Study of Social Entrepreneurship and Innovation Ecosystems in Southeast and East Asian Countries [22]

### D. IN AFRICA, A DYNAMIC GROWTH OF THE SOCIAL ENTREPRENEURSHIP SECTOR

While several African countries such as Morocco, Mali, and South Africa have put in place a political framework dedicated to social enterprises as well as an institutional definition at the national level, **the lack of a precise definition of social entrepreneurship at the continental level hinders the institutional recognition of the sector at the regional level.**

Several initiatives demonstrate an awareness of the role of social entrepreneurship as a lever for regional development in response to social and ecological issues. On the occasion of the 5th African Development Forum on Youth and Leadership in the 21st Century organized by the Economic Commission for Africa (ECA) and the African Union (AU) in Addis Abeba in 2006, African governments called for «bold steps in education to meet the needs of the knowledge economy [and to] design comprehensive curricula that address the culture of social entrepreneurship».

In addition, **social entrepreneurship has an increasingly important economic weight in Africa.** The British Council believes that social enterprises are experiencing very dynamic growth in Ethiopia, where most plan to expand in the coming years. Carried out as part of a project with the EU, the survey indicates that the sector offers significant employment and leadership opportunities for young people and women in Africa's second most populous country. In Senegal, 18.1% of the population was engaged in social entrepreneurship activities (2015). [23] In Sudan, although the term «social enterprise» is relatively new in the country, the concept of «trade for social purposes» is well established, and the sector has grown rapidly until March 2020, with 65% of social enterprises having been established since 2013. The Covid-19 pandemic poses serious challenges for Sudanese social enterprises, but they could play a key role in restarting the economy on a fairer basis.

**Recursos útiles**

- African Scientific Journal: Social Entrepreneurship and Human Development in Africa [24]
- Social Entrepreneurship in Sub-Saharan Africa [25]

**E. IN CENTRAL AND SOUTH AMERICA: A TREND TOWARDS THE FORMALIZATION OF SOCIAL ENTREPRENEURSHIP**

Despite the large number of social entrepreneurs present in Latin America, there is no official definition of social entrepreneurship today at the regional level in Central and South America.

In addition, the ecosystems of innovation and social entrepreneurship vary considerably between countries in Latin America. In 2014, Viva Idea and the INCAE business school in Costa Rica conducted a survey of social entrepreneurs in Latin America (53,500 social entrepreneurs from 19 Latin American countries responded, mainly from Argentina and Colombia (22%), Mexico (15%), Chile (13%) and Costa Rica (7%)). This investigation revealed that:

- The financing of social entrepreneurship in Latin America is still at an early stage.
- The main sectors are education 19%, agriculture 5%, trade 4%, finance 4% and transport 4%.
- 60% of social enterprises are legally registered, which is very high compared to the level of informality of Latin American markets.

Colombia is among the most active countries in the region in terms of social entrepreneurship, with active intermediaries, strong government support and a proactive scene of social impact investing.

**Ressources utiles:**

- Publications by LatImpacto [26]
- Study of Social Entrepreneurship and Innovation Ecosystems in the Latin American Pacific Alliance [27]





### 3. WHAT ARE THE CHALLENGES TO SUPPORT THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP AROUND THE WORLD?

In order to ensure sustainable development of social entrepreneurship, it is essential to respond to major challenges: the accessibility and dissemination of social entrepreneurship for all, including vulnerable groups: women, youth, migrants, refugees, and people from the diaspora. The second challenge for social entrepreneurship is the emergence and structuring of environments favorable to social enterprises.

## A. A CHALLENGE OF ACCESSIBILITY AND DISSEMINATION OF SOCIAL ENTREPRENEURSHIP FOR ALL

Despite the strong development of social entrepreneurship over the decades, it is clear that there are still many barriers to access to entrepreneurship, particularly for women, young people, migrants and refugees, people from indigenous communities. The ecosystem of social entrepreneurship as well as that of so-called «classic» entrepreneurship therefore remains confronted with challenges of openness so that everyone can seize this opportunity.

### 1. Development of women's entrepreneurship

According to the OECD study «Women's Social Entrepreneurship and Innovation» (2014), women are more represented in social entrepreneurship than in other forms of entrepreneurship. However, there are notable differences between countries and geographical regions.

While women are increasingly present in the social entrepreneurship ecosystem, there are still significant disparities between men and women. Some institutional barriers limit women in entrepreneurship. These include family and tax policies that discourage women from participating in the labor market and entrepreneurship, as well as negative social attitudes towards female entrepreneurship. Market failures and difficulties in accessing finance also hinder women's success in starting a business. Similarly, this study shows that women have more difficulty in mobilizing professional networks and thus in taking advantage of the relevant social capital acquired during their previous experiences. Finally, the factor of personal choice remains and should not be neglected since the reasons that push women in their entrepreneurial approach are often different.

### Examples of initiatives to promote social entrepreneurship for women:

**La Women's Initiative for Social Entrepreneurship (WISE)** was born from an international gathering of 10 Fellows in Egypt in 2011, where participants had the opportunity to connect around their work with women and identify potential avenues for collaboration. It is a global initiative led from the South that aims to increase the number, knowledge and power of women in social entrepreneurship by redefining success from a gender lens and celebrating the unique ways in which women succeed in leading and making a social impact. [28]

### 2. Youth Social Entrepreneurship Development

New generations are increasingly attracted by social entrepreneurship as a lever to solve development challenges and contribute to the general interest. However, many elements can hinder them in their entrepreneurial adventure.

The World Youth Report 2019 analyses various external factors that may hinder young people's ability to start and develop their own social enterprises. [29] The first factor is access to training and key skills in entrepreneurship and social enterprise management. Added to this is the lack of professional experience necessary to build a network of contacts and connections necessary to launch a project. Access to finance is also one of the biggest challenges for young social entrepreneurs. The latter are often at a disadvantage compared to other social entrepreneurs, as educational attainment and previous work experience are a prominent part of social investment decisions. Banks, seeing them as high-risk customers, are reluctant to offer loans to young people who mostly lack collateral or a track record of financially viable businesses. Limited access to conventional finance forces them to rely on informal sources, such as family and personal savings, which can jeopardize growth opportunities and jeopardize the survival of their businesses. Finally, unequal access to technology has created a digital divide, exacerbating inequalities in society.

Young people living in areas where digital connectivity is weak or non-existent have limited access to financial and non-financial services.

To address these problems, several possible solutions can be considered, for example:

- Develop **personalized support** to increase the quantity and quality of successful social enterprises.
- Strengthen **policies and programs that support young people** throughout the life cycle of a social enterprise.
- Playing on an intergenerational approach to **social entrepreneurship** (such as mentoring) and formal and informal education can help young people fill the gaps they may have due to their age.

### 3. Development of entrepreneurship by migrants and refugees

Social entrepreneurship offers many opportunities for migrants and refugees who wish to carry out an impact project in their host country and/or in their country of origin.

According to the Policy Guide for Migrant and Refugee Entrepreneurship, produced by the UN, IOM and UNHCR in 2018, many migrants and refugees face barriers related to business creation due to language and cultural barriers, lack of financial capital (e.g., access to banks and guarantees) and lack of social capital (e.g., access to support networks). Refugee entrepreneurs often face barriers related to their legal status, including the lack of the right to work and seek self-employment, lack of recognition of refugee status documents, unplanned forced displacement and its associated psychological effects.

Discrimination and stigmatization of their status in the host country can also negatively impact their ability to undertake impactful projects. They may face restrictive immigration, refugee and visa policies that limit rights to work and self-employment. Many migrants and refugees also experience a loss of human capital upon arrival in a host country due to language and cultural barriers. This can limit the types of activities they can undertake, especially if they seek to avoid any interaction with customers outside their ethnic community.

In addition, migrant and refugee entrepreneurs, especially those from less developed countries, generally find it difficult to access credit through the formal banking sector, both due to a lack of solvency and collateral for their loans. These difficulties can be particularly severe for refugees who have had to flee their country of origin in a hurry without being able to return and who, as a result, have no access to their own funds

### Examples of programs to support youth employment through entrepreneurship:

**Moovje** is a French mentoring program dedicated to entrepreneurs between the ages of 18 and 30, under which more than 1,600 young entrepreneurs under the age of 30 have been supported in the sustainability of their businesses since 2010. [30]

**Live the Dream** is a New Zealand program for the development of young social entrepreneurs and their businesses. It is a total immersion program, in which young people learn by doing. They have the opportunity to connect with dozens of leading entrepreneurs, social innovators and professionals who share their valuable knowledge and ideas through workshops and mentorship. [31]

or documents. They often resort to informal finance. Finally, migrants and refugees face discrimination and stigma in many host countries, which has a significant impact on their ability to develop their entrepreneurial activities.

Specific support measures to help migrants and refugees overcome these barriers may not only be needed to stimulate business creation, but also to make them more sustainable: [32]

- Ensure coherence of the approach to social entrepreneurship of migrants and refugees with broader social entrepreneurship policies, and with migration and refugee policies at local, national and regional levels.
- Identify specific targets, goals and indicators in the 2030 Agenda for Sustainable Development, for which the policy areas of migration, displacement and social entrepreneurship intersect, and define actions that can maximize benefits by linking the policy areas of social entrepreneurship, migration and displacement.
- Measuring and sharing the results of migrant and refugee social entrepreneurship initiatives
- Implement a variety of programs that are tailored to the different experiences, ambitions and needs of migrants and refugees and that are available during the different phases of their entrepreneurial journey.
- Encourage the construction of professional and social networks through mentoring, for example, or through meetings and events with social entrepreneurship experts.

**Examples of initiatives:**

**Diaspora Entrepreneurship** is a program that targets the Malian, Ivorian, Senegalese and Burkinabe diaspora in Europe as well as members of the Malian, Ivorian, Senegalese and Burkinabe diaspora aged 18 to 45 who have returned to their countries of origin. The project consists of selecting a dozen competitive projects based on a call for projects, in order to support the winners until the financing of their project. The best projects were awarded full or partial bank financing to support their implementation. The goal is to ensure quality support in order to optimize the establishment of entrepreneurs and thus promote the success of diaspora entrepreneurship projects. [33]

**The ME4Change coalition** is an initiative that works with key players in the business world to steer migrants' ambitions towards the path of sustainable entrepreneurship, offering support programs on how to establish and grow their business in Europe. [34]

**Afkar (Tunisia):** the Afkar incubator has developed a specific program for Tunisians living in 6 European countries, to help them develop projects with a social or environmental impact in Tunisia, without the obligation to return to Tunisia. [35]

**4. Developing employee entrepreneurship internally: social intrapreneurship**

**Another way to stimulate social entrepreneurship is to encourage organizations to support the emergence and development of initiatives and/or projects of social scope internally.** This concept of social intrapreneurship allows one or more people «to set up an entrepreneurial approach, internally, which combines a balanced economic model and strong social impact, in a structured and ambitious project, in connection with the business of the organization». [36]

While social intrapreneurship is gradually developing, some organizations are already offering dedicated programs to support projects and strengthen skills.

**Examples of initiatives:****Red Cross Intrapreneurship Program**

The Intrapreneurship program allows employees and volunteers of the French Red Cross to develop projects in which they believe and become the drivers of change in the association. [37]

**The League of Intrapreneurs**

It is a global community that aims to develop the sharing of skills within the most influential institutions. The community has developed practical tools, such as an online course as well as peer-to-peer "mastermind" circles, to help interested professionals build their intrapreneurial capacities. They also organize a global scholarship program to help intrapreneurs. [38]

**B. A CHALLENGE TO EMERGE AND STRUCTURE ENVIRONMENTS FAVORABLE TO SOCIAL ENTERPRISES**

Many social entrepreneur networks such as Catalyst 2030 and Ashoka highlight the importance of developing and sustaining action frameworks conducive to social entrepreneurship.

They highlight **the challenges of institutional and legal recognition** of social entrepreneurship. Indeed, depending on the country, the legal framework is not always adapted to the characteristics of social enterprises. This forces social entrepreneurs to use other legal forms that are not adapted to their situation (classical, private for-profit, or forms such as associations, foundations, cooperatives, or mutuals, non-profit organizations...) and to limit their capacity for development.

**Access to finance and the development of sustainable business models** are also major challenges for social entrepreneurs. Indeed, several sources of funding exist for social enterprises (grants, credits, charitable contributions, investments related to a specific program are just a few examples). However, the type of financing a social enterprise is likely to obtain depends on several factors including the degree of its maturity, reputation, legal structure and the availability of a non-profit capital market. The growth of these companies is therefore often hampered by the lack of funds or by difficult access to the financiers of the «classical» economy. This situation [39]. Moreover, it should be noted that for the moment, at European level, social entrepreneurship actors benefit very little from the existence of the single market and remain subject to national

logics, which hinder the spread of social innovation in Europe.

In addition, **the training** of social entrepreneurs is also crucial since social entrepreneurs must possess the technical skills of managers of the for-profit economy and, at the same time, master social issues. With a relative lack of training specific to social enterprises in many countries, there are concerns about gaps in the managerial skills of the managers of these organizations. One of the main difficulties would be to allow social entrepreneurs to move from the stage of creation to that of project sustainability. [40]

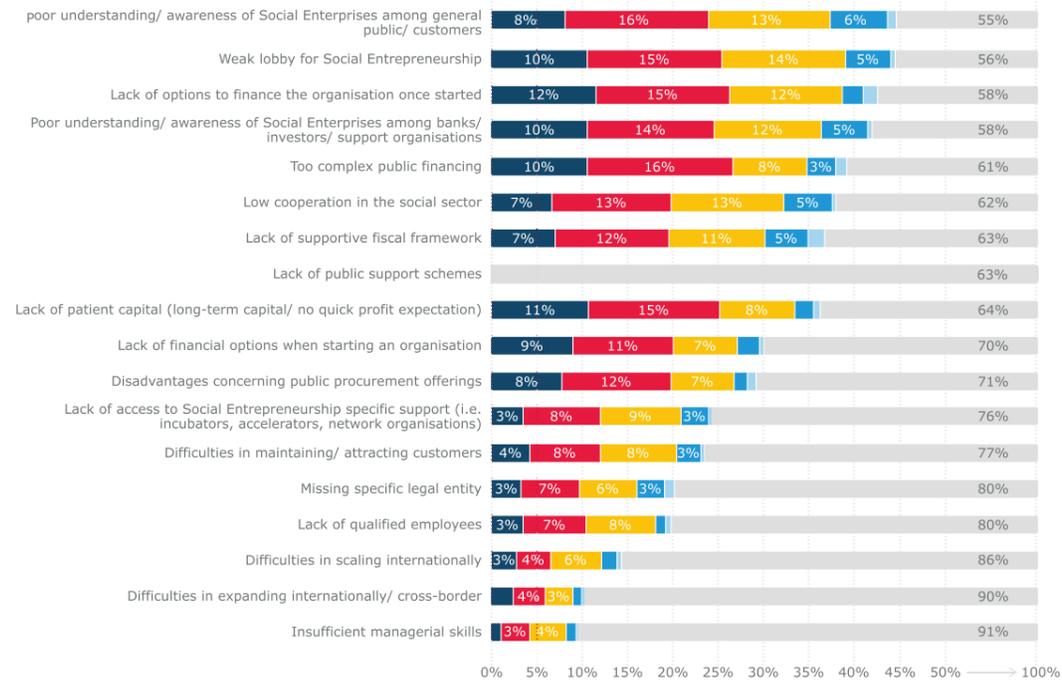
Finally, **scaling up** social enterprises is a major challenge. Indeed, according to a 2016 OECD synthesis on scaling up and maximizing the impact of social enterprises, the volume of contracts and the precise pre-qualification requirements in public procurement prevent social enterprises that wish to scale from being selected. [41] In addition, financial sustainability is often cited as one of the main obstacles to a trajectory of scaling up. Indeed, young social enterprises that want to change scale often experience a funding gap: as a rule, a change of scale costs between EUR 100,000 and EUR 500,000 (Financing Agency for Social Entrepreneurship, 2015). However, most young social enterprises are unable to cover more than 75% of their operating costs through their revenues.

Local networks, with **virtuous collaboration between local governments and entrepreneurs** should be built at all levels to create a supportive ecosystem for each entrepreneurs in any part of the world. Ecosystems should be strengthened everywhere, in rural areas as well as in urban areas, empowered by local capacities, resources and vision. South-south cooperation would help accelerating the development of local networks and share common stakes and perspectives.



## How much do these barriers impede your organisation?

- Very much hinder
- Much hinder
- Moderate hinder
- Slightly hinder
- No hinder
- No answer



<sup>28</sup> Due to an inconsistency in the data with regard to the answer option "lack of supportive fiscal framework", it was decided to not carry out the quantitative and qualitative classifications of this barrier. Source : ESEM 2020-21

## WHAT CHALLENGES DO SOCIAL ENTERPRISES FACE?

THE CHALLENGE OF POLITICAL AND LEGAL RECOGNITION



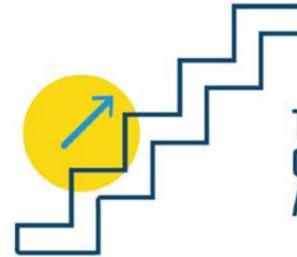
THE CHALLENGE OF THE SUSTAINABILITY OF THE ECONOMIC MODEL



THE CHALLENGE OF OPENING UP SOCIAL ENTREPRENEURSHIP TO ALL



THE CHALLENGE OF REPLICATION AND SCALING UP



THE CHALLENGE OF STRENGTHENING LOCAL NETWORKS AND COOPERATION, PARTICULARLY IN THE COUNTRIES OF THE SOUTH



**4. WHAT LEVERS  
TO BUILD AN ENVIRONMENT  
CONDUCTIVE TO SOCIAL  
ENTREPRENEURSHIP?**

In order to address the major challenges identified in the previous part, certain levers can be mobilized to help social entrepreneurs and social enterprises to develop sustainably.

### A. A LEGAL AND REGULATORY FRAMEWORK ADAPTED TO SOCIAL ENTERPRISES

Public policies play a major role in the emergence and structuring of an environment conducive to social entrepreneurship. In recent decades, some countries have adopted a legal framework to recognize a specific status for social enterprises. This recognition often emerges from a long process of consultation and co-construction with stakeholders in order to take into account the specific characteristics and needs of social enterprises. This is the case of some countries, such as Spain, which adopted a law in 2009 that includes «the recognition of the social economy as a private actor, that is to say, as a socio-economic actor with a specific identity».

However, although legislation is necessary, it is not sufficient and must be accompanied by a wide range of strategies to support the development of social entrepreneurship in different areas such as financial resources, access to markets, business support and development structures, training and workforce development. [44]

Several initiatives have been launched to support policy makers in developing policies that support social entrepreneurship. Since the early 2000s, the OECD has been supporting research projects on levers to support social entrepreneurship through the LEED forum on social innovations and the Centre for Entrepreneurship, SMEs, Regions and Cities:

#### Inspiring initiatives:

**Better Entrepreneurship Policy Toolbox :** The OECD is working in several member countries to analyze the conditions for the creation of a social economy and social enterprise organizations. It highlighted the following key areas for national and local political action:

-  1. PROMOTE SOCIAL ENTREPRENEURSHIP
-  2. ESTABLISHING FAVORABLE LEGAL, REGULATORY AND FISCAL FRAMEWORKS
-  3. PROVIDING SUSTAINABLE FINANCING
-  4. PROVIDING BUSINESS DEVELOPMENT SERVICES AND SUPPORT STRUCTURES
-  5. PROMOTING ACCESS TO MARKETS AND SUPPORTING RESEARCH

#### Existing initiatives:

- **Ongoing review of legal frameworks for social entrepreneurship** – Catalyst 2030/Lex Mundi Pro Bono Foundation [42]
- **The Innovation for Policy Foundation:** This is an innovative organization that focuses on developing inclusive African innovation policies to give local communities control over their trajectory. One of i4Policy's main programs is the Policy Hackathon, which co-creates policy recommendations. Between 2018 and 2020, i4Policy grew to become a pan-African organization of more than 160 innovation hubs in 45 countries across Africa. It has supported participatory political reform processes in 11 countries and trained government and ecosystem leaders in more than 20 countries. [43]

The Better Entrepreneurship Policy Tool is a self-assessment tool designed for policymakers and other stakeholders at local, regional and national levels who wish to explore how public policy can support the development of social enterprises, and help women, youth, migrants and the unemployed to start businesses and become self-employed. [45]

#### Examples of initiatives:

**Indice Ease of Doing Social and Inclusive Business:** Inspired by the World Bank's Doing Business initiative, this index aims to examine and compare frameworks to support social entrepreneurship. Following the principle «what gets measured, is done», it will help policymakers design a more conducive environment for social enterprises. A working group was set up under the impetus of the SOS GROUP and the Catalyst 2030 network, with the support of the COVID Response Alliance by social entrepreneurs and the French Ministry of Economy and Finance, to prefigure the methodology of this index, before being returned to the World Bank. [46]

These initiatives contribute to a better understanding of policies favorable to social entrepreneurship and would benefit from sustainability in order to allow public authorities to monitor progress over time and draw inspiration from best practices.

### B. ACCESS TO PRIVATE AND PUBLIC MARKETS

Market access is essential for social enterprises to grow, consolidate and become more self-reliant.

**However, a number of barriers can hamper the ability of social enterprises to access public and private markets.** Indeed, some social enterprises have limited resources and/or expertise to develop effective market entry strategies. Another obstacle is that social enterprises do not always benefit from the measures applicable to SMEs, which creates a situation in which they struggle to compete in the market. Finally, they often face difficulties in accessing public procurement. Since the design of public procurement is generally based on obtaining the lowest cost for the purchase of goods and services, social enterprises sometimes cannot compete with private sector suppliers, such as when the social enterprise employs low-productivity workers, with the aim of integrating them into the labor market. [47]

In addition, although the existing literature has generally focused on the role of institutions in the creation and efficient functioning of markets, SSE development professionals have suggested that market creation may not be sufficient, and that priority should be **given to allowing «poor» people to participate in markets.** For example, in Ecuador, the average duration of a commercial case in the formal legal system is almost eight years, which represents a significant investment of time that becomes too «expensive» for people with few resources. As a result, many are excluded from participation in many aspects of public and economic life. **There is therefore a distinction between the development of institutions that aim to encourage the creation and efficient functioning of markets, and the establishment of institutions that enable people to participate in those markets.** Situations of absence or weakness of the institutional arrangements that support markets can be seen as spaces of opportunity for social and innovative entrepreneurs. [48]

#### Several levers can be mobilized to strengthen social enterprises' access to private and public markets:

- **Regarding private markets:** The use of digital technologies allows social enterprises to meet their target of beneficiaries without intermediaries. Thanks to the technological advances of recent years and the rise of online financing and sales platforms, it is easier for a social entrepreneur to offer their solutions to a wider audience and to experience it without going through marketing intermediaries. Collaboration within and across sectors improves social enterprises' access to private markets. According to the Skoll Foundation, the best tools available to an SME support ecosystem to meet the challenge of market access are trade fairs and networking events where entrepreneurs can present their solutions to a potential client (head of network and/or investor) who might be interested and lead the project. But these one-off events need to attract enough customers to generate cash flow in the medium term. [49]
- **With regard to public procurement,** measures can be put in place to remove barriers to social enterprises in procurement processes (e.g., capital requirements) and to raise awareness among **public officials** of the specificities of social innovation.

### Useful Resources

The report «**Buying Social: A Guide to Taking Account of Social Considerations in Public Procurement**», published in 2011 by the European Commission sheds light on the subject. It highlights how public procurement can be used to achieve social objectives.

### Example of an initiative:

The European Social Fund+ entered into force in July 2021 and aims to support the implementation of the European Pillar of Social Rights, jointly proclaimed by the Council, the European Parliament and the Commission as the EU's compass to address social challenges in Europe. By supporting actions in the areas of employment, education and skills and social inclusion, the ESF+ will help individuals, regions and Member States to face distinct challenges, whether recovering from the current pandemic or achieving the EU's employment and social inclusion objectives, education and climate. [50]

### C. ACCESS TO FINANCE

Social enterprises often struggle to find the financial support they need throughout their life cycle.

- **Social enterprises' access to public orders and subsidies**
- **Support for the development of solidarity finance and impact investing;**
- **Connecting funding organizations and social entrepreneurs.** As bearers of territorial dialogue, public authorities can facilitate and accelerate these connections.

**More generally, public authorities can facilitate the emergence of an efficient financing ecosystem at the territorial level,** by ensuring the diversity of funding bodies and funding tools available. In this way, they can encourage the co-design of new financing mechanisms, products and services tailored to the specific needs of social enterprises. [51]

Nevertheless, it is important to note that there are different types of financing and that they must be selected according to the needs, nature and level of maturity of social enterprises. Indeed, the first step is to identify the type of financing best suited to its needs, depending on the maturity of the social enterprise: this can be an operating grant, equity for research and development actions, or a credit to cover a cash flow need.

Finally, in the current context of the COVID19 crisis, several initiatives and emergency financial aid have been put in place to enable social enterprises to survive this shock. This is the case, for example, of UrgencESS, which is an emergency fund of 30 million euros mobilized by the State Secretariat for the Social, Solidarity and Responsible Economy for SSE structures with fewer than 10 employees hit by the health crisis. [52] Many international mobilizations can also be cited, such as the COVID Response Alliance for Social Entrepreneurs, an unprecedented collaboration between more than 80 global leaders in social entrepreneurship who have come together to support social entrepreneurs on the front lines of the COVID-19 crisis. [53]

### Useful resource:

**The study by the ILO Social Finance Program and the ILO Cooperative Unit (COOP):** «The contribution of SSE and social finance to the future of work» analyzed the initiatives and funding mechanisms of 12 SSE organizations in nine countries. It highlights innovative financing mechanisms, such as solidarity finance, impact investing, crowdfunding and complementary currencies, as sources of financing for the SSE. [54]

### Examples of initiatives:

**The Social Business Initiative (SBI):** In the early 2010s, the European Commission adopted the SBI which proposes ways to improve social enterprises' access to finance, including EU funding through the Structural Funds, and the future creation of a financial instrument to provide social investment funds and financial intermediaries with equity instruments, debt and risk sharing.

**The Social Enterprise Initiative** also envisages activities to measure the activity of social enterprises and to improve their visibility and recognition, as well as to create a simplified regulatory environment, including a future proposal for a statute for the European Foundation, as well as an upcoming revision of public procurement rules and state aid measures for social and local services. These efforts at EU level must be complemented and exploited at national and local level by other measures to meet the needs of social enterprises. [55]

### D. SKILLS DEVELOPMENT AND A CULTURE OF SOCIAL ENTREPRENEURSHIP

The development of social entrepreneurship requires the development of a culture of global social entrepreneurship and the transmission of key skills, through support and training programs, an enabling environment in terms of culture and infrastructure should be accessible to all, everywhere.

#### 1. Towards a support offer that is more accessible to all, in all territories

**Business incubators are support structures for business creation projects.** They offer a framework to creators and can intervene on various themes from the hosting of the company to the training of its managers and employees, through consulting, testing of ideas and financing. They intervene mainly during the early stages of the company's life and offer services adapted to the characteristics of the companies. Social incubators focus on the development of structures whose main mission is the achievement of social and/or environmental objectives. A major challenge is to make this offer of support and accompaniment accessible to all (women, ethnic and/or sexual minorities, migrants and refugees, disadvantaged public, etc.) in all territories.

**In addition, as part of the development of social entrepreneurship by incubators, it is essential that they give an important place** to the scaling up of the social enterprises they support to help them attract investment.

### Examples of initiatives around the world:

- **Impaqto in Ecuador:** IMPAQTO is a B-Corp certified social enterprise that functions as a coworking space where events, trainings and workshops are organized in order to facilitate connections and collaboration between individuals and organizations seeking to have a positive impact in the social, cultural and environmental fields. Their mission is to promote and welcome change agents in Ecuador in order to convert their ideas into impact through social innovation. [56]
- **Social Business Hub Styria** : represents both a social enterprise incubator and a network for people who solve social challenges in an entrepreneurial way. They develop, promote and support social innovations, inspire and advise. The founders build strong networks and disseminate their expertise, thus working for a fair and sustainable society. [57]
- **La Incubadora Africana Francófona (IFA):** It was created in 2018 and aims to reward innovative projects that include a social innovation dimension that responds in an innovative way to social, societal or environmental needs on the African continent, and to support and accompany project leaders from the idea to the creation of activity. The IFA operates in 15 African countries (Algeria, Benin, Burkina Faso, Côte d'Ivoire, Guinea, Madagascar, Mali, Morocco, Niger, Congo, DR Congo, Senegal, Chad, Togo, Tunisia). [58]

One of the reasons for being the main reasons for incubators and support structures is the sharing and spin-off of good practices. Indeed, many of them are **promoting the exchange of practices in order to generate socially innovative projects** and disseminate existing social innovations in order to scale them up. Good practices can also be learned through training offered by these structures.

**Examples of initiatives:**

- **The School for Social Entrepreneurs:** The SSE founded in 1997 now helps 1,000 people a year develop the skills, strengths and networks they need to tackle societal problems. In return, they help 3.4 million people in need through their activities. The SSE teams work internationally and are based in the United Kingdom, Canada and India. To support these aspiring social entrepreneurs, they organize courses that allow the people who follow them to create, develop and strengthen organizations that make a positive difference. [59]

**2. Programs to promote culture and skills related to social entrepreneurship**

The development of a social entrepreneurship ecosystem **also requires the creation of dedicated promotion programs, which allow the field to gain visibility and accelerate its growth.** Thus, it is necessary to set up programs and actions that aim to develop the culture and skills related to social entrepreneurship from an early age: in schools and school environments for example.

In addition, it is important to note that the promotion of the culture of Social Entrepreneurship does not necessarily only involve the implementation of programs in schools and schools, by public actors. In reality, it is necessary to take into account all other educational initiatives (informal / non-formal) as well as the work that can be done locally by associations.

**Example of initiatives:****The week of the social and solidarity economy at school:**

The Week of the SSE at the School offers the framework to discover in class the commitment, the collective entrepreneurship and the principles of the Social and Solidarity Economy (SSE): democracy, cooperation, solidarity, citizenship, sustainability... In all French territories, the «Week from SSE to School» allows you to discover the fundamentals (citizenship, cooperation, democracy, limited profitability, solidarity ...) that guide this socio-economic logic, in particular by meeting local professionals in this sector. The «Week of SSE at School» aims to develop the economic and civic culture of students.

Through the «Week of SSE at School», students engage in:

- Solidarity and sharing actions
- Collective projects to experiment with «doing together» and cooperation
- Discoveries of companies and trades in the SSE on their territory ... [60]

**Master of Science in Social Entrepreneurship (USC Marshall):**

Based in the Brittingham Social Enterprise Lab at the USC Marshall School of Business, led by Adlai Wertman, Professor of Clinical Entrepreneurship, the MSSE offers students a program that includes an exploration of the field of social entrepreneurship but also impact investing, marketing related to a social cause, environmental sustainability and social impact measurement. [61]

To conclude, the development of social entrepreneurship requires the development of an entrepreneurial culture and key competences, through support and training programmes:

- **Disseminate in all territories** in all countries and act against the concentration in urban and wealthy territories
- **Encourage the implementation of social entrepreneurship awareness programs,**
- **Develop events and forums to promote** social entrepreneurship and innovation
- Promote innovative social entrepreneurship to generate new vocations

**E. MEASURING AND PRESENTING SOCIAL IMPACT**

Measuring and presenting the social impact of the actions carried out is still a challenge faced by most social entrepreneurs today. It is indeed important for them to be able to show the real scope of their socially innovative projects and to promote them to their funders. They face a lack of time, technical means (tools and methodologies, skills) and financial means (expensive studies) to measure their social and environmental impact.

One solution to address this issue and promote social enterprise models is to **define global and accessible standards of impact measurement, measures of the social performance of a social enterprise** commonly accepted by as many actors as possible. It also means **democratizing access to impact assessment tools and methods, raising awareness, training and supporting stakeholders in the implementation of impact measurement plans.**

**Example of initiatives:**

- **The Impact Management Project (IMP):** The IMP is a forum for building global consensus on measuring, assessing and communicating impacts on people and the natural environment. It is relevant for companies and investors who want to manage environmental, social and governance (ESG) risks, as well as for those who also want to contribute positively to the global goals. [62]

- **IMPACT TANK** is the first European think-and-do tank dedicated to the valorization and scaling up of social innovations with a positive impact. It draws on academic expertise and field experience to develop promising social innovations on a large scale. [63]

- **Social Progress INDICATOR (SPI):** A synthetic index created to show a country's human development. The index was created between 2009 and 2013. The index thus includes 52 indicators. It is published by the Social Progress Imperative. [64]

**F. COOPERATION AND NETWORKING**

Finally, to succeed in developing social entrepreneurship to the maximum and to initiate real systemic change and the creation of social value at all levels, new forms of multi-stakeholder collaboration must be encouraged. In addition, to spread their actions, social entrepreneurs must interconnect their knowledge and activities and collaborate with each other. Two key points provide solutions in this direction: **1/ Networking of actors, and 2/ multi-stakeholder cooperation between social entrepreneurs, large companies and public structures.**

**1. Networking, which responds to the challenge of structuring the sector, thanks to a network of actors in the development of SSE (incubators, etc.)**

The challenge of **structuring** the sector is crucial because a fragmented ecosystem makes it difficult for the daily life of the actors composing it. A second major challenge for these social actors concerns their **visibility.** Indeed, social enterprises are for a large part SMEs scattered over the territories.

Thus, this dispersion of individual actions constitutes an obstacle to the homogeneous development of strong structures of social entrepreneurship and **generates a need for networking of actors, sharing of resources and capitalization of know-how and research, so that social entrepreneurs can carry their projects to larger scales.** It is nevertheless important to point out that in some countries, the networks of social entrepreneurs are already well constituted and structured.

And that the stakes are therefore different according to the territories. The issue of dissemination is also important since it could allow countries or organizations to draw inspiration from well-functioning mechanisms and replicate them in other countries or extend them to the scale of a region.

**Example of a networking initiative:**

- **COVID Alliance of Social Entrepreneurs:** The COVID Alliance of Social Entrepreneurs was launched in April 2020 by 60 leading social sector organizations, with the aim of helping to mobilize support and raise awareness of the vital role these entrepreneurs play in the fight against the health crisis and beyond. Alliance members support more than 50,000 social entrepreneurs around the world. These entrepreneurs, in turn, have a direct or indirect impact on the lives of nearly a billion people, according to their estimates. [65]

- **Catalyst 2030** was officially launched at the World Economic Forum in Davos in January 2020. It has quickly transformed into a global movement that is beginning to make a tangible difference and turn the goals of the SDGs into reality. Catalyst 2030's mission is to network and catalyze collaboration across industries. [66]

- **Ashoka** is a network of changemakers who promote social innovation. Its goal is to accelerate ideas and initiatives with a positive societal impact, to prepare for the future now. Its mission is to detect social entrepreneurs whose innovations respond to societal challenges and to support them, but also to connect actors from different backgrounds, from civil society as well as from the public or private sectors. Ashoka is active in more than 95 countries. [67]

Networking therefore allows social entrepreneurs to create consortia, share best practices and be able to grow faster. This allows social entrepreneurs to have access to a greater diversity of locations and means and to be able to share and co-create data more easily.

**2. Multi-stakeholder cooperation between social entrepreneurs, large companies and public actors**

As mentioned earlier, a panel of private, public, institutional and non-institutional actors interact in the field of SSE. These actors can simultaneously play several roles: that of **project leader, developer, coach, facilitator** (they generally guarantee the proper functioning of the network, the pooling and mobilization of various non-monetary aids) or even financier.

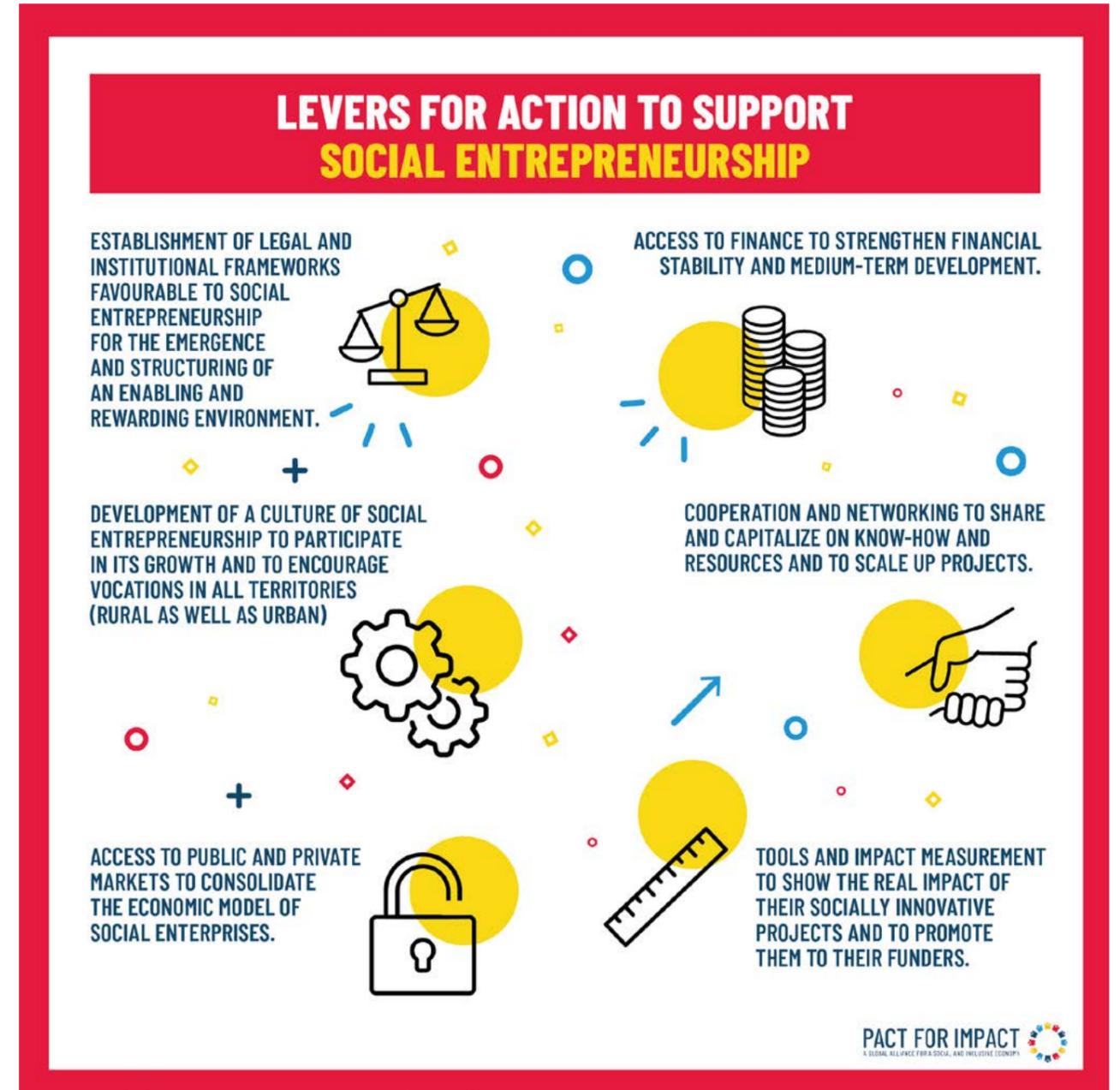
**Cooperation between a small social entrepreneur and a large company** can allow greater efficiency in responding to contemporary societal issues. Thus, social enterprises and large companies are increasingly perceiving the benefits they would have when working together: the former can rely on the firepower, expertise and network of the latter to accelerate their growth and enrich their offer. Large companies need the creativity, agility and field knowledge of social enterprises to evolve their practices and organizations. Many of them also want to get involved in meaningful projects. [68] These cooperations can be carried out without the social enterprise losing its entity, for example by designing and deploying a new common service offer or by going further, by creating an independent legal identity (this is called a «social joint venture»). [69]

**Example of an initiative:**

In 2011, the Ares group, which promotes the professional integration of people in situations of great exclusion, and the company Xpo Logistics created **the Log'Ins structure, thus inventing the «solidarity logistics»**. [70]

Finally, as buyers and investors of public resources, public actors can direct the investments of social enterprises towards the achievement of the SDGs, particularly in the context of regional, national and local recovery plans integrating specific criteria, and thus send strong signals to private investors. They play an important role in promoting through public procurement, the responsible purchase of goods and services offered by SSEOs and social entrepreneurs. Moreover, cooperation should be developed among entrepreneurs and local or national government. Virtuous collaboration would improve policy implementation and effectiveness.

Thus, multi-stakeholder cooperation between social enterprises, large companies and public actors allows social entrepreneurs to respond in the most effective way to current social issues.



## ANNEXES

## THANKS TO CONTRIBUTORS

- **BILLIMORIA, Jeroo**, Founder of Catalyst 2030
- **WISSE-HUISKES, Suzanne**, CEO of Euclid Network, the European Network of Social Enterprises
- **VAN EJK, Bram**, Innovation and Operations Facilitator at Catalyst 2030
- **BATEL, Anne-Leila**, CEO of PULSE
- **SY Karim**, Entrepreneur, business angel and member of the Presidential Council for Africa
- **GNAHORE, Bobo Jean-Brice**, Social Entrepreneur and Coordinator at Makesense Africa

## BIBLIOGRAPHY

- [1] Alain Fayolle quoting Bill Drayton, Entrepreneurship, (2017).
- [2] Official Catalyst 2030 website. Available on: <https://catalyst2030.net/about-catalyst-2030/>
- [3] Schwab, K. Founder of the Schwab Foundation
- [4] Skoll, J. Founder of the Skoll Foundation.
- [5] Official website of the Riders organization. Available on: <https://www.riders.org/>
- [6] Official website of the organization Eau et Vie. Available on: <https://eauetvie.fr/>
- [7] Official website of the international organization Bridges to Justice: <http://www.ibj.org/wp-signup.php?new=ibj.org>
- [8] UN, World Youth Report. (2020) : "Youth, social entrepreneurship and the 2030 Agenda" : <https://www.un.org/development/desa/youth/world-youth-report/wyr2020.html>
- [9] Policy Guide for Migrant and Refugee Entrepreneurship. (2018) UN, IOM, UNHCR. Available on: [https://unctad.org/fr/system/files/official-document/diae2018d2\\_fr.pdf](https://unctad.org/fr/system/files/official-document/diae2018d2_fr.pdf)
- [10] OCDE. (2013). "Job Creation Through The Social Economy And Social Entrepreneurship."
- [11] Euclid Network : European Social Enterprise Monitor ESEM : <https://euclidnetwork.eu/portfolio-posts/european-social-enterprise-monitor-esem/>

- [12] <http://ec.europa.eu/social/BlobServlet?docId=22384&langId=fr>
- [13] Haarich, S., Holstein, F., Spule, S., Galera, G., Franchini, B., Borzaga, C., Chiomento, S., Spiess-Knafl, W., Scheck, B., Salvatori, G. (2020). Impact of the European Commission's Social Business Initiative (SBI) and its Follow-up Actions. Study for DG Employment, Social Affairs and Inclusion, European Commission.
- [14] OECD, Social Enterprises: "A North American Perspective". (2017).
- [15] Institut de la statistique du Québec (2019), L'économie sociale au Québec. Statistical Portrait 2016, Québec, Institut de la statistique du Québec.
- [16] Jo Barraket & Erin L. Castellás. (2017). "How social enterprises are building a more inclusive Australian economy". The Conversation. Disponible sur : <https://theconversation.com/how-social-enterprises-are-building-a-more-inclusive-australian-economy-88472>
- [17] OECD, "Social Enterprises: A North American Perspective". (2017). <https://www.oecd.org/cfe/lead/38870491.pdf>
- [18] Marguerite Mendell (2010) "Reflections on the evolving landscape of social enterprise in North America, Policy and Society", 29:3, 243-256, DOI: 10.1016/j.polsoc.2010.07.003
- [19] ASENSA. "Social Enterprise National Strategy (SENS) Project". 2021. [https://www.griffith.edu.au/\\_data/assets/pdf\\_file/0031/1360399/SENS-Directions-Report-Part-One.pdf](https://www.griffith.edu.au/_data/assets/pdf_file/0031/1360399/SENS-Directions-Report-Part-One.pdf)
- [20] Boolkin, J. (2016). Social enterprise: Statistics from around the world.
- [21] ISEA-Oxfam. (2015). "Poverty Reduction and Women Economic Leadership Report: Roles, Potentials and Challenges of Social Enterprises in Developing Countries in Asia". <https://www.isea-group.net/wp-content/uploads/2020/05/ISEA-Oxfam-Poverty-Reduction-and-WEL-Report.pdf>
- [22] Inter-American Development Bank- The Japan Research Institute. (2016) Study of Social Entrepreneurship and Innovation Ecosystems in South East and East Asian Countries. <https://publications.iadb.org/publications/english/document/Study-of-Social-Entrepreneurship-and-Innovation-Ecosystems-in-South-East-and-East-Asian-Countries-Final-Reflections.pdf>
- [23] Boolkin, J. (2016). Social enterprise: Statistics from

around the world.

- [24] African Scientific Journal. (2020).» L'entrepreneuriat social et le développement humain en Afrique»
- [25] Rivera- Santos, M, Holt, D. Littlewood, D. & Kolk, A." Social Entrepreneurship in Sub-Saharan Africa. Academy of Management Perspectives", 29 (1)- 72-91. Disponible sur : <https://www.jstor.org/stable/43822075>
- [26] Official website of Lat Impacto: <https://www.latimpacto.org/>. Accessed 2021.
- [27] <https://publications.iadb.org/en/publication/12630/study-social-entrepreneurship-and-innovation-ecosystems-latin-american-pacific>
- [28] Ashoka's official website. <https://www.ashoka.org/en-aaw/program/wise>. Accessed 2021
- [29] ONU, World Youth Report. (2020) : "Youth, social entrepreneurship and the 2030 Agenda" : <https://www.un.org/development/desa/youth/world-youth-report/wyr2020.html>
- [30] Official website of Moovje. <https://www.moovjee.fr/>. Accessed 2021.
- [31] Official website of «Live The Dream». <https://livethedream.org.nz/> Accessed in 2021.
- [32] UN, IOM, UNHCR. (2018)»Policy Guide for Migrant and Refugee Entrepreneurship.» Available on: [https://unctad.org/fr/system/files/official-document/diae2018d2\\_fr.pdf](https://unctad.org/fr/system/files/official-document/diae2018d2_fr.pdf)
- [33] Official website of «Diaspora Entrepreneurship». <https://diaspora-entrepreneurship.com/>. Accessed 2021.
- [34] Official website of «Me4change». <http://www.me4change.eu/>. Accessed 2021.
- [35] Official website of «Afkar». <https://afkar.co/fr>. Accessed 2021.
- [36] Baculard, O. Barthélémy, A., Lewis, E., Slitine, R. (2012). «Intrapreneuriat Social - La nouvelle frontière de l'innovation sociale pour l'entreprise»
- [37] The Red Cross. <https://21-croix-rouge.fr/programmes-daccompagnement/programme-intrapreneuriat>. Accessed 2021.
- [38] Official website of «League of Intrapreneurs». <https://www.leagueofintrapreneurs.com/>. Accessed 2021.
- [39] Brouard, François, Sophie Larivet, and Ouafa Sakka. « Défis et actions pour développement l'entrepreneuriat social », La Revue des Sciences de Gestion, vol. 255-256, no.

3-4, 2012, pp. 17-22.

- [40] Brouard, François, Sophie Larivet, and Ouafa Sakka. « Défis et actions pour développement l'entrepreneuriat social », La Revue des Sciences de Gestion, vol. 255-256, no. 3-4, 2012, pp. 17-22
- [41] Brouard, François, Sophie Larivet, and Ouafa Sakka. « Défis et actions pour développement l'entrepreneuriat social », La Revue des Sciences de Gestion, vol. 255-256, no. 3-4, 2012, pp. 17-22.
- [42] Official website of the Lexmundi Probono Foundation. [https://www.lexmundiprobono.org/news\\_page/](https://www.lexmundiprobono.org/news_page/). Accessed 2021.
- [43] Official website of «I4policy». <https://i4policy.org/>. Accessed 2021.
- [44] Social Enterprises : What Can Policies Do To Support Them ? Antonella Noya, OCDE, 2013.
- [45] Official website of «Bet» ter entrepreneurship» <https://betterentrepreneurship.eu/fr/resources>. Accessed 2021.
- [46] Catalysing Change in 2020. "The story of our extraordinary first year". 2020.
- [47] OCDE. (2013). "Policy Brief on Social Entrepreneurship Entrepreneurial Activities in Europe."
- [48] Johanna Mair & Ignasi Marti Lanuza. (2007). "Entrepreneurship for Social Impact : Encouraging Market Access in Rural Bangladesh."
- [49] Skoll Foundation. (2018). "Acces To Markets : The Elephant In The African Entrepreneurial Room."
- [50] European Social Funds. Official website: <https://evpa.eu.com/policy/the-eu-budget/european-social-fund-plus>. Accessed 2021.
- [51] PACT FOR IMPACT Alliance. (2021).»Guide sur le financement de l'Économie sociale et solidaire (ESS) et l'Économie inclusive»
- [52] Official website of «Urgence-ess». <https://www.urgence-ess.fr/>. Accessed 2021.
- [53] Official website of the «COVIC Alliance for Social Entrepreneurs». <https://www.weforum.org/covid-alliance-for-social-entrepreneurs>. Accessed 2021.
- [54] Bénédicte Fonteneau and Ignace Pollet. (2020). "The contribution of SSE and social finance to the future of work."

- [55] European Commission. (2015). "The Social Business Initiative of the European Commission."
- [56] Official website of «Impaqto»: <https://www.impaqto.net/>. Accessed 2021.
- [57] Official website of «Social business hub». <https://socialbusinesshub.at/en/>. Accessed 2021.
- [58]»The Francophone African Incubator». Official website: <https://www.auf.org/nos-actions/toutes-nos-actions/incubateur-francophone-africain/>. Accessed 2021.
- [59] "The school for Social Entrepreneurs". Site internet officiel : <https://www.the-sse.org/>. Consulté en 2021.
- [60] «Semaine ESS à l'école». Official website: <https://semainessecole.coop/qu-est-ce-que-la-semaine-ess-2017/#qu-est-ce-que-la-semaine-ess>. Accessed 2021.
- [61] Marshall USC's official website: «Master in social entrepreneurship». Available at: <https://www.marshall.usc.edu/programs/specialized-masters-programs/master-science-social-entrepreneurship>. Accessed 2021.
- [62]»Impact Management Project». Available on: <https://impactmanagementproject.com/>. Accessed 2021.
- [63] Official website of the Impact Tank. Available from: <https://impact-tank.org/>. Accessed 2021.
- [64] Social Progress Index. Available on: <https://www.socialprogress.org/index/global/results/>. Accessed 2021
- [65] Official website of the COVID Alliance for Social Entrepreneurs: <https://www.weforum.org/covid-alliance-for-social-entrepreneurs>. Accessed 2021.
- [66] Official website of Catalyst 2030. <https://catalyst2030.net/>. Accessed 2021.
- [67] Ashoka's official website: <https://www.ashoka.org/fr>. Accessed 2021.
- [68] Pro Bono Lab. «Panorama of pro bono».( 2016). p.4.
- [69] Lecluse, F. (2018).»Et si la collaboration entre associations et grandes entreprises était la clé pour répondre aux besoins de la population?» Available on: <https://region-aura.latribune.fr/debats/expertise/2018-11-27/et-si-la-collaboration-entre-associations-et-grandes-entreprises-etait-la-cle-pour-repondre-aux-besoins-de-la-population-798933.html>
- [70] Official website of «Log'ins». Available on: <https://log-ins.fr/#projet>. Accessed 2021.

