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SOCIAL ENTREPRENEURSHIP - POLICY

Social entrepreneurship is all about recognizing the social problems and achieving social change by employing entrepreneurial principles, processes, and operations. It is all about making research to completely define a particular social problem and then organizing, creating, and managing a social venture to attain the desired change. The change may or may not include a thorough elimination of a social problem.

It may be a lifetime process focusing on the improvement of the existing circumstances. While general and common business entrepreneurship means taking a lead to open up a new business or diversifying the existing business, social entrepreneurship mainly focuses on creating social capital without measuring the performance in profit or return in monetary terms. The entrepreneurs in this field are associated with non-profit sectors and organizations. But this does not eliminate the need of making a profit. After all, entrepreneurs need capital to carry on with the process and bring a positive change in society (<https://www.managementstudyguide.com/social-entrepreneurship.htm>).

A social enterprise combines entrepreneurial activity with a social purpose. Its main aim is to have a social impact, rather than maximize profit for owners or shareholders. Businesses providing social services and/or goods and services to vulnerable persons are a typical example of social enterprise.

Access to finance is one of the main obstacles to the growth of social enterprises, therefore European Commission adopted the Social Business Initiative (SBI) in 2011. According to SBI Social enterprises mainly operate in the following 4 fields

(<https://ec.europa.eu/growth/sectors/social-economy/enterprises/>):

- Work integration - training and integration of people with disabilities and unemployed people
- Personal social services - health, well-being, and medical care, professional training, education, health services, childcare services, services for elderly people, or aid for disadvantaged people
- Local development of disadvantaged areas - social enterprises in remote rural areas, neighborhood development/rehabilitation schemes in urban areas, development aid, and development cooperation with third countries
- Other – inclusion of recycling, environmental protection, sports, arts, culture or historical preservation, science, research and innovation, consumer protection, and amateur sports



2 initiatives are related to social entrepreneurship:

- The Start-up and scale-up initiative
- The Social business initiative

The start-up and the scale-up initiative

With first – the start-up and scale-up initiative – Commission determined to support social economy ecosystems. The start-up and scale-up initiatives were launched in 2016. It aims to give Europe's many innovative entrepreneurs every opportunity to become world-leading companies.

The main proposals of the start-up and scale-up initiative are:

- to remove barriers for start-ups to scale up in the single market
- to create better opportunities for partnership, commercial opportunities, and skills
- to facilitate access to finance.

The social business initiative

The social business initiative (SBI), launched in 2011, aims to introduce a short-term action plan to support the development of social enterprises, key stakeholders in the social economy, and social innovation. It also aims to prompt a debate on the avenues to be explored in the medium/long term. There are 11 priority measures, organized around 3 themes:

- **Theme 1:** Making it easier for social enterprises to obtain funding
- **Theme 2:** Increasing the visibility of social entrepreneurship
- **Theme 3:** Making the legal environment friendlier for social enterprises

Initiated by the SBI, the Commission, and the expert group on social entrepreneurship, established a 5-pillar strategy aimed at increased access to funding, access to markets, improved framework conditions, fostering social innovation, and continuing to work on internationalization.

The 5 pillars are:

- Expert group on social entrepreneurship
- Key documents
- Videos
- Publications
- Events
- Other policy actions linked to social economy