



SOCIAL ENTREPRENEURSHIP IN EUROPE

INSIGHTS FOR SOUTH AFRICAN

ENTREPRENEURS



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GROUPE SOS



GROUPE SOS, one of Europe's leading social enterprises, which mission is to fight against social exclusion and poverty.

GROUPE SOS



YOUTH • EMPLOYMENT • HEALTH • SOLIDARITY • SENIORS

1984
year of creation

11 000
employees

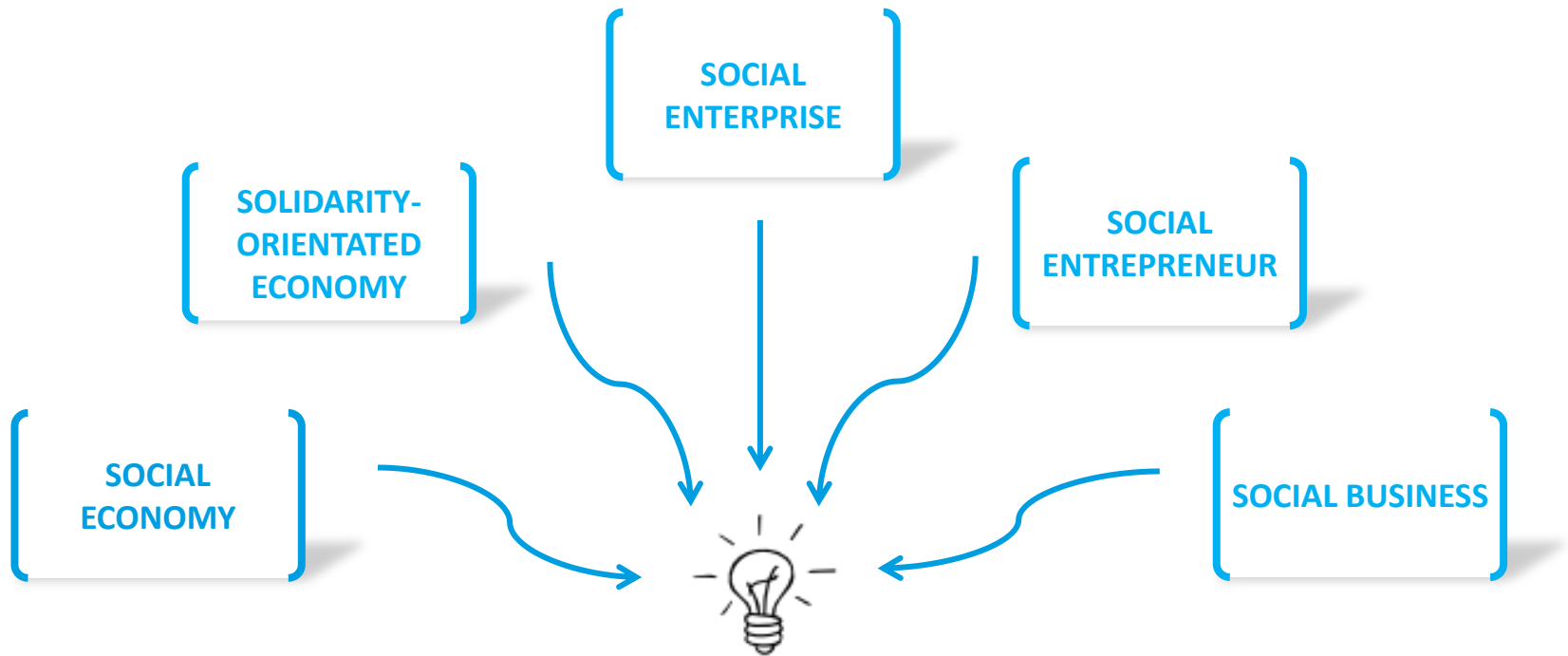
330
structures

1 million
direct beneficiaries every year

A turnover of
750
million USD



Social Entrepreneurship in Europe

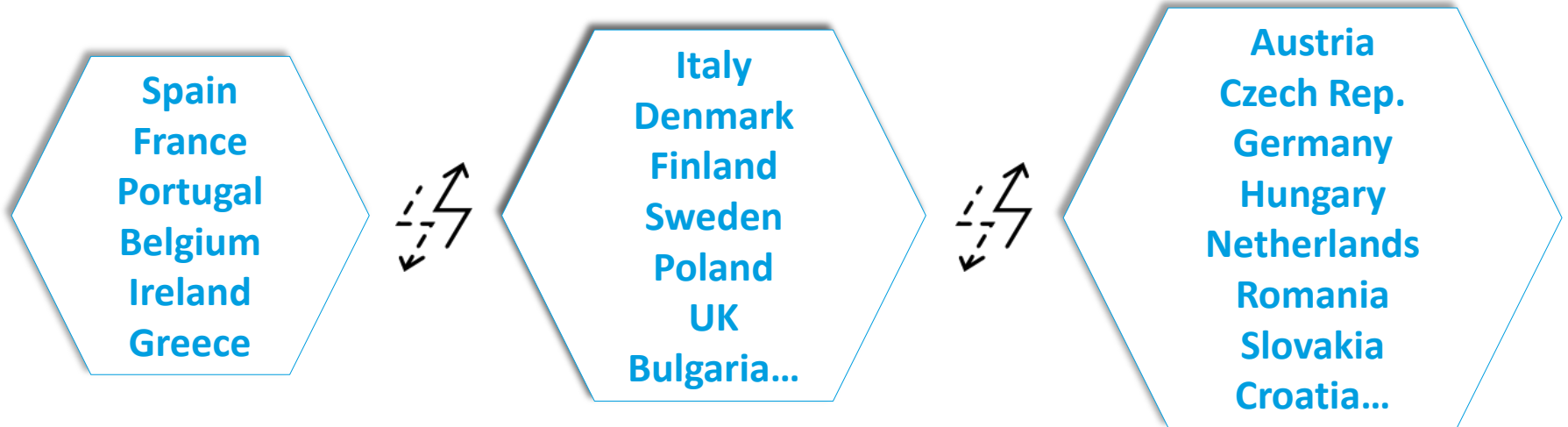


Social Entrepreneurship is a relatively new concept but its roots lie in older traditions of social economy.

Very different models of social entrepreneurship co-exist today



“Social EntrepreneurshipS” in Europe



Social Entrepreneurship and Social Economy are not at the same stage and are not perceived in the same way across Europe...

Difference between the level of knowledge about social entrepreneurship and the actual state of development.



Defining Social Entrepreneurship

Attempts to define social entrepreneurship at the European level

Charter of Social Economy Principles by Social Economy Europe, in 2002
Analysis from OCDE and the European Research Network on Social Economy (EMES)



- Mainly **social** and not profit-orientated **objectives**
- Mainly not-for-profit aims : **reinvestment of profits**
- **Different legal forms** and organizational methods
- **Production** of goods and services
- **Independence** and autonomous management
- Importance of participation, co-decision in the **governance**

European recognition of social entrepreneurship specificity

Social Business Initiative launched by the European Commission in 2011
Strasbourg Declaration from 2000 sector members in January 2014



European Social Economy in Numbers



10% of European companies



14,5 million employees



1 out of 4 firms created yearly



27% increase of paid employment

Social Economy in Europe already represents a significant part of the EU27 economy..

And is a very dynamic sector, that resisted quite well to the crisis..



Social Entrepreneurship in FRANCE

Social and Solidarity-Orientated Economy (ESS)

Linked to traditional social economy but emerging entrepreneurial models

The sector is gaining visibility and is structuring thanks to :

Law on the Social sector

Dedicated Ministry

MOUVES – National representative voice for social entrepreneurs

Still many challenges

Financing

Recognition by public entities and corporates



7 to 10% of GDP

9,9 % of working population

2,3 millions of employed people

215 000 employing companies

More than 100 000 jobs created every year



Social Entrepreneurship in the UK

Social entrepreneurship initiatives are gaining importance with

- Privatization of the public sector
- Legal incentives to “buy social”
- Investment portfolios dedicated to social enterprise

But still some challenges

- Size and investment readiness of social enterprises
- Charity mentality



**More than 68,000
social enterprises**

**Contributing £24
billion to the
economy**

**Employing almost one
million people**



The South African Context

Current challenging situation

Low level of (early-stage) entrepreneurial activity and of entrepreneurial intentions
Social entrepreneurship is still relatively limited
But rising number of entrepreneurs and many projects are already having an impact on the bottom-of-the-pyramid

Huge potential for development

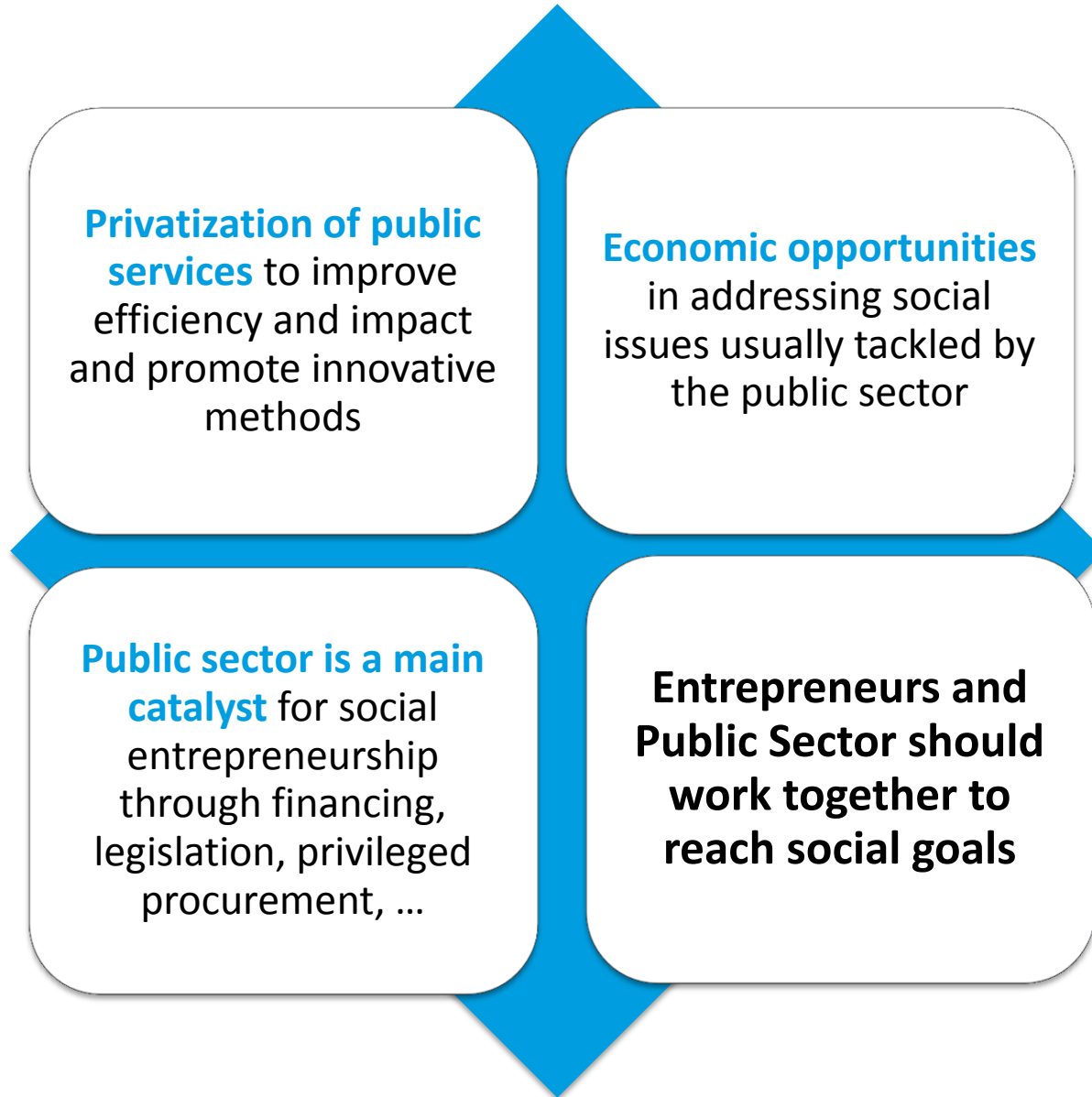
Social issues to tackle
Good economic and infrastructure environment
BBB-EE and ED as triggers for new cooperation and contracts
Development of Investment and public spending



Social Entrepreneurship has a role to play and can seize economic opportunities



Social Entrepreneurship in the public sphere



CHALLENGE #1 : ACCESSING FINANCING

Social entrepreneurs are not yet suited for investors

Not understood by investors
Perceived as very risky and unprofitable

Investors are struggling to find suitable social enterprises to invest in

Projects are not investment ready
Too small amounts

Emerging Solutions

Investment Readiness Program
Impact Investing
Dedicated public portfolios
Financial incentives favoring social enterprises



Defining SocEnt to accelerate development ?

NEED FOR DEFINITION

Gaining **visibility**

Becoming more **understandable and accountable** for investors and partners

Allowing **sharing and exchanges** among the sector

Fostering **debate and improvement**

CONSIDERATIONS

A **single definition** for different realities

Lack of distance to determine **which successful models should prevail**

Importance and time necessary to **gather all stakeholders** to define the sector

Limitation of **definition through law**

→ Entrepreneurs should not wait for the sector to be structured and defined to innovate





Lots of opportunities in Social Entrepreneurship for South African Entrepreneurs

Social Entrepreneurship is rising throughout the world but remains very local and national

International cooperation and experience sharing must be encouraged to accelerate development and reach more social goals



Thank You

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