

# SOCIAL ENTERPRISE IN CONTEXT

## INSIGHTS FROM THE SEFORIS PROJECT

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# What does context mean and how does it matter?



**Support organisations** can provide: funding & sponsorship, training and opportunities for knowledge exchange

**Social enterprise leaders** can influence the public debate and opinion, and help improve the support infrastructure

**Government** can provide:

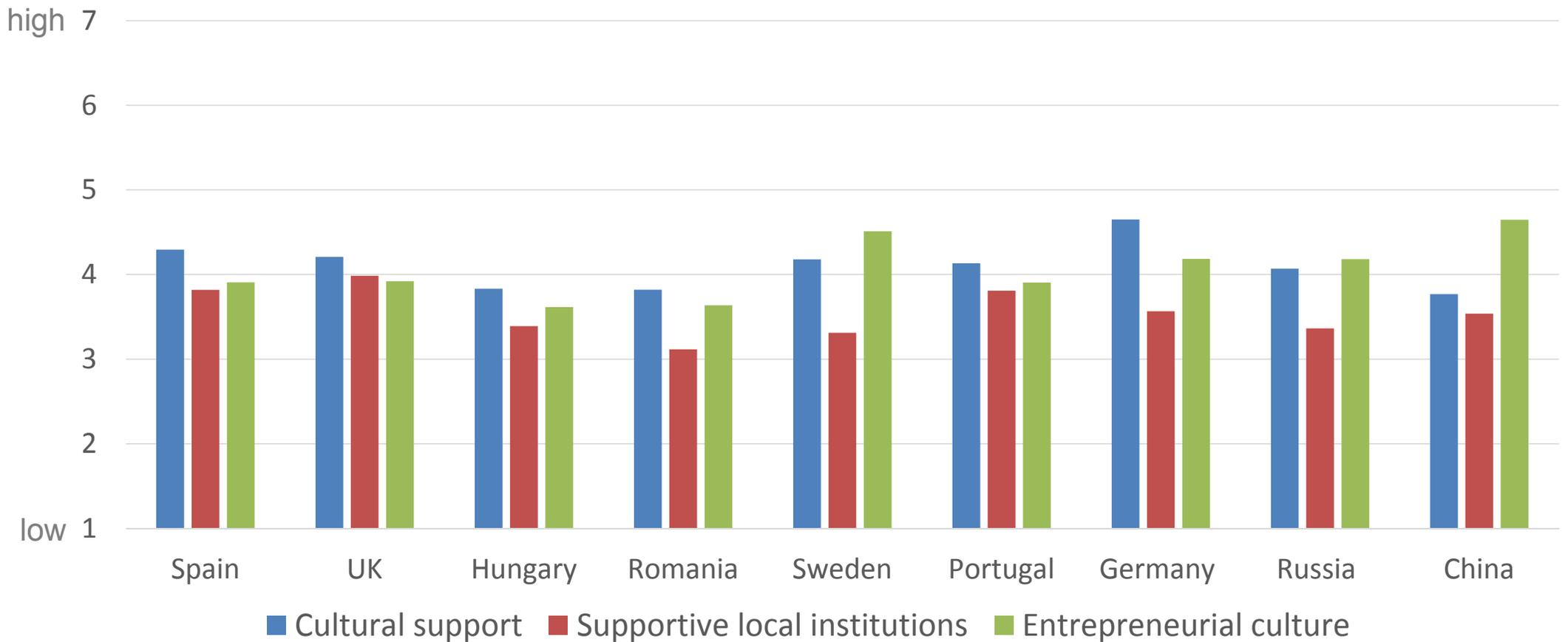
- Tangible support: funding & physical + legal infrastructure
- Intangible support: endorsement, training programmes.



**People's attitudes** towards SE can influence its legitimacy and customer base.



# CONTEXT OF SOCIAL ENTERPRISE



## How do Social Enterprises experience their context?

*For example when talking about tenders, how much it can be adapted for individuals or small companies, or...how much they try to force the given organisation into a top-down idea, so that it can be squeezed in the given set of requirements. I think that all these social enterprises are so... so unique and are struggling with such unique problems.*

(CEO social enterprise Hungary)



*There's this new labour law that does not fit for us, because we do not exploit our people. Quite the contrary. And yet it is always a risk for us that someone gets the idea: yes, how, what? They pay them only half of what is paid by the customer? We pay them €3,000 because they were long-term unemployed before. This is their first job...but of course, legislators are reluctant to adopt special arrangements.*

(CEO social enterprise Germany)

# How may Social Enterprises overcome the relative lack of support from their environments?

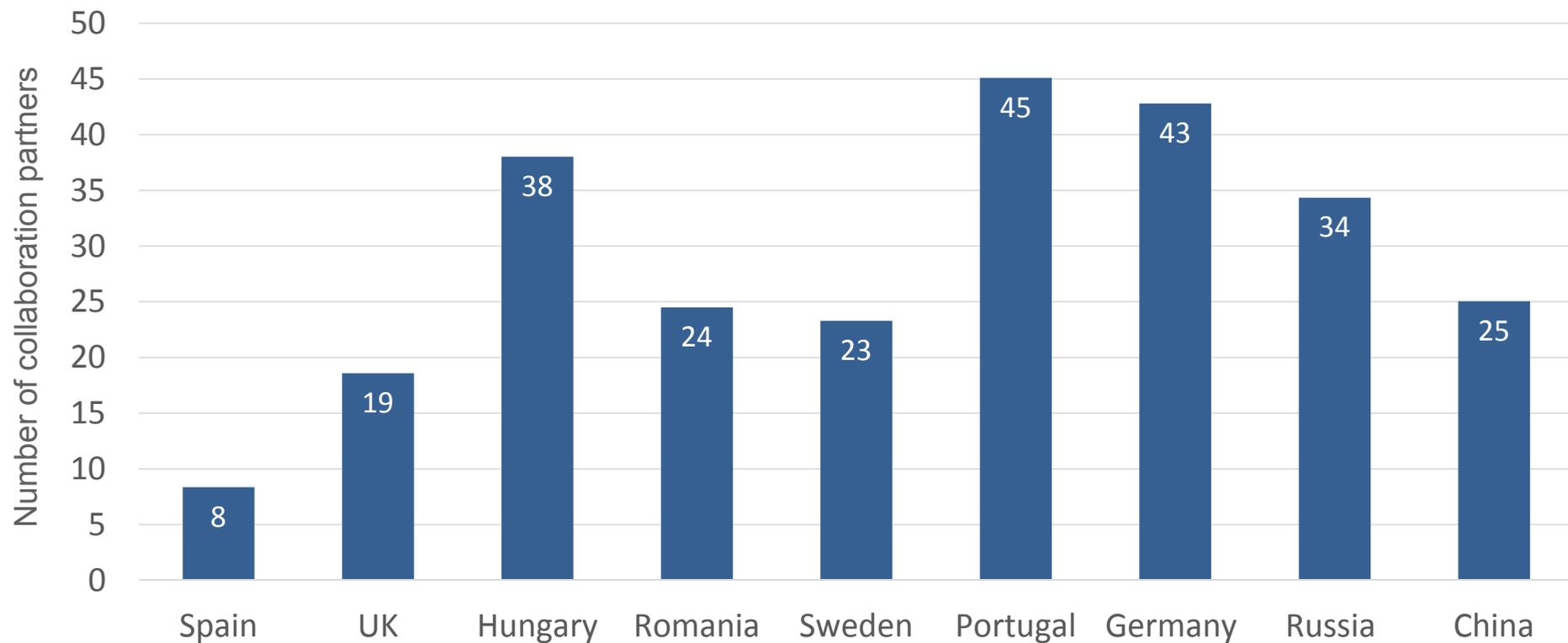
- One way to deal with lack of support is collaboration.
- Previous research has shown that collaboration can aid innovation and creating social impact by:
  - Building on local knowledge through involving community stakeholders
  - Co-developing and leveraging local solutions
  - Broaden scale and reach of social impact
  - Sharing risk and accessing resources



(e.g., *Stephan, Patterson, Kelly & Mair, 2016; Stephan & Huysentruyt, 2016*)

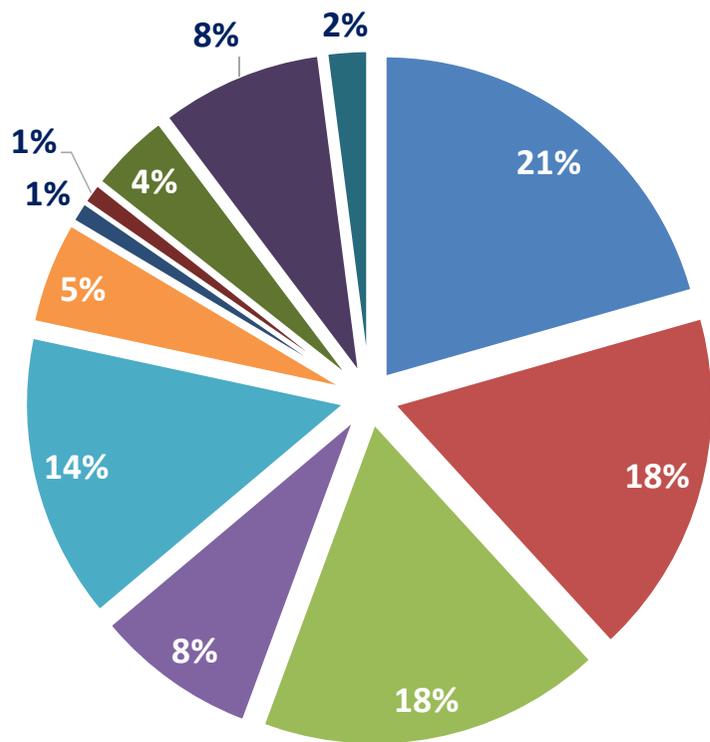
# Social Enterprises are active Collaborators

Average number of collaborations in the past year: 29 across all countries



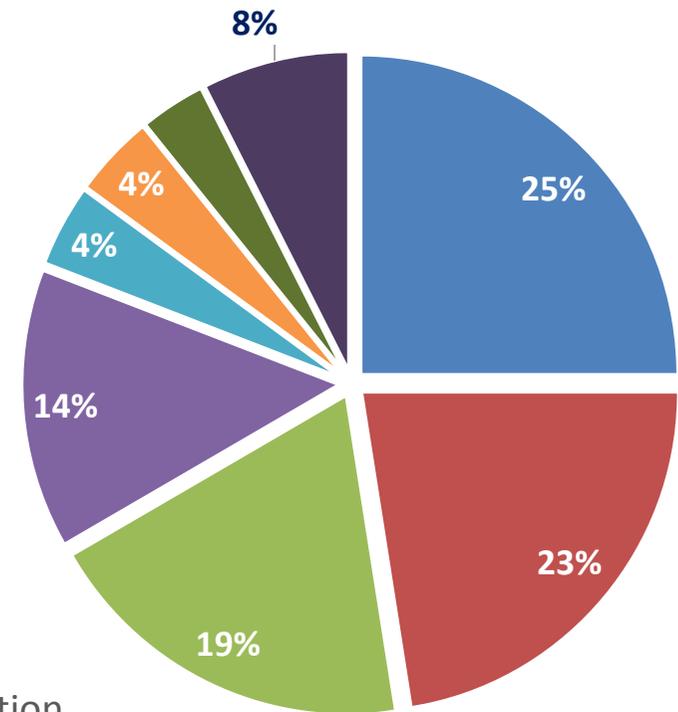
N=999

# WITH WHOM DO SOCIAL ENTREPRENEURS COLLABORATE?



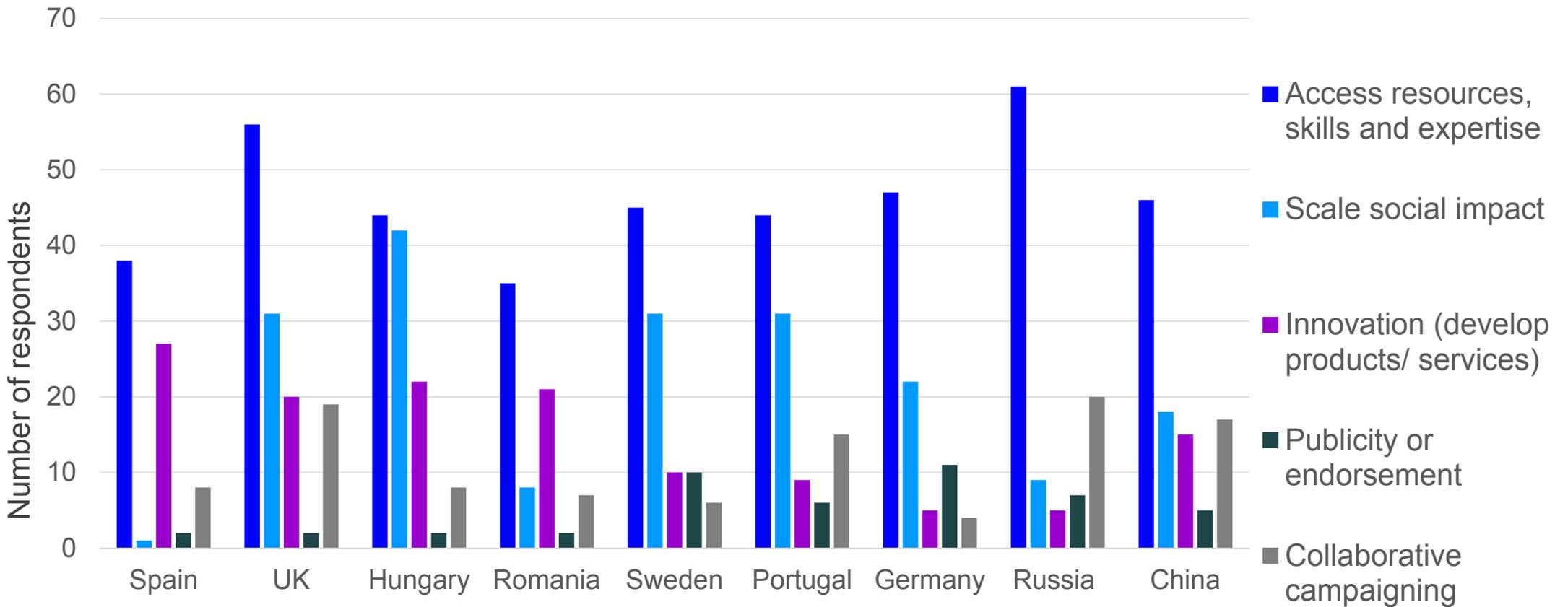
Germany N=97

- Social enterprise
- Non-profit or NGO
- Commercial organization
- Local government
- National government
- Other government
- Church or religious body
- Individuals
- University or research institution
- Network of organisations
- Social welfare organization



UK N=120

# WHAT IS THE MAIN PURPOSE FOR COLLABORATING?



## WHAT ARE ADVANTAGES OF COLLABORATING?

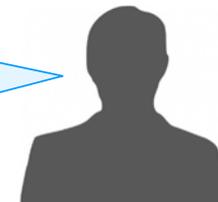
***Our partners are fundamental to our success because they provide essential support to our beneficiaries. We ask them to build relationships with them and to share the impact measurement of what's going on, and to be looking for employment opportunities for them.***  
(CEO social enterprise in the West Midlands)



***I think it's very important that the various groups involved in this area are aligned. So that we understand what all the various groups do so that there's no duplication, there's no overlap and that the sector as a whole benefits. So a joined up approach in terms of how we develop the sector.***  
(Civil servant, Birmingham city council)



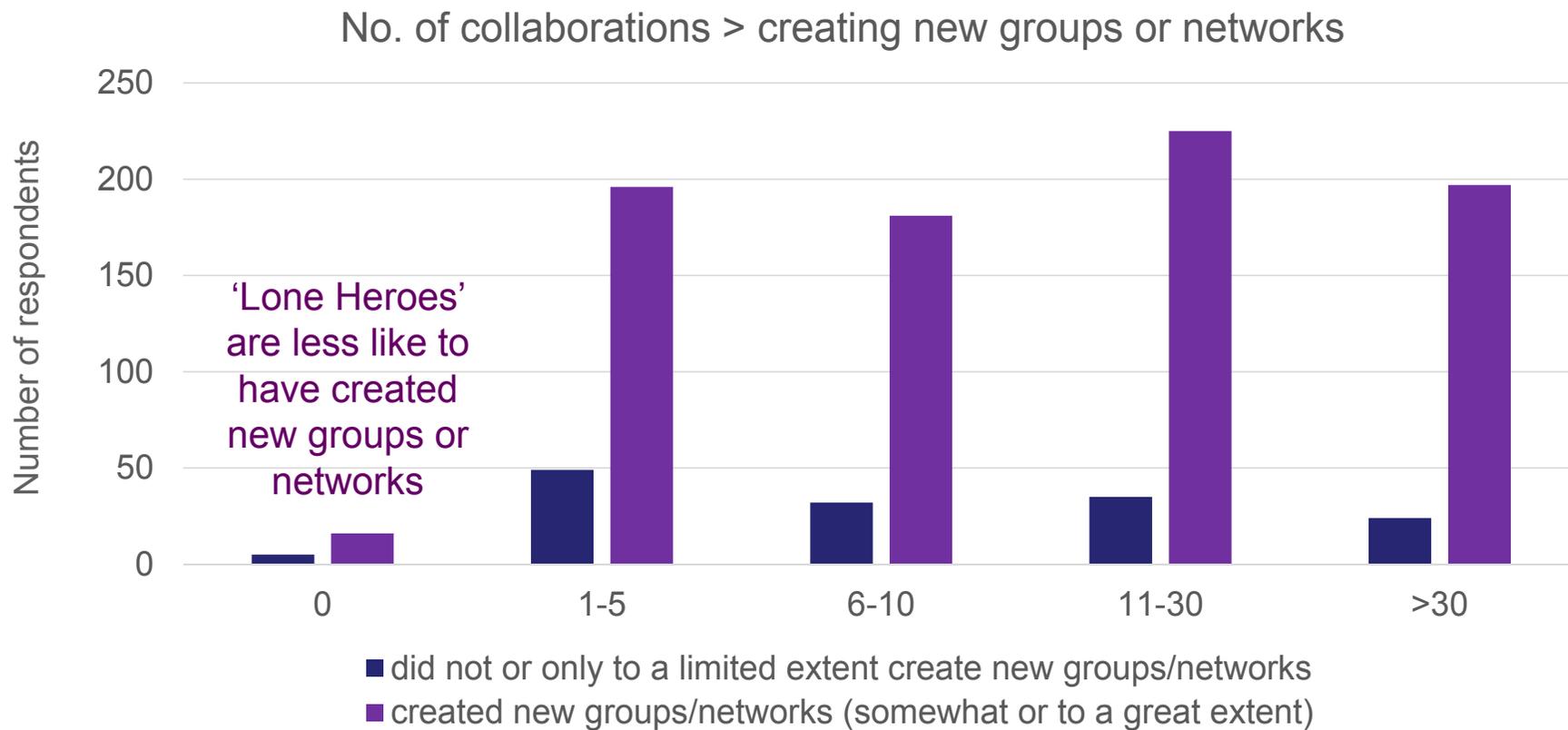
***Because we have a collective, of so many social enterprises, that are all committed to this area and the surrounding area, we have enormous potential, to address some social issues. Far more potential, in that way, than actually, as individual organisations.***  
(CEO social enterprise in Birmingham)



# WHY COLLABORATION MATTERS: Collaboration & Social Impact

# Social enterprises who collaborate are more likely to create social capital (new groups or networks)

1/2

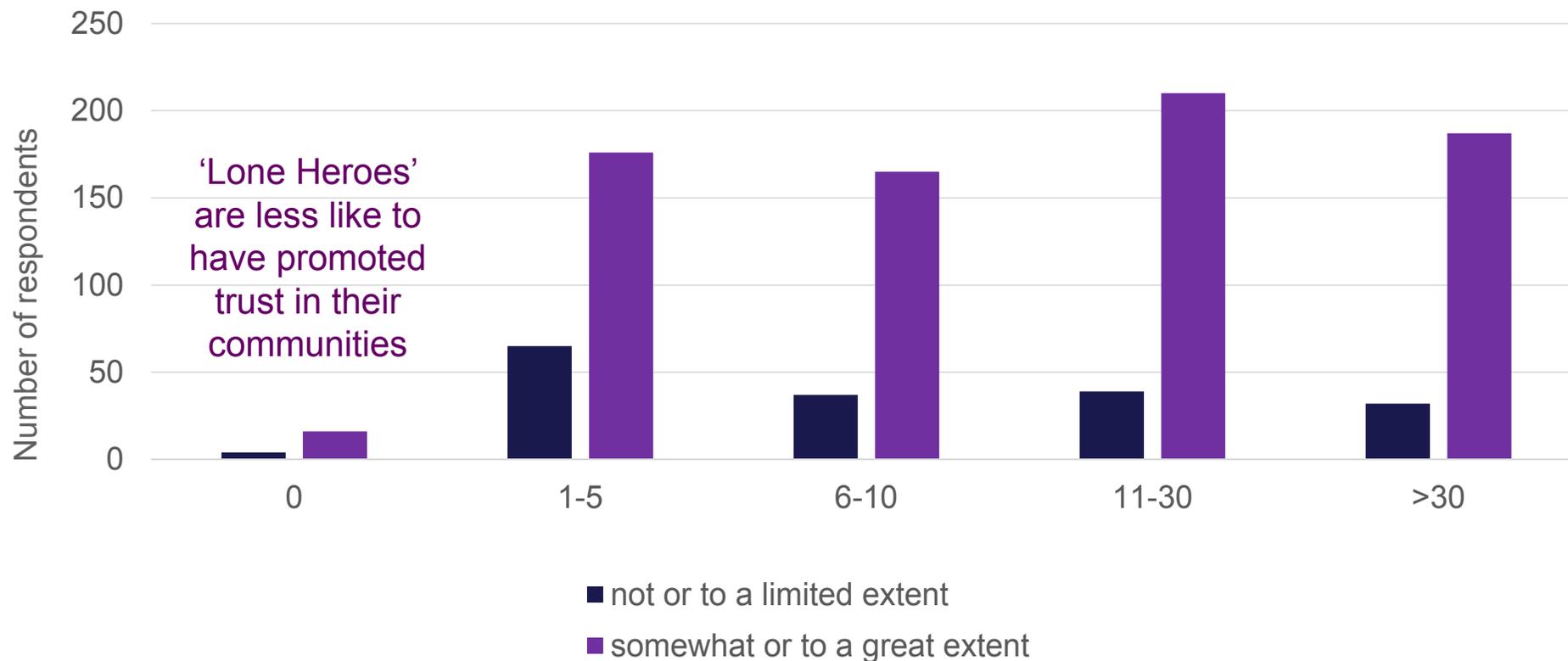


N=960

# Social enterprises who collaborate are more likely to create social capital (promote trust in communities)

2/2

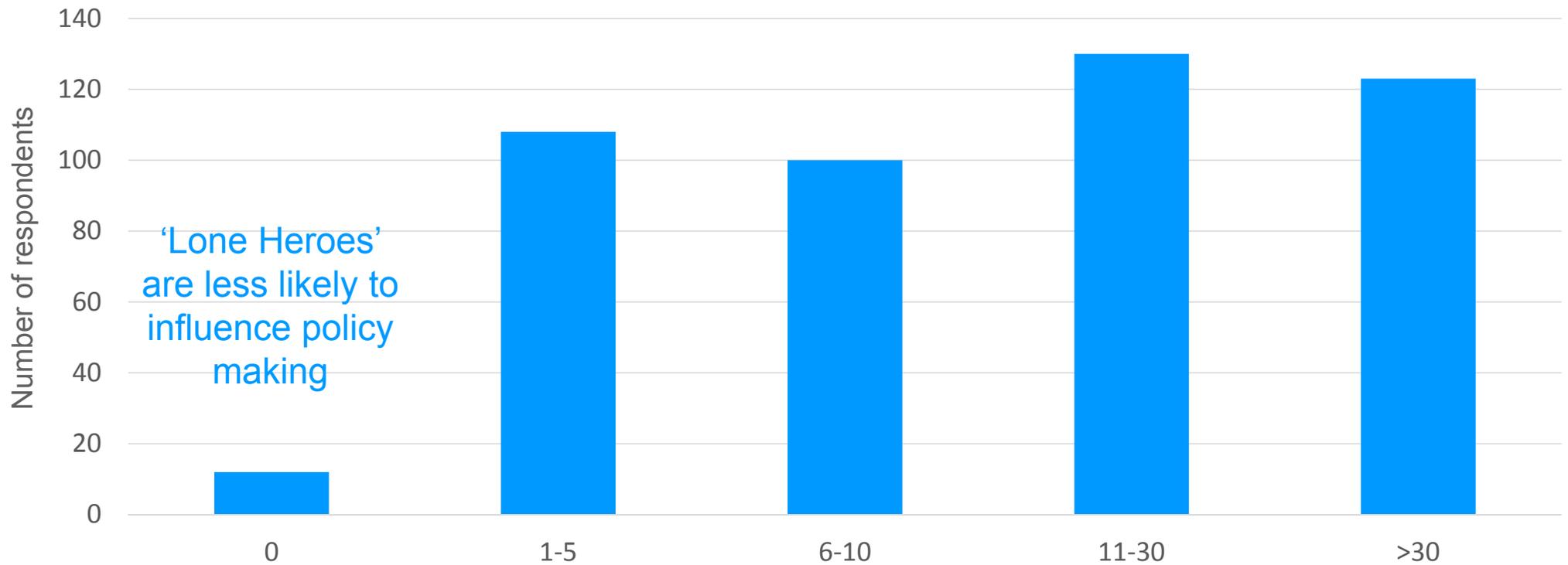
Number of collaborations > promoting trust in communities



N=931

# Social enterprises who collaborate are more likely to have influenced or helped influence Policy Making

Number of collaborations – ‘yes’ influenced or helped influence policy making



# SUMMARY

- The context within which social enterprises operate is not particularly supportive of them.
- Part of this may be due to:
  - The relative novelty of the phenomenon in some countries: the context has not adapted or is unfamiliar with social enterprise.
  - The particular (financial and regulatory) needs of social enterprises do not match those which are in place for mainstream businesses.
- Social entrepreneurs can overcome a relative lack of support by engaging in collaboration.
  - Patterns differ but overall social enterprises, not-for-profit as well as commercial businesses are the most popular collaboration partners
  - Previous research as well as first insights from SEFORIS show there is a positive relationship between collaborating and generating social impact. (Our findings suggest that social enterprises' political skill is an important facilitator of collaborations; and a skill that can be developed.)