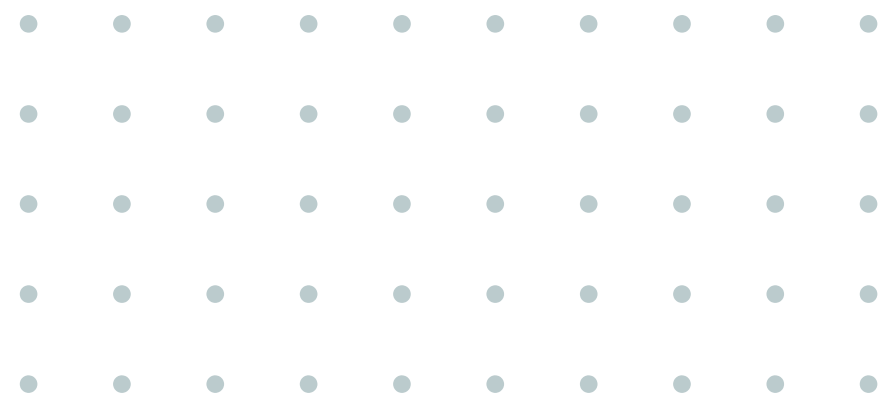




DIFFERENT FORMS OF SOCIAL ENTERPRISE

Train the trainers

The RESIST project is co-financed by the European Union (European Regional Development Fund) under the Interreg Baltic Sea Region Programme.





01. SOCIAL ECONOMY AND ITS
DEVELOPMENT

02. CONVENTIONAL VS SOCIAL ENTERPRISE

03. LEGAL FORMS AND TYPES OF
SOCIAL ENTERPRISES

04. MARKET & TREND



TABLE OF CONTENT

01.

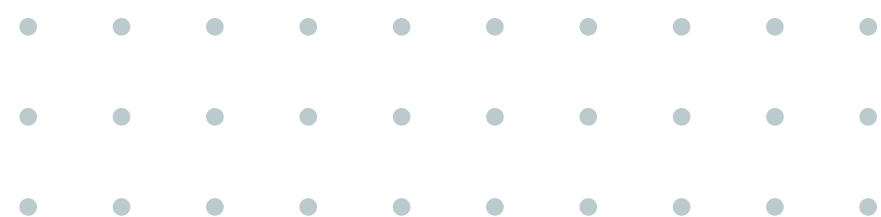
SOCIAL ECONOMY AND ITS DEVELOPMENT



WHAT IS SOCIAL ECONOMY?

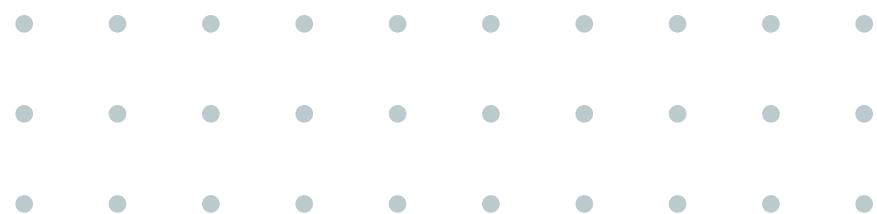
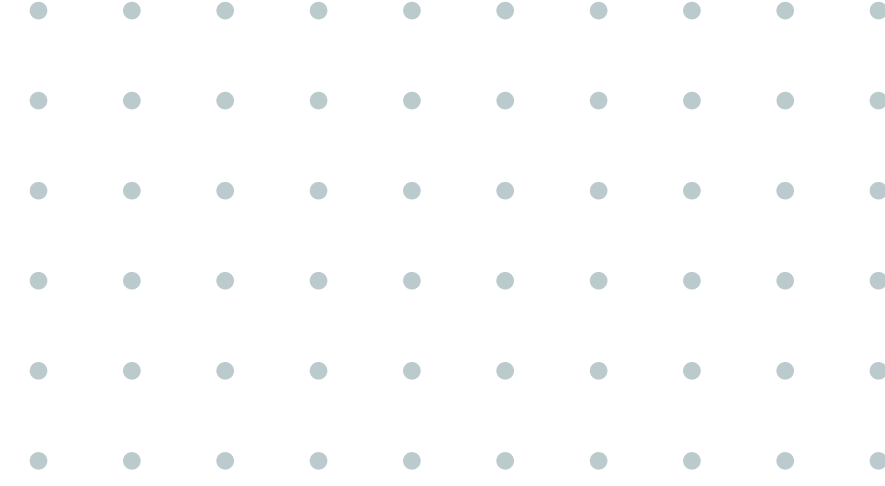
The social economy is an important part of the European social-economic model. It includes a large variety of stakeholders, such as cooperatives, foundations, social start-ups, social enterprises etc.

They operate a broad number of activities, provide a wide range of products and services across the European market and generate millions of jobs.



The term “social entrepreneurship” for a long time has been perceived as a synonym of charity.

Over the past years, social entrepreneurship has received great recognition not only in the academic environment but also in the business field, especially among those entrepreneurs who are looking for meaningful business ideas as well as the possibility to impact social processes.



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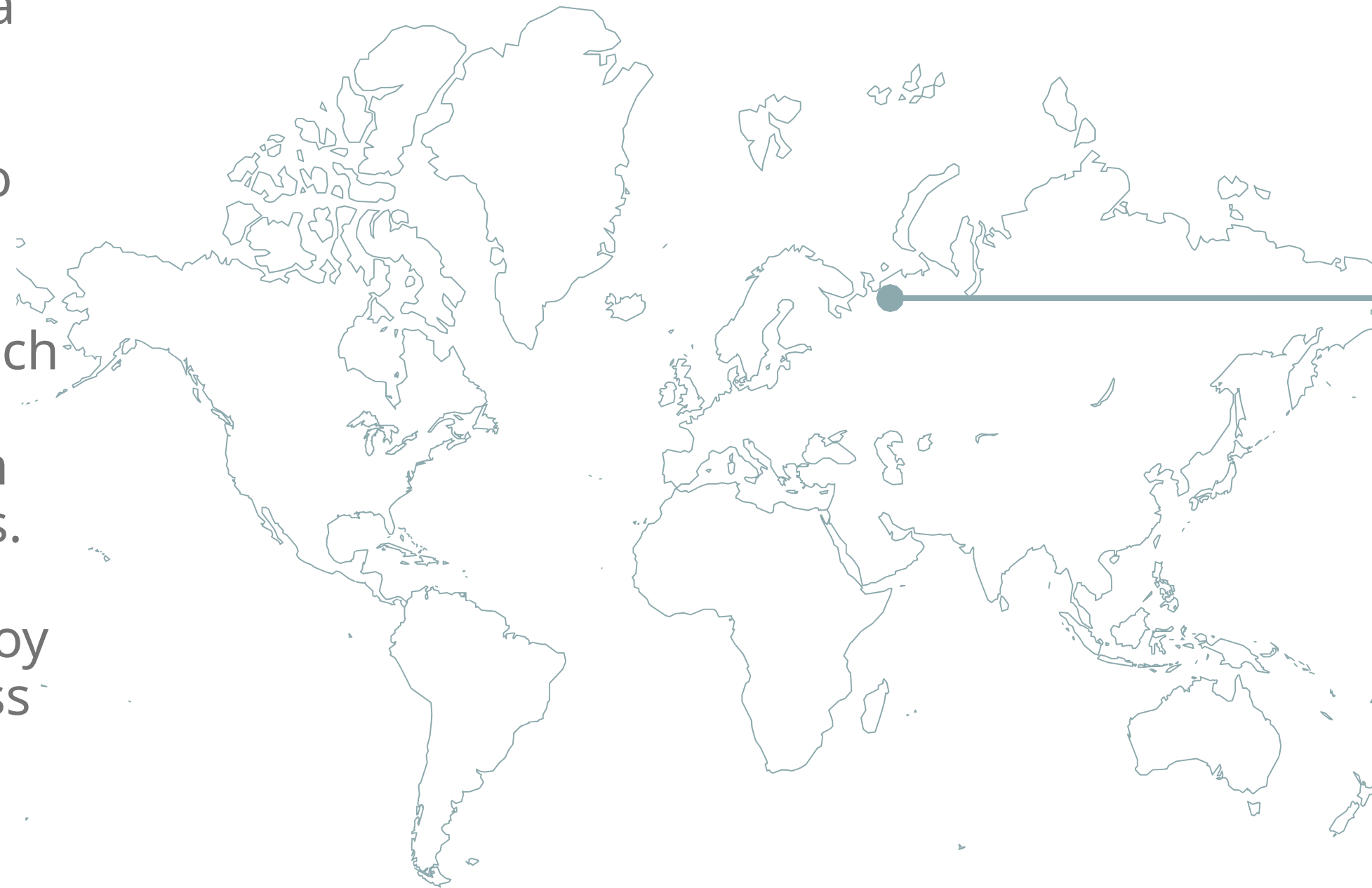
Social entrepreneurship is a form of business that aims to solve social or environmental problems while creating value for both society and the bottom line. It is not just about donating money or volunteering time, but about finding innovative and sustainable solutions that can benefit multiple stakeholders.



SOCIAL ECONOMY IN EUROPE



Social enterprises play a substantial role in employment across the EU. They provide jobs to millions of people, including vulnerable or marginalized groups such as individuals with disabilities or long-term unemployed individuals. Estimates suggest that social enterprises employ millions of people across the EU, contributing to job creation and economic growth.



10%
OF COMPANIES
IN EUROPE

Employing more than
11 million

EU definition of a social enterprise defines a social enterprise as an enterprise that combines a social mission with entrepreneurship and focuses on achieving wider social, environmental or community objectives.

Its main objective is to have a social impact rather than make a profit for its owners or shareholders (European Commission, 2021).

This definition of a social enterprise is common for all EU Member States. However, each country has the right to implement legislation in which all aspects related to social entrepreneurship as well as social enterprises are defined.



02.

CONVENTIONAL VS SOCIAL ENTERPRISE





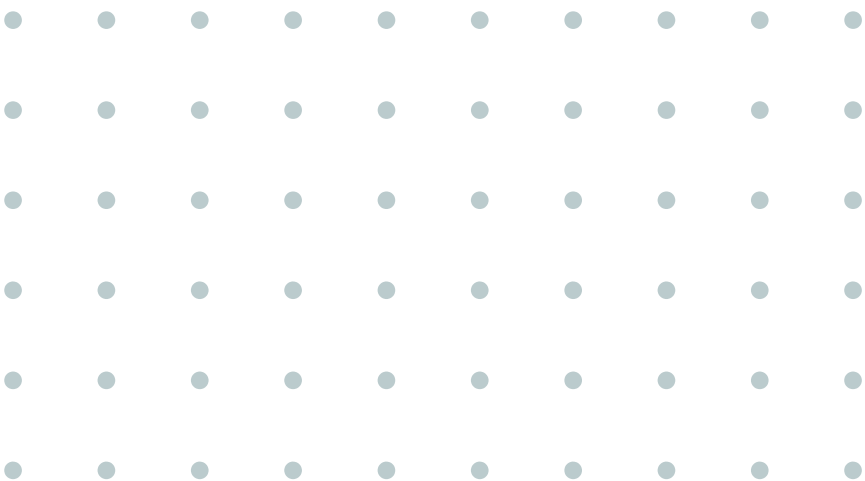
Conventional enterprises and social enterprises differ primarily in their primary objectives and how they prioritize the use of their profits.

CONVENTIONAL

The primary objective of a conventional enterprise is to generate profits for its owners or shareholders. While they may engage in corporate social responsibility (CSR) initiatives, their primary focus is on maximizing financial returns.

SOCIAL

Social enterprises have a dual mission: to achieve social or environmental objectives while also generating revenue. Their primary goal is to create a positive social or environmental impact, and any profits generated are typically reinvested back into the enterprise or used to further its social mission.





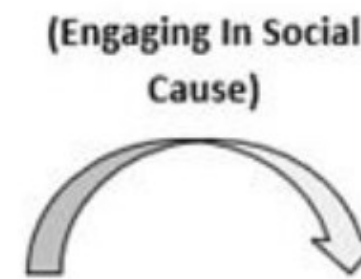
	Social Enterprise	Social Entrepreneurship
Meaning	A social business aims at solving a societal problem through profits.	Refers to social activities where entrepreneurs aim to create a positive societal change.
Purpose	To use profits for the benefit of society.	Uses profits to solve a specific problem.



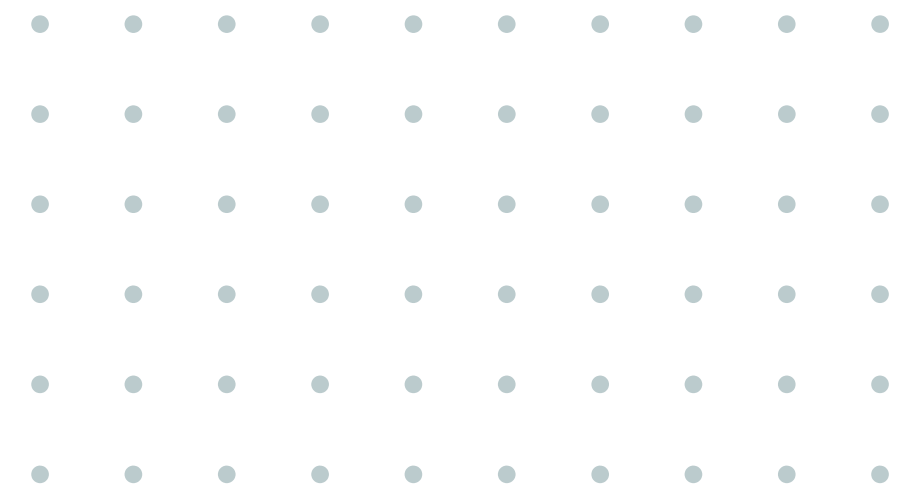
Social impact
Employment
Profit generation
Parent company



Enterprises &
Businesses



To Help The Society



TYPES OF OWNERSHIP

Public ownership

In most countries nonprofits are considered "public good" or property of the public

Becomes an issue if the owner(s) wants to sell the social enterprise, or close it

Private ownership

Social enterprise offers benefits of equity financing

For-profits limiting the type and purpose of the enterprise to more productive and financially driven models

To serve for a social need, yet to run at a deficit

How important is it for you?

Look at the questions, some will be vital to your project, others more peripheral, and some may not matter to you at all.

Do you have a social purpose?

How will you raise your income?

Who do you want to have control or ownership?

What message do you want to give?

Getting tax benefits

Ongoing bureaucracy

Is it important to be closely aligned with and striving towards social, political, or environmental causes?

Grants? Donations? Loans?

Do you want to have firm control over the organisation? Do you want to involve others? Do you want to give employees some ownership?

Do you want to be “branded” as a social enterprise? Do you want to be seen to be charitable? Or maybe you don’t want your clients to be “charity cases”?

Are there tax benefits that you need to access? Are they vital or just nice if you can get them?

Can you cope with the relevant bureaucracy – can you risk getting fined if you fail to?

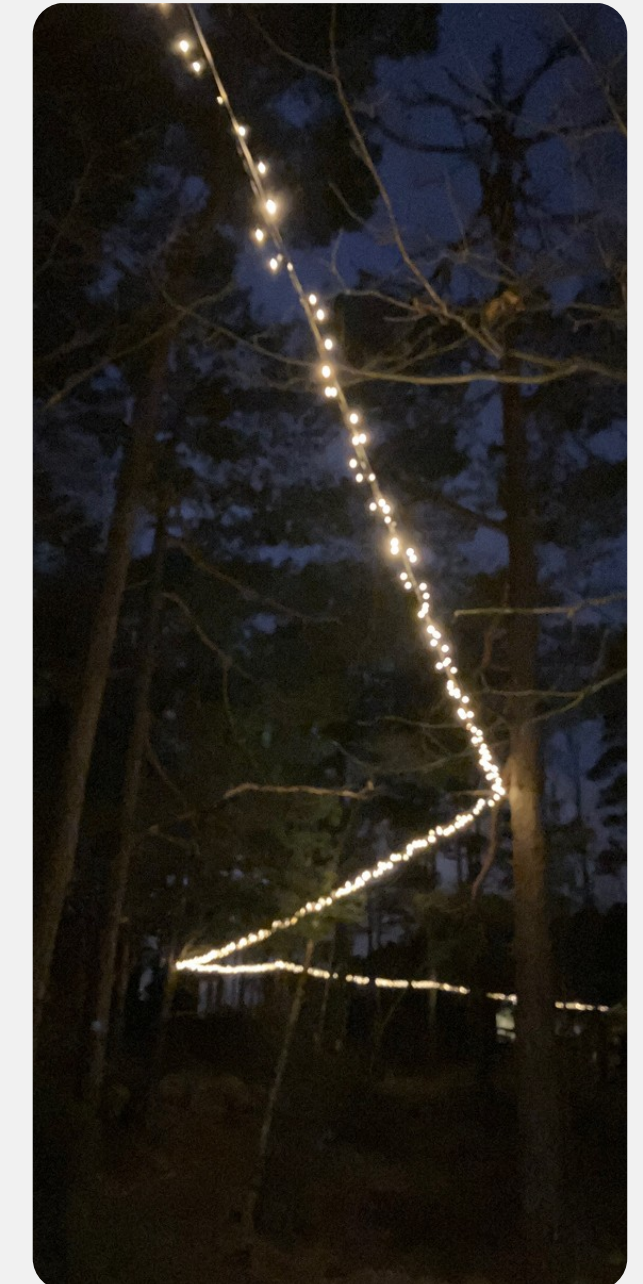
SOCIAL ENTERPRISE OR NON- PROFIT?



Income meets
social causes



Earns profit by
selling a product
or service



Raising money
for a social
venture through
investors

How different it can be?



Non-profit organizations

Socially responsible business,
not centring their entire
business model around their
cause



Non-Governmental
organizations

Social firm



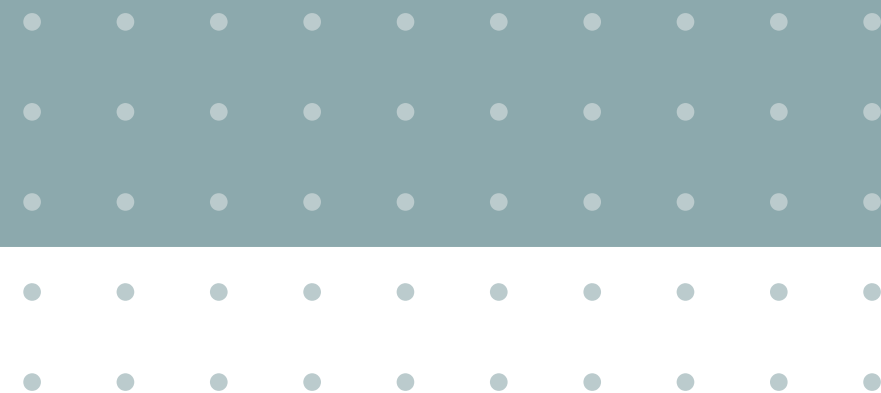
Cooperative
(business organized by
and for its members.)



For-profit organizations

03.

LEGAL FORMS AND TYPES OF SOCIAL ENTERPRISES

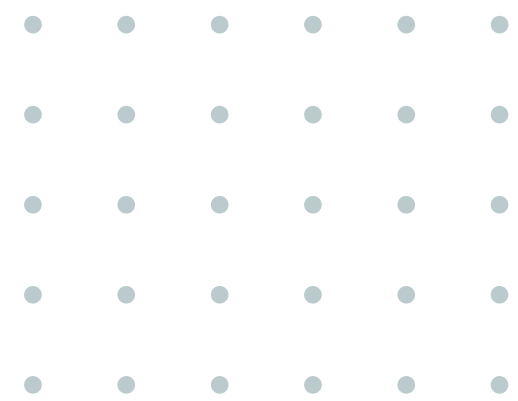


1. Non-profit social enterprises
2. For-profit social enterprises
3. Hybrid models



1. NON-PROFIT SOCIAL ENTERPRISES

- Nonprofit social entrepreneurs focus on the organization's social, not financial, [impact](#).
- Social entrepreneurs start a non-profit organization to answer a need in the community or a larger cause.
- Instead of making significant amounts with their organization, they'll reinvest the profits into the business to ensure its long-term success.



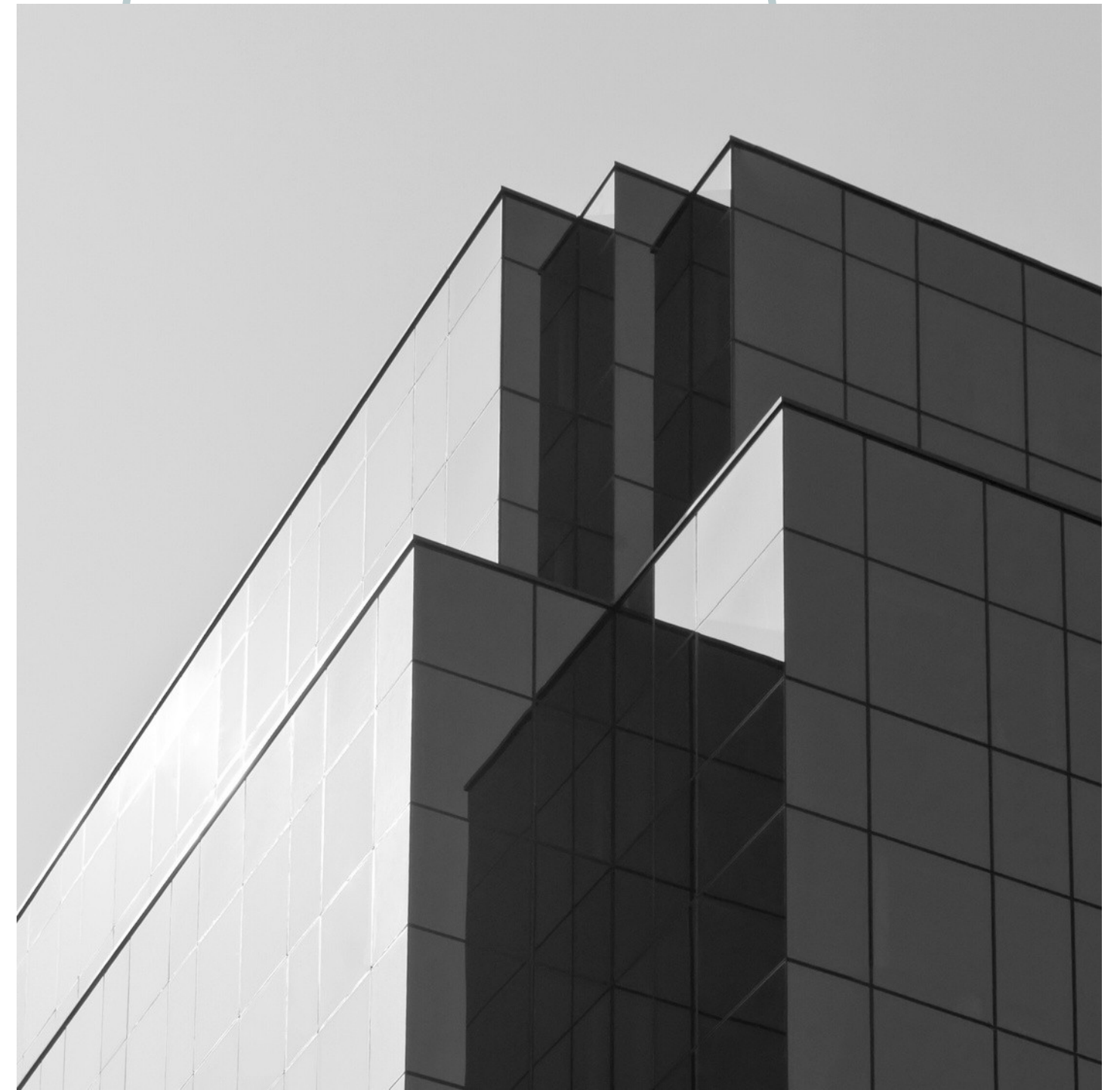
CHARITIES

Organizations rely on donations, grants, and fundraising efforts to support their social mission. They often provide services or aid to address specific social issues or community needs.



FOUNDATIONS

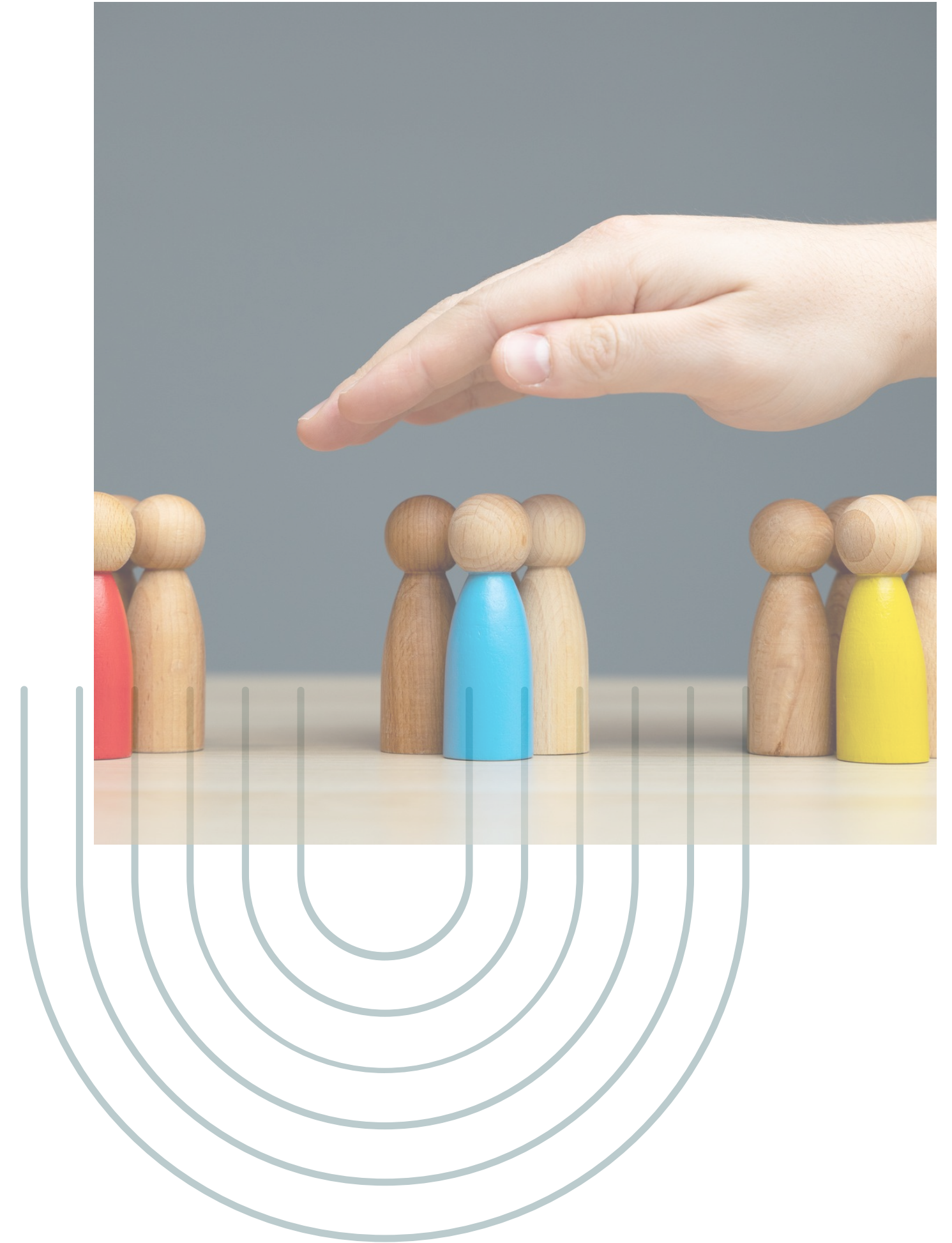
Foundations use endowments or donations to fund social initiatives, such as educational programs, healthcare services, or poverty alleviation projects.



SOCIAL ADVOCACY ORGANIZATIONS

Organizations that work to promote social causes or advocate for policy changes.

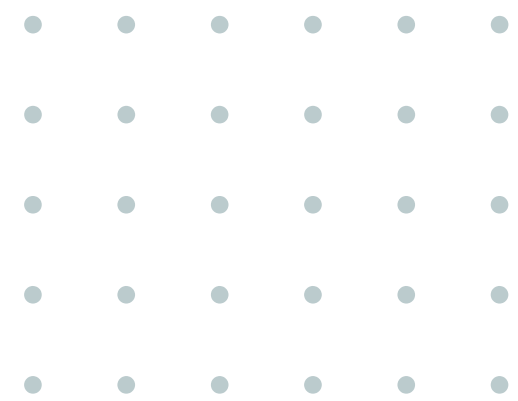
They may generate revenue through donations, membership fees, or grants.



2. FOR-PROFIT SOCIAL ENTERPRISES



- For-profit social enterprises are businesses created to further a social purpose in a financially sustainable way.
- For-profit social enterprises seek to maximize profits while maximizing benefits to society and the environment.
- A for-profit company exists to make a profit for its owners or shareholders.



SOCIALLY RESPONSIBLE BUSINESS

Businesses that integrate social and environmental considerations into their operations, aim to minimize negative impacts and maximize positive contributions to society.



COOPERATIVES

Worker-owned cooperatives or consumer cooperatives operate for the benefit of their members, who share ownership and decision-making.

Often prioritize social goals alongside financial sustainability.



SOCIALLY CONSCIOUS CONSUMER PRODUCTS

Companies produce and sell goods that address specific social or environmental issues. Examples include fair-trade products, organic foods, and eco-friendly consumer goods.

Often prioritize social goals alongside financial sustainability.



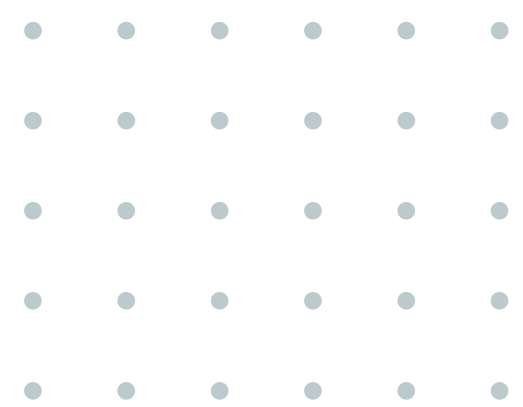
SOCIAL ENTERPRISES WITH A "BUY-ONE-GIVE-ONE" MODEL

Businesses that donate a product or service to a person in need for every product or service sold.



3. HYBRID MODELS

- A hybrid business model combines elements of different types of business models, such as for-profit, nonprofit, or cooperative, to achieve social and environmental impact as well as financial sustainability.
- A hybrid business model addresses complex social problems, creates value for multiple stakeholders, and diversifies their revenue streams



SOCIAL FRANCHISES

Organizations replicate successful social enterprise models across different locations or communities.

Franchisees may operate as for-profit businesses while adhering to the social mission and operational guidelines set by the franchisor.



COMMUNITY INTEREST COMPANIES

Social enterprises that operate as limited companies with a social purpose.
Required to reinvest their profits for the benefit of the community and have asset locks to ensure their assets are used for social good.



04.

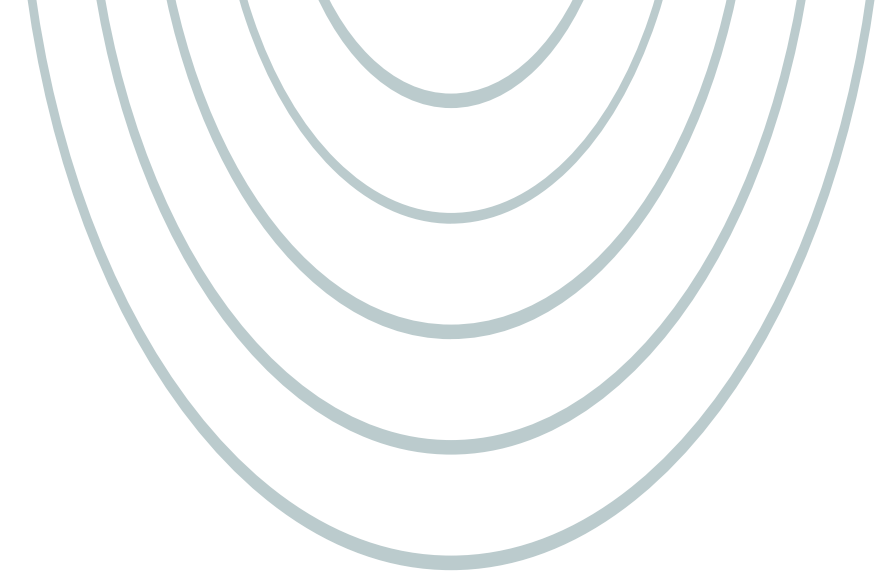
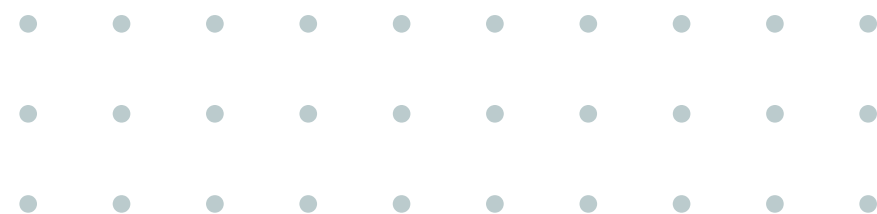
MARKET & TRENDS



HAVE YOU NOTICED MORE GREEN, ECO-FRIENDLY, RECYCLABLE PRODUCTS?

The growth of sustainability and sustainable products and services has dramatically increased in the past few years.

Consumers are becoming increasingly aware of the impact of their purchasing decisions on the environment and are looking for more sustainable options. About 57% of consumers are willing to change their purchasing behaviour to help the environment, and 66% of consumers are willing to pay more for more sustainable brands, which explains the rise in demand for products that are more sustainable.





Social entrepreneurship and innovative and sustainable solutions is a dynamic and diverse field that spans different regions and industries, and that responds to the changing needs and opportunities of society.

It presents a significant opportunity for businesses to tap into this growing market, meet the demands of consumers and anticipate regulations to mitigate the impacts of industry on the environment.

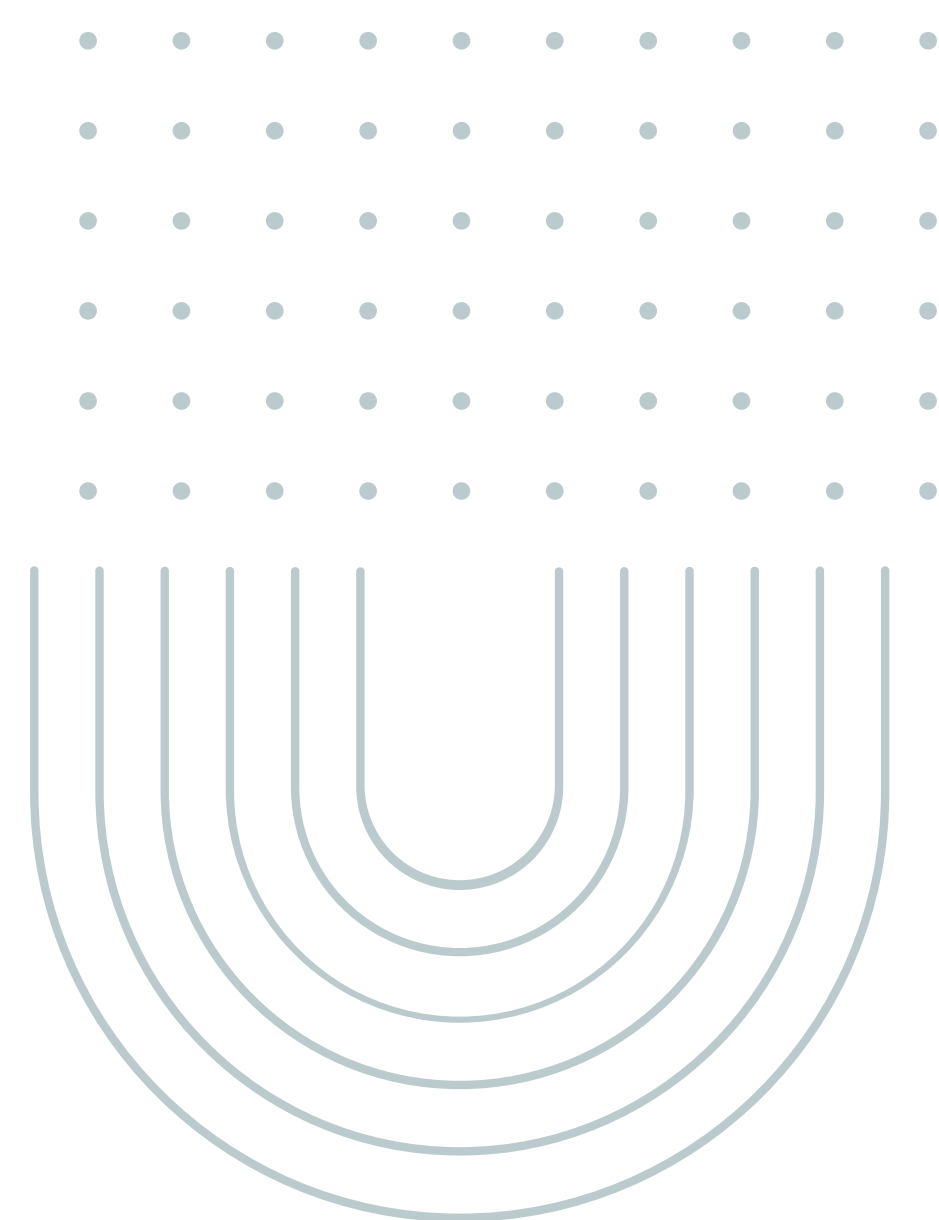


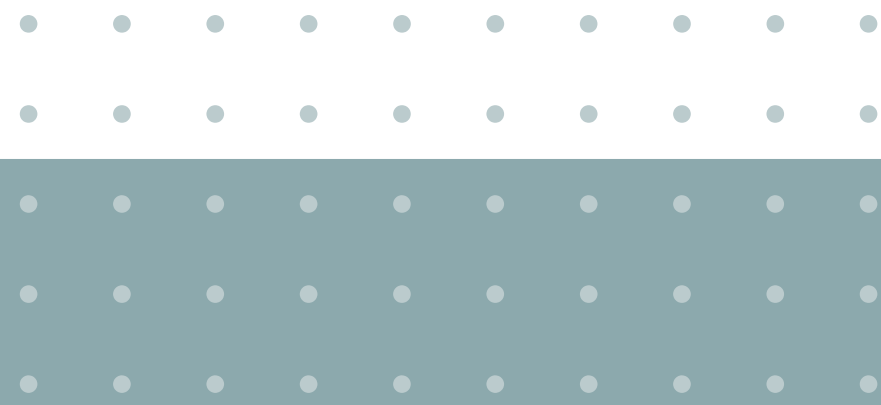


From regenerative agriculture and sustainable fashion tech to eco-friendly packaging, circular services, and decentralized energy systems, these trends highlight the capacity of innovation to address pressing global challenges.

The success stories of companies like ImagiLabs, Ecouture, Euphonia, Walk15, and GreenGrid Energy demonstrate that sustainability is no longer an option but necessary for a more resilient and equitable future.

By embracing these trends and fostering collaborative efforts, you can pioneer a sustainable path towards a better world.





THANK YOU

