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Not too long ago, it seems, “social enterprise” was known to few and practised by fewer still. When organizations such as ours, the Schwab Foundation and Bertelsmann Stiftung, began to support social enterprises, the ecosystem was barely emerging, the knowledge base was brittle, and the relevant data was almost non-existent.

But in the past decade, a great deal has changed. Social enterprises have gained global recognition in the business world and the policy arena. More and more companies are collaborating with social entrepreneurs to explore new ways of working that address business, sustainability and societal goals. Governments are recognizing the role of social enterprises in strengthening our societies and are starting to implement policies to support them.

As social enterprises gain momentum worldwide, the need for reliable data increases. Since 2013, a range of actors have been gathering data in more than 80 countries. Their insights reveal that social enterprises are a significant economic force driving positive outcomes worldwide.

This report recognizes the work of these institutions and aggregates their data to paint a global picture social enterprise. The insights drawn from this are as important as the realization that we need much stronger, more reliable and more frequent data if we are to support these innovators working to uncover societal and environmental solutions. The report highlights the power of such data and calls on governments, international organizations and the social enterprise ecosystem to invest in and coordinate for a strong data infrastructure at a global level.

The findings also underscore a profound transformation in the social enterprise landscape, revealing that economic success can be intricately interwoven with social and environmental impact. Social enterprises are not merely catalysts of change; they embody a fundamental shift in how businesses can tackle societal problems on a global scale. At the same time, they prioritize benefits for employees, communities and the planet alongside financial returns. They are at the forefront of the transition towards a fair, sustainable and equitable economy – the stakeholder economy.

By championing these enterprises and promoting an enabling environment for their growth, we can unlock new pathways for economic development and social progress. Policy-makers, business leaders and ecosystem actors can draw inspiration from the achievements of social enterprises and collaborate to build a future in which business serves as a force for good, benefitting people and the planet alike.
Executive summary

There are an estimated 10 million social enterprises globally, generating around $2 trillion in revenue annually and creating nearly 200 million jobs.

The Global State of Social Enterprise report examines the transformative role that social enterprises play in addressing some of the most pressing global challenges. At a time when the world is grappling with unprecedented social, environmental and economic issues, the scope and scale of social enterprises are under-recognized while their contributions have never been more critical.

Social enterprises stand at the intersection of business and social good, spearheading innovative solutions that not only generate economic value but also drive significant social and environmental impact. Using existing national-level data from more than 80 countries, this report provides stakeholders from policy-makers to investors with a high-level understanding of the sector and its economic and societal footprint. These insights are essential for developing an environment in which social enterprises can thrive, enabling them to augment their impact on communities around the world.

The global data indicates that there are approximately 10 million social enterprises across the world, which means they comprise more than 3% of all businesses. These businesses:

- Are united in their principle of putting purpose before profit
- Generate around $2 trillion in revenue each year
- Create nearly 200 million jobs
- Bridge the gender gap – with one in two social enterprises worldwide led by women, compared to one in five for conventional enterprises
- While often created to meet local needs, work in widespread geographical areas, from Sweden to South Africa and Mexico to Malaysia
- Exist in various industries and sectors, from agriculture to information technology (IT) and healthcare to financial services
- Deliver against all the United Nations Sustainable Development Goals (SDGs), especially those focused on health and education, climate and jobs, thereby reducing poverty and inequality
- Face common barriers such as lack of public awareness, inadequate legal structures and access to finance.

Social enterprise is larger than the $1.79 trillion apparel industry¹ and almost twice the size of the $1.01 trillion advertising industry.²

In addition to uncovering important insights, this study reveals gaps and challenges in social enterprise data. These challenges include the availability and quality of data, the comparability of the available data and the difficulty with quantifying social and environmental value creation. Addressing these challenges will be critical to creating a clearer understanding of the state of social enterprise globally. Strengthening national-level social enterprise data and statistics will also provide better information for governments, businesses and investors to produce enabling conditions for social enterprises to thrive. Closing these gaps is a collective challenge to be addressed by leading sector organizations, governments, international operations and academics around the world.
Introduction

Prioritizing purpose over profit, social enterprises are a critical driver of inclusive wealth, sustainable development and economic resilience.

The world has entered a state and age of polycrisis, whereby climate change, inequality, conflict and many other global challenges are derailing progress towards the Sustainable Development Goals (SDGs). As of 2024 – just over halfway to the 2030 deadline since the goals were adopted in 2015 – progress is off track, with only 15% of goals projected to be met by 2030. Some 48% of these targets show significant deviations from the intended path, and 37% have shown no advancement at all, or have even regressed below 2015 baselines.³

At a time when traditional economics struggles to address the world’s unprecedented social, environmental and financial challenges, the imperative to understand, support and harness the potential of innovative businesses that prioritize people and the planet has never been more pronounced. Although they are still under-recognized, social enterprises have emerged as pivotal actors able to develop highly innovative solutions to critical social and environmental challenges – and significantly accelerate progress towards the SDGs. Social enterprises the world over are developing products and services that create economic value within local and international markets, while also addressing social challenges.

With the recent adoption of the 2023 UN resolution on Promoting the Social and Solidarity Economy for Sustainable Development, UN Member States took a step towards recognizing the role of social enterprises and other organizations in the social and solidarity economy, helping to foster inclusive growth and advance the SDGs. A record number of countries – including Germany, Malaysia and Senegal – have now set up supportive legal frameworks in areas such as procurement, taxation and finance regulation for social enterprises.

At the one-year anniversary of the UN resolution, this report provides a comprehensive synthesis of the global state of social enterprises using existing data from 2013–2023. It provides a review of data on the often underestimated contribution of social enterprise towards global GDP and employment, as well as alignment with the SDGs and more. Moreover, the report highlights the challenges and gaps in existing data-collection efforts, recognizing the imperative to address these shortcomings collectively. This report is more than a mere compilation of statistics; it includes a call to action that urges stakeholders from diverse sectors – governmental bodies, the private sector, academia, network associations and the community of social enterprises – to collaborate in fortifying global data collection.

Accurate and comprehensive information on the performance and outcomes of social enterprises will enable decision-makers to harness the transformative potential of social enterprises and forge a future that is not only economically prosperous but also socially inclusive and environmentally sustainable.
Overview of methodology

This report aggregates and summarizes data collected in more than 80 countries between 2013 and 2023.

The Global State of Social Enterprise report 2024 presents a review and synthesis of the available data on social enterprise across the world, gathered from 2013–2023 in 80-plus countries that are home to 83% of the global population. See Appendix 1 for the list of countries.

A social enterprise is defined as a business that puts people and the planet first. As interpretations of social enterprise vary between countries, this research includes data from sources with a range of definitions. The following characteristics are shared by the various definitions:

– Purpose: exists to solve social and/or environmental problems
– Operations: prioritizes purpose over profit in operational and strategic decisions
– Revenue: a proportion of income is earned through trading
– Use of surplus: reinvests the majority of any surplus towards its purpose
– Structure: chooses legal structures and financing that protect and lock in purpose long term

See Appendix 2 for an overview of definitions and terms that are used to describe social enterprise.

To present an overview of the global state of social enterprise, the following data points have been reviewed:

– Number of social enterprises per country and globally
– Annual turnover of social enterprise
– Number of jobs created by social enterprise
– Financing requirements of social enterprise
– Leadership of social enterprise
– Demographics of social enterprise leadership
– Contribution of social enterprise to the United Nations Sustainable Development Goals (SDGs)
– Barriers faced by social enterprise

The estimates presented in this report are based on data about formal enterprises. Given that a third of global GDP is driven by the informal sector, it can be assumed that there are significant numbers of informal social enterprises that are not captured in this dataset.

To complement the publicly available data on social enterprise, the report also draws on a survey by the Schwab Foundation's Global Alliance for Social Entrepreneurship State of the Industry Survey that provides qualitative input on the contribution of social enterprise towards sustainable development, the state of the sector and the type of support that is available for social enterprises.

Finally, the report integrates the views of leading social enterprise experts to generate foresight and to support the analysis of the reviewed data. The report harnesses qualitative insights from members of the Global Alliance for Social Entrepreneurship hailing from academia, business and civil society, through community meetings and private interviews conducted between October 2023 and February 2024. Contributions were also collected from colleagues from the World Economic Forum and Schwab Foundation for Social Entrepreneurship. Please refer to the Acknowledgements for more detail.

Research limitations

Building on the available data to present the global state of social enterprise, this research reveals various gaps and challenges with the data currently available. These challenges include: the availability and quality of data, as data on social enterprise is available only in 80-plus countries; the comparability of the available data, as research initiatives vary in scope and timings; and difficulties with quantifying social and environmental value creation. See Section 3 for a description of the main data challenges and gaps.
Painting a global picture of social enterprise

Social enterprise accounts for around 2% of global GDP and 3% of all businesses.
Social enterprises offer innovative solutions to pressing societal and environmental challenges. They create a positive impact in all corners of the world, from rural villages to urban centres, in low- as well as high-income countries. Though social enterprises are present in every region, the characteristics and prevalence of these enterprises vary among countries due to diverse historical, institutional and cultural contexts.

Using pre-existing data, this section aims to shed light on the scale and scope of these organizations, offering concrete evidence of their contributions to global development. Such insights are essential for developing an environment in which social enterprises can thrive, enabling them to augment their impact on communities around the world.

1.1 Estimated number of social enterprises per country

Research initiatives in more than 80 countries have produced assessments of the number of social enterprises. Please see Appendix 1 for a table with the estimated number of social enterprises per country, where data is available.

Data availability varies significantly by region – countries in Europe and South Asia are well represented, whereas those in Latin America, sub-Saharan Africa and the Middle East and North Africa (MENA) are underrepresented. While bearing in mind issues of data representativeness and comparability (see Section 3 for an overview of data challenges and gaps), this data aggregation exercise still reveals interesting features of the global social enterprise landscape. Estimates of the absolute number of social enterprises per country vary from as few as 47 to as many as 2 million, with a sample mean of 107,341 and a median of 7,833 social enterprises per country.

India, China and the United States appear to have the most social enterprises with, respectively, an estimated 2 million, 1.75 million and 1.3 million entities.

As these estimates are in many cases correlated with national populations, it is interesting to examine the number of social enterprises per capita. Figure 1 shows the estimated number of social enterprises per 10,000 people, indicating that the estimated number of social enterprises for countries with available data ranges between roughly 0.3 and 38.2 organizations per 10,000 people.
1.2 Estimated number of social enterprises globally

By aggregating the estimated number of social enterprises per country, where data is available, a total number of social enterprises globally can be estimated.

Adding up the estimated number of social enterprises in the 80-plus countries where data is available generates a total of more than 8.16 million social enterprises globally. These are home to around 83% of the total global population. If this pattern was extrapolated across the remaining countries in which data is as yet unavailable, there would be 9.79 million social enterprises worldwide.

It is estimated that there were approximately 333.34 million companies worldwide in 2021. The 9.79 million social enterprises identified in this report therefore make up around 3% of companies globally.

BOX 1 Recognizing other estimates

The British Council publication More in Common: The Global State of Social Enterprise 2022 estimates that there could be as many as 11 million social enterprises globally. This figure is based on research across 27 countries and a global extrapolation. This current research has aggregated data from more than 80 countries and, based on these estimates, finds that the actual number of social enterprises globally is likely closer to 10 million. It is noteworthy and promising that these two figures exhibit a degree of comparability.

Source: British Council and Social Enterprise UK

BOX 2 Estimated number of social entrepreneurs globally

Using the Global Entrepreneurship Monitor (GEM)’s Special Topic Report: Social Entrepreneurship, a total of 30 million social entrepreneurs can be estimated worldwide (i.e. individual entrepreneurs vs. the 10 million organizations defined as “social enterprises”). The special report finds that the prevalence rate of individuals who are currently leading an organization driven by social value creation rather than value capture and market-based rather than non-market-based is 1.2%. It also states that an estimated 52% of social entrepreneurs globally reinvest their profits. This data can be used to generate an estimate of the total number of individual social entrepreneurs.

Taking the global population of around 8 billion and including only those of working age (around 75%), multiplying this number by the 1.2% prevalence rate of social entrepreneurs and also by 52% to include only those reinvesting profits generates a conservative estimate of 30 million social entrepreneurs globally.

It is not unexpected that this figure should be several times larger than the estimate of social enterprises, since GEM focuses on individuals rather than enterprises and multiple people may work for one social enterprise and identify themselves as social entrepreneurs. In addition, many social entrepreneurs will be operating in the informal economy and not as part of a more formally constituted social enterprise.

Source: Global Entrepreneurship Monitor, 2015

Photo credit: MyAgro, Schwab Foundation Awardee, 2020
1.3 Annual turnover of social enterprise

Annual turnover data of social enterprises was available for 41 countries. Though the greatest number of sources derived from Europe and Asia, the sample did encompass all global regions with the exception of Latin America. Average (mean) annual turnover was $512,488, with a median sample value of $242,853 at current prices. Importantly, however, average turnover was significantly lower in regions with overall lower levels of income, namely sub-Saharan Africa and South Asia, while the highest averages were seen in Europe and North America.

The total annual turnover of social enterprise was calculated by multiplying the average turnover of social enterprises in a country by the total number of social enterprises in that same country and then aggregating these figures. For example, in the Netherlands there are an estimated 5,500 social enterprises with an average turnover of around $1.1 million, and in Sri Lanka there are an estimated 10,500 social enterprises with an average turnover of around $18,000. For countries where this data was available (which account for nearly 80% of global GDP), this adds up to around $1.5 trillion in total revenue. If this pattern was replicated in the countries where data is as yet unavailable, social enterprises globally would be turning over around $2 trillion.

With a reported global GDP of about $96 trillion in 2021 at current prices, social enterprise accounts for around 2% of global GDP. This is greater than the apparel industry and almost twice the size of the advertising industry.

1.4 Number of jobs created by social enterprise

Data on employment within social enterprises (either totals or averages) was available for 81 countries, from which can be extrapolated an estimated mean average of 18 jobs per social enterprise (with a median of 14). These averages range between one and 84 jobs per organization. While this indicates that social enterprises can generally be classified as small and medium enterprises (fewer than 250 employees), and many as micro-enterprises (fewer than 50 employees), the sector collectively employs a significant number of people overall. See Figure 2 for an average number of jobs per social enterprise in each country.

Social enterprises in Spain, Austria and France appear to create the highest number of jobs, creating an average of 84, 63 and 51 jobs per social enterprise respectively.

An estimate of the total number of people employed by social enterprises was calculated by multiplying the average number of people employed by social enterprises in the countries where data was available by the estimate of the total number of social enterprises worldwide, providing a total of around 180 million jobs.

Alternatively, to guard against a few countries disproportionately skewing this estimate, the average number of people employed by social enterprises in each country can be multiplied by the total number of social enterprises in that same country, and then aggregating these figures. For countries where both of these sets of data was available (56 countries and around 56% of the global population), this adds up to around 110 million people. If this pattern was replicated in the countries where data is as yet unavailable, it can be cautiously estimated that social enterprises are creating almost 200 million jobs worldwide.

Case study: Patagonia

Patagonia, the US-based outdoor clothing and gear company, is renowned for its commitment to environmental sustainability and corporate responsibility. Founded in 1973, the company has consistently advocated for environmental conservation and ethical business practices. It places a strong emphasis on fair labour practices and strives to produce high-quality, durable products with minimal environmental impact.

Patagonia has pioneered initiatives such as the 1% for the Planet programme whereby it donates 1% of its annual sales to environmental causes. In 2022 the founder of the company, Yvon Chouinard, announced that “all profits, in perpetuity, will go to our mission to ‘save our home planet’”. Patagonia has seen annual sales of more than $1 billion for the past three years.

Source: Patagonia, 2024
Average number of jobs created per social enterprise
(for countries with available data)

Case study: BRAC

BRAC – formerly known as Bangladesh Rural Advancement Committee – is a renowned international development organization that has expanded its reach beyond Bangladesh to become one of the world’s largest and most holistic solutions ecosystems, comprising development programmes, microfinance, humanitarian crisis management and social enterprises. Established in 1972, BRAC’s interventions have reached more than 100 million people globally with pioneering approaches in areas such as poverty alleviation, healthcare, education, skills development and more. With a unique approach that combines social development programmes and sustainable business models, the organization has played a crucial role in creating livelihood opportunities and establishing marketing linkages, particularly for women. BRAC employs more than 100,000 employees and volunteers, working across 16 countries in Asia and Africa.

Source: BRAC, 2024

1.5 Financing requirements of social enterprise

Based on the available data, a majority of social entrepreneurs are pursuing external funding sources to finance their organizations. In Europe, for instance, almost 75% of social enterprises surveyed by the European Social Enterprise Monitor are seeking external financing. This includes grants, equity and debt financing. Typically, social enterprises seek, on average, financing that amounts to about 75% of their yearly revenue.

Based on these insights, a global demand for funding can be projected. Working on the basis of previous sections, it is assumed that there are 10 million social enterprises worldwide with an estimated turnover of $2 trillion. In addition, it is assumed that three-quarters of all social enterprises are seeking 75% of their total turnover in funding. Based on these figures, a $1.125 trillion global financing need is estimated.
Data on social enterprise leadership was available in 50 countries. This data reveals that, on average, around one in two social enterprises around the world are led by women; by comparison, one in five regular businesses are women-led. While consistently high across the sample, the average percentage of social enterprises with women leaders does vary somewhat by country. Among those with the lowest levels of representation are Bangladesh, the Democratic Republic of the Congo and India, all with slightly less than 25% of sampled social enterprises led by women. Conversely, in Latvia, Ireland and Sweden, nearly 70% of social enterprises are led by women.

Social Enterprise Census Scotland, the only longitudinal study available on social enterprise, found an increase in the percentage of social enterprises led by women from 60% to 71% between 2015 and 2021.

While challenges of gender equality remain deeply entrenched, as a global sector, social enterprise is demonstrating clear leadership in addressing this issue.

Social enterprises operate in diverse sectors such as healthcare, education, renewable energy, agriculture and more and play a pivotal role in advancing the SDGs. By integrating social and environmental objectives into their business models, social enterprises create meaningful employment opportunities, promote access to essential services, support marginalized communities, promote gender equality and foster economic development through their inclusive business practices. They also create opportunities for collaboration with governments and the private sector to scale initiatives that advance the SDGs. By demonstrating innovative approaches to social and environmental challenges, social enterprises inspire policy changes and encourage private-sector investment in sustainable development initiatives.

The data underlying this report analyses whether social enterprises are working at the local (municipal or national), regional (cross-country in proximate countries) or international contexts (across borders and spanning multiple continents). Around a third of social enterprises operate at each of these scales, with a slightly greater emphasis on local focus and slightly fewer undertaking work internationally.

When asked about their alignment with the SDGs, social enterprises are commonly focused on SDG 8 “Decent work and economic growth”, SDG 3 “Good health and well-being” and SDG 10 “Reduced inequalities” as well as SDG 11 “Sustainable cities and communities”, SDG 12 “Responsible consumption and production” and SDG 4 “Quality education”.

**Case study: ShonaquipSE**

ShonaquipSE, a hybrid social enterprise founded in South Africa in 1992 by Shona McDonald, specializes in designing, manufacturing and provides modular, rural-appropriate wheelchairs and assistive technology. The company also offers support services and training to wheelchair users and their caregivers, family members and healthcare workers, and is the only ISO 13485-certified wheelchair manufacturing company in Africa.

It focuses on LMIC wheelchair standards, supplying products and services to 21,000 individual clients annually, and its holistic approach to training caregivers, delivering capacity-building programmes and engaging in advocacy affects more than 347,000 secondary beneficiaries each year. ShonaquipSE is a technical adviser to the World Health Organization (WHO), the United States Agency for International Development (USAID) and the Clinton Health Access Initiative (CHAI) and is engaged in policy development, training and advocacy for disability inclusion.

**Source:** ShonaquipSE, 2024

"Social entrepreneurship is about disrupting the status quo and solving the world’s problems innovatively."

Muhammad Yunus, Nobel Peace Prize laureate and founder of Grameen Bank, Bangladesh
Incluyeme is a social enterprise that connects people with disabilities to job openings at corporations to build inclusive and equitable workplaces. In Latin America, 85 million people live with a disability and, even though those with disabilities are eager to improve their lives by developing a career, they experience discrimination and other barriers as they seek education and employment opportunities. As a result, three out of four people with disabilities are unemployed. Gabriel Marcolongo founded the enterprise in 2014 after his father struggled for two years with accessing employment after developing a disability. Through this experience, Gabriel began to uncover how the exclusion of people with disabilities is a systemic issue throughout Latin America.

Incluyeme.com has more than 240,000 people with disabilities registered on its platform. The enterprise trains and places them into work opportunities in seven countries across Latin America (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru and Uruguay). Its online training programme for people with disabilities offers an eight-step video course that better equips them for the recruitment process.

### Box 6

**Case study: Incluyeme**

Incluyeme is a social enterprise that connects people with disabilities to job openings at corporations to build inclusive and equitable workplaces. In Latin America, 85 million people live with a disability and, even though those with disabilities are eager to improve their lives by developing a career, they experience discrimination and other barriers as they seek education and employment opportunities. As a result, three out of four people with disabilities are unemployed.

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### 1.8 Barriers faced by social enterprise

Data from 35 countries and the survey conducted by the Schwab Foundation’s Global Alliance for Social Entrepreneurship highlights that social enterprises face barriers throughout their life cycle – from inception to growing and scaling their operations. While conditions vary from country to country, social enterprises worldwide typically face the following barriers:

**Limited access to finance:** One of the primary barriers faced by social enterprise is limited access to finance. Traditional funding sources often prove challenging to access due to the unique blend of social and financial objectives inherent in social enterprises.

**Lack of public awareness and recognition:** Another pervasive barrier faced by social enterprises is the limited awareness and understanding of their models and impact. Many stakeholders, including consumers, investors and policy-makers, may not fully grasp the dual commitment to both social and financial goals.

**Lack of government support:** Policy-makers may overlook the unique needs of social enterprises aiming to create positive societal impact, which leads to insufficient regulatory frameworks and financial incentives.

**Inadequate legal and/or fiscal framework:** Navigating complex and sometimes ambiguous regulatory frameworks poses a significant challenge for social enterprises. The absence of tailored legal structures, bureaucratic hurdles and inconsistent policies can hinder their ability to operate efficiently and access necessary resources. Clear and supportive legal structures contribute to the legitimacy of social enterprises, creating a conducive environment for their development and impact.

**Limited access to procurement processes:** Social enterprises often encounter challenges in accessing public and private procurement processes, limiting their ability to secure contracts and partnerships. Governments and private entities can play a pivotal role by implementing inclusive procurement policies that prioritize the social and environmental impact alongside economic considerations.

Source: [Ikea Social Entrepreneurship, 2024](#)
Building on existing research

Research into social enterprises’ size and scope has drawn on a diverse set of methodologies.
In order to paint a global picture of social enterprise, this report builds on existing research on the state of social enterprise across a range of countries. Over the past decade, several research initiatives have focused on the size and scope of social enterprise. These have used various methods and adopted varying definitions of social enterprise and related concepts. Most of the research has had a national or regional focus. This section outlines the most widely recognized research initiatives on social enterprise and summarizes the approach and outputs.

### 2.1 Global Entrepreneurship Monitor

**Focus**
Social entrepreneurship

**Geography**
Global

**Approach**
Adult population study

**Time frame**
2015

The Global Entrepreneurship Monitor’s 2015 Special Topic Report: Social Entrepreneurship set out to investigate the prevalence of social entrepreneurship around the world. The report was based on interviews with 167,793 adults between the ages of 18 and 64 in 58 economies. The research found that the average prevalence rate of individuals who are currently leading an operating social entrepreneurial activity across all 58 GEM economies is 3.7%. A tighter definition looks at organizations driven by social value creation rather than value capture and market-based rather than non-market-based; the average prevalence rate of these is 1.2% across 31 GEM economies.

### 2.2 Asian Development Bank

**Focus**
Social enterprise

**Geography**
Asia and Latin America

**Approach**
Expert interviews

**Time frame**
2012–2016

The Asian Development Bank 2017 report Are Social Enterprises the Inclusive Businesses of Tomorrow? set out to provide an overview of the social enterprise market in Asia (with references to Latin America) and make recommendations to support social enterprises, taking into consideration the role of development banks. Based on estimates from a variety of sources, including the Asian Development Bank, it reported the number of social enterprises in the countries under examination. Figures include an estimated 200,000 social enterprises in Indonesia, 165,000 in Viet Nam, 116,298 in Thailand and 20,000 in Brazil.
International Centre of Research and Information on the Public, Social and Cooperative Economy

**Focus**
Social economy

**Geography**
European Union

The International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC)'s 2017 research for the European Economic and Social Committee's Recent Evolutions of the Social Economy in the European Union set out to study the evolution of the social economy in the European Union and its member states. The report was based on a field study in the form of a questionnaire responded to by "privileged witnesses with an expert knowledge of the social economy concept and related areas and of the reality of the sector in their respective countries".

The research suggested that the social economy in the EU provides:

- More than 13.6 million paid jobs in Europe – equivalent to about 6.3% of the working population of the EU 28
- Employment to a workforce of more than 19.1 million, including paid and non-paid workers
- More than 82.8 million volunteers, equivalent to 5.5 million full-time workers
- More than 232 million members of cooperatives, mutuals and similar entities
- More than 2.8 million entities and enterprise

Centre for Asian Philanthropy and Society

**Focus**
Social enterprise

**Geography**
Asia

The Centre for Asian Philanthropy and Society's 2019 report Business for Good: Maximizing the Value of Social Enterprises in Asia set out to make recommendations on how to realize the potential of social enterprises in Asia. In addition to drawing upon a global literature review, it built on a survey completed by 584 social enterprises and interviews with 140 stakeholders in six Asian countries. It found that there were an estimated 1.2 million social enterprises in six Asian countries (Japan, South Korea, Hong Kong, Indonesia, Thailand and Pakistan), with a further 3.5 million in India and China.
The EMES network’s 2013–2020 project, entitled *International Comparative Social Enterprise Models,*\(^\text{17}\) set out to bring together researchers from all over the world to identify, analyse and compare social enterprise models on a regional, national and local basis in countries, regions and fields. The research produced outputs including four open access books on social enterprise in Asia,\(^\text{18}\) Central and Eastern Europe,\(^\text{19}\) Western Europe\(^\text{20}\) and Latin America.\(^\text{21}\) The project, however, made no attempt to estimate the total global number of social enterprises.

### 2.5 EMES International Research Network

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<td>Geography</td>
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<td>Global</td>
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The European Commission’s 2020 comparative synthesis report *Social Enterprises and their Ecosystems in Europe* provided an overview of the social enterprise landscape in Europe based on the available information as of January 2020.\(^\text{22}\) The report was based on a literature review, exploratory case studies and expert surveys. It found that due to the lack of precise statistics on social enterprise for each country and the impossibility of guaranteeing sufficient cross-national coherence, it was “impossible to present European-level aggregated figures”. Nevertheless, it was “possible to provide an overall estimate of the number of social enterprises”, with the figures adding up to around 425,000 entities.

### 2.6 European Commission

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<tr>
<td>Social enterprise</td>
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The Siemens Stiftung 2020 report *Social Enterprises as Job Creators in Africa: Part 1* set out to estimate the job creation potential of social enterprises in Africa.\(^\text{23}\) The research made quantitative projections based on theoretical modelling and proxies to estimate the prevalence of social enterprises in the 12 focus countries. The report estimated that there are 1.92 million social enterprises in the 12 African focus countries, creating more than 4 million jobs in 2020.
The British Council and Social Enterprise UK 2022 report More in Common: The Global State of Social Enterprise set out to present the state of social enterprise globally. The report was based on research undertaken by the British Council, Social Enterprise UK and local research partners to map the state of social enterprise in 27 countries, representing more than 40% of the world’s population. The primary data was collected through a non-randomized survey sent to organizations that could be potentially recognized as a social enterprise or that would self-identify as a social enterprise.

The report concluded that there are likely to be around 11 million businesses that could be recognized as social enterprises around the world. It also painted a picture of social enterprises as:

- Working from the local to global level
- Working for a wide range of beneficiaries but often seeking to improve a particular community or serve particular groups of people
- Often creating more jobs for women than businesses more widely, frequently led by young people and much more likely to be led by women than businesses more widely
- Working throughout all sectors of the economy, from agriculture to the arts, culture and heritage and from education to food, health and manufacturing
- Often young businesses, founded in the past few years
- Attracting grants and investment from a diverse range of sources, including government, friends and family and financial institutions
- Creating jobs, often faster than other businesses
- Facing a number of barriers when seeking to access finance and, more widely, attract staff and talent
### 2.9 Euclid Network

<table>
<thead>
<tr>
<th>Focus</th>
<th>Approach</th>
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<tbody>
<tr>
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<tr>
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</table>

Euclid Network’s 2022 *European Social Enterprise Monitor* report\(^2^4\) set out to present the state of social enterprise in Europe. It used survey data collected via national support organizations for social enterprise from close to 2,000 (self-identified) social enterprises based in 21 countries. It reported how social enterprises are:

- Most often small and medium enterprises, with 95.4% classified as SMEs
- Active in all economic sectors, with human health and social work activities (23.3%), education (22.2%) and other services (12.0%) the most common
- More likely to be women-led, with 55.8% of management teams led by women and with women also representing, on average, a slight majority at all other levels of the organization – founders (52.1%), board (50.4%) and workforce (61.2%)

### 2.10 Other

Other research initiatives conducted by, for example, the Global Impact Investing Network (GIIN),\(^2^5\) Latimpacto\(^2^6\) and Impact Europe,\(^2^7\) focused on the size of the impact investing market, which provides capital for social enterprises. GIIN’s 2022 report *Sizing the Impact Investing Market* found that the market currently stands at $1.164 trillion in assets under the management of 3,349 organizations. This report did not, however, elaborate on the size and scope of the investees.
Addressing data challenges and gaps

Sustained collection of more coherent and easily compared data on social enterprises is critical to unlocking their full potential.
This report builds on a range of important initiatives highlighted in the previous section that have made data available from more than 80 countries. Such initiatives are critically important to represent social enterprises in each given country and, increasingly, contribute to a clearer global picture about the state of social enterprises. However, these initiatives and this aggregation of data have also revealed various gaps and challenges with the data currently available on social enterprise. Challenges include the availability and quality of data, the comparability of available data and difficulties with quantifying social and environmental value creation. This section describes the main challenges and suggests how they might be addressed in the future.

Overcoming these gaps and challenges will contribute to a better understanding of the state of social enterprise globally and therefore provide better information for governments, businesses and investors to improve the enabling conditions for social enterprises and drive positive change.

3.1 Challenges with availability and quality of data

The first challenge is with the availability and quality of data on social enterprise. This research identified data on social enterprise in more than 80 countries based on research spanning almost a decade. Please see Appendix 1 for an overview of the countries in which data is available and the years when estimates were published. For most countries, by number if not population, data on social enterprise is entirely lacking or not available based on open access. Moreover, where data is available, it often relies on small sample sizes, estimates and extrapolations. Given the above-mentioned timespan of available data, it is out of date in many countries and may be flawed or unrepresentative to varying extents.

3.2 Challenges with comparability of data

There is also a challenge with the comparability of data across countries, not least because research adopts diverse definitions and methodologies. As described in Section 2, the scope of research varies from social economy to social enterprise to social entrepreneurship and beyond. The scope may also vary among countries and even within the same country at different times. Even when the scope is focused on social enterprise, definitions and interpretations vary from country to country. As the British Council notes: “Of course, each country and territory is different and the survey approaches were slightly different in every place, while language and terminology, definitions and understanding of social enterprise vary across contexts.” Also, methods used to record data points – such as the annual turnover or number of people employed, for example – are not always consistent. One survey might ask for the “number of people employed” while another might request “the number of full-time equivalents (FTEs)”.

Social enterprise is a relatively nascent field of study, and the collection of data is constantly evolving. More coherent, comparable and sustained data collection is crucial for several reasons. First, comprehensive and accurate data can provide valuable insights into the impact and effectiveness of social enterprises in addressing societal challenges. This information is essential for assessing the overall contribution of social enterprises to economic development, environmental sustainability and social well-being. Additionally, robust datasets can help identify best practices and areas for improvement within the sector, enabling organizations to refine their strategies and maximize their positive impact.

Second, more data can facilitate evidence-based policy-making and investment decisions. Policymakers and investors rely on data to make informed choices about where to allocate resources and support. By having access to detailed information on the performance and outcomes of social enterprises, decision-makers can craft policies that encourage growth in the sector and ensure that resources are directed towards initiatives that yield the greatest social and environmental benefits.

Finally, increased data can enhance transparency and accountability within the social enterprise environment. Stakeholders – including investors, donors and members of the general public – benefit from having access to clear and reliable information about the activities and outcomes of social enterprises. This transparency helps build trust, attract funding and create a more supportive environment for the growth of socially responsible businesses.
3.5 Suggested ways forward

Addressing the challenges and gaps with the data currently available on social enterprise requires a multifaceted and multistakeholder approach. Collaboration among governments, research institutions and social enterprise intermediaries can lead to the creation of comprehensive databases, improving the availability and reliability of data. Establishing clear data-collection standards, possibly facilitated by international organizations or industry associations, is crucial to ensuring consistency and quality across datasets. This collaborative and systematic approach will be instrumental in unlocking the full potential of data to drive positive social and environmental change.

Addressing challenge 1: Availability and quality of data

Investment in research initiatives collecting quantitative data on social enterprise is urgently needed to address the current gaps in the availability of data. There should be a specific focus on financially supporting data collection in countries where data is entirely lacking or out of date. Moreover, governments, social enterprise intermediaries and researchers should collaborate on the inclusion of data on social enterprise in national (satellite) accounts of the government. That is, governments can also develop a satellite account or census on social enterprise. Such satellite accounts are closely linked to the main national accounts system but can be focused on a certain field or aspect of economic and social life and are not restricted to data expressed in monetary terms.31

Addressing challenge 2: Comparability of data

To enhance the comparability of data on social enterprise, financial and technical support is needed to facilitate regional and global coordination among research initiatives on social enterprise. This could lead to the development of globally aligned definitions of social enterprise and the standardization of data-collection methods. Ultimately, this could result in the publication of a handbook on the production of statistics on social enterprise.

Addressing challenge 3: Data on social and environmental impact

Standardized metrics and reporting frameworks for impact measurement would support the availability and comparability of data on the social and environmental impact of social enterprises. While several organizations – including B Lab, GIIN and the Global Reporting Initiative – have developed reporting standards to account for impact on the environment, economy and people, these frameworks have not yet been widely adopted.

Case study: Social Enterprise Census, Scotland

As part of its 10-year commitment to track the development of the sector, the Scottish Government launched a Social Enterprise Census. Every two years the project reports on the scale, reach and contribution of social enterprise activity across the country as well as the characteristics, prospects and needs of the organizations behind it. So far, reports have been published in 2015, 2017, 2019 and 2021.

Source: Social Enterprise Census, 2024
Conclusion

Robust data on social enterprise is critical to inform policy-makers on the design of policies and the most effective allocation of resources.

At a time where traditional economics is struggling to address unprecedented social, environmental and economic issues, governments are showing an interest in the innovative and inclusive business models of social enterprises.

As international organizations and governments are increasingly investing resources in the support of social enterprise, robust evidence and data on the contribution of these entities is crucial. Accurate and comprehensive information on the performance and outcomes of social enterprises enables decision-makers to craft policies that foster the growth of the sector and ensure that resources are directed towards initiatives that yield the greatest social and environmental benefits.

Using the available data, this report sheds light on the current state of social enterprise globally. Whereas the contribution of social enterprise towards societal progress has been widely acknowledged, this report highlights that the economic contribution of social enterprise is also significant.

In order to provide an overview of the global state of social enterprise, this research builds on a range of important research initiatives that made data available from more than 80 countries. The aggregation of data for this report also revealed various gaps and challenges with the data currently available, including the availability and quality of data, the comparability of the available data and difficulties with quantifying social and environmental value creation.

Addressing these challenges and facilitating the more coherent, comparable and sustained collection of data on social enterprise will require:

- Collaboration among social enterprise intermediaries, research institutions and governments to create and improve comprehensive data frameworks on social enterprise
- Investment in the collection of data on social enterprise, especially where data is not available or is out of date
- Regional and global coordination of research initiatives on social enterprise

This is critically important because it enables a better understanding of the contribution of social enterprise, informs decision-making processes and promotes transparency and accountability within the sector. In turn, this contributes to the overall effectiveness and sustainability of social enterprises as a driving force for positive change.
<table>
<thead>
<tr>
<th>Country</th>
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<th>Estimated/actual number of social enterprises</th>
<th>Source</th>
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</table>
Definitions of social enterprise vary among countries and according to context. The term “social enterprise” is also closely linked to other concepts, including “social business”, “social entrepreneurship”, “social innovation”, “the social economy” and “the social and solidarity economy”. Individuals or organizations may identify as more than one of the above, and indeed as something else. Furthermore, some of these concepts may be formally constituted through a legal mechanism in a given country. The list below presents the most common definitions of social enterprise and related concepts.

**Social enterprise**

While definitions and interpretations of social enterprise vary around the world, the Social Enterprise World Forum finds that there are five characteristics shared by the various definitions. These five standards are used by the People and Planet First social enterprise verification system:

- Social enterprises exist to solve social and/or environmental problems.
- They prioritize purpose over profit in operational and strategic decisions.
- A portion of income is earned through trading.
- They reinvest the majority of any surplus towards their purpose.
- They choose legal structures and financing that protect and lock in purpose over the long term.

The 2022 Social Economy Action Plan of the European Commission defines social enterprise as follows: “Social enterprises operate by providing goods and services for the market in an entrepreneurial and often innovative fashion, having social and/or environmental objectives as the reason for their commercial activity. Profits are mainly reinvested with a view to achieving their societal objective. Their method of organisation and ownership also follow democratic or participatory principles or focus on social progress. Social enterprises adopt a variety of legal forms depending on the national context.”

**Social business**

The term “social business” was first introduced by Nobel laureate Muhammad Yunus, who defined it as “a non-loss, non-dividend company dedicated entirely to achieve a social goal.” In the 2011 Social Business Initiative of the European Commission, social business was defined as “an enterprise whose primary objective is to achieve social impact rather than generating profit for its owners or stakeholders.”

**Social entrepreneurship**

While the terms “social enterprise” or “social business” are often used to describe an established organization, social entrepreneurship refers to the process of an individual using entrepreneurial activities to address a societal problem. Founders of social enterprises are often referred to as social entrepreneurs. In a 2023 Organisation of Economic Co-operation and Development (OECD) publication that reviews the concepts related to the social and solidarity economy, social entrepreneurship is described as follows: “Individuals and organisations that engage in social entrepreneurship leverage entrepreneurial activities to develop innovative ways to address pressing social challenges, benefit the common good, support labour market integration and contribute to sustainable and inclusive transition. Consequently, social entrepreneurship does not reflect a specific type of enterprise but rather a wide spectrum of entities ranging from profit-oriented businesses that engage in social activities such as corporate philanthropy, hybrid businesses that mix profit motivations and social objectives, non-profit organisations, and even ventures led by the public sector.”

**Social innovation**

Social innovation is mostly understood as a process of developing and implementing effective ideas, strategies and solutions to address societal challenges. It is not necessarily linked to an individual or organization. It arises from social enterprise and civil society as well as from other fields such as the public sector or the conventional private sector. The OECD defines social innovation as: “the design and implementation of new solutions that imply conceptual, process, product, or organisational change, which ultimately aim to improve the welfare and wellbeing of individuals and communities.”
Social economy

Social economy is used to describe a wide range of organizations that adhere to the principles of prioritizing social objectives over profit. These typically include cooperatives, mutual societies, non-profit organizations and social enterprises. In the World Economic Forum report on *Unlocking the Social Economy*, the social economy is defined as follows: “The social economy comprises multiple models with a common ambition to create a more inclusive and sustainable economic paradigm. It is composed of a highly heterogeneous set of private actors, including associations, co-operatives, foundations, not-for-profit organizations, voluntary groups and social enterprise.”

Social and solidarity economy

The term “social and solidarity economy” developed to include organizations with an economic vision based on solidarity and social inclusion, and often encompasses informal, locally rooted initiatives. The OECD states that: “While the social economy is understood to be composed of established entities, the solidarity economy can also include more spontaneous community-based initiatives that take place at the grassroots level.”

The 2023 United Nations resolution on promoting the social and solidarity economy (SSE) for sustainable development adopted the following definition: “the social and solidarity economy encompasses enterprises, organizations and other entities that are engaged in economic, social and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits, as well as assets, that social and solidarity economy entities aspire to long-term viability and sustainability and to the transition from the informal to the formal economy and operate in all sectors of the economy, that they put into practice a set of values which are intrinsic to their functioning and consistent with care for people and planet, equality and fairness, interdependence, self-governance, transparency and accountability and the attainment of decent work and livelihoods and that, according to national circumstances, the social and solidarity economy includes cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other entities operating in accordance with the values and principles of the social and solidarity economy.”

Other terms

Other relevant and related terms include “inclusive business”, “impact enterprise”, “mission-led business”, “purpose-led business”, “the collaborative economy”, “the new economy”, “the popular economy”, “the economy for the common good” and many more. There are also links here to the emergent field of social investment/impact investment, but these are focused on the supply side of investment flows rather than the demand side of the recipient enterprises.
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Endnotes


In partnership with the World Economic Forum, the Schwab Foundation for Social Entrepreneurship is the foremost global community of pioneering social innovators driving systemic change.

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