

Social enterprises – According to the EU

What are social enterprises?

Social enterprises combine societal goals with an entrepreneurial spirit. These organisations focus on achieving wider social, environmental or community objectives. A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.

The European Commission uses the term 'social enterprise' to cover the following types of business:

- Those for whom the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation
- Those whose profits are mainly reinvested to achieve this social objective
- Those where the method of organisation or the ownership system reflects the enterprise's mission, using democratic or participatory principles or focusing on social justice

There is no single legal form for social enterprises. Many social enterprises operate in the form of social cooperatives, some are registered as private companies limited by guarantee, some are mutual, and a lot of them are non-profit-distributing organisations like provident societies, associations, voluntary organisations, charities or foundations.

Despite their diversity, social enterprises mainly operate in the following 4 fields:

- **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, neighbourhood development/rehabilitation schemes in urban areas, development aid and development cooperation with third countries
- **Other** – including recycling, environmental protection, sports, arts, culture or historical preservation, science, research and innovation, consumer protection and amateur sports