The social enterprise landscape

From government institutions to private philanthropists, conferences to reports to online platforms, everyone in the development space is talking about social enterprise. News of an enterprise winning an award or securing hundreds of thousands of dollars’ worth of investment is not uncommon. But what does this say about the social enterprise landscape as a whole? This month, we partner with Endeva and the World Bank’s Social Enterprise Innovations team, to find out.

We speak to the entrepreneurs and commentators about the big trends in this space. Hear their views in our ‘views from the field’. There is plenty of good news – policy makers are more interested than ever before, business models are scaling and replicating and ecosystems are evolving. But there is also evident tension around what counts as social enterprise and whether and how profit and purpose align. This is a bumper edition; it’s totally worth reading till the end!

Hub Editor Caroline Ashley’s overview highlights the positives and negatives we’re hearing. And as she points out, three strong themes emerge:

1. **There are multiple innovative business models demonstrating impact:** in 2015, World Bank research conducted by Endeva and Ashley Insight scanned the social enterprise space to identify innovative business models demonstrating potential for scale. Ahead of the release of the studies, the researchers introduce the findings for us.

2. **The public sector is sitting up and taking note:** as social enterprises innovate, establish, and impact on societal incomes, they become natural allies for the public sector. Elaine Tinsley, Operations Officer of the World Bank Social Enterprise Innovations team, explains why the World Bank is increasing its support for social enterprise and the ecosystem that surrounds them.

3. **There is debate over terminology and what the focus should be:** Endeva Managing Director Christina Gradl introduces the complexity of the social enterprise landscape and the different type of enterprises out there.

**The landscape is changing**

In our new ‘Views from the field’ segment, social entrepreneurs and intermediaries raise a host more big picture trends...

- Watch this video compilation with entrepreneurs.
- Check out these quotes from thought leaders.
The British Council recently conducted a study on social enterprise in Asia to inform policy interventions while Siemens Stiftung’s empowering people. Network advises entrepreneurs on how their staff not their tech are the key to their future.

Innovative business models and their potential for scale

**Education:** From low cost school chains to management support services for schools, there are a number of innovative business that are yielding results in the education sector. Here, James Tulloch and Caroline Nehls introduce these models and suggest that standardisation and ICT are key.

**WASH:** In the water and sanitation sector, social enterprises are seeing success providing decentralised water solutions to low-income consumers. Tom Harrison introduces the models and identifies factors needed to support their uptake.

**Energy:** The Solar Home Systems model that provides affordable energy to low-income people living off the grid has reached significant scale with many companies reaching between 100,000 to one million people. Christian Pirzer looks at the factors that have made this a successful model while also examining a model that hasn’t scaled: energy solutions for agriculture.

**Health:** Amongst the healthcare innovations identified, two stood out for Endeva’s Isabel von Blomberg: specialised clinics and community health workers.

**Adoption:** The successful business models have adopted strategies to reach the last mile that are common across sectors. In this blog, Niharika Hanglem introduces these cross-cutting approaches.

Policy makers are recognising and supporting social enterprise

In countries like the UK, India, South Korea, governments have recognised the positive social and economic impact of social entrepreneurship and have put policies in place to encourage its growth. Belen Sanchez looks at 10 policy tools that have been adopted by these countries.

Social procurement by governments is increasingly being seen as an effective policy instrument for fulfilling government objectives and supporting social enterprises. Cristina Navarrete explains how it works and how all stakeholders benefit from it.

The network models used by a number of social enterprises in healthcare demonstrate how social enterprises can support and galvanise public sector health services and their objectives. Rachel Neill from Research for Development’s Center for Health Market Innovations (CHMI) explains.

Social entrepreneurship is growing globally by key challenges of lack of awareness, access to investment and government still remain, finds a new poll looking at the best places to be a social entrepreneur. Krisztina Tora, Global Social Entrepreneurship Network Lead, summarises the findings and emphasises the importance of focusing on support infrastructure as a whole.
• **RESOURCE:** In the soon to be released report ‘Are Social Enterprises the Inclusive Businesses of tomorrow’, the Asian Development Bank (ADB) analyses the landscape and underlying challenges of enterprises in eight countries. It comes up with a systematic categorisation of the enterprises and develops strategies for development banks to design sustainable support initiatives.

• Costa Rica has a history of having a strong social sector but it is only recently that social enterprise has been recognised as a critical tool for fighting poverty. Marco Villegas suggests this new transformation could make the small country the regional Hub for social enterprise in the Americas.

• Mexico too has a buzzing social economy, writes Roberto Gallardo. New regulation, emergence of impact investing and developing academic interest is all supporting the growth of social entrepreneurship.

• **GiZ is supporting social enterprises through its Responsible and Inclusive Business Hubs** in Cairo, Jakarta and Pretoria. Maite Deuchert tells us about how they are helping enterprises design and implement sustainable business models.

But there is still much confusion over who the social enterprises are, let alone what they can deliver.

• This month’s **Editor’s Choice**, the article ‘A neoliberal takeover of social entrepreneurship?’ rekindles the whole debate about 'impact first' or 'profit first' models, and whether one is better than the other. In this review, Caroline Ashley tells us why the article and the many comments it has elicited are worth a read.

• Jyoti Sharma, author of the article reviewed above, says she has long been uncomfortable with the contrast in social enterprise rhetoric and practice which is why writing the article was cathartic. Here, Sharma reflects on all the comments and reaction to her article.

• Purpose vs Profit debate is one they are struggling with in Myanmar, says Thuta Ang co-founder of HamsaHub, a responsible business consultancy. The country is ‘fertile ground’ for the growth of social enterprise but some tough love is needed to inject good business planning and entrepreneurial thinking into the nascent ecosystem.

• **What’s the difference between Inclusive business and social enterprise?** B4D believes that terminology doesn’t matter. What is crucial is a strong business model with demonstrable social impact. CEO Mark Ingram explains more with examples from the ground.