



## SEFORIS Report Summary

Project ID: [613500](#)

Funded under: [FP7-SSH](#)

Country: Belgium

### Final Report Summary - SEFORIS (Social Enterprise as Force for more Inclusive and Innovative Societies (seforis))

#### Executive Summary:

SEFORIS is a flagship multi-disciplinary, multi-method international research project on social enterprise funded by the European Commission. Through the generation of robust evidence and internationally leading research, SEFORIS aims to better understand the role that social enterprises play in the EU and beyond in the development and evolutions of inclusive and innovative societies.

SEFORIS investigated key processes through which social enterprises deliver inclusion and innovation (spanning a range of domains, from organisation and governance, over financing and innovation to behavioural change) as well as the contexts in which social enterprises thrive. In terms of methodology, we started from policy and social enterprise practitioner questions and challenges together with critically scrutinising existing academic literature. We used this first step to develop theoretical frameworks that then serve as a basis for thinking systematically about innovation and inclusion processes in context. This was followed by field and lab experimentation with social enterprises and in-depth case studies (25 case studies, 300 interviews) to expand and enrich our understanding of social enterprises. Unique longitudinal survey data was collected across 9 distinct countries (across Europe, Russia and China) to test new (and at times counterintuitive) hypotheses to reach novel insights and generalizable conclusions. This resulted in the biggest panel data on social entrepreneurship available to date. Another type of data collected through SEFORIS is tied to the Community Innovation Surveys (KU Leuven) whereby we included a special module on social innovation to the traditional CIS and expanded the sample to non-profit organisations.

We engaged policy makers and social enterprises throughout the research process to ensure that our research is relevant for them and can inform their practice. The project is divided into 10 work packages. WP1 to WP3 are mainly concerned with data collection. WP4 through WP8 different themes are studied and analysed. In WP9 results are disseminated and timely transfer of knowledge is ensured, while the objective of WP10 is to ensure successful delivery of the project through effective coordination.

The SEFORIS consortium was widely covered in national and international media. Consortium members participated in over 30 international conferences, getting international recognition for the quality of the work, as well as organizing 2 successful conferences (in UK and Belgium) in order to share results. A MOOC composed of 5 modules tackling different challenges of social entrepreneurship (scaling, context, innovation, governance and finance) was created to share results with participants and the wider audience. Finally, 6 policy briefs based on evidence and data analysis targeted policy makers. Detailed project description, preliminary results, reports, videos, policy briefs and other dissemination material can be found on the website: [www.seforis.eu](http://www.seforis.eu)

#### Project Context and Objectives:

The SEFORIS research project seeks to understand the potential of social enterprise in the EU and beyond to improve social inclusiveness of society through greater stakeholder engagement, promotion of civic capitalism and changes to social service

provision through a) investigation of key processes within social enterprises for delivering inclusion and innovation, including organisation and governance, financing, innovation and behavioural change and b) investigation of how formal and informal institutional context, including political, cultural and economic environments and institutions directly and indirectly support social enterprises. This will be achieved through three objectives that we expect to carry through and achieve right from the start to the very end of the project. The methodology will be to start from policy and social enterprise practitioner issues to develop a theoretical framework for inclusion and innovation processes in context, followed by novel experimentation with social enterprises and in depth case study analysis. Longitudinal survey data will be used to test and validate conclusions. Representative policy makers and social enterprises will be engaged throughout the process to ensure relevancy and transmission of results and findings.

Underlying these observations lies the hypothesis (however strongly supported with evidence) that social enterprises have the potential to achieve inclusiveness and social innovation / societal innovation goals. We seek to help Europe, at a local, regional, national and EU level move forward more quickly and efficiently towards realizing these goals through the promotion of social enterprise. To do this however, there must be an understanding of the actual potential of social enterprises to meet these goals –e.g. an understanding of what can be driven by policy, what can be driven by management choices and what through best practices amongst social enterprises, and what might be fortuitous given the context (and timing) in which social enterprises operate in any particular location. Therefore, our proposed work program is organized around the following three objectives:

- Objective 1 - Enhancing our understanding of the role of social enterprise in leading us to a more inclusive, innovative society.
- Objective 2 - Developing insight about the social enterprises and their context – How formal and informal institutions – social capital environment and resources affect social enterprise performance and vice-versa.
- Objective 3 - Developing thoughtful and new policy-relevant insights and stakeholder-relevant recommendations.

#### Project Results:

The SEFORIS research project seeks to understand the potential of social enterprise in the EU and beyond to improve social inclusiveness of society through greater stakeholder engagement, promotion of civic capitalism and changes to social service provision through a) investigation of key processes within social enterprises for delivering inclusion and innovation, including organisation and governance, financing, innovation and behavioural change and b) investigation of how formal and informal institutional context, including political, cultural and economic environments and institutions directly and indirectly support social enterprises. This will be achieved through three objectives that we expect to carry through and achieve right from the start to the very end of the project. The methodology will be to start from policy and social enterprise practitioner issues to develop a theoretical framework for inclusion and innovation processes in context, followed by novel experimentation with social enterprises and in depth case study analysis. Longitudinal survey data will be used to test and validate conclusions. Representative policy makers and social enterprises will be engaged throughout the process to ensure relevancy and transmission of results and findings.

Underlying these observations lies the hypothesis (however strongly supported with evidence) that social enterprises have the potential to achieve inclusiveness and social innovation / societal innovation goals. We seek to help Europe, at a local, regional, national and EU level move forward more quickly and efficiently towards realizing these goals through the promotion of social enterprise. To do this however, there must be an understanding of the actual potential of social enterprises to meet these goals –e.g. an understanding of what can be driven by policy, what can be driven by management choices and what through best practices amongst social enterprises, and what might be fortuitous given the context (and timing) in which social enterprises operate in any particular location. Therefore, our proposed work program is organized around the following three objectives:

- Objective 1 - Enhancing our understanding of the role of social enterprise in leading us to a more inclusive, innovative society.
  - Objective 2 - Developing insight about the social enterprises and their context – How formal and informal institutions – social capital environment and resources affect social enterprise performance and vice-versa.
  - Objective 3 - Developing thoughtful and new policy-relevant insights and stakeholder-relevant recommendations.
- Description of the main S&T results/foregrounds

The following section describes the objectives and deliverables of the SEFORIS project. Concretely, the project had 38 deliverables that were submitted to the European Commission.

WP1- Development of new evidence through interaction with key stakeholders

This WP focused on engaging stakeholders throughout the programme to collaborate in research, specifically to identify the most pressing research questions relevant to stakeholders to shape initial directions of inquiry; improve overall quality and relevancy of research through ongoing dialogue with stakeholders, develop detailed insight into key processes and decision-making at social enterprises through collaborative experimentation.

WP2- DEEP DIVE: Development of 25 in-depth cases of SEs in Europe and beyond

In WP 2 we undertook a rigorous qualitative content analysis of 25 cases/social enterprises in Europe and wider in order to gain deep understanding of these organizations and provide relevant inputs for subsequent work packages. Our cases were selected based on their fit with one or more research objectives of our project such as study of social innovation processes (WP 6), innovative SE funding models (WP 5), or SE policy-making processes (WP 4 and WP7).

WP3- SELUSI 2.0 DATA on 1000 social enterprises in 9 nation states

The aims of this work package was to build a unique reliable and cross-country database on social enterprises in China, Germany, Hungary, Portugal, Spain, Sweden, Romania, Russia, and UK. In building off the SELUSI database, this database created the biggest panel data with a unique longitudinal dimension, allowing us to investigate patterns of change over time in 5 of the 9 countries included.

WP4- The organization of social enterprises in market and society

In this WP we focused on two important SE features that determine the level of participation of their stakeholder- governance and organizational forms. We know that some organizational forms, such as worker owned cooperatives, are more inclusive and adopt more democratic/participative governance modes than the other SEs that adopt more traditional business governance models and organizational forms. We studied differences among governance models/modes and organizational forms to understand how they are shaped by issue domains and geographical and institutional contexts.

WP5- The private and public financing of social enterprises

The aim of this work package is twofold: First, to produce a useful typology and analysis of impact investment funding

contracts, including the performance metrics (or KPI indicators) that they explicitly stipulate, and critically assess their underlying logic both from an investor's and investee's perspective. Second, we wish to exploit two unique, large-scale evidence pools to study, respectively, how financial contracts impact subsequent social enterprise firm performance, and how financial (and non-financial) incentives impact the efficiency and creativity of solutions to societal challenges.

#### WP6- The innovations of social enterprises

This WP investigated whether and how social enterprises are able to develop and market social innovations. We generated both theoretical and empirical insights into the process and impact of social enterprises through social innovation. The WP tried to understand what is unique to social innovation processes – how do they compare with traditional innovation processes and how do social innovation processes differ between SEs and mainstream business. As well, how does the way the innovation process is organized affect the societal and financial impact of social innovations? Finally, how does the formal and informal context in which enterprises operate affect the social innovation process, and are there specific policy measures that can trigger or support innovations with a positive impact on societal behavior and financial performance and growth of SEs generating the social innovations?

#### WP7- Social enterprises in context

In this WP we investigated how formal and informal institutional context influences and feeds back in the emergence, sustainability and growth of social enterprises. Drawing on the multi-disciplinary expertise of the research partners, this WP integrated a) expert and stakeholder views (policy, etc.), b) views of social enterprise support organizations, and c) views of social enterprises themselves as collated in WP1. It will also integrate existing theorizing about institutions and d) social entrepreneurship; e) non-profits and f) commercial entrepreneurship; as well as g) leverage established institutional theories from multiple disciplines (economics, political science, sociology, psychology and entrepreneurship). Key areas investigated the dimensions of context that are particularly relevant? Looking beyond economic development, e.g. rule of law, regulatory density, the size of the welfare state, social enterprise-specific legislation, cultural values, norms and social capital. As well, what are the underlying market and psychological processes? A thorough understanding of these mechanisms ensures that policies designed to support social enterprise have the intended impact and do not backfire. What evidence is there to support the notion that social enterprise helps to create inclusive societies? E.g. by attracting those less commonly involved in entrepreneurship to part-take in market activities, etc.

#### WP8- Social enterprises and their impacts

In this WP we explored in depth behavioral changes and societal changes achieved by social enterprises, diving into the details of not only the nature of changes achieved, but also the conditions and mechanisms (internal and external to the organization) utilized by social enterprises to achieve these results.

This work package draws on large, longitudinal survey datasets to develop a novel understanding from a macro perspective, while also using a combination of case study analysis and behavior interventions to understand behavioral and societal change in necessary detail. More specifically from a macro perspective, advance a useful typology of the nature of societal change that social ventures aim to realize, and the different pathways that this leads them to pursue (e.g., for instance, in terms of whether to scale, who to collaborate with, how and when, or the relationship with government). At a micro-scale, generate new, reliable evidence on the behavioral change impacts that social ventures effectively make, and build up a more nuanced understanding of the key factors drive these results.

#### WP9- Dissemination and valorization

This work package focuses on the timely and targeted transfer of knowledge generated throughout the project program to multiple groups of stakeholders. Special attention was paid to tailoring the format and content to stakeholders, engaging in a dialogue about the findings, thereby enriching the project processes, and in particular, finding ways, through dialogue, to tailor output in ways which will best result in use and implementation of findings.

#### WP10- Governance and project management

The principle objectives of this work package are to ensure the successful delivery of the project through effective coordination of the activities and by maintaining an efficient and pro-active relationship within the consortium and with the EC services. In particular this task intends not only to achieve the highest standards of quality of deliverables but also to do so within the time and budget.

During the first reporting period spanning from the beginning of the project to month 12, the main objectives were understanding the context of social entrepreneurship in the 10 project countries, and preparing for data collection. This was achieved through country reports that discussed the state of social entrepreneurship in each partner country. As well, data collection protocols were established for the case studies (WP2), the phone survey was created (WP3) as well as the Community Innovation Survey (WP6). Finally, theoretical and methodological frameworks for studying governance (WP4); finance (WP5); innovation (WP6); institutional context (WP7) and impact (WP8) were developed.

The second reporting period extended from months 13 to 24. During this period, the project achieved all of its objectives. This period's focus was mainly on data collection. This included: collecting data for the case studies (WP2); a phone survey with an objective of interviewing 1000 social entrepreneurs was set (WP3); inserting a special module on social innovations in the Community Innovation Survey (WP6); as well as initial data analysis on behavioral interventions and financing social enterprises (WP1). Finally, several dissemination activities were planned for this period (WP9).

During the third and final reporting period spanning from months 25 to 40, the objective was mainly to clean and do data analysis, as well as dissemination activities with different stakeholders in order to share, publish and spread the results of the project. During this period data cleaning and survey codebooks were finalized (WP3); several media publications, two conferences and a MOOC were successfully completed (WP9); initial data analysis on financing social enterprises was submitted (WP1); initial results through academic papers (WP4,5,6,7,8) and policy briefs targeting policy makers were submitted (WP4,5,6,7,8).

#### Potential Impact:

The results from SEFORIS project will enhance our understanding of the role of social entrepreneurship in leading us to a more inclusive society as well as developing a set of recommendations relevant to policy makers and other stakeholders. Data analysis led to a series of recommendations relating to the different work packages:

- o Legal form - Choosing the appropriate legal form: Social enterprises signaled the need for support in deciding on the appropriate legal form of the organization. Navigating the fiscal and legal requirements attached to individual legal forms has been signaled as challenging. More comprehensive guidelines regarding the constraints and opportunities related to each legal form could be useful for social enterprises.

- o Legal form - Safeguarding the social mission: Younger social enterprises increasingly adopt for-profit legal forms that allow them to generate income from the market. However, this raises questions about how to safeguard their adherence to the social mission. Developing more inclusive measures that allow for-profit organizations to legally bind themselves to a social mission while allowing them to operate on the market and generate profits may help to ensure long-term compliance with dual performance objectives.

o Legal form – Using dual legal forms (traditional hybrids): Social enterprises deal flexibly with legal forms by combining traditional non-profit and for-profit legal forms. Due to this, many do not see the need to establish a distinct legal form for social enterprises. Operating with dual legal forms, so having two legal entities can be a desirable alternative for particular cases and contexts, such as settings in which there is no special legal form for social enterprises or where fiscal legislation is very strict.

o Legal form – Developing distinct legal forms: The need for new legal forms is not the main priority, as social enterprises show creativity with existing forms, structures and regulation and only 11% mentioned this is a need. Introducing new legal forms would require more in-depth analysis of the regulatory implications in different contexts.

o Board governance – Going beyond compliance: Board governance in social enterprises has a strong compliance focus. Most organizations perceive board governance as a duty rather than an opportunity. This is mirrored also by the emphasis on control and strategy as tasks of the board. However, boards can be used as a resource for tackling barriers and for dealing with ongoing challenges of social enterprises through the expertise of the board members. Differences in board composition even among those social enterprises that set up a board for legal reasons suggest a turn towards boards being used as a resource by the organizations. A stronger emphasis on this alternative role of the board can contribute to the social enterprise managing multiple stakeholder groups and organizational goals.

o Board governance – Putting governance on the agenda early on: We find that, in the starting phase, social enterprises focus more on activities and operations of the organization and have the tendency of not treating governance as equally important. This often generates problems at later stages of development when challenges emerge and the organization lacks a mechanism to steer, provide direction and feedback. This may also be connected to the fact that available funding for social enterprises is not allocated primarily for governance and matters of internal organizational development, which limits the capacity of social enterprises to concentrate on these issues. Providing more support for organizations to establish adaptive governance structures and practices that may support them in times of growth, change and crisis may contribute to making social enterprises more successful and less prone to mission drift. Providing this support from the starting phase can help the organization adopt measures that can substantially influence its trajectory.

o Board governance – Fostering multilevel governance: Governance is not limited just to the board structure. Multilevel structures such as committees or positions in the organization that bridge the different social and commercial activities of the social enterprise can have an important contribution for effective governance and can contribute to ensuring accountability to multiple stakeholders. For instance, beneficiary committees can advise boards on a regular basis in matters that concern the target group. Generating awareness on the potential roles and contributions of the advisory board can also reduce the attention and pressure placed primarily on boards with decision-making power. As boards with formal decision-making power in social enterprises predominantly assume strategic and control functions, advisory boards may be an important provider of service functions, such as fundraising, community relations, influencing policy, educating the public.

o Reporting and transparency – Using reporting as a learning tool: Social impact measurement and reporting practices should become a learning and reflection opportunity for social enterprises in regard to their performance, development and impact. The majority of social enterprises use output measures to illustrate their social performance. Although some organizations also develop qualitative measures, due to their limited.

o Reporting and transparency – Adapting reporting expectations and going beyond standard measurements: The requirements of funders strongly influence the way in which social enterprises report. The funders also often apply standard measures from the business sector to these organizations. Many social enterprises struggle with the extensive reporting requirements to multiple types of funders and invest a large amount of resources in measurement and reporting activities that may not directly benefit the organization. Encouraging funders to be realistic about the amount of reporting that organizations can provide

could prove useful. Additionally, it is important to also encourage reporting practices that build upon customized indicators used by social enterprises in order to generate knowledge also for particular social domains.

o Reporting and transparency - Collecting publicly available data: As in the case of commercial companies, social enterprises could benefit from a more systematic collection of indicators also made publicly available (for instance on their revenues, number of employees and beneficiaries, etc). This would increase the overall transparency of the social sector and would also allow for a more accurate analysis of social enterprises and their performance also in comparison to commercial ones.

o Governance: Overall, we recommend that policy frameworks protect the agility and flexibility of the governance arrangements of social enterprises. The heterogeneity of social enterprises and their governance arrangements indicate the limitation of regulation in regards to governance and stress the importance of creative and adaptive processes and practices of social enterprises in regards to how they govern and are governed.

o Financing: Understanding the need for different types of well-targeted financing and how they best suit the reality of social enterprises in their endeavor to achieve a long-lasting social or environmental mission is crucial. As social enterprising emerges in the interface between traditional sectors and explore this hybridity, financing must nevertheless match this demand. It implies that common forces from multiple actors - government and other public bodies, banks, corporations, investment funds as well as individuals all over the world - join to make this kind of business surge in spite of its complexity.

o Financing: As seen, financing sources bring about challenges as well opportunities. On the one hand, the increasing availability of funds designated strictly to projects with pro-social goals provides entrepreneurs with more choices of how to fund their ventures. Public and private organizations involved in social entrepreneurship have developed a number of innovative financing instruments. Two explicit examples are the "pay-for-success" contracts and social impact bonds. Likewise, crowdfunding is a rapidly growing phenomenon. Thanks to its emergence, social enterprises can harness the growing connectivity of the world by raising funds through online platforms, such as Kickstarter or Kiva. Moreover, social finance also serves as a binding element that brings different players together into collaborations. These collaborations involve different types of organizations. As our survey evidence shows, they include non-profits, for-profit firms, governments, and academic organizations.

o Financing: On the other hand, formal strings-attached and difficulty of measuring social impact can be challenging for nascent social entrepreneurs working on an innovative solution to social and environmental problems. Financing is seen as an impediment by social entrepreneurs, and first of all for innovation - both in product or service. Survey respondents from all countries but China and Portugal, indicated that lack of funding as the primary innovation-stifling factor. 17% of Portuguese social entrepreneurs surveyed by SEFORIS placed financing as the major barrier to innovation after market-related barriers and regulation (44% and 20 % respectively). In Hungary, 64 % of social ventures, named financing as the primary innovation barrier, followed by UK social entrepreneurs (60%), Spain (49%), and German (44%).

o Financing: It is also important to recognize that applying for funding may be expensive and time consuming. Hence, if revenues are not self-generated, many SEs may face problems to motivate and apply for funding for new IT-systems, offices, staff and other overhead costs not immediately directed to the beneficiaries. The awareness of the SE could also affect the possibility to assure funding from certain sources as well as the knowledge of the whole sector. Many countries in our study do also have national programs with funds dedicated for a certain social group or to environmental work. This means that funds are also easier to ensure for some SEs than others and it is unclear what impact these factors have on social ventures at large.

o Innovation: If policy makers at the European, national, and regional level want to launch and evaluate policy actions aimed at the development of a more inclusive society, they should be able to monitor the evolution of for-profit and non-for-profit organizations' contributions to this inclusiveness. We propose to include the module developed and validated in this project in future editions of the Community Innovation Survey to monitor (a) the extent to which for-profit and non-for profit

organizations engage in social innovation, (b) the types of beneficiaries they reach, and (c) the main drivers behind their social innovation activities.

o Innovation: Evidence for Flanders shows that in the period 2012-2014, 15% of for-profit innovators and 41% of non-for-profit innovators introduced an innovation that improved the access of socially vulnerable groups to basic provisions. Both for-profit enterprises and non-for-profit organizations in Flanders most frequently tried to improve vulnerable employees' and customers' access to quality employment, education, and training. Whereas the key drivers for social innovation in for-profit enterprises were their social vision and economic benefits including potential sales, profits and cost reductions, the non-for-profit organizations were mainly driven by their social vision and the availability of grants or subsidies.

o Context and social enterprises: Which environments enable social entrepreneurship? Societal challenges such as inequalities, poverty, poor health and environmental degradation are growing. Social enterprises – organisations that use market based-based activities to alleviate societal needs – and social entrepreneurs – individuals working for their own account to pursue prosocial goals to benefit others – can help to address such societal challenges. But how can social entrepreneurship be supported through policies and other support measures? To start answering these questions, we explored which environments enable social entrepreneurship across countries globally and across European regions. We did so by taking an institutional perspective, considering (1) formal institutions such as regulation, the welfare state and the rule of law, (2) informal institutions including cultural values and norms, social capital and religiosity, as well as (3) the alignment of formal and informal institutions. We also examined similarities and differences with commercial entrepreneurship to help start understand whether both types of entrepreneurship benefit from similar contexts, or whether there may be competing effects.

The evidence summarized here suggests that social enterprises can help to make business more inclusive and to create inclusive societies. Yet the evidence also suggests important nuances, for instance with regard to gender pay gaps at the top of social enterprises and the role of higher education. Notwithstanding such nuances, the current evidence offers several policy implications. The finding that social entrepreneurship attracts new talent (women, older aged individuals, the more highly educated) into entrepreneurship and that there are positive spill-over effects from social to commercial entrepreneurship, provides policy makers with additional reasons to back social entrepreneurship. Supporting social entrepreneurship also benefits commercial entrepreneurship. Indeed, social entrepreneurship acts as one important channel that helps to make commercial entrepreneurship and ultimately business more inclusive.

o Social enterprises, social inclusion and positive social change. Social enterprises – organisations that use market based-based activities to alleviate societal needs – and social entrepreneurs – individuals working for their own account to pursue prosocial goals to benefit others – work to address societal challenges such as social inequalities and exclusion. But how can social enterprises be a force for greater social inclusion and positive social change?

First, from the perspective of the individual social entrepreneur we ask whether we may see greater inclusiveness in terms of who becomes a social entrepreneur. This perspective also explores whether social and commercial entrepreneurship may compete for the same entrepreneurially talented individuals. Second, from the perspective of the organisation, i.e. the social enterprise, by asking what are the mechanisms and strategies through which social enterprises may stimulate positive social change towards inclusive societies.

The Positive Social Change (PSC) framework based on a systematic evidence review has several implications. These relate to implications for the measurement of social impact (and in turn the timing of support measures and access to finance) and to new opportunities to stimulate positive social change (in the form of the surface-level strategies). More generally, the framework points to the limits of applying existing management knowledge to social enterprises, because existing knowledge has predominantly evolved out of research on an entirely different set of (for-profit) organisations and assumptions about the purpose of enterprise.



Social impact measurement. Stimulating positive social change is a process that unfolds over time. Especially for social enterprises that typically seek to mobilize deep-level change strategies, the evidence review documented just how lengthy and uncertain the development of social impact can be. Often social change efforts were de-railed by lack of resources or resource providers pushing to see evidence of social impact before social impact had a chance to develop. This reiterates calls for patient capital and long-term access to finance, but also for a process approach to documenting evolving social impact. Specifically, measures of the change levers (motivation, capability and opportunity) can function as process indicators. They complement and can be easily incorporated in existing social impact measurement approaches such as those based on developing a Theory of Change and LOGIC models. A focus on change levers appreciates that creating social impact is not fully under the control of a particular social enterprise (it is determined by multiple factors and actors) and takes considerable time to materialize. In the meantime, the provision of government support or funding could be evaluated against progress in relevant process indicators capturing the development of beneficiary motivation, capabilities and opportunity structures.

New opportunities to stimulate positive social change. The PSC framework highlights that issues of the 'depth of change' and particularly surface-level strategies are largely overlooked to date. The evidence review indicated that these strategies, if well designed, can be effective and nearly immediately so. They may be particularly useful, for less complex behaviours, to start social change projects when either the beneficiaries or the social enterprise are not yet willing or able to engage in a deeper way, and to complement deeper-level strategies. Surface-level strategies may also offer for-profit companies a possibility to engage in addressing social issues in an authentic way (without requiring them to fundamentally reconfigure their organisation). To tap into the opportunities that surface-level PSC strategies offer, policy makers could recognize and draw attention to these strategies.

o Context - Policy implications and recommendations. Despite the intensified attention that social enterprises receive today, policy making on social enterprises is faced with the challenge that extremely few reliable data sources on social enterprises exists, and fewer yet that are harmonized and comparable across countries. This is a challenge, because measures and policies to support social enterprises will be most effective if they can be based on a robust understanding of the population of social enterprises. This challenge inspired the SEFORIS study of social enterprises, which provides unique insights based on representative samples of social enterprises as organisations that are both economically and socially impactful. The SEFORIS study allows to understand the full spectrum of social enterprises and showcases important heterogeneity in size, productivity, and reach not only across countries, but also within countries. This heterogeneity in turn calls for targeted policy making. The support needs of the very large social enterprises are likely significantly different compared to those of the very small social enterprises. The SEFORIS study also breaks new ground methodologically by demonstrating how hard-to-reach populations such as social enterprises can be surveyed in-depth and at large scale to obtain representative samples.

o Behavioral and societal change - Methodology. The SEFORIS study of social enterprises was conducted by a team of 30 interviewers and country managers from April 2015 to December 2015. The study is unique in its depth: social enterprise directors were interviewed by trained interviewers for an average of 1.5 hours, additionally they completed a 30 min online survey. To overcome sampling challenges, the SEFORIS study adopted Respondent-Driven Sampling (RDS), a methodology widely used in public health and sociological research (Heckathorn, 1997; Johnston, 2013)<sup>1</sup>. RDS was specifically developed to obtain representative samples of 'hidden' or 'hard-to-reach' populations, i.e. populations such as social enterprises for which no sampling frames exist and that are not easy to identify<sup>2</sup>. RDS relies on social network theory in combination with a chain referral process. It taps into social enterprises' trusted network relationships to help increase participation. Importantly, trained interviews checked a set of criteria to ensure each respondent and referral was indeed the (director of a) social enterprise.

o Behavioral and societal change - Results. The figures summarized offer reliable new evidence on an important thread of debate on the economic significance of social enterprises and the role they play towards leading our society to become more socially inclusive. They show that social enterprises make indeed significant economic contributions providing employment and engaging in economic activity, and have a positive outlook for the future. There is also evidence of important

contributions towards societal inclusion – working across a range of diverse social issues, social enterprises support their beneficiaries offer volunteering opportunities, and help to make labour markets more inclusive. Likely a bi-product of their strong social focus is that social enterprises seem, in economic terms, to be less productive than commercial businesses.

o Behavioral and societal change - Policy implications and recommendations. Despite the intensified attention that social enterprises receive today, policy making on social enterprises is faced with the challenge that extremely few reliable data sources on social enterprises exists, and fewer yet that are harmonized and comparable across countries. This is a challenge, because measures and policies to support social enterprises will be most effective if they can be based on a robust understanding of the population of social enterprises. This challenge inspired the SEFORIS study of social enterprises, which provides unique insights based on representative samples of social enterprises as organisations that are both economically and socially impactful. The SEFORIS study allows to understand the full spectrum of social enterprises and showcases important heterogeneity in size, productivity, and reach not only across countries, but also within countries. This heterogeneity in turn calls for targeted policy making. The support needs of the very large social enterprises are likely significantly different compared to those of the very small social enterprises. The SEFORIS study also breaks new ground methodologically by demonstrating how hard-to-reach populations such as social enterprises can be surveyed in-depth and at large scale to obtain representative samples.

List of Websites:

Alain Daou, Ph.D

SEFORIS project

Managerial Economics, Strategy and Innovation (MSI)

Faculty of Economics and Business

KU Leuven

Naamsestraat 69 - 3000 Leuven, Belgium

[Alain.daou@kuleuven.be](mailto:Alain.daou@kuleuven.be)

[www.seforis.eu](http://www.seforis.eu)

## Reported by

---

KATHOLIEKE UNIVERSITEIT LEUVEN

Belgium

## Subjects

---

[Policies - Social sciences and humanities](#)

**Last updated on** 2017-11-16

**Retrieved on** 2018-08-27

**Permalink:** [https://cordis.europa.eu/result/rcn/208643\\_en.html](https://cordis.europa.eu/result/rcn/208643_en.html)

© European Union, 2018