



SOCIAL ENTREPRENEURSHIP

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Government of Cyprus



What is a Social Enterprise?

- *“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.”* (European Commission)

The context in the European Union

- There are approximately 2 mil. Social Enterprises representing 10% of the European Economy (GDP)
- They employ more than 11 millions employees, representing 4.5% of the active EU population
- 1 out of 4 new enterprise set-up every year in the European Union
- They have proven to be more resilient in crisis
- Social Entrepreneurship and Social Economy are considered as tools of sustainable growth from the EU

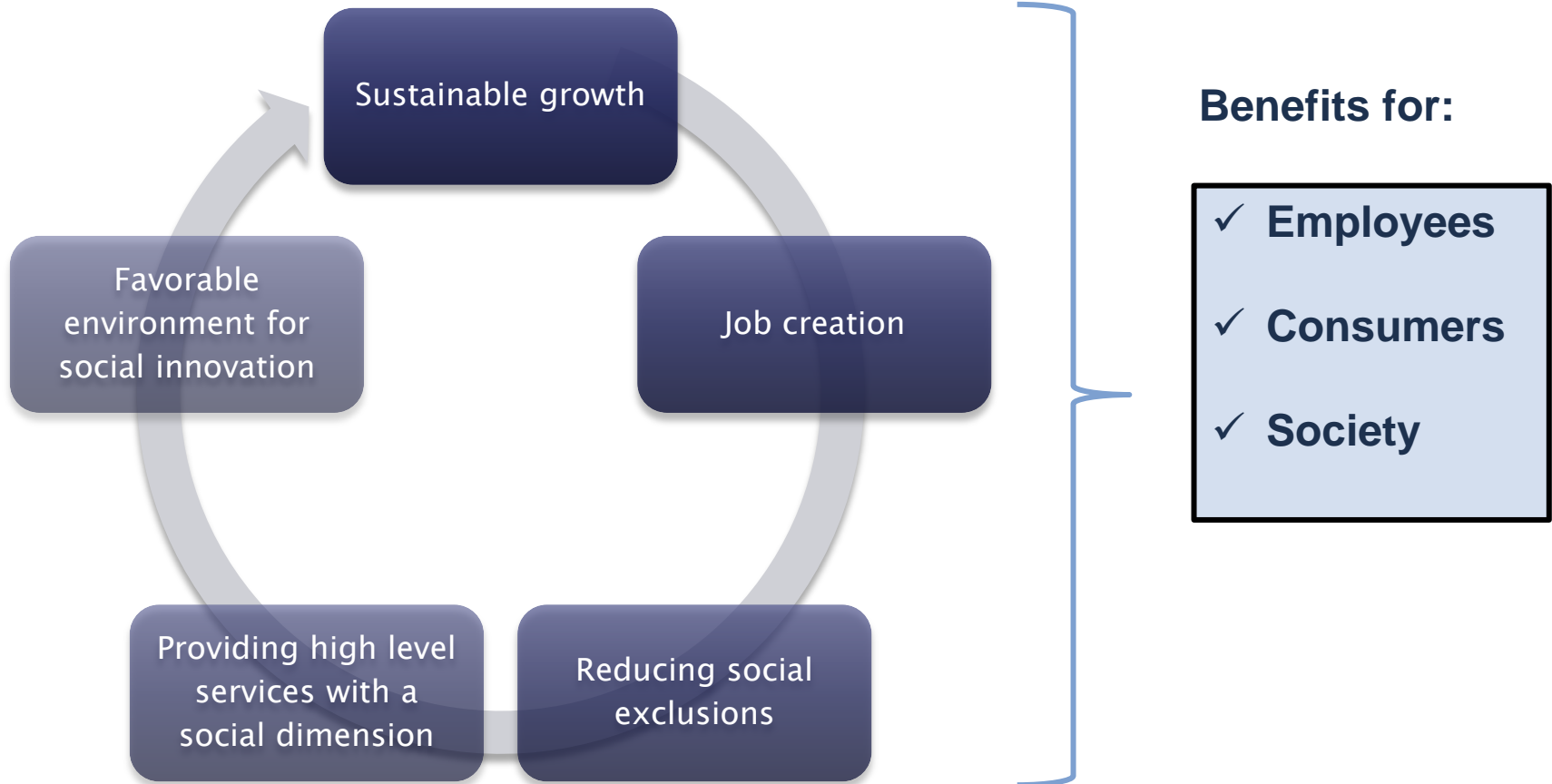


Social Economy and Social Enterprises – A new form of business activity

- ✓ Comprehensive policy framework for **economic development** and **social cohesion**
- ✓ Connects entrepreneurship with “social benefit”
- ✓ Drivers for tackling **social and/or environmental challenges**
- ✓ Contribute to an **all inclusive economic growth**
- ✓ It provides a tool by which **vulnerable groups of people can enter the labour market** - a step towards social integration



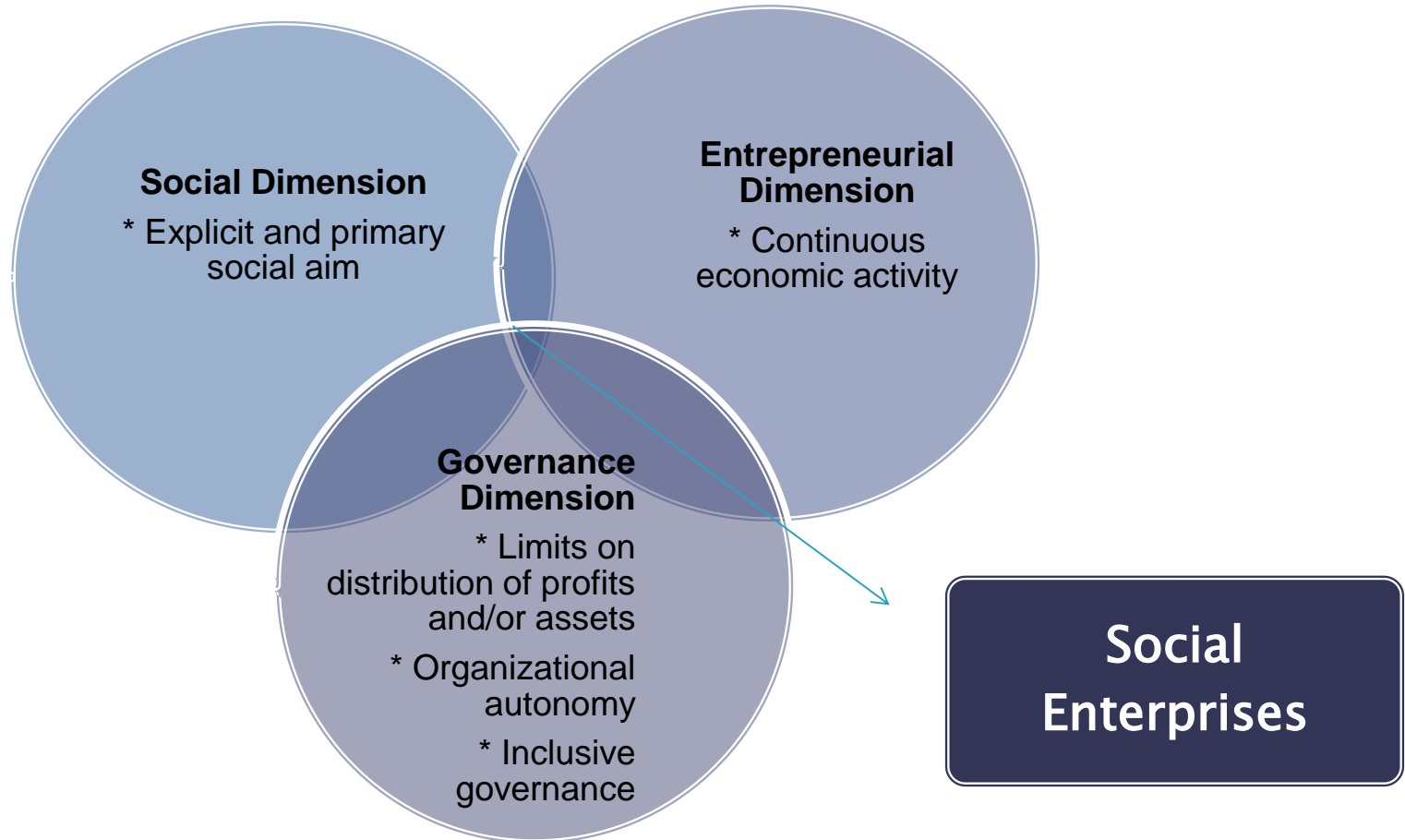
Social Enterprises – Positive Impacts



**Alternative Form of Entrepreneurship
Transforming the socioeconomic field**



Three Dimensions of Social Enterprises



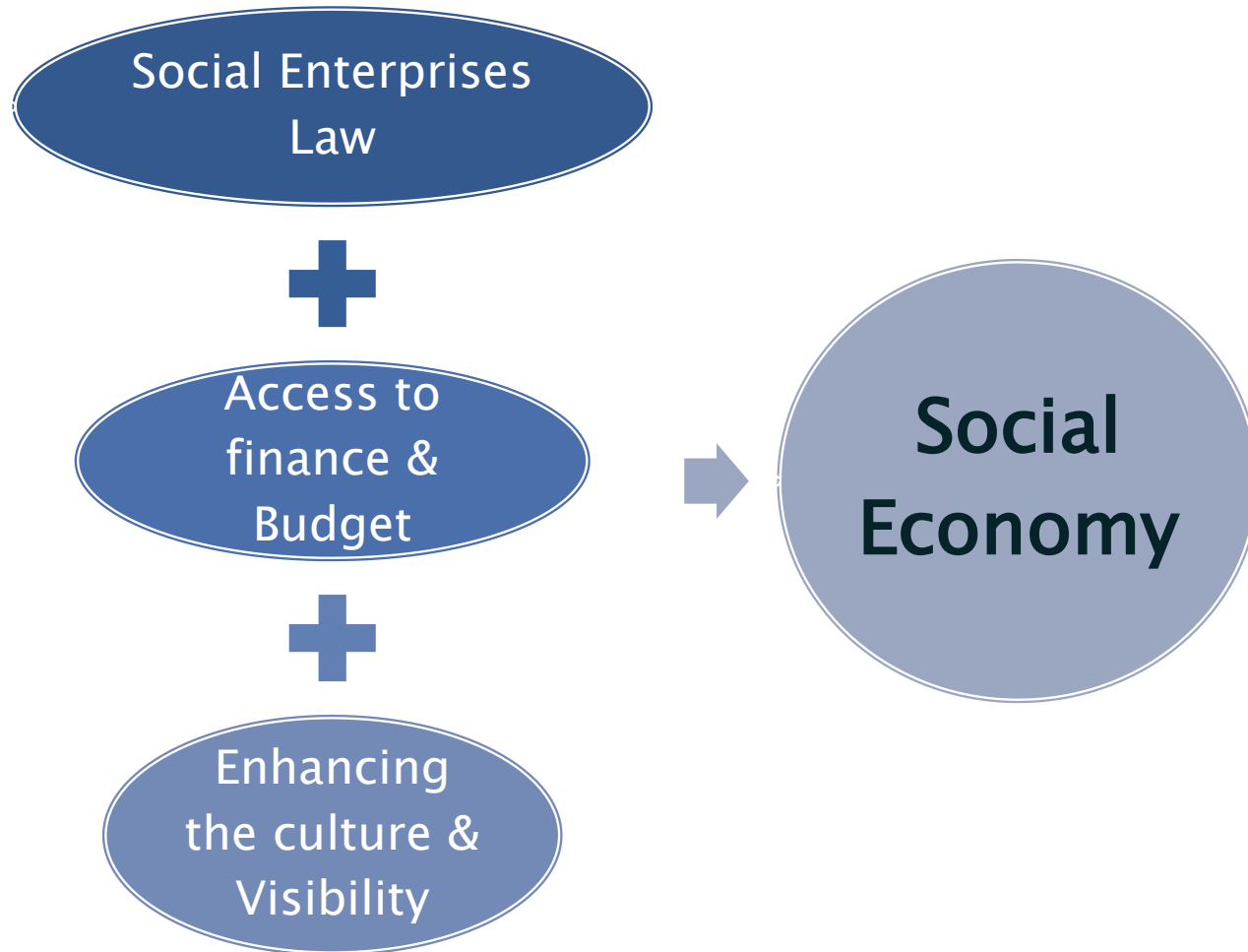


Social Entrepreneurship Framework

- Basic action of the National Policy Statement for the Enhancement of the Entrepreneurial Ecosystem in Cyprus, 2015, **as an alternative form of entrepreneurship**
- Part of the Action Plan for Growth of Cyprus Government – Recommendation by the European Commission
- Aims at the strengthening of the domestic entrepreneurship, business activity and economic growth



A Comprehensive approach for Social Economy





Promotion of a Comprehensive Policy and Strategies for the Specific Sector by the Government of Cyprus

- ▶ Preparation of a **Draft Bill for Social Enterprises**, based on relevant study of similar regulatory frameworks available in the European context, setting the criteria for the establishment of SEs (two categories) and the creation of the Registry for SEs
- ▶ Preparation of an **Action Plan for the Development of Social Enterprises Ecosystem in Cyprus** by the authorities involved (Unit of Administrative Reform and competent Ministries), based on best practices from other European countries and a related study



Approval by the Council of Ministers, 9th of January 2018



Action Plan – 1st Axis

Creation of a Favorable Business Environment





Action Plan – 2nd Axis

Enhancement of Social Entrepreneurship Culture

Web portal

Social Enterprises
Label

Mentorship

Information
campaigns / training
visits

Actions related to
education

Social
Entrepreneurship
Ambassadors



Action Plan – 3rd Axis

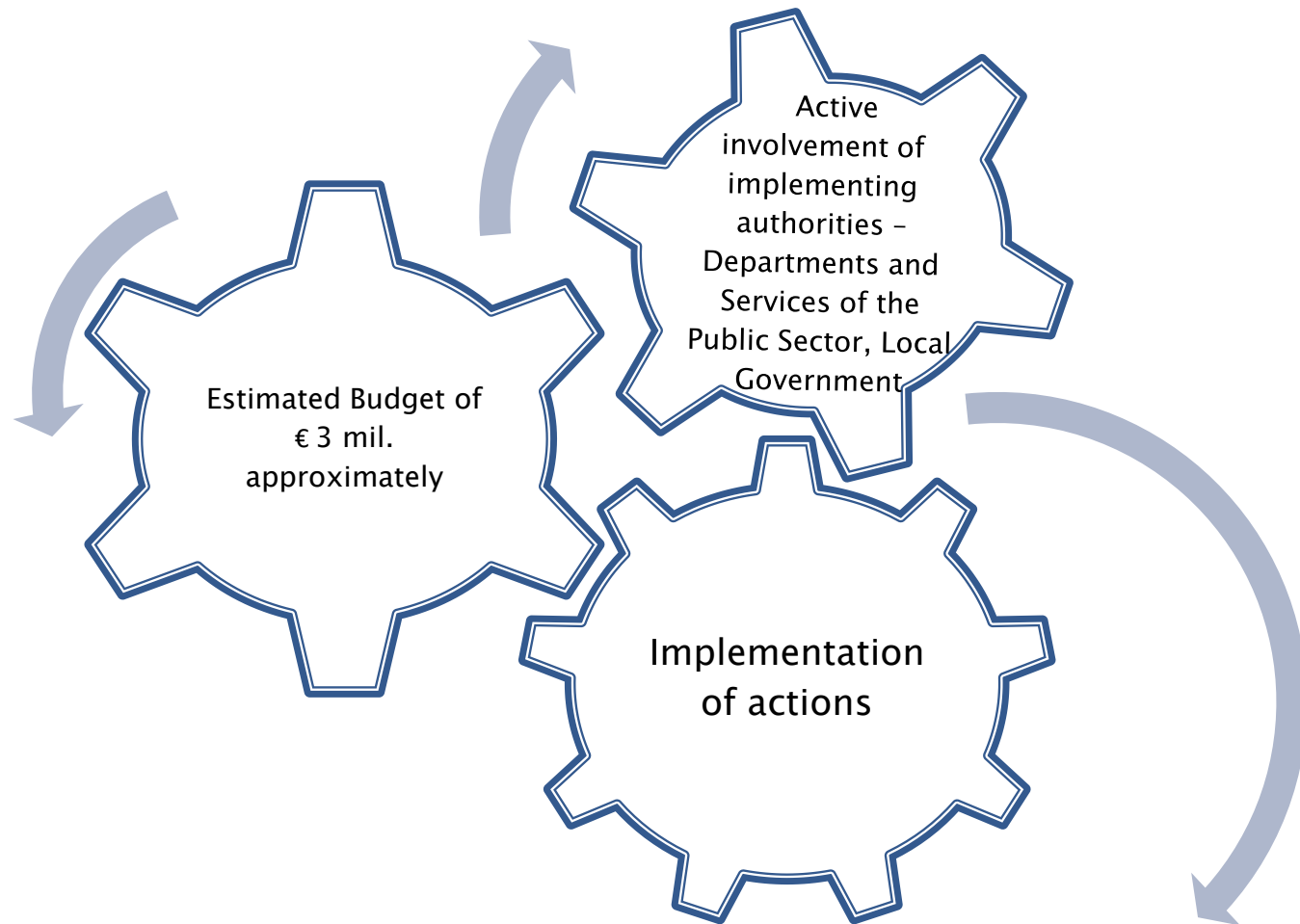
Access to Finance

Grants and Incentives Scheme

Review of available financial tools /
programs provided at the EU level

Alternative financial tools (e.g. Social
Impact Bonds)

Action Plan for the Development of Social Enterprises Ecosystem in Cyprus





“Social business can be indeed a very powerful agenda for change. To deliver better outcomes for the common good. To show that it is possible to do things more responsibly and more fairly, whilst still being a success on the market. And to become a real engine of growth in the EU. Europe must only be part of these changes. Europe should be in the lead”

*Jose Manuel Barroso,
President of the European Commission, 2004 -2014*

