

# What is a Social Enterprise?

Broadly speaking, a “social enterprise” is an organization uses a business-oriented solution to solve social and environmental problems.

Social enterprises differ from charities and government-funded NGOs in that they have a business-oriented approach to creating measurable social or environmental impact and, at the same time, seek to generate returns to investors.

## Social Entrepreneur, Social Entrepreneurship & Social Enterprise

“Social entrepreneur”, “social entrepreneurship” and “social enterprise” are often used interchangeably. But there are subtle differences between the terms, especially as the social enterprise field has matured.

- **Social entrepreneur** refers to individuals who launch, run and grow businesses dedicated to a social mission. They bring a business-like approach in terms of developing the business model, operating and financing.
- **Social entrepreneurship** refers to the actions taken by social entrepreneurs, typically to create, build and sustain a social enterprise.
- **Social enterprises** are businesses providing goods or services directly related to solving a social or environmental problem that also seek to be self-sustaining and generate a financial return to investors.

## What are the characteristics of a Social Enterprise?

Every social enterprise is different based on their mandate, objectives, scope, scale and available resources. However, there are some characteristics that most social enterprises have in common:

- They have a social purpose.
- Assets and wealth are used to create community benefit.
- They pursue this with (at least in part) trade in a market place.
- Profits and surpluses are not distributed to shareholders, as is the case with a profit-seeking business.
- ‘Members’ or employees have some role in decision making and/or governance.
- The enterprise is seen as accountable to both its members and a wider community.
- There is either a double- or triple-bottom line paradigm. The assumption is that the most effective social enterprises demonstrate healthy financial and social returns – rather than high returns in one and lower returns in the other.<sup>1</sup>

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<sup>1</sup> From Thompson, John, and Doherty, B. “The Diverse World of Social Enterprise.” *International Journal of Social Economics* 33.5/6 (2006): 361-75.

# Examples of Social Enterprises

Below is a selected cross-section of award-winning social enterprise programs/businesses. Meant to be illustrative of the diverse range and innovative nature of social enterprise practitioners, the examples show how social enterprise operates across the world and in a variety of sectors.

These social enterprises among the leaders in their fields, and have won multiple awards from social enterprise advocacy and funding organizations. Additional information about these social enterprises can be found on their websites and on the [LCI website](#).

**Gram Vikas** (*Economic Development Focus*) <http://www.gramvikas.org/>

Gram Vikas works to build a sustainable and equitable future in India, where the poor and marginalized can live dignified lives. Operating at the community level, Gram Vikas works with the poor and marginalized to provide access to basic education, sustainable methods of resource use and food security, all in ways that are gender equitable.

**Saúde Criança** (*Public Health Focus*) <http://www.saudecrianca.org.br/en/>

Saúde Criança works in Brazil to create self-sufficiency in families and improve their home environments with the end goal of reducing illness in children. Saúde Criança attempts to address the multidimensional aspects of poverty and illness by using a multidisciplinary approach. Through working with individual families, solutions are tailor made for each family and seek to promote autonomy and dignity within families while finding health and poverty solutions.

**APOPO** (*Health/Landmine Removal Focus*) <https://www.apopo.org/en>

APOPO is an organization that seeks to provide low cost solutions for humanitarian problems. Based in Tanzania, APOPO trains African Giant Pouched Rats to detect land mines via scent. These trained rats, who unlike, metal detectors, only react to explosives aromas and not to metal refuse, can also be trained for much less than dogs. So far, APOPO's "sniffer rats" have been used to destroy over one hundred thousand landmines in countries such as Cambodia, Angola, and Mozambique (among others), freeing almost one million people from the threat of explosives.

**Camfed** (*Educational/Poverty Reduction Focus*) <https://camfed.org/>

Camfed provides access to education to disadvantaged girls and women in sub-Saharan Africa. Beginning with education, Camfed's end goal is to create systemic change that is advanced by gender equality. Other goals include declining the rate of child and maternal mortality, reducing poverty and fostering climate change resilience.

**EcoPeace Middle East** (*Environmental Sustainability Focus*) <http://ecopeaceme.org/>

EcoPeace Middle East is an organization that brings together environmentalists from Jordan, Palestine and Israel. They work to create sustainability in the ecosystems that transcend their borders, and in doing so, work to foster peace and cooperation between the three nations. EcoPeace Middle East is able to create a singular vision and present it to audiences in all three nations.

**One Acre Fund** (*Agriculture Focus*) <https://oneacrefund.org/>

The One Acre Fund is Africa's largest network of smallholder farmers. Founded in Kenya in 2006, the One Acre Fund now works with over six hundred thousand small farmers in six African countries. Their prime directive is to create a future where each farmer has the tools they need to ensure their own success. Through the promotion of farmers, the One Acre Fund hopes to help eradicate hunger as they give farmers tools to not only feed themselves, but their communities as well.

# Key Social Enterprise Organizations and Institutions

- [Ashoka](#)
- [B Lab](#)
- [Duke Innovation and Entrepreneurship Initiative](#)
- [EMES International Research Network](#)
- [Lee Chin Institute](#)
- [Skoll Foundation](#)
- [Social Enterprise Alliance \(SEA\)](#)
- [Social Enterprise UK](#)
- [Social Venture Network](#)
- [Stanford Social Entrepreneurship Hub](#)

More information about social enterprise (and other sustainable business approaches) can be found on the [Lee-Chin Institute's website](#).

## About the Lee-Chin Institute

The Lee-Chin Institute helps business leaders integrate sustainability into business strategy and practices by actively developing and disseminating research, tools and curricula. Currently, our research focuses on three themes: sustainability strategy, social entrepreneurship, and impact investment/responsible investment. For more information about the Institute and what we do, check out our [website](#) or follow us on [Twitter](#) and [LinkedIn](#).